

FINAL EXAMINATION

June 2023

P-19(ITLP)
Syllabus 2022

INDIRECT TAX LAWS AND PRACTICE

Time Allowed: 3 hours

Full Marks: 100

The figures in the margin on the right side indicated full marks.

Wherever required, the candidate may make suitable assumption(s) and state the same clearly in the Answer.

Working notes should form part of the relevant answer.

Answer **Question No. 1 and 8** which are **compulsory** and **any four** from Question No. 2 to Question No. 7

SECTION-A

1. Choose the most appropriate alternative and give justification in each case. 1 mark allotted for correct section and 1 mark for justification. 2×12= 24

- (i) X & Co., registered under the normal provisions of the IGST Act, received a "No claim bonus" (NCB) of ₹ 34,000 from their insurers while paying the insurance premium on an eligible asset. This amount was allowed as deduction by IC, the insurer from the insurance premium paid by X & Co. The treatment of NCB in the context of supply of services is:
- (A) Such NCB is treated as the value of supply of service provided by X & Co. to IC
 - (B) 50% of such amount is treated as the value of supply of service provided by X & Co. to IC
 - (C) 75% of such amount is treated as the value of supply of service provided by X & Co. to IC
 - (D) It is not to be regarded as supply provided by X & Co. to IC
- (ii) RT Liners, registered to GST under normal provisions, has provided services of transportation of goods from Mumbai to Dubai. As regards, such supply made on 12-12-2022, the position is:
- (A) The place of supply is Dubai and RT Liners can take ITC.
 - (B) The place of supply is Dubai but RT Liners cannot take ITC.
 - (C) The place of supply is Mumbai and RT Liners can take ITC.
 - (D) The place of supply is Mumbai but RT Liners cannot take ITC.

- (iii) R, a registered person under normal provisions, purchased (first purchase) taxable goods from a registered supplier S on 1-5-2022 for ₹ 1,00,000 plus IGST at 18%. He has paid 40% to S within 180 days and balance is pending as on 1st June, 2023. R Purchased taxable goods from S on 2-11-2022 for ₹ 2,00,000 plus IGST at 18%. He has paid 60% to S within 180 days and balance is pending as on 1st June, 2023. As regards the availment of ITC and reversal thereof, the position is
- (A) For first and second purchases, entire ITC of ₹ 54,000 (18,000 + 36,000) has to be reversed by R
 - (B) For both first and second purchases, entire ITC of ₹ 54,000 (18,000 + 36,000) need not be reversed by R
 - (C) For both first and second purchases, proportionate ITC of ₹ 25,200 (18,000*60% + 36,000*40%) need not be reversed by R
 - (D) For the first purchase, entire amount of ITC has to be reversed and for second purchase, only 40% has to be reversed by R.
- (iv) Y, a registered person purchased taxable goods from S on 12-4-2022. Y was forced to reverse ITC to the tune of ₹ 3,00,000 since S did not furnish GSTR-3B till 30th September, 2022. Subsequently on 1-11-2022, S has furnished GSTR-3B. As regards Y, the option as regards fresh availment of the above ₹ 3,00,000 is:
- (A) Y cannot avail the ITC in any future period
 - (B) Y can avail ₹ 1,50,000 in any subsequent tax period.
 - (C) Y can avail ₹ 3,00,000 in any subsequent tax period, without the prior permission of the Department.
 - (D) Y can avail ₹ 3,00,000 in any subsequent tax period, with the prior permission of the Department.
- (v) GH kart, an e-commerce operator, has a registration for TCS. On 29-12-2022, it wants to close the said registration. The following is the position relating to the cancellation of registration:
- (A) Once registration is granted, it shall stand till the GST is surrendered.
 - (B) GH kart can apply for cancellation of registration when it is no longer required to collect TCS.
 - (C) Registration can be cancelled only by the GST authority upon an enquiry.
 - (D) Registration can be cancelled only by the GST authority upon an enquiry or pursuant to any proceeding under the GST law.

- (vi) Danube is an e-commerce operator, providing taxable services to Indian residents through its e-commerce portal. It intends to provide a taxable service to a recipient on 28-12-2022. The need for furnishing address of the recipient along with PIN code arises when:
- (A) The value of taxable services exceeds ₹ 50,000
 - (B) The value of taxable services exceeds ₹ 1,00,000
 - (C) The value of taxable services exceeds ₹ 1,50,000
 - (D) The value of taxable services is below ₹ 50,000
- (vii) DF Bank is a banking company and is an entity exempted from mandatory generation of invoice under Rule 48(4). On 29-12-2022, it supplies bullion to a client. The position as regards generation of invoice now is:
- (A) DF Bank is not required to generate mandatory invoice for any supply.
 - (B) DF Bank is not required to generate mandatory invoice for such supply, if the value exceeds ₹ 10 lakhs.
 - (C) DF Bank is not required to generate mandatory invoice for such supply, if the value exceeds ₹ 50 lakhs.
 - (D) DF Bank is not required to generate mandatory invoice for all taxable supplies hereinafter.
- (viii) RT, a registered person in Karnataka, having annual turnover of 3.2 crores, has filed the annual GST return for the FY 2022-23 belatedly, by 43 days. The amount of late fee chargeable is:
- (A) ₹ 1,28,000
 - (B) ₹ 2,150
 - (C) ₹ 4,300
 - (D) Nil

- (ix) Which of the following deposits is not exempt from the provisions of electronic cash ledger under the Customs Act, 1962:
- (A) In customs stations where automated systems are not in place, where the duty payable is less than ₹ 2 lakhs
 - (B) In customs stations where automated systems are not in place
 - (C) For accompanied baggage
 - (D) For payment of IGST
- (x) Under the Customs Act, 1962, duty drawback is permissible, inter alia, where the goods originally imported, are re-exported with a period of:
- (A) One year
 - (B) Two years
 - (C) Three years
 - (D) Four years
- (xi) RT, a non-SEZ unit, warehoused the imported goods on 12-12-2022 and removed them after 120 days. The customs duty payable as on the date of warehousing is ₹ 2,30,000. The duty as on the date of removal is ₹ 3,20,000. The interest payable under the Customs Act, 1961 in this regard is (interest rate, rate to be applied on what customs duty?):
- 1. 15% p.a.
 - 2. 12% p.a.
 - 3. ₹ 2,30,000
 - 4. ₹ 3,20,000
- (A) 1, 3
 - (B) 1, 4
 - (C) 2, 3
 - (D) 2, 4
- (xii) The charging section for the Customs Act, 1961 is section:
- (A) 2
 - (B) 3
 - (C) 4
 - (D) 12

SECTION-B

2. (a) Manihar Enterprises, registered in Delhi under normal GST provisions, is engaged in the supply of various goods and services exclusively to Government Departments, agencies etc. and persons notified under section 51. It has provided the information relating to the supplies made, their contract values and the payment due against each of them in the month of October, 2022 respectively as under:

S. No.	Particulars	Total contract value (inclusive of GST) (₹)	Payment due in Oct, 2022 (₹)
(i)	Interior decoration of Andhra Bhawan located in Delhi. Service contract is entered into with the Government of Andhra Pradesh (registered only in Andhra Pradesh)	12,39,000	12,39,000
(ii)	Supply of printed books and printed post cards to a West Delhi Post Office [Out of total contract value of ₹ 9,72,000, contract value for supply of books (exempt from GST) is ₹ 7,00,000 and for supply of printed post cards (taxable under GST) is ₹ 2,72,000.]	9,72,000	50,000 for book & 20,000 for printed post cards

You are required to determine the amount of GST, if any, to be deducted from each of the receivable given above assuming the rate of CGST, SGST and IGST as 9%, 9% and 18% respectively.

Will your answer be different, if Manihar Enterprises is registered under the Composition Scheme? 5

- (b) M/s. Drithi Manufacturers, registered in West Bengal under normal GST provisions, sold air-conditioner to R, a retail seller in Bhubaneswar, at a value of ₹ 49,000 (excluding GST leviable @ 18%). Now, it wants to send the consignment of air-conditioning machine to R in Bhubaneswar. You are required to advise M/s. Drithi Manufacturers on the following issues along with suitable explanations:

(i) Whether e-way bill is mandatorily required to be generated?

(ii) What will be the consequence for non-issuance of e-way bill? 5

- (c) Explain the conditions for refund of Import duty as per the Customs Act, 1962. 5

3. (a) Based on the following information, determine the time of supply (Year: 2022):

S. No.	Event	Date
1	Commencement of provision of service	05th June
2	Completion of service	10th October
3	Invoice issued	20th October
4	Payment received by cheque and entered in the books	15th October
5	Amount credited in Bank account	18th October
6	Rate changed from 12% to 18%	16th October

Note: Assume that all the days covered in the above case are working days.

- (b) What are the contents contained in Form GSTR-3B? 4
- (c) What are the following supplies considered as deemed exports under the GST law in respect of (i) Goods supplied by a manufacturer, and (ii) Goods supplied by a Main contractor/sub-contractor. 6
4. (a) ER & Co, is registered in the State of Maharashtra and is providing various kinds of services to its clients in Mumbai. The following details pertaining to the month of August, 2022 are furnished to you (Amounts are excluding GST, if any):

Sl. No.	Particulars	Amount (₹ in lakhs)
I	6 buses each with seating capacity of 60 passengers, given on hire to Maharashtra State Undertaking (MSU), buses being run on routes determined by the MSU	7.2
II	Goods transport services received from a GTA for transporting goods in respect of aforesaid 6 buses	2.4
III	Transportation of passengers by metered cabs supplied by M Kart, an e-commerce operator	11
IV	Fumigation services provided to agricultural warehouses	18

Determine the total value of taxable services and the minimum GST payable in cash by ER & Co for the given tax period. Furnish reason for treatment of each item. If any item is taxable, rate may be taken at 18% (9%+9%), except for (II) which rate is 12%. 9

- (b) Answer the following with reference to the provisions of the Customs Act, 1962 and rules made thereunder:
- (i) Mr. A filed a claim for payment of duty drawback amounting to ₹ 50,000 on 30th July. However, the amount was received on 28th October. You are required to calculate the amount of interest payable to Mr. A on the amount of duty drawback claimed.

- (ii) Mr. X was erroneously refunded a sum of ₹ 20,000 in excess of actual drawback on 20th June. A demand for recovery of the same was issued by the Department on 28th August. Mr. X returned the erroneous refund to the Department on 20th October. You are required to calculate the amount of interest chargeable from Mr. X.

Provide brief reasons for your answer. Interest rate applicable @ 15% under section 28AA of Customs Act, 1962. 6

5. (a) OTP Ltd. is planning to open a unit in Special Economic Zone. You are approached by the CEO of the company to seek consultancy in respect of SEZ approval Mechanism. You are requested to Analyze this case and provide a list (process) of SEZ approval Mechanism so that the leadership team of the company can take appropriate decision. 7

- (b) A show cause notice was issued to Amit Furnishers, Jaipur, a registered supplier, pursuant to an audit conducted by the tax authorities under section 65 of the CGST Act, 2017, alleging that it had wrongly availed the input tax credit without actual receipt of goods for the month of July 2022. In the absence of a satisfactory reply from Amit Furnishers, Joint Commissioner of Central Tax passed an adjudication order dated 20th August, 2022 (received by Amit Furnishers on 22nd August, 2022) confirming a tax demand of ₹ 50,00,000 (i.e., CGST ₹ 25,00,000 and SGST ₹ 25,00,000) and imposing a penalty of equal amount under section 122 of the CGST Act.

Amit Furnishers does not agree with the order passed by the Joint Commissioner. It decides to file an appeal with the Appellate Authority against the said adjudication order. It has approached you for seeking advice on the following issues in this regard. Critically access and suggest him:

- (i) Can Amit Furnishers file an appeal to Appellate Authority against the adjudication order passed by the Joint Commissioner of Central Tax? If yes, till what date can the appeal be filed?
- (ii) Does Amit Furnishers need to approach both the Central and State Appellate Authorities for exercising its right of appeal? 3+5

6. (a) State the prosecution, arrest and bail implications, if any, in respect of the following independent cases pertaining to June, 2022 under the GST law:

- (i) 'George' fraudulently avails the refund of tax of ₹ 510 lakh. The said tax has been recovered from the buyer also. 2
- (ii) 'Abdul' collects ₹ 720 lakh as tax in January from its clients but has deposited only ₹ 120 lakh with the Central Government till date. 2
- (iii) 'Rohan' wilfully evades payment of tax of ₹ 480 lakh 2

- (b) ABC Ltd. exported 1000 watches @ ₹ 1,200 per watch. The watches are also sold in the domestic tariff area (i.e. DTA) 1000 watches @ ₹ 900 per watch. Input tax credit on inputs and input services is ₹ 14,00,000 is available for the relevant tax period. GST applicable rate is 18%.

Find the net GST payable for DTA clearances and refund of tax if any?

4

- (c) Arihant Industries has imported a machine from the U.K. on 14-1-2023. From the following particulars furnished by it, arrive at the assessable value for the purpose of customs duty payable:

5

Sl. No.	Particulars	Amount
(i)	Price of the machine	10,000 U.K. Pounds
(ii)	Freight (air)	3,000 U.K. Pounds
(iii)	Engineering and design charges paid to a firm in U.K.	500 U.K. Pounds
(iv)	License fee relating to imported goods payable by the buyer as a condition of sale	20% of Price of machine
(v)	Materials and components supplied in UK by the buyer free of cost valued at ₹ 20,000	
(vi)	Insurance paid to the insurer in India	₹ 6,000
(vii)	Buying commission paid by the buyer to his agent in U.K.	100 U.K. Pounds

Other information:

- (i) Inter-bank exchange rate: ₹ 98 per U.K. Pound.
- (ii) CBIC had notified for purpose of section 14 of the Customs Act, 1962, exchange rate of ₹ 100 per U.K. Pound.
- (iii) The importer paid ₹ 5,000 towards demurrage charges for delay in clearing the machine from the Airport.

7. (a) What are the advantages of GSTN portal?

5

- (b) Mala Associates is engaged in supplying taxable services in Kerela. The Assistant Commissioner of Central Tax passed an adjudication order under section 73 which was received by Mala Associates on 18th October. In the said order, GST liability of ₹6,00,000 (CGST + SGST) was decided along with interest payable @ 18% p.a. for number of delayed days and a penalty of ₹ 60,000. Mala Associates was in complete disagreement with said order. So, it filed an appeal before the Appellate Authority on 31st October.

Determine the amount of pre-deposit to be made by Mala Associates for filing the appeal.

Will your answer would be different if Mala Associates appeals only against part of the demanded amount, say ₹ 4,00,000 and admits the balance liability of tax amounting to ₹ 2,00,000 and proportionate penalty arising from the said order? 5

- (c) Padmavati, an Indian resident (36 years old) who was on a visit to China, returned after 6 months. She was carrying with her the personal effects and jewellery 25 grams (purchased in China) worth ₹ 75,000 each. Further, she was carrying a laptop computer worth ₹ 60,000 and a music system worth ₹ 50,000 with her.

Compute the customs duty payable by Padmavati with reference to the Baggage Rules, 2016. Ignore Agriculture infrastructure and development cess. 5

SECTION-C

8. (a) Case Study in GST

ABC Company Ltd. of Bengaluru is manufacturer and registered supplier of heavy machines.

ABC Company Ltd also supplies the following goods and services for construction of buildings and complexes -

- Excavators for required period at a per hour rate
- Manpower for operation of the excavators at a per day rate (as and when buyer need)

Receipts of outward supply (exclusive of GST) for the month of November, 2022 are as follows:

Items	[₹]
Sale of machines	12,00,000
Hiring receipts for excavators	1,35,000
Service charges for supply of man power operators	50,000

Assume all the above transactions are inter-state and the rates of IGST to be as under:

Sale of machine 5 %, Service of hiring of excavators 12 % and Supply of man power operator service 18%.

Details of GST paid on inward supply are as follows during the month:

Items	CGST paid [₹]	SGST paid [₹]
Health Insurance of factory employee as per policy of Company.	50,000	50,000
Raw materials for which invoice received and GST paid for full amount but only 50 % of material received remaining 50 % will be received in next month	26,000	26,000
Work contractor's service used for installation of plant and machinery	90,000	90,000
Purchase of car used by director for the business meetings only	25,000	25,000

Details of other Input Services:

Sl. No.	Particulars
(i)	Rent of one office building paid to State Government ₹ 1,00,000 taxable @ 9% CGST, 9% SGST and 18 % IGST
(ii)	Paid ₹1,50,000 for transportation of goods by road, to local Goods Transport agency which paying CGST and SGST @ 6% each

Notes:

- (i) All the amount stated above in both the tables are exclusive of GST, wherever applicable.
- (ii) Aggregate turnover of company in previous year was ₹ 5 Crore.
- (iii) Opening balance of input tax credit was NIL.

From the above information, formulate the strategy such that the followings can be moderate for the month of November 2022:

- (a) Gross tax to be paid under forward charges
- (b) Tax to be paid under reverse charges
- (c) Input Tax credit Available for payment of Tax for November, 2022
- (d) Net Tax liability to be paid in cash of November 2022 2+2+3+1=8

(b) Case Study in Customs

Sunil overseas Ltd of Bengaluru , had imported a machine from U.K (England) by vessel, and paid the customs duty, now after some days they got notice of demand from custom department regarding short payment of duties, company approaches you with the following details of the transaction to determine the correct amount of duties:

Sl. No.	Particulars	Amount U.S. (\$)
(i)	Cost of the machine at the factory of the exporter	25,000
(ii)	Transport charges from the factory of exporter to the port for shipment	700
(iii)	Handling charges paid for loading the machine in the ship at the port of exportation	500
(iv)	License fee relating to imported goods payable by the importer as a condition of sale	950
(v)	Actual Freight charges from port of export to port of import are not ascertainable	—
(vi)	Actual insurance charges paid	300
(vii)	Landing charges paid at the place of importation are not ascertainable	—

(i)	Handling charges associated with the delivery of the imported goods at the place of importation	₹ 16,000
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Other Information:

1	Bill of entry:	Dated 20.10.2022 On that day: (a) Exchange rate as notified by CBIC 1 US \$ = ₹ 73 (b) Exchange rate as prescribed by RBI 1 US \$ = ₹ 74 (c) Basic Custom duty (BCD) rate was 10 %
2	Entry inward:	Dated 18.10.2022 On that day: (a) Exchange rate as notified by CBIC 1 US \$ = ₹ 71 (b) Exchange rate as prescribed by RBI 1 US \$ = ₹ 72 (c) Basic Custom duty (BCD) rate was 15%
3	Rate of social welfare surcharge is 10%	
4	Integrated tax leviable under section 3(7) of Customs Tariff Act,1975 @ 12%.	
5	Ignore GST Compensation Cess.	

From the above information formulate with your reasons behind the followings value that you would like to determine with regard to Customs law in India, with appropriate working notes and legal provisions:

- (a) What should be the rate of exchange and rate of basic customs duty and with appropriate reason? 1
 - (b) Workout customs FOB price in Indian rupee and the CIF/ Assessable value in Indian rupee. 5
 - (c) Company want to know on which amount integrated tax shall be calculated and also the total amount of all customs duties to be paid. 2
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SUGGESTED ANSWERS TO QUESTIONS
SECTION-A

1.

- (i) (D)
- (ii) (Any)
- (iii) (Any)
- (iv) (Any)
- (v) (Any)
- (vi) (Any)
- (vii) (Any)
- (viii) (Any)
- (ix) (D)
- (x) (B)
- (xi) (A)
- (xii) (D)

SECTION- B

2. (a)

Particulars	Total contract value (Rs.)	Payment due (Rs.)	Tax to be deducted		
			CGST (₹)	SGST (₹)	IGST (₹)
Interior decoration of Andhra Bhawan located in Delhi.	12,39,000	12,39,000	Nil	Nil	Nil
Supply of printed books and printed post cards to a West Delhi Post Office	9,72,000	--	Nil	Nil	Nil

Note: The total value of Taxable Supply does not exceed Rs. 2,50,000 hence no tax is deductible.

The answer will remain unchanged

even if Manihar Enterprises is registered under composition scheme. Tax will be deducted in all cases where it is required to be deducted under section 51 of the CGST Act, 2017 including the scenarios when the supplier is registered under composition scheme.

2. (b)

- (i) E-way bill is mandatorily required to be generated whenever there is a movement of goods of consignment value exceeding Rs. 50,000, inter alia, in relation to a supply.

Consignment value of goods includes the central tax, State/Union territory tax, integrated tax and cess charged, if any.

Thus, the consignment value of goods, in the given case, will be Rs. 57,820

Since in the given case the movement of goods is in relation to supply of goods and the consignment value exceeds Rs. 50,000, e-way bill is mandatorily required to be generated in respect of movement of goods from West Bengal to Bhubaneswar.

- (ii) Non-issuance of e-way bill may result in the following consequences:

- (a) Imposition of penalty of Rs. 10,000/- or tax sought to be evaded (wherever applicable), whichever is greater.
- (b) Detention and seizure of goods and the conveyance used to transport the said goods and the same will be released only on payment of appropriate penalty.
- (c) Goods or conveyance so detained/seized shall be liable to be sold or disposed if the penalty is not paid within 15 days from the date of receipt of the copy of the order levying penalty.

2. (c)

Conditions to be fulfilled for refund of customs duty

As per Section 26A of the Customs Act, 1962, duty paid on imported goods can be claimed for refund on account of satisfying the following conditions:

(a) Goods are found defective

The goods are found to be defective or otherwise not in conformity with the specifications agreed upon between the importer and the supplier of goods

Provided that the goods have not been worked, repaired or used after importation except where such use was indispensable to discover the defects or non-conformity with the specifications;

(b) Goods are easily identifiable as imported goods

The goods are identified to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs as the goods which were imported;

(c) No drawback claim is made

The importer does not claim drawback under any other provisions of this Act; and

(d) Activities carried out after importation

(i) The goods are exported; or

(ii) The importer relinquishes his title to the goods and abandons them to customs; or

(iii) Such goods are destroyed or rendered commercially valueless in the presence of the proper ½ officer, in such manner as may be prescribed and within a period not exceeding 30 days from the date on which the proper officer makes an order for the clearance of imported goods for home consumption under section 47.

Note: However, the period of 30 days may, on sufficient cause being shown, be extended by the Commissioner of Customs for a period not exceeding three months.

No refund under section 26 is allowed in respect of perishable goods and goods which have exceeded their shelf life.

3. (a)

Time of supply

The explanation to section 14 of the CGST Act, 2017 lays down that the date of receipt of payment is the date on which the payment is entered in the books of account of the supplier or the date on which the payment is credited to his bank account, whichever is earlier.

However, the date of receipt of payment is the date of credit in the bank account if such credit in the bank account is after 4 working days from the date of change in the rate of tax.

In the given case, the payment has been credited in the bank account within 4 working days from the date of change in the rate of tax. Therefore, the date of receipt of payment is 15th October being the date of entry in the books of account of the supplier which is earlier than the date of credit of the payment in the bank account (18th October).

As per section 14(a)(iii) of the CGST Act, 2017, in case of change in rate of tax, if the service is supplied before the change in rate of tax and the invoice is issued after the change in rate of tax but the payment is received before such change in rate of tax, the time of supply is the date of receipt of payment.

Therefore, applying the provisions of section 14(a)(iii) to the given case, the time of supply is 15th October.

3. (b)

Contents of Form GSTR-3B

Form GSTR-3B consists of 6 Tables:

- GSTIN number of Registered Person
- Legal name of Registered Person
- Summary of Outward Supply & Inward Supply under Reverse Charge Bifurcation of Inter-state outward supplies as follows:
 - To unregistered Person

➤ To Composite taxable Person

➤ To UIN Holders

- Summary of eligible ITC claim bifurcated into IGST, CGST & SGST/UTSGT and Cess

- Summary of Exempted, Nil rated and Non-GST inward supplies

Details of payment of tax, which includes Category wise tax payable, ITC availed, TDS credit and Tax) paid in cash along with interest and late fees (Though it is not applicable for initial 2 return. Summary of tax category wise TDS/TCS credit.

3. (c)

The following supplies considered as deemed exports:

A. Goods supplied by a manufacturer:

- Supply of goods against Advance Authorization/Advance Authorization for Annual Requirement/DFIA
- Supply of goods to units located in EOU/STP/BTP/EHTP.
- Supply of capital goods against EPCG authorization.
- Supply of marine freight containers by 100% EOU provided said containers are exported within 6 months by another 100% EOU.

B. Goods supplied by a Main contractor/sub-contractor:

- Supply of goods to projects or turnkey contracts financed by multilateral or bilateral agencies/Funds notified by Department of Economic Affairs (DEA), under International Competitive Bidding.
- Supply of goods to any project where import is permitted at zero customs duty
- Supply of goods to mega power projects against International Competitive Bidding.
- Supply to goods to UN or international organisations.
Supply of goods to nuclear projects through competitive bidding (need not be international competitive bidding).

4. (a)

Value of supply and minimum GST liability:-

Total value of taxable services = ₹ 18,00,000

Minimum GST payable in cash = ₹ 3,24,000

4. (b)

- (i) Interest payable to Mr. A = ₹ 484.93 or 485
- (ii) Interest chargeable to Mr. X = ₹ 1002.74 or 1,003

5. (a)

SEZ Approval Mechanism:

The SEZ approval mechanism is a single-window process provided by a 19-member inter-ministerial SEZ Board of Approval (BoA).

- The developer has to submit the proposal to the state government.
- The state government forwards this proposal to the BoA along with its recommendation within forty-five days.
- The developer or applicant can also directly submit the proposal to the BoA.
- The Board, which has been constituted by the Central Government, and is a 19-member Board takes the decision considering the merits of the proposal. All decisions taken by the Board are by consensus.
- The Board is chaired by the Secretary of the Dept. of Commerce, Ministry of Commerce and Industry.
- The other members are from various bodies and ministries such as the Central Board of Indirect and Customs (CBIC), the Central Board of Direct Taxes (CBDT), Department of Economic Affairs, Dept. of

Commerce, Ministry of Science and Technology, Ministry of Home Affairs, Ministry of Law and Justice, Ministry of Urban Development, etc.

- Once the BoA gives its approval, and the central government notifies the area of the SEZ, units are allowed to be established inside the SEZ.

5. (b)

- (i) An appeal against a decision/order passed by any adjudicating authority under the CGST Act or SGST Act/ UTGST Act is appealable before the Appellate Authority. Thus, Amit Furnishers can file an appeal to Appellate Authority against the adjudication order passed by the Joint Commissioner of Central Tax.

Further, such appeal can be filed within 3 months from the date of communication of such decision/order.

Thus, Amit Furnishers can file the appeal to Appellate Authority on or before 22nd November. Further, the Appellate Authority can also condone the delay in filing of appeal by 1 month if it is satisfied that there was sufficient cause for such delay

- (ii) GST law makes provisions for cross empowerment between CGST and SGST/UTGST officers to ensure that a proper officer under the CGST Act is also treated as the proper officer under the SGST/UTGST Act and vice versa.

Thus, a proper officer can issue orders with respect to both, the CGST as well as the SGST/UTGST laws.

GST law also provides that where a proper officer under one Act (say CGST) has passed an order, any appeal/review/ revision/rectification against the said order will lie only with the proper officers of that Act (CGST Act).

Accordingly, if any order is passed by the proper officer under a SGST Act, any appeal/ review/ revision/ rectification against the said order will lie only with the proper officer under that SGST Act.

Thus, Amit Furnishers is required to file an appeal only with the Central Tax Appellate Authority.

6. (a)

Person	Offence	Prosecution	Arrest	Bail
George	Non-cognizable offence	Upto 5 years	No arrest	Bailable Offence
Abdul	Cognizable offence	Upto 5 year	Arrest can be ordered by Commissioner without arrest warrant	Non-Bailable
Rohan	Non-cognizable offence	Upto 3 years with fine	Arrest can be ordered by Commissioner of Central tax	Bailable Offence

6. (b)

Net GST payable = ₹ Nil

Refund of Tax = ₹ 8,00,000

6. (c)

Assessable value = ₹ 15,30,000

7. (a)

GSTN Portal has the following advantages:

- Enable the user to lodge his complaint and raise tickets himself.
- To provide all required information and reducing to and fro communication between helpdesk and the taxpayers, helping to reach a faster resolution.
- Enable the taxpayer to check the progress of resolution of his complaint by using the ticket number (acknowledgement number generated after a complaint is lodged).
- Check the resolution comments in case the complaint/ticket is closed.
- Based on selection of category/subject and sub-category, portal provides relevant FAQ/pages of User manual to help the user resolve the problem faced by him.

7. (b)

Amount of pre-deposit to be made by Mala Associates

Section 107(6) provides that no appeal shall be filed before Appellate Authority (AA), unless the appellant pays:-

- in full, tax, interest, fine, fee and penalty arising from impugned order, as is admitted by him; and
- 10% of remaining tax in dispute arising from the impugned order subject to a maximum of Rs. 25 crore, in relation to which the appeal has been filed.

However, no appeal shall be filed to AA against an order under section 129(3) [order for payment of penalty for release of detained/seized goods/conveyances], unless a sum equal to 25% of the penalty has been paid by the appellant.

Thus, in the given case, Mala Associates has to make a pre-deposit of 10% of Rs. 6,00,000, which is Rs. 60,000 (i.e. CGST Rs. 30,000 and SGST Rs. 30,000).

However, when Mala Associates admits the liability of Rs. 2,00,000 (CGST + SGST) and disputes only the balance tax demanded of Rs. 4,00,000, it has to make a pre-deposit of:

- (i) Rs. 2,00,000 + Rs. 20,000 [proportionate penalty on tax admitted] + interest @ 18% p.a. payable on the tax admitted for the period of delay, and
- (ii) 10% of Rs. 4,00,000 which is Rs. 40,000.

7. (c)

Customs duty payable by Padmavati = ₹ 28,875

SECTION - C

8. (a)

- a) Gross tax to be paid under forward charges:-

Gross GST liability (IGST) = ₹ 85,200

- b) Tax to be paid under reverse charges:-

CGST = ₹ 9,000

SGST = ₹ 9,000

- c) Input Tax credit Available for payment of Tax for November, 2022:-

CGST = ₹ 99,000

SGST = ₹ 99,000

- d) Net Tax liability to be paid in cash of November 2022:-

CGST = ₹ 9,000

SGST = ₹ 9,000

8. (b)

(a)

- i. Rate of exchange notified by CBIC on the date of presentation of bill of entry is considered [Explanation to section 14 of the Customs Act, 1962]. It will be 1 Yen = ₹ 0.65
- ii. Rate of duty is the rate prevalent on the date of presentation of bill of entry or the rate prevalent on the date of entry inwards, whichever is later [Section 15 of the Customs Act, 1962]. It will be 15%

(b)

Customs FOB in Indian rupee ₹ 19,81,950

Total CIF (Assessable value) = ₹ 23,12,690

(c)

Value for the purpose of levying integrated tax Note: Integrated tax leviable under section 3(7) of the Customs Tariff Act, 1975 is levied on the sum total of the assessable value of the imported goods, customs duties and applicable social welfare surcharge	₹ 25,67,085.90
Total Custom duty payable (rounded off to nearest rupee)	₹ 5,62,446