

INTERMEDIATE EXAMINATION
Syllabus 2016

Paper 11: INDIRECT TAXATION (ITX)

Time Allowed: 3 Hours

Full Marks - 100

**There are Sections A, B, C and D to be answered subject to instructions given against each.
(Time allotted for Sections A and B shall be limited to a maximum of 50 minutes)**

Section A					20 x 1= 20 Marks
You are required to answer all the questions. Each question carries 1 mark.					
Instructions: Each question is followed by 4 Answer choices and only one is correct.					
You are required to select the choice which according to you represents the correct answer.					
1.	a.	CGST is the revenue of the:			
		(i)	Central government	A	
		(ii)	State government		
		(iii)	Both		
		(iv)	None		
	b.	SGST will not subsume which of the following?			
		(i)	VAT		
		(ii)	Excise Duty	A	
		(iii)	CST		
		(iv)	Luxury and entertainment Tax		
	c.	Reverse charge means :			
		(i)	The reversal of tax liability in case of return of goods.		
		(ii)	The Liability to pay tax by the recipient of supply of goods and services .	A	
		(iii)	Reversal of tax due to mistake detected later.		
		(iv)	The liability to pay tax where only services provided .		
	d.	Where is the head–quarters of GST council of India located?			
		(i)	Kolkata		
		(ii)	New Delhi	A	
		(iii)	Bangalore		
		(iv)	Mumbai		
	e.	Which of the following is not a consequence of non-registration under GST?			
		(i)	Will not be able to issue tax invoice		
		(ii)	Will not be eligible for input tax credit		
		(iii)	Will be subjected to monetary Penalty	A	
		(iv)	Will not be eligible to charge GST		
	f.	In case of voucher , if the supplier are not identifiable the time of supply will be _____			
		(i)	Date of issue of voucher		
		(ii)	The date of redemption of voucher	A	

	(iii)	When the goods are actually received.		
	(iv)	When the actual payment is received		
g.	Who is a taxable person under GST regime ?			
	(i)	Manufacturer		
	(ii)	Service provider		
	(iii)	Trader		
	(iv)	All of the above	A	
h.	Upto how many nautical miles Indian Customs Water extends from end of the land mass ?			
	(i)	12		
	(ii)	15		
	(iii)	21		
	(iv)	24	A	
i.	Acknowledgement of application for registration u/s 25 of the CGST Act, is received in form :			
	(i)	GST REG 01		
	(ii)	GST REG 02	A	
	(iii)	GST REG 03		
	(iv)	GST REG 04		
j.	Goods which are same in all respects, including physical quantity is known as :			
	(i)	Similar Goods		
	(ii)	Identical Goods	A	
	(iii)	Alike Goods		
	(iv)	Indistinguishable Goods		
k.	For chargeability of Customs Duty on warehoused goods, which of the following rate of Customs Duty should be considered?			
	(i)	Rate of Customs duty on the day of filling Bill of entry		
	(ii)	Rate of Customs duty on the day of entering Customs water		
	(iii)	Rate of Customs duty on the day of filling Customs duty		
	(iv)	Rate of Customs duty on the day of filling of Ex-bond bill of entry	A	
l.	On what basis GST is payable in respect of services rendered to an employer by an employee?			
	(i)	Regular basis in the course of employment		
	(ii)	Contract basis not in the course of employment	A	
	(iii)	Both (A) and (B)		
	(iv)	Neither (A) nor (B)		
m.	Import commences when goods cross _____.			
	(i)	Customs station		
	(ii)	Continental shelf		
	(iii)	Indian territorial water	A	
	(iv)	Indian Customs water		

	n.	Input Tax of SGST and IGST is adjusted against output Tax of?	
	(i)	IGST	
	(ii)	SGST	A
	(iii)	CGST	
	(iv)	All of the above	
	o.	Which of the following tax is levied in interstate supply of goods under GST law?	
	(i)	CGST	
	(ii)	SCST	
	(iii)	UTGST	
	(iv)	IGST	A
	p.	A supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply. What is this type of supply called ?	
	(i)	Composite Supply	A
	(ii)	Continuous supply	
	(iii)	Bundled Supply	
	(iv)	Joint Supply	
	q.	Tax payer shall furnish a copy of audited annual accounts and a reconciliation statement, duly certified in Form No. _____ .	
	(i)	GSTR-9C	A
	(ii)	GSTR-4	
	(iii)	GSTR-3B	
	(iv)	GSTR-1	
	r.	What is the rate of TDS under GST?	
	(i)	1%	
	(ii)	12%	
	(iii)	2%	A
	(iv)	18%	
	s.	Every registered person under the GST regime whose aggregate turnover during a financial year exceeds _____ has to get his accounts audited by a Chartered Accountant or a Cost Accountant.	
	(i)	Rs.2 crore	A
	(ii)	Rs. 50,000	
	(iii)	Rs. 2.5 crore	
	(iv)	Rs. 5 crore	
	t.	Which of the following is not exempted from GST ?	
	(i)	Charitable trust	
	(ii)	Advocate services	
	(iii)	Manufacturing of motor car.	A
	(iv)	Veterinary services	

Mock Test Paper and Model Answers for June2022 Online Examination-Inter/P11-ITX/S2

Section B You are required to answer all the questions. Each question carries 2 mark. Instructions: Each question is followed by a space where you are required to type your answer.			10 x 2 = 20 Marks
2.	a.	Who is the Chairperson of GST Council in India? Type your answer here Finance minister of India	
	b.	Which country imposed GST for the first time to address tax evasion? Type your answer here France	
	c.	What are dutiable goods as per Customs Act,1962 ? Type your answer here Goods which are chargeable to duty and on which duty has not yet been paid .	
	d.	X Ltd. imports shuttles for manufacturers of printers. In a separate contract it also pays royalty to the foreign supplier to obtain know -how for manufacturing of printers. Both are independent contract . Will the royalty amount be added to the transaction value and why ? Type your answer here No, since this is not a condition of sale	
	e.	What is the essential document for the recipient to avail input tax credit ? Type your answer here Tax invoice	
	f.	Under GST, state whether the phrase "Aggregate Turnover" includes exempt supplies or not ? Type your answer here Includes exempt supplies .	
	g.	What will be the consequence if a company has 3 branches in 3 different States ? Type your answer here All the 3 branches will be considered as tax payers under each jurisdiction of the respective State Governments .	
	h.	Every person who is liable to be registered under GST shall apply for registration in which form? Type your answer here GST REG 01	
	i.	What is the form to be used to show the amount utilised for payment from the balance in electronic credit or cash ledger ? Type your answer here GST PMT-1	
	j.	Who is Electronic commerce operator ? Type your answer here Electronic commerce operator mean any person who own ,operate or manage digital or electronic facility or platform for electronic commerce .	
Section C You are required to answer any 4 out of 6 questions in this section Instructions: Each question is followed by a space where you are required to type your answer.			12 X 4 = 48 Marks
3.	a.	What do you mean by GST ? Who are the members of GST council of India? What is the need for GST in India?	2+2+2

		Type your answer here GST is a tax on goods and services at national level with value addition at each stage of distribution and having a continuous benefit of set-off of producer-service provider and trader where ultimately consumers will pay the tax . GST council of India consist of: 1. The Union Finance Minister as a Chairperson, 2. Union Minister of State in charge of Finance as a member 3. The State Finance Minister or State Revenue Minister or 4. Any other Minister nominated by each State as a member of the Council. The GST Council shall select one of them as Vice Chairperson of Council. Need for GST: India has a federal structure of governance . Hence there is a multiplicity of tax. This multiplicity of tax distorts the tax structure and brings in complexities. Again in the existing system there is a problem of cascading effect of tax. GST will replace this existing multiple tax structure of Centre and State and create a simplified integrated system of indirect taxation. Obviously, it will reduce the administrative expenses and compliance cost. Merging of all indirect taxes into GST would make it possible to give full credit of all indirect taxes .	
	b.	State the taxability of the following transactions:	
	i.	P & Co. engages H Cars Ltd. as an agent to sell cars on its behalf. H Cars Ltd. has supplied 50 cars to the showroom of P & Co., located in Chennai.	2
		Type your answer here Supply of cars by H Cars Ltd. To P & Co., will qualify as supply and the same is leviable to GST.	
	ii.	Penalties levied on late or delayed payment of loans and advances	2
		Type your answer here These are exempted supply under GST. So, GST is not chargeable.	
	iii.	A S Airlines transported Fruits (agricultural produce) from Chennai airport to Meghalaya.	2
		Type your answer here Transportation of goods within India by Air, exemption not granted. Hence, GST will be levied.	
4.	a	Mr. A sends goods to Mr. B on approval basis on 20th January 2021 . Find the time of supply in the following independent cases with reasons :	
	(i)	If Mr. B. accept the goods on 10 th February 2021.	2
		Type your answer here Time of supply: 10 th February 2021 Reason: Time when it becomes known that supply is taken place (i.e. 10th Feb 2021) or Six months from the date of removal (i.e. 20th July 2021) whichever is earlier.	
	(ii)	If Mr. B accepts the goods on 1 st September 2021.	2
		Type your answer here Time of supply: 21 st July 2021 Reason: 1st day after the expiry of 6 months from the date of removal.	
	(iii)	If Mr. B returns the goods on 10 th February 2021.	2
		Type your answer here Time of supply: Not applicable Reason: No tax will be payable. Since, goods returned within six months from the date of	
	(iv)	If Mr. B return the goods on 1 st September 2021.	2

		Type your answer here Time of supply: 21 st July 2021 for Mr. A and 1 st September 2021 for Mr. B. Reason: GST will be payable as the return is after 6 months from date of dispatch. Both Mr. A and Mr. B are liable to pay GST.													
	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 R Industries for Rs. 2,50,000, a registered person in the State of Kerala. Applicable rate of GST 5%. M/s R Industries has input tax credit of CGST Rs. 5,250 and SGST Rs. 5,250. You are required to answer the following: (1) Who is liable to pay GST. (2) Net liability of GST.	4												
		Type your answer here (1) GST is liable to pay by recipient. In the given case M/s R Industries is liable to pay GST. (2) Net liability of GST: <table><tr><td>Particulars</td><td>CGST (Rs.)</td><td>SGST (Rs.)</td></tr><tr><td>Output tax</td><td>6,250</td><td>6,250</td></tr><tr><td>Less: Input Tax Credit (ITC)</td><td>—</td><td>—</td></tr><tr><td>Net tax liability of M/s R Industries</td><td>6,250</td><td>6,250</td></tr></table> Note: ITC is not allowed to utilize by recipient while paying GST under RCM.	Particulars	CGST (Rs.)	SGST (Rs.)	Output tax	6,250	6,250	Less: Input Tax Credit (ITC)	—	—	Net tax liability of M/s R Industries	6,250	6,250	
Particulars	CGST (Rs.)	SGST (Rs.)													
Output tax	6,250	6,250													
Less: Input Tax Credit (ITC)	—	—													
Net tax liability of M/s R Industries	6,250	6,250													
5.	a.	A Ltd is a registered dealer. It is involved in purchase and sale inside the state and outside the state. Sale inside the state Rs. 1,00,000, interstate sale Rs.80,000 and branch transferred outside the state Rs.40,000. The rate of tax CGST is 8% and SGST is 8%. Assume there is no opening stock and closing stock. The dealer has paid input CGST and input SGST Rs. 10,000 and Rs. 12,000 respectively. Calculate the tax liability of the dealer.	6												

		<p>Type your answer here</p> <p>Tax liability: SGST NIL, CGST NIL and IGST 13,200</p> <p>Rough Work</p> <table><tr><td>Particulars</td><td>SGST</td><td>CGST</td><td>IGST</td><td>Amount</td></tr><tr><td>Intra-state sale</td><td>8,000</td><td>8,000</td><td></td><td>1,00,000</td></tr><tr><td>Inter- state sale</td><td></td><td></td><td>12,800</td><td>80,000</td></tr><tr><td>Branch transfer</td><td></td><td></td><td>6,400</td><td>40,000</td></tr><tr><td>Total</td><td>8,000</td><td>8,000</td><td>19,200</td><td>2,20,000</td></tr><tr><td>Less: Input Tax</td><td>12,000</td><td>10,000</td><td>Nil</td><td></td></tr><tr><td></td><td>-4,000</td><td>-2,000</td><td>19,200</td><td></td></tr><tr><td></td><td>4,000</td><td>2,000</td><td>-6,000</td><td></td></tr><tr><td>Net Tax liability</td><td>Nil</td><td>Nil</td><td>13,200</td><td></td></tr></table>	Particulars	SGST	CGST	IGST	Amount	Intra-state sale	8,000	8,000		1,00,000	Inter- state sale			12,800	80,000	Branch transfer			6,400	40,000	Total	8,000	8,000	19,200	2,20,000	Less: Input Tax	12,000	10,000	Nil			-4,000	-2,000	19,200			4,000	2,000	-6,000		Net Tax liability	Nil	Nil	13,200		
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	b.	<p>Mr. X, an event organiser, located in Chennai received an order from M/s T Publications, Mumbai to conduct a book fair at Chennai. Find the Place of supply of service, who is liable to pay GST and the nature of GST in the following two cases:</p> <p>Case 1: T publications is a registered person.</p> <p>Case 2: T publications is a un-registered person.</p>	6																																													
		<p>Type your answer here</p> <p>Case 1:</p> <p>Place of supply of service: Mumbai (i.e. location of recipient of service)</p> <p>Person liable to pay GST: Mr. X of Chennai</p> <p>Nature of GST: IGST</p> <p>Case 2:</p> <p>Place of supply of service: Chennai (i.e. location where the event is actually held)</p> <p>Person liable to pay GST: Mr. X of Chennai</p> <p>Nature of GST: CGST & SGST</p>																																														
6.	a.(i)	<p>Mr. M of West Bengal has the following turnover for financial year 2021-22. Taxable supplies Rs. 30 lakhs including GST Rs. 2,00,000, exempted supplies Rs. 15,00,000, inter-state supplies Rs.2,00,000(net of GST) and exports Rs. 9,00,000(without GST). He also has his business registered in Bihar , making taxable supplies of Rs. 40,00,000. Compute his aggregate turnover for registration purpose .</p>	5																																													

		Type your answer here Aggregate Turnover = 94 Lakhs. Rough Work Computation of aggregate turnover <table><tr><th>Particulars</th><th>Amount (Rs. in lakhs)</th></tr><tr><td>Taxable supplies Rs.(30,00,000 - 2,00,000 + 40,00,000)</td><td>68</td></tr><tr><td>Add: Exempted supplies</td><td>15</td></tr><tr><td>Add: Export of goods or services or both</td><td>9</td></tr><tr><td>Add: inter-state supplies</td><td>2</td></tr><tr><td>Aggregate Turnover</td><td>94</td></tr></table>	Particulars	Amount (Rs. in lakhs)	Taxable supplies Rs.(30,00,000 - 2,00,000 + 40,00,000)	68	Add: Exempted supplies	15	Add: Export of goods or services or both	9	Add: inter-state supplies	2	Aggregate Turnover	94				
Particulars	Amount (Rs. in lakhs)																	
Taxable supplies Rs.(30,00,000 - 2,00,000 + 40,00,000)	68																	
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Add: Export of goods or services or both	9																	
Add: inter-state supplies	2																	
Aggregate Turnover	94																	
	a.(ii)	Mr. Z a registered composition taxpayer purchased goods for Rs. 20,00,000 and paid GST of Rs. 1 lakh. He later sold all the goods for Rs. 25 lakhs and the goods were under 5% GST rate. What will be the GST implication?	2															
		Type your answer here Mr. Z is a registered taxpayer under composition scheme. He will not be eligible to avail the benefit of ITC. Hence , total cost of purchases is Rs. 21 lakhs (inclusive of GST). His total sales are Rs. 25 lakhs . He cannot collect GST from his customers . However ,he shall have to pay GST @ 1% on his aggregate turnover of Rs. 25 lakhs. Hence, GST liability is 1% of 25 lakh ,which equals to Rs. 25,000.																
	b.	OK Bank has availed credit of Rs.25,00,000 las in the month of December 2021. Total credit, out of which Rs. 5,00,000 pertains to non-business purpose and Rs. 7,00,000 pertains to credit availed under 2nd proviso of section 17(4). Find the total input tax credit eligible to OK Bank. Note: OK Bank opted to avail ITC an amount equal to 50% of eligible credit.	5															
		Type your answer here Total input tax credit eligible to OK Bank is Rs. 13,50,000 Rough Work Statement showing eligible ITC to OK Bank for the month of December 2021: <table><tr><th>Particulars</th><th>ITC Amount in Rs.</th><th>Remarks</th></tr><tr><td>Input tax credit attributable to non-business purpose</td><td>Nil</td><td>ITC not allowed</td></tr><tr><td>ITC from its other establishment</td><td>7,00,000</td><td>ITC fully allowed.</td></tr><tr><td>Other ITC</td><td>6,50,000</td><td>(25Lakhs-5Lakhs-7Lakks) x50%</td></tr><tr><td>Total ITC allowed in Form GSTR-2</td><td>13,50,000</td><td></td></tr></table>	Particulars	ITC Amount in Rs.	Remarks	Input tax credit attributable to non-business purpose	Nil	ITC not allowed	ITC from its other establishment	7,00,000	ITC fully allowed.	Other ITC	6,50,000	(25Lakhs-5Lakhs-7Lakks) x50%	Total ITC allowed in Form GSTR-2	13,50,000		
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Total ITC allowed in Form GSTR-2	13,50,000																	
7.	a.	State the differences between Safeguard Duty and Anti-dumping Duty.	6															

		<p>Type your answer here</p> <ol style="list-style-type: none"> 1. Safeguarding duty is levied in order to ensure that the goods imported in increased quality do not cause or threaten to cause serious injury to domestic industry. Anti dumping duty on the other hand is levied on the dumped articles in order to protect the domestic market . 2. Safeguarding duty relates to quantum of imports whereas anti dumping duty is concerned with valuation of imported goods 3. In case of articles originating from developing country , safeguarding duty can be imposed only if- <ol style="list-style-type: none"> (a) Imports of such article from the developing country exceeds three percent of the total imports of that article to India. (b) Where the article is originating from more than one developing country, than the aggregate of imports from all such countries taken together exceed 9% of the total imports of that article into India . <p>In case of anti-dumping duty, where any article is exported from any country to India at less than its normal price, then the Central Government can impose an anti dumping duty not exceeding the margin of dumping .</p>	
	b.	<p>Examine whether additional customs duty of customs is leviable or not in the following cases:</p> <ol style="list-style-type: none"> a. Goods exempt from excise duty cleared from EOUs to DTA b. Goods are liable to excise duty in India but exemption is issued in respect of additional duty of customs u/s 25 of the Customs Act,1962 c. Article actually imported in raw stage is exempt from excise duty but after processing such article is not exempt from excise duty 	3
		<p>Type your answer here</p> <ol style="list-style-type: none"> a) No additional duty can be levied on clearance of goods from EOUs to DTA if the similar goods manufactured in India are exempt from excise duty . b) Since exemption notification has been issued specifically exempting the goods the same will not be liable to additional duty. c) Additional customs duty is to be levied in the stage in which goods are imported and any stage subsequent to processing of imported goods is not relevant. Thus if in the raw stage the article is exempt from excise. 	
	c.	<p>State the conditions which are to be satisfied for application of transaction value method of identical goods under Customs Laws.</p>	3
		<p>Type your answer here</p> <p>Conditions to be satisfied for application of transaction value method of identical goods:</p> <ul style="list-style-type: none"> • Identical goods can be compared with the other goods of the same country from which import takes place. • These goods must be valued at a price which is produced by the same manufacturer. • If price is not available then the price of other manufacturers of the same country is to be taken into account. • If more than one value of identical goods is available, lowest of such value should be taken. 	
8.		<p>You are required write Short Notes on any 4 out of 5</p>	<p>4 × 3 = 12 Marks</p>
	a.	Accounts and records for works contract	

		Type your answer here Rule 56(14) of the CGST Rules, 2017, every registered person executing works contract shall keep separate accounts for works contract showing – (a) the names and addresses of the persons on whose behalf the works contract is executed; (b) description, value and quantity (wherever applicable) of goods or services received for the execution of works contract; (c) description, value and quantity (wherever applicable) of goods or services utilized in the execution of works contract; (d) the details of payment received in respect of each works contract; and (e) the names and addresses of suppliers from whom he received goods or services.	
	b.	Import procedure	
		Type your answer here 1. At first the master of the vessel shall file the Import General Manifest(IGM) . This contains the description of the goods contain in the vessel 2. After proper verification of IGM the proper officer of customs grant Entry inward to the vessel 3. The importer establishes the ownership of his goods through Bill of Lading and other relevant documents . 4. The importer shall now file a Bill of Entry electronically for home consumption and pay Customs duty. And thereafter get the goods cleared from the customs station.	
	c.	Mixed Supply	
		Type your answer here In Mixed supply two or more individual supplies combination of goods or services with each other for a single price. Each of these items can be supplied separately and is not dependent on each other. In other words, the combination of goods or services are not bundled due to natural necessities, and they can be supplied individually in the ordinary course of business. For tax liability purpose, mixed supply consisting of two or more supplies shall be treated as a supply of that item which has the highest tax rate. Example : Diwali gift hamper which consist of different Items like sweets, chocolates, cakes, dry fruits packed in one pack is Mixed supply as these items can be sold separately and it shall be treated as a supply of that particular item which attracts the highest rate of tax.	
	d.	Related person under GST Act	
		Type your answer here As per the CGST Act 2017 – (A) persons shall be deemed to be “related persons” if – (i) such persons are officers or directors of one another’s business (ii) such persons are legally recognized partners in business (iii) such persons are employer or employee (iv) any person directly or indirectly owns, controls or holds 25% or more of the outstanding voting stock or shares of both of them (v) one of them directly or indirectly controls the other (vi) both of them are directly or indirectly controlled by third person (vii) together they directly or indirectly control a third person, or (viii) they are member of the same family (B) the term “person” also includes legal person (C) persons who are associated in the business of one another in that one is the sole agent or sole distributor or sole concessionaire, howsoever described, of the other, shall be deemed to be related.	
	e.	GST Council	

		Type your answer here As per Article 279A of the Constitution of India, the President of India is empowered to constitute Goods and Services Tax Council. The President of India constituted the GST Council on 15th September, 2016. The GST Council shall consist of Union Finance Minister as a Chairperson, Union Minister of State in charge of Finance as a member, the State Finance Minister or State Revenue Minister or any other Minister nominated by each State as a member of the Council. The GST Council shall select one of them as Vice Chairperson of Council. Guiding principle of the GST Council: The mechanism of GST Council would ensure harmonization on different aspects of GST between the Centre and the States as well as among States. It has been provided in the Constitution (101st Amendment) Act, 2016 that the GST Council, in its discharge of various functions, shall be guided by the need for a harmonized structure of GST and for the development of a harmonized national market for goods and services. Functions of the GST Council: GST Council is to make recommendations to the Central Government and the State Governments on • tax rates, • exemptions, • threshold limits, • dispute resolution, • GST legislations including rules and notifications etc.											
		Section D You are required to answer all the questions in this section Instructions: Each question is followed by a space where you are required to type your answer.	12 × 1 = 12 Marks										
9.		<p>M/s MTO Ltd. is engaged in the business of chemical manufacturing in India. It manufactures a rare chemical which is high demand in the market, as such chemical is required by pharma companies to manufacture drugs and only few manufacturers are existing in India in that sector. The business has grown over the past few years and spread across the eastern and south-eastern parts of India where the demand for the product is very high.</p> <p>M/s MTO Ltd., having its head Office in the State of Madhya Pradesh. It has three units in different states namely 'M' in Madhya Pradesh, 'T' in Telangana and 'O' in Odisha which are operational in the current year.</p> <p>M/s MTO registered itself as an Input Service Distributor (ISD) under the relevant GST Acts.</p> <p>M/s MTO Ltd. furnishes the following information for the month of December 20XX.</p> <p>The Turnover of the units for the preceding Financial Year are as follows:</p> <table><tr><th>Unit</th><th>Turnover in Rs.</th></tr><tr><td>Turnover of Unit M</td><td>5,00,00,000</td></tr><tr><td>Turnover of Unit T</td><td>3,00,00,000</td></tr><tr><td>Turnover of Unit O</td><td>2,00,00,000</td></tr><tr><td>Total Turnover</td><td>10,00,00,000</td></tr></table>	Unit	Turnover in Rs.	Turnover of Unit M	5,00,00,000	Turnover of Unit T	3,00,00,000	Turnover of Unit O	2,00,00,000	Total Turnover	10,00,00,000	
Unit	Turnover in Rs.												
Turnover of Unit M	5,00,00,000												
Turnover of Unit T	3,00,00,000												
Turnover of Unit O	2,00,00,000												
Total Turnover	10,00,00,000												
	(a)	What is the amount of credit to be distributed to each of the units M, T and O, if IGST, CGST & SGST paid on services used for all units is Rs. 12,00,000?	3										

		<p>Type your answer here M: Rs. 6,00,000 T: Rs.3,60,000 O: Rs.2,40,000 Total: Rs.12,00,000</p> <p>ROUGH WORK Credit distributed pro-rata basis on the basis of the turnover of all the units is as under:</p> <table><tr><th>Units</th><th>Computation</th><th>Amount (Rs.)</th></tr><tr><td>M</td><td>$(5,00,00,000/ 10,00,00,000) \times 12,00,000$</td><td>6,00,000</td></tr><tr><td>T</td><td>$(3,00,00,000/ 10,00,00,000) \times 12,00,000$</td><td>3,60,000</td></tr><tr><td>O</td><td>$(2,00,00,000/ 10,00,00,000) \times 12,00,000$</td><td>2,40,000</td></tr></table>	Units	Computation	Amount (Rs.)	M	$(5,00,00,000/ 10,00,00,000) \times 12,00,000$	6,00,000	T	$(3,00,00,000/ 10,00,00,000) \times 12,00,000$	3,60,000	O	$(2,00,00,000/ 10,00,00,000) \times 12,00,000$	2,40,000	
Units	Computation	Amount (Rs.)													
M	$(5,00,00,000/ 10,00,00,000) \times 12,00,000$	6,00,000													
T	$(3,00,00,000/ 10,00,00,000) \times 12,00,000$	3,60,000													
O	$(2,00,00,000/ 10,00,00,000) \times 12,00,000$	2,40,000													
	(b)	What would have been the amount of credit to be distributed to each of the units M, T and O, in addition to IGST, CGST & SGST paid on services used for all units worth Rs . 10,00,000, if CGST and SGST paid on services used only for Unit M is Rs . 2 ,00,000?	3												
		<p>Type your answer here M: Rs.7,00,000 T: Rs.3,00,000 O: Rs.2,00,000 Total: Rs.12,00,000</p> <p>ROUGH WORK Credit distributed pro-rata basis on the basis of the turnover of all the units is as under:</p> <table><tr><th>Units</th><th>Computation</th><th>Amount (Rs.)</th></tr><tr><td>M</td><td>$(5,00,00,000/ 10,00,00,000) \times 10,00,000$</td><td>5,00,000</td></tr><tr><td>T</td><td>$(3,00,00,000/ 10,00,00,000) \times 10,00,000$</td><td>3,00,000</td></tr><tr><td>O</td><td>$(2,00,00,000/ 10,00,00,000) \times 10,00,000$</td><td>2,00,000</td></tr></table> <p>Unit M: Rs.2,00,000 + Rs.5,00,000 = Rs.7,00,000</p>	Units	Computation	Amount (Rs.)	M	$(5,00,00,000/ 10,00,00,000) \times 10,00,000$	5,00,000	T	$(3,00,00,000/ 10,00,00,000) \times 10,00,000$	3,00,000	O	$(2,00,00,000/ 10,00,00,000) \times 10,00,000$	2,00,000	
Units	Computation	Amount (Rs.)													
M	$(5,00,00,000/ 10,00,00,000) \times 10,00,000$	5,00,000													
T	$(3,00,00,000/ 10,00,00,000) \times 10,00,000$	3,00,000													
O	$(2,00,00,000/ 10,00,00,000) \times 10,00,000$	2,00,000													
	(c)	What are the returns to be filed by M/s MTO Ltd. as ISD under the GST?	3												
		<p>Type your answer here An ISD will have to file monthly returns in GSTR-6 within 13 days after the end of the month and will have to furnish information of all ISD invoices issued. The details in the returns will be made available to the respective recipients in their GSTR 2A. The recipients may include these in its GSTR-2 and take credit. An ISD shall not be required to file Annual Return.</p>													
	(d)	State with reasons whether M/s MTO Ltd. as an ISD can accept any invoices on which tax is to be discharged under reverse charge mechanism?	3												
		<p>Type your answer here An ISD cannot accept any invoices on which tax is to be discharged under reverse charge mechanism. This is because the ISD mechanism is only to facilitate distribution of credit of taxes paid. The ISD itself cannot discharge any tax liability (as person liable to pay tax) and remit tax to government account. If ISD wants to take reverse charge supplies, then in that case ISD has to separately register as Normal taxpayer.</p>													

END