

Roll No.

Total No. of Printed Pages – 15

Total No. of Questions – 6

Maximum Marks – 70

GENERAL INSTRUCTIONS TO CANDIDATES

1. The question paper comprises two parts, Part I and Part II.
2. Part I comprises Multiple Choice Questions (MCQs).
3. Part II comprises questions which require descriptive type answers.
4. Ensure that you receive the question paper relating to both the parts. If you have not received both, bring it to the notice of the invigilator.
5. Answers to Questions in Part I are to be marked on the OMR answer sheet only. Answers to questions in Part II are to be written on the descriptive type answer book. Answers to MCQs, if written in the descriptive type answer book, will not be evaluated.
6. OMR answer sheet will be in English only for all candidates, including for Hindi medium candidates.
7. The bar coded sticker provided in the attendance register, is to be affixed only on the descriptive type answer book. No bar code sticker is to be affixed on the OMR answer sheet.
8. You will be allowed to leave the examination hall only after the conclusion of the exam. If you have completed the paper before time, remain in your seat till the conclusion of the exam.
9. Duration of the examination is 3 hours. You will be required to submit (a) Part I of the question paper containing MCQs, (b) OMR answer sheet thereon and (c) the answer book in respect of descriptive type answer book to the invigilator before leaving the exam hall, after the conclusion of the exam.
10. The invigilator will give you acknowledgement on Page 2 of the admit card, upon receipt of the above-mentioned items.
11. Candidate found copying or receiving or giving any help or defying instructions of the invigilators will be expelled from the examination and will also be liable for further punitive action.

PART – II

70 marks

1. Question paper comprises 6 questions. Answer Question No. 1 which is compulsory and any 4 out of the remaining 5 questions.
2. Working notes should form part of the answer.
3. Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.
4. All the questions should be answered on the basis of position of (i) GST laws as amended by significant notifications/circulars issued till 31st October, 2020 and (ii) Customs law as amended by Finance Act, 2020 and significant notification/circulars issued till 31st October, 2020.

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PART – II

1. MS Ltd is a GST registered company. During the month of October, 2020, 14 the company has the following transactions and wants you to work out the GST output liability, admissible input tax credit and the amount that will have to be paid in cash by the company to the Government before taking you as a Manager in the company. There is no carry forward amount in respect of any of the items to be considered for the purpose of calculations other than what is mentioned specifically below.

Rate of IGST can be taken as 18%, CGST 9% and SGST 9% on all goods and services except GTA service/transportation service and restaurant service for which CGST and SGST rate would be 2.50% each and IGST rate would be 5%. The amounts indicated for all the items are without including the CGST and SGST or IGST element. Whether a supply attracts IGST or CGST/SGST has to be determined on the basis of details given.

The company has indicated to you that the GST liability for October, 2020 for their main product alone is ₹ 54 lakh of CGST and SGST each and ₹ 72 lakh IGST and the eligible credit on the inputs and input services for the October, 2020 is ₹ 1.45 crore IGST and ₹ 20 lakh each towards CGST and SGST which can be straightaway taken for calculations.

Company has provided other details which is not part of the above to you as under :

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S. No.	Details of the transaction
i	During the month of October 2020, the company offered a special discount of 25% on a product, the sale of which it intended to discontinue from 1 st December 2020 onwards and issued credit notes to the dealers. This product was lying in stock with the dealers and the discount offered to the customers was borne by the company by issuing the credit note. The amount reimbursed to the dealers for the discounts given to the customers in the month of October 2020 was ₹ 36,00,000 in the course of inter-state.
ii	The company sold a van used for personal transport by auction. The van had been purchased at ₹ 3,20,000. The depreciated value at the time of sale was ₹ 1,40,000. No GST credit was taken. The van was sold for an amount of ₹ 1,50,000 during the month of October 2020 in the course of intra-state.
iii	The company has a policy of raising invoices separately towards transportation cost of their products on their dealers at the time of invoicing for the products sold to them. The company is collecting GST at 5% on all transactions and the amount is collected as a percentage of the value of the goods supplied irrespective of the distance involved. The amount collected during the month of October 2020 towards transportation in intra-state transaction is ₹ 6 lakh and inter-state transactions is ₹ 4 lakh.

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iv	The security establishment of the company caught an employee who had stolen bearings of value ₹ 2.50 lakh during the month of October 2020. Bearings could not be recovered. But the company successfully recovered the cost from the employee. IGST credit of ₹ 45,000 had been taken by the company on these bearings.
v	The company supplies food and beverages to the employees and all the items are priced at 10% of the actual cost to the company. During the month of October, 2020 the company had charged ₹ 50,000 to the employees. Assume it is intra-state transaction.
vi	During the month of October, 2020, the company purchased 10 mobile phones on its name and distributed to the employees to enable them to perform their duties more efficiently for the company. Total price of the phones was ₹ 1,20,000. At the end of the month company sold these mobiles to employees and company recovered only ₹ 20,000 from the employees. Assume it is intra-state transaction.
vii	The company's registered office is located in a building which belongs to the local Municipality. The monthly rent is ₹ 1.50 lakh per month.
viii	The whole-time director of the company was paid a salary of ₹ 5 lakh during the month. He was also paid ₹ 20,000 towards sitting fees for his participation in the meeting.

Give a brief note to support your treatment for the items wherever required.

Note : Company want to pay minimum amount of SGST as far as possible.

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2. (a) Mr. Yash, doing business in the state of Kerala, commenced his business in the month of April 2020 and provides the following further information. 5

(i) His intra-state turnover for the first two quarters was as follows :

April, 2020 – June, 2020 – ₹ 20 lakh

July, 2020 – September, 2020 - ₹100 lakh

(ii) In each of the quarter, exempt supply made by him was 25% of the total turnover for the said quarter.

(iii) Since the product supplied by him was eligible for composition scheme, he opted for registration under composition scheme with effect from 1st July 2020 .

You are required to compute the tax payable by Mr. Yash from the above information under GST laws :

(i) If he is a manufacturer

(ii) If he is a trader

- (b) When lock down was announced due to Corona virus, BCD Ltd. 4
decided that he would sell his own branded groceries at 20% of the cost to any organisation who is providing free food and groceries to the poor and needy as his contribution to the nation. The details of the transaction from April, 2020 to September, 2020 during which he had done this are given below.

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Sl. No.	Particulars	Amount in rupees
i	Total turnover (excluding GST) of branded groceries and food grains during the period as per the invoices issued and accounted for GST purposes (Actual value of the goods is ₹ 30 Crores)	6 Crore
ii	Tax paid on the security and maintenance services during the period	CGST – 1.35 lakh SGST – 1.35 lakh
iii	Tax paid on the rent paid on the warehouse for storage of goods and for undertaking packing etc.	CGST – 4.50 lakh SGST – 4.50 lakh
iv	Tax paid on packing materials and printing charges on packing materials	CGST – 11.15 lakh SGST – 11.15 lakh

What is the value to be adopted for the purpose of payment of GST ?

Compute the admissible input tax credit and output tax liability and indicate whether any tax has to be paid in cash. Assume the rate of CGST and SGST as 2.50% each on the branded groceries and food grains and all sales are intra state only.

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- (c) An importer imported a machine from Germany. The vessel carried the machine up to Chennai port and from the Chennai port the machine was transhipped to Kandla port. Determine the assessable value under Customs Act, 1962. Conversion to Indian rupees has already been done wherever required.

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Sl. No.	Particulars	Amount in Rupees
i	Basic cost of the machine at the factory in Germany	2,00,000
ii	Transport charges of the machine from the factory in Germany to the load port for transportation to India	10,000
iii	Loading and handling charges at the load port in Germany for loading the machine on the ship	2,000
iv	Freight charges payable to the shipping company for transport to India	10,000
v	Insurance charges paid but not ascertainable	—
vi	Transshipment charges from Chennai to Kandla port	5,000
vii	Unloading and handling charges paid at Kandla port	2,000

Provide brief note to support your conclusion wherever required.

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3. (a) **SRK Limited, registered under GST, is engaged in sale of fabrics as** **5**

well as doing job work of knitting of yarn for garment manufacturers.

The company provides the following information in respect of order received for both sale of fabrics and job work.

Event	Supply of Fabrics	Job work of Knitting
Date of confirmation of order	01-08-2020	10-09-2020
Date of receipt of advance of ₹ 100000 each	05-08-2020	12-09-2020
Date of removal of goods on completion of order	10-08-2020	15-09-2020
Date of issue of invoice for full amount	15-08-2020	20-09-2020
Date of receipt of balance payment of ₹ 50,000 each	25-08-2020	25-09-2020

Determine the time of supply for the purpose of payment of tax under CGST Act, 2017, in respect of the above orders executed by the company.

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(b) XYZ Ltd. has obtained a loan from a foreign bank. The company does

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not have an account with the foreign bank from whom it has taken the loan. Whether RCM liability under GST laws should be discharged in this regard for import of services received in relation to the loan ?

Provide relevant legal provisions in support of your answer.

(c) Mr. Chandrakant imported a car from Britain.(UK) After the car

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arrived in the port and was unloaded, he went and saw the car and found that it was damaged and it was possible to get the car repaired and use it. The examination by Customs for the purpose for assessment is not over. He has come to you seeking advice as to what are the options available to him under the Customs Act, 1962 ?

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4. (a) In the month of April 2020, Z started supply of goods in his proprietary firm and also set up a one-man company named Z Ltd. He needs your assistance to work out his aggregate turnover for the purpose of GST registration. The turnover details up to the month of July, 2020 are as under :

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S. No	Particulars of supplies	Amount (₹ in Lakh)
i	Supplies of taxable goods of his firm	31.50
ii	Supplies of taxable goods to a 100% EOU of his firm	1.50
iii	Exports of taxable goods of his firm	2.60
iv	Exempt supplies of his firm	2.40
v	Supplies of non-taxable goods of his firm	3.00
vi	Supplies of taxable goods by the one-man company set up in his name	2.70
vii	Value of supplies on which Z is liable to pay tax under Reverse Charge Mechanism (RCM)	0.80

Note : All his supplies are intra-state except export.

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(b) Candidates are required to attempt either part (i) or part (ii)

- (i) DF Ltd. exported goods valued ₹ 50 lakh and received refund of Integrated tax paid amounting to ₹ 9 lakh on 16th August, 2020. He could realise export proceeds to the extent of ₹ 25 lakhs but did not realise the balance export proceeds within the prescribed time limit of 9 months and has applied for extension of time to RBI. There is no dispute about the supply of the goods as regards quality, time of supply and fulfilment of terms and conditions of sale. He wants you to inform him of the consequences in case RBI does not give him extension under GST law. 4

OR

- (ii) Decide with reason whether e-way bill is required to be issued under CGST Act, 2017 in the following independent cases :

- (a) Square Ltd, registered in Andhra Pradesh sends goods to its job worker Cube & Co in Karnataka, which is also registered under GST. Value of the consignment was ₹ 45,000. (including GST) 2

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- (b) Mr. Bheeshma of Telangana started doing business in notified handicraft products as a casual taxable person. He got his first order of ₹ 30,000 from Tamil Nadu which he transports. He is not registered under GST since he has a threshold limit of ₹ 20 lakh. 2

- (c) Determine the customs duty payable under the Customs Tariff Act, 1975 including the safeguard duty of 25% under Section 8B of the said Act with the following information made available by the importer : 5

Assessable value of Fibre Granules imported from three developing countries during July 2020	₹ 25,00,000
Share of imports of Fibre Granules from three developing countries taken together against total imports of Fibre Granules to India	10%
Rate of Basic customs duty	10%
Rate of Integrated tax	12%
Rate of Social welfare surcharge	10%

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5. (a) Discuss the amount of tax and penalty to be paid if any, in the following independent cases where SCN are issued under Section 74 of the CGST Act, 2017.

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S. No.	Date on which credit was taken wrongly	Amount of input tax credit taken wrongly (₹ in lakh)	Present status
1	31 st January, 2018	200	Adjudication order passed on 26 th July, 2020 demanding the entire amount of credit with interest and imposing amount equal to the credit as penalty.
2	30 th June, 2018	250	Adjudication order passed on 26 th August, 2020 demanding the entire amount of credit with interest and imposing amount equal to the credit as penalty.
3	30 th October, 2018	120	Show cause notice has been issued on 5 th September, 2020 demanding the entire amount of credit with interest and proposing penalty equal to 100% of the credit taken.

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4	30 th January, 2019	50	Statement of the Managing Director has been recorded on 6 th September, 2020 wherein he has admitted the non-receipt of the inputs and availing the credit wrongly.
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Note : In all the cases assessee want to pay the amount on 20-09-2020.

(b) Discuss the validity of the following independent cases under the provisions of CGST Act, 2017 :

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(i) CGST Officer had issued a notice u/s 74(1) against which appeal was preferred by the assessee. Appellate Authority concluded that the notice issued u/s 74(1) is not sustainable for the reason that charges of fraud has not been established. Now the officer wishes to determine the tax payable by treating the said notice as if it was issued u/s 73(1). Is the action of the officer valid?

(ii) CGST Officer issued an adjudication order which did not specify payment of interest on the tax short paid by the registered person. So, the assessee contends that interest cannot be demanded as the said order is silent on the same. Is the contention of the assessee correct ?

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- (c) (i) Compute the interest payable to an exporter in the following case of delayed payment of drawback as per the Customs Act, 1962. The claim was made on 30th June 2020 for ₹ 80,000 and was settled on 15th September 2020. **3**
- (ii) Compute the interest payable by the exporter under Customs Act, 1962 in the case of recovery of ₹ 10,000 paid erroneously on 3rd July, 2020. Demand for recovery was issued on 5th September, 2020 and the exporter paid back the amount on 3rd November, 2020. **2**
6. (a) Discuss the liability of partners of firm to pay tax, interest and penalty under Section 90 of the CGST Act, 2017. **4**
- (b) Explain the provisions relating to assessment of unregistered persons by the proper officer under Section 63 of CGST Act, 2017. **5**
- (c) List the important aspects to be borne in mind in claiming drawback under Section 75 of Customs Act, 1962 on imported materials used in the manufacture of export goods. **5**
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