

# Case Study Based MCQ - 13



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XYZ Logistics Limited (XLL) is into warehousing and logistics business. It has two Container Freight Stations (CFS): one at Inland Container Depot (ICD) Dadri, Uttar Pradesh and other at ICD Tughlakabad, Delhi. XLL is also engaged in the business of freight forwarding and multimodal transportation. Intermittently, XLL also deals in trading of goods, primarily in export to countries outside India. XLL started its operations on 30th June by setting up head/corporate office in Gurgaon, Haryana and two CFS at U.P. and Delhi. Services as well as invoicing to customers was done from Delhi and U.P. unit only. Top management was placed at the head office for the management of the company.

The aggregate turnover of the XLL's Delhi unit crossed Rs. 20 lakh on 31st October. It applied for GST registration for Delhi on 25th November. Registration was granted on 7th December. GST in respect of stock of goods at Delhi as on 30th October was Rs. 50 lakh, on 25th November was Rs. 40 lakh and on 7th December was Rs. 20 lakh.

The primary business of XLL is container handling service of import/export containers. In July next year, a shipper placed a work order on XLL for handling of an export container from ICD Tughlakabad to Dubai UAE, through NhavaSheva seaport in Mumbai. XLL was responsible for stuffing goods in containers at ICD, assisting in obtaining customs clearance, and transportation of goods from ICD to seaport. XLL requested the customer to issue e-way bill for the movement of customs sealed containers from ICD to seaport as the value of goods in container exceeded Rs. 50,000. However, the customer denied issuing e-way bill stating that the responsibility to issue the same is on the person who arranges the transport of goods. Consequently, the management of XLL issued e-way bill with the assistance of a consultant.

There is a green cess that is applicable on the goods handled through CFS for exports outside India. XLL as a policy deposits green cess with the Government in the name of the customer and recovers such cess at actuals from the customer.

Few customers of XLL are based out of Nepal & Bhutan. It provides container handling services for their containers/cargo which are in transit to Nepal or Bhutan. It receives consideration from Nepal/ Bhutan customers in INR (Rs.).

All the above amounts are exclusive of GST, wherever applicable. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

- 1) Which of the following statements is correct regarding eligibility of ITC on opening stock at the time of new registration?
- (a) XLL can avail credit of Rs. 50 lakh.      (b) XLL can avail credit of Rs. 40 lakh.  
(c) XLL can avail credit of Rs. 20 lakh.      (d) XLL cannot avail credit on opening stock.

**Answer : (a)**

- 2) Which of the following statements is correct regarding GST registration by XLL?
- (a) XLL was liable for registration of only Delhi unit.  
(b) XLL was liable for registration of Delhi and UP units.  
(c) XLL was liable for registration of Delhi, UP and Haryana units.  
(d) XLL was liable for normal registration at Delhi and UP unit, and ISD registration at Haryana unit.

**Answer : (c)**

- 3) Which of the following statements is correct regarding generation of e-way bill for movement from ICD Tughlakabad to Nhava Sheva seaport in Mumbai?
- (a) E-way bill was not required to be generated since goods were being transported from ICD to seaport.  
(b) E-way bill was mandatorily required to be generated irrespective of the value of the goods being transported as such goods were being transported from ICD to seaport.  
(c) E-way bill was required to be generated since the value of goods being transported exceeded Rs. 50,000.  
(d) E-way bill was rightfully issued by XYZ Logistics Limited being the transporter of goods.

**Answer : (a)**

- 4) Which of the following statements is correct regarding value of container handling services provided by the company?
- (a) Value of the taxable container handling services should exclude transportation cost and green cess.  
(b) Value of the taxable container handling services should exclude green cess but include transportation cost.  
(c) Value of the taxable container handling services should exclude transportation cost but include green cess.  
(d) Value of the taxable container handling services should include transportation cost and green cess.

**Answer : (b)**

- 5) Which of the following statements is correct regarding invoicing to Nepal/Bhutan customers?
- (a) GST is not chargeable on container handling services provided to Nepal/Bhutan customers as the place of supply of such services is outside India.

- (b) GST is not chargeable on container handling services provided to Nepal/Bhutan customers as the same qualifies as export of service.
- (c) GST is not payable on container handling services provided to Nepal/Bhutan customers as the supply of services associated with transit cargo to Nepal and Bhutan are exempt services.
- (d) GST is chargeable on container handling services provided to Nepal/Bhutan customers.

**Answer : (c)**