

Topic: GST Test - II

Total Marks - 50

Time allowed – 1.5 hours

Q1.A. Determine by giving brief reasons the requirement and date of issue of tax invoice under CGST Act in each of the following independent cases :

- (i) Ritu Manufacturers Pvt. Ltd. of Delhi supplies goods to Prakhar Electronics, Gurugram, Haryana. The goods were removed from its factory in Delhi on 23rd September, 2019.
- (ii) Katyani Security Services Ltd. has provided security services to Royal Jewellers for their Jewellery in the exhibition (JAS-2019) organized at Jaipur on 5th October, 2019.
- (iii) Sultan Industries Ltd. of Delhi entered into a contract with Prakash Entrepreneurs of Delhi for supply of spare parts of a machine to them on 27th November, 2019. The spare parts were required to be delivered on 30th November, 2019. Sultan Industries Ltd. removed the finished spare parts from its factory on 29th November, 2019.

Q1.B. Explain and state in brief the provisions of CGST Act, 2017 relating to all those situations when the authority can confiscate the goods or the conveyance for levy of penalty.

Q1.C. LMN & Co, a partnership firm registered under GST law has its registered office located in Kochi, Kerala. The firm is engaged in the business of providing services to foreign customers for sourcing various products/goods from/in India. The vendor in India is always identified, product quality is being checked, price is mapped and thereafter the details are shared with the foreign customers. The foreign customers place the order directly with the vendors in India so identified and details of which were being shared by LMN & Co, with the customers. LMN & Co. is having a policy to charge cost plus 12% mark up for the services so rendered and during the month of March, 2020 it has collected Euro 25,000 from customers in Sweden for such services. You are required in the backdrop of above information, to explain in brief the applicable provisions of the GST Law and to answer thereunder about the nature of services provided by LMN & Co, place of service (POS) and whether the amount charged for services can be treated as export of service.

(5 marks each x 3 = 15 marks)

Q2.A. Ashoka Enterprises, registered under GST law in the State of Rajasthan paying taxes as contained in section 9 of CGST Act, 2017. They asked their tax manager to pay taxes on quarterly basis. However, the tax manager advised to pay taxes on monthly basis. You are consulted to examine the rival contention and the validity of the view of tax manager of paying taxes on monthly basis and also to state how such taxes and the tax for the month of March are to be paid.

Q2.B. V Ltd. supplied goods to S Ltd. The terms of the contract stipulated that goods are delivered to the factory of S Ltd. Goods were removed from the factory of V Ltd. on September 9, 2020 and were delivered to the factory of S Ltd. on September 15, 2020. Now, the invoice was issued on September 18, 2020 and payment was credited to V Ltd.'s account on October 20, 2020. However, the entry was made in the books when the cheque was received, that is on September 19, 2020. Determine the Time of Supply?

Q2.C. Discuss whether the following transactions/activities will be treated as supply of goods or supply of service

- a) Transfer of right to use goods
- b) Works contracts and Catering services
- c) Supply of software
- d) Goods supplied on hire purchase basis.

Q2.D. Comment on the applicability of GST in the following independent cases

- i) Religious pilgrimage organized by Ganjumaal Charitable Trust.
- ii) Transportation of Milk
- iii) Transportation of books on a consignment transported in a single goods carriage for Rs. 7,000.
- iv) Transportation of chairs for a single consignee in the goods carriage for Rs. 900.

Q2.E. Mohan Enterprises had made supplies of Rs. 5,50,000 to B Enterprises. Municipal Authorities of Jaipur on such supplies levied the tax @ 10% of Rs. 55,000. CGST and SGST chargeable on the supply was of Rs. 66,000. Packing charges not included in the price of Rs. 5,50,000 amounted to Rs. 15,000. Subsidy of Rs. 25,000 was received from an NGO on the sale of such goods and the price of Rs. 5,50,000 is after taking in to account the amount of subsidy so received. Discount offered is @ 1% which was mentioned on the invoice. Determine the value of supply?

(4 marks each x 5 = 20 marks)

Q3.A. Discuss whether GST would be payable in following independent cases:

- a) A Company Secretary makes payment of LLP Registration fees of Rs. 3,000/- on behalf of their clients and charges the client his professional fee of Rs. 15,000/- along with expenses of Rs. 3,000/- incurred in form of payment to Registrar of Companies.
- b) A company provides Subsidized Meal facility to employees. It pays Rs. 70/- per plate to the caterer and deducts Rs. 10/- per plate from the employee's salary.
- c) A pharmaceutical company supplies free samples to doctors.
- d) Raghunath 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 Rs. 9,500.
- e) Northstar Trucking Ltd. has given on hire 11 trucks to Jaggi Transporters of Mumbai (a goods transport agency) for transporting goods in various parts of the country. The hiring charges for the trucks are Rs. 10,200 per truck per day.

Q3.B. M/s X Ltd., a registered supplier from Maharashtra is engaged in the manufacturing of passenger auto. The company provides the following details of purchase made/services availed by it during the month of March 2020:

Sr. No.	Particulars	Amount (Rs.)
1	Purchase of iron which is used as a raw material (Goods were received in two instalments, first on in March 2020 and the second instalment was received in April 2020)	2,50,000
2	Purchase of accessories which were delivered directly to the Dealers of the company. Only invoice was received by X Ltd.	90,000
3	Purchase of Bus (seating capacity 15) for the transportation of employees from their residence to company and back	1,97,000
4	Input tax credit on general insurance taken on a car used by Executives of the company for official purposes.	5,200
5	Payment made to M/s XYZ Caterers for providing daily breakfast & lunch to the employees of the company, as voluntary staff welfare measure.	54,700

You are required to determine the eligible Input Tax Credit available to M/s X Ltd. for the month of March 2020, by giving brief explanations for treatment of various items. Subject to the information given above, all the other conditions necessary for availing input tax credit have been fulfilled.

Q3.C. Modern Art & Printers Pvt. Ltd., was incorporated on 12th January, 2020, having main object of the business of supply of books, pamphlets, brochures, envelopes, annual reports,

leaflets, cartons, boxes etc. These would be printed with design, logo, name, address or other contents supplied by the recipient of such goods/ materials as per their orders and requirements. Modern Art & Printers Pvt. Ltd. is desirous of knowing in the context of the provisions under the CGST Act, 2017 whether these would constitute supply of goods and/or supply of services falling under heading 9989 of the scheme of classification of services annexed to Notification No. 11/2017-CT(R) issued under CGST Act, 2017 and/or falling under Chapter-48 or 49 of the First Schedule to the Customs Tariff Act, 1975. You are required to give suitable advice in the context of provisions contained under the Act, to Modern Art & Printers Pvt Ltd.

(5 marks each x 3 = 15 marks)