

Roll No. ....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 12

**NOTE :** 1. Answer **ALL** Questions.

2. **ALL** the references to sections in Part-II of the Question Paper relate to the Income-tax Act, 1961 and relevant Assessment Year 2021-22 unless stated otherwise.

3. Wherever necessary, suitable assumptions can be made and the same be stated clearly in the answer.

4. Working notes should form part of the answer.

**PART-I**

1. (a) UDB Builders Ltd had undertaken a project to construct residential tower in Jaipur having 100 apartments/flats. The builder has entered into an agreement to sell a flat of carpet area of 1800 sq. ft out of 100 flats to a customer Shiv Charan. The breakup of the cost and charges of the flat as per agreement are as follows :

- (i) Price of flat including apportioned value of cost of land ₹ 84,00,000
- (ii) Prime Location Charges (PLC) (extra charges for getting garden and swimming pool view) ₹ 4,00,000

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(iii)	Club membership fee (Club to be formed after completion of construction of the tower)	₹ 5,00,000
(iv)	Stamp duty for executing sale deed on actual basis	₹ 6,00,000
(v)	Documentation charges	₹ 2,00,000
(vi)	Maintenance charges to maintain building till the residential complex is handed over to Housing Society of members	₹ 4,00,000

The builder had received payment of ₹ 25,00,000 on agreement and balance amount of the value of flat to be received after obtaining completion certificate from the Corporation. The value of land is 1/3rd of the total consideration for the supply of flat.

Compute the value of taxable supply in respect of the flat so sold by the builder to the customer Shiv Charan for the purpose of GST.

(5 marks)

- (b) Sanjay of New Delhi made a request for a Motor cab to “Destiny Rides” for travelling from New Delhi to Jaipur (Rajasthan). Sanjay after paying the cab charges using his debit card, gets details of the driver Joga Singh and the cab’s registration number.

“Destiny Rides” is a mobile application owned and managed by “D.T. Ltd”, located in India. The application “Destiny Rides” facilities a potential customer to connect with the persons providing cab service under the brand name of “Destiny Rides”.

D. T. Ltd, claims that cab service is provided by Joga Singh and hence, he is liable to pay GST under the provisions of Goods and Service tax laws and Act. You are required in the context of IGST Act, 2017 to determine who is liable to pay GST in this case. Would your answer be different, if D. T. Ltd, is located in New York (USA).

(5 marks)

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- (c) “Diligent Force” a professional training institute gets its training material of “Aptitude Quotient” printed from “Durga Printing House” a printing press. The content of the material is provided by the “Diligent Force” who owns the usage rights of the same while the physical inputs including paper used for printing belong to the “Durga Printing House”.

Justify, in the context of provisions of CGST Act, 2017 whether supply of training material by “Durga Printing House” constitutes supply of goods or supply of services.

(5 marks)

- (d) Lokesh Pvt. Ltd a company engaged in the manufacturing of auto parts and spares having registered office and factory located at Jaipur has got itself registered under the composition scheme for the purpose of tax under GST. Company furnishes the following information/details and of the total value of supplies including inward supplies taxed under reverse charge basis for the financial year 2020-21 :

<i>Particulars</i>	<i>Amount</i> (₹)
(i) Intra-state supplies of auto spares ‘V’ units chargeable to GST @12%	36,00,000
(ii) Intra-state supplies of auto spares ‘X’ chargeable to GST @ 5%	30,00,000
(iii) Inward supplies on which tax payable under Reverse Charge having GST rate of 18%	9,60,000
(iv) Intra-state supplies wholly exempt under section 11 of CGST	16,40,000

Determine the tax liability of Lokesh Pvt. Ltd. payable under composition and the gross total tax liability for the Financial year 2020-21.

(5 marks)

*Attempt all parts of either Q. No. 2 or Q. No. 2A*

2. (a) Jagatguru Textiles Ltd. transfers from Bellary in Karnataka stocks of 15,000 meters of cloth having cost of ₹ 15,00,000 requiring further processing before sale to its Bhilwara branch located in Rajasthan from where it is being sold. The Bhilwara branch, apart from processing its own goods is also engaged in processing of the similar nature goods for other persons located in Rajasthan. There are no other factories in the neighboring area of Bellary in Karnataka who are engaged in the same business work of processing as being done by the Bhilwara, Rajasthan unit of Jagatguru Textiles Ltd. Other persons located in Rajasthan supply the same variety of goods in lots of 15,000 meters each time and thereafter make sells of such processed goods to wholesalers. The price of such lot of goods in the market is ₹ 14,75,000. Determine the value of supply in the aforesaid case by explaining in brief the provisions of CGST Act, 2017.
- (5 marks)
- (b) Explain the system prescribed under the CGST Act, 2017 to facilitate smaller dealers or dealers having no IT infrastructure and who are also not *Information Technology Savvy* to comply with the procedural requirement under the CGST Act, 2017.
- (5 marks)
- (c) ABC Ltd. of Jaipur, Rajasthan engaged in business was making till 28.02.2021 Intra-state supplies of the taxable goods. Total value of taxable supplies of goods till 28.02.2021 was of ₹ 16,50,000. However, on 01.03.2021, it has effected Inter-state supply of taxable goods amounting in total of ₹ 3,00,000. Manager (Taxation) of ABC Ltd. is of the view that it is not required to get registered under GST law since its aggregate turnover is not likely to exceed ₹ 20,00,000 during the financial year 2020-21. However to become sure seeks your opinion as a consultant relating to his view as to requirement of registration under GST.

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Advise suitably to the company ABC Ltd in the matter of requirement of registration as per provisions contained under the CGST Act, 2017.

(5 marks)

- (d) XYZ Ltd, of Delhi, engaged in various activities has provided the following services in the month of March 2021, of which values are being listed against each.
- (i) Service of interior decoration in respect of immovable property located in Jammu ₹ 5 lakh.
  - (ii) Architectural services to an Indian Hotel Chain which has business establishment in Mumbai for its newly acquired property in Sydney which is a fixed establishment of the Indian Hotel Chain for ₹ 15 Lakhs.
  - (iii) Freight-forwarding services : ₹ 12 lakh profit earned on buying and selling cargo space on airlines for export of goods. In some other cases, commission of ₹ 3 lakh earned from airlines on acting as intermediary in arranging cargo space on airlines for export of goods.
  - (iv) Online information and database access and retrieval services provided to clients in UK : ₹ 5 lakhs.

All the values given here in above are exclusive of taxes, cess & GST. You are required to compute the value of taxable supplies for the purpose of GST liabilities by giving the reason in brief in the context of provision of CGST Act, 2017.

(5 marks)

**OR (Alternate question to Q. No. 2)**

- 2A. (i) XYZ Ltd. a taxable person registered under GST is eligible to get refund from the proper authority. Manager Finance of the company seeks your opinion to know whether there is any provision under the Act for obtaining a provisional sanction of refund. Advise the company suitably in the context of provisions contained under the CGST Act, 2017.

(5 marks)

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- (ii) Goyal Fashions, a registered supplier of designer outfits in Delhi, decided to exhibit its products in a Fashion Show being organized at Hotel Part Royal, Delhi on 04.01.2021. Goyal Fashion for the occasion, gets the makeover of its models done by Galaxy Beauty Services Ltd, Ashok Vihar, Delhi for which a consideration of ₹ 5,00,000 (excluding GST) has been charged. Galaxy Beauty Services Ltd, issued a duly signed tax invoice on 10.02.2020 showing the lumpsum amount of ₹ 5,90,000 inclusive of CGST and SGST @ 9% each. Goyal Fashions made the payment the very next day.

Answer the following questions in the context of provisions of the CGST Act, 2017 :

- (a) Examine and state whether the tax invoice has been issued within the time limit prescribed under the law by Galaxy Beauty Services Ltd.
- (b) Tax consultant of Goyal Fashions objected to the invoice raised suggesting that the amount of tax charged in respect of the taxable supply should be shown separately in the invoice raised by Galaxy Beauty Services Ltd. However, Galaxy Beauty Services Ltd, contended that there is no mandatory requirement of showing tax component separately in the invoice. Examine and State the validity of the objection raised by tax consultant of Goyal Fashions.
- (5 marks)
- (iii) State the rate of tax for collection of tax at source applicable to electronic commerce operator (ECO) under the CGST Act, under the SGST Act and under the IGST Act, 2017. Also specify when and on which of the value the rate of tax for collection at source be applicable.
- (5 marks)
- (iv) Determine the place of supply of services as well as their taxability in each of the following independent cases in the context of provisions contained in the CGST Act, 2017 :
- (a) Ajay the owner of an immovable property located in New Delhi gives on rent the said property to Basant of U. P. for use in commercial purposes.

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- (b) Rahul, a Delhi based Interior Decorator provides his professional services to Rama Enterprises of Agra in respect of property which is intended to be located in Punjab.
- (c) A USA based company possessing specialization in mineral exploration has been awarded a contract by Singhal Sons Mines of Jaipur (Rajasthan) for mineral exploration in respect of specific sites located in Canada.
- (d) Rohit, a consulting Engineer provides his professional consultancy services to a UK based company in respect of its three properties located in UK, USA and Dubai.
- (e) A Delhi based builder provides construction services to Punjab based company in respect of construction of its new building in Bangladesh.

(5 marks)

3. (a) Explain in brief the meaning of the following terms in the context of the provisions contained under the CGST Act, 2017 :

- (i) Goods
- (ii) Services.

(4 marks)

- (b) Decide as per provisions contained under the CGST Act, 2017 whether the following activities constitute supply or not :

- (i) Services received from Government against taxes paid.
- (ii) Buying a new car in exchange of old car.

(4 marks)

- (c) Xavier started profession of Architect w.e.f. 01.04.2020. His value of intra-state taxable supply upto 30.09.2020 was ₹ 20 lakh. He applied for registration on 01.10.2020 and opted for Presumptive Scheme for service suppliers in registration application and was granted registration as per provisions of GST law. He made intra-state taxable supplies of ₹ 35 lakh for the quarter ending 31.12.2020.

You are required to determine the Presumptive tax liability of Xavier under Notification No. 2/2019-CT(R) for the period 01.04.2020 to 31.12.2020.

(4 marks)

- (d) Calculate the value of taxable supply and GST liability of GG Freight and Goods carries engaged in the business of transport of goods by road for the month of March, 2021 from the given particulars.

Give reasons for taxability or exemption of each item. Suitable assumptions may be made wherever required. GG freight and goods carriers avails ITC. Take the rate of GST chargeable at 12%. Total freight charges received for the month of March, 2021 of ₹ 20,00,000 and following charges included in 20 lakhs.

<i>Particulars</i>	<i>Amount</i> (₹)
(i) Freight charges received from Government Departments registered only for the purpose of tax deduction at source	4,00,000
(ii) Freight charges received from unregistered persons for transportation of their household goods	1,00,000
(iii) Freight collected for transporting goods in small vehicles for persons who paid less than ₹ 1,500 per trip	3,00,000

(4 marks)

- (e) ABC Ltd. Co. registered as Company having under the GST, its head office in Mumbai. It has also obtained registration for its branch situated in Jaipur, Rajasthan. ABC Ltd, had transferred 1000 units of finished goods from Mumbai to Jaipur branch without consideration, as stock transfer. You are required to state in the context of provision of GST whether such transaction qualifies as supply.

(4 marks)



4. (a) Decent Laminates and Plywood Pvt. Ltd imported resin impregnated paper and plywood for the purpose of manufacture of furniture. The goods so imported were warehoused at Mumbai Port from the date of their import in the month of June, 2020. Decent Laminates and Plywood Pvt. Ltd sought an extension of the warehousing of goods till November, 2020 which was granted. However, even after the expiry of extended period, it did not remove the goods from the warehouse. Subsequently, Decent Laminates and Plywood Pvt. Ltd applied for remission of duty under section 23 of the Customs Act, 1962 on the ground that the imported goods had become unfit for use on account of non-availability of orders for clearance and had lost their shell life also.

Explain, in the context of provisions of Customs Act, 1962 with the help of a decided case law, if any, whether the application for remission of duty filed by Decent Laminates and Plywood Pvt. Ltd is valid in law.

(4 marks)

- (b) Specify the conditions when can an appeal be filed before the Appellate Tribunal as per section 129-A under the Customs Act, 1962.

State also all those matters for which the Appellate Tribunal does not hold jurisdiction under the Customs Act, 1962.

(6 marks)

### PART-II

5. (a) Ghanshyam Goswami, a NRI aged 83 years, wishes to file his return of Income for A.Y. 2021-22. His Gross Income in India including interest received on his SB accounts in India total is ₹ 7,50,000. Determine and workout the tax liability of Ghanshyam Goswami for A.Y. 2021-22. Give Working notes.

(3 marks)

- (b) State the meaning assigned to “*Speculative Transaction*” under the Income Tax Act, 1961. Explain with brief reasons whether the following are in the nature of speculative transactions :
- (i) Hedging contract in respect of raw materials  
(ii) Forward contract.
- (3 marks)
- (c) Mr. Kamlesh borrowed on hundi, a sum of ₹ 3,75,000 during May, 2020 by way of a bearer cheque. He partly repaid ₹ 1,50,000 on 01.12.2020 by way of bearer cheque. Examine the consequences of said transactions.
- (3 marks)
- (d) For the Assessment year 2021-22, Shankar is a non-resident in India. From the information given below, find out his income chargeable to tax for the Assessment year 2021-22 :
- (i) Technical fees received from an Indian company in Japan for advice given by him in respect of a project situated in China ₹ 3,68,000.  
(ii) Income from a business situated in Sri Lanka (goods are sold in Sri Lanka, sale consideration is received in Sri Lanka but business is partly controlled in Sri Lanka and partly in India) ₹ 3,25,000.  
(iii) Income from rent of vacant plot in Mumbai given to a foreign company is ₹ 2,44,000, such income is received in foreign currency in Japan.
- (3 marks)
- (e) What is the role of the Double Taxation Avoidance Agreement in deciding the Income of a resident earned outside India ?

(3 marks)

***Attempt all parts of either Q. No. 6 or Q. No. 6A***

6. (a) Kanishk had purchased a House Property in Delhi on 12.01.2013 for ₹ 17,40,000. He sold this house to his friend Suresh on 21.03.2021 for a consideration of ₹ 35,00,000. He paid brokerage @ 2% on the sale price.

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On the date of registration stamp duty value of the said property is ₹ 39,50,000. However, on the date of agreement stamp duty value of the said property was ₹ 37,25,000. Suresh had paid advance 20% of the value of the property by way of A/c payee cheque at the time of agreement. Compute the Capital Gain taxable in the hands of Kanishk for Assessment year 2021-22 ?

What are the tax implications in the hands of Suresh for the same Assessment year ?

Cost Inflation Index : F.Y. 2012-13–200; F.Y. 2020-21–301.

(5 marks)

- (b) Specify all those documents which are required to be submitted for making an appeal to the Appellate Tribunal as per provisions of Income Tax Act, 1961.

(5 marks)

- (c) A limited liability partnership (LLP) has following income for the Assessment year 2021-22 :

<i>Particulars</i>	<i>Amount</i> (₹)
Profit from business eligible for deduction @ 100% of profits under section 80-IA	12,50,000
Profit from other business	17,50,000
Long term capital gain on sale of house property	11,20,000

Compute the tax payable by the LLP for Assessment year 2021-22, assuming that LLP has available AMT Credit for financial year 2019-20 is ₹ 14,650. It has no other income during the Assessment year 2021-22. Also compute the total carry forward of AMT Credit (if any).

(5 marks)

**OR (Alternate question to Q. No. 6)**

- 6A. (i) Mr. Rajiv is a salaried individual working with a MNC in Jaipur, Rajasthan. He is staying in his ancestral house which was built by his grandfather in 1975. During the P. Y. 2020-21, he decided to reconstruct his house for which he gave an all-inclusive contract to Mr. P. The overall contract price was ₹ 47,50,000. The contract was entered into Oct., 2020 and Mr. P handed over the reconstructed house back to Mr. Rajiv on 01.02.2021. Due to poor condition of house prior to reconstruction, Rajiv decided to shift temporarily in a rented furnished apartment from 01.04.2020 onwards at a monthly rent of ₹ 60,000 per month. The landlord of Mr. Rajiv and Mr. P. (Contractor) does not have PAN.
- (a) State whether any Tax is required to be deducted by Rajiv on payment of rent made to his landlord and the amount of such TDS, if applicable.  
(3 marks)
- (b) State whether Tax is to be deducted by Rajiv from payment made to Mr. P. (Contractor). If yes, determine the amount of tax to be deducted by Rajiv during the P.Y. 2020-21.  
(2 marks)
- (ii) Enumerate any five of the cases where 'income' is deemed to accrue or arise in India u/s 9 of Income-tax Act, 1961 even though it may actually accrue or arise outside India.  
(5 marks)
- (iii) Provisions of Chapter X-A of Income-tax Act, 1961 relating to General Anti Avoidance Rule (GAAR) made applicable from A.Y. 2018-19 in relation to the arrangement as specified therein. Explain all those cases/matters where the provisions of GAAR do not apply.  
(5 marks)