## PAPER-8: INDIRECT TAX LAWS

## QUESTIONS

**(1) All questions should be answered on the basis of position of (i) GST law as amended by the provisions of the Finance Act, 2020 and the Finance (No. 2) Act, 2019, which have become effective up to 31st October, 2020, including significant notifications and circulars issued and other legislative amendments made, up to 31st October, 2020 and (ii) customs law as amended by the Finance Act, 2020, including significant notifications and circulars issued and other legislative amendments made, up to 31st October, 2020.**

**(2) The GST rates for goods and services mentioned in various questions are hypothetical and may not necessarily be the actual rates leviable on those goods and services. The rates of customs duty are also hypothetical and may not necessarily be the actual rates. Further, GST compensation cess should be ignored in all the questions, wherever applicable.**

Disha Enterprise Pvt Ltd. is a financial service company having its offices in Kolkata, West Bengal and Mumbai, Maharashtra. The company is registered under GST in both the States. The company operates through two segments (a) banking & insurance services and (b) advisory & consulting services. The aggregate turnover of the company during the previous year was (i) ₹ 80 lakh in West Bengal & (ii) ₹ 60 lakh in Maharashtra.

The bouquet of services provided under each of the two segments are as follows:

| Banking & insurance services | Advisory & consulting services |
|---|---|
| Insurance agent services | Company/LLP/Society formation |
| Recovery agent services | Return filing |
| Direct Selling Agent (DSA) services (sale of banking products) | Detailed Project Report (DPR) preparation |
| | Business promotion/ product marketing/ exhibition etc. |

The company has carried out following transactions during the month of September:

(Amount in ₹ excluding GST)

| Particulars | Kolkata office | Mumbai office |
|---|---|---|
| Sale and purchase of foreign currency | Refer Note 3 | Refer Note 3 |
| Commission received from Nautiyal Insurance Company/ ADFC Life Insurance Company | 90,000 | 70,000 |
| Commission received as DSA from ICIDI Bank for opening bank account/credit card & loan products | 48,000 | 50,000 |

| | | |
|---|---|---|
| Commission received from private banks for acting as recovery agent | 1,20,000 | 1,50,000 |
| Professional fee received for the formation of a company/LLP/society | 80,000 [Refer Note 2] | 40,000 |
| Professional fee received for GST/ TDS return filing | 65,000 | 75,000 |
| Participation fee received from customers for the business exhibition organised by the company | 50,00,000 (held in Russia) [Refer Note 1] | 4,00,000 (held at Chennai) [Refer Note 1] |
| Legal fee paid to Mr. Sundaram - an advocate | 10,000 | 15,000 |
| Payment made for security services (by way of supply of security personnel) received | 25,000 (Globe Security Pvt Ltd.) | 25,000 (M/s X & Co, a partnership firm, registered under GST) |

**Notes:**

1. The participation fee of ₹ 50,00,000 received by the company is in respect of a business exhibition organized at St. Petersburg, Russia under the theme "Indian Traditional Fair" in which 10 Indian companies (all registered under GST) had participated. A participation fee of ₹ 5 lakh from each Indian company was collected for providing them a stall, furniture & other amenities at St. Petersburg, Russia.

   The participation fee of ₹ 4,00,000 is in respect of a business exhibition organized by the company at Chennai, in which 100 Indian companies had participated.

2. Out of the professional fee of ₹ 80,000 received by Kolkata office for the formation of a company/LLP/society, ₹ 15,000 was towards reimbursement claimed from client. It was separately mentioned in the invoice indicating that it was deposited with registrar of companies (ROC).

3. Following purchase & sale of foreign currency was made by the company during the month of September:

   (a) Kolkata office had purchased USD 10,000 from M/s Moneywise (a FOREX dealer) @ ₹ 74 per USD on 10th September. The RBI reference rate on that day was ₹ 73 per USD.

   (b) Mumbai office had sold USD 5,000 to M/s Money Matters (a FOREX dealer) on 15th September @ ₹ 73.20 per USD. RBI reference rate for USD on that day is not available.

4. In an order dated 14th September issued to Disha Enterprise Pvt Ltd., the Joint Commissioner of CGST, Mumbai has raised a demand of ₹ 600 crore on Mumbai office in

respect of an inter-State transaction. The company is disputing the entire demand & wants to file an appeal before the Appellate Authority against the order of Joint Commissioner.

5. The Kolkata office of the company had received ₹ 1 lakh on 22nd April as an advance from Ganesh Flour Mill Pvt Ltd., a client, for preparation of DPR. However, tax collected on the same from the client has not yet been deposited with the Central Government.

All the amounts given above are exclusive of GST wherever applicable (unless otherwise specified). There is no other outward or inward supply transaction apart from the aforesaid transactions in the relevant period.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1. to 5. below:-

1. Determine the value of taxable supply in respect of sale and purchase of foreign currency by Kolkata office and Mumbai office of the company as per rule 32(2)(a) of the CGST Rules, 2017.

   (a) Kolkata office ₹ 7200, Mumbai office ₹ 3,660

   (b) Kolkata office ₹ 10,000, Mumbai office ₹ 3,660

   (c) Kolkata office ₹ 7,20,000, Mumbai office ₹ 3,66,000

   (d) Kolkata office ₹ 7,30,000, Mumbai office ₹ 3,66,000

2. The value of taxable supply received by Mumbai office in the month of September on which tax is payable under reverse charge is _____________.

   (a) ₹ 15,000

   (b) ₹ 25,000

   (c) ₹ 40,000

   (d) ₹ 2,70,000

3. The value of taxable outward supply made by Kolkata office in the month of September on which Disha Enterprise Pvt Ltd. is liable to pay tax under forward charge is ________________.

   (a) ₹1,78,000

   (b) ₹ 2,78,000

   (c) ₹ 2,65,000

   (d) ₹ 1,13,000

4. The maximum amount of pre-deposit that Disha Enterprise Pvt. Ltd. can be asked to deposit under the IGST Act, 2017 for filing of an appeal before the Appellate Authority is _____________.

(a) ₹ 30 crores

(b) ₹ 60 crores

(c) ₹ 25 crores

(d) ₹ 50 crores

5. The maximum penalty prescribed under section 122 of the CGST Act, 2017 for failure of Kolkata Office to deposit the tax collected on the advance received from Ganesh Flour Mill Pvt Ltd. is ____________.

(a) ₹ 18,000

(b) ₹ 25,000

(c) ₹ 10,000

(d) ₹ 10,000 or tax evaded, whichever is higher.

ABC Ltd. is a Public Sector Undertaking (PSU) engaged in the business of generation of electricity from conventional & non-conventional sources. The Government of India holds 75% equity in the said company & balance equity is held by institutional and domestic investors. The company has taken separate registration under GST in each State where it has business operations. The company has its head office (HO) in Delhi & its power plants are located in the States of Bihar, Odisha & Chhattisgarh.

Following transactions were carried out by the company during the month of February:

(Amount in ₹)

| Particulars | Delhi H.O | Bihar plant | Odisha plant | Chhattisgarh plant |
|---|---|---|---|---|
| Sale of electrical energy to DISCOM | --- | 2,50,00,000 | 3,50,00,000 | 4,50,00,000 |
| Bank interest received on saving bank account & fixed deposit | 18,00,000 | 3,00,000 | 5,00,000 | 8,00,000 |
| House rent recovered from the employees for residential accommodation provided to them | 55,000 | 30,000 | 25,000 | 40,000 |
| Rent collected from bank, ATM, post office & shops located in office premises | 48,000 | 15,000 | 12,000 | 16,000 |
| Sale of iron/ metal scrap (excluding TCS @ 1% as per the Income-tax Act, 1961 | - | 85,000 | 45,000 | 65,000 |
| Other Income | 2,50,000 | - | - | 45,000 |

**Note:**

(a) Other income of Delhi H.O. amounting to ₹ 2,50,000 is in respect of bond money recovered from an ex-employee who had resigned from the service of ABC Ltd. prior to completion of the period specified in the bond, viz., 2 years.

(b) Other income of ₹ 45,000 of Chhattisgarh plant is in respect of penalty recovered from a contractor for delay in supply of material.

In addition to above information, following transactions were also carried out during the month of February:

(1) A supply order for stationery items was awarded by Delhi H.O. to M/s Stationery Mart, New Delhi for ₹ 3,36,000 (including GST @ 12%) in January.

The vendor supplied stationery items worth ₹ 44,800 (including GST@ 12%) & issued the tax invoice in February. Delhi H.O. had made the payment of the said bill in February. The remaining amount was paid in April on supply of balance items.

(2) Odisha plant purchased office furniture for ₹ 2,80,000 during February from an unregistered dealer. Rate of GST on said furniture item is 18%.

(3) A Board meeting for raising term loan for project expansion was held in February. The Delhi H.O. paid ₹ 20,000 each as sitting fee to 4 independent directors who attended the meeting.

(4) For safety & security of its H.O. & power plants, the company has engaged private security as well as CISF. Following payments were made in February, in respect of bills issued in the month of January:

| Particulars | Delhi H.O. | Bihar plant | Odisha plant | Chhattisgarh plant |
|---|---|---|---|---|
| CISF | --- | 10,00,000 (paid on 07th February) | 8,00,000 (paid on 15th February) | 14,00,000 (paid on 05th February) |
| ABS Security Services Pvt Ltd. | 5,00,000 (paid on 11th February) | - | - | - |

(5) The Bihar plant purchased a machinery in February from M/s Sahoo Enterprises, Patna (not registered under GST) for ₹ 86,000. Full payment was made in February. Rate of GST on the said machinery is 18%.

All the amounts mentioned above are excluding GST, wherever applicable (unless otherwise specified).

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 6. to 10. below:

6. The value of taxable supply on which GST is payable by Delhi H.O. under forward charge, for the month of February is ___________.

   (a) ₹ 21,78,000

   (b) ₹ 2,98,000

   (c) ₹ 22,33,000

   (d) ₹ 3,78,000

7. The value of taxable inward supply on which GST shall be payable under reverse charge by Bihar power plant is __________.

   (a) ₹ 11,80,000

   (b) ₹ 10,00,000

   (c) ₹ 10,86,000

   (d) ₹ 10,30,000

8. The value of supply on which TDS under section 51 of the CGST Act, 2017 shall be deducted by Delhi H.O. while making payment to M/s Stationery Mart in February is ___________.

   (a) ₹ 40,000

   (b) ₹ 44,800

   (c) ₹ 3,00,000

   (d) TDS is not applicable since payment made in February is less than ₹ 2,50,000.

9. Which of the following statements is true with regard to the penalty of ₹ 45,000 recovered by Chhattisgarh plant from the contractor for delay in supply of material?

   (a) Fine/ penalty levied by a PSU is an exempt supply under section 11 of the CGST Act, 2017.

   (b) It is a supply of services as stipulated in Schedule II of the CGST Act, 2017.

   (c) It is neither a supply of service nor supply of goods as it is covered under Schedule III of the CGST Act, 2017.

   (d) It is not a supply at all under section 7 of the CGST Act, 2017.

10. What is the value of supply on which GST is payable by Odisha plant on sale of scrap?

   (a) ₹ 45,000

   (b) ₹ 45,450

(c) Sale of scrap is an exempt supply under GST. It is subject to TCS under the Income-tax Act, 1961.

(d) Sale of scrap is neither a supply of service nor supply of goods as it is covered under Schedule III of the CGST Act, 2017.

11. The Resident Welfare Association (RWA) of Kutumb Housing Society is registered under GST in the State of Mahrashtra. There are 100 three BHK flats and 100 four BHK flats in the society. It received/paid the following amounts (excluding GST, wherever applicable) in the months of January and February:

| **Particulars** | **January (₹)** | **February (₹)** |
|---|---|---|
| Maintenance charges per flat received from all 3 BHK flat owners | 7,000 | 7,000 |
| Maintenance charges per flat received from all 4 BHK flat owners | 10,000 | 10,000 |
| Interest received on the fixed deposit with Dhansukh Bank | 5,00,000 | 5,00,000 |
| Generator purchased for the power back-up of 4 BHK flats | | 1,00,000 |
| Taps, pipes, other sanitary fittings purchased for 3 BHK flats | 50,000 | |

Determine the net GST liability to be paid for the months of January and February, assuming that the GST rate is 18% on all inward and outward supplies.

(a) January - ₹ 1,71,000; February - ₹ 1,62,000

(b) January - ₹ 1,80,000; February - ₹ 1,62,000

(b) January - ₹ 1,80,000; February - ₹ 1,80,000

(d) January - ₹ 1,71,000; February - ₹ 1,80,000

12. Suhasini Oberoi, an Indian resident who was on a visit to USA, returned after 6 months for contesting in assembly elections of her State. She was carrying with her the following items:

| | | |
|---|---|---|
| (i) | Personal effects | ₹ 59,000 |
| (ii) | Laptop computer | ₹ 37,000 |
| (iii) | Jewellery - 25 grams (purchased in USA) | ₹ 67,000 |
| (iv) | Music system | ₹ 58,000 |

Compute the customs duty payable by Suhasini Oberoi with reference to the Baggage Rules, 2016.

(a) ₹ 28,875

(b) ₹ 62,370

(c) ₹ 85,085

(d) ₹ 48,125

13. M/s Sohan Enterprises Ltd. had imported goods after paying the customs duty of ₹ 25,00,000 at the time of import. These goods were used and later re-exported after 19 months of import. The amount of duty drawback that M/s Sohan Enterprises Ltd. is eligible to claim on such re-export made is ___________.

(a) nil

(b) 23,75,000

(c) 20,00,000

(d) 24,00,000

14. Sunshine Pvt. Ltd. manufactures taxable goods. The company is registered under GST in the State of West Bengal. The company has provided following information in relation to inward supplies received by it in the month of October:

| S. No. | Invoices received for inward supplies | IGST (₹) |
|---|---|---|
| 1. | Raw material - X | 2,00,000 |
| 2. | Rent of the factory building | 1,50,000 |
| 3. | Raw material - Y | 1,30,000 |
| 4. | Car purchased for the use of the director | 1,20,000 |
| 5. | Consumables | 80,000 |
| 6. | Machinery for being used in the manufacturing process | 1,50,000 |
| 7. | Raw material - Z | 1,10,000 |
| 8. | Technical consultancy for improvement in the manufacturing process | 60,000 |
| 9. | Raw material – W (imported from China) | 50,000 |
| Total | | 10,50,000 |

| S. No. | Particulars | IGST (₹) |
|---|---|---|
| (i) | Balance in Form GSTR-2A on 28th October | 4,80,000 |

| | | |
|---|---|---|
| | (Invoices at S. Nos. 1, 2 and 3 uploaded by the respective suppliers in their Form GSTR-1s) | |
| (ii) | Balance in Form GSTR-2A on 11th November<br>(Invoices at S. Nos. 1, 2, 3 and 4 uploaded by the respective suppliers in their Form GSTR-1s) | 6,00,000 |
| (iii) | Balance in Form GSTR-2A on 20th November<br>(Invoices at S. Nos. 1, 2, 3, 4 and 5 uploaded by the respective suppliers in their Form GSTR-1s) | 6,80,000 |

Compute the ITC that can be claimed by Sunshine Pvt. Ltd. in its Form GSTR-3B for the month of October to be filed by 20th November.

Note: The due date of filing of Form GSTR-1 and Form GSTR-3B for the month of October are 11th November and 20th November respectively. Subject to the information given above, all the other conditions for availing ITC have been complied with.

15. Parikshit Ltd., engaged in providing a bouquet of services, is registered under GST law. It furnishes the following information for the month of March in relation to various services provided by it:

| Particulars | ₹ |
|---|---|
| Fees from prospective employers for campus interview in its college | 5,20,000 |
| Five buses each with seating capacity of 40 passengers given on hire to State Transport Undertaking | 6,50,000 |
| Receipts of 'Shiny', a commercial coaching institute providing coaching in the field of commerce (a certificate was awarded to each trainee after completion of the training) | 1,82,000 |
| Interest received on fixed deposits of the company with Dhanvarsha Bank | 6,50,000 |
| Receipts from running a Boarding School (including receipts for providing residential dwelling service of ₹ 18,20,000) | 39,00,000 |
| Receipts of 'Sikshit Samudai' - an Industrial Training Institute (ITI) affiliated to the National Council for Vocational Training (NCVT). Courses run by said ITI are in designated trades | 2,60,000 |
| Receipts of 'Pratibha Institute', an institute registered with Directorate General of Employment and Training (DGET), Union Ministry of Labour and Employment, running a Modular Employable Skill Course (MESC) approved by the National Council for Vocational Training (NCVT) | 1,30,000 |
| Professional services provided to foreign diplomatic mission located in India | 1,04,000 |

Compute the GST payable by Parikshit Ltd. assuming that all the above receipts are exclusive of GST wherever applicable and the rate of GST applicable on all the supplies is 18%.

16. Briefly examine whether the appeal/review application filed in the following independent cases is within the time limit prescribed under the GST law:-

    (i) The adjudicating authority issued the adjudication order on 23rd April and the same is communicated to the taxpayer - Mr. X - on 28th April. Mr. X, aggrieved by the order of the adjudicating authority filed an appeal to the Appellate Authority on 26th July.

    (ii) The adjudicating authority passed the order on 3rd March (communicated same day to the Commissioner). The Commissioner directs his subordinate officer to file a review application with the Appellate Authority. The subordinate officer filed the review application on 23rd September.

17. Determine the place of supply in the following independent cases:-

    (i) Mr. Sahukaar (New Delhi) boards the New Delhi-Kota train at New Delhi. Mr. Sahukaar sells the goods taken on board by him (at New Delhi), in the train, at Jaipur during the journey.

    (ii) Vidhyut Pvt. Ltd. imports electric food processors from China for its Kitchen Store in Noida, Uttar Pradesh. Vidhyut Pvt. Ltd. is registered in Uttar Pradesh.

    (iii) Mr. Aatmaram, a manager in a Bank, is transferred from Bareilly, Uttar Pradesh to Bhopal, Madhya Pradesh. Mr. Aatmaram's family is stationed in Kanpur, Uttar Pradesh. He hires Gokul Carriers of Lucknow, Uttar Pradesh (registered in Uttar Pradesh), to transport his household goods from Kanpur to Bhopal.

    (iv) Bholunath, a resident of New Delhi, opens his saving account in New Delhi branch of Best Bank after undergoing the KYC process. He goes to Amritsar for some official work and withdraws money from Best Bank's ATM in Amritsar thereby crossing his limit of free ATM withdrawals.

    (v) Mr. Chakmak, an architect (New Delhi), enters into a contract with Mr. Zeeshaan of New York to provide professional services in respect of immovable properties of Mr. Zeeshaan located in Pune and New York.

18. Paridhi Ltd. is a registered manufacturer engaged in taxable supply of goods. Paridhi Ltd. purchased the following goods during the month of January and provided the following information:

| S. No. | Particulars | GST paid (₹) |
|---|---|---|
| 1. | Capital goods purchased on which depreciation has been taken on full value including input tax thereon | 15,000 |
| 2. | Goods purchased from Rupesh Enterprises<br>(Rupesh Enterprises sent the invoice in the month of January, but goods were received in month of April) | 20,000 |
| 3. | Car purchased for making further supply of such car. Such car is destroyed in accident while being used for test drive by potential customers | 30,000 |
| 4. | Goods used for setting up telecommunication towers being immovable property | 50,000 |
| 5. | Goods purchased from Sumo Ltd.<br>(Full payment has been made by Paridhi Ltd. to Sumo Ltd. against such supply, but tax has been deposited by Sumo Ltd. in April) | 10,000 |
| 6. | Truck purchased for delivery of output goods | 80,000 |

Determine the amount of input tax credit (ITC) available to Paridhi Ltd. while filing GSTR-3B for the month of January by giving necessary explanations for treatment of various items as per the provisions of the CGST Act, 2017. You may assume that all the necessary conditions for availing the ITC have been complied with by Paridhi Ltd.

19. SGNA Industries Ltd. of Surat imported one machine through vessel from Japan, in the month of September and has furnished the following details:-

| S. No. | Particulars | Amount in Japanese Yen (¥) |
|---|---|---|
| (i) | Cost upto port of exportation incurred by exporter | 5,00,000 |
| (ii) | Loading charges at port of exportation | 1,25,000 |
| (iii) | Freight charges from port of export to port of import in India. | 50,000 |

Following additional amounts paid by SGNA Industries Ltd.:-

(i) Designing charges, necessary for such machine, paid to consultancy firm in Mumbai ₹ 9,50,000

(ii) Commission paid (not the buying commission) to local agent of exporter ₹ 50,000

(iii) Actual landing charges paid at the place of importation ₹ 20,000

(iv) Actual insurance charges paid to the place of importation are not ascertainable.

(v) Lighterage charges paid at the port of importation ₹ 30,000

The rate of basic customs duty is 10% and rate of social welfare surcharge is 10%. Integrated tax leviable under section 3(7) of Customs Tariff Act, 1975 is 12%. The rate of exchange to be taken is 1 Japanese Yen (¥) = ₹ 0.68. Ignore GST compensation cess.

You are required to compute the total customs duty, including integrated tax payable under section 3(7) of the Customs Tariff Act, 1975 with appropriate working notes.

20. KTU Limited has imported certain goods for sale in India from Country Z, which are liable for anti-dumping duty. Country Z sell the like goods in its domestic market in the ordinary course of trade at USD 300 per piece. The imported goods are sold in domestic Indian industry @ USD 275 per piece. KTU Limited has imported the goods at USD 180 per piece. Landed value of the imported goods is USD 190 per piece.

Compute the anti-dumping duty payable by KTU Limited for 800 pieces of these goods it has imported during the year assuming conversion rate @ ₹ 72 per USD.

## SUGGESTED ANSWERS

**1. (b)**

**2. (c)**

**3. (a)**

**4. (d)**

**5. (d)**

**6. (b)**

**7. (b)**

**8. (a)**

**9. (b)**

**10. (a)**

**11. (b)**

**12. (a)**

**13. (a)**

**14.** ITC to be claimed by Sunshine Pvt. Ltd. in its GSTR-3B for the month of October to be filed by 20th November will be computed as under-

| **Invoices** | **Amount of input tax involved in the invoices (₹)** | **Amount of ITC that can be availed (₹)** |
|---|---|---|
| Balance in GSTR-2A on 11th November [Note 1]<br>(Invoices at S. Nos. 1, 2, 3 and 4 uploaded by the respective suppliers in their GSTR-1s) | 6,00,000 | 4,80,000<br>[Note 2] |
| Invoices at S. Nos. 5, 6 7 and 8 not uploaded in GSTR-1 | 4,00,000 | 48,000<br>[Note 3] |
| Invoice at S. No. 9 | 50,000 | 50,000<br>[Note 4] |
| Total | 10,50,000 | 5,78,000 |

**Notes:**

(1) ITC in respect of the invoices whose details have not been uploaded by the suppliers shall not exceed 10% of the eligible input tax credit available to the recipient in respect of invoices or debit notes the details of which have been uploaded by the suppliers under section 37(1) of the CGST Act, 2017 as on the due date of filing of the returns in Form GSTR-1 of the suppliers for the said tax period. The taxpayer can ascertain the same from his auto populated Form GSTR 2A as available on the due date of filing of Form GSTR-1 under section 37(1) [Rule 36(4) of the CGST Rules, 2017 read with *Circular No. 123/42/2019 GST dated 11.11.2019*].

(2) 100% ITC can be availed on invoices uploaded by the suppliers in their Form GSTR-1. However, section 17(5) of the CGST Act, 2017 blocks ITC on motor vehicles for transportation of persons having approved seating capacity of not more than 13 persons if they are not used for making the following taxable supplies, namely:—

(A) further supply of such motor vehicles; or

(B) transportation of passengers; or

(C) imparting training on driving such motor vehicles

Since Sunshine Pvt. Ltd. is not using the car for any of the aforesaid mentioned purpose, ITC thereon will not be available.

Thus, 100% ITC will be available in respect of invoices at S.Nos. 1, 2 & 3.

(3) In respect of invoices at S.Nos. 5, 6 7 and 8 not uploaded in Form GSTR-1s, the ITC has been restricted to 10% of eligible ITC in respect of invoices uploaded in Form GSTR-1s, i.e. 10% of ₹ 4,80,000 in terms of rule 36(4) of the CGST Rules, 2017.

(4) The restriction of availment of ITC is imposed only in respect of those invoices, details of which are required to be uploaded by the suppliers under section 37(1) of the CGST Act, 2017 and which have not been uploaded. Therefore, full ITC can be availed in respect of IGST paid on imports which are outside the ambit of section 37(1) *[Circular No. 123/42/2019 GST dated 11.11.2019].*

**15. Computation of GST payable by Parikshit Ltd. for the month of March**

| **Particulars** | **Value (₹)** | **GST @ 18% (₹)** |
|---|---|---|
| Fees from prospective employers for campus interview in its college<br>[Taxable since such services are not specifically exempt] | 5,20,000 | 93,600 |
| Five buses each with seating capacity of 40 passengers given on hire to State Transport Undertaking<br>[Services by way of giving on hire to a State transport undertaking (STU), a motor vehicle meant to carry more than 12 passengers, are exempt vide *Notification No. 12/2017 CT(R) dated 28.06.2017* (hereinafter referred to as exemption notification).] | Nil | Nil |
| Receipts of Shiny– a coaching institute<br>[Services provided by an educational institution to its students, faculty and staff are exempt vide exemption notification. However, coaching institute is not an educational institution.] | 1,82,000 | 32,760 |
| Interest received on fixed deposits of the company with Dhanvarsha Bank<br>[Services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services) are exempt vide exemption notification.] | Nil | Nil |
| Receipts from Boarding School including receipts for residential dwelling service<br>[Services provided by an educational institution to its students, faculty and staff are exempt vide exemption | Nil | Nil |

| | | |
|---|---|---|
| notification. Boarding School providing education up to higher secondary school or equivalent is an educational institution since it provides composite supply of education service coupled with other services like providing dwelling units for residence and food wherein the principal supply is supply of education service.] | | |
| Receipts of Sikshit Samudai<br>[Services provided by an educational institution to its students, faculty and staff are exempt vide exemption notification. Sikshit Samudai is an educational institution running approved vocational education course.] | Nil | Nil |
| Receipts of 'Pratibha Institute' running Modular Employable Skill Course<br>[Services provided by an educational institution to its students, faculty and staff are exempt vide exemption notification. Pratibha Institute is an educational institution running approved vocational education course.] | Nil | Nil |
| Professional services provided to foreign diplomatic mission located in India<br>[While services provided by a foreign diplomatic mission located in India are exempt from GST vide exemption notification, no such exemption is available to the services provided to such mission.] | 1,04,000 | 18,720 |
| GST payable | 8,06,000 | 1,45,080 |

**16. (i)** A person aggrieved by any decision/order of an adjudicating authority can file an appeal to the Appellate Authority within 3 months from the date of communication of such decision/order. The Appellate Authority can condone the delay in filing of appeal by 1 month if it is satisfied that there was a sufficient cause for such delay [Section 107 of the CGST Act, 2017].

In view of the aforesaid provisions, in the given case, the relevant date for computing the period of 3 months (for filing the appeal to Appellate Authority) is 28th April (date of communication of order) and not 23rd April. Accordingly, an appeal can be filed by Mr. X to Appellate Authority within 3 months from the date of communication of order (28th April), i.e. 28th July.

Thus, Mr. X has filed the appeal within the time limit prescribed under the GST law.

**(ii)** The Commissioner may, by order, direct any officer subordinate to him to apply to the Appellate Authority within 6 months from the date of communication of the decision/

order for the determination of such points arising out of the said decision/ order as may be specified by him.

The Appellate Authority can condone the delay in filing of appeal by 1 month if it is satisfied that there was sufficient cause for such delay [Section 107 of the CGST Act, 2017].

In the present case, the Commissioner directs his subordinate officer to file a review application with the Appellate Authority. The subordinate officer should have filed the said application till 3rd September (i.e. within 6 months from the date of communication of order). However, the subordinate officer filed the application on 23rd September, i.e. after the expiry of period of 6 months from the date of communication of order. Thus, in the given case, appeal has not been filed within the time limit prescribed under the GST law.

However, Appellate Authority can condone delay in filing of appeal upto 3rd October (up to 1 month) if it is satisfied that there was sufficient cause for such delay.

**17.** (i) Section 10(1)(e) of the IGST Act, 2017 lays down that place of supply of goods supplied on board a conveyance like aircraft, train, vessel, or a motor vehicle, is the location where such goods have been taken on board. Thus, in the given case, the place of supply of the goods sold by Mr. Sahukaar is the location at which the goods are taken on board, i.e. New Delhi and not Jaipur where they have been sold.

(ii) As per section 11(a) of the IGST Act 2017, if the goods have been imported in India, the place of supply of goods is the place where the importer is located. Thus, in the present case, the pla ce of supply of the goods imported by Vidhyut Pvt. Ltd. is Noida, Uttar Pradesh.

(iii) As per section 12(8) of the IGST Act, 2017, the place of supply of services by way of transportation of goods, including by mail or courier provided to an unregistered person, is the location at which such goods are handed over for their transportation.

Since in the given case, the recipient – Aatmaram – is an unregistered person, the place of supply is the location where goods are handed to Gokul Carriers over for their transportation, i.e. Kanpur.

(iv) As per section 12(12) of the IGST Act, 2017, the place of supply of banking and other financial services, including stock broking services to any person is the location of the recipient of services in the records of the supplier of services. Thus, in the given case, the place of supply is the location of the recipient of services in the records of the supplier bank, i.e. New Delhi.

(v) As per section 13(4) read with section 13(6) of the IGST Act, 2017, where services supplied directly in relation to an immovable property are supplied at more than one location, including a location in the taxable territory, the place of supply is the location in the taxable territory. Since in the given case, the immovable pro perties are located in more than one location including a location in the taxable territory, the place of supply of architect service is the location in the taxable territory, i.e. Pune.

**18. Computation of ITC available with Paridhi Ltd. in January**

| S. No. | Particulars | Amount (₹) |
|---|---|---|
| 1. | Capital goods<br>[Since depreciation has been claimed on the tax component of the value of the capital goods, ITC of such tax cannot be availed in terms of section 16 of the CGST Act, 2017.] | Nil |
| 2. | Goods purchased from Rupesh Enterprises<br>[ITC in respect of goods not received cannot be availed (Section 16 of the CGST Act, 2017). Since the goods have been received in the month of April, ITC thereon can be availed in April and not January even though the invoice for the same has been received in January.] | Nil |
| 3. | Cars purchased for making further supply<br>[Though ITC on motor vehicles used for further supply of such vehicles is not blocked, ITC on goods destroyed for whichever reason is blocked (Section 17(5) of the CGST Act, 2017).] | Nil |
| 4. | Goods used for setting telecommunication towers<br>[ITC on goods used by a taxable person for construction of immovable property on his own account is blocked even when such goods are used in the course or furtherance of business (Section 17 of the CGST Act, 2017).] | Nil |
| 5. | Goods purchased from Sumo Ltd.<br>[ITC can be claimed provisionally in January since all the conditions necessary for availing the same have been complied with (Section 16 of the CGST Act, 2017). However, the claim will get confirmed only when the tax charged in respect of such supply has been actually paid to the Government.] | 10,000 |
| 6. | Trucks purchased for delivery of output goods<br>[ITC on motor vehicles used for transportation of goods is not blocked (Section 17(5) of the CGST Act, 2017).] | 80,000 |
| | Total ITC available with Paridhi Ltd. | 90,000 |

**19. Computation of assessable value of the imported goods**

| | **Japanese Yen** |
|---|---|
| Cost upto port of exportation | 5,00,000 |
| *Add:* Loading charges at the port of exportation [Note-1] | 1,25,000 |
| Total in Japanese Yen | 6,25,000 |
| | ₹ |
| Total in Indian rupees @ ₹ 0.68 per Japanese Yen | 4,25,000.00 |
| *Add:* Commission paid to local agent of exporter [Note-3] | 50,000.00 |
| FOB value as per customs | 4,75,000.00 |
| *Add:* Freight charges from port of export to port of import in India [Note-1]<br>[50,000 Japanese Yen × 0.68 = ₹ 34,000] | 34,000.00 |
| *Add:* Lighterage charges paid by the importer at port of importation [Note-1] | 30,000.00 |
| *Add:* Insurance charges @ 1.125% of FOB [₹ 4,75,000 × 1.125%] [Note-4] | 5,343.75 |
| CIF value | 5,44,343.75 |
| Assessable Value (rounded off) | 5,44,344 |
| *Add:* Basic customs duty @ 10% of ₹ 5,44,344 (rounded off) (A) | 54,434 |
| *Add:* Social welfare surcharge @ 10% of ₹ 54,434 (rounded off) (B) | 5,443 |
| Total | 6,04,221 |
| *Add:* Integrated tax @ 12% of ₹ 6,04,221 (rounded off) (C) | 72,507 |
| Total custom duty and integrated tax payable [(A) +(B) + (C)] (rounded off) | 1,32,384 |

**Notes:**

(1) The cost of transport, loading, unloading and handling charges associated with the delivery of the imported goods to the place of importation are includible in the assessable value [Rule 10(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (hereinafter referred to as CVR)]. Further, explanation to rule 10(2), *inter alia*, clarifies that cost of transport of the imported goods includes lighterage charges.

(2) Design and engineering work is includible in the assessable value only when the same is undertaken elsewhere than in India and necessary for the production of the imported goods [Rule 10(1) of the CVR].

(3) Buying commission is not included in the assessable value [Rule 10(1) of the CVR]. Commission paid to local agent of exporter is includible in the assessable value since it is not buying commission.

(4) Since the insurance cost is not ascertainable, the same shall be added @ 1.125% of FOB value of the goods [Rule 10(2) of the CVR].

**20.** The quantum of anti-dumping duty is:

(i) margin of dumping

or

(ii) injury margin

whichever is lower.

Margin of dumping is the difference between export price and normal value of the imported article.

Injury margin is the difference between the fair selling price [non-injurious price (NIP)] due to the domestic industry and the landed value of the dumped imports.

Export price in relation to an article, means the price of an article exported from the exporting country or territory. KTU Limited has imported the goods at USD 180 per piece. Thus, export price is USD 180 per piece.

Normal value in relation to an article, means comparable price, in the ordinary course of trade, for the like article when destined for consumption in the exporting country or territory as determined in accordance with the rules. Since Country Z sell the like goods in its domestic market in the ordinary course of trade at USD 300 per piece, thus normal value in the given case is USD 300 per piece.

Fair Selling Price (FSP) [Non-Injurious Price] is that level of price, which the industry is, expected to have charged under normal circumstances in the Indian market during the period defined. Since the imported goods are sold in domestic Indian Industry @ USD 275 per piece, thus Fair selling price in the present case is USD 275 per piece.

Landed Value is taken as the assessable value under the Customs Act and the applicable basic customs duties except CVD, SAD and special duties. Landed value in the given case is USD 190 per piece.

In the given case, anti-dumping duty per piece is:

(i) Margin of dumping is USD 120 [USD 300- USD 180]

or

(ii) Injury margin is USD 85 [USD 275 – USD 190]

whichever is lower i.e. USD 85

Anti-dumping duty for 800 pieces (in rupees) = USD 85 × 800 pieces × ₹ 72

= ₹ 48,96,000.