

FINAL EXAMINATION

June 2026

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 indicate full marks.
All sections are compulsory. Each section contains instructions regarding
the number of questions to be answered within the section.*

*Wherever necessary, candidates may make appropriate assumption(s)
and state the same clearly in the respective answer.*

All working notes must form part of the relevant answer.

Section – A (Compulsory)

1. Choose the correct option:

2×15=30

- (i) In case of Banks, charges for delayed payment of brokerage is _____ and Interest charged on outstanding credit card balance is _____.
(A) Liable to GST; Exempt
(B) Exempt; Liable to GST
(C) Liable to GST; Liable to GST
(D) Exempt ; Exempt
- (ii) Which of the following supply of services are exempt under GST?
(I) Testing of agricultural produce
(II) Supply of farm labour
(III) Warehousing of agricultural produce
(A) (I)
(B) (I) and (II)
(C) (II) and (III)
(D) (I), (II) and (III)
- (iii) Which of the following activities or transactions shall be treated neither as supply of goods nor a supply of services?
(A) Rent of building
(B) Lease of land
(C) Sale of land
(D) All of the above

- (iv) M/s "UNICORN" Capitals Ltd., located in Mumbai, is receiving legal services from a lawyer Mr. Niraj, registered under GST on 15th April, 2025. The aggregate turnover of M/s "UNICORN" Capitals Ltd. in the preceding financial year is ₹ 46 lakh. The information regarding date of payment, invoice etc. is as follows—

Invoice issued by Mr. Niraj on 16th April, 2025

Payment debited in the bank account of M/s "UNICORN" Capitals Ltd. on 6th May, 2025 and same day entered in the books

What is time of supply of services under GST law?

- (A) 16th May, 2025
 - (B) 6th May, 2025
 - (C) 15th June, 2025
 - (D) 16th April, 2025
- (v) Beauty Plaza a modelling agency, registered in Hyderabad having 12 models entered into a contract in Delhi for beauty treatment of their models with Ever Glow Ltd. registered in Chennai but the beauty treatment was done before a fashion show in the city of Kolkata. What is the place of supply under the GST law?
- (A) Hyderabad
 - (B) Kolkata
 - (C) Chennai
 - (D) Delhi
- (vi) In case of sale (supply) of plant & machinery on which ITC is taken, tax to be paid on is—
- (A) Tax on transaction (sale) value
 - (B) Amount equal to ITC availed less 5% for every quarter or part thereof
 - (C) Lower of above two
 - (D) Higher of above two
- (vii) Annual Return is summary of
- (A) GSTR-3B and GSTR-4
 - (B) GSTR-3B and GSTR-1
 - (C) GSTR-1 and GSTR-4
 - (D) All of the above

- (viii) Which of the following category of supply of goods is notified as deemed exports by the government under GST Law?
- (A) Supply of goods by a registered person against advance authorisation (AA)
 - (B) High sea sales
 - (C) Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India
 - (D) Supply of goods to a SEZ Unit for authorised operations
- (ix) Under section 74A of the CGST Act, 2017 the time-limit for issuance of show cause notice in case of non-payment of tax on account of reasons other than fraud, wilful misstatement or suppression of facts, etc. is
- (A) 2 years and 9 months from the due date of filing Annual Return for the Financial Year to which the tax not paid relates to.
 - (B) 42 months from the due date of filing Annual Return for the Financial Year to which the tax not paid relates to.
 - (C) 4 years and 6 months from the due date of filing Annual Return for the Financial Year to which the tax not paid relates to.
 - (D) 60 months from the due date of filing Annual Return for the Financial Year to which the tax not paid relates to.
- (x) What action should be taken by an assessee to satisfy with anti-profiteering provision?
- (A) Reduce rate of tax on any supply of goods or services, if such assessee has got the benefit of such reduced rate
 - (B) Pass on the benefit of input tax credit, if such assessee has got such input tax credit
 - (C) Both (A) and (B)
 - (D) Either (A) or (B)
- (xi) Once a _____ is cleared for home consumption, the bond submitted by the importer gets debited automatically in the customs automated system and the details shall be made available electronically to the Jurisdictional Custom Officer.
- (A) Shipping Bill
 - (B) Entry Inwards
 - (C) Bill of Entry
 - (D) Entry Outwards

- (xii) Determine price to be taken for computing deductive value in rule 7 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007:
Sale quantity: 60 units @ ₹ 90, 65 units @ ₹ 95, 40 units @ ₹ 105, 35 units @ ₹ 100:
(A) ₹ 105
(B) ₹ 100
(C) ₹ 95
(D) ₹ 90
- (xiii) A Gentleman passenger returning to India having resided abroad for more than a year shall be allowed clearance free of duty jewellery in his bonafide baggage to the extent of the following:
(A) ₹ 1,00,000
(B) ₹ 50,000
(C) upto a weight of 20 grams, no amount limit
(D) None of the above.
- (xiv) M/s Poorvisha SHANKAR Ltd. imported a machine from Dubai for business use and paid ₹ 92,000 as import duty. Company used machine and re-exports the same after 15 months 6 days. Calculate the amount of Drawback under Customs Act, 1962.
(A) ₹ 90,160
(B) ₹ 71,760
(C) ₹ 55,200
(D) ₹ 59,800
- (xv) Only projects having a minimum investment of _____ in plant & machinery shall be considered for establishment as EOUs.
(A) Below ₹ 5 crore
(B) ₹ 1 crore
(C) ₹ 10 crores or above
(D) ₹ 100 crores or above

SECTION – B

(Answer **any five** questions *out of seven* questions given. Each question carries **14 Marks**.)

2. (a) With reference to GST law **analyze** the various exemption available to Good Transport Agency on the services provided by it under entry 21, 21A and 21B of Exemption notification No. 12/2017. 7
- (b) With reference to Form GSTR -9 (Annual return) under the GST law **Explain** the followings:
- (i) Taxable persons who are not required to file form GSTR-9
- (ii) Data which are auto-populated in form GSTR-9 7
3. (a) Mr. N.G. Srinivasan engaged in providing various services is registered as a regular taxpayer under GST. He furnished the following information relating to various transactions done for the month of October 2025:

S. No.	Particulars	Amount (₹)
(i)	Provided services by way of pre-conditioning, pre-cooling, ripening and waxing of fruits. The essential characteristics of fruits remain same.	42,00,000
(ii)	Security services received from M/s. KBCL Security Services, sole proprietorship firm, registered under composition scheme at Kanpur, (Uttar Pradesh)	35,000
(iii)	Rent received for renting of land for fish farming.	4,00,000
(iv)	Received price linked subsidy from M/s Happy Days, a registered Charitable Trust.	2,00,000
(v)	Provided services as National Testing Agency to M/s Fine Future Institute, a recognized educational institute for conducting an entrance examination for admission to educational institute.	1,30,000
(vi)	Providing rooms having room charges ₹ 4,600 per day to a person receiving health care services from his established health care clinic.	1,15,000
(vii)	Provided service as an agent of Business Corresponded (BC) to such Business corresponded who is registered at Mumbai.	40,000

All amounts given above are exclusive of taxes wherever applicable

Required:

Calculate the amount of taxable supply on which tax to be paid by N.G. Srinivasan for the month of October, 2025 showing each item separately.

Correct legal reasoning of each item should form part of your answer

- (b) SSAL Industries Ltd. a registered person under GST law at Madurai procured the following goods in the month of November, 2025.

S.No.	Particulars	GST Paid (₹)
(i)	Purchased equipment from Original Equipment Manufacturer (OEM) as an Ex-Works (EXW) contract basis on 27th November, 2025. As per terms of the contract, the goods are to be delivered by the OEM to transporter on behalf of the recipient, at supplier's (OEM) place of business. The OEM handed over the equipment to transporter on 28th November, 2025 but equipment physically received by SSAL Industries Ltd. on 2nd December, 2025. And on that day 50% equipment was received in damaged condition and was not useful at all.	1,30,000
(ii)	Goods used for setting up Telecommunication Towers being immovable property	1,60,000
(iii)	As per the policy of the company, the Managing Director (MD) of the company has taken membership of local sports club on behalf of company. The company paid fees monthly.	5,000
(iv)	Food and beverages purchased for the employees during office hours	12,000
(v)	Account paper for photocopying machine used in administrative office	6,000
(vi)	Goods used for providing services during warranty period	18,000

Required:

Examine the above and **Calculate** the amount of Input Tax Credit (ITC) available with SSAL Industries Ltd. for the month of November, 2025 by giving necessary explanations. Assume, that all the other conditions necessary for availing ITC have been fulfilled.

4. (a) **Demonstrate** any seven activities (check list) to be conducted as auditor to conduct the audit under GST. 7
- (b) With reference to key Advance ruling **Discuss along with reason** and decide whether “Supply of external storage battery with UPS” constitutes as Composite supply or Mixed Supply. 7
5. (a) **Analyze and Determine** the time of supply with reference to section 12 of the CGST Act, 2017 and related circular and clarifications issued, in the following independent cases if supply involves movement of goods under forward charges:

S. No.	Date of removal of goods	Date of issue of invoice	Date when goods made available to the recipient	Date on which payment received
1.	17-03-2025	18-03-2025	19-03-2025	08-04-2025
2.	19-03-2025	17-03-2025	20-03-2025	08-04-2025
3.	20-05-2025	21-05-2025	18-05-2025	08-04-2025

Also discuss in brief the provision related to identify the Time of supply if supply involves movement of goods. 7

- (b) S. Anand lakshmi Forex Solutions Pvt. Ltd., registered in Pune, Maharashtra, operates as a money changer. The company has undertaken the following purchase and sale of foreign currency transactions:
- (i) 1,200 US Dollars were purchased from Bincon traders at the rate of ₹ 79 per US Dollar. RBI reference rate for the US Dollar on that day was ₹ 80.80.
- (ii) 2,600 US Dollars were sold to Meera Exports at the rate of ₹ 78 per US Dollar. RBI reference rate for the US Dollar was not available on that day.

Required:

Discuss the specific rules in brief first and then **Determine** the value of supply in each of the above cases as per the provisions of CGST Rules, 2017, under:

1. Rule 32(2)(b) of the CGST Rules, 2017
2. Rule 32(2)(a) of the CGST Rules, 2017

6. (a) GGTR Pvt. Ltd. imported High Spirit Diesel (HSD) and stored it in a public warehouse.

An ex-bond bill of entry for home consumption was filed and applicable customs duty was paid based on the rate prevalent on the date of presentation of such bill of entry.

The proper officer passed an order for clearance for home consumption. Owing to the highly inflammable nature of the commodity, the importer made an application to permit the storage of such diesel in the same warehouse until actual clearance for sale/ use. The application was allowed.

At the time of actual removal of goods from the warehouse, the rate of duty had been revised upwards. The Department, invoking the revised duty rate, demanded payment of the differential duty on the ground that the goods were removed at a time when the higher rate was in effect. GGTR Pvt. Ltd. has contested the legitimacy of this demand.

Required:

Examine the validity of the Department's demand in light of the provisions of the Customs Act, 1962 and relevant judicial ruling, if any. 7

- (b) As per the latest amendment [vide Notification No. 70/2023 dated 08.03.2024]:: Briefly

Describe any seven ineligible categories of exports/exporters which shall not be eligible for rebate under the RoDTEP Scheme under Foreign Trade Policy. 7

7. (a) **Calculate** the amount of duty drawback allowable under Section 74 of the Customs Act, 1962 in the following independent cases:

(i) Mr Mukesh imported a music player from Dubai for personal use and paid ₹ 24,000 as import duty. He used it for five months and re-exports the same after five months.

(ii) Mr Vansh imported a motor car for his personal use and paid ₹ 5,28,000 as import duty. The car is re-exports after 16 months and 17 days

(iii) M/s ABB Ltd. imported a machine from Dubai for business use and paid ₹ 98,000 as import duty. Company used machine and re-exports the same after 16 months. 7

- (b) Ravishankar Ltd. is the manufacturer of heavy machines in the State of Karnataka. It imported one machinery by air from USA for making sub parts to be used in assembling of heavy machinery. The following particulars are furnished by it:

S. No.	Particulars	Amount US \$
(i)	CIF value of the machinery	60,000
(ii)	Insurance charges	2,700
(iii)	Freight paid (Air)	14,500

Additional information:

- (i) Design and patent charges of USD 2500 was required to be paid in France, which is not included in CIF value given above.
- (ii) Date of filing the Bill of entry was 26th September, 2025 and the rate of exchange notified by CBIC on this date was ₹ 81 per US \$. The inter-bank rate was ₹ 80 per US \$. And Basic Custom duty (BCD) rate was 10%
- (iii) Date of arrival of aircraft was 21st October, 2025 and the rate of exchange notified by CBIC on this date was ₹ 84 per US \$. The inter-bank rate was ₹ 83 per US \$. And Basic Custom duty (BCD) rate was 15%

Required:

From the above information, **Analyze** and **Calculate** the Assessable value and Basic customs Duty (BCD) payable under the Customs Act, 1962.

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8. (a) M/s. SHANKAR Distributors Pvt. Ltd., registered under normal GST provisions in Salem, Tamil Nadu, undertakes the following transactions in April 2026:
- (i) Goods worth ₹ 48,000 plus 18% GST were sold 10 days back to TY Co. in Chennai. TY Co. now returns the goods to SHANKAR distributors in Salem.
- (ii) Samples worth ₹ 40,000 are sent free of cost from Salem to Coimbatore (Both cities are in Tamil Nadu) for marketing purposes.

- (iii) Goods worth ₹ 90,000 are transferred from Salem Head Office to its branch in Madurai (same State).
- (iv) A consignment worth ₹ 1,20,000 is moved from Salem (Tamilnadu) to Bengaluru, (Karnataka). The e-way bill generated for the consignment expires en route due to vehicle breakdown and delay in delivery. What should be done now?
- (v) A consignment worth ₹ 65,000 is moved from Salem to Trichy (Both cities are in Tamil Nadu). The transporter generates Part-A of the e-way bill but fails to update Part-B (vehicle details).

Required:

Discuss the legal implications/requirements under GST law for each of the above situations, with reference to the provisions relating to e-way bills (Rule 138 of the CGST Rules, 2017).

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- (b) Following facts relating to GJ Enterprises are made available:

Tax Year: 2024-25.

The Proper Officer passes an order on M/s. Beta Enterprises on **12th April, 2025:**

Tax demand: ₹ 100 lakhs (addition to turnover).

Interest demand: ₹12 lakhs.

Penalty levied u/s 122: ₹ 34 lakhs.

The assessee files a **first appeal in time.**

The Appellate Authority, vide order dated **23rd July, 2025**, decides as follows:

Deletes addition covering tax demand of ₹ 35 lakhs.

Deletes penalty of ₹ 34 lakhs.

Confirms balance tax demand of ₹ 65 lakhs and interest of ₹ 12 lakhs.

The assessee now proposes to file a **second appeal before the GST Appellate Tribunal (GSTAT)** against the balance tax and interest demand.

Required:

- (i) **How much pre-deposit** was required at the time of filing the **first appeal** on 12th April, 2025?
- (ii) After the order of the Appellate Authority dated 23rd July, 2025, **how much pre-deposit** is required for filing the **second appeal before GSTAT**?
- (iii) **What** happens to the **pre-deposit already made earlier** in respect of the deleted tax demand (₹ 35 lakhs) and penalty (₹ 34 lakhs)?
- (iv) **Can the earlier pre deposit made** be adjusted against the requirement for the second appeal, or must fresh deposit be made?