

FINAL EXAMINATION

December 2024

P-19(ITP)
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.
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 most appropriate option for the following MCQs: 2×15=30

(i) Which of the following persons can opt for the composition scheme under sub sections (1) and (2) of section 10 of the CGST Act, 2017, in the State of Delhi?

1. Registered person whose aggregate turnover in the preceding financial year did not exceed ₹ 75 lakh.
2. Registered person whose aggregate turnover in the preceding financial year did not exceed ₹ 1.5 crore.
3. A person engaged in manufacture of pan masala, tobacco and manufactured tobacco substitutes.
4. A person engaged in the manufacture of ice cream, other edible ice, whether or not containing cocoa.
5. A person engaged exclusively in providing restaurant service.
6. A person engaged exclusively in supply of medicines.

(A) 1, 2, 3, 5

(B) 1, 2, 5, 6

(C) 2, 3, 4, 5

(D) 3, 4, 5, 6

(ii) M/s P Associates of Chennai received certain consultancy services from D Inc. of USA. Both are not related person. The services received is without any consideration. Does the same classify as supply?

(A) Yes. Being import of services in the course of business

(B) No. Since, party to the contract are not related

(C) On the prior approval of the Government

(D) None of the above

- (iii) Sanjay Kumar, a resident of Noida and an unregistered person, U.P. (working in a private firm), went to Himachal Pradesh for a family vacation via Delhi-Chandigarh-Himachal Pradesh in his own car. After entering Chandigarh, his car broke down due to some technical issue. He called 'ONROADS' - an emergency roadside car assistance company (registered under GST in Delhi) to repair the car. The car was repaired by the staff of 'ONROADS'. 'ONROADS' does not have policy to maintain a record of the addresses of the persons taking the car assistance service. The value of supply amounted to ₹ 50,000 (being labour charges ₹ 40,000 and spares ₹ 10,000). The bill was supposed to be generated online through the server, but due to some technical issue, it was not so generated.

Determine the place of supply in the given case.

- (A) Delhi
(B) Chandigarh
(C) Noida, U.P.
(D) Himachal Pradesh
- (iv) ABC Ltd. has provided following information for the month of March 2024:
1. Intra-State outward supply ₹ 9,00,000
 2. Inter-State exempt outward supply ₹ 5,00,000
 3. Turnover of exported goods ₹ 10,00,000
 4. Payment made to GTA ₹ 80,000 (ITC not availed by GTA)

Calculate the aggregate turnover of ABC Ltd.

- (A) ₹ 9,00,000
(B) ₹ 24,80,000
(C) ₹ 24,00,000
(D) ₹ 19,00,000
- (v) Which of the following services are not exempt from GST?
- (A) Yoga camp conducted by a charitable trust registered under section 12AB (erstwhile under section 12AA) of the Income-tax Act, 1961.
(B) Services provided by business correspondent with respect to Savings Bank Accounts in the rural branch of a bank.
(C) Services provided by cord blood bank for preservation of stem cells.
(D) Service provided by commentator to a recognized sports body.

- (vi) Calculate the tax to be paid by Mr. C, a composition dealer who supplied laptops being a trader from the following data:
1. Cost of purchases ₹ 3,00,000 plus GST 12%.
 2. Profit Margin 40% on cost of purchases.
- (A) ₹ 4704
(B) ₹ 7404
(C) ₹ 4074
(D) None of the above
- (vii) The time limit beyond which if goods are not returned, the capital goods sent for job work shall be treated as supply is
- (A) Five years
(B) One year
(C) Six months
(D) Three years
- (viii) Exemption can be claimed at _____ stage even if not claimed at _____ stage.
- (A) adjudication, investigation
(B) investigation, adjudication
(C) any, prior
(D) None of the above
- (ix) Mr. DD a supplier of goods, pays GST under regular scheme. The amount of input tax credit (ITC) available and output tax liability under different tax heads for a tax period are as under: -

Head	Output tax liability (₹)	ITC available (₹)
CGST	60,500	68,000
SGST/ UTGST	60,500	49,000
IGST	60,500	75,000

Compute the minimum net GST payable in cash by Mr. DD and also closing balance of ITC of each head.

- (A) Payable SGST ₹ 3,000 Balance of IGST ITC Nil, and CGST ITC ₹ 7,500
(B) Payable SGST ₹ 1,500 Balance of IGST ITC Nil, and CGST ITC ₹ 7,500
(C) Payable SGST ₹ 11,500 Balance of IGST ITC Nil, and CGST ITC ₹ 17,500
(D) Payable SGST ₹ 6,500 Balance of IGST ITC Nil, and CGST ITC ₹ 12,500

- (x) What is the time limit to file intimation for withdrawal from the composition scheme, if person who availing composition scheme under GST laws during financial year 2023-2024, crosses the turnover of ₹ 150 lakh?
- (A) Within 30 days from date of crossing limit.
 - (B) Within 7 days from the end of the month in which limit crossed.
 - (C) Up to the last date of the month in which limit crossed.
 - (D) Within 7 days from date of crossing limit.
- (xi) Determine price to be taken for computing deductive value in Rule 7: Sale quantity- 80 units @ ₹ 90, 50 units @ ₹ 95, 25 units @ ₹ 105, 40 units @ ₹ 2100:
- (A) ₹ 105
 - (B) ₹ 100
 - (C) ₹ 95
 - (D) ₹ 90
- (xii) Computed value DOES NOT consist of:
- (A) Cost of material and fabrication or other processing employed in producing the imported goods.
 - (B) Reasonable profit of foreign exporter
 - (C) The cost or value of all other expenses under rule 10(2)
 - (D) Reasonable profit of Indian importer.
- (xiii) The current limit of ₹ 1 lakh per annum for duty free import of samples in terms of NT 154/94-Customs, dated 13.7.1994 is enhanced to:
- (A) ₹ 30 lakh per annum (w.e.f. 27.2.2010)
 - (B) ₹ 3 lakh per annum (w.e.f. 27.2.2010)
 - (C) ₹ 13 lakh per annum (w.e.f. 27.2.2010)
 - (D) ₹ 3 lakh per month (w.e.f. 27.2.2010).
- (xiv) Maximum duty drawback rate @ _____ on FOB value of exports.
- (A) 45%
 - (B) 15%
 - (C) 25%
 - (D) 33%

(xv) Full form of IIN is

- (A) Import of Goods at concessional rate of duty Identification Number
- (B) Import of Goods at Concessional Rate Identification Number
- (C) Import of Goods Identification Number
- (D) Import at Concessional Rate Identification Number

Section – B

(Answer any five questions out of seven questions given.

Each question carries 14 Marks.)

14×5=70

2. (a) State with reason whether the following supplies are mixed or composite:
- (i) When goods are packed and transferred with insurance.
 - (ii) Mr. Neeraj booked a Rajdhani train ticket, which includes meal. 7
- (b) With reference to GST law define Non-resident taxable person (NRTP) and also analyse the provision relating to filling of returns by non-resident taxable persons. 7
3. (a) Discuss whether GST would be payable in following independent cases:
- (i) Vishnu Temple Charitable trust, registered under section 10(23C) (v) of the Income-tax Act gives on rent a community hall, located within temple premises, to public for organizing a Diwali Mela. Rent charged is ₹ 9,550.
 - (ii) A Company Secretary makes payment of LLP Registration fees of ₹ 4,000 on behalf of their clients and charges the client his professional fee of ₹ 16,000 along with expenses of ₹ 4,000 incurred in form of payment to Registrar of Companies.
 - (iii) A pharmaceutical company supplies free samples to doctors.
 - (iv) RTY Ltd. has given on hire 12 trucks to ABV Transporters of Mumbai (a goods transport agency) for transporting goods in various parts of the country. The hiring charges for the trucks are ₹ 10,250 per truck per day. 7

- (b) SST Ltd, a registered person under GST law at Ahmedabad procured the following goods in the month of October, 2023.

SN	Particulars	GST Paid (₹)
(i)	Inputs used for the manufacture of the final product	35,000
(ii)	Goods destroyed due to natural calamities	8,000
(iii)	Food and beverages used in dealer's meet	12,000
(iv)	Food and beverages purchased for the employees during office hours	5,000
(v)	Goods used for setting up Telecommunication Towers being immovable property	1,50,000
(vi)	Account paper for photocopying machine used in administrative office	6,000
(vii)	Goods used for providing services during warranty period	12,000

Compute the amount of Input Tax Credit (ITC) available with SST Ltd for the month of October, 2023 by giving necessary explanations. Assume, that all the other conditions necessary for availing ITC have been fulfilled. 7

4. (a) "Every person registered under GST law is required to deduct TDS under section 51 of the CGST Act, 2017"

Comment on the validity of the above statement and discuss the relevant provision of the law. 7

- (b) Write short note with reference to time of supply under on Reverse Charge Mechanism (RCM) in case of:

(1) Supply of Goods

(2) Supply of Service 7

5. (a) Mr. Sachin, a Cost and Management Accountant (CMA), being a partner in GST registered firm orders a gaming software for his son Mr. Rajiv from a company located in USA. He makes the payment for the same from his personal bank account.

Examine whether the transaction will be liable to GST. If yes, in whose hands the tax is liable? Also discuss the related legal provision in brief. 7

- (b) Mr. Kishan, an air travel agent, provided the following details for the quarter ended on March, 2024:

	Particulars	Amount (₹)
(i)	Basic air fare collected for international booking of tickets	65,00,000
(ii)	Basic air fare collected for domestic booking of tickets	53,00,000
(iii)	Commission received from the airlines on the sale of domestic and international tickets	4,95,000
(iv)	Year ending bonus received from airlines	30,000

Compute the GST liability of Mr. Kishan, an air travel agent, for the quarter ended on March, 2024.

In the above case, would the GST liability of Mr. Kishan be reduced if he opts for the special provision for payment of GST as per Rule 32(3) of the CGST Rules, 2017. The applicable rate of GST 18%. 7

6. (a) Outline the major schemes announced for exporters under Foreign Trade Policy which are meant for Indian Exporters. 7
- (b) "Special Economic Zone (SEZ) and Export Oriented Unit (EOU) are the same thing and there is no difference between them" 7
- Comment and discuss the validity of the above statement. 7
7. (a) Discuss about the persons who have been conferred exemption from e-invoicing requirements as per GST law. 7
- (b) Enumerate the Duty-free importable items under the Advance Authorisation scheme. Write a brief note on the eligibility for Advance Authorisation. 7
8. (a) A final order has been passed by the Commissioner of Central tax, having Revisionary authority, in respect of Kailash Traders, a registered supplier in the State of Tamil Nadu, on 12th Oct., 2023. The amounts of IGST, penalty and interest confirmed by the commissioner and accepted by the assessee are as under:

Nature of demand	As per order passed (₹ in crores)	Accepted by assessee (₹ in crores)
Tax	600	400
Penalty	300	150
interest	30	15

The required amount of pre-deposit was made by Kailash Traders on 5th Nov., 2023. A valid appeal was filed before the GSTAT.

The Tribunal passed an order fully in favour of Kailash Traders on 12th Feb., 2024. On 10th March, 2024, Kailash Traders submitted an application for refund of pre-deposit, along with the applicable interest. The said application was acknowledged by the Department on the same day and the pre-deposit was refunded on 14th May, 2024 along with the interest.

Based on the aforesaid facts given in the case study, compute the amount of pre-deposit to be made for filing of appeal and the interest to be granted by the GST Department.

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- (b) Sanvitha & Co., a registered person in the State of Maharashtra under the regular scheme, purchased on 12-3-2022, goods for ₹ 23,42,400 (inclusive of GST) from Vyapar Ltd., a registered supplier in Gujarat under the normal provisions. Sanvitha & Co. duly claimed ITC in respect of this purchase of taxable goods. The payment was made by the buyer to the seller within 20 days by electronic funds transfer. The goods were transported through truck. All the documents proving the movement of goods, original tax invoice, e-invoice, etc., are available with Sanvitha & Co.

After nearly two years, in March, 2024, the GST department sought to reverse the input credit solely on the ground that the seller had not remitted the GST to the Government. No attempt has been made by the Department to recover the amount from the seller. In the SCN, non-payment of GST to the Government has been cited as the sole reason.

Sanvitha & Co. oppose this move of the Department. Is their contention tenable in law?

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