

Paper 18- Indirect Tax Laws and Practice

Paper 18- Indirect Tax Laws and Practice

Full Marks: 100

Time allowed: 3 hours

**The figures in the margin on the right side indicate full marks.
Working notes should form part of the answer.**

**Section A: GST
Part - I**

Answer Question No. 1 which is compulsory.

- 1. Choose the correct answer with justification/ workings wherever applicable: [7×2=14]**
- (i) In GST, securities have been specifically _____
(a) included in definition of goods
(b) included in definition of services
(c) included in definition of goods as well as services
(d) excluded from definition of goods as well as services.
- (ii) A private limited company gave puja gifts to Mr. Y, an employee worth Rs.5,00,000. It's taxability will be:
(a) It is a supply and liable to GST
(b) It is not a supply and therefore not liable to GST
(c) Outside the scope of GST
(d) It is a supply but not liable to GST.
- (iii) Where supplier is from Raipur, recipient is from Bangalore and place of assembly/ installation of goods is Guwahati, the place of supply will be:
(a) Raipur
(b) Bangalore
(c) Guwahati
(d) None of the above.
- (iv) As per section 147 of the CGST Act, which of the following is considered as deemed export?
(a) Supply of goods by a registered person against Advance Authorisation
(b) Supply of goods by a registered person to Export Oriented Unit
(c) Supply of capital goods by a registered person against Export Promotion Capital Goods Scheme
(d) All of the above.
- (v) The Customs Department of Kolkata has auctioned some confiscated goods and X Ltd. is the buyer who is registered under GST. GST is payable by _____.
(a) X Ltd.
(b) Customs Department of Kolkata
(c) GST is not payable at all
(d) None of the above.
- (vi) Where a vehicle has been intercepted and detained for a period exceeding 30 minutes, the said information may be uploaded in the common portal in Form No. _____.
(a) GST EWB-01
(b) GST EWB-03
(c) GST EWB-04
(d) GST EWB-07

- (vii) The user charges for Goods and Service Tax Network (GSTN) will be paid entirely by the _____.
- (a) users.
 - (b) Central Government
 - (c) State Governments
 - (d) Central and State Government in equal proportion

Part – II

Answer any four questions from question number 2 to 7. Each question carries 14 marks.

[14x4=56]

2. (a) KM charitable trusts running a hospital by hiring visiting doctors/ specialists. Medical services to patients at a concessional rate charged by hospital for ₹2,25,500 from patients and paid to visiting doctors/specialists ₹2,00,000. Find the following:
- (a) Exempted supply if any.
 - (b) GST liability if any. Applicable rate of GST 18%. [5]
- (b) What do you mean by Online Information and Database Access or Retrieval (OIDAR) Service? How the place of supply of OIDAR services can be determined? [2+7=9]
3. (a) What is Registration Certificate in GST? Who are the persons not liable for registration? [4+4=8]
- (b) Section 140(3)(iv) of the CGST Act provides a restriction in transitional credit. It restricts transitional credit of inputs to invoices or other documents issued not earlier than 12 months immediately preceding appointed day i.e. 01-07-2017. Due to this particular condition, stocks on which the assessee manufacturer had already paid tax under erstwhile tax regime, would be barred from availing CENVAT credit where invoice was issued on or prior to 30-6-2016. The assessee approached the High Court challenging constitutional validity of section 140(3)(iv) as invoices they had were dated earlier than 12-months limitation period set out in prerequisite under section 140(3)(iv). Discuss whether the contention of the assessee is legally tenable or not. [6]
4. (a) (i) What do understand by Authority for Advance Ruling? [2]
- (ii) From the following information in relation to Section 107 of the CGST Act, 2017, compute the quantum of pre-deposit required to be made in each of the following independent cases:
- (1) The Joint Commissioner of Central Tax has confirmed a tax demand of ₹ 42,00,000 in an order dated 17-10-2021 issued to M/s. B Ltd. M/s. B Ltd. has admitted ₹5,00,000 as tax liability and intends to file an appeal with the Commissioner (Appeals) against tax demand of ₹37,00,000.
 - (2) The Joint Commissioner of Central Tax has confirmed a tax demand of ₹ 40,00,000 in an order dated 19-10-2021 issued to M/s. A Ltd. The Commissioner also imposed a penalty of ₹ 2,00,000. M/s. A Ltd. intends to file an appeal with the Commissioner (Appeals) against the said order. [3+3=6]
- (b) The applicant company JEL, generates power from coal supply by JSL, which is a steel company. JSL and JEL entered into work agreement under which JSL would supply coal or any other inputs to JEL, on a free-of-cost basis and JEL would convert said input into power. Justify whether the said activity undertaken by JEL would amounts to manufacture of electricity and is a transaction of supply of goods and not a job work. [6]
5. (a) State the procedures to be followed to Scrutiny a return under GST. [6]
- (b) M Ltd. is a Mumbai based registered supplier. It manufactures Chocolates and Biscuits. It provides the following informations of taxable inter-state supply made by it for the month of October 2021:

MTP-QP-Dec2022-Final Examination- Syllabus2016-P18-S2

List price of goods supplied in the course of inter-State – ₹ 13,60,000. The following items already adjusted in the list price above –

(1) Subsidy from Trade Association for supply of quality Biscuits-₹45,000.

(2) Subsidy from Central Government for supply of Biscuits to Government School – ₹ 1,64,000.

Items not adjusted in the list price given above –

(3) Packing Charges – ₹ 11,000

(4) Tax levied by Municipal Authority – ₹ 48,000,

(5) Late fee paid by the recipient of supply for delayed payment of invoice – ₹ 15,000.

Compute the value of taxable supply made by M/s M Ltd. for the month of October 2021. [8]

6. (a) Describe in details the consequences of transportation of goods without issue of invoice. [6]

(b) R is a supplier of goods. He pays GST under regular scheme. The following outward taxable supplies has been made by him in the month of August, 2021:

Particulars	Amount (₹)
Intra-state supply of goods	15,00,000
Inter-state supply of goods	12,00,000

The following information has also been furnished by him in respect of purchases made by him in that tax period:

Particulars	Amount (₹)
Intra-state purchases of goods	8,00,000
Inter-state purchases of goods	2,00,000

R has following ITCs with him as on 01.08.2021:

Particulars	Amount (₹)
CGST	70,000
SGST	60,000
IGST	40,000

Assume:

(i) Rate of CGST, SGST and IGST to be 6%, 6% and 12% respectively.

(ii) Both inward and outward supplies are exclusive of taxes, wherever applicable.

(iii) All the conditions necessary for availing the ITC have been fulfilled.

You are required to compute the net GST payable by R for the month of August, 2021. [8]

7. Write a short note: [7+7]

(a) Central Product Clarification (CPC)

(b) GST Portal.

Section – B: Customs & FTP

Part - I

Answer Question No. 8 which is compulsory

8. Choose the correct answer with justification/ workings wherever applicable: [3×2=6]

(i) The Central Government is empowered to levy customs duty vide an entry no.____ of the Union List of the Seventh Schedule to the Constitution of India. Which of the following is such entry no.?

- (a) 53
 - (b) 56
 - (c) 83
 - (d) 94
- (ii) As per section 2(2) of the Customs Act, assessment includes:
- (a) provisional assessment
 - (b) reassessment
 - (c) self assessment
 - (d) All of the above.
- (iii) Which of the following means vessel or cargo which is abandoned in sea without any hope of recovering it.
- (a) Derelict
 - (b) Flotsam
 - (c) Jetsam
 - (d) Wreck.

Part – II

Answer any two questions from question number 9 to 11. Each question carries 12 marks.

[12x2=24]

9. Mr. W is a tourist of Chinese origin. His age is 25 years. He came to India on tourist visa for a period of one month on 1-04-2021. He came along with his wife aged 22 years and child J aged 2 years. He brought the following items along with him:

- (1) Personal effects like clothes of Mr. W valued at ₹35,000, of Mrs. W valued at ₹55,000 and of Child J worth ₹27,000.
- (2) laptop computers worth ₹40,000 each.
- (3) bottles of wine of 1 litre each of total value ₹7,500.
- (4) Digital camera worth ₹15,000.
- (5) Mobile worth ₹12,500.

What is the customs duty payable?

[12]

10. (a) XYZ Ltd. is a company which is engaged in drilling operations for exploration of offshore oil, gas and other related activities. The company is doing such operations under contracts. The drilling operations are carried out at oil rigs/vessels which are situated outside the territorial waters of India. Until around November, 1993, the company was permitted to transship stores to the oil rigs without levy of any customs duty regardless of the fact whether oil rigs were operating within a designated area or non-designated area. Whether oil rigs engaged in operations in the exclusive economic zone/continental shelf of India, falling outside the territorial waters of India, are 'foreign going vessels' as defined by section 2(21) of the Customs Act, 1962, and are entitled to consume imported stores thereon without payment of customs duty in terms of section 87 of the Customs Act, 1962? Justify.

[6]

- (b) Which are the eligible and ineligible capital goods for import under Export Promotion Capital Goods Scheme?

[6]

11. Write short notes on:

[6+6=12]

- (a) All industry drawback rates
- (b) MEIS Reward or Duty Credit Scrip