

Paper 18- Indirect Tax Laws and Practice

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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

Answer Question No. 1 which is compulsory and any four from the rest of this section.

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) ABC Ltd. gives Puja Gifts to its employee Mr. Y worth ₹ 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 Jaipur, recipient is from Mumbai and place of assembly/ installation of goods is Kolkata, the place of supply will be:
(a) Jaipur
(b) Mumbai
(c) Kolkata
(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 capital goods by a registered person against Export Promotion Capital Goods Scheme
(c) Supply of goods by a registered person to Export Oriented Unit
(d) All of the above.
- (v) Customs Department, Mumbai has auctioned some confiscated goods and the buyer is P Ltd. who is registered under GST. GST is payable by —
(a) Customs Department
(b) P Ltd.
(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:

- (a) entirely by the Central Government
- (b) entirely by the State Governments
- (c) entirely by the Central Government and the State Governments in equal proportion
- (d) entirely by the users.

2.(a) Mr. P is an insurance agent of Saraogi General Insurance Company Ltd. Amount of commission up to June 30, 2018 was approximately ₹ 5,00,000 every year. During July 1, 2018 and March 31, 2019, he is likely to get insurance commission ₹ 20,20,000 from the company. Mr. P is of the view that out of ₹ 20,20,000, ₹ 20,00,000 is not chargeable to GST and the balance ₹ 20,000 is taxable. Is he legally correct? Can he claim exemption available to small taxable persons? Discuss. **[5]**

(b) State the cases where place of supply of services (other than export or import) will be the location at which immovable property or lodging in boat or vessel is located or intended to be located. Also, state what will be the place of supply if the immovable property located outside India? **[6+3=9]**

3.(a) What do you mean by Registration Certificate in GST? List the persons who are not liable for registration. **[4+4=8]**

(b) Section 140(3)(iv) of the CGST Act restricts transitional credit of inputs to invoices or other documents issued not earlier than 12 months immediately preceding appointed day i.e. 1-7-2017. 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 is Authority for Advance Ruling? **[2]**

(ii) Compute the quantum of pre-deposit required to be made under Section 107 of the CGST Act, 2017 in each of the following independent cases:

- (1) In an order dated 17-10-2018 issued to M/s. Black Ltd., the Joint Commissioner of Central Tax has confirmed a tax demand of ₹ 42,00,000. M/s. Black 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) In an order dated 19-10-2018 issued to M/s. Alpha Ltd., the Joint Commissioner of Central Tax has confirmed a tax demand of ₹ 40,00,000 and imposed a penalty of ₹ 2,00,000. M/s. Alpha Ltd. intends to file an appeal with the Commissioner (Appeals) against the said order. **[3+3=6]**

(b) JEL, the applicant company generates power from coal supply by JSL, 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 amount to manufacture of electricity and is a transaction of supply of goods and not a job work. **[6]**

5.(a) State the provisions pertaining to scrutiny of returns under GST. **[6]**

- (b)** Moonlight Ltd., Mumbai, a registered supplier, is manufacturing Chocolates and Biscuits. It provides the following details of taxable inter-state supply made by it for the month of October 2018:

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

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

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

Items not adjusted in the list price given above –

(3) Tax levied by Municipal Authority - ₹ 48,000,

(4) Packing Charges - ₹ 11,000

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

Calculate the value of taxable supply made by M/s Moonlight Ltd. for the month of October 2018. **[8]**

- 6.(a)** Write in details about the transportation of goods without issue of invoice. **[6]**

- (b)** Ravi, a supplier of goods, pays GST under regular scheme. He has made the following outward taxable supplies in the month of August, 2019:

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

He has also furnished the following information 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

Ravi has following ITCs with him as on 01.08.2019:

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.

Compute the net GST payable by Ravi for the month of August, 2019. **[8]**

7. Answer the following:

[7+7=14]

- (a) Export of services
- (b) GST Portal.

Section - B

Answer Question No. 8 which is compulsory and any two from the rest of this section.

8. Choose the correct answer with justification/ workings wherever applicable:

[3×2=6]

- (i) The Central Government is empowered to levy customs duty vide entry no. _____ of the Union List of the Seventh Schedule to the Constitution of India.
 - (a) 78
 - (b) 83
 - (c) 111
 - (d) 120
- (ii) As per section 2(2) of the Customs Act, assessment includes:
 - (a) provisional assessment
 - (b) self assessment
 - (c) reassessment
 - (d) All of the above.
- (iii) _____ means vessel or cargo which is abandoned in sea without any hope of recovering it.
 - (a) Derelict
 - (b) Jetsam
 - (c) Flotsam
 - (d) Wreck.

9. Mr. Wang a tourist of Chinese origin aged 25 years came to India on tourist visa for a period of one month on 1-4-2018 along with his wife aged 22 years and child Juang aged 2 years. He brought the following items along with him:

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

What is the customs duty payable?

[12]

10.(a) Eva Offshore Ltd. is engaged in drilling operations for exploration of offshore oil, gas and other related activities 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?

[6]

- (b) State the eligible as well as 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) Benefits to Status holders in FTP.