

12765

**INTERMEDIATE EXAMINATION**

December 2022

*P-11(ITX)*  
*Syllabus 2016*

**Indirect Taxation**

Time Allowed: 3 Hours

Full Marks: 100

*The figures in the margin on the right side indicate full marks.  
Wherever required, the candidate may make suitable assumptions  
and state them clearly in the answers.*

*Working notes should form part of the relevant answers.*

**GST (Section-A)**

**Part-I**

**(All questions are compulsory in Part-I)**

1. (a) **Choose the correct option from amongst the *four* alternatives given:** 1×5=5
- (i) Which of the following constitutional amendment governs GST Act?
- (A) 101st Amendment  
(B) 122nd Amendment  
(C) 152nd Amendment  
(D) 140th Amendment
- (ii) Every decision of the Goods and Service Tax Council (GST Council) shall be taken at a meeting, by majority of not less than \_\_\_\_\_ of the weighted votes of the members present and voting.  
Fill in the blank space from the below options:
- (A) 1/2 (i.e. 50%)  
(B) 1/3 (i.e. 33.33%)  
(C) 3/4 (i.e. 75%)  
(D) 2/3 (i.e. 66.67%)
- (iii) In which of the following situation, taxpayer needs to reverse the credit (ITC) already taken?
- (A) If payment is not made to the supplier within 1 year from the date of invoice.  
(B) If payment is not made to the supplier within 90 days from the date of invoice.  
(C) If payment is not made to the supplier within 180 days from the date of invoice.  
(D) If payment is not made to the supplier within 45 days from the date of invoice.

(iv) If the rate of tax and nature of supply of a service is not determinable at the time of receipt of advance, then what will be rate of tax and nature to be written in receipt Voucher?

- (A) 12%, Inter-State supply
- (B) 18%, Inter-State supply
- (C) 12%, Intra-State supply
- (D) 18%, Intra-State supply

(v) Within how much time (including all possible extension) inputs sent directly by the supplier of inputs, to premises of job worker, without sending them first to premises of principal, should either be returned to the principal or must be supplied from the job worker's premises?

Answer according to Section 143 of CGST Act, 2017.

- (A) 2 year from the sending of inputs to the job worker by the supplier
- (B) 1 year from the sending of inputs to the job worker by the supplier
- (C) 1 year from the date of receipt of inputs by the job worker
- (D) 2 year from the date of receipt of inputs by the job worker

(b) Match the following:

1×5=5

	Column-I		Column-II
1.	Integrated Goods and Services Tax	A	Compulsory registration
2.	Casual Taxable Person making taxable supplies	B	Collected by Central Government
3.	Agricultural Activities	C	72 months
4.	Transaction Value	D	Exempt from GST
5.	Retention of Accounts	E	When price is sole consideration

(c) State whether the following statements are True or False:

1×5=5

- (i) "Invoice shall be prepared in three copies in case of taxable supply of goods."
- (ii) "Mixed supply, is naturally bundled i.e. goods or services are usually provided together in normal course of business whereas in Composite supply, the goods or services can be sold separately."
- (iii) 13th day of the succeeding month is the due date of GSTR-1 for Person registered under regular scheme with annual aggregate turnover up to ₹ 1.50 crore. (assume there is no extension)
- (iv) "An unregistered person cannot generate e-Way bill."
- (v) "e-Way bill not required in case of transfer of stock between Head Office and branch even if value of consignment is more than 100000 if delivery challan is available."

(d) **Fill in the blanks:**

1×5=5

- (i) A maximum rate of tax of \_\_\_\_\_ can be imposed on intra state supply of goods and service as CGST.
- (ii) A return under GST in form \_\_\_\_\_ is required to be filed by a Non-resident taxable person.
- (iii) Deposits towards penalty is credited into Electronics \_\_\_\_\_ ledger of a taxable person.
- (iv) In HSN, N stands for \_\_\_\_\_.
- (v) Gifts exceeding \_\_\_\_\_ in value in a financial year by an employer to employee shall constitute supply of goods or services or both.

**Part-II****(Answer any four questions in Part-II)**

## 2. (a) Briefly discuss the functions of

(i) Goods and Services Tax Network (GSTN)

(ii) GST Council

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## (b) Examine, whether the suppliers are eligible for composition scheme under sub-section 1 and/ or 2A of section 10 of CGST Act, 2017 in the following independent cases:

- (i) Mr. A, a registered dealer of Rajasthan is exclusively providing intra-state architect services. It has turnover of ₹ 47 lakh in the preceding financial year.
- (ii) M/s. B & Sons, a registered dealer, is dealing in intra-state trading of electronic appliances in Jaipur (Rajasthan). It has turnover of ₹ 130 lakh in the preceding financial year. In the current financial year, it has also started providing repairing services of electronic appliances.
- (iii) M/s. C & Bro, a registered dealer, is providing restaurant services in Maharashtra. It has turnover of ₹ 74 lakh in the preceding financial year. It has started providing intra-state interior designing services in the current financial year and discontinued rendering restaurant services.

3+2+3=8

## 3. (a) GTT Pvt. Ltd. owned by Mr. Varun, a famous Pop singer, wishes to organise a 'Music Concert' in Agra (U.P.). GTT Pvt. Ltd. (registered in Amritsar, Punjab) enters into a contract with an event management company, Aman (P) Ltd. (registered in Delhi) for organising the said music concert at an agreed consideration of ₹ 8,00,000. Aman (P) Ltd. books the lawns of Hotel Bluewell, Agra (registered in U.P.) for holding the music concert, for a lump sum consideration of ₹ 3,00,000. GTT Pvt. Ltd. fixes the entry fee to the music concert at ₹ 1,550 per ticket.

**You are required to determine** place of supply respect of the supply(ies) involved in the given scenario and decide which whether CGST and SGST is payable or IGST needs to be paid. No need to calculate tax amount.

**Will your answer** be different if the price per ticket is fixed at ₹ 950 instead of ₹ 1,550?

- (b) M/s. CDF (P) Ltd. registered under GST laws at Maharashtra, has received some taxable services covered under reverse charge u/s 9 (3) of CGST Act, 2017 from Mr. Harish Chandra of Gujarat.

Other details are as follows:

Particulars	Date
Supply of services	03/06/2021
Invoice raised by Mr. Harish Chandra	09/07/2021
Payment recorded in the books of M/s. CDF (P) Ltd.	07/08/2021
Payment debited in the bank account of M/s. CDF (P) Ltd.	14/08/2021
Payment recorded in the books of Mr. Harish Chandra	08/08/2021
Payment credited in the bank account of Mr. Harish Chandra	16/08/2021

**Determine:**

- (i) Time of supply for the purpose of payment of tax.  
 (ii) Would your answer be different in (i) above, if services supplied on 11/06/2021, instead of 03/06/2021? 6
4. (a) Explain the provision of time limit of issue of invoice in the following cases under GST Law:
- (i) In case of continuous supply of goods  
 (ii) In case of continuous supply of services 2+3=5
- (b) KKJ Ltd. is registered with the jurisdictional GST authorities in the State of Tamil Nadu provided the following details:

Receipts on outward supply (exclusive of GST) for the month of May, 2022 are as follows:

Items	(₹)
Intra-state	14,00,000
Inter-state	3,35,000

Assume applicable rate on outward supply as CGST@9% and SGST@9% and IGST@18%.

Details of GST paid on inward supply are as follows during the month.:

Items	CGST paid (₹)	SGST paid (₹)
Life Insurance premium paid by company on the life of factory employees as per policy of company	12,000	12,000
Work contractor's service used for repair and renovation of factory building which is debited in profit and loss account	80,000	80,000
Outdoor catering service availed for business meetings	35,000	35,000
Purchase of manufacturing machine directly sent to job worker's premises under challan	90,000	90,000

Details of other Input Services:

S. No.	Particulars
(i)	Rent of one office building paid to unregistered owner of same state ₹ 1,50,000 taxable @ 9% CGST, 9% SGST and 18 % IGST
(ii)	Paid ₹ 1,50,000 for transportation of goods by road, to out of state unregistered Goods Transport Agency applicable rate CGST @ 2.50% and SGST @ 2.50% or IGST @ 5%

Notes:

- (i) All the amount stated above in both the tables are exclusive of GST, wherever applicable.
- (ii) Aggregate turnover of company in previous year was ₹ 5 Crore.
- (iii) Opening balance of Input tax credit was NIL and all the conditions for credit of Input tax have been fulfilled.

Company want to know **from you, the below details regarding GST liability for the month of May, 2022:**

- (A) Input Tax credit available for payment of tax
- (B) Gross tax to be paid under forward charges
- (C) Tax to be paid under reverse charges
- (D) Net tax liability to be paid minimum in cash

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5. (a) "Under GST Aadhaar authentication is mandatory for persons who are already registered." **Examine the** correctness of the statement. **You are also** required to elaborate the relevant legal provisions. 9
- (b) Mr. Varun a registered supplier of Gujarat, received the following amounts in respect of the various activities undertaken by him during the month of April, 2022:

S. No.	Particulars	Amount (₹)
(i)	Consideration for renting of residential dwelling for use as office	1,48,000
(ii)	Business assets (old computers) given to friend free of cost, the market value of all the computers was ₹ 1,50,000 No Input tax credit has been availed on such computers when used for business	No amount charged
(iii)	Commission received as a recovery agent from a non-banking finance company (NBFC)	95,000
(iv)	Actionable claim received from normal business debtors	11,00,000
(v)	Amount received from ADG Ltd. for performance of classical dance in one program	1,99,500

Notes:

- (i) All the amount stated above are exclusive of GST, wherever applicable
- (ii) Aggregate turnover of Mr. Varun in previous year was ₹ 42,00,000

**You are required to Compute Gross value** of supplies, on which GST to be paid by Mr. Varun for the month of April, 2022. **Correct legal provision** should form part of your answer. 6

6. (a) AMAN Ltd. of Delhi, a registered supplier, is manufacturing taxable goods. It provides the following details of taxable supply made by it for the month of March, 2022.

Particulars	Amount (₹)
List price of the goods (excluding taxes and discount and other charges)	15,00,000
Subsidy received from Central Government for supply of taxable goods to Government School. Directly linked to price	1,90,000
CGST and SGST chargeable on the goods	75,000
Tax levied by the Municipal Authority	32,000
Secondary Packing charged	10,000

Notes:

- (i) AMAN Ltd. offers 2% discount on the list price of the goods which is recorded in the invoice for the goods.
- (ii) The list price of the goods after considering the subsidy, however, the other charges/taxes/fee are charged to the customers over and above the list price.

**Calculate the value of taxable** supply made by AMAN Ltd. for the month of March, 2022. 6

(b) **Discuss whether** GST would be payable in following independent cases:

- (i) A Cost Accountant makes payment of LLP Registration fee of ₹ 4,000 on behalf of their clients and charges the client his professional fee of ₹ 12,000 along with expenses of ₹ 4,000 incurred in form of payment to Registrar of Companies.
- (ii) A pharmaceutical company supplies free samples to doctors.

- (iii) Vijyan 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 ₹ 9,500.
- (iv) Bluefine Trucking Ltd. has given on hire 12 trucks to GGH Transporters of Mumbai (a goods transport agency) for transporting goods in various parts of the country. The hiring charges for the trucks are ₹ 10,100 per truck per day.
- (v) An individual buys a car for personal use and after a year sells it to a car dealer.
- (vi) Provision of service or goods by a club or association or society to its members.

$$1\frac{1}{2} \times 6 = 9$$

7. You are required to write short notes on *any three* out of *four* sub questions:  $5 \times 3 = 15$

- (a) "Acceptance of **e-Way bill**"
- (b) Consequences of not complying with the provisions related to "Tax collection at source (TCS)" under section 52 of CGST Act, 2017
- (c) Salient features of **Audit by tax authorities** under section 65 of CGST Act, 2017
- (d) State exception on which **e-invoice** provisions not applicable under GST law

### Customs (Section-B)

#### Part-III

(All questions are compulsory in Part-III)

8. Choose the correct option from amongst the *four* alternatives given:  $1 \times 5 = 5$

- (i) What is duty drawback rate under section 74 of Customs Act, 1962, in case of re-export of imported goods after using for 14 months (imported for business use)
- (A) 65%
- (B) 98%
- (C) 81%
- (D) 70%

- (ii) What is maximum permissible amount of freight under Customs Law in case of import by vessel?
- (A) 20 % of FOB
  - (B) 20% of FOB or actual amount, whichever is less
  - (C) Actual amount
  - (D) 20% of FOB or actual amount, whichever is more
- (iii) \_\_\_\_\_ bill of entry is used for clearance of goods from warehouse for home consumption.
- (A) White
  - (B) Yellow
  - (C) Green
  - (D) Orange
- (iv) Under Customs Act, 1962 which of this is not mandatory documents required for export of goods from India:
- (A) Bill of Lading/Airway Bill/Lorry Receipt/Railway Receipt/Postal Receipt
  - (B) Commercial Invoice cum Packing List
  - (C) Shipping Bill/Bill of Export
  - (D) Bill of Entry
- (v) According to Customs Act, 1962, up to how many nautical miles from base line Indian territorial waters extend?
- (A) Up to 200 nautical miles
  - (B) Up to 12 nautical miles
  - (C) Up to 188 nautical miles
  - (D) Up to 212 nautical miles

**Part-IV****(Answer any one question in Part-IV)**

9. (a) DDY Industries Ltd. is an Indian company which registered under the Indian Companies Act, 2013. Company bought one machine through sea route for which details given below:

(i) Cost of machine at the Port of exportation	12,000 U.K. £
(ii) Freight from Port of Export to Port of Import	3,000 U.K. £
(iii) Ship demurrage charges paid by the buyer at port importation	₹ 14,000
(iv) Engineering charges paid by buyer to Consultancy firm in Mumbai as a condition of sale	₹ 1,18,000
(v) Buyer had paid to seller cost for packing (included in Cost of 12000 at point (i) above, it was not as condition of sale)	400 U.K. £
(vi) Actual selling commission paid to local agent of exporter	₹ 75,000
(vii) Actual Landing charges at Port of importation is not ascertainable	—
(viii) Actual insurance charges paid are also not ascertainable	—

**Other informations:**

1	<b>Bill of entry :</b>	<b>Dated 12.02.2022</b> <u>On that day:</u> (a) Basic Custom Duty (BCD) rate was 15% (b) Exchange rate as notified by CBIC 1 U.K.£ = ₹ 98 (c) The inter-bank rate was 1 U.K.£ = ₹ 99
2	<b>Entry inward:</b>	<b>Dated 15.02.2022</b> <u>On that day:</u> (a) Basic Custom Duty (BCD) rate was 20 % (b) Exchange rate as notified by CBIC 1 U.K.£ = ₹ 95 (c) The inter-bank rate was 1 U.K.£ = ₹ 96
3	Rate of social welfare surcharge is 10%.	
4	Integrated tax leviable under section 3(7) of Customs Tariff Act, 1975 @ 12%.	
5	Ignore GST compensation cess and Agriculture infrastructure and development cess	

From the above particulars, **Determine:**

- (i) Determine the CIF/Assessable value in Indian rupee
- (ii) The total amount of all customs duties to be paid

**Correct legal provision should form part of your answer.**

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- (b) Vinay imported certain goods in May, 2021. An 'into Bond' bill of entry was presented on 14th May, 2021 and goods were cleared from the port for warehousing.

The order permitting the deposit of goods in warehouse for 4 months was issued on 21st May, 2021. Vinay deposited the goods in warehouse on the same day but did not clear the imported goods even after the warehousing period got over on 20th September 2021.

A notice was issued under section 72 of the Customs Act, 1962, demanding duty, interest and other charges. Vinay cleared the goods on 14th October, 2021. Customs duty paid on removal of the goods is ₹ 7,17,000.

**You are required to compute** the amount of interest payable on such removal explaining the provisions of the Customs Act, 1962.

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10. (a) EER Ltd., an Indian company located at Chennai imported a commodity in January, 2022 from USA which is covered by a Notification issued under section 9A of the Customs Tariff Act, 1975. The relevant particulars relating to import are as follows:

- (1) CIF value of the consignment — US \$ 57,000
- (2) Quantity imported — 910 kgs.
- (3) Exchange rate applicable — US \$ 1 = ₹ 73
- (4) Basic Customs Duty (BCD) — 15%
- (5) Integrated tax leviable under section 3(7) of Customs Tariff Act, 1975 is 12%.
- (6) Rate of social welfare surcharge is 10%
- (7) As per the Notification, the anti-dumping duty leviable will be 70% of the difference between the cost of the commodity calculated @ US \$ 87 per kg. and the landed value of the commodity as imported.

**You are required to calculate** the amount of anti-dumping duty and Integrated tax leviable under section 3(7) of Customs Tariff Act, 1975 payable by EER Ltd.

Note: Ignore GST compensation cess and Agriculture infrastructure and development cess.

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- (b) (i) Discuss in brief, provisions of abatement available under section 22 of Customs Act, 1962 and calculate the amount of abatement if any, in the following independent cases:

<b>S. No.</b>	<b>Condition</b>	<b>Value (before) (₹)</b>	<b>Duty payable (before) (₹)</b>	<b>Value (after) (₹)</b>
(i)	Imported goods (other than warehoused) damaged after examination under section 17 but before actual clearance for home consumption	6,00,000	60,000	2,00,000
(ii)	Imported warehoused goods damaged before clearance for home consumption	3,00,000	30,000	1,20,000
(iii)	Imported warehoused goods deteriorated before clearance for home consumption	4,00,000	40,000	3,00,000

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- (ii) Discuss the conditions to be satisfied for Duty drawback under section 74 of Customs Act, 1962.

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# SUGGESTED ANSWERS TO QUESTIONS

## SECTION - A

### PART-I

**1. (a)**

**1X5 =5 Marks**

- (i) (A)
- (ii) (C)
- (iii) (C)
- (iv) (B)
- (v) (A)

**1. (b)**

**1X5 =5 Marks**

- 1. B
- 2. A
- 3. D
- 4. E
- 5. C

**1. (c)**

**1X5 =5 Marks**

- (i) True
- (ii) False
- (iii) False
- (iv) False
- (v) False

**1. (d)**

**1X5 =5 Marks**

- (i) 20%
- (ii) GSTR-5;
- (iii) Cash
- (iv) Nomenclature
- (v) ₹ 50,000

### PART-II

(Answer any four questions)

**2. (a)**

**7 Marks**

Functions of the GSTN (i.e. Role assigned to GSTN):

Creation of common and shared IT infrastructure for functions facing taxpayers has been assigned to GSTN and these are:

1. filing of registration application,
2. filing of return,

3. creation of challan for tax payment,
4. settlement of IGST payment (like a clearing house),
5. generation of business intelligence and analytics etc.

All statutory functions to be performed by tax officials under GST like approval of registration, assessment, audit, appeal, enforcement etc. will remain with the respective tax departments.

Functions of the GST Council:

GST Council is to make recommendations to the Central Government and the State Governments on

1. tax rates,
2. exemptions,
3. threshold limits,
4. dispute resolution,
5. GST legislations including rules and notifications etc.

**2. (b)**

**3+2+3 = 8 Marks**

- (i) An exclusive service provider can opt for the composition scheme only if he is engaged in supply of restaurant services. The composition scheme permits supply of marginal services for a specified value, but only when the same are supplied along with goods and/or restaurant service. Since Mr A is exclusively engaged in supply of services other than restaurant services, it is not eligible for composition scheme u/s 10 (1)

However, since A is not eligible to opt for composition scheme, its aggregate turnover in the preceding financial year does not exceed ₹ 50 lakh and it is exclusively engaged in supply of services other than restaurant services,

Mr A is entitled to avail benefit of concessional payment of tax under section 10 (2A) Effective rate 6% (3 % CGST+ 3% SGST)] on first supplies of goods and/or services up to an aggregate turnover of ₹ 50 lakh made on/after 1st April in financial year

- (ii) The turnover limit for composition scheme in case of Rajasthan is ₹ 150 lakh. Thus, M/s B and Sons can opt for composition scheme as its aggregate turnover is less than ₹ 150 Lakh. Further, since the registered person opting for composition scheme can also supply services (other than restaurant services) for a value up to 10% of the turnover in the preceding year or ₹ 5 lakh, whichever is higher, in the current financial year,

So it can supply repair services up to a value of ₹ 13 lakh [10% of ₹130 lakh or ₹ 5 lakh, whichever is higher] in the current financial year.

- (iii) The turnover limit for composition scheme in case of Maharashtra is ₹ 150 lakh. Further, a registered person who is exclusively engaged in supplying services other than restaurant services are not eligible for composition scheme. Thus, M/s C & Bro cannot opt for composition scheme. Further, the benefit of concessional tax payment u/s 10 (2A) is available in case of a registered person whose aggregate turnover in the preceding financial year does not exceed ₹ 50 lakh.

Thus, in view of the above- mentioned provisions, M/s C & Bro cannot avail the benefit of concessional tax payment as its aggregate turnover in the preceding financial year is more than ₹ 50 lakh.

**3. (a)****9 Marks**

In the given situation, three supplies are involved:

- (i) Services provided by GTT Pvt. Ltd. to audiences by way of admission to music concert.
- (ii) Services provided by Aman (P) Ltd. to GTT Pvt. Ltd. by way of organising the music concert.
- (iii) Services provided by Hotel Bluewell to Aman (P) Ltd. by way of accommodation in the Hotel lawns for organising the music concert.

The CGST and SGST or IGST liability in respect of each of the above supplies is determined as under:

- (i) As per the provisions of section 12(6), the place of supply of services provided by way of admission to, inter alia, a cultural event shall be the place where the event is actually held.

Therefore, the place of supply of services supplied by GTT Pvt. Ltd. (Amritsar , Punjab) to audiences by way of admission to the music concert is the location of the Hotel Bluewell, i.e. Agra, (U.P.)

Since the location of the supplier ( Punjab) and the place of supply (AGRA) are in different States, IGST will be leviable. Therefore, IGST will be leviable.

- (ii) Section 12(7)(a)(i) stipulates that the place of supply of services provided by way of organization of, inter alia, a cultural event to a registered person is the location of such registered person.

Therefore, the place of supply of services supplied by Aman (P) Ltd. (Delhi) to GTT Pvt. Ltd. (Punjab) by way of organising the music concert is the location of the registered person, i.e. Amritsar (Punjab).

Since the location of the supplier (Delhi) and the place of supply ( Punjab) are in different States, IGST will be leviable. Therefore IGST will be leviable.

- (iii) As per the provisions of section 12(3)(c) of the IGST Act, 2017, the place of supply of services, by way of accommodation in any immovable property for organizing, inter alia, any cultural function shall be the location at which the immovable property is located.

Therefore, the place of supply of services supplied by Hotel Bluewell (Agra U P ) to Aman (P) Ltd. (Delhi) by way of accommodation in Hotel lawns for organising the music concert shall be the location of the Hotel Bluewell, i.e. Agra ( U.P.).

Since the location of the supplier (Agra U.P.) and the place of supply (Agra (U.P.) are in the same State, CGST and SGST will be leviable.

If the price for the entry ticket is fixed at ₹ 950,

Answer will not change

For service (i) the inter-State services by way of right to admission to, inter alia, musical performance are exempt from IGST vide Notification No. 9/2017 IT (R) dated 28.06.2017, if the consideration for right to admission to the event is not more than ₹ 500 per person. Here consideration is ₹ 950 which is more than 500.

Also there will be no change in the answer in respect of supplies mentioned in point (ii) and (iii) above. Because there is no such exemption

**3. (b)****6 Marks**

As per section 13 (3) of CGST Act, 2017, the time of supply of service on which GST is payable on reverse charge basis is

Date of payment or

Date immediately following 60 days since issue of invoice by the supplier

Whichever is earlier

Meaning of “Date of payment”

“Date of payment” in the above situation refers to the date on which the payment is recorded in the books of account of the entity that receives the service (recipient of service), or the date on which the payment is debited from the entity’s bank account, whichever is earlier.

Thus, time of supply of services is :-

07/08/2021 (date of payment i.e when recorded because it is earlier than 14/08/2021)

Or

08/09/2021 (61<sup>st</sup> day from date of invoice)

Hence time of supply will be 07/08/2021

(ii) No change: Answer will be remains same because important date is issue of invoice by supplier not date of supply of service.

**4. (a)****2+3 = 5 Marks**

In case of continuous supply of goods :-

Where successive statements of accounts/ successive payments are involved, the invoice shall be issued before/at the time each such statement is issued or each such payment is received.

In case of continuous supply of services:-

Where	The invoice shall be issued
(a) due date of payment is ascertainable from the contract	on or before the due date of payment
b) due date of payment is not ascertainable from the contract	before or at the time when the supplier of service receives the payment
(c) payment is linked to the completion of an event	on or before the date of completion of that event.

**4. (b)****10 Marks**

(A) Input Tax credit Available for payment of Tax

CGST ₹ 183500

SGST ₹ 183500

IGST ₹ 7500

(B) Gross tax to be paid under forward charges

CGST ₹ 126000

SGST ₹ 126000

IGST ₹ 60300

(C) Tax to be paid under reverse charges

CGST ₹ 13500

SGST ₹ 13500

IGST ₹ 7500

(D) Net Tax liability to be paid in cash  
CGST ₹ 13500  
SGST ₹ 13500  
IGST ₹ 7500

**5. (a)**

**9 Marks**

The given statement is correct.

Aadhaar authentication has been made mandatory for the new registrants as well as for the existing registrants. With regard to existing registrants, section 25(6A) of the CGST Act, 2017 stipulates that every registered person shall undergo authentication, or furnish proof of possession of Aadhaar number, in the prescribed form, manner and time. New rule 10B of the CGST Rules, 2017 prescribes the manner in which aadhaar authentication needs to be done by a registered person.

A registered person, who has been issued a certificate of registration under GST, shall undergo authentication of the Aadhaar number of:-

Proprietor, in the case of proprietorship firm,

Any partner, in the case of a partnership firm,

Karta, in the case of a Hindu undivided family,

Managing director or any whole-time director, in the case of a company,

Any of the Members of the Managing Committee of an Association of persons or body of individuals or a Society, or

Trustee in the Board of Trustees, in the case of a Trust;

and of the Authorized Signatory,

in order to be eligible for the following purposes:

for filing of application for revocation of cancellation of registration [Rule 23]

for filing of refund application in Form RFD-01 [Rule 89]

for refund of the IGST paid on goods exported out of India [Rule 96]

If Aadhaar number has not been assigned to the person required to undergo authentication of the Aadhaar number, such person shall furnish the following identification documents, namely: –

(a) his/ her Aadhaar Enrolment ID slip; and

(b) (i) Bank passbook with photograph; or

(ii) Voter identity card issued by the Election Commission of India; or

(iii) Passport; or

(iv) Driving license issued by the Licensing Authority

However, once Aadhaar number is allotted to such person, he shall undergo the authentication of Aadhaar number within a period of 30 days of the allotment of the Aadhaar number.

The afore-said rule 10B shall not be applicable to persons notified under section 25(6D) of the CGST Act, 2017, i.e. to persons exempt from aadhaar authentication.

**5. (b)**

**6 Marks**

Total supply on which GST to be paid by Mr. Varun ₹ 3,47,500

**6. (a)**

**6 Marks**

Value of taxable supply ₹ 15,12,000

6. (b)

$1\frac{1}{2} \times 6 = 9$  Marks

- a) Rule 33 of the CGST Rules 2017 provides that the expenditure or costs incurred by a supplier as a pure agent of the recipient of supply shall be excluded from the value of supply.

In view of the same, GST is payable only on Rs. 12,000 and not on Rs. 4,000 which were paid by him while acting as a Pure Agent.

- b) The answer to the question of taxability of free samples can be given after referring to Section 7 and Schedule I of the CGST Act, 2017.

According to section 7 Supply includes “All forms of supply of goods or services or both made or agreed to be made for a consideration by a person in the course or furtherance of business; Schedule I specifies activities made or agreed to be made without a consideration and as per that supply made without consideration to unrelated person will not be treated as supply.

Therefore, GST will not be levied on free samples distributed, because it is not considered as a supply.

- c) Renting of community hall by Vijyan Temple Charitable Trust is exempt from GST, as rent is less than Rs.10,000 per day. The Exemption Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 and Notification No. 9/2017 Integrated Tax (Rate) dated 28.06.2017 has exempted the said service wholly from GST. The said notification provides exemption to services by a person inter alia by way of renting of precincts of a religious place meant for general public, owned or managed by an entity registered as a trust or an institution under section 10(23C)(v) of the Income-tax Act, 1961 . However, this exemption does not apply where renting charges of premises, community halls, kalyanmandapam or open area are Rs. 10,000 or more per day.

- d) The Exemption Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017/ Notification No. 9/2017 Integrated Tax (Rate) dated 28.06.2017 provides exemption to services by way of giving on hire inter alia to a goods transport agency, a means of transportation of goods.

In view of the above, GST is not payable in case of hiring of trucks to GGH Transporters

- e) The sale of old and used car by an individual is not in the course or furtherance of business and hence does not constitute supply. [Section 7 CGST Act] So No GST payable
- f) Provision of facilities by a club, association, society or any such body to its members shall be treated as supply. This is included in the definition of ‘business’ in section 2(17) of CGST/SGST Act. So GST is payable

Short notes: Any three out of the four

7. (a)

5X3 = 15 Marks

“Acceptance of e-way bill”

After generation of e-way bill, the details of the e-way bill generated shall be made available to the -

(a) Supplier, if registered, where the information in Part A has been furnished by the recipient/transporter; or

(b) Recipient, if registered, where the information in Part A has been furnished by the supplier/transporter, on the common portal, and the supplier/recipient, as the case may be, shall communicate his acceptance or rejection of the consignment covered by the e-way bill [Rule 138(11)].

In case, the person to whom the information in Part-A is made available, does not communicate his acceptance or rejection within the specified time, it shall be deemed that he has accepted the said details.

The time-limit specified for this purpose is:

(i) 72 hours of the details being made available to him on the common portal

or

(ii) The time of delivery of goods,

Whichever is earlier

### 7. (b)

Consequences of not complying with the TCS provisions specified under section 52 of CGST Act, 2017. -

Sr.No.	Event	Consequence
1	TCS not collected	As per Sec. 122(1)(vi) of the CGST Act, 2017 failure to collect the tax as per Sec. 52(1) can invite penalty of INR 10,000/- or the amount not collected or short collected, whichever is higher.
2	TCS collected but not paid to the Government	Sec. 76 of the CGST Act, 2017 may be invoked by the officer to recover such TCS along with interest. Penalty u/s 122(1)(vi) may also be imposed subject to principles of natural justice.
3	Late filing of TCS returns	Provisions of Sec. 47 of the CGST Act, 2017 imposing late fees shall not apply to the TCS return since the same is to be filed u/s 52(4) of the said Act (which is not covered u/s 47). However general penalty up to INR 25,000/- can be imposed u/s 125. It must however be noted that unless the return is filed, the concerned supplier shall not get the credit in his electronic cash ledge

### 7. (c)

Audit by Tax Authorities (section 65 of the CGST Act, 2017):

The Commissioner or any officer authorised by him, can undertake audit of any registered person for such period, at such frequency and in such manner as may be prescribed.

Salient features are as follows:-

Components	Section 65
Nature of Audit	In this section, we have a departmental audit
Conducted by	It is conducted by officers of the department authorised by the commissioner
Prior Notice	Prior notice of 15 days is required
Time for conclusion of the audit	The conclusion of the audit is given in 3 months, further extension of 6 months is allowed
Audit Findings/ Report	Audit reports should be intimated soon upon completion of the audit
The opportunity of being heard	No specific provision
Action based on a report	Yes, under section 73 by the issuance of SCN (Show Cause Notice)

**7. (d)**

Exemption from e-invoicing

Below mentioned entities are not required to issue e-invoices even if their turnover exceeds ₹ 20 crore in the preceding financial year from 2017-18 onwards.

- (i) Special Economic Zone units
- (ii) Insurer or banking company or financial institution including NBFC
- (iii) GTA supplying services in relation to transportation of goods by road in a goods carriage
- (iv) Supplier of passenger transportation service
- (v) Person supplying services by way of admission to exhibition of cinematograph films in multiplex screens

## SECTION – B

### PART-III

**8.****1X5 = 5 Marks**

- (i) (A)
- (ii) (C)
- (iii) (C)
- (iv) (D)
- (v) (B)

### PART-IV

Any one questions from 9 to 10

**9. (a)****10 Marks**

- (a) (i) Total CIF (Assessable value) ₹ 1533432.75
- (ii) Total Custom duty payable (rounded off to nearest rupee) ₹ 5,61,850

**9. (b)****5 Marks**

As per section 61 of the Customs Act, 1962, if goods (not meant for being used in an 100% EOU, STP unit, EHTP unit) remain in a warehouse beyond a period of 90 days from the date on which the order permitting deposit of goods in warehouse under section 60 is made, interest is payable @ 15% p.a., on the amount of duty payable at the time of clearance of the goods, for the period from the expiry of the said 90 days till the date of payment of duty on the warehoused goods.

No. of days delay:

Month	No. of days delay
From 21st May to 14 <sup>th</sup> October	147
Less: No. of days for which no interest -	90
No. of delay for interest	57 Days

Interest payable = ₹ 16795.48 Or 16,795 (rounded off)

OR

Period of 90 days commencing from the date of order made under 60 expires on 19th August

No. of days for which interest shall be payable [12 days of August + 30 days of September + 14 days of October] 56 days

Interest payable = ₹ 16500.82 or 16,501 (rounded off)

10. (a)

5 Marks

Particulars	Amount (₹)
Anti-dumping duty	6,52,291.50
Integrated tax leviable under section 3(7) @ 12%	6,59,982.78

10. (b)

5 Marks

**(i) ABATEMENT OF DUTY ON DAMAGED OR DETERIORATED GOODS [SECTION 22]**

Where it is shown to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs -

- that any imported goods had been damaged or had deteriorated at any time before or during the unloading of the goods in India; or
- that any imported goods, other than warehoused goods, had been damaged at any time after the unloading thereof in India but before their examination under section 17, on account of any accident not due to any wilful act, negligence or default of the importer, his employee or agent; or
- that any warehoused goods had been damaged at any time before clearance for home consumption on account of any accident not due to any wilful act, negligence or default of the owner, his employee or agent.

The duty to be charged on the goods referred to in sub-section (1) shall bear the same proportion to the duty chargeable on the goods before the damage or deterioration which the value of the damaged or deteriorated goods bears to the value of the goods before the damage or deterioration

Hence as per above provision:-

- No abatement because goods damaged after examination
- Rate of duty =  $30,000/3,00,000 = 10\%$   
Hence new duty amount is 12000 (10 % of 120000)  
Abatement amount is 18000. (30000-12000)
- As discussed above, in case of warehoused goods, only damages are covered and not deterioration, hence abatement will not be available in this case

**(ii) Conditions to be satisfied for Duty Draw back under section 74 :-**

5 Marks

- Originally the goods should have been imported into India; Customs duty on import should have been paid.
- The imported goods should be capable of being easily identifiable as the same goods which were originally imported.
- The goods have been exported after proper examination of the goods and after ensuring that there is no prohibition or restriction on their export by the proper officer.
- The goods should have been identified to the satisfaction of the Assistant or Deputy Commissioner of Customs as the goods, which were imported, and
- The goods should have been entered for export within two years from the date of payment of duty on the importation thereof. This period can be extended up to two years by CBIC or by the Commissioner of Customs.
- The market price of such goods must not be less than the amount of drawback claimed.