

## Paper 11 - Indirect Taxation

**Paper 11 - Indirect Taxation**

Full Marks: 100

Time allowed: 3 Hours

**1. Answer the following questions**

**(A) Multiple choice questions:**

**[7×2=14]**

- (i) Which of the following is not a feature of indirect taxes?
  - (a) Regressive nature
  - (b) Supply based taxes
  - (c) Rate of taxes are different from person to person
  - (d) No previous year and assessment year concept
  
- (ii) Which of the following is the function of GSTN (Goods and Services Tax Network)?
  - (a) filing of registration application
  - (b) filing of return
  - (c) creation of challan for tax payment
  - (d) all of the above
  
- (iii) The scope of supply of goods or services or both includes —
  - (a) Sale
  - (b) Exchange
  - (c) Lease
  - (d) All of the above
  
- (iv) Which of the following activities to be treated as supply of goods?
  - (a) Transfer of the title in goods
  - (b) Lease, tenancy, easement, license to occupy land
  - (c) Temporary transfer or permitting the use or enjoyment of any intellectual property right
  - (d) Works contract services
  
- (v) The form of return which is used by the compounding taxable persons to file their return quarterly is
  - (a) GSTR-1
  - (b) GSTR-2
  - (c) GSTR-3
  - (d) GSTR-4
  
- (vi) Due date of payment of GST in case of Tax Deducted at Source (TDS) is:
  - (a) 5th of the following month
  - (b) 10th of the following month
  - (c) 15th of the following month
  - (d) 20th of the following month
  
- (vii) Where the goods are assembled or installed at site, the place of supply of goods will be
  - (a) Office of the contractor
  - (b) Registered office of the person who place the order
  - (c) Place where actual delivery to be made
  - (d) Place of such installation or assembly

**(B) Say Yes/No for the following questions:**

**[6×1=6]**

- (i) Recipient of services provided by way of sponsorship to anybody corporate or partnership firm is liable to pay tax.

- (ii) In Customs, warehouse means a public warehouse or a private warehouse or special warehouse
- (iii) Services received by the Reserve Bank of India from outside India in relation to management of foreign exchange reserves also exempt from GST .
- (iv) Return journey will be treated as a separate journey even if right of passage for onward and return journey is issued at the same time.
- (v) Any registered person availing the option to supply goods or services for export without payment of integrated tax shall furnish prior to export a bond or a letter of undertaking in Form GST-RFD 9.
- (vi) Value of supply is the figure upon which tax is levied and collected.

**(C) Match the following:**

**[5×1=5]**

	Column 'A'		Column 'B'
1.	Every registered person is required to maintain a true and correct account of	A.	a godown
2.	Place of business now also include	B.	Output tax payable and paid
3.	Every registered dealer required to deduct	C.	tax, interest, penalty fee and others
4.	Minor head refer to	D.	Opening balance
5.	Every registered person shall maintain the accounts of stock in respect of (other than paying under section 10)	E.	TDS

**Answer any five questions from the following. Each question carries 15 marks**

- 2.(a)** Name the specified persons who are required to pay GST under reverse charge in case of services provided by Goods Transport Agency. **[7]**
- (b)** The details of import of certain types of steel from developing and developed countries from 15th May 2019 to 14th May 2020 (both days inclusive) are furnished as follows –

Importer	Country of Import	₹ in Crores
P Ltd	Developing Country	105
Q Ltd	Developing Country	123
R Ltd	Developing Country	78
S Ltd	Developing Country	75
Others	Developed Country	3,369
	Total	3,750

Determine the safeguard duty payable by P Ltd, Q Ltd, R Ltd and S Ltd under Section 8B of the Customs Tariff Act, 1975 from the above considering Safeguard Duty 30%. **[8]**

- 3.(a)** Mr. Lalit an event organiser, located in Chennai received an order from M/s Tisman publications, Mumbai to conduct a book fair at Chennai. Find the Place of supply of service and GST in the following two cases:

Case 1: Tisman publications is a registered person.

Case 2: Tisman publications is a un-registered person **[6]**

- (b)** M/S Bareto Ltd a registered person based at Kochi (Kerala) made the following supply of taxable goods for the month of August 2020

	₹
Supply within Kerala	2700000
Supply to Bhubaneswar (Odisha)	1200000
Supply to Visakhapatnam (Andhra)	1000000
Purchase from Kerala	2200000
Purchase from Chennai (Tamilnadu)	200000
ITC as at 1st August, 2020	
CGST	200000
SGST	200000
IGST	240000

You are required to compute the net GST payable considering the followings –

(a) Rate of tax 18% i.e. SGST – 9% , CGST – 9% and IGST – 18%

(b) Inward and outward supplies are exclusive of taxes

All the condition necessary for availing the Input tax credit have been fulfilled. [9]

**4.(a)** M/S Expert Export Ltd imported 900 units of minerals from High Seas for sale in India has furnishes the following details –

Sale quantity (Units)	Unit Price (₹)
700	400
600	360
450	400
800	380
550	420
650	360
350	400

(i) The selling price exclusive of duties and freight from port to depot in India in ₹21,300 and Insurance ₹2,700

(ii) Basic Custom Duty is 12% and Social Welfare Surcharge as applicable.

Calculate total customs duty as per Rule 7 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Assume there is no IGST applicable for the product. [8]

**(b)** Mr. A has output Tax Liability of ₹ 1,00,000/- towards CGST & SGST/UGST and ₹ 20,000 towards IGST and also interest payable of ₹ 1800/-. Explain the manner of discharge tax liability by Mr. A in the following two independent cases:

1. Input tax credit available of CGST & SGST is ₹ 25,000/- each & IGST is ₹ 25,000/-

2. Input tax credit not available. [7]

**5.(a)** Mr. A located at Kolkata provides training at Kolkata to employees of M/s Infosys Ltd, which is registered at Mumbai.

Find the place of supply of service and GST liability in the following two cases:

Case 1: Infosys Ltd. is registered person under GST.

Case 2: Infosys Ltd. is not registered person under GST. [6]

**(b)** What do you meant by Casual taxable person? [3]

**(c)** What is composite supply and mixed supply? Illustrate with example. [6]

- 6.(a)** Arihant Life Insurance Company Ltd. (ALICL) has started its operations in the year 2020-21 (w.e.f. 1-7-2020). During the year 2020-21, Arihant Life Insurance Company Ltd. (ALICL) has charged gross premium of ₹180 lakhs from policy holders with respect to life insurance policies; out of which ₹100 lakh have been allocated for investment on behalf of the policy holders.

Compute the GST liability of ALICL for the year 2020-21 under rule 32(4) of the CGST Rules, 2017

(i) if the amount allocated for investment has been intimated by ALICL to policy holders at the time of providing service.

(ii) if the amount allocated for investment has not been intimated by ALICL to policy holders at the time of providing of service.

(iii) if the gross premium charged by ALICL from policy holders is only towards risk cover.

Applicable rate of GST 18%.

[10]

- (b)** Mr. X being a supplier receives consideration in the month of September 2020, instead of due date of July 2020, and for such delay he is eligible to receive an interest amount of ₹ 1000/- and the said amount is received on 15.12.2020.

Find the time of supply for the interest portion and due date of payment.

[5]

- 7.(a)** Compute the assessable value and Customs duty payable from the following information:

(i) F.O.B value of machine 8,000 UK Pounds

(ii) Freight paid (air) 2,500 UK Pounds

(iii) Design and development charges paid in UK- 500 UK Pounds

(iv) Commission payable to local agents @ 2% of F.O.B in Indian Rupees

(v) Date of bill of entry (Rate BCD 12%; Exchange rate as notified by CBIC ₹68 per UK Pound) 24.10.2020

(vi) Date of entry inward (Rate of BCD 18%; Exchange rate as notified by CBIC ₹ 70 per UK Pound) 20.10.2020

(vii) IGST payable 18%

(viii) Insurance charges actually paid but details not available

[9]

- (b)** Mr. X being a farmer cultivated cashew nuts not shelled or peeled in the State of Kerala. These goods are sold to M/s Raj Industries for ₹2,50,000 a registered person in the State of Kerala. Applicable rate of GST 5%. M/s Raj Industries has input tax credit CGST ₹5,250 and SGST ₹5,250.

You are required to answer the following:

(a) Who is liable to pay GST.

(b) Net liability of GST.

[6]

- 8.(a)** What are the things the officer and his team will verify during the course of audit of a registered person under Section 65 of CGST Act?

[7]

- (b)** Mr. M of Maharashtra supplied goods/services for ₹ 35,000 to Mr. P of Pune. Mr. M purchased goods/services for ₹ 23,600 (inclusive of IGST 18%) from Mr. C of Tamil Nadu. SGST and CGST rate on supply of goods and services is 9% each. Find the following:

1. Total price charged by Mr. M for supply of goods/services and

2. Who is liable to pay GST?

3. Net liability of GST.

[8]