

## VGFNLM

Total No. of Questions-7  
Time Allowed - 3 Hours

Total No. of Printed Pages- 16  
Maximum Marks - 100

### INDIRECT TAX

#### No. 1 and 2 is Compulsory

Attempt **any Four** from the **remaining Five** questions

**Wherever required, suitable assumptions may be made by the candidate and stated clearly in the answer. Working notes should form part of the answer**

#### Question No. 1(i) (1 Mark)

Which of the following is exempted?

- All kinds of long term (30 or more years) leases of industrial plots
- Long term (30 or more years) leases of industrial plots or plots for development of infrastructure for financial business by State Government Industrial Development Corporations or Undertakings to industrial units
- Short term (up to 30 years) leases of industrial plots by State Government Industrial Development Corporations or Undertakings to industrial units
- All kinds of short term (up to 30 years) lease of industrial plots

#### Question No. 1(ii) (1 Mark)

Which of the following are exempted services?

- Services by an artist by way of a performance in folk or classical art forms of music/ dance / theatre with consideration there for not exceeding Rs. 1 lakh
- Services by an artist by way of a performance in folk or classical art forms of music/ dance with consideration there for not exceeding Rs. 1.5 lakh
- Services by an artist by way of a performance in folk or classical art forms of music/ dance / theatre with consideration there for not exceeding Rs. 1.5 lakh
- Services by an artist as a brand ambassador by way of a performance in folk or classical art forms of music/ dance / theatre with consideration there for not exceeding Rs. 1.5 lakh

#### Question No. 1(iii) (1 Mark)

Mr. A, who has opted for composition levy, supplies goods worth Rs. 24,300 to Mr. B and issues an invoice dated 25.09.2018 for Rs. 24,300. and Mr. B pays Rs. 25,000 on 1.10.2018 against such supply of goods. The excess Rs. 700 (being less than Rs. 1,000) is adjusted in the next invoice for supply of goods issued on 5.10.2018. Identify the time of supply and value of supply

- Rs. 25,000 - 1.10.2018
- For Rs. 24,300 - 25.09.2018 and for Rs. 700 - 1.10.2018
- For Rs. 24,300 - 25.09.2018 and for Rs. 700 - 5.10.2018.
- (b) or (c) at the option of supplier

**Question No. 1(iv) (1 Mark)**

There was increase in tax rate from 20% to 24% w.e.f. 01.09.2018. Which of the following rate is applicable when services are provided after change in rate of tax in September 2018, but invoice issued and payment received, both in August, 2018

- a) 20% as it is lower of the two
- b) 24% as it is higher of the two
- c) 20% as invoice and payment were received prior to rate change
- d) 24% as the supply was completed after rate change

**Question No. 1(v) (1 Mark)**

In case supplier has deposited the taxes but the receiver has not received the documents, is receiver entitled to avail credit?

- a) Yes, it will be auto populated in recipient monthly returns
- b) No as one of the conditions of 16(2) is not fulfilled
- c) Yes, if the receiver can prove later that documents are received subsequently
- d) None of the above

**Question No. 1(vi) (1 Mark)**

Banking company or Financial Institution have an option of claiming

- a) Eligible Credit or 50% credit
- b) Only 50% Credit
- c) Only Eligible credit
- d) Eligible credit and 50% credit

**Question No. 1(vii) (1 Mark)**

In case of Compulsory registration, input tax credit can be availed on

- a) Stocks held on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of this Act, provided application for registration is filed within 30 days from the due date
- b) Stocks held on the day immediately preceding the date of grant of registration under the provisions of this Act.
- c) Stocks held on the day immediately preceding the date of application of registration under the provisions of this Act.
- d) None of the above

**Question No. 1(viii) (1 Mark)**

How the aggregate turnover of Rs. 20 Lakh is calculated?

- a) Aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, export of goods/services and interstate supplies of a person having same PAN computed on all India basis.

- b) Aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, export of goods/services and interstate supplies of a person computed for each state separately.
- c) Aggregate value of all taxable intrastate supplies, export of goods/services and exempt supplies of a person having same PAN computed for each state separately.
- d) Aggregate value of all taxable supplies(excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, export of goods/services and interstate supplies of a person having same PAN computed on all India basis and excluding taxes if any charged under CGST Act, SGST Act and IGST Act.

**Question No. 1(ix) (1 Mark)**

Which of the following statements are correct?

- (i) Revocation of cancellation of registration under CGST/SGST Act shall be deemed to be a revocation of cancellation of registration under SGST/CGST Act.
  - (ii) Cancellation of registration under CGST/SGST Act shall be deemed to be a cancellation of registration under SGST/CGST Act.
  - (iii) Revocation of cancellation of registration under CGST/SGST Act shall not be deemed to be a revocation of cancellation of registration under SGST/CGST Act.
  - (iv) Cancellation of registration under CGST/SGST Act shall not be deemed to be a cancellation of registration under SGST/CGST Act.
- a) (i) and (ii)
  - b) (i) and (iv)
  - c) (ii) and (iii)
  - d) (iii) and (iv)

**Question No. 1(x) (1 Mark)**

If Supply of Services has ceased under a contract before the completion of supply

- a) Invoice has to be issued within 30 days on the basis of 'Quantum Meruit' from the date of cessation
- b) Invoice has to be issued at the time of cessation to the extent of the supply effected
- c) Invoice has to be issued for the full value of the contract after deducting a percentage thereof as prescribed
- d) Invoice cannot be issued as the matter will be sub-judice.

**Question No. 1(xi) (1 Mark)**

The time period prescribed for maintenance of accounts and records, if the taxable person is a party to an appeal or revision shall be

- a) Two year after final disposal of such appeal or revision or proceeding, or until the expiry of thirty-six months from the last date of filing of Annual Return for the year pertaining to such accounts and records, whichever is later
- b) Two year after final disposal of such appeal or revision or proceeding, or until the expiry of sixty months from the last date of filing of Annual Return for the year pertaining to such accounts and records, whichever is later
- c) One year after final disposal of such appeal or revision or proceeding, or until the expiry of seventy-two months from the last date of filing of Annual Return for the year pertaining to such accounts and records, whichever is later
- d) One year after final disposal of such appeal or revision or proceeding, or until the expiry of forty months from the last date of filing of Annual Return for the year pertaining to such accounts and records, whichever is later

**Question No. 1(xii) (1 Mark)**

Which of the following is correct?

- a) Failure to file annual return within due date attracts a late fee of Rs. 100 per day up to 0.25% of his turnover
- b) Failure to file annual return within due date attracts late fee of 1% of his turnover till the failure continues
- c) Failure to file annual returns within due date attracts a late fee of Rs. 100 per day up to 1% of his turnover.
- d) On failure to file annual return within due date the proper officer shall issue a notice of non-filing on such person

**Question No. 1(xiii) (1 Mark)**

Is there any time limit specified to furnish the return after serving of assessment order?

- a) Yes, Return has to be filed by registered person who has failed to submit return under Section 39 or Section 45 within 15 days from service the assessment order.
- b) Yes, Return has to be filed by registered person who has failed to submit return under Section 39 or Section 45 within 30 days from service the assessment order.
- c) Yes, Return has to be filed by registered person who has failed to submit return under Section 39 or Section 45 within 45 days from service the assessment order.
- d) No time limit has been specified.

**Question No. 1(xiv) (1 Mark)**

Whether proper officer can proceed Suo-moto in assessing the tax liability of a taxable person on possession of relevant evidence?

- a) No, the proper officer has to obtain prior permission of [Additional/Joint Commissioner] to proceed to assess the tax liability.
- b) No, the proper officer has to obtain prior permission of Chief Commissioner to proceed to assess the tax liability.

- c) No, the proper officer has to obtain prior permission of Principle Chief Commissioner to proceed to assess the tax liability.
- d) Yes, the proper officer can proceed Suo-moto in assessing the tax liability of a taxable person on possession of relevant evidence.

**Question No. 1(xv) (1 Mark)**

What is the maximum amount of demand for which the officer can issue an order under section 73 in case of other than fraud, misstatement or suppression?

- a) Amount of tax + interest + penalty of 10% of tax
- b) Amount of tax + interest + penalty of 10% of tax or Rs. 10,000/- whichever is higher
- c) Rs. 10,000/-
- d) Amount of tax + interest + 25% penalty

**Question No. 1(xvi) (1 Mark)**

What is the prescribed monetary limit of Integrated Tax for Superintendent of Central Tax for issuance of show cause notices and orders under Section 73 and 74 read with Section 20 of the IGST Act?

- a) Not exceeding Rupees 10 lakhs
- b) Above Rupees 10 lakhs and not exceeding Rupees 1 crore
- c) Above Rupees 1 crore without any limit
- d) Not exceeding Rupees 20 lakhs

**Question No. 1(xvii) (1 Mark)**

Where shall the Advance Ruling Authority be located?

- a) The Authority shall be located in each State / Union Territory.
- b) The Authority shall be located in Centre.
- c) The Authority shall be located in both Centre & State.
- d) None of the above.

**Question No. 1(xviii) (1 Mark)**

The Appellant Authority for Advance Ruling shall comprise of:

- a) Chief Commissioner of Central tax as designated by the Board and Commissioner of State tax/ Union Territory tax, having jurisdiction over the applicant.
- b) Principal Chief Commissioner of Central tax and Commissioner of State tax/ union Territory tax, having jurisdiction over the applicant.
- c) Two sitting High Court Judges.
- d) None of the above.

**Question No. 1(xix) (1 Mark)**

When will the inputs and/or capital goods sent to job-work become a supply?

- a) When the inputs and/or capital goods sent to job-worker are not received within 1 year or 3 years respectively
- b) When the inputs and/or capital goods sent to job-worker are not supplied, with or without payment of tax, from the job-workers place within 1 year or 3 years respectively
- c) Both under (a) or (b)
- d) None of the above

**Question No. 1(xx) (1 Mark)**

Which of the following transaction is inter-state supply of goods involving movement of goods?

- a) Location of supplier is in Bangalore and location of recipient is in Mumbai and goods are shipped to Kolkata
- b) Location of supplier is in Bangalore and place of supply is Mumbai
- c) Location of supplier and place of supply is Bangalore
- d) None of the above

**Question No. 1(xxi) (1 Mark)**

The Tourist can claim refund of:

- a) CGST and SGST/UTGST on supply of Goods and services
- b) IGST on supply of goods
- c) Tax paid on the supply of scotch to be taken out of India
- d) None of the above

**Question No. 1(xxii) (1 Mark)**

Zero rated supply includes

- a) Export of goods and services.
- b) Supply of goods and services to a SEZ developer or SEZ Unit
- c) Supply of goods and services by a SEZ developer or SEZ Unit
- d) Both (a) and (b)

**Question No. 1(xxiii) (1 Mark)**

Out of IGST paid to the Central Government, which of the following must be apportioned based on tax rate equivalent to the CGST on similar intra-state supply?

- a) Interstate supply of goods and services to an unregistered person.
- b) Interstate supply of goods and services to a taxable person paying tax under sec.10 of the CGST Act, 2017.

- c) Interstate supply of goods and services to taxable person not eligible for input tax credit.
- d) All of the above.

**Question No. 1(xxiv) (1 Mark)**

A taxable person has made following supplies in January, 2018 – Sales within the State – Rs.2,00,000.

Exports out of India – Rs.60,000

Supplies to SEZ located within the State – Rs.40,000.

He does not intend to clear goods under Letter of Undertaking (LUT) or bond. The input tax credit available to him during January, 2018 – IGST – Nil, CGST – Rs.10,000, SGST – Rs.20,000.

There is no opening balance in his electronic cash ledger or electronic credit ledger. Tax rates are – SGST – 9%, CGST – 9%, IGST – 18%. How much amount is payable by him in cash?

- a) CGST – Rs.8,000 SGST – Nil
- b) CGST – Rs.11,600 SGST – Rs.1,600
- c) CGST – Rs.8,000, SGST – Nil, IGST – Rs.5,200
- d) CGST – Rs.8,000 SGST – Nil, IGST – Rs.16,000

**Question No. 1(xxv) (1 Mark)**

XY, Bangalore, Karnataka furnishes following information:

- (i) 10 MT of inputs stock transferred to branch located in Chennai, Tamil Nadu on 10th April, 20XX. Transfer value of the inputs shown in the invoice is Rs.10,000.
- (ii) 5 MT of inputs supplied to customer located in Chennai at Rs.12,500 on 10th April, 20XX.
- (iii) Cost of production of 1 MT of input is Rs.750.
- (iv) Chennai branch is eligible for full input tax credit.

The value of the inputs stock transferred to Chennai Branch is-

- a) Rs.10,000
- b) Rs.25,000
- c) Rs.8,250
- d) Rs.12,500

**Question No. 1(xxvi) (1 Mark)**

Avtaar Enterprises, Kanpur started trading in ayurvedic medicines from July 1, 20XX. Its turnover exceeded Rs.20 lakh on October 3, 20XX. The firm applied for registration on October 31, 20XX and was issued registration certificate on November 5, 20XX. Can any revised invoice be issued in the given scenario? If the answer to the first question is in affirmative, determine the period for which the revised invoices can be issued as also the last date upto which the same can be issued.

- a) Revised invoice cannot be issued in the given case.
- b) Revised invoices can be issued for supplies made between October 3, 20XX and November 5, 20XX. Further, the revised invoices can be issued for the said period till December 5, 20XX.
- c) Revised invoices can be issued for supplies made between October 31, 20XX and November 5, 20XX. Further, the revised invoices can be issued for the said period till December 31, 20XX.
- d) Revised invoices can be issued for supplies made between July 1, 20XX and November 5, 20XX. Further, the revised invoices can be issued for the said period till December 31, 20XX.

**Question No. 1(xxvii) (1 Mark)**

A Chartered Accountant issued following bill -

- (i) Professional fees - Rs.1,00,000
- (ii) Out of pocket expenses - Rs.10,000
- (iii) MCA for e-filing of documents on MCA portal - Rs.5,000.

His value of service for tax purposes is:

- a) Rs.1,15,000
- b) Rs.1,10,000
- c) Rs.1,05,000
- d) Rs.1,00,000

**Question No. 1(xxviii) (1 Mark)**

Krishna Motors is a car dealer selling cars of an international car company. It also provides maintenance and repair services of the cars sold by it as also of other cars. Determine the amount of input tax credit available with the help of the following information regarding expenses incurred by it during the course of its business operations:

Particular	GST paid (Rs.)
Cars purchased from the manufacturer for making further supply of such cars. [Two of such cars are destroyed in accidents while being used for test drive by potential customers. GST paid on their purchase is Rs.1,00,000]	20,00,000
Works contract services availed for constructing a car shed in its premises.	50,000

- a) Rs.19,00,000
- b) Rs.21,10,000
- c) Rs.19,50,000
- d) Rs.20,50,000



**Question No. 1(xxix) (1 Mark)**

In which of the following cases, import of services is taxable under GST?

- (i) Import of service with consideration in course or furtherance of business.
  - (ii) Import of service with consideration not in course or furtherance of business.
  - (iii) Import of service without consideration from a related person in course or furtherance of business.
  - (iv) Import of service without consideration from a related person not in course or furtherance of business.
- a) (1) and (3)
  - b) (2) and (4)
  - c) (1), (2) and (3)
  - d) (4)

**Question No. 1(xxx) (1 Mark)**

Compute the value of 'exempted supply' for purpose of section 17(2) of the CGST Act, 2017 from the following details:

- (i) Value of alcoholic liquor for human consumption: Rs.1,50,000
  - (ii) Value of architect services supplied: Rs.2,00,000
  - (iii) Securities of face value of Rs.1,00,000 sold for Rs.95,000
- a) Rs.1,50,000
  - b) Rs.2,50,000
  - c) Rs.2,45,000
  - d) Rs.1,50,950

**Question No. 2(a) (2 Marks)**

An online portal, Best Info, raises invoice for database access on 21st February, 2017 on Roy & Bansal Ltd. The payment is made by Roy & Bansal Ltd. by a demand draft sent on 25th February, 2017 which is received and entered in the accounts of Best Info on 28th February, 2017. Best Info encashes the demand draft and thereafter, gives access to the database to Roy & Bansal Ltd from 3rd March, 2017. In the meanwhile, the rate of tax is changed from 1st March 2017. What is the time of supply of the service of database access by Best Info?

**Question No. 2(b) (2 Marks)**

Goods are handed over by consignor to transporter on Friday evening at 17:00 hrs and the transporter starts the movement of goods on Monday evening at 17:00 hrs after generating e-way bill. When will the validity period for e-way bill end if the distance is upto 75 Km?

**Question No. 2(c) (2 Marks)**

M/s ABC is regular dealer registered under GST in Jaipur. He supplies goods to M/s PQR of Ahmedabad. The tax rate on items supplied increased from 18% to 28% w.e.f 01st September. The goods were supplied by M/s ABC with invoice date of 31<sup>st</sup> August and goods were also dispatched from the godown on the same date. The payment of the same goods was received by M/s ABC on 2nd September. Which of the following rate is applicable in this transaction?

**Question No. 2(d) (2 Marks)**

A material was imported by air at CIF price of 5,000 US\$. Freight paid was 1,500 US\$ and insurance cost was 500 US\$. The banker realized the payment from importer at the exchange rate of Rs. 71 per dollar. Central Board of Excise and Customs notified the exchange rate as Rs. 70 per US\$. Find the value of the material for the purpose of levying duty.

**Question No. 2(e) (2 Marks)**

Briefly explain the following with reference to the Customs (Determination of Value of Imported Goods) Rules, 2007:

- (i) Goods of the same class or kind
- (ii) Computed value

**Question No. 3 (15 Marks)**

XYZ Pvt. Ltd. is a manufacturing company registered under GST in the State of Uttar Pradesh. It manufactures two taxable products 'Alpha' and 'Beta' and one exempt product 'Gama'. On 1st October 20XX, while product 'Beta' got exempted through an exemption notification, exemption available on 'Gama' got withdrawn on the same date. The turnover (exclusive of taxes) of 'Alpha', 'Beta' and 'Gama' in the month of October, 20XX was Rs. 9,00,000, Rs. 10,00,000 and Rs. 6,00,000.

XYZ Pvt. Ltd. has furnished the following details:

S. No.	Particulars	Price (Rs.)	GST (Rs.)
(a)	Machinery 'U' purchased on 01.10.20XX for being used in manufacturing all the three products	2,00,000	36,000
(b)	Machinery 'V' purchased on 01.10.20XX for being used in manufacturing product 'Alpha' and 'Gama'	1,00,000	18,000
(c)	Machinery 'W' purchased on 01.10.20XX for being exclusively used in manufacturing product 'Beta'	3,00,000	54,000
(d)	Machinery 'X' purchased on October 1, three years before 01.10.20XX for being exclusively used in manufacturing product 'Gama'. From 01.10.20XX, such machinery will also be used for manufacturing product 'Beta'.	5,00,000	90,000
(e)	Machinery 'Y' purchased on October 1, four years	4,00,000	72,000

	before 01.10.20XX for being exclusively used in manufacturing product 'Beta'. From 01.10.20XX, such machinery will also be used for manufacturing product 'Gama'.		
(f)	Machinery 'Z' purchased on October 1, two years before 01.10.20XX for being used in manufacturing all the three products	3,00,000	54,000
(g)	Raw Material used for manufacturing 'Alpha' purchased on 05.10.20XX	1,50,000	27,000
(h)	Raw Material used for manufacturing 'Beta' purchased on 10.10.20XX	2,00,000	36,000
(i)	Raw Material used for manufacturing 'Gama' purchased on 15.10.20XX	1,00,000	18,000

Compute the following for the month of October, 20XX:

- (i) Amount of input tax credit (ITC) credited to Electronic Credit Ledger
- (ii) Amount of common credit
- (iii) Common credit attributable to exempt supplies
- (iv) GST liability of the company payable through Electronic Cash Ledger

Note: Assume that all the procurements made by the company are from States other than Uttar Pradesh. Similarly, the company sells all its products in States other than Uttar Pradesh. Rate of IGST is 18%. All the conditions necessary for availing the ITC have been complied with. Ignore interest, if any and make suitable assumptions wherever required.

#### Question No. 4 (15 Marks)

B & D Company, a partnership firm, in Nagpur, Maharashtra is a wholesaler of a taxable product 'P' and an exempt product 'Q'. The firm supplies these products only in the eastern part of Maharashtra. All the procurements (both goods and services) of the firm are from the suppliers registered under regular scheme in the State of Maharashtra. The firm pays tax under composition scheme.

B & D Company has furnished the following details with respect to its turnover (exclusive of taxes) and stock (exclusive of taxes):

Particulars	Turnover for the quarter ended 30.06.20XX (Rs.)	Turnover for the quarter ended 30.09.20XX (Rs.)
'P'	40,00,000	30,00,000
'Q'	14,65,000	13,00,000

Particulars	Stock as on 30.06.20XX (Rs.)	Stock as on 30.09.20XX (Rs.)
'P'	25,00,000	10,00,000
'Q'	10,00,000	2,00,000

The entire stock of the products 'P' and 'Q' available with the firm as on 30.09.20XX is purchased during the said half year except a consignment of product 'P' valuing Rs. 3,00,000, which was purchased in the April month of the preceding financial year. In the month of October, 20XX, no purchases were made, and the products were sold with a profit margin of 20% on sales [exclusive of taxes].

The extract of the only bill book maintained by the firm showed the following details-

Bill No.	Date	Value of products (exclusive of taxes)		
		'P' (Rs.)	'Q' (Rs.)	Total (Rs.)
2306	01.10.20XX	1,00,000	3,000	1,03,000
2307	01.10.20XX	31,250	2,000	33,250
2308	02.10.20XX	43,750	15,000	58,750
2309	03.10.20XX	35,000	10,000	45,000
2310	05.10.20XX	1,00,000	-	1,00,000
2311	06.10.20XX	94,000	6,000	1,00,000
2312	06.10.20XX	-	17,000	17,000
2313	08.10.20XX	50,000	6,000	56,000
2314	09.10.20XX	60,000	9,000	69,000
2315	.....	.....	.....	.....
.....	.....	.....	.....	.....

The details of services availed by B & D Company is as follows:

S. No.	Particulars	(Rs.)
(i)	Freight paid to Goods Transport Agency during the period April 20XX - October 20XX. Assume equal amount of freight is paid each month on the 10th day of each month. Also, assume that the goods for which the freight is paid on 10th day of the month are transported between 11th to 20th day of the month.	1,40,000
(ii)	Special packing charges paid to a Packing Company, having expertise in such specialized packing, during the period January 20XX - October 20XX. The packing charges are paid for the goods which are transported between 11th to 20th day of the month (as mentioned in point (i) above). The goods are packed on 10th day and then transported from 11th day onwards. Assume equal amount of packing charges are paid each month on the 9th day of each month.	3,00,000

All the above amounts are exclusive of taxes, wherever applicable.

Compute the net GST liability of B & D Company for the period April, 20XX to October, 20XX under composition scheme showing calculations for each quarter separately. Note: Make suitable assumptions wherever required. Rate of CGST and SGST on service of transportation of goods by GTA is 2.5% each. Stock is valued at cost price

**Question No. 5 (15 Marks)**

With reference to the provisions relating to the electronic way bill (E-way bill) as prescribed under the GST laws, answer the following questions:

- (i) Sindhi Toys Manufacturers, registered in Punjab, sold electronic toys to a retail seller in Gujarat, at a value of Rs. 48,000 (excluding GST leviable @ 18%). Now, it wants to send the consignment of such toys to the retail seller in Gujarat. You are required to advise Sindhi Toys Manufacturers on the following issues:
  - a) Whether e-way bill is mandatorily required to be generated in respect of such movement of goods?
  - b) If yes, who is required to generate the e-way bill?
  - c) What will be the consequences for non-issuance of e-way bill?
- (ii) Power Electricals Ltd., a registered supplier of air-conditioners, is required to send from Mumbai (Maharashtra), a consignment of parts of air-conditioner to be replaced under warranty at various client locations in Gujarat. The value of consignment declared in delivery challan accompanying the goods is Rs. 70,000. Power Electricals Ltd. claims that since movement of goods to Gujarat is caused due to reasons other than supply, e-way bill is not mandatorily required to be generated in this case. You are required to examine the technical veracity of the claim made by Power Electricals Ltd.
- (iii) Beauty Cosmetics Ltd. has multiple wholesale outlets of cosmetic products in Mumbai, Maharashtra. It receives an order for cosmetics worth Rs. 1,20,000 (inclusive of GST leviable @ 18%) from Prasanna, owner of a retail cosmetic store in Delhi. While checking the stock, it is found that order worth Rs. 55,000 can be fulfilled from the company's Dadar (Mumbai) store and remaining goods worth Rs. 65,000 can be sent from its Malad (Mumbai) store. Both the stores are instructed to issue separate invoices for the goods sent to Prasanna. The goods are transported to Prasanna in Delhi, in a single conveyance owned by Radhey Transporters. You are required to advise Beauty Cosmetics Ltd. with regard to issuance of e-way bill(s).

**Question No. 6(a) (5 Marks)**

SNP Pvt. Ltd., Coimbatore exclusively manufactures and sells product 'Z' which is exempt from GST vide notifications issued under relevant GST legislations. The company sells 'Z' only within Tamil Nadu. The turnover of the company in the previous year was Rs. 55 lakh. The company expects the sales to grow by 20% in the current year. Owing to the growing demand for the product, the company decided to increase its production capacity and purchased additional machinery for manufacturing 'Z' on 01.07.20XX. The purchase price of the capital goods was Rs. 20 lakh exclusive of GST @ 18%.

However, effective from 01.11.20XX, exemption available on 'Z' was withdrawn by the Central Government and GST @ 12% was imposed thereon. The turnover of the company for the half year ended on 30.09.20XX was Rs. 40 lakh.

- a) The Board of Directors of SNP Pvt. Ltd. wants to know whether they have to register under GST?
- b) In case in the above question, SNP Pvt. Ltd. is already registered with respect to certain taxable supplies being made by it along with manufacture of exempt product 'Z', other facts remaining the same, can it take input tax credit on additional machinery purchased exclusively for manufacturing 'Z'? If yes, then how much credit can be availed?

Advice SNP Pvt. Ltd. on the above issues with reference to the provisions of GST law.

**Question No. 6(b) (5 Marks)**

Bansal and Chandiook is a partnership firm of Chartered Accountants in Jaipur (Rajasthan). The firm specialises in bank audits providing services to banks across India. It has an annual turnover of Rs. 110 lakh in the preceding financial year.

With reference to the provisions of the CGST Act, 2017, examine whether the firm can opt for the composition scheme. Will your answer change, if-

- a) the turnover of the firm is Rs. 90 lakhs?
- b) Bansal and Chandiook is not a partnership firm of Chartered Accountants but a partnership firm providing support services to restaurants like booking tables, advertisement etc.?

**Question No. 6(c) (5 Marks)**

Krishna Motors is a car dealer selling cars of an international car company. It also provides maintenance and repair services of the cars sold by it as also of other cars. It seeks your advice on availability of input tax credit in respect of the following expenses incurred by it during the course of its business operations:

- (i) Cars purchased from the manufacturer for making further supply of such cars. Two of such cars are destroyed in accidents while being used for test drive by potential customers.
- (ii) Works contract services availed for constructing a car shed in its premises.

**Question No. 7(a) (5 Marks)**

An importer from Cochin imports goods from an exporter in US. The vessel carrying the goods reaches Mumbai port first and from there goods are transhipped to Cochin port. Determine the assessable value of the imported goods under the Customs Act, 1962 from the following particulars:

S.No.	Particulars	Amount
(i)	Cost of the machine at the factory of the exporter	US \$ 20,000
(ii)	Transport charges from the factory of exporter to the port for shipment	US \$ 1,000
(iii)	Handling charges paid for loading the machine in the ship	US \$ 100
(iv)	Buying commission paid by the importer	US \$ 100
(v)	Freight charges from exporting country to India	US \$ 2,000
(vi)	Actual insurance charges paid are not ascertainable	---
(vii)	Charges for design and engineering work undertaken for the machine in US	US \$ 5,000
(viii)	Unloading and handling charges paid at the place of importation	Rs. 1,500
(ix)	Transport charges from Mumbai to Cochin port	Rs. 25,000
(x)	Exchange rate to be considered: 1\$ = Rs. 60	

**Question No. 7(b) (5 Marks)**

With reference to the recent facility, 'Clear first-Pay later' extended to importers under the customs law, answer the following questions:


- (i) What is the objective of the facility?
- (ii) Who is eligible to avail this scheme?
- (iii) What are the due dates for payment of duty under this facility?
- (iv) What are the circumstances when the deferred payment facility will not be available?

**Question No. 7(c) (5 Marks)**

Determine place of supply in the following independent cases:

- a) M/s X Ltd has place of business in Chennai, being an NBFC given an asset under financial lease to M/s ABC Ltd. of Chennai. The said asset so far used by M/s ABC Ltd in their factory located at Hyderabad. At the end of lease period the said asset acquired by M/s ABC Ltd. at a nominal amount. Find the place of supply
- b) Mr. D located in New Delhi, place order on Mr. Delhi of New Delhi for installation of Air-condition machine in his factory located in Chennai. Mr. Delhi procures the Indoor and out-door units, set of plugs, electrical cables, distribution boards and other items from different States in India and arranges for delivery in Chennai. The said machine assembled by Mr. Delhi in Chennai. Find the Place of supply
- c) Chennai express train going from Chennai to Cochin, M/s X Ltd. located in Cochin has supplied the food which are given to passengers during night time. The food packets are loaded at Chennai Central Station, Chennai. Find the place of supply

- d) Mr. Rohit registered person in Jaipur. He went to Kolkata and stays in a Taj hotel at Kolkata. He also availed Beauty treatment services at hotel. Find the place of supply of service
- e) Mr. Kapil Sharma a Jalandhar based comedian hosted a comedy show at Singapore on birthday occasion of Mumbai based actor Mr. Shah Rukh Khan's son AbRam. Find the place of supply.



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