

Roll No. ....

Total Number of Questions : 7

Time Alloted : 3 Hours

Total Number of Printed pages - 4

Maximum Marks - 100

**PAPER – 8: INDIRECT TAX LAWS**

**NJKP**

*Question No. 1 is compulsory .*

**1. Determine the Place of Supply**

- (i) Mr. Z, a supplier registered in Hyderabad (Telangana), procures goods from China and directly supplies the same to a customer in US. With reference to the provisions of GST law, examine whether the supply of goods by Mr. Z to customer in US is an inter- State supply?
- (ii) RST Inc. a corn chips manufacturing company based in USA, intends to launch its products in India. However, the company wishes to know the taste and sensibilities of Indians before launching its products in India. For this purpose, RST Inc. has approached ABC Consultants, Mumbai (Maharashtra) to carry out a survey in India to enable it to make changes, if any, in its products to suit Indian taste. The survey is to be solely based on the oral replies of the surveyees, they will not be provided any sample by RST Inc. to taste. ABC Consultants will be paid in convertible foreign exchange for the assignment. With reference to the provisions of GST law, determine the place of supply of the service. Also, explain whether the said supply will amount to export of service?

**[4+6 = 10 marks]**

**2. Determine whether the following transactions qualify to be a supply or not**

- a. Services received from a club against membership fees.
- b. Ms. Anu is a teacher. She bakes cake and sells them only during summer camps organized each year.
- c. VG Car Dealers are involved in business of exchange of used cars.
- d. Anuradha Electronics sells a refrigerator for Rs.70,000 but the same was purchased for Rs.80,000 and incurs loss.
- e. Mr. AJ buys a jeep for a personal purpose and sells it to a car dealer.
- f. Ms. KJ exchanges her used mobile phone with Mr. VJ. Both are using their mobile phone for personal purposes.

**[2\*5 = 10 marks]**



3. Examine whether taxes are to be paid under REVERSE CHARGE / FORWARD CHARGE / EXEMPTED in the following cases:

- (1) Mr. Ram goes to Arbitral Tribunal for family dispute.
- (2) Mr. Ram goes to Arbitral Tribunal for business dispute.
- (3) Manpower supply services by partnership firm to business entity being a company
- (4) Security services by an individual to business entity being a company
- (5) Works contract services provided by an individual to business entity being a company

[3\*5 = 15 marks]

4. The aggregate turnover of VK Ltd. exceeded Rs.20 lakh on 25th November. It applied for registration on 15th December and was granted the registration certificate on 20th December. You are required to advise VK Ltd. as to what is the effective date of registration in its case. It has also sought your advice regarding period for issuance of Revised Tax Invoices. What would be your answer if VK Ltd. has applied for registration on 28th December and registration is granted on 10th January?

OR

With reference to Section 108, elaborate whether a CGST/SGST authority can revise an order passed by his subordinates.

10 marks

5. A Ltd a manufacturer makes taxable as well as exempted supplies. The following are the details of turnover during Aug 2018.

Particulars	Rs
Value of taxable supply of goods	12,00,000
Value of Zero rated supply	5,50,000
Value of Exempted Supplies which includes:	
Supply of services to Nepal [amount received in INR] – Rs 60,000	
Interest received from a private financier – Rs 50,000	5,00,000
Sale of securities	50,00,000



Details of ITC are as follows:

Particulars	Rs
ITC of Inputs for making taxable supplies	50,000
ITC of Inputs for making exempt supplies	10,000
ITC of Inputs & Input Services for making taxable & exempt supplies	60,000
ITC of Inputs for making zero rated supplies	5,000

[15 Marks]

Calculate eligible ITC & addition to output tax liability

6. Ranjan intends to start selling certain goods in Delhi. However, he is not able to determine (i) the classification of the goods proposed to be supplied by him (as the classification of said goods has been contentious) and (ii) the place of supply if he supplies said goods from Delhi to buyer in U. S. Ranjan's tax advisor has advised him to apply for the advance ruling in respect of these issues. He told Ranjan that the advance ruling would bring him certainty and transparency in respect of the said issues and would avoid litigation later. Ranjan agreed with his view, but has some apprehensions.

In view of the information given above, you are required to advise Ranjan with respect of following:

- (i) the tax advisor asks Ranjan to get registered under GST law before applying for the advance ruling as only a registered person can apply for the same. Whether Ranjan needs to get registered?
- (ii) Can Ranjan seek advance ruling to determine (a) the classification of the goods proposed to be supplied by him and (b) the place of supply, if he supplies said goods from Delhi to buyers in U. S.?
- (iii) Ranjan is apprehensive that if at all advance ruling is permitted to be sought, he has to seek it every year. Whether Ranjan's apprehension is correct?
- (iv) The tax advisor is of the view that the order of Authority for Advance Ruling (AAR) is final and is not appealable. Whether the tax advisor's view is correct?
- (v) Sambhav- Ranjan's friend is a supplier registered in Delhi. He is engaged in supply of the goods, which Ranjan proposes to supply at the same commercial level that Ranjan proposes to adopt.

He intends to apply the classification of the goods as decided in the advance ruling order to be obtained by Ranjan, to the goods supplied by him in Delhi. Whether Sambhav can do so?

[15 Marks]



7. a) XYZ Enterprises, India imported a machine costing US \$ 15,500 from John Corp., US through a vessel. Determine the assessable value of the said machine under the Customs Act, 1962 with the help of the additional information given below:

US \$

- (i) Transport charges from the factory of George Corp. to the port for shipment 800
- (ii) Freight charges from US to India 1,500
- (iii) Handling charges paid for loading the machine in the ship 90
- (iv) Buying commission paid by XYZ Enterprises 90
- (v) Exchange rate to be considered: 1\$ = 60
- (vi) Actual insurance charges paid are not ascertainable

b) Krishna Energy Corporation had imported certain goods and got them cleared for home consumption. Subsequently, the Department discovered that import of such goods was prohibited under the Customs Act, 1962. Consequently, the goods were confiscated under section 111 of the Customs Act, 1962 and a penalty was levied under section 112 of the said Act.

Examine the veracity of confiscation of the goods and imposition of penalty by the Department, in the given case, with the help of a decided case law, if any.

c) Star Industries Ltd. imports an equipment by air. CIF price of the equipment is 6,000 US\$, freight paid is 1,200 US\$ and insurance cost is 1,800 US\$. The banker realizes the payment from importer at the exchange rate of `Rs. 61 per US\$. Central Board of Excise and Customs notifies the exchange rate as `Rs. 60 per US\$ while rate of exchange notified by RBI is `Rs. 62 per US\$. Star Industries Ltd. expends `Rs. 56,000 in India for certain development activities with respect to the imported equipment.

Basic customs duty is 10%, Integrated tax u/s 3(7) of the Customs Tariff Act is leviable @ 12% and education cesses are 3% on duty. Ignore GST Compensation Cess.

You are required to compute the amount of total duty and integrated tax payable by Star Industries Ltd. under Customs law.

[25 Marks]