

Paper 18- Indirect Tax Laws and Practice

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Full Marks: 100

Time allowed: 3 hours

**The figures in the margin on the right side indicate full marks.
Working notes should form part of the answer.**

Section - A

Answer Question No. 1 which is compulsory and any four from the rest of this section.

1. Choose the correct answer with justification/ workings wherever applicable: [7×2=14]

- (i) The total composition rate of tax for manufacturers under composition scheme is:
(a) 0.5% of turnover
(b) 5% of turnover
(c) 1% of turnover
(d) 2.5% of turnover.
- (ii) Service of transportation of passengers in radio taxis for ₹ 4,50,000. It is:
(a) Exempted supply
(b) Taxable supply
(c) Not at all supply
(d) None of the above.
- (iii) Bank extended housing loan of ₹ 20,00,000 to Mr. A. The taxable value of supply will be:
(a) ₹ 20,00,000
(b) Nil, as not service
(c) Nil, as exempted vide notification
(d) None of the above.
- (iv) Which of the following schemes of the life insurance business is exempted?
(a) Janashree Bima Yojana
(b) Aam Aadmi Bima Yojana
(c) Varishtha Pension Bima Yojana
(d) All of the above.
- (v) Ram of Jaipur provides online gaming services. He earns ₹ 2,00,000 from Jammu & Kashmir, ₹ 10,00,000 from foreign users and ₹ 20,00,000 from other users in India. The taxable value of service will be:
(a) ₹ 32,00,000
(b) ₹ 20,00,000
(c) ₹ 22,00,000
(d) Nil.
- (vi) Renting of property to an educational body is:
(a) taxable
(b) not chargeable to GST
(c) Not at all supply
(d) None of the above.
- (vii) Every registered person whose aggregate turnover during a financial year exceeds _____ rupees shall get his accounts audited by a Chartered Accountant or a Cost Accountant:
(a) one crore

- (b) two crores
- (c) five crores
- (d) ten crores

2.(a) State with reasons whether the following transactions can be treated as service:

- (1) Sale of newly constructed ready to occupy flats for ₹ 1,00,00,000 per flat (including undivided share of land) after the issue of completion certificate by the competent authority.
- (2) Sale of lottery tickets by lottery distributor of State Governments.
- (3) Manufacture of alcoholic liquor for human consumption on job-work basis.
- (4) Sale of mobile SIM cards in bulk by distributor of mobile telephone operator.
- (5) Sale of land. **[10]**

(b) Mr. Ali of Raipur (unregistered person) hires the services of M/s ABC Ltd., an event management company registered in Jaipur, for organizing the marriage ceremony of his daughter at marriage garden in Jaipur. Determine the place of supply of services provided by ABC Ltd. What would your answer be in case marriage takes place in Dubai. **[4]**

3.(a) State the procedures related to application for registration and validity of registration by a non-resident taxable persons making taxable supplies. **[6+3=9]**

(b) Explain the transitional provisions relating to recovery and refund of amount on account of revision in return. **[5]**

4.(a) What is cognizable and non-cognizable offence? **[5]**

(b)(i) The applicant company provided canteen services exclusively for its employees. The canteen running expenses were recovered from its employees without any profit margin. The applicant sought Advance Ruling on whether recovery of food expenses from employees for the canteen services provided by the applicant company came under definition of outward supplies and were taxable under Goods and Services Tax Act. Critically examine. **[5]**

(ii) "Transaction in money, per se, is outside the ambit of GST." — Explain. **[4]**

5.(a)(i) Ravi, a registered person under GST, has filed his GSTR-1 for the month of September on 19th November. Determine the amount of late fee payable, if any, by Ravi. **[4]**

(ii) Write down the procedure for scrutiny of returns under GST. **[4]**

(b) From the following information, determine the time of supply if goods are supplied on approval basis:

Sl. No.	Removal of goods	Issue of invoice	Accepted by recipient	Receipt of payment
1.	01.12.2018	15.12.2018	05.12.2018	25.12.2018
2.	01.12.2018	15.12.2018	15.12.2018	12.12.2018
3.	01.12.2018	25.07.2019	25.07.2019	20.07.2019

[6]

6.(a) State the contents of a payment voucher as per rule 52 of the CGST Rules. **[7]**

- (b) From the following informations, determine the amount of input tax credit admissible to ABC Ltd. in respect of various inputs purchased during the month of September, 2017.

Purchases	CGST & SGST (₹)
(1) Goods purchased without invoice	25,000
(2) Goods purchased from PQR Ltd. (Full payment is made by ABC Ltd. to PQR Ltd. against such supply but tax has not been deposited by PQR Ltd.)	1,20,000
(3) Purchases of goods not to be used for business purposes	18,000
(4) Purchases of goods from IT Ltd. (Invoice of IT Ltd. is received in the month of September, 2017, but goods were received in month of October, 2017)	24,000
(5) Goods purchased against valid invoice from FF Ltd. Tax has been deposited by FF Ltd. ABC Ltd. has made payment to FF Ltd. for such purchases in the month of October, 2017.	36,000

[7]

7. Answer the following:

[7+7]

- (a) Define 'business' as per CGST Act.

- (b) An assessee was under impression that his product is exempt from GST and hence sold the goods @ ₹ 100 per piece without charging GST. Later, it was found that actually, the product was chargeable with IGST 18%. Department claimed that since goods were removed without GST, transaction value should be ₹ 100 and GST is payable accordingly. Assessee contended that price of ₹ 100 should be taken as inclusive of GST and actual GST payable should be calculated by back calculations. Determine the correct GST payable per piece.

Section - B

Answer Question No. 8 which is compulsory and any two from the rest of this section.

8. Choose the correct answer with justification/ workings wherever applicable: [3×2=6]

- (i) In case of imposition of safeguard duty on articles originating from developing countries, the safeguard duty cannot be imposed if the imports of such article does not exceed:
- (a) 1% of total imports
 - (b) 3% of total imports
 - (c) 5% of total imports
 - (d) 10% of total imports
- (ii) In case the import manifest or import report is not presented within specified time limit, the penalty for such delay should not exceed:
- (a) ₹ 50,000
 - (b) ₹ 1,00,000
 - (c) ₹ 1,50,000
 - (d) None of the above.
- (iii) In FTP, an applicant shall be categorised as status holder on achieving export performance during:
- (a) Current and previous two financial years
 - (b) Current and previous three financial years

- (c) Current and previous five financial years
- (d) Current year only.

9.(a) Calculate duty drawback in the following cases:

- (1) Salman imported a motor car for his personal use and paid ₹ 5,00,000 as import duty. The car is re-exported after 6 months and 20 days.
- (2) Nisha imported wearing apparel and paid ₹ 65,000 as import duty. As she did not like the apparel, these are re-exported after 20 days.
- (3) Super Tech Ltd. Imported 10 computer systems paying customs duty of ₹ 50,00,000. Due to some technical problems, computer systems were returned to foreign supplier after 2 months without using them at all. **[9]**

(b) State the conditions to be fulfilled for allowing transit or transshipment of goods without payment of duty. **[3]**

10.(a) The assessee had imported resin and impregnated paper and had bonded the same in the warehouse. The assessee had also sought the extension of the said warehousing period by contending that the goods were in good condition but could not be used for manufacture due to recession in the market and the extension was granted. Thereafter another application was made at a later date by contending that the resin impregnated papers which were stored in the warehouse had lost its shelf life and had become unfit for use on account of non-availability of orders for clearance and accordingly an application for remission of duty was made. The department rejected the remission of duty claim on the grounds that section 23 is applicable only when the imported goods have been lost or destroyed at any time before clearance for home consumption. Discuss in the light of decided case law, if any, whether the department is correct in law. **[7]**

(b) What do you mean by State Trading Enterprises (STEs)? State its importance regarding imports & exports. **[5]**

11.(a) What is Accredited Clients Programme (ACP)? State the benefits of this programme. **[2+6=8]**

(b) Compute entitlement for advance authorisation for annual requirement for an exporter having export performance in past five years and last financial year's detail being:

- Physical export (FOB ₹ 42,00,000)
- Deemed exports (FOR ₹ 10,00,000) **[4]**