

**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) Gifts not exceeding \_\_\_\_\_ in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.  
(a) ₹ 20,000  
(b) ₹ 25,000  
(c) ₹ 50,000  
(d) ₹ 1,00,000
- (ii) Hospital charging room rent per day per room is ₹ 1,200 on rooms provided to in-patients. It is:  
(a) Exempted supply  
(b) Taxable supply  
(c) Not at all supply  
(d) None of the above.
- (iii) In cases of change in rate of tax and amount is credited to the bank account after 4 working days from the date of change in rate of tax, the date of receipt of payment will be:  
(a) Date of book entry or date of bank entry, whichever is earlier  
(b) Date of bank entry  
(c) Date of book entry  
(d) Date of book entry or date of bank entry, whichever is later.
- (iv) Who the person is allowed to cancel a GST registration?  
(a) The registered person himself  
(b) By a GST officer  
(c) The legal heir of the registered person  
(d) All of the above.
- (v) Where the application of registration is found to be deficient for any reason then the Proper Officer requires any further information and he shall intimate to the applicant in form:  
(a) GST REG-01  
(b) GST REG-02  
(c) GST REG-03  
(d) GST REG-04.
- (vi) The order of set off of input IGST towards payment of output tax liability is:  
(a) IGST, CGST, SGST, UTGST respectively  
(b) IGST, SGST, CGST, UTGST respectively  
(c) IGST, UTGST, CGST, SGST respectively  
(d) IGST, CGST, UTGST, SGST respectively.

- (vii) If a case involves a substantial question of law and doesn't not involve any issue relating to place of supply, an appeal against orders passed by the State Bench or Area Bench of the Appellate Tribunal shall lie to
- (a) Supreme Court
  - (b) High Court
  - (c) Appellate Authority
  - (d) None of the above.

**2.(a)** State with reasons whether the following are liable to Goods and Services Tax :

- (1) Services by way of training or coaching in recreational activities relating to arts, culture or sports.
- (2) Services provided by a player to a franchisee which is not a recognized sports body.
- (3) Pre-school education and education up to higher secondary school or equivalent.
- (4) Services by a veterinary clinic in relation to health care of animals or birds.
- (5) Services by way of public conveniences such as provision of facilities of washrooms. **[10]**

**(b)** Mr. S has a permanent residence at Chennai. He has a savings bank account with Chennai Mound Road Branch of State Bank of India. On Aug 1, 2015, Mr. S opened a safe deposit locker with the Chennai Mound Road Branch of State Bank of India. Mr. S went to Singapore for official work in Sep, 2015 and has been residing there since then. Mr. S contends that since he is a non-resident during the year 2017-18 in terms of the Income-tax Act, GST cannot be levied on the locker fee charged by State Bank of India for the year 2017-18. Examine the correctness of the contention of Mr. S. **[4]**

**3.(a)(i)** State the advantages of registration. **[6]**

**(ii)** Mr. C of Calicut is trading on his own goods and also acting as an agent of Mr. B of Bengaluru. Mr. C turnover in the financial year 2017-18 is ₹ 12 lacs in his own account and ₹ 9 lacs on behalf of principal. Whether Mr. C is liable to register himself compulsorily under GST law? Examine. **[3]**

**(b)** Mr. Zen, an importer carrying out business of import and sale of goods obtained registration as importer under Central Excise Act, 1944 and rules made thereunder. At time of I import he pays CVD and SAD on the goods. He doesn't take credit of tax paid on such inputs but passes on the credit to his customer by issuing invoice. He has obtained registration under CGST Act, 2017 and has stock of such inputs lying with him on 01-07-2017. Determine whether he is eligible to take credit on such inputs in stock. **[5]**

**4.(a)** State the nature of orders against which no appeals can be filed. **[5]**

**(b)** The Government gives re-development of slum to L & T. As per the Housing for All Schemes, L & T under taken original work in return entitled for 0.5 FSI (out of 1.5 FSI on the land of 10,000 sq. ft,) which can be utilized for construction of free sale component. L & T in turn appointed DLF as contractor for supplying the services of construction for allotment to slum dwellers. The contractor charges ₹ 900 per sq. ft of built-up area.

Find the following:

- (1) Exempted value of supply.
- (2) Taxable value of supply
- (3) Taxable person

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(4) GST liability.

Applicable rate of GST is 12% (with Input Tax Credit).

Note: Taxable person is willing to avail benefit of ITC.

[9]

5.(a) Describe provisional assessment as per section 60 of the CGST Act.

[4]

(b) Determine the time of supply in the following assuming that GST is payable under reverse charge:

S. No.	Date of payment by recipient of services	Date of issue of invoice by supplier of services
(i)	10-10-2017	30-08-2017
(ii)	10-10-2017	05-08-2017
(iii)	Part payment made on 30-08-2017 and balance amount paid on 02-11-2017	29-08-2017
(iv)	Payment is entered in the books of account on 28-08-2017 and debited in recipient's bank account on 30-08-2017	01-08-2017
(v)	Payment is entered in the books of account on 30-08-2017 and debited in recipient's bank account on 26-08-2017	29-08-2017

[10]

6.(a) Explain the manner of maintenance of accounts by registered persons.

[7]

(b) A garment factory receives a Government order for making uniforms for a defence personnel. This supply is exempt from tax under a special notification. The fabric is separately procured for the supply, but thread, buttons and lining material for the collars are the ones which are used for other taxable products of the factory.

The turnover of the other garments of the factory and exempted uniforms in July is ₹ 8 crore and ₹ 2 crore respectively, the ITC on thread, button and lining material procured in July is ₹ 7,000, ₹ 21,000 and ₹ 17,000 respectively. Calculate the eligible ITC on thread and lining material.

[7]

7. Answer the following:

[7+7]

(a) Define Adjudicating Authority.

(b) What principles were adopted for subsuming the existing indirect taxes under GST?

### 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) A vessel Bhishma, sailing from U.S.A. to Australia via India. Bhishma carries various types of goods namely 'A', 'B', 'C' & 'D'. 'A' & 'B' are destined to Mumbai Port and balance remains in the same vessel. Subsequently vessel chartered to Australia. The transit goods are:

(a) 'A' & 'B'

(b) 'C' & 'D'

(c) All 'A', 'B', 'C' & 'D'

(d) None of 'A', 'B', 'C' & 'D'

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- (ii) Who is the adjudicating authority in case of goods liable for confiscation amounted upto ₹ 50,000?
- (a) The Superintendent of Customs  
(b) The Deputy/ Assistant Commissioner of Customs  
(c) The Joint/ Additional Commissioner of Customs  
(d) The Commissioner of Customs
- (iii) Which of the following is an ineligible capital goods under EPCG (Export Promotion Capital Goods) Scheme?
- (a) Computer software systems  
(b) Capital Goods including capital goods in CKD/SKD condition  
(c) Capital goods for Project Imports notified by CBEC  
(d) Second hand capital goods.

9.(a) 'A' exported a consignment under drawback claim consisting of the following items—

Particulars	Chapter Heading	FOB value ₹	Drawback rate
200 pieces of pressure stores mainly made of beans @ ₹ 80/ piece	74.04	16,000	4% of FOB
200 Kgs. Brass utensils @ ₹ 200 per Kg.	74.13	40,000	₹ 24/Kg.
200 Kg. Artware of brass @ ₹ 300 per Kg.	74.22	60,000	17.50% of FOB subject to a maximum of ₹ 38 per Kg.

On examination in docks, weight of brass Artware was found to be 190 Kgs. and was recorded on shipping bill. Compute the drawback on each item and total drawback admissible to the party. [9]

(b) What do you mean by warehousing without warehousing? [3]

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? Discuss. [7]

(b) LMN Ltd. has imported inputs without payment of duty under Advance Authorization. The CIF value of such inputs is ₹ 20,00,000. The inputs are processed and the final product is exported. The exports made by LMN Ltd. are subject to general rate of value addition prescribed under Advance Authorization Scheme. No other input is being used by LMN Ltd. in the processing. What should be the minimum FOB value of the exports made by the LMN Ltd. as per the provisions of Advance Authorization? [5]

**11.(a)** "Section 76 of the Customs Act, 1962 contains the provisions in respect of prohibition and regulation of drawback and no drawback." — State the circumstances where this provision will apply. **[8]**

**(b)** Mention those supplies which can be considered as deemed export under FTP. **[4]**