

The WAY CA test series

CA FINAL

P5: INDIRECT TAX LAWS
[SEMI FINAL – ICAI SM MOD 1 & 2]

06.07.2025

TIME : 3 hr 00 min

Maximum Marks : 100

All Question Papers are uploaded Here ↓

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GENERAL INSTRUCTIONS TO CANDIDATES

1. Write your name and subject name at the top of the first page of your answer sheet
2. The question paper comprises of two parts, Part I and Part II.
3. Part I comprises of MCQs and Part II comprises of descriptive questions.
4. Answers should be written only in English.
5. Duration of the examination is 3 hours only.
6. Students who want to get their paper evaluated follow the instructions given in the channel link above.

PART I

1. Answer all MCQs
2. After each MCQ, four options are given. Choose the correct and most appropriate option, and write the letter corresponding to that option on the first page of your answer sheet.

PART II

1. Question paper comprises 6 questions. Question no. 1 is compulsory.
2. Answer any 4 questions out of the remaining 5 questions.

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PART I

30 Marks

1. Mr. A, received order for supply of goods worth Rs. 2,00,000. Mr. A, incurred the following additional expenses before the goods were delivered: Packing charges - Rs. 3,500; Freight & Charges Rs. 2,500; Handling Charges – Rs 2,500. Customer made full payment (including the additional amounts charged by Mr. A) on delivery of the goods. There is an agreed amount of discount worth Rs. 1800. GST rate: CGST@ 9% and SGST @ 9%

Mr. A paid CGST of 18,000 and SGST of 18,000. Determine the further tax liability of Mr. A. (2 Marks)

- a) CGST - Rs. 765 and SGST - Rs. 765
- b) CGST - Rs. 603 and SGST - Rs. 603
- c) CGST - Rs. 18,765 and SGST - Rs. 18,765
- d) CGST - Rs. 18,603 and SGST - Rs. 18,603

2. Mr. K, dealing in sale/ purchase of used or second-hand cars, effected following transactions:

Particulars	Purchase Price	Sale Price
Car 1	Rs. 5,00,000	Rs. 7,50,000
Car 2	Rs. 3,00,000	Rs. 2,75,000
Car 3	Rs. 6,00,000	Rs. 7,50,000
Car 4	Rs. 8,00,000	Rs. 9,50,000

Mr. K purchased Car 1, Car 2 from unregistered persons and Car 3, Car 4 from registered persons who charged GST of Rs. 1,20,000 for each car and accordingly Mr. K had availed the ITC of the same. Determining his GST liability @18% GST rate. (2 Marks)

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- a) Rs. 95,000
- b) Rs. 1,11,000
- c) No GST is payable since sale of second-hand goods is exempt.
- d) Rs. 66,000

3. D Rice Ltd. is providing

- (i) Loading and unloading of rice: Rs. 50,00,000.
- (ii) Packing and warehousing of rice: Rs. 30,00,000.
- (iii) Processing services of milling of paddy into rice: Rs. 1,00,00,000.

Rate of tax is 5%. GST payable?

(2 Marks)

- a) Rs. 32,40,000.
- b) Rs. 5,00,000.
- c) Rs. 9,00,000
- d) Nil.

4. M/s S Traders, registered in Maharashtra, purchased machinery two years back worth 2 Crores and did not avail ITC on said machinery at the time of its purchase. After using the machinery for two years, it gave said machinery free of cost to an unrelated person in Punjab. On the date of transfer, open market value of the machinery was 100 lacs and the WDV was Rs. 150 lacs It also supplied taxable goods for Rs. 50 lacs to Royal Oil (Registered in Kerala) in the territorial waters. The said territorial waters are located at a distance of 5 nautical miles from the baseline of Maharashtra and 7 nautical miles from the baseline of Kerala.

Rates of CGST, SGST and IGST are 9%, 9% and 18%. Amount of tax payable?

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(2 Marks)

- a) CGST: Rs. 4,50,000; SGST: Rs. 4,50,000; IGST: Nil
- b) CGST: Nil; SGST: Nil; IGST: Rs. 9,00,000
- c) CGST: Rs. 4,50,000; SGST: Rs. 4,50,000; IGST: 18,00,000
- d) CGST: Rs. 4,50,000; SGST: Rs. 4,50,000; IGST: Rs. 22,50,000

5. A Ltd of Assam, furnishes following information for FY 2019-20. Whether he is eligible for composition in FY 20- 21. (i) If he is manufacturer (ii) If he is trader

1	Intra State taxable supplies of Goods X (GST@5% inclusive)	63,00,000
2	Intra state Supplies of service which are chargeable to GST at Nil rate	18,00,000
3	Inter State supplies of Goods Y which are taxable (GST@12%, exclusive)	9,00,000
4	Value of inward supplies on which tax payable under RCM (GST Rate 5%)	5,00,000
5	Interest earned on loans	20,00,000
6	Outward supply where tax is payable as per RCM	48,00,000
7	Intra state Supplies of Petrol which are not leviable to GST	13,00,000
8	Exempted goods supplied to branch that is registered in Surat without consideration	5,00,000
9	Supplies goods to other states of India through Amazon, who collects TCS u/s 52	10,00,000

(2 Marks)

- a) Yes in both
- b) No in both
- c) Yes if manufacturer, No if trader
- d) No if manufacturer, Yes if trader

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6. Mr. James Bond is a registered person under GST in the State of Maharashtra who sells footwear to his customers locally within the same State. He has been appointed as an agent by M/s. Toto Shoes Ltd., a company registered under GST in the State of Karnataka. During a financial year, M/s. Toto Shoes Ltd., sends taxable goods worth ` 5.00 crore from its Bengaluru store to Mr. James Bond who sells such goods for ` 5.00 crore by raising invoices using the GSTIN of M/s. Toto Shoes Ltd. Mr. James Bond receives a commission of ` 60.00 lakh from M/s. Toto Shoes (P) Ltd., during the said financial year. Compute the value of supply of Toto Shoes (P) Ltd. and Mr. James Bond for the financial year. (2 Marks)

- a) M/s. Toto Shoes (P) Ltd.: Nil and James Bond: ` 5.6 crore
- b) M/s. Toto Shoes (P) Ltd.: ` 5 crore and James Bond: ` 5.6 crore
- c) M/s. Toto Shoes (P) Ltd.: ` 5 crore and James Bond: ` 60 lakh
- d) None of the above

7. Dev Bhoomi Rice (P) Ltd., a registered person under GST, is providing services of processing of milling of paddy into rice, loading, unloading, packing, storage and warehousing of rice in the State of Chhattisgarh. The company has made following supplies during the tax period of April to September:

- (i) Loading and unloading of rice: 50,00,000.
- (ii) Packing and warehousing of rice: ₹ 30,00,000.
- (iii) Processing services of milling of paddy into rice: ₹1,00,00,000,

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Determine the amount of GST payable on the above supplies assuming that the applicable rate of tax is 5% and amounts given herein are exclusive of GST: (2 Marks)

- a) ₹ 32,40,000
- b) ₹ 9,00,000
- c) ₹ 5,00,000
- d) Nil

8. Maahi Ltd. of Bhopal (Madhya Pradesh) is a supplier of machinery. Maahi Ltd. has supplied machinery to ABC Enterprises in Indore (Madhya Pradesh) on 1st October, 20XX. The invoice for supply has been issued on 1st October, 20XX. Maahi Ltd. and ABC Enterprise are not related and price is the sole consideration for the supply.

Following information is provided:

Basic price of machinery excluding all taxes is 20,00,000. In addition to the basic price, Maahi Ltd. has collected the design and engineering charges of 10,000 and loading charges of 20,000 for the machinery.

Maahi Ltd. provides 1 year mandatory warranty for the machinery on payment of additional charges of 1,00,000.

Maahi Ltd. has collected consultancy charges in relation to pre-installation planning of 10,000 and freight and insurance charges from place of removal to buyer's premises of 20,000.

Maahi Ltd. received subsidy of 50,000 from Central Government for supplying the machinery to backward region since receiver was located in a

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backward region. Maahi Ltd. also received ₹50,000 from the joint venture partner of ABC Enterprises for making timely supply of machinery to the recipient.

A cash discount of 1% on the basic price of the machinery is offered at the time of supply, if ABC Enterprises agrees to make the payment within 30 days of the receipt of the machinery at his premises. Discount @ 1% was given to ABC Enterprises as it agreed to make the payment within 30 days.

Determine the value of Supply (2 Marks)

- a) ₹ 22,40,000
- b) ₹ 21,40,000
- c) ₹ 21,90,000
- d) ₹ 22,10,000

9. Mr. Rahul Roy, proprietor of M/s. Royal Shoe & Company is running a business of manufacturing shoes with the brand name of 'JUNOON'. The manufacturing unit is located in Delhi and registered under GST. However, due to low profitability in the business, he has decided to transfer his business to his friend Mr. Dilip Tijori.

Mr. Dilip Tijori is already running the business of manufacturing shoes under a proprietorship firm named M/s Hawai Shoes & Company which is located in Mumbai and registered under GST.

Mr. Rahul Roy has approached you to help him with the issue of transfer of unutilized input tax credit in electronic credit ledger of M/s. Royal Shoe & Company to M/s Hawai Shoes & Company.

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Maximum Marks : 100

Advise Mr. Rahul Roy with the correct option in accordance with the provisions of the CGST Act, 2017: (2 Marks)

- a) M/s. Royal Shoe & Company cannot transfer unutilised input tax credit in its electronic credit ledger to M/s Hawaii Shoes & Company, as the proprietors are different.
- b) M/s. Royal Shoe & Company can transfer unutilized input tax credit in its electronic credit ledger to M/s Hawaii Shoes & Company and it can further be utilized in setting off GST liability for succeeding period.
- c) M/s. Royal Shoe & Company can transfer unutilized input tax credit in its electronic credit ledger to M/s Hawaii Shoes & Company and it can be further utilized in setting off GST liability for a period upto the month of September following the year in which ITC was transferred.
- d) M/s. Royal Shoe & Company cannot transfer unutilized input tax credit in its electronic credit ledger to M/s Hawaii Shoes & Company but can claim refund of such unutilized input tax credit.

10. Mr. A (New Delhi) has leased his machine (cost Rs. 8,00,000) to Mr. B (Registered in Noida, Uttar Pradesh) for production of goods on a monthly rent of Rs. 40,000. After 14 months, Mr. B requested Mr. A to sell the machine to him for Rs. 4,00,000, which is agreed to by Mr. A.

Mr. A also sold goods to Mr. C (unregistered person from Kerala) for Rs. 20,000. State name (Kerala) is mentioned in invoice.

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Maximum Marks : 100

Determine place of supply for Mr. B when the machine is sold after being leased & For Mr. C? (2 Marks)

- a) location of Mr. A (New Delhi) for both cases
- b) location of Machine (Noida, Uttar Pradesh)for Mr. B & Address in invoice (Kerala) for Mr.C
- c) POS cannot be determined for both cases
- d) None of the above

11. Mr. Champak, located in the State of Himachal Pradesh, a job worker, is engaged in providing job work services relating to silverware articles to his Principal, Mr. Mote Lal, in the State of Rajasthan. The details of his turnover are as under:

For the period July, 20XX to March, 20XY: ₹ 19,00,000/-. (for job work services) Mr. Champak, has earned continuous rental income of ₹ 15,000/- per month from his residential flat (which is rented to an unregistered person) in Delhi for nine months from July, 20XX to March, 20XY. He has also made wholly exempt supplies of handicraft items of ₹ 50,000/- during the period, December, 20XX to March, 20XY.

Compute the aggregate turnover of Mr. Champak for the financial year 20XXXY under the CGST Act, 2017, and also state whether he is liable for registration under the Act or not. (2 Marks)

- a) ₹ 20,85,000/-; Liable for registration.
- b) ₹ 1,85,000/-; Liable for registration.
- c) ₹ 19,00,000/-; Not liable for registration.
- d) ₹ 19,50,000/-; Liable for registration.

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12. M/s. Wanderlust Travels (P) Ltd. purchased a bus chassis from M/s. Krishi Motors Ltd. for a consideration of ₹90.00 lakh on 01.10.20XX. M/s. Wanderlust Travels (P) Ltd. sent the bus chassis for body building to M/s. Bhagwant Fabricators and paid in advance the total consideration of ₹25.00 lakh on 15.10.20XX. M/s. Bhagwant Fabricators, after completing the bus body, informed M/s. Wanderlust Travels (P) Ltd. for carrying out the inspection of the work done on 05.11.20XX. M/s. Wanderlust Travels (P) Ltd. visited the work shop of M/s. Bhagwant Fabricators on 08.11.20XX and confirmed that the bus body was in accordance with the terms of the contract.

The last date for issuing the invoice by M/s. Bhagwant Fabricators is:-

(2 Marks)

- a) 15.10.20XX
- b) 08.11.20XX
- c) 08.12.20XX
- d) 05.12.20XX

13. A Municipal Corporation has invited bids for maintenance of bus stops. The work involves composite supply of goods and services wherein the supply of services is the principal supply. The value of goods constitutes 25% of the total value of composite supply. Mr. K seeks your opinion to determine the taxability to quote the best price? (1 Mark)

- a) GST payable on goods portion. Exempt on service portion

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- b) GST payable
- c) Exempt
- d) Outside the purview of GST

14. Miss. Raksha is engaged in providing private coaching services in Uttar Pradesh. Her aggregate turnover is Rs 19,00,000/- on 30-Sep-20XX. She got GST registration on 30-Sep- 20XX. Which options are available to her?

(2 Marks)

- a) Pay tax @ 18%, charge it from the customer and avail full ITC on procurements made.
- b) Pay tax @ 6% under composition but she can not charge GST from customers and also cannot avail ITC.
- c) She is not liable for registration since her aggregate turnover is less than Rs 40,00,000/-
- d) Either (a) or (b)

15. A taxable person has made following supplies in Jan 20XX:-

Sales within State - 2,00,000

Export out of India - 60,000

Supplies to SEZ located within the state - 40,000

He does not intend to clear goods under LUT or bond.

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The input tax credit available to him during Jan 20XX-IGST-Nil, CGST- ₹10,000, SGST-20,000.

There is no opening balance in Ele. Cash Ledger or Ele. Credit Ledger. Tax rates are SGST-9%, CGST -9%, IGST-18%. How much amount is payable by him in Cash?

Assumption: The goods in this question are notified to be exported on payment of IGST uls 16(4) of IGST Act. (2 Marks)

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

16. Ms. Pearl booked an auditorium on 10th August and paid Rs. 5,000 as advance on that day. Function was organized on 10th October. Owner issued invoice on 25th November for Rs. 20,000. Pearl made balance payment of Rs. 15,000 on 30th November. Time of supply? (1 Mark)

- a) 25th November for Rs. 20,000.
- b) 10th August for Rs. 5,000 & 25th November for Rs. 15,000.
- c) 10th August for Rs. 5,000 & 10th October for Rs. 15,000.
- d) 10th October for Rs. 20,000.

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PART – II

70 Marks

Question : 1(a)

14 Marks

Motopower Pvt. Ltd, registered under GST, is engaged in the manufacture of 5 seater luxury cars at its factories located in the States of Rajasthan, Uttar Pradesh and Gujarat. The company has obtained registration in each of these States. It also enters into contracts for providing these cars on rent to corporate clients wherein the cost of fuel is included in the value of supply. The company reports the following details for a tax period pertaining to its factory located in Gujarat:

Payments	(₹) (in lakhs)	Receipts	(₹) (in lakhs)
Raw material	4.50	Sales	30
Rent paid	1.00	Car rental income	0.50
Consumables	1.50	Income from services provided to Gujarat	2.50
Security services	0.70	Govt. administration	
General insurance of cars manufactured	2.50		
Works contract services	1.60		
Audit fee	0.50		
Bank charges	0.10		
Membership of Automobile Association	0.10		

All the above amounts are exclusive of all kinds of taxes, wherever applicable. However, the applicable taxes have also been paid by the company.

Further, following additional details are furnished by the company in respect of the payments and receipts reported by it:

(i) Raw materials worth ₹ 0.50 lakh, purchased from a registered supplier located in Gujarat, were destroyed due to fire in the factory and thus, could

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not be used in the manufacturing process. Remaining raw material has been procured from various vendors located in Maharashtra,

(ii) Rent has been paid for the factory building located in Gujarat to its owner registered in Gujarat.

(iii) Payment for security services (services provided by way of supply of security personnel) for the tax period has been made to Safe and Secure Solutions Pvt. Limited, a company located in Gujarat and not registered under GST.

(iv) General insurance services have been availed from Divided Insurance Company Ltd. registered in Gujarat.

(v). Works contract services availed from Chitra Builders, Gujarat, have been used by the company for construction of a foundation on which machinery to be used in the production process is to be mounted permanently

(vi) Audit fee is paid to a firm of Chartered Accountants- M/s Pandya & Associates (registered in West Bengal with an aggregate turnover of ₹ 30 crores in the preceding FY) - for conducting the statutory audit of the company in the preceding FY. The firm raises an e-invoice without IRN (Invoice Reference Number) for said services.

(vii) Bank charges are towards various services availed by the company during a month with regard to its current account maintained with Manimani Bank, registered in Gujarat. The bank issued a consolidated tax invoice for all such services at the end of the month containing the details of tax charged, description of services, total value, GSTIN of the bank and Motopower Pvt. Ltd.

(viii) Automobile Association is registered in the State of Gujarat.

(ix) The breakup of sales is as under: Sales in Gujarat - ₹ 14 lakh Sales in States other than Gujarat - ₹ 6 lakh Exports under Letter of Undertaking (LUT)- ₹ 10 lakh

(x) Car rental income pertains to renting of cars to Jamaze Travels Ltd., registered in Gujarat and cost of fuel is included in the value of said supply. Further, consumables, procured from registered suppliers located in Gujarat,

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include diesel (excise and VAT paid) worth ₹ 0.75 lakh used for running the cars so rented out to Jamaze Travels Ltd. Assume that except diesel, no other input/input services is used in providing car renting service.

(xi) Services provided to Gujarat Govt. administration are under a Health Training programme 51% of the total expenditure for said programme is borne by Gujarat Govt..

(xii) The opening balance of ITC with the company for the tax period is:

CGST - ₹ 0.50 lakh ; SGST - ₹ 0.26 lakh ; IGST - ₹ 0.35 lakh

Compute the total ITC available with Motopower Pvt. Ltd. for the given tax period and net GST payable [CGST, SGST or IGST, as the case may be] from E-cash Ledger by Motopower Pvt. Ltd. for the given tax period.

Notes

(A) CGST, SGST & IGST rates on all inward and outward supplies are 9%, 9% and 18% respectively. except on renting of cars wherein CGST, SGST & IGST rates are 2.5%, 2.5% and 5% respectively.

It is important to note that credit of input tax charged on goods and services used in supplying the service of transport of passengers by any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient, is not available except the credit of the input service in the same line of business.

Question : 2(a)

5 Marks

Determine whether GST is payable in respect of each of the following independent services provided by the registered persons:

(1) Fees charged from office staff for in-house personality development course conducted by Mungerilal College providing education as part of a curriculum for obtaining a qualification recognised by Indian law- ₹ 10,000,

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(2) Bus fees collected from students by Rosemary College providing education as part of a curriculum for obtaining a qualification recognised by Indian law - ₹ 2,500 per month.

(3) Housekeeping service provided by M/s. Clean Well to Himavarsha Montessori school, a play school, for cleaning its playground and classrooms- ₹ 25,000 per month.

(4) Info link supplied "Tracing Alphabets", an online educational journal, to students of UKG class of Sydney Montessori School - ₹ 2,000.

Question : 2(b)

5 Marks

George Pvt. Ltd, a registered supplier of goods at Kerala who pays GST under regular scheme, has made the following transactions (exclusive of tax) during a tax period

Purchases (₹)	Sales (₹)	
5,00,000 [Purchases made from registered person in New Delhi]	10,00,000 [Sale made to registered person in New Delhi]	IGST - 18% CGST – 9% SGST - 9%
2,50,000 [Purchases made from Registered person in Trivandrum, Kerala]	8,00,000 [Sales made to registered person in Trivandrum]	

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The company has complied with all the conditions for availing the ITC. The following further information regarding various balances available with it on the first day of the tax period, is provided by the company

Source	Taxes (₹)	Interest (₹)	Penalty (₹)
CGST	50,000	1500	500
SGST	30,000	1500	500
IGST	1,00,000	2000	500

Compute the minimum net CGST, SGST and IGST payable from the E-cash Ledger by George Pvt. Ltd for the tax period as also ITC to be carried forward to next tax period, if any

Question : 2(c)

4 Marks

Jai, a registered supplier, runs a general store in Ludhiana, Punjab. Some of the goods sold by him are exempt whereas some are taxable. You are required to advise him on the following issues:

- (i) Whether Jai is required to issue tax invoices in all cases, even if he is selling the goods to the end consumers?
- (ii) Jai sells some exempted as well as taxable goods valuing ₹ 5,000 to a school student. Is he mandatorily required to issue two separate GST documents?
- (iii) Jai wishes to know whether it's necessary to show tax amount separately in the tax invoices issued to the customer

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Question : 3 (a)

5 Marks

Mahadev Enterprises, a sole proprietorship firm, opened a shopping complex dealing in supply of ready-made garments at multiple locations, i.e. in Himachal Pradesh, Uttarakhand and Tripura in the month of June. It has furnished the following details relating to the supply made at such multiple locations for the month of June:

Particulars	Himachal Pradesh (₹)	Uttarakhand (₹)	Tripura (₹)
Intra-State supply of taxable goods	22,50,000		7,00,000
Intra-State supply of exempted goods			6,00,000
Intra-State supply of non-taxable goods		21,00,000	40,000

All the above amounts are excluding GST

With the help of the above mentioned information, answer the following Questions giving reasons:

- (1) Determine whether Mahadev Enterprises is liable to be registered under GST law and what is the threshold limit of taking registration in this case assuming that it is not required to pay any tax on inward supplies under RCM.
- (2) Explain with reasons whether your answer in (1) will change in the following independent cases:
 - (a) If Mahadev Enterprises is dealing exclusively in taxable supply of goods only from Himachal Pradesh;
 - (b) If Mahadev Enterprises is dealing in taxable supply of goods and services only from Himachal Pradesh;

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- (c) If Mahadev Enterprises is dealing in taxable supply of goods only from Himachal Pradesh and has also effected inter-State supplies of taxable goods (other than notified handicraft goods) amounting to ₹ 4,00,000.

Question : 3 (b)

5 Marks

M/s KLM Ltd., a publishing and printing house registered in Maharashtra, is engaged in supply of books, letter cards, envelopes, guides and reference materials. The following information is provided by the company:

Event	Printing of books	Printing of envelopes
Date of entering into printing contract	16th March	20th March
Date of receipt of advance	20th March	25th March
Date of completion of printing	10th April	5th April
Date of issue of invoice	15th May	10th April
Date of removal of books and letter heads to buyer	13th May	7th April
Date of receipt of balance payment	31st May	30th April

In respect of printing of books, content was supplied by the author. For printing of envelopes, the design and logo were supplied by the buyer. Determine the time of suppl(ies) for the purpose of payment of tax.

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Question : 3 (c)

4 Marks

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.

Question : 4 (a)

8 Marks

Priya Infra Ltd., a registered supplier under GST in the State of Kerala, is engaged in the construction business. It provides the following information for the month of April:

S.N.	Particulars	Amount(₹)
	OUTWARD SUPPLY	
(i)	Transferred one load of tiles to its branch in Cochin, Kerala, from its head office at Trivandrum, Kerala. Both places are under the same GST registration.	7,50,000
(ii)	Provided pure labour services of construction of single commercial unit not forming part of any complex to a customer in Bengaluru (Karnataka).	15,00,000
(iii)	Supplies a consignment of marbles in the territorial waters to Classic Builders LLP. The said territorial waters is located at a distance of 11 nautical miles from the baseline of State of Kerala and 12 nautical miles	6,00,000

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	from the baseline of State of Tamil Nadu.	
(iv)	Received an advance for future supplies of goods and services from a customer in Kerala (of which 70% is related to future supplies of services).	7,00,000
(v)	Computer used for business purpose was given free of cost to an unrelated person based in Kerala, computer was purchased 2 years' back at cost of ₹ 88,500 (including GST of ₹ 13,500,) having a W.D.V. of ₹ 71,685 as on the date of sale. Open market value is ₹ 55,000 (excluding GST). No ITC is taken on this computer at the time of purchase.	Nil
(i)	INWARD SUPPLY: Availed services of an arbitral tribunal in Trivandrum, Kerala to settle a case relating to RERA Act	7,00,000
(ii)	(Purchased construction materials from Baahu Steels Ltd, registered in the State of Andhra Pradesh	15,00,000
(iii)	Purchased a new truck from a dealer in Cochin, Kerala for transport of materials	12,00,000

The company provided the following additional information:

(i) Paid ₹ 6,00,000 as remuneration to an independent director based at Cochin during the month.

(ii) The company claimed depreciation under the Income-tax Act, 1961 on the new truck purchased all applicable taxes.

(iii) E-invoice portal shows that Baahu Steels Ltd.'s GST number has been enabled for e invoicing However, the supplier did not issue e-invoice/tax invoice with invoice reference number (IRN). The invoice was reflected in GSTR-2B.

(iv) Turnover of Priya Infra Ltd. for the previous FY was ₹ 180 lakh.

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(v) Rates of CGST, SGST and GST are 9%, 9% and 18% respectively for both inward and outward supply of goods and services.

(vi) All the amounts given above are exclusive of taxes wherever applicable.

From the information given above, you are required to compute the minimum net GST liability payable in cash (CGST, SGST or IGST, as the case may be) for the month of April. Reason for treatment needs to be given.

Question : 4 (b)

6 Marks

'PQ' statutory body deals with the all the advertisement and publicity of the Govt.. It has issued a release order to Moon Plus channel (registered in State 'A') for telecasting an advertisement relating to one of the schemes of the Govt. in the month of Sep 20XX. The advertisement will be telecasted in the States of 'A', 'B', 'C', 'D' and 'E'. The total value of the service contract entered into between Moon Plus and 'PQ' is ₹10,00,000 (exclusive of GST).

You are required to determine the POS of the services in the instant case as also the value of supply attributable to the States of 'A', 'B', 'C', 'D' and 'E'.

Further, compute the GST liability [CGST & SGST or IGST, as the case may be] of 'Moon Plus' as also advised it as to whether it should issue one invoice for the entire contract value or separate State-wise invoices The other relevant information is given hereunder:

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Table 1

States	Viewership figures of 'Moon Plus' channel in the last week of June 20XX as provided by the Broadcast Audience Research Council
A	50,000
B+C	1,00,000
D+E	50,000

Table 2

States	Population as per latest census (in crores)
A	50
B	180
C	20
D	100
E	25

The applicable rate of tax is as under: CGST 9% ; SGST 9% ; IGST 18%

Question : 5 (a)

8 Marks

Mrs. Kajal, a registered supplier of Jaipur (Rajasthan), has made the following supplies in the month of January, 20XX:

- (i) Supply of a laptop bag along with laptop to a customer of Mumbai for 55,000 (exclusive of GST).
- (ii) Supply of 10,000 kits (at 50 each) amounting to ₹ 5,00,000 (exclusive of GST) to Ram Fancy Store in Kota (Rajasthan). Each kit consists of 1 hair oil, 1 beauty soap and 1 hair comb.
- (iii) 100 kits are given as free gift to Jaipur customers on the occasion of Mrs. Kajal's birthday. Each kit consists of 1 hair oil and 1 beauty soap. Cost of each

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kit is 35, but the open market value of such kit of goods and of goods of like kind and quality is not available. Input tax credit has not been taken on the goods contained in the kit.

(iv) Event management services provided free of cost to her brother (not dependent on her) for his son's marriage function in Indore (Madhya Pradesh). Cost of providing said services is 80,000, but the open market value of such services and of services of like kind and quality is not available.

(v) 1,400 chairs and 100 coolers hired out to Function Garden, Ajmer (Rajasthan) for 3,30,000 (exclusive of GST) including cost of transporting the chairs and coolers from Mrs. Kajal's godown at Jaipur to the Function Garden, Ajmer.

(vi) Mrs. Kajal has paid the cost of transportation of chairs and coolers to an unregistered Goods Transport Agency (GTA) [located in the State of Rajasthan] @ 20 (exclusive of GST) for each chair and each cooler and in turn, has charged 20 only for each chair and each cooler from Function Garden for transportation of the same.

Interest of 6,400 (inclusive of GST) was collected by Mrs. Kajal in January from Ram Fancy Store, Kota for the payment received with a delay of 30 days.

Assume rates of GST to be as under:

	CGST	SGST	IGST
Laptop	9	9	18
Laptop Bag	14	14	28
Hair Oil	9	9	18
Beauty Soap	14	14	28

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Hair Comb	6	6	12
Event management service	2.5	2.5	5
Service of renting of chairs and coolers	6	6	12
Transportation service	2.5	2.5	5

From the above information, compute the Gross GST liability (CGST and SGST and/ or IGST, as the case may be) (ignoring ITC provisions) of Mrs. Kajal for the month of January, 20XX

Question : 5 (b)

6 Marks

A makes intra-State supply of goods valued at ₹ 50,000(excluding taxes) to B within State of Karnataka. There is no ITC balance available with A. B makes inter-State supply to X Ltd. (located in Telangana) after adding 10% as its margin on the value of goods excluding taxes. Thereafter, X Ltd. sells it to Y in Telangana (Intra-State sale) after adding 10% as his margin on the value of goods excluding taxes.

Assume that the rate of GST chargeable is 18% (CGST and SGST at 9% each and IGST chargeable at 18%) and every person involved in the aforesaid supplies are registered tax payer. Calculate tax payable at each stage of the transactions detailed above. Wherever ITC is available and can be utilized, calculate the net tax payable in cash. At each stage of the transaction, indicate which Govt. will receive the tax paid and to what extent.

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Question : 6 (a)

5 Marks

Discuss the cases where a registered person is not allowed to furnish the details of outward supplies under section 37 in Form GSTR-1 or using invoice furnishing facility, as enumerated in rule 59.

Question : 6 (b)

5 Marks

Satyamev Printers is a printing house registered under GST. It receives an order for printing 5,000 copies of a book on yoga and meditation authored by a well-known yoga guru. The content of the book is to be provided by the yoga guru to Satyamev Printers. It is agreed that Satyamev Printers will use its own paper to print the said books.

You are required to determine the rate of GST applicable on supply of printed books by Satyamev Printers assuming that rate of GST applicable on printing services is 18% whereas the rate of GST applicable on supply of paper used in printing the books is 12%.

Question : 6 (c)

4 Marks

Arpan Singhania is a director in Narayan Limited. The company paid him the sitting fee amounting to ₹25,000, for the month of Jan.. Further, salary was paid to Arpan Singhania amounting to ₹ 1.5 lakh for the month of Jan. on which TDS was also deducted as per applicable provisions under Income-tax law. Tapasya & Associates, in which Arpan Singhania is a partner, supplied certain professional services to Narayan Limited in the month of Jan. for an

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amount of ₹ 2 lakh. Discuss the person liable to pay tax in each of the supplies involved in the given case.

OR

Ranveer Industries, registered in Himachal Pradesh, is engaged in making inter-State readymade garments. The aggregate turnover of Ranveer Industries in the preceding FY is ₹ 70 lakh. It has opted for composition levy under sub-sections (1) and (2) of section 10 in the current FY and paid tax for the April-June quarter of current year under composition levy. The proper officer has levied penalty for wrongly availing the scheme on Ranveer Industries in addition to the tax payable by it. Examine the validity of the action taken by proper officer.

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