

FINAL EXAMINATION

June 2025

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

Answer Question No. 1 which is compulsory.

1. Choose the most appropriate option for the following MCQs: 2×15=30

- (i) Services by a hotel, inn, guest house, club or campsite are not exempted for residential/lodging purposes _____
- (A) if the actual tariff for a unit of accommodation is below ₹ 10,000.
- (B) irrespective of tariff value for a unit of accommodation.
- (C) if the actual tariff for a unit of accommodation is exactly ₹ 1,000.
- (D) if the actual tariff for a unit of accommodation is above ₹ 1,000.
- (ii) Maximum time limit for availing ITC is
- (A) the date of filing of annual return for the year.
- (B) 30th November of the following financial year.
- (C) Earliest of above two
- (D) Later of above two
- (iii) Minimum value addition required to be achieved under DFIA is _____:
- (A) 10%
- (B) 15%
- (C) 20%
- (D) 5%

- (iv) Mr. Ram a second-hand car dealer purchased a second-hand car for ₹ 2,50,000. He sold the same car to Mr. Lakshman for ₹ 3,00,000. Determine value of supply.
- (A) ₹ 3,00,000
 - (B) ₹ 2,50,000
 - (C) ₹ 50,000
 - (D) None of the above
- (v) Determine the amount of GST in case of supply of service of ₹ 10,00,000 on 4th Sep. 20XX and invoice has also been issued on the same date. The date of payment is 30th Aug. 20XX. The CGST rate has been increased from 5% to 12% w.e.f. 1st Sep. 20XX
- (A) ₹ 50,000
 - (B) ₹ 1,00,000
 - (C) ₹ 70,000
 - (D) ₹ 1,20,000
- (vi) Services by way of renting precincts of a religious place meant for general public, owned or managed by an entity registered as charitable or religious trust under section 12AA or 12AB of the Income Tax Act, 1961 shall be exempted, provided the room rent and rent for community halls is respectively less than
- (A) ₹ 1,000 and ₹ 1,000.
 - (B) ₹ 1,000 and ₹ 10,000.
 - (C) ₹ 10,000 and ₹ 10,000.
 - (D) ₹ 500 and ₹ 10,000.
- (vii) As per section 69(2) of the CGST Act, 2017, where a person is arrested under subsection (1) for an offence specified under sub-section (5) of the section 132, the officer authorized to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within
- (A) four hours.
 - (B) twenty four hours.
 - (C) twenty five hours.
 - (D) twenty six hours.

(viii) Which of the following transactions does not qualify as supply under GST law?

- (A) Disposal of car without consideration and the supplier has not claimed input tax credit on such car.
- (B) A principal makes supplies to his agent who is also registered under GST and is situated within the same State and the invoice for further supply is issued by the agent in his name.
- (C) Head Office makes a supply of services to its own branch outside the State.
- (D) A person imports services without consideration for the purposes of his business from his elder son living outside India.

(ix) GH Ltd., a registered supplier in Karnataka, is engaged in milling of paddy into rice and provides allied services also. During March, 2024, the amounts collected, exclusive of GST, are as under:

Particulars	Amount (₹)
Processing charges for milling of paddy into rice	30,00,000
Packing and warehousing of rice	15,00,000
Loading and unloading of rice	12,00,000

If the GST rate applicable is 5%, the GST liability is as under (₹):

- (A) 2,85,000
- (B) 2,25,000
- (C) 1,50,000
- (D) Nil

(x) The maximum amount of pre-deposit payable by a taxpayer for filing an appeal involving IGST implications before the appellate authority is

- (A) ₹ 50 lakhs
- (B) ₹ 25 crores
- (C) ₹ 50 crore
- (D) ₹ 100 crore

(xi) Which of the following is not 'deemed export' as per FTP?

- (A) Supply of goods against Advance Authorization
- (B) Supply of goods to units in EHTP
- (C) Supply of capital goods under EPCG authorization
- (D) Supply of non-capital goods under EPCG authorization

- (xii) Value of personal computer is ₹ 1,10,000 and personal effects is ₹ 60,000 and duty-free allowance is ₹ 1,00,000. What is the value of the baggage liable to duty after all rebate?
- (A) Nil
 - (B) ₹ 60,000
 - (C) ₹ 70,000
 - (D) ₹ 10,000
- (xiii) Identical goods means that the goods must be same in all aspects, including physical quantity. The method is applicable if
- (A) the goods must be valued at a price which is produced by the same manufacturer.
 - (B) the price is not available, then the price of other manufacturers of the same country is to be taken into account.
 - (C) more than one identical goods are available, lowest of value shall be taken.
 - (D) All of the above
- (xiv) Preservation of physical and digital records by the licensees, namely owner of warehoused goods needs to maintain update the records and accounts accurately and preserve for a minimum 5 years from the date of
- (A) removal of goods from the facility.
 - (B) import of goods.
 - (C) export of goods.
 - (D) removal of goods from the place of worker.
- (xv) Status holders shall be entitled to export freely exportable items (excluding Gems and Jewelry, Articles of Gold and precious metals) on free of cost basis for export promotion subject to an annual limit of
- (A) 8% of average annual export realization during preceding 3 licencing years.
 - (B) rupees one crore or @2% of average annual export realization during preceding three licensing years, whichever is lower.
 - (C) 2% of average annual export realization during preceding 3 licencing years.
 - (D) 8% of average annual export realization during preceding 2 licencing years.

Section – B

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

14×5=70

2. (a) Who are the persons exempted from the entity level for E – Invoice? Who are not exempted from entity level? 7

- (b) Shah traders, registered under GST in Gujarat and a monthly return filer, is engaged in making taxable supplies of goods and services. It furnished the details of its outward supplies in Form GSTR-1 for the month of February on 11th March.

However, on 14th March, the accountant of Shah Traders noticed that one invoice issued to Bhuvana Traders (registered in Gujarat) for supply of goods of value of ₹ 2,80,000 (taxable at 18%) pertaining to February has been inadvertently missed to be declared in Form GSTR-1 furnished for February. He has approached you for advice before furnishing Form GSTR-3B for the said month. **You are required to briefly discuss** whether Shah Traders can amend the details of outward supply furnished in Form GSTR-1 of February. If such amendment is permitted and details of Form GSTR-1 are amended, **whether the** details of said invoice will be available in Form GSTR-2B of Bhuvana Traders for the month of February. 7

3. (a) **Determine** the taxability or otherwise of the following services provided by Indian Railways:

S.No.	Particulars	Amount (₹)
(i)	Cloak room services provided to passengers at Chennai Central for the long route passengers	20,00,000
(ii)	Service of transportation of passengers in second class travel	20,00,000
(iii)	Platform tickets sold to passengers	50,00,000
(iv)	Renting of warehouse located in Kolkata railway station to Sree Leathers Traders, registered in West Bengal	1,50,000
(v)	Service of transportation of passengers in air-conditioned coaches for 1st class AC, 2nd AC and 3rd AC	10,00,000
(vi)	Service of transportation of relief materials meant for victims of flood affected area at Bhuvaneswar, Orrisa	3,00,000
(vii)	Service of transportation of organic manure to Tirunelveli, Tamil Nadu	2,00,000

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- (b) Vijayalalitha, was under the composition scheme from 1.7.2023. She plans to shift to regular scheme w.e.f. 1.4.2025. Vijayalalitha provides you the following information:

- (a) Date of Invoice in respect of purchase of Plant and Machinery - 1.10.2023
- (b) Value of Plant and Machinery excluding GST - ₹ 25,00,000
- (c) GST charged at 18% - ₹ 4,50,000
- (d) Date on which registered person ceases to pay tax under Section 10(Composition levy) and shifts to regular scheme - 01.04.2025

Determine on the basis of above information as to how much ITC of capital goods which can be taken by Vijayalalitha on shifting from composition to regular scheme.

Detailed working is necessary.

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4. (a) Flykart is an e-commerce operator, registered in Maharashtra, which owns and runs a portal, for the supply of goods and services of its members to the public in India. The following transactions are reported by Flykart for the month of January, 2025:

- (i) Flykart has a prior agreement with DF Hotels, Loanawala (an e-commerce operator registered in Maharashtra) for booking of rooms. A customer in Mumbai has booked rooms for 6 nights and 7 days. DF Hotels has a prior agreement with Flykart. The hotel has raised an invoice for ₹ 2,00,000 to the customer and has received ₹ 1,92,000 from Flykart.
- (ii) Q Ltd., a registered person in Odissa, provided the services of transportation of passengers through Omni bus for ₹ 1,80,000 to R Ltd. also of Odissa
- (iii) Further Q Ltd also provides transportation of passengers through other vehicles for ₹ 3,50,000, to R Ltd., also of Odissa.
- (iv) Goods sold by G Ltd., a registered supplier in Karnataka, to H Ltd., another registered supplier in Tamil Nadu, for ₹ 2,36,000 (including 18% GST). During this month, H Ltd. Returned goods worth ₹ 90,000 (excluding GST) to G Ltd.

Compute the TCS liability of Flykart for the month of January, 2025. All figures are exclusive of taxes, except where specified otherwise.

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- (b) How value of supply of goods or services or both is determined between distinct or related persons other than through an agent?

Discuss in brief with reference to Rule 28 of the CGST Rules 2017.

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5. (a) From the following information provided by M/s Big Bazaar. **Determine** the time of supply for the purpose of payment of GST:

- (i) It issued coupon on 23.06.2024, worth ₹ 3,500 redeemable against purchase of specific plastic items. This coupon was redeemed on 31.07.2024.
- (ii) It issued coupon on 04.08.2024 worth ₹ 6,900 which is redeemable against purchase of any item. This coupon was redeemed on 18.08.2024.
- (iii) It received interest of ₹ 20,000 for late payment from a customer on 11.11.2024 for supply of goods which was originally made on 24.06.2024.

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(b) On 23rd May, 2024, FFT Ltd, registered in Mumbai, started the activities as a money changer. It has undertaken the following purchase and sale of foreign currency in May, 2024.

(i) 280 US \$ are sold at the rate of ₹ 83 per US \$. RBI reference rate for US \$ on that day was ₹ 83.50.

(ii) 2,400 US \$ are purchased at the rate of ₹ 82.50 per US \$. RBI reference rate for US \$ for that day is not available.

FFT Ltd. want to avail the option available under rule 32(2) (b) of the CGST Rules, 2017 for the purpose of valuation.

Determine the value of supply in each of the above cases and also **state** the condition which company have to follow to opt for rule 32(2) (b) of the CGST Rules, 2017. 7

6. (a) Under the foreign Trade Policy (FTP), National Trade Facilitation Action Plan has been formulated. **What does** this plan aim to achieve? **What are** the trade facilitation measures provides under the FTP of India? 7

(b) With regards to Foreign Trade Policy, **discuss** the concept of 'Deemed Exports' and also **state** any three supplies considered as deemed exports if goods are supplied by:

(i) a manufacturer

(ii) a main contractor/sub-contractor 7

7. (a) Mrs. & Mr. Ajith Kumar visited Spain and brought following goods while returning to India after 6 days stay abroad on 8th March 2025.

(i) Their personal effects like clothes, etc., valued at ₹ 2,70,000.

(ii) A personal computer bought for ₹ 2,72,000.

(iii) A laptop computer bought for ₹ 1,90,000.

(iv) Two litres of liquor bought for ₹ 3,200.

(v) A new camera bought for ₹ 174,800.

(vi) Plasma T.V. for ₹ 2,50,000

What is the amount of customs duty payable? 7

(b) Poorvisha Ltd. imported a machine from Australia for ₹ 180 lakh during the month of Feb, 2024 on payment of all duties of customs. Due to some technical manufacturing defect the machine was exported (sent back) to supplier for repairs in September 2024. The machine was reimported without any re-manufacturing or reprocessing in August 2024 after repairs. Since the machine was under warranty period, the repairs were carried out free of cost.

However, the fair cost of repairs carried out (excluding cost of material ₹ 12.75 lakh) would have been ₹ 6.25 lakh. Actual insurance and freight charges (to and from) were ₹ 8 lakh (₹ 4 lakh each side). The ownership of machinery has not been changed during the period.

You are required to advise Poorvisha Ltd. on the concessions (if any) available for importation of the machinery after repairs, also state the conditions to be satisfied for availing such concession.

Also **compute** the customs duty and integrated tax payable (if any) on the re-import of the machine after repairs. The rate of basic customs duty is 15% and integrated tax is 12%. Ignore Agriculture infrastructure and development cess. 7

8. (a) In an appeal filed with the High Court of Madras by VVS Chakra Ltd., on the question whether activity undertaken by VVS Chakra Ltd., amounts to supply, the appeal was decided in favour of VVS Chakra Ltd.,. The amount of tax, interest and penalty involved, was as under:- (in crore)

IGST	₹ 1.20 crore
Interest	₹ 0.60 crore
Penalty	<u>₹ 0.50 crore</u>
Total	₹ 2.30 crore

However, the Department does not agree with the order passed by the High Court and contends that the said activity amounts to supply under GST. The Department wants to file an appeal before the Supreme Court relating to the dispute pertaining to the demand for tax, interest and penalty.

You are required to examine whether an appeal can be filed by the Department in the given case. **Will your** answer change, in case matter is related to valuation of services instead of determining whether the said activity amounts to supply? 7

- (b) Viv Richards Inc, a company located in Trinidad and Tobago, charges subscription fee from its unregistered customers in India at its online money gaming portal Bet 365. The Department contends that GST should be charged on the subscription fees which Viv Richards Inc receives from Indian customers.

Viv Richards Inc opposes the above view stating that since online money gaming are intangible goods and do not cross customs frontiers physically in this case, GST is not leviable thereon.

Considering the above facts, **you are required to answer** the following questions:

- What would be the place of supply in this case?
- Whether GST is leviable on the subscription fee charged by Viv Richards Inc from unregistered customers? If yes, who is required to pay the said GST? 7