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Question Paper	
Taxation	Duration: 65
Details: Test- 18 (Ch- 5)	Marks: 35

Instructions:

- All the questions are compulsory
- Properly mention test number and page number on your answer sheet, Try to upload sheets in arranged manner.
- In case of multiple choice questions, mention option number only Working notes are compulsory wherever required in support of your solution
- Do not copy any solution from any material. Attempt as much as you know to fairly judge your performance.

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Q-1

M/s Harmony Cosmetics Pvt. Ltd. produces a luxury skincare product named 'Eternal Glow.' The company has arranged a grand event to promote its brand, and Ms. Diya Sharma, a renowned Bollywood actress, serves as the brand ambassador for Harmony Cosmetics. As part of her responsibilities, Ms. Diya Sharma presented a traditional Kathak dance performance during the event. The event raised funds totalling Rs.1,30,000, which Ms. Diya Sharma has pledged to donate to a charitable organization.

Considering the scenario described above, analyze whether Ms. Diya Sharma is liable to pay any Goods and Services Tax (GST) for her classical dance performance at the event. Provide a detailed explanation based on relevant GST provisions.

(5 Marks)

Q-2

M/s Progress Academy, a reputable educational institution, engages the services of Star Transport Pvt. Ltd., a private transport operator. Star Transport provides transportation services to Scholar Elite High School, ferrying students to and from the school premises. Additionally, Galaxy Mall Pvt. Ltd., a popular shopping mall, offers vehicle parking services to the general public. Assess whether Goods and Services Tax (GST) is exempted on the following independent supplies of services:

- (i) The service provided by Star Transport Pvt. Ltd. to Scholar Elite High School for the transportation of students.
- (ii) The services rendered by Galaxy Mall Pvt. Ltd. in the form of vehicle parking facilities extended to the general public.

Provide a comprehensive analysis, including relevant GST provisions, to determine the GST liability or exemption for each scenario.

(6 Marks)

Q-3

M/s Serenity Healthcare operates a hospital with an in-house canteen facility. The hospital provides food to in-patients based on doctors' recommendations. Additionally, Radiant Living Welfare Association (RLWA), a registered Resident Welfare Association under GST, manages the maintenance services in Blissful Residency, a housing society. RLWA collects maintenance charges of ₹6,500 per month per member for various services. Examine which of the following independent services are exempt from Goods and Services Tax (GST):

(a) The food supplied by the canteen run by Serenity Healthcare to in-patients as advised by the doctors.

(b) RLWA's collection of maintenance charges amounting to ₹6,500 per month per member in Blissful Residency.

Provide a thorough analysis, considering relevant GST provisions, to determine the GST liability or exemption for each scenario.

(5 Marks)

Q-4(a)

M/s Compassion Cargo Movers, a Goods Transport Agency (GTA), was engaged to transport relief materials in a goods carriage for a humanitarian cause. The consignment was dispatched from the company's location in Delhi to the flood-affected region of Ernakulam in Kerala, responding to the natural disaster of the Kerala floods. Compassion Cargo Movers holds the belief that it is not liable to pay Goods and Services Tax (GST) on the services provided, asserting that these services are exempt. Provide advice to Compassion Cargo Movers on the mentioned issue.

(5 Marks)

Q-4(b)

M/s Visionary Events Pvt. Ltd., an event organizing company, rendered services to Sustainable Structures Ltd. by orchestrating a business exhibition in New Delhi, aligning with the Make in

India initiative. Visionary Events Pvt. Ltd. asserts that it is not obligated to remit Goods and Services Tax (GST) as the services provided in organizing the business exhibition fall under the exempt category. Evaluate the technical accuracy of Visionary Events Pvt. Ltd.'s claim in this specific case.

(3 Marks)

Q-5

M/s Artistic Expressions Pvt. Ltd., an event management company, engaged the services of various artists for different events. Evaluate the Goods and Services Tax (GST) payable, if any, in each of the following independent cases. Assume that the GST rate is 18%, and all service providers are registered:

- a) Mr. Arjun Kapoor, a well-known film actor, delivers a Bollywood dance performance in a film organized by Artistic Expressions Pvt. Ltd. The consideration charged for his performance is ₹1,40,000.
- b) Ms. Ananya Iyer, a classical singer, presents a Carnatic music performance to promote a brand of readymade garments in an event managed by Artistic Expressions Pvt. Ltd. The consideration charged for her performance is ₹1,35,000.
- c) Mr. Vikram Sharma, a renowned classical singer, gives a Carnatic music performance in a music concert organized by Artistic Expressions Pvt. Ltd. The consideration charged for his performance is ₹1,60,000.
- d) Ms. Priya Patel, a skilled Kathak dancer, performs in a cultural programme orchestrated by Artistic Expressions Pvt. Ltd. The consideration charged for her Kathak dance performance is ₹1,40,000.

Calculate the GST payable, if any, for each case and provide a detailed explanation based on the applicable GST provisions.

(6 Marks)

Q-6 MCQ Question

1. Bhavyajyoti Foundation, a charitable trust registered under section 12AB of the Income-tax Act, 1961, organized a 'Yoga Meditation Camp' for senior citizens. Will Goods and Services Tax (GST) be applicable on the services provided by the foundation for this event?

- a) Yes, GST is applicable on all services, including those provided by charitable trusts.
- b) No, GST is exempt on services provided by entities registered under section 12AB of the Income-tax Act, 1961, for activities related to the advancement of religion, spirituality, or yoga.
- c) Yes, GST is exempt only if the 'Yoga Meditation Camp' is organized for individuals below the age of 60.
- d) No, GST is exempt only if the 'Yoga Meditation Camp' is organized for the promotion of physical fitness, not for old age individuals.

2. Gareeb Chand owns two residential apartments in a residential complex and pays 15,000/- per month as maintenance charges to the RWA (7,500/- per month for each residential apartment). Will Gareeb Chand be eligible for Goods and Services Tax (GST) exemption on the maintenance charges for each apartment?

- a) Yes, Gareeb Chand is eligible for GST exemption on the total maintenance charges paid for both apartments, as the exemption is provided on a per-individual basis.
- b) No, Gareeb Chand is not eligible for GST exemption on maintenance charges for any apartment, as the exemption is limited to a single residential apartment per individual.
- c) Yes, Gareeb Chand is eligible for GST exemption on maintenance charges for each apartment separately, as the exemption is provided on a per-apartment basis.
- d) No, Gareeb Chand is eligible for GST exemption only if the total maintenance charges for both apartments do not exceed a specified limit.

3. Pyarelal & Co. obtained GST registration in the preceding financial year due to an aggregate turnover exceeding the threshold exemption limit. In the current financial year, it availed legal consultancy services from Nyay Advocates, a partnership firm of advocates. Are the legal

services received by Pyarelal & Co. exempt from GST, and who is responsible for paying the tax on these services?

- a) Yes, the legal services are exempt from GST because Pyarelal & Co. has obtained GST registration.
- b) No, the legal services are not exempt from GST as Pyarelal & Co.'s aggregate turnover exceeded the threshold exemption limit in the preceding financial year. The tax on these services is payable by Nyay Advocates.
- c) Yes, the legal services are exempt from GST because Pyarelal & Co. has obtained GST registration, and the tax on these services is payable by Pyarelal & Co. under reverse charge.
- d) No, the legal services are not exempt from GST as Pyarelal & Co.'s aggregate turnover exceeded the threshold exemption limit in the preceding financial year. The tax on these services is payable by Nyay Advocates under reverse charge.

4. The local authority awards the work of maintenance of street-lights in a Municipal area to Luminary Services, an agency that not only undertakes maintenance but also replaces defunct lights and provides other spares. What is the nature of the service provided by Luminary Services?

- a) Luminary Services is providing a mixed supply of goods and services, as the maintenance work and supply of goods are distinct and identifiable components.
- b) The service provided by Luminary Services is considered as a composite supply of goods and services, as maintenance and supply of goods are naturally bundled and form an integral part of the service.
- c) Luminary Services is engaged in a purely service-oriented activity, and the replacement of defunct lights and supply of spares are treated as separate transactions.
- d) The service provided by Luminary Services falls under the category of supply of goods only, as replacement of defunct lights and supply of spares are primary components of the service.

5. Hari Prasad, a truck owner, personally operates his truck to transport goods without issuing a consignment note. Are the services provided by Hari Prasad exempt from Goods and Services Tax (GST)?

- a) Yes, the services provided by Hari Prasad are exempt from GST under Entry 18, as he operates the truck for transportation of goods without issuing a consignment note.
- b) No, the services provided by Hari Prasad are not exempt from GST, as the exemption under Entry 18 is applicable only when goods are transported for a distance of less than 150 kilometers.
- c) Yes, the services provided by Hari Prasad are exempt from GST, but only if the value of goods transported is below a specified threshold.
- d) No, the services provided by Hari Prasad are not exempt from GST, as the exemption under Entry 18 is applicable only when goods are transported by a registered transporter.

(1×5 = 5 Marks)

