

NATIONAL LAW UNIVERSITY, JODHPUR

End Term Examination-Aug-Dec- 2025

UG- IX Semester

Subject- Indirect Taxation (Compulsory)

Time: Three Hours

Marks. 100

Instructions:

1. Attempt any five questions... Marks have been indicated against each question.
2. No clarifications can be sought during the examination.
3. Bare Act is not allowed.

Q.1) (a) The Applicant was providing software development services to its overseas holding company. During course of supplying such services, the applicant incurred various expenses and recovered the same from holding company after adding mark-up. The travel related expenses were incurred by the applicant's employees through credit card issued by holding company. The holding company initially paid credit card dues to bank and claimed reimbursements from the applicant on actual basis. The revenue department raised two questions for liability of tax under GST:

- (i) That the reimbursement of expenses qualifies as provision of credit granting services by holding company to the applicant. Accordingly, the same will qualify as import of service and the applicant need to pay GST under Reverse Charge Mechanism. Or
- (ii) That the expenses incurred by employees of the applicant are included in cost of software development service which are subsequently recovered from holding company. Therefore, invoice raised by holding company for reimbursement of expenses from the applicant is effectively an advance towards software development services provided by the applicant to holding company and should be added in valuation of supply.

Decide this issue.

(Marks 10)

(b) *ABC Ltd* is the Auditing firm based in Delhi entered into an agreement with *PQY Ltd* (registered office at Noida) for providing an auditing service. As per agreement the Service provider has to provide the service in relation to audit of account of the *PQY Ltd* for the Indian

issued separately by the Applicant. Each contract had 'cross fall breach clause' deeming breach of one contract as breach of other. Supply of the Applicant under each contract was distinct with separate consideration prescribed thereto. Applicant classified it as Individual supply but GST department wanted to classify it as composite supply and principal supply as supply of Goods. Discuss this issue with the help of cases and provisions.

(Marks,20)

Q.5) Discuss briefly with reference to provisions and cases decided under CGST Act-2017, whether the following transaction will be considered as supply or not and if yes, then what will be nature of supply?

(Marks,10+10)

(i) The applicant was engaged in sale of jewellery products. As part of sales promotion activity, the applicant was issuing two types of Pre-paid Instruments (PPI) referred as gift vouchers/gift cards through its retail outlets as well as by engaging third party online portal. The applicant was issuing closed PPIs which could be redeemed for purchasing jewellery from any of the applicant's outlets. The tax authority held it to be supply of goods and taxable accordingly.

(ii) The applicant was getting paddy milled from rice millers. On delay in delivery of milled rice, the Applicant recovered interest from rice millers. The Applicant was recognizing recovery of interest as 'holding charges' in the books of Account.

Q.6) Write short note on the followings:

(Marks 5x4=20)

(i) Anti-Dumping Duty

(ii) Concept of Intermediary service under GST

(iii) Valuation under Customs Act,1962

(iv) Services of "Pure Agency" under GST

