

# CA FINAL

## INDIRECT TAX LAWS

### MODEL QUESTION PAPER

### JUNE 2020

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#### GENERAL INSTRUCTIONS TO CANDIDATES

1. The question paper comprises two parts. Part I and Part II.
2. Part I comprises Multiple Choice Questions (MCQ's).
3. Part II comprises questions which require descriptive type answers.

#### **PART – I (30 MARKS COMPULSORY)**

**Answer all questions**

1. Power Engineering Pvt. Ltd., a registered supplier, is engaged in providing expert maintenance and repair services for large power plants that are in the nature of immovable property, situated all over India. The company has its Head Office at Bangalore, Karnataka and branch offices in other States. The work is done in the following manner.

- The company has self-contained mobile workshops, which are container trucks fitted out for carrying out the repairs. The trucks are equipped with items like repair equipment's, consumables, tools, parts etc. to handle a wide variety of repair work.
- The truck is sent to the client location for carrying out the repair work. Depending upon the repairs to be done, the equipment, consumables, tools, parts etc. are used from the stock of such items carried in the truck.
- In some cases, a stand-alone machine is also sent to the client's premises in such truck for carrying out the repair work.
- The customer is billed after the completion of the repair work depending upon the nature of the work and the actual quantity of consumables, parts etc. used in the repair work.
- Sometimes the truck is sent to the company's own location in other State(s) from where it is further sent to client locations for repairs.

Work out the GST liability [CGST & SGST or IGST, as the case may be] of Power Engineering Pvt. Ltd., Bangalore on the basis of the facts as described, read with the following data for the month of November 20XX.

S. No.	PARTICULARS	₹
A	Truck sent to own location in Tamil Nadu (i) Value of items contained in the truck - ₹3,00,000 (ii) Value of truck - ₹25,00,000	
B	Truck sent to a client location in Tamil Nadu for carrying out repairs. Stand- alone machine is also sent in the truck to client location for repairs (i) Value of items contained in the truck – ₹2,85,000 (ii) Value of stand-alone machine - ₹4,00,000 (iii) Value of truck - ₹20,00,000 (Billing for repairs to be done afterwards depending upon the actual items used)	
C	Truck sent to a client location in Karnataka for carrying out repairs (i) Value of items contained in the truck - ₹1,06,000 (ii) Value of truck - ₹20,00,000 (Billing for repairs to be done afterwards depending upon the actual items used)	
D	Invoices raised for repair work carried out in Tamil Nadu [including the invoice for repair work done in 'B'] -	70,00,000
E	Invoices raised for repair work carried out in Karnataka [including the invoice for repair work done in 'C']	12,00,000

Also, specify the document(s), if any, which need to be issued by Power Engineering Pvt. Ltd., Bangalore for the above transactions.

All the given amounts are exclusive of GST, wherever applicable. Assume the rates of taxes to be as under:

Items used for repairs		
CGST – 6%	SGST – 6%	IGST – 12%
Container truck, Stand-alone machines		
CGST – 2.5%	SGST – 2.5%	IGST – 5%
Works contract for repairs and maintenance of immovable property		
CGST – 9%	SGST – 9%	IGST – 18%

You are required to make suitable assumptions, wherever necessary.

In view of the above information, you are required to answer the following questions:

(1) Inter-State taxable supply of goods

- a. ₹12,00,000/-
- b. ₹70,00,000/-
- c. ₹3,00,000/-
- d. ₹28,00,000/-

(2) GST liability in case of inter-State supply of Goods

- a. ₹1,44,000/-
- b. ₹8,00,000/-
- c. ₹36,000/-
- d. ₹3,00,000/-

(3) Intra-State taxable supply of Services

- a. ₹12,00,000/-
- b. ₹70,00,000/-
- c. ₹3,00,000/-
- d. ₹28,00,000/-

(4) Inter-State taxable supply of Services

- a. ₹12,00,000/-
- b. ₹70,00,000/-
- c. ₹3,00,000/-
- d. ₹28,00,000/-

(5) GST liability in case of intra-State Supply of Services

- a. CGST ₹1,08,000/- & SGST ₹1,08,000/-
- b. CGST ₹1,08,000/- & UTST ₹1,08,000/-
- c. IGST ₹2,16,000/-
- d. None of the above

2 Marks x 5 = 10 Marks

2. 'All-in-One Store' is a chain of departmental store having presence in almost all metro cities across India. Both exempted as well as taxable goods are sold in such Stores. The Stores operate in rented properties. All-in-One Stores pay GST under regular scheme.

In Mumbai, the Store operates in a rented complex, a part of which is used by the owner of the Store for personal residential purpose.

All-in-One Store, Mumbai furnishes following details for the month of October, 20XX:

- (i) Aggregate value of various items sold in the Store:
  - Taxable items – ₹ 42,00,000
  - Items exempted vide a notification – ₹12,00,000
  - Items not leviable to GST – ₹ 3,00,000
- (ii) Mumbai Store transfers to another All-in-One Store located in Goa certain taxable items for the purpose of distributing the same as free samples. The value declared in the invoice for such items is ₹ 5,00,000. Such items are sold in the Mumbai Store at – ₹ 8,00,000.
- (iii) Aggregate value of various items procured for being sold in the Store: Taxable items – ₹ 55,00,000
  - Items exempted vide a notification – ₹15,00,000
  - Items not leviable to GST – ₹ 5,00,000
- (iv) Freight paid to goods transport agency (GTA) for inward transportation of taxable items – ₹ 1,00,000
- (v) Freight paid to GTA for inward transportation of exempted items – ₹ 80,000
- (vi) Freight paid to GTA for inward transportation of non-taxable items – ₹ 20,000
- (vii) Monthly rent payable for the complex – ₹ 5,50,000 (one third of total space available is used for personal residential purpose).
- (viii) Activity of packing the items and putting the label of the Store along with the sale price has been outsourced. Amount paid for packing of all the items - ₹ 2,50,000
- (ix) Salary paid to the regular staff at the Store – ₹ 2,00,000
- (x) GST paid on inputs used for personal purpose – ₹ 5,000

- (xi) GST paid on rent a cab services availed for business purpose – ₹ 4,000.
- (xii) GST paid on items given as free samples – ₹ 4,000

Note:

- (1) Wherever applicable, GST under reverse charge is payable @ 5% by All-in-One Stores. Rate of GST in all other cases is 18%.
- (2) All the sales and purchases made by the Store are within Maharashtra. All the purchases are made from registered suppliers. All the other expenses incurred are also within the State.
- (3) Wherever applicable, the amounts given are exclusive of taxes.
- (4) All the necessary conditions for availing the ITC have been complied with.

Given the above available facts, you are required to compute the following:

**1. Input tax credit (ITC) credited to the Electronic Credit Ledger**

- a. ₹1,11,000/-
- b. ₹11,57,000/-
- c. ₹11,06,000/-
- d. Nil

**2. Common Credit**

- a. ₹11,06,000/-
- b. ₹1,11,000/-
- c. ₹9,95,000/-
- d. ₹9,90,000/-

**3. ITC attributable towards exempt supplies out of common credit**

- a. ₹25,615/-
- b. ₹15,00,000/-
- c. ₹65,00,000/-
- d. ₹1,11,000/-

4. Eligible ITC out of common credit

- a. ₹1,11,000/-
- b. ₹85,385/-
- c. ₹25,615/-
- d. Nil

5. Net GST liability for the month of October, 20XX (not required to show separately CGST & SGST) under reverse charge mechanism.

- a. ₹10,000/-
- b. ₹5,000/-
- c. ₹4,000/-
- d. ₹1,000/-

2 Marks x 5 = 10 Marks

**3. Chanakya Academy** is registered under GST in the State of Uttar Pradesh. The Academy runs the following educational institutions

(i) Keshav Institute of Technology (KIT), a private engineering college in Ghaziabad. KIT also runs distance learning post graduate engineering programmes. Exams for such programmes are conducted in select cities at centres appointed by the KIT. All the engineering courses included in the distance learning post graduate engineering programme run by KIT are recognised by the law (the AICTE).

(ii) Little Millennium a pre-school in Lucknow.

(iii) Bright Minds, a coaching institute in Kanpur. The Institute provides coaching for Institute of Banking Personnel Selection (IBPS) Probationary Officers Exam.

(iv) Spring Model a higher secondary school affiliated to CBSE Board

The provides the following details relating to the expenses incurred by the various institutions run by it during the period April 20XX to Sep 20XX:

**Table 1**

S.No.	Particulars	KIT	Little Millennium	Bright Minds	Spring Model
		₹	₹	₹	₹
(i)	Printing services for printing the question papers (paper and content are provided by the Institutions)	2,50,000		1,50,000	2,,00,000
(ii)	Paper procured for printing the question papers	4,30,000		2,58,000	3,44,000
(iii)	Honorarium to paper setters and examiners (not on the rolls of the Institution)	5,00,000			

(iv)	Rent for exam centres taken on rent like schools etc., for conducting examination	8,00,000		1,00,000	
(v)	Subscription for online educational journals (little Millennium has taken the subscription for online periodicals on child development and experiential learning)	4,00,000	80,000	2,20,000	2,40,000
(vi)	Hire charges for buses used to transport students and faculty from their residence to the institutions and back	4,80,000	5,50,000	1,30,000	7,50,000
(vii)	Catering services for running a canteen in the campus for students (Catering services for KIT include a sum of	3,20,000	2,60,000	1,80,000	5,00,000



	Rs60,000 for catering at a student event organised in a banquet hall outside the campus)				
(viii)	Security and housekeeping services for the institution(s) (Security and housekeeping services for spring Model include a sum of Rs 80,000 payable for security and housekeeping at the student event organised in a banquet hall outside the campus)	6,00,000	4,00,000	3,75,000	4,65,000

The academy further provides the following details relating to the receipts of the various institutions run by it during the period April 20XX to Sep 20XX:

**Table 2**

S.No.	Particulars	KIT	Little Millennium	Bright Minds	Spring Model
		₹	₹	₹	₹
(i)	Tuition Fee	35,00,000	15,00,000	20,00,000	25,00,000
(ii)	Transport fee charged from students	5,00,000	6,00,000	1,30,000	8,50,000

Notes:

- (i) Rate of GST on goods is 12%, catering service is 5% and on other services is 18%.
- (ii) wherever relevant, all the conditions necessary for availing the ITC have been complied with.

With the help of the above details answer the following: -

1. Value of taxable inward supply of goods of Keshav Institute of Technology (KIT)
  - a. ₹3,50,000/-
  - b. ₹4,30,000/-
  - c. ₹7,80,000/-
  - d. None of the above
  
2. GST liability on value of taxable inward supply of services of Bright Minds
  - a. ₹1,84,500/-
  - b. ₹2,15,460/-
  - c. ₹30,960/-
  - d. ₹14,400/-
  
3. Net GST payable from electronic cash ledger by the Chanakya Academy for the April 20XX (i.e. after availing the Input Tax Credit if any)
  - a. ₹3,83,400/-
  - b. ₹1,67,940/-
  - c. ₹1,76,940/-
  - d. None of the above

1 Mark x 3 = 3 Marks

**4. Outline the stepwise procedure of import of goods into India.**

- i. Filing of Import General Manifest
- ii. Arrival of vessel
- iii. Grant of entry inwards to vessel
- iv. Unloading of goods
- v. Assessment of goods
- vi. Filing of Bill of Entry
- vii. Payment of duty

- (a) (i), (ii), (iii), (iv), (v), (vi) and (vii)
- (b) (ii), (iii), (i), (iv), (v), (vi) and (vii)
- (c) (iii), (ii), (i), (vi), (v), (vii) and (iv)
- (d) (ii), (i), (iii), (iv), (vi), (v) and (vii)

2 Marks

**5. Which of the following is not correct in relation to claim of duty drawback under section 75 of the Customs Act, 1962?**

- i. The upper limit for drawback is one third of market price of export product.
- ii. Countervailing duties and safeguard duties are included in all industry rates of drawback.
- iii. Countervailing duties and safeguard duties are included while determining all industry rates of drawback and thus can be claimed in application for fixing brand rate.
- iv. Provisions of section 75 are not applicable on goods exported by post.

- (a) (i), (ii) and (iv)
- (b) (i), (iii) and (iv)
- (c) (ii) and (iv)
- (d) (iii) and (iv)

2 Marks

6. Happy Singh is the lawful owner of a residential house situated in Chandigarh. The property has four floors constructed on it. Out of the four floors in his house, first and second floor are self-occupied and third and fourth floor have been let out for residential purposes. Ratanjot Singh, who is a tenant on third floor, has surrendered his tenancy rights to Parminder Singh for a tenancy premium of ₹ 5,00,000 on 1<sup>st</sup> June. Parminder Singh has paid the applicable stamp duty and registration charges on transfer of tenancy rights. Moreover, Parminder Singh will pay a monthly rent of ₹ 50,000 to Happy Singh from June.

Determine the value of taxable supply, in the given case, for the month of June.

- a. Happy Singh: ₹ 5,50,000; Ratanjot Singh: Nil
- b. Happy Singh: Nil; Ratanjot Singh: ₹ 5,00,000
- c. Happy Singh: ₹ 50,000; Ratanjot Singh: Nil
- d. Happy Singh: ₹ 50,000; Ratanjot Singh: ₹5,00,000

2 Marks

7. Minimum value addition required to be achieved under DFIA is .....:

- (a) 10%
- (b) 15%
- (c) 20%
- (d) 5%

1 Mark

## PART II (70 MARKS)

Answer Question No. 1 which is compulsory and any 4 out of the remaining 5 questions.

**1 (a).** Manihar Enterprises, registered in Delhi, is engaged in supply of various goods and services exclusively to Government departments, agencies etc. and persons notified under section 51 of the CGST Act, 2017. It has provided the information relating to the supplies made, their contract values and the payment due against each of them in the month of October, 20XX as under:

S.No.	Particulars	Total contract value (inclusive of GST) (₹)	Payment due in October, 20XX (₹)
(i)	Supply of stationery to Fisheries Department, Kolkata	2,60,000	15,000
(ii)	Supply of car rental services to Municipal Corporation of Delhi	2,95,000	20,000
(iii)	Supply of a heavy machinery to Public Sector Undertaking located in Uttarakhand	5,90,000	25,000
(iv)	Supply of taxable goods to Delhi office of National Housing Bank, a society established by Government of India under the Societies Registration Act, 1860	6,49,000	50,000
(v)	Interior decoration of Andhra Bhawan located in Delhi. Service contract is entered into with the Government of Andhra Pradesh (registered only in Andhra Pradesh).	12,39,000	12,39,000
(vi)	Supply of printed books and printed post cards to a West Delhi Post Office [Out of total contract value of ₹ 9,72,000, contract value for supply of books (exempt from GST) is ₹7,00,000 and for supply of printed post cards (taxable under GST) is ₹ 2,72,000.]	9,72,000	50,000 for books & 20,000 for printed post cards
(vii)	Maintenance of streetlights in Municipal area of East Delhi* [The maintenance contract entered into with the Municipal Corporation of	3,50,000	3,50,000

	<p>Delhi also involves replacement of defunct lights and other spares. However, the value of supply of goods is not more than 25% of the value of composite supply.]</p> <p>*an activity in relation to any function entrusted to a Municipality under article 243W of the Constitution</p>		
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You are required to determine amount of tax, if any, to be deducted from each of the receivable given above assuming the rate of CGST, SGST and IGST as 9%, 9% and 18% respectively.

Will your answer be different, if Manihar Enterprises is registered under composition scheme?

7 Marks

**(b).** Arihant Life Insurance Company Ltd. (ALICL) has started its operations in the year 2019-20 (w.e.f. 1-4-2019). During the year 2019-20, Arihant Life Insurance Company Ltd. (ALICL) has charged gross premium of ₹180 lakh from policy holders with respect to life insurance policies; out of which ₹100 lakh have been allocated for investment on behalf of the policy holders.

Compute the GST liability of ALICL for the year 2019-20 under rule 32(4) of the CGST Rules, 2017

- (i) if the amount allocated for investment has been intimated by ALICL to policy holders at the time of providing service.
  - (ii) if the amount allocated for investment has not been intimated by ALICL to policy holders at the time of providing of service.
  - (iii) if the gross premium charged by ALICL from policy holders is only towards risk cover.
- Applicable rate of GST 18%.

7 Marks

**2 (a).** Person liable to pay GST in case of Security services with the help of latest provisions of GST Law?

4 Marks

**(b)** Rajul has been issued a show cause notice (SCN) on 31.12.2021 under section 73(1) of the CGST Act, 2017 on account of short payment of tax during the period between 01.07.2017 and 31.12.2017. He has been given an opportunity of personal hearing on 15.01.2022. Advice Rajul as to what should be the written submissions in the reply to the show cause notice issued to him.

5 Marks

**(c)** Explain the provisions to claim exemption from customs duty on import of goods temporary basis like aircrafts, aircraft engines and other aircraft parts?

5 Marks

**3 (a).** Royal Sweet Co., Delhi, a registered supplier, has furnished the details of the following few transactions which took place in November, 20XX:

Assume the rates of taxes to be as under:—

S. No.	Date of payment	Particulars	Date of invoice	Amount (₹)
(i)	11.11.20XX	Payment made to an advocate in Delhi	07.07.20XX	1,25,000
(ii)	20.11.20XX	Paid sitting fee to Director from Haryana for meeting held in Delhi on 15.10.20XX [Inter-State supply]	15.10.20XX	75,000
<b>Particulars</b>		<b>Rate</b>		
CGST		9%		
SGST		9%		
IGST		18%		

You are required to compute GST [CGST & SGST/IGST, as the case may be] along with time of supply of the aforementioned activities. GST paid to the Govt. Department on 20<sup>th</sup> December 20XX for the above (i) and (ii) above.

5 Marks

(b) Musicera Pvt. Ltd., owned by Nitish Daani - a famous classical singer - wishes to organise a 'Nitish Daani Music Concert' in Gurugram (Haryana). Musicera Pvt. Ltd. (registered in Ludhiana, Punjab) enters into a contract with an event management company, Supriya (P) Ltd. (registered in Delhi) for organising the said music concert at an agreed consideration of ₹ 10,00,000. Supriya (P) Ltd. books the lawns of Hotel Dumdum, Gurugram (registered in Haryana) for holding the music concert, for a lump sum consideration of ₹ 4,00,000. Musicera Pvt. Ltd. fixes the entry fee to the music concert at ₹ 5,000. 400 tickets for 'Nitish Daani Music Concert' are sold.

You are required to determine the CGST and SGST or IGST liability, as the case may be, in respect of the supply(ies) involved in the given scenario.

Will your answer be different if the price per ticket is fixed at ₹ 450?

*Note:* Rate of CGST and SGST is 9% each and IGST is 18%. All the amounts given above are exclusive of taxes, wherever applicable.

4 Marks

(c) Kankan Corp had imported a machine from USA for ₹ 365 lakh on payment of appropriate customs duty in February. However, in July, the machine had to be sent back to the supplier for repair (not amounting to manufacture) from the factory of Kankan Corp. This machine was repaired and thereafter, re-imported by Kankan Corp in November next year. The supplier has agreed to provide discount of 60% of the fair cost of repairs, resulting in Kankan Corp paying USD 12,000.

Following further particulars are available:

Particular s	Date	Rate of Duty	Inter Bank Exchange rate	Rate notified by CBEC
Bill of Entry	21 <sup>st</sup> February	12%	61.40	62
Aircraft arrival	26th February	15%	62.50	63.25

Integrated tax is leviable @ 12%.



	<b>Outwards (Amt. in ₹)</b>	<b>Inwards (Amt. in ₹)</b>
Insurance	23,000	27,000
Air Freight	93,500	1,06,500

Determine total duty payable with appropriate notes for your computation assuming that Kankan Corp is not an EOU.

5 Marks

**4 (a).** Honeycure Laboratories Ltd. is a registered supplier of bulk drugs in Delhi. It manufactures bulk drugs and supplies the same in the domestic and overseas market. The bulk drugs are supplied within Delhi and in the overseas market directly from the company's warehouse located in South Delhi. For supplies in other States of India, the company has appointed consignment agents in each such State. However, supplies in Gurgaon (Haryana) and Noida (U.P.) are effected directly from South Delhi warehouse. The drugs are supplied to the consignment agents from the South Delhi warehouse.

Honeycure Laboratories Ltd. also provides drug development services to drug manufacturers located in India, including testing of their new drugs in its laboratory located in Delhi.

The company has furnished the following information for the month of January, 20XX:

<b>Particulars</b>	<b>Rs.</b>
Advance received towards drug development services to be provided to Orochem Ltd., a drug manufacturer, located in Delhi [Drug development services have been provided in February, 20XX and invoice is issued on 28.02.20XX]	5,00,000
Advance received for bulk drugs to be supplied to Novick Pharmaceuticals, a wholesale dealer of drugs in Gurgaon, Haryana [Invoice for the goods is issued at the time of delivery of the drugs in March, 20XX]	6,00,000
Supply of bulk drugs to wholesale dealers of drugs in Delhi	60,00,000
Bulk drugs supplied to Anchor Pharmaceuticals Inc., USA under bond [Consideration received in convertible foreign exchange]	90,00,000

Drug development services provided to Unipharma Ltd., a drug manufacturer, located in Delhi	6,00,000
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You are required to determine the GST liability [CGST & SGST or IGST, as the case may be] of Honeycure Laboratories Ltd. for the month of January, 20XX with the help of the following additional information furnished by it for the said period:

Consignments of bulk drugs were sent to Cardinal Pharma Pvt. Ltd. and Rochester Medicos – agents of Honeycure Laboratories Ltd. in Punjab and Haryana respectively. Cardinal Pharma Pvt. Ltd. and Rochester Medicos supplied these drugs to the Medical Stores located in their respective States for Rs. 60,00,000 and Rs. 50,00,000 respectively.

Bulk drugs have been supplied to Ronn Medicos Pvt. Ltd. - a wholesale dealer of bulk drugs in Gurgaon, Haryana for consideration of Rs. 15,00,000. Honeycure Laboratories Ltd. owns 60% shares of Ronn Medicos Pvt. Ltd. Open market value of the bulk drugs supplied to Ronn Medicos Pvt. Ltd. is Rs. 30,00,000. Further, Ronn Medicos Pvt. Ltd. is not eligible for full input tax credit.

Note:

- (i) All the given amounts are exclusive of GST, wherever applicable.
- (ii) Assume the rates of GST to be as under:

Goods/services supplied	CGST	SGST	IGST
Bulk drugs	2.5%	2.5%	5%
Drug development services	9%	9%	18%

You are required to make suitable assumptions, wherever necessary.

9 Marks

**(b)** Whether all types of exports categories/sectors are eligible for duty credit scrip entitlement under Merchant Export from India Scheme (MEIS)? If your answer is no, give few examples of the export categories/sectors which are ineligible for duty credit scrip entitlement under MEIS.

Saksham exports a consignment of handicraft items through courier using e-commerce of free on board (FOB) value of ₹ 4,48,000. Determine whether the export consignment of Saksham is eligible for the MEIS benefit.

5 Marks

**5(a).** Kulbhushan & Sons has entered into a contract to supply two consignments of certain taxable goods. However, since it is unable to determine the value of the goods to be supplied by it, it applies for payment of tax on such goods on a provisional basis along with the required documents in support of its request.

On 12.01.20XX, the Assistant Commissioner of Central Tax issues an order allowing payment of tax on provisional basis indicating the value on the basis of which the assessment is allowed on provisional basis and the amount for which the bond is to be executed and security is to be furnished.

Kulbhushan & Sons complies with the same and supplies both the consignments of goods on 25.01.20XX thereafter paying the tax on provisional basis in respect of both the consignments on 19.02.20XX.

Consequent to the final assessment order passed by the Assistant Commissioner of Central Tax on 21.03.20XX, a tax of ₹1,80,000 becomes due on 1st consignment whereas a tax of ₹4,20,000 becomes refundable on 2nd consignment.

Kulbhushan & Sons pays the tax due on 1st consignment on 09.04.20XX and applies for the refund of the tax on 2nd consignment same day. Tax was actually refunded to it on 05.06.20XX.

Determine the interest payable and receivable, if any, by Kulbhushan & Sons in the above case.

9 Marks

**(b)** A Ltd., sell in India from a price list which grants favourable unit prices for purchases made in larger quantities.

Sale quantity	Unit price in ₹ (Exclusive of duties and taxes)	Number of sales
1-10 units	100	10 sales of 5 units 5 sales of 3 units
11-25 units	95	5 sales of 11 units
Over 25 units	90	1 sale of 30 units 1 sale of 50 units

The selling price includes the following post shipment expenses:

Freight from port to factory in India for ₹24,000

Insurance to cover transit damage from port to factory in India for ₹6,000

Number of units imported from high seas 5,000 units. Find the assessable value and total customs duty.

*Note:* BCD @12%.

5 Marks

**6(a).** Calculate the amount of duty drawback allowable under the Customs Act, 1962 in the following cases:

(a) Jaggi Mehta imported a car from U.K. for his personal use and paid ₹4,50,000 as import duty. However, the car is re-exported immediately without bringing it into use.

(b) XYZ Ltd. exported 1000 kgs of a metal of FOB value of ₹1,00,000. Rate of duty drawback on such export is ₹60 per kg. Market price of goods is ₹40,000 (in wholesale market).

5 Marks

(b) Shree Ram Seva Trust is a charitable institution registered under section 12AA of the Income-tax Act, 1961. It has organized a skill development programme relating to persons over the age of 65 years residing in a well-planned city, in the month of April. It has received following amounts under the programme:

Particulars	Amount (₹)
Subscription fees for the programme	50,000
Sponsorship fees	1,00,000
Consideration for supply of goods	3,00,000

Besides, the trust has received the donations of ₹ 2,00,000 in April. Hanuman, accountant of Shree Ram Seva Trust, is not able to determine the taxability of the above amounts received under GST law. He seeks your expertise in determining the same.

Determine the value of taxable supply of Shree Ram Seva Trust, for the month of April.

4 Marks

(c) Inoba Bhave is engaged in supply of taxable services. He supplies some services in the month of April and collects IGST of ₹ 15,50,000 on said supply on 18th April. However, he fails to pay the tax so collected within 30 days from the due date of payment of such tax.

No Show Cause Notice (SCN) has been issued to him so far. Inoba Bhave decides to discharge his tax liability, before the SCN is issued to him. He is of the view that no penalty is leviable if the payment of tax is made before issue of SCN.

Therefore, he self-assesses his tax liability at ₹ 15,50,000 and pays the same on 26<sup>th</sup> June. Determine the interest and penalty, if any, payable by Inoba Bhave.

5 Marks