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**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: **Law of Taxation-II**
Semester-VIII (Batch: 2012-17)

End Semester Examination: April-May 2016

Date: 6th May, 2016

Duration: 3 hours

Max. Marks: 50

Instructions:

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write any thing on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.
- **Bare Act is not allowed.**

	Answer all the question	Marks
Q.1	<p>M/s XYZ (Private) Ltd., the assessee is carrying on the business of manufacturing tailors, drapers, out-fitters and industrial 'gloves'. In respect of the assessment for the 2016 the assessee claims exemption under the CENVAT credit scheme for different type of <i>Hand Gloves</i> used by their workers while being engaged in work in the factories.</p> <p>The Commercial Tax Officer, by his order observed that the purchase of hand gloves could not be called as being required for the purpose of manufacture of goods, for sale, and accordingly, disallowed the XYZ Ltd.'s claim for exemption. Dissatisfied by the order the XYZ Ltd. moved to the court and want your expert opinion on certain questions;</p> <p>(a) What do you mean by CENVAT credit scheme?</p> <p>(b) Whether assessee is entitled for CENVAT credit on purchase of <i>Hand Gloves</i>?</p> <p>Explain with the help of relevant provisions and case laws.</p>	(4+6 =10)
Q.2	<p>M/s. ABC Industries, a company registered under the Indian Companies Act having its registered office at Hyderabad, Andhra Pradesh, engaged in manufacturing explosives, detonators and accessories and holding license under the Explosives Act. It has a manufacturing unit at Kolkata, which is also registered under both the Bengal Sales Tax Act, and the Central Sales Tax Act, 1956.</p> <p>M/s. ABC is a regular supplier of its products to different Government undertakings such as, CIL, National Mineral Development Corporation, Hindustan Zinc Ltd., etc., and supplies to these undertakings constitute almost 90 per cent of its total production. CIL placed orders on ABC Kolkata, for supply of explosive, detonators, accessories, etc., to its collieries inside and outside the State of Bengal with a stipulation that delivery shall be made against the indent placed by the collieries. ABC has its consignment agents at different places outside the State. During the above noted years, ABC effected supplies through its consignment agents against indents placed by the collieries and for this purpose it claimed to have dispatched the goods to its consignment agents on stock transfer basis than by way of sale.</p> <p>It is the claim of ABC that dispatches from its factory at Kolkata were stock transfers and are not liable to be assessed to tax under the Central Sales Tax Act as the sales took</p>	(6+2+ 2=10)



place when the supplies to the collieries were made against the indents placed by them.

- (a) Determine the nature of transaction with the help of relevant provisions and case laws.
- (b) What do you mean by Goods under Central Sales Tax Act?
- (c) What does stock transfer mean under Central Sales Tax Act?

- Q.3 Explain "power of the Central Government to exempt imported material used in the manufacture of goods in a warehouse" with reference to the provisions of the Customs Act, 1962. (05)

OR

Can warehoused goods be transferred from one warehouse to another under the Customs Act, 1962? Explain with the help of relevant provisions and conditions attached thereto.

- Q.4 Three important Cess are incorporated in 2016-17 Union Budgets. Explain their nature and applicability. (05)
- Q.5 In the following categories of softwares, determine whether the types of taxes given in the table will be applicable or not. Your answer should be based upon the sound reason and case laws. (10)

<i>Category of software</i>	<i>Excise Duty (In case of manufacture in India)</i>	<i>Customs Duty (In case of imports)</i>	<i>Service Tax</i>	<i>VAT / CST</i>
Packaged software with MRP				
Packaged software where MRP is not required				
Tailor made software				
Paper license of software and PUK cards				

- Q.6 Answer the following: (4x2.5 =10)
- (a) The respondent-dealer (Joshi Jute Corporation, a dealer in jute goods in Kolkata) placed an order to a jute mill in Kolkata for certain jute goods. Under instructions from the respondent-dealer, goods were delivered to a party in Kerala through lorry. The jute mill raised invoice on respondent-dealer and tax was paid at 4%. 'C' form was supplied by respondent-dealer. Determine the nature of transaction under section 3 of the Central Sales Tax Act, with appropriate reasoning.
 - (b) A helicopter owned by a Mumbai based company develops some technical problems in Germany. In order to rectify the technical problems, a Delhi based company is given the contract. Determine the Place of provision for the forgoing services of repair and maintenance under the POPs rules.
 - (c) M/s ABC, an Indian bank, located in the taxable territory provides money transfer services to one of its client settled in nontaxable territory, Mr. Mohit holds NRO (Non- Resident Ordinary) account in the ABC bank. What will be the place of provision in the present case?
 - (d) A Goods Transport Agency ABC located in Delhi transports a consignment of new motorcycles from the factory of XYZ in Haryana to the premises of a dealer in Jammu. The dealer in Jammu has agreed to pay the freight. What will be the place of provision in the present case?
