

# School of Law

Bachelor of Law  
CAT1 - Mar 2023

Time : 90 Minutes

Marks : 30

## Sem VI - BLLB3023 - PRINCIPLES OF TAXATION LAW

*Your answer should be specific to the question asked*

*Draw neat labeled diagrams wherever necessary*

1. What are different types of financial centres. K2 CO1 (4)
2. Distinguish between Tax Avoidance and Tax Evasion. K3 CO2 (5)
- 3) Arun, a person of unsound mind occasionally works in movies. One movie 'Shawshank Rehabilitation' in which Arun acted became super hit fetching Arun Rs 5 crore of revenue on the opening day itself. When the tax officials came to tax Arun's income, Arun's legal guardian contended that his income is not taxable since he is a person of unsound mind. Analyse the situation and decide if the income from Arun's movie will be taxable in the hand of Arun or not K3 CO2 (7)

**OR**

- Priyanshu has been involved in exporting goods from India to China since 2013. In the financial year 2018-19, Priyanshu discovered that generous profit could be earned by ivory trade to China since the same is used for manufacturing artefacts of high value in China. From May 2018, he started exporting ivory from India to China on commission basis. K3 CO2 (7)
- As it turns out, recently, India had signed an agreement banning the sale, transport, import, export of any ivory product from India. Priyanshu is unaware of the same. As a tax officer, how would you approach this situation?
4. Critically analyse the evolution of Indian jurisprudence in case tax avoidance through DTAA's. K2 CO1 (7)
  - 5) What is doctrine of proportionality? How is it relevant in case of tax? Explain with the help of case laws K4 CO3 (7)

**OR**

X Ltd is an Indian Company. It has 10 shareholders who are foreign citizens and no n residents of India. The business of the company is fully controlled from outside India. Find out the residential status of X Ltd for assessment year 2022-23. K4 CO3 (7)