

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 four from the rest of this section.

1. Choose the correct answer with justification/ workings wherever applicable: [7×2=14]

- (i) Micro Apparels in Chennai, Tamil Nadu, avails fashion designing services of ₹ 50,00,000 from Prabhu Designs in Singapore. Who is liable to pay GST?
(a) Micro Apparels
(b) Prabhu Designs
(c) Both
(d) None of the above.
- (ii) M/s X Ltd. a dealer offer combo packs of shirt, watch, wallet, book and they are bundled as a kit and this kit is supplied for a single price as a mixed supply. Tax rate for shirt, watch, wallet and book are 12%, 18%, 5% and Nil respectively. The mixed supply will be taxed at:
(a) 12%
(b) 18%
(c) 5%
(d) Nil.
- (iii) Mr. A is a manufacturer of ice cream. If all other conditions satisfies, the total effective composition tax rate will be:
(a) 1%
(b) 5%
(c) 2%
(d) Not eligible for composition scheme.
- (iv) Express Parcel Post Services provided by Department of Post to a business entity. The GST is liable to be paid by:
(a) business entity
(b) Department of Post
(c) Exempted supply
(d) Not at all supply.
- (v) Mr. Ram sold goods to Mr. Shyam worth ₹ 5,00,000. The invoice was issued on 15th November. The payment was received on 30th November. The goods were supplied on 20th November. The time of supply of goods will be:—
(a) 15th November
(b) 30th November
(c) 20th November
(d) None of the above.
- (vi) The value of the supply of goods or services or both between distinct persons as specified in Sec. 25(4) or Sec 25(4) of the CGST Act, 2017 or where the supplier and recipient are related, other than where the supply is made through an agent, shall be determined under CGST Rules by:
(a) Rule 27

- (b) Rule 28
- (c) Rule 29
- (d) Rule 30.

- (vii) The application form for registration by casual taxable person is:
- (a) GST REG-01
 - (b) GST REG-02
 - (c) GST REG-09
 - (d) None of the above.

2.(a)(i) Adi Ltd. is a manufacturing concern in Pune. In financial year, 2017-18, the total value of supplies including inward supplies taxed under reverse charge basis are ₹ 1,02,60,000 (exclusive of taxes). The breakups of supplies are as follows:

Particulars	₹
1. Intra state supplies made under forward charge	50,00,000
2. Intra state supplies made which are chargeable to GST at Nil rate	18,00,000
3. Intra state supplies which are wholly exempt u/s 11 of CGST Act	32,00,000
4. Value of inward supplies on which tax payable under RCM	2,60,000

Briefly explain whether Adi Ltd. is eligible to opt for composition scheme in financial year 2018-19. **[6]**

(ii) State the distinction between composite supply and mixed supply. **[3]**

(b) State the manner how to determine value of supply of goods or services where the consideration is not wholly in money. **[5]**

3.(a) State the circumstances where suo motu cancellation of registration may be granted by proper officer under GST. **[5]**

(b) Mr. Ravi, a wholesaler not registered under excise law, obtained registration under CGST Act, 2017. He is not in possession of valid duty paying documents in respect of stock held by him on 30.06.2017. Determine the amount of credit admissible to him if he has made the following intra-state supplies:

Date of transaction	Particulars of goods supplied	CGST Rate	Taxable value of supply (₹)
12.07.2017	Goods A	6%	1,20,000
14.07.2017	Goods B	9%	2,70,000
19.07.2017	Goods C	14%	1,85,000

What would your answer be in case goods are supplied on 02.01.2018? **[9]**

4.(a) Write about the doctrine of unjust enrichment in case of refund of GST. **[6]**

(b) M/s ABC Pvt. Ltd. provides the following informations relating to information technology software for the month of September, 2017. Compute the value of taxable supply and GST payable thereon if all charges are exclusive of GST.

1. Development of information technology software: ₹ 10,00,000
2. On-site development of software: ₹ 7,50,000
3. Sale of pre packaged software which is put on media: ₹ 15,00,000
4. License to use software was given to different clients: ₹ 30,00,000
5. Upgradation of information technology software: ₹ 12,00,000
6. Programming of software: ₹ 2,50,000.

[8]

- 5.(a) State the situations where summary assessment may be permissible. [7]
 (b) The applicant was a re-seller and importer of sun glasses, frames, lenses, contact lenses, etc. having Head Office in West Bengal. Goods, namely, optical lenses and frames for spectacles and accessories, are transferred from the Head Office in West Bengal to its branches in other states. Advance Ruling was sought on whether such goods supplied to the branches in States other than West Bengal can be valued in terms of the cost price under the second proviso to Rule 28 of the CGST Rules, 2017, instead of 90% of MRP as required under the first proviso of the same rule. Examine. [7]

- 6.(a) What are the records to be maintained by the owner or operator of godown or warehouse and transporters? [7]
 (b) Aryan Ltd. is located in Kolkata and engaged in manufacture of mechanical appliances. It submits the following informations pertaining to inward supply of inputs/ input services/ capital goods during September, 2018:

	Taxable value of inward supply (₹)	GST charged by supplier (₹)
Steel rods for manufacturing (received in factory on September 2, 2018) (invoice is missing, not available in the records of Aryan Ltd.)	7,50,000	1,35,000
Machine tools (received on September 7, 2018) (payment is made on January 10, 2019)	1,00,000	18,000
Stainless steel sheets (first installment received on September 24, 2018, second and final installment will be received on October 10, 2018) (invoice for both installments received on September 26, 2018, taxable value + GST: ₹ 5,90,000)	5,00,000	90,000
Air-conditioner for office (received in office on September 20, 2018) (for income-tax purpose, depreciation is claimed u/s 32 on ₹ 32,000)	25,000	7,000
Heating system for canteen (received on September 28, 2018, depreciation is claimed on taxable value excluding GST)	1,00,000	28,000
Corporate membership of Lions Club (it will be used by directors to entertain foreign collaborators only)	50,000	9,000

[7]

7. Answer the following: [7+7]
 (a) Write a short note on "Advance ruling to be void in certain cases".
 (b) Write a short note supply as taxable event under GST.

Section - B

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

8. Choose the correct answer with justification/ workings wherever applicable: [3×2=6]
 (i) In computation of customs valuation, which of the following is not addable?
 (a) Buying commission
 (b) Development work done other than India
 (c) Materials supplied by buyer
 (d) License fee paid by buyer as a condition of sale.

- (ii) Suppose Assessable Value (A.V.) is ₹ 1,00,000. BCD - 10%, IGST - 28%, SWS – 10%. The amount of IGST will be:
(a) ₹ 11,000
(b) ₹ 31,080
(c) ₹ 28,000
(d) ₹ 30,800.
- (iii) Minimum value addition required to be achieved under Advance Authorisation scheme is:
(a) 15%
(b) 20%
(c) 50%
(d) None of the above.
- 9.(a) M/s A Ltd. imported flat-rolled products of stainless steel with CIF value US \$ 50,000 from China. Exchange rate was 1 US \$ = ₹ 45 on the date of presentation of bill of entry. Basic customs duty is chargeable @10% and SWS @10%. The said product, if imported from China, is liable to anti-subsidy duty @18.95% of landed value. IGST on similar product supplied in India is 18%. You are given that 'landed value' for levy of anti-subsidy duty means customs value plus all duties of customs except duties levied u/s 3, 3A, 8B, 9 and 9A of the Customs Tariff Act. Compute total duties payable. **[8]**
- (b) Write down the activities of customs brokers. **[4]**
- 10.(a) M/s. Pipli Imports Ltd. imported certain goods, which were unloaded in the customs area on 01.10.2013. When order for clearance was passed by proper officer on 5.10.2013, it was found that there was some pilferage of such goods. As the imported goods were in the custody of port trust, the Department demanded duty from the custodian under Section 45(3) of the Customs Act, 1962 on such pilferage. The port trust denied such demand contending that it was not an approved custodian falling under Section 45 but possession of goods by it was by virtue of powers conferred under the Major Port Trust Act, 1963. Hence, it is not liable for customs duty on pilfered goods. The importer has also asked the custodian to make good the loss of goods. Examine, whether demands made by the Department and importer are justified in law, referring to decided case law. **[7]**
- (b) State the objectives of foreign trade policy 2015-20. **[5]**
- 11.(a) State the situations where provisional assessment of duty can be granted under customs. **[3]**
- (b) State the incentives and facilities offered to units in Special Economic Zone. **[9]**