



Case Study Based Questions

(Most IMP for Exam)

MCQ 26.01.01.00

Disha Enterprise Pvt Ltd. is a financial service company having its offices in Kolkata, West Bengal and Mumbai, Maharashtra. The company is registered under GST in both the States. The company operates through two segments (a) banking & insurance services and (b) advisory & consulting services. The aggregate turnover of the company during the previous year was (i) ₹ 80 lakh in West Bengal & (ii) ₹ 60 lakh in Maharashtra. The bouquet of services provided under each of the two segments are as follows:

Banking & insurance services	Advisory & consulting services
Recovery agent services	Company/LLP/Society formation
	Return filing
Direct Selling Agent (DSA) Services (sale of banking products)	Detailed Project Report (DPR) Preparation
	Business promotion/ product marketing/ exhibition etc.

The company has carried out following transactions during the month of September:

Particulars	Kolkata Office	Mumbai Office
Sale and purchase of foreign currency	refer Note 3	refer Note 3
Amount received from Devidas Private Limited. It has sponsored the business exhibition organized by Disha Enterprise Pvt Ltd.	90,000	70,000

Commission received as DSA from ICIDI Bank for opening bank account/ credit card & loan products	48,000	50,000
Commission received from private banks for acting as recovery agent	1,20,000	1,50,000
Professional fee received for the formation of a company/LLP/society	80,000 [refer Note 2]	40,000
Professional fee received for GST/ TDS return filing	65,000	75,000
Participation fee received from customers for the business exhibition organised by the company	50,00,000 [Held in Russia][Refer Note 1]	4,00,000 (Held at chennai) [Refer Note 1]
Legal fee paid to Mr. Sundaram - an advocate	10,000	15,000
Payment made for security services (by way of supply of security personnel) received	25,000 [Globe Security Pvt. Ltd.]	25,000 (M/s X & Co, a partnership firm, registered under GST)

Notes:

1. The participation fee of ₹ 50,00,000 received by the company is in respect of a business exhibition organized at St. Petersburg, Russia under the theme "Indian Traditional Fair" in which 10 Indian companies (all registered under GST) had participated. A participation fee of ₹ 5 lakh from each Indian company was collected for providing them a stall, furniture & other amenities at St.

Petersburg, Russia.

The participation fee of ₹ 4,00,000 is in respect of a business exhibition organized by the company at Chennai, in which 100 Indian companies had participated.

2. Out of the professional fee of ₹ 80,000 received by Kolkata office for the formation of a company / LLP/society, ₹ 15,000 was towards reimbursement claimed from client. It was separately mentioned in the invoice indicating that it was deposited with registrar of companies (ROC).

3. Following purchase & sale of foreign currency was made by the company during the month of September:

(a) Kolkata office had purchased USD 10,000 from M/s Moneywise (a FOREX dealer) @ ₹ 74 per USD on 10th September. The RBI reference rate on that day was ₹ 73 per USD.

(b) Mumbai office had sold USD 5,000 to M/s Money Matters (a FOREX dealer) on 15th September @ ₹ 73.20 per USD. RBI reference rate for USD on that day is not available.

4. In an order dated 14th September issued to Disha Enterprise Pvt Ltd., the Joint Commissioner of CGST, Mumbai has raised a demand of ₹ 600 crore on Mumbai office in respect of an inter-State transaction. The company is disputing the entire demand & wants to file an appeal before the Appellate Authority against the order of Joint Commissioner.

5. The Kolkata office of the company had received ₹ 1 lakh on 22nd April as an advance from Ganesh Flour Mill Pvt Ltd., a client, for preparation of DPR. However, tax collected on the same from the client has not yet been deposited with the Central Government.

All the amounts given above are exclusive of GST wherever applicable (unless otherwise specified). There is no other outward or inward supply transaction apart from the aforesaid transactions in the relevant period.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. (i) to (v) below:- [CA Final RTP May 21] [ICAI Material] [CA Final MTP April 23]

(i) Determine the value of taxable supply in respect of sale and purchase of foreign currency by Kolkata office and Mumbai office of the company as per rule 32(2)(a) of the CGST Rules, 2017.

- a. Kolkata office ₹ 7200, Mumbai office ₹ 3,660
- b. Kolkata office ₹ 10,000, Mumbai office ₹ 3,660
- c. Kolkata office ₹ 7,20,000, Mumbai office ₹ 3,66,000
- d. Kolkata office ₹ 7,30,000, Mumbai office ₹ 3,66,000

[[Hint:- Refer rule 32(2)(a)- 1) VOS = If RBI reference rate is available, it is buying/selling rate - RBI reference rate * total units of currency (i.e. ₹74-₹73 * 10000) 2) If RBI reference rate is not available - it is 1% of gross amount of currency exchange in INR (i.e. 5000 * ₹73.2 * 1%)]

(ii) The value of taxable supply received by Mumbai

office in the month of September on which tax is payable under reverse charge is _____.

- a. ₹ 15,000 b. ₹ 25,000
- c. ₹ 40,000 d. ₹ 2,70,000

[Hint:- Legal service ₹15000 & Security service from person other than body corporate (i.e. firm) ₹25000 are covered under RCM & tax is to be paid by Disha Enterprise Pvt Ltd.]

(iii) The value of taxable outward supply made by Kolkata office in the month of September on which Disha Enterprise Pvt Ltd. is liable to pay tax under forward charge is _____.

- a. ₹ 1,78,000 b. ₹ 2,78,000
- c. ₹ 2,65,000 d. ₹ 1,13,000

[Hint:- Professional fees for formation excluding reimbursement fees (₹65,000), Professional fees of return filing (₹65,000), Commission received from DSA (₹48,000) (not liable under RCM because of provided by body corporate)]

(iv) The maximum amount of pre-deposit that Disha Enterprise Pvt. Ltd. can be asked to deposit under the IGST Act, 2017 for filing of an appeal before the Appellate Authority is _____.

- a. ₹ 30 crores b. ₹ 60 crores
- c. ₹ 25 crores d. ₹ 50 crores

[Hint:- Refer sec 107(6)- Pre-deposit = 10% of ₹600 Cr IGST i.e. ₹60 Cr but max ₹50 Cr]

(v) The maximum penalty prescribed under section 122 of the CGST Act, 2017 for failure of Kolkata Office to deposit the tax collected on the advance

received from Ganesh Flour Mill Pvt Ltd. is _____.

- a. ₹ 18,000 b. ₹ 25,000
- c. ₹ 10,000
- d. ₹ 10,000 or tax evaded, whichever is higher.

[Hint:- Refer sec 122(1)- penalty = higher of ₹10000 or tax evaded]

MCQ 26.01.02.00

ABC Ltd. is a Public Sector Undertaking (PSU) engaged in the business of generation of electricity from conventional & non-conventional sources. The Government of India holds 75% equity in the said company & balance equity is held by institutional and domestic investors. The company has taken separate registration under GST in each State where it has business operations. The company has its head office (HO) in Delhi & its power plants are located in the States of Bihar, Odisha & Chhattisgarh. Following transactions were carried out by the company during the month of February:

Particulars	Delhi H.O.	Bihar plant	Odisha Plant	Chhattisgarh Plant
Sale of electrical energy to DISCOM	—	2,50,00,000	3,50,00,000	4,50,00,000
Bank interest received on saving bank account & fixed deposit	18,00,000	3,00,000	5,00,000	8,00,000

House rent recovered from the employees (unregistered under GST) for residential accommodation provided to them	55,000	30,000	25,000	40,000
Rent collected from bank, ATM, post office & shops located in office premises	48,000	15,000	12,000	16,000
Sale of iron/ metal scrap (excluding TCS @ 1% as per the Income-tax Act, 1961)	-	85,000	45,000	65,000
Other Income	2,50,000	-	-	45,000

In addition to above information, following transactions were also carried out during the month of February:

Note:

(1) A supply order for stationery items was awarded by Delhi H.O. to M/s Stationery Mart, New Delhi for ₹ 3,36,000 (including GST @ 12%) in January.

The vendor supplied stationery items worth ₹ 44,800 (including GST@ 12%) & issued the tax invoice in February. Delhi H.O. had made the payment of the said bill in February by crediting the vendor's account for that amount on the same date in its books.

The remaining amount was paid in April on supply of balance items.

(2) Odisha plant purchased office furniture for ₹ 2,80,000 during February from an unregistered dealer. Rate of GST on said furniture item is 18%.

(3) A Board meeting for raising term loan for project expansion was held in February. The Delhi H.O. paid

₹ 20,000 each as sitting fee to 4 independent directors who attended the meeting.

(4) For safety & security of its H.O. & power plants, the company has engaged private security as well as CISF (Central Industrial Security Force). Following payments were made in February, in respect of bills issued in the month of January:

Particulars	Delhi H.O.	Bihar plant	Odisha Plant	Chhattisgarh Plant
CISF	-	10,00,000 (paid on 07th February)	8,00,000 (paid on 15th February)	14,00,000 (paid on 05th February)
ABS Security Services Pvt Ltd.	5,00,000 (paid on 11th February)	-	-	-

(5) The Bihar plant purchased a machinery in February from M/s Sahoo Enterprises, Patna (not registered under GST) for ₹ 86,000. Full payment was made in February. Rate of GST on the said machinery is 18%.

All the amounts mentioned above are excluding GST, wherever applicable (unless otherwise specified).

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. (i). to (iv) below: **[CA final RTP May 21][ICAI Material]**

(i). The value of taxable supply on which GST is payable by Delhi H.O. under forward charge, for the month of February is _____.

a. ₹ 21,78,000

b. ₹ 48,000

c. ₹ 22,33,000

d. ₹ 3,78,000

[Hint:- Bank interest & rent for residential accommodation are exempt under Sl. No. 27 & 12 respectively]

(ii) The value of taxable inward supply on which GST shall be payable under reverse charge by Bihar power plant is _____.

a. ₹ 11,80,000

b. ₹ 10,00,000

c. ₹ 10,86,000

d. ₹ 10,30,000

[Hint:- ABS Security Services Pvt Ltd is a body corporate & hence not covered under RCM whereas CISF (service of ₹1000000) is not body corporate & hence covered under RCM entry 14]

(iii) The value of supply on which TDS under section 51 of the CGST Act, 2017 shall be deducted by Delhi H.O. while making payment to M/s Stationery Mart in February is _____.

a. ₹ 40,000

b. ₹ 44,800

c. ₹ 3,00,000

d. TDS is not applicable since payment made in February is less than ₹ 2,50,000.

(Hint: ₹44,800/112%)

(iv) What is the value of supply on which GST is payable by Odisha plant on sale of scrap?

a. ₹ 45,000

b. ₹ 45,450

c. Sale of scrap is an exempt supply under GST. It is subject to TCS under the Income-tax Act, 1961.

d. Sale of scrap is neither a supply of service nor supply of goods as it is covered under Schedule III of the CGST Act, 2017.

[Hint:- Refer circular no. 76/50/2018 - as TCS is an interim levy not having character of tax so it cannot be included in value. Value will be ₹45000 which is excluding TCS- TCS impact is not done so no need to add back]

MCQ 26.01.03.00

Supernova India Limited is a 100% subsidiary of Supernova LLC, Japan, registered under GST in the State of Gujarat. Supernova Inc., Singapore, is another subsidiary of Supernova LLC, Japan, and is engaged in supply of industrial goods to customers across the world. In India, Supernova Inc., Singapore, sells the goods to a sub-contractor registered under GST in the name of Alpha Limited in the State of Maharashtra. Alpha Limited imports the goods sold by Supernova Inc., Singapore and carries out the required technical process on such goods in the factory located in Maharashtra. After the processing of goods by Alpha Limited, the goods are sold by Alpha Limited to Supernova India Limited for further sales to end customers. As a holding company, Supernova LLC, Japan, recovers an amount equivalent to 20% of the sales made by Supernova India Limited as commission on monthly basis.

During the month of January, Alpha Limited imported the goods worth ₹ 10,00,000 from Supernova Inc., Singapore. The inter-State purchases of Alpha Limited from domestic market amounted to ₹ 2,00,000 during the month of January. The value of processed goods sold by Alpha Limited to Supernova India Limited amounted to ₹ 10,00,000. Further, Supernova India

Limited paid an additional amount equivalent to ₹ 2,00,000 for transportation and handling of goods to third party, which was contractually agreed to be paid by Alpha Limited. No GST was payable on such transportation and handling to the third party. Alpha Limited has also charged an amount equivalent to ₹ 12,000 on such processed goods as miscellaneous municipal levy (other than GST) payable in the State of Maharashtra.

Supernova India Limited sold the goods purchased from Alpha Limited in the month of January as per the details provided below:

1. ₹ 6,00,000 worth goods to X Ltd, a customer located in the State of Rajasthan
2. ₹ 8,00,000 worth goods to Y Ltd, a customer located in the State of Gujarat

There is no opening stock and closing stock for the month of January with Supernova India Limited.

In January, Supernova India Limited sent 5 of its employees of finance team to Singapore for training purpose. The training was given by Supernova Inc., Singapore, at its office located in Singapore. The expenses related to such training were paid by Supernova India Limited to Supernova Inc., Singapore.

Further, an employee of Supernova India Limited had visited the manufacturing unit of Alpha Limited in Mumbai, Maharashtra and had stayed in the hotel located in Mumbai, Maharashtra, in the month of January. At the time of checkout from hotel, the invoice was issued for an amount equivalent to ₹ 1,00,000. The

hotel had issued invoice in the name of Supernova India Limited and GST was charged at the rate of 14% CGST and 14% SGST on total invoice amount of ₹ 1,00,000. Out of such amount, the amount recoverable from the employee towards non-official stay by Supernova India Limited was ₹ 50,000.

Fun Events Ltd., an event management company at New Delhi, had organized an event in the month of January for Supernova India Limited, in Mauritius.

The opening balance of input tax credit of both Alpha Limited as well as Supernova India Limited for the relevant tax period is nil. Further, there is no other inward or outward supply transaction for Alpha Limited in January apart from the aforementioned transactions. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

All the above transactions are exclusive of GST, wherever applicable.

GST is applicable in the aforesaid case scenario at the following rates unless otherwise specified:

1. Intra-State supply – 9% CGST and 9% SGST
11. Inter-State supply – 18% IGST

The rate of basic customs duty on import of goods is nil. However, IGST is applicable on import of goods. No additional duty or cess is applicable on the import of goods or services.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. i to v as

follows:- [ICAI Material]

i. The total GST liability net of input tax credit, if any, of Alpha Limited for the month of January is:

- a. ₹ 2,18,160 payable as IGST.
- b. nil.
- c. ₹ 2,160 payable as IGST.
- d. ₹ 1,09,080 payable as CGST and ₹ 1,09,080 payable as SGST.

[Hint:- IGST on outward supply (₹1000000 for sale of goods + ₹200000 u/s 15(2)(b) + ₹12000 u/s 15(2)(a)) * 18% - IGST on inward supply (₹1000000 imports + ₹200000 interstate domestic purchases) * 18%]

ii. What shall be the gross IGST liability i.e. without any adjustment of input tax credit, if any, of Supernova India Limited for the month of January?

- a. ₹ 1,08,000 b. Nil
- c. ₹ 1,58,400 d. ₹ 33,840

[Hint:- (₹6,00,000 interstate sales * 18%) + ((₹6,00,000 + ₹8,00,000 sales) * 20% commssion paid to Supernova LLC, Japan taxable under RCM under sl. No. 17 * 18%)]

iii. How shall the amount paid towards the training expenses of employees of finance team of Supernova India Limited be treated under the GST law?

- a. No GST is applicable on the transaction since training was imparted in Singapore, i.e. place outside India.
- b. GST is applicable on the training expenses and is

payable as IGST by Supernova India Limited since the place of supply for training services in case of registered person is location of such registered person.

- c. Supernova Inc., Singapore, is required to obtain registration as casual taxable person in India and discharge the GST liability in India.
- d. Supernova Inc., Singapore, is required to obtain registration as online information and database access or retrieval service provider in India and discharge the tax liability on training service.

[Hint:- POS as per sec 13(3)(b) of IGST Act is outside India & hence, GST is not chargeable]

iv. Whether input tax credit is available on the GST paid by Supernova India Limited on the invoice amounting to ₹ 1,00,000 to the hotel located in Mumbai, Maharashtra, for stay of the employee? If yes, please specify the amount of input tax credit available.

- a. Yes, as ₹ 14,000 CGST and ₹ 14,000 SGST
- b. Yes, as ₹ 28,000 IGST
- c. No input tax credit is available
- d. Yes, as ₹ 7,000 CGST and ₹ 7,000 as SGST

[Hint:- LOR is Gujarat whereas LOS is MH. POS shall be MH as per sec 12(3) of IGST Act. Now, as LOS & POS are in same state MH, it is intra-state supply. CGST & SGST is levied in MH but recipient is registered in Gujarat & hence, ITC of CGST & SGST paid in one state is not allowed in other state)

v. Whether GST is applicable on the event organized by

Fun Events Ltd. for Supernova India Limited in Mauritius and what is the place of supply in such case?

- a. GST is applicable and the place of supply is New Delhi.
- b. GST is applicable and the place of supply is Gujarat.
- c. GST is not applicable and the place of supply is Mauritius.
- d. GST is applicable and the place of supply is Mauritius

[Hint:- POS as per sec 12(7) of IGST Act is Gujarat as this service is provided to a person (Supernova India Limited) registered in Gujarat]

MCQ 26.01.04.00

Doodle Inc. is an entity incorporated in USA and is engaged in provision of various information technology related services directly as well as through its subsidiaries located across the world. In India, Doodle India, a subsidiary of Doodle Inc., is registered under GST in the State of Karnataka under GST and is providing services to various customers in India.

Doodle Inc. provides cloud-based storage services to its customers (business entities and non-business entities) in India. The customers can subscribe to the services by making online payment directly to Doodle Inc.'s bank account through internet banking and other modes.

The terms and conditions for such services are entered between Doodle Inc. and the customer directly without involvement of any third party.

In case of any issue, the customers can call and log the issue at the customer help centre which is operated by Doodle India on principal to principal basis. For operation of such customer help centre, Doodle India is paid on cost plus 10% basis by Doodle Inc. on monthly basis.

Further, Doodle India is engaged in promotion and

marketing of cloud-based storage services on principal to principal basis in India for Doodle Inc. The payment for such services is made by Doodle Inc. to Doodle India on monthly basis at cost plus 20%. The promotional and marketing activities are carried out in the name of Doodle Inc., without any reference to operations of Doodle India.

Doodle Inc. owns online space for advertisement on internet. Doodle Inc. has agreed to sell such online advertising space to Doodle India for an amount of ₹ 5,00,00,000 per month. Doodle India sells such advertising space to its customers in India on its own account. The contractual arrangement for sale of such advertising space is between the customer and Doodle India.

Doodle Inc. provides technology support to Doodle India and charges royalty from Doodle India for such technology support at a fixed charge of ₹ 25,00,000 per month. The royalty paid is exclusively related to the business of advertising space of Doodle India.

In addition to above information, during the month of January:

(I) Doodle India has incurred following expenses:

1. Expenses exclusively related to operation of call centre – ₹ 75,00,000
2. Expenses exclusively related to promotion and marketing services for Doodle Inc. – ₹ 50,00,000

(II) Doodle India earned an income of ₹ 8,00,00,000 from sale of online advertising space in India.

(III) Doodle Inc. earned an income of ₹ 10,00,00,000 from non-taxable online recipient customers, from

cloud-based storage services in India.

The opening balance of input tax credit for the relevant period for Doodle India is nil.

Note: In the aforesaid case scenario,

(i) GST is applicable on all inward and outward supplies unless otherwise specified:

A. Intra-State supply – 9% CGST and 9% SGST

B. Inter-State supply – 18% IGST

(ii) Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

(iii) All the amounts are exclusive of GST, wherever applicable, unless otherwise provided.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. i. to iv. as follows:- [ICAI Material] [CA Final MTP Mar 23]

i. What shall be the output tax payable, without any adjustment of input tax credit, if any, by Doodle India for the month of January?

- | | |
|------------------|------------------|
| a. ₹ 1,44,00,000 | b. ₹ 2,38,50,000 |
| c. ₹ 1,69,65,000 | d. ₹ 1,66,50,000 |

[Hint:- The only income data given in Q of Doodle India is ₹ 8,00,00,000 taxable at 18% IGST]

ii. What shall be the net GST liability of Doodle Inc. for the month of January?

- | | |
|------------------|------------------|
| a. Nil | b. ₹ 1,80,00,000 |
| c. ₹ 1,84,50,000 | d. ₹ 2,74,50,000 |

[Hint:- The only income of Doodle Inc. taxable under forward charge is ₹ 10,00,00,000 from NTOR in India * 18%. Rest all other income is taxable

under RCM as provided to other than NTOR i.e. to registered person]

iii. What shall be the total input tax credit of Doodle India from the transactions undertaken in the month of January?

- a. Total input tax of ₹ 90,00,000
- b. Total input tax of ₹ 1,12,50,000
- c. Total input tax of ₹ 1,17,00,000
- d. Total input tax of ₹ 27,00,000

[Hint:- (Purchase of online add space ₹ 5,00,00,000 + royalty paid ₹ 25,00,000 + call centre exp. ₹ 75,00,000 + promotion exp. 50,00,000) * 18%]

iv. Please select the correct statement specifically in relation to sale of online advertisement space service provided by Doodle Inc. to Doodle India:

- a. Doodle Inc is providing online information and database access or retrieval service and is thus, required to register in India under GST and discharge GST on forward charge basis.
- b. Doodle Inc is providing online information and database access or retrieval service electronically and place of supply in such case is the location of supplier which is outside taxable territory in present scenario. Therefore, no GST is payable on such services.
- c. Doodle Inc. is providing online information and database access or retrieval service and tax on the same is to be paid by Doodle India on reverse charge basis.
- d. Doodle Inc. is providing online information and

database access or retrieval service and tax on the same is to be paid by Doodle India in capacity of an agent of Doodle Inc.

[Hint:- Refer sl. No. 17 under RCM chapter - supply by person from non-taxable territory to other than NTOR, Refer sec 2(16) and 2(17) of IGST Act]

MCQ 26.01.05.00

Ganesh Flour Mill Pvt Ltd., a registered supplier under GST and a monthly return filer, having plant at Howrah, West Bengal, is engaged in the business of food processing. Within the plant premises, there is a stock yard, an office and a few residential quarters for employees of the company. After purchasing wheat from local market/ mandi, the company processes it and packs and sells the finished products such as atta, maida and suji in 1 kg, 5 kg & 10 kg bags under the brand name "Ganesh Bhog". The aggregate turnover of the company during the preceding financial year was ₹ 7.50 crore.

Following details are provided by the company for the month of September:

Particulars	Amount (₹)
Sale of "Ganesh Bhog" atta, maida & suji (Note 2)	60,00,000
Purchase of wheat from mandi	14,00,000
Transportation charges paid to an unregistered goods transport operator for transportation of wheat from mandi to factory	40,000

Hiring charges paid to a local truck owner (not a GTA) for transportation of finished products from factory to distributors	50,000
Rent received from residential quarters allotted to employees (unregistered)	10,000
Electricity charges paid to West Bengal State Electricity Board	1,60,000
Bill raised by M/s BIS Security, Kolkata (a partnership firm registered under GST) for providing security service (Note 1)	1,18,000
Interest on delayed payment collected from customers	3,500
Interest on fixed deposit in a bank	8,600
Payment to Indian Chamber of Commerce (registered under GST) towards sponsorship for Investor Summit at Kolkata	25,000
Legal fee paid to advocate, Mr. Ashok Ganguly	30,000
Licence fee paid to Food & Safety Standard Authority of India (FSSAI)	25,000

Following additional information has also been provided by the company:

- (1) The security service bill raised by M/s BIS Security is inclusive of GST @ 18%.
- (2) Out of the total sales, "Ganesh Bhog" Atta worth ₹ 3,50,000 (10,000 kg) was supplied to Department of School Education, Govt. of West Bengal for further supply to affected families during Covid-19. A subsidy of ₹10 per kg was received from Govt. of West Bengal for the said supply which has not been considered in the

total sales of ₹ 60,0000.

(3) The company had awarded a maintenance contract to Power Electromech Pvt Ltd., Delhi on 10th June, for repair of DG set installed in the factory, for ₹ 60,000 with a completion period of 30 days. The maintenance work was completed on 8th July.

However, due to some dispute regarding quality of work, invoice was issued by Power Electromech Pvt Ltd. only on 5th September and payment was released on 15th September.

(5) The company had been levied a penalty of ₹ 5,000 for wrong utilization of ITC by the proper officer.

(6) The company had deposited the tax liability for the month of August amounting to ₹ 3,30,730 on 28th September.

Note. All the above amounts are exclusive of GST, wherever applicable, unless specified otherwise.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. (i) to (v) below: [CA Final MTP Mar 23][Study Mat]

i) The value of taxable outward supply made by the company in the month of September is -

- (a) ₹ 61,48,100 (b) ₹ 59,03,500
(c) ₹ 61,39,500 (d) ₹ 59,35,500

[Hint:- ₹6000000 sales + ₹3500 int on delayed payment - ₹100000 subsidy]

ii) The value of taxable supply received by the company in the month of September on which GST is payable under reverse charge is-

- (a) ₹ 1,55,000 (b) ₹ 1,73,000

(c) ₹ 1,30,000 (d) ₹ 2,45,000

[Hint:- Refer RCM- sl.no. 4 for sponsorship ₹25000 + sl. No. 14 for security service (₹118000/118%) + sl. No. 2 for legal service ₹30000]

iii) What is the time of supply of services provided by Power Electromech Pvt Ltd?

(a) 10th June (b) 5th September

(c) 15th September (d) 8th July

[Hint:- Refer sec 13(2) - If invoice is not issued within 30 days of supply, TOS is earlier of date of completion or date of payment]

iv) The amount of interest payable by the company under section 50 of the CGST Act, 2017 for delay in payment of tax for the month of August?

(a) ₹ 4,961 (b) ₹ 1,305

(c) ₹ 4,567 (d) ₹ 1,142

[Hint:- Refer sec 50 read with rule 88B_ ₹330730 * 18% p.a. *8/365 days]

v) In the context of the imposition of penalty on the company by the proper officer of ₹ 5,000, which of the following statements is correct?

(a) Penalty is leviable since the offence is not a "minor breach".

(b) Penalty is not leviable since the offence is a "minor breach".

(c) Penalty is leviable even if the offence is a minor breach.

(d) No penalty is leviable for such offence; only interest is payable by adding the ITC amount wrongfully utilized to the output liability.

[Hint:- Minor breach involves tax < ₹5000 & not = ₹5000]

MCQ 26.01.06.00

XYZ Ltd. is registered with the jurisdictional GST authorities in the State of Rajasthan and operates in multiple businesses. The principal business of XYZ Ltd. is works contract service being provided to the customers by way of fabricating and installing the body for large transportation vehicles. The chassis of the vehicles are provided by the customers to XYZ Ltd. XYZ Ltd. procures the material for fabrication and installs the same on the chassis against a lumpsum agreed amount for material as well as services.

In addition to the above business, XYZ Ltd. is also engaged in providing transportation of goods by road through its own fleet of trucks. GST is chargeable on such services @ 5%.

During the month of January, XYZ Ltd. undertook the following transactions:

(i) Provided transportation of goods services to A Ltd., a registered person under GST in the State of Gujarat and received an amount of ₹ 10,00,000 as consideration for the same.

(ii) Purchased tyres for its own fleet of trucks and paid an amount of ₹ 1,00,000 for such purchases.

(iii) Purchased a machinery with an advance technology for fabrication of body for luxury buses amounting to ₹ 50,00,000.

The machinery is installed at XYZ Ltd.'s premises and the same was purchased from B Ltd., a registered person in the State of Rajasthan. B Ltd. procured such machinery from C Ltd., a registered person under GST in the State of Maharashtra. The delivery was made by C Ltd. directly at the premises of XYZ Ltd. and installation work was carried out by the engineers of C Ltd.

The amount charged by C Ltd. from B Ltd. was ₹ 42,00,000.

(iv) XYZ Ltd. procured certain engineering services for its fabrication business through electronic mode from Lummus Inc., a company located in Italy. The consideration paid to Lummus Inc. was ₹ 15,00,000. Further, certain goods were exported by XYZ Ltd. for carrying out repairs work on the same to Lummus Inc. The consideration paid for such goods was ₹ 5,00,000.

(v) Provided transportation services to ABC Ltd., its related party and received an amount of ₹ 5,00,000. The arm's length amount of such services provided to third party unrelated customers was ₹ 7,00,000.

(vi) XYZ Ltd. sold scrap relating to fabrication business amounting to ₹ 5,00,000.

(vii) Purchased goods relating to fabrication business for ₹ 10,00,000 out of which goods worth ₹ 1,00,000 were stolen from the premises of XYZ Ltd.

(viii) Received an advance of ₹ 10,00,000 for fabrication work on new chassis and ₹ 3,00,000 towards transportation services from W Ltd., a registered person under GST in the State of Madhya Pradesh.

The opening balance of input tax credit for the relevant tax period for XYZ Ltd. is nil. All the above amounts are exclusive of GST, wherever applicable.

The applicable GST rate on all inward and outward supplies is 18% unless specified otherwise. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled. [ICAI Material]

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1 to v :-

i. Determine the net outward GST liability, payable in cash, of XYZ Ltd. for the month of January.

- a. ₹ 5,40,000 b. ₹ 2,70,000
c. Nil d. ₹ 7,38,000

[Hint:- ₹15 lakhs for engineering service * 18% under RCM is to be discharged in cash. ₹5 lakhs is the purchase value of goods sent for repairs whereas actual repairs charges are not given in question, so ignore the same for your calculations]

ii. What shall be the total eligible input tax credit available to XYZ Ltd. for the month of January?

- a. ₹ 10,80,000 b. ₹ 10,62,000
c. ₹ 13,32,000 d. ₹ 9,00,000

[Hint:- 1) (Purchases ₹10,00,000 - goods stolen ₹1,00,000 + engineering service under RCM ₹15,00,000 + machine purchased ₹50,00,000)*18%. All these are used for fabrication business.

2) ITC of tyres purchased ₹100000 is not allowed as it used for making an outward exempt supply as per sec 17(3). Sec 17(3) states that exempt supply includes supplies on which the recipient is liable to pay tax on

RCM & here, GTA service provided by XYZ. Ltd. is taxable under RCM]

iii. Whether Lummus Inc. is required to obtain registration in India to discharge GST liability? If yes, compute the amount of GST liability to be discharged by it in the month of January?

- a. Yes, as online information database access and retrieval service provider. GST payable is ₹ 3,60,000
b. Yes, as online information database access and retrieval service provider. GST payable is ₹ 2,70,000
c. No, GST liability of Lummus Inc. is nil.
d. Yes, as normal taxpayer. GST payable is ₹ 3,60,000

[Hint:- Refer sl. No. 17 OF RCM- tax is to be paid by XYZ Ltd. under RCM]

iv. Determine the GST liability of XYZ Ltd. on transportation of goods services provided to ABC Ltd.

- a. Nil b. ₹ 90,000
c. ₹ 1,26,000 d. ₹ 36,000

[Hint:- Refer sl. No. 1 under RCM - tax is to be paid by ABC Ltd. under RCM]

v. In case of the machinery sold and fabricated by C Ltd., the place of supply and tax charged shall be:

- a. Location of C Ltd.; IGST of ₹ 7,56,000
b. Location of XYZ Ltd.; IGST of ₹ 7,56,000
c. Location of B Ltd.; IGST of ₹ 9,00,000
d. Location of C Ltd.; CGST of ₹ 3,78,000 and SGST of ₹ 3,78,000

[Hint:- Question is asking above for the transaction between C Ltd. & B Ltd. as the question has asked the

details about machinery sold & fabricated by C Ltd. POS shall be the place of installation u/s 10(1)(d) of IGST Act & IGST = ₹42 lakhs * 18% as POS is Rajasthan & LOS is MH]

MCQ 26.01.07.00

ABC Pvt. Ltd., a company registered under GST in the State of Uttar Pradesh, manufactures products which are used in laboratories. The products are manufactured in the company's factory located in Lucknow, Uttar Pradesh and sold in various parts of Uttar Pradesh.

The company also provides repair and maintenance services for its products. The details of turnover of the company are as under:

Particulars	F.Y. - 1 (₹)	F.Y. - 2 (₹)
Turnover from supply of goods	75,00,000	1,02,00,000
Turnover from supply of services	7,10,000	9,25,000
Interest income from extending loans to others	5,25,000	6,26,000

The company procures service of M/s Ram Enterprises, a Goods Transport Agency, having its place of business in Lucknow, Uttar Pradesh, for transport of goods from its factory to customers' location.

M/s Ram Enterprises prepares a regular consignment note containing the details of consignor and consignee and other prescribed details. The services provided by M/s Ram Enterprises are chargeable to

tax @ 5%.

Following details are provided by ABC Pvt. Ltd. for the month of July of FY-3 (current FY):

	Particulars	Amount (₹)
(i)	Turnover from supply of goods	10,20,000
(ii)	Turnover from supply of services	92,550
(iii)	Interest income from extending deposit to others	5,000
(iv)	Amount charged for services received from M/s Ram Enterprises	50,000
(v)	Raw material received from other States	5,26,000
(vi)	Input services received	7,80,900

Following additional information is also provided:

(1) The raw material received by ABC Pvt. Ltd. mentioned in point (v) above includes goods amounting to ₹ 2,26,000 received from M/s Aakash Enterprises on the instructions received from M/s Abhijaat Enterprises. M/s Aakash Enterprises has its principal place of business in Uttar Pradesh whereas M/s Abhijaat Enterprises has its principal place of business in Gujarat.

(2) Vidhata Foundation, a Charitable Trust, registered under section 12AA of the Income Tax Act, 1961 has been set up by the founders of ABC Pvt. Ltd. for conducting charitable activities in the State of Uttar Pradesh. The Trust organizes sessions on yoga and spirituality in the State of Uttar Pradesh and charges participation fees for the same. The total fees collected from participants for the month of July of current FY is ₹ 2,50,000.

The input services received by the Trust during the said month amount to ₹ 1,25,260. The Trust is also analysing the proposal of granting rights to ABC Pvt. Ltd. to advertise on its premises.

Following GST rates are applicable on the inward and outward supplies unless otherwise specified:

Particulars	CGST	SGST	IGST
Outward supply	9%	9%	18%
Inward supply	6%	6%	12%

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1 to v.

[ICAI Material]

- i. Whether the service provided by M/s Ram Enterprises to ABC Pvt. Ltd. is chargeable to tax. If yes, who will discharge the tax liability?
- The service is chargeable to tax and M/s Ram Enterprises will bear the tax liability.
 - The service is chargeable to tax and ABC Pvt. Ltd. will discharge the tax liability.
 - The service is exempt under the CGST Act, 2017.
 - The service is chargeable to tax and M/s Ram Enterprises and ABC Pvt. Ltd. will discharge the tax liability in the ratio of 1:1.

[Hint:- Refer Sl no. 1 under reverse charge - RCM is applicable]

- ii. Whether ABC Pvt. Ltd. could have opted for composition levy under sub-sections (1) and (2) of section 10 of the CGST Act, 2017 for current financial year?
- Yes. However, it could have provided services up to

a value of ₹ 11,12,500 under composition levy during the current financial year.

- No, it could not have opted for composition levy.
- Yes. However, it could have provided services up to ₹ 5,00,000 under composition levy during the current financial year.
- Yes. However, it could have provided services up to ₹ 11,75,100 under composition levy during the current financial year.

[Hint:- Aggregate t/o is within the limit of ₹1.5 Cr in F.Y. 2 & hence, eligible for composition levy in C.F.Y. Also, it can provide services upto higher of ₹5 lakhs or (₹10200000 + ₹925000)]

- iii. Assuming ABC Pvt. Ltd. has opted for composition scheme under sub-sections (1) and (2) of section 10 of the CGST Act, 2017, what shall be the total GST liability of ABC Pvt. Ltd. in the State of Uttar Pradesh for the month of July?
- No liability, ITC of 1,56,828 will be carried forward.
 - ₹ 45,931
 - ₹ 13,626
 - ₹ 2,02,759

[Hint:- Manufacturer is liable to pay composition levy at 1% of t/o in state i.e. (₹1020000 + ₹92550) whereas RCM liability shall be discharged at normal tax rate without availing any ITC i.e. ₹50,000 * 5%. Interest on deposits is not to be considered in t/o in state]

- iv. Which of the following statement is incorrect in case of Vidhata Foundation?
- Services provided to charitable or religious trusts are

not outside the ambit of GST. Unless specifically exempt, they are chargeable under GST.

ii. All the activities of Vidhata Foundation are exempt from GST since it is a charitable trust registered under section 12AA of the Income-tax Act, 1961.

iii. Fees charged for sessions on yoga and spirituality are exempt since the objective of such programmes is advancement of yoga and spirituality.

- a. i & ii b. i
c. iii d. ii

[Hint:- Refer exemption relating to charitable activities- only charitable activities are exempt and not all incomes]

v. What shall be the place of supply (POS) for the supply transaction(s) between ABC Pvt. Ltd., M/s Abhijaat Enterprises and M/s Aakash Enterprises and the nature of tax leviable thereon?

a. POS for transaction between M/s Abhijaat Enterprises and M/s Aakash Enterprises is the location of principal place of business of M/s Abhijaat Enterprises, i.e. Gujarat and IGST is leviable on such supply. POS for transaction between M/s Abhijaat Enterprises and ABC Pvt. Ltd. is the location of principal place of business of ABC Pvt. Ltd., i.e. Lucknow, Uttar Pradesh and IGST is leviable on such supply.

b. POS for transaction between M/s Abhijaat Enterprises and M/s Aakash Enterprises is the location of principal place of business of M/s Aakash Enterprises, i.e. Uttar Pradesh and IGST

is leviable on such supply. POS for transaction between M/s Abhijaat Enterprises and ABC Pvt. Ltd. is the location of principal place of business of M/s Abhijaat Enterprises, i.e. Gujarat and CGST and SGST are leviable on such supply.

c. POS for transaction between M/s Abhijaat Enterprises and M/s Aakash Enterprises is the location of principal place of business of ABC Pvt. Ltd., i.e. Uttar Pradesh since goods are delivered there and CGST and SGST are leviable on such supply.

d. POS for transaction between M/s Abhijaat Enterprises and M/s Aakash Enterprises is the location of principal place of business of ABC Pvt. Ltd., i.e. Uttar Pradesh since goods are delivered there and IGST is leviable on such supply.

[Hint:- Refer Sec 10(I)(b) of IGST Act for transaction between Abhijaat Enterprises & Aakash Enterprises & refer sec 10(I)(a) of IGST Act for transaction between Abhijaat Enterprises & ABC Pvt. Ltd.]

MCQ 26.01.08.00

'Suraksha Travels Pvt. Ltd' (STPL) is established on 3rd April in the city of Bangalore (Karnataka) and the primary objective of the company is to provide air-conditioned contract-based passenger transportation services at affordable fares. The company obtains the voluntary registration under GST from 1st May. On 1st July, the company purchased motor vehicles of various seating capacities as follows.

Seating Capacity (Including Driver)	No. of Vehicles	Purchase price (Per vehicle exclusive of taxes)	Rate of GST
7 persons	4	10,00,000	CGST-9%; SGST - 9%
9 persons	3	12,00,000	CGST-9%; SGST - 9%
11 persons	2	14,00,000	CGST-9%; SGST - 9%
13 persons	1	15,00,000	CGST-9%; SGST - 9%

From the month of July, STPL is associated with RUBA Ltd. for enhancing the business operations. RUBA Ltd. owns/operates an electronic platform for supply of passenger transportation services in Bangalore.

The company developed an application called 'RUBA' through which the customers can access the nearest available motor vehicles (cabs) and avail the services. RUBA Ltd. collects the consideration for the services from the customers and remits the same to the service provider (STPL) after retaining the commission charged by it for using its electronic platform.

The details of few bookings of STPL in the month of July are as follows:

(These bookings are obtained by STPL on its own account and not through RUBA Ltd.)

Order No	Date of Travel	Starting City	Ending City	Residence of the Customer	Date of Payment /Booking	Status of Customer
CA - 234	5th July	Bangalore	Chennai	Bangalore	3rd July	Registered
CA- 435	11th July	Bangalore	Chennai	Chennai	9th July	Unregistered
PH - 534	16th July	Chennai	Bangalore	Hyderabad	14th July	Registered
GK- 987	19th July	Hyderabad	Bangalore	Delhi	17th July	Unregistered
UV- 777	22nd July	Bangalore	Hyderabad	Mumbai	20th July	Registered
XE- 001	25th July	Chennai	Bangalore	Kolkata	23th July	Unregistered

The invoice is issued electronically on the date of travel immediately after the completion of the journey.

The details of the passenger transportation services supplied by STPL through RUBA Ltd. & GST payable on the supply is as follows:-

Particulars	July (₹)	August (₹)	September (₹)
Value of services	1,30,00,000	1,25,00,000	1,40,00,000
CGST	9,00,000	8,00,000	8,50,000
SGST	9,00,000	8,00,000	8,50,000
IGST	4,00,000	3,50,000	4,50,000

Note:

- All amounts are exclusive of CGST/SGST or IGST, as the case may be.
- Booking will be confirmed only after paying total fare for the journey.
- There is no other inward or outward supply transaction for STPL in the relevant period apart

from the aforementioned transactions.

4. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

Based on the case scenario given above, choose the most appropriate answer to Q. nos. 1. to v. [ICAI Material]

i. Amount of blocked credit in respect of motor vehicles purchased by STPL on 1st July is_____.

- CGST=₹ 9,36,000; SGST=₹ 9,36,000 & IGST = ₹ 2,70,000
- CGST=₹ 3,24,000; SGST=₹ 3,24,000 & IGST=₹ 2,70,000
- CGST = Nil; SGST = Nil & IGST = ₹ 2,70,000
- CGST = Nil; SGST = Nil & IGST = Nil

[Hint:- Refer exceptions to sec 17(5)(a)- ITC on motor vehicle used for making taxable supply of passenger transport is not blocked]

ii. Amount of GST payable through electronic cash ledger by STPL on the services supplied by it through RUBA Ltd. during the month of July is_____.

- CGST=₹ 9,00,000; SGST=₹ 9,00,000 & IGST=₹ 4,00,000
- CGST = Nil; SGST = Nil & IGST = ₹ 58,000
- CGST = Nil; SGST = Nil & IGST = ₹ 1,30,000
- CGST = Nil; SGST = Nil & IGST = Nil

[Hint:- No tax is payable by STPL as the same is payable by ECO (RUBA Ltd.) u/s 9(5)]

iii. Amount of tax to be collected at source by RUBA Ltd. on the taxable supplies made through it

during the months of A) July, B) August and C) September, is_____.

- A) ₹ 65,000; B) ₹ 62,500 and C) ₹ 70,000
- A) ₹ 1,30,000; B) ₹ 1,25,000 and C) ₹ 1,40,000
- A) ₹ 1,30,000; B) Nil and C) ₹ 70,000
- A) Nil; B) Nil and C) Nil

[Hint:- ECO is not liable to TCS as the said service is covered u/s 9(5) & TCS provisions are not attracted here u/s 52]

iv. Place of supply for order numbers 1) CA-435, 2) PH-534 & 3) GK-987 is_____.

- 1) Bangalore, 2) Hyderabad & 3) Hyderabad
- 1) Chennai, 2) Hyderabad & 3) Hyderabad
- 1) Chennai, 2) Chennai & 3) Delhi
- 1) Bangalore, 2) Chennai & 3) Hyderabad

[Hint:- Refer sec 12(9) of IGST Act - POS shall be location of registered recipient otherwise it shall be the place of embarking]

v. Time of supply for order numbers 1) CA-234, 2) UV-777 & 3) XE-001 is_____.

- 1) 5th July, 2) 20th July & 3) 23rd July
- 1) 5th July, 2) 22nd July & 3) 23rd July
- 1) 3rd July, 2) 20th July & 3) 23rd July
- 1) 5th July, 2) 20th July & 3) 23rd July

[Hint:- Booking will be confirmed only after paying total fare for the journey & hence, TOS as per sec 13 is on payment basis being earlier of invoice date as invoice is issued only after completion of journey]

Note:- 1) TOS for consultancy service ₹50000 & int. on delayed payment ₹28,000 is in dec so not to be taken in oct calculation. 2) Subsidy has no effect here as it is given by SG & not included anywhere.

ii. Which of the following statements is/are not correct in the given case?

1. Subsidy received from the State Government will be included in the transaction value of the chemical product.
2. Service received from TikTak Inc. is not supply.
3. Service received from TikTak Inc. is supply.
4. GST is not payable on service received from Mr. Mehul.

- a. Only 1,2 and 3 b. Only 2,3 and 4
c. Only 1, 2 and 4 d. Only 4

[Hint:- 1) Refer sec 15(2)(e) - subsidy is not directly linked to price of goods & hence, not to be included in value. 2) & 3) Refer para 4 of sch 1 - import of service without consideration from related party in the course or furtherance of business is treated as deemed supply. 4) service recd from Mehul is not covered under RCM entry 15 but it is a supply & liable to GST under forward charge]

iii. What is the time and place of supply for the interest paid on the delayed payment by PFPL?

- a. 1st October and Surat, Gujarat
- b. 1st October and Dhule Maharashtra
- c. 25th December and Surat, Gujarat
- d. 25th December and Dhule, Maharashtra

[Hint:- Refer sec 12(6)- TOS arises when interest

on delayed consideration is actually recd. Refer sec 10(1)(a) of IGST Act - POS is location of goods when movement terminates for delivery to recipient & here, NCPL is supposed to deliver the goods at PFPL's premises at Dhule, MH]

iv. Assuming that there are no other transactions carried out by NCPL during October to December apart from the ones as mentioned in the case scenario, total ITC available during such period is -

- a. ₹ 27,500 b. ₹ 9,500
c. ₹ 9,000 d. Nil

Hint:

Particulars	ITC (₹)
Hiring of motor car (supplier did not charge any GST in invoice & it is not covered under RCM also as per circular 177/09/2022 which states that for applying RCM, hiring should be for a period of time but in this case- it is a one time activity)	0
Import of technical consultancy service (50000 * 18%) (Refer para 4 of sch 1)	9000
Renovation of security office (Full amount ₹150000 is capitalised & hence ITC is blocked u/s 17(5))	0
Total	9000

v. In the given case scenario, if TikTak Inc. is not subsidiary of NCPL and has supplied the technical consultancy service to NCPL without consideration,

- a. it will be an exempt supply.
- b. it will be a zero-rated supply.
- c. it will not be a supply.
- d. it will be a taxable supply.

[Hint:- Refer para 4 of sch 1- Import of Service without consideration shall be treated as supply only when received from related party in the course or furtherance of business]

MCQ 26.01.10.00

Vispute Textile Pvt. Ltd. (hereinafter referred to as VTPL) is engaged in manufacturing and trading of textile products. Its head office is located in Surat, Gujarat. Besides, it has three other units - Darsh, Kunj and Nitya located in Mumbai (Maharashtra), Surat (Gujarat) and Pune (Maharashtra) respectively. The head office (hereinafter referred to as VTPL-HO) and Units Kunj and Nitya are registered under GST. Unit Darsh is not registered under GST as it is exclusively engaged in supply of exempt goods. Further, VTPLHO in Surat, Gujarat is also separately registered under GST as Input Service Distributor (ISD).

VTPL-HO purchased goods worth ₹ 5,00,000 from Mr. Jayesh. However, such goods were directly sent to the premises of registered job worker, Mr. Dinesh, without

being first received at VTPL's manufacturing unit. Goods were cleared by supplier – Mr. Jayesh – on 10th April, but were received by the job worker on 16th April. The job worker carried out the job work and supplied the goods to M/s. Mahendra Enterprises on 13th April of next year on payment of tax on the direction of VTPL-HO.

VTPL-HO has not declared Mr. Dinesh's premises as additional place of business in registration details on GSTN portal.

VTPL-HO bought a new motor vehicle worth ₹ 12,00,000 in exchange of old motor vehicle (Exchange value of old motor vehicle is ₹ 4,50,000) on 5th July, having seating capacity of 13 persons excluding the driver for the daily transport of its employees. Old motor vehicle was purchased 2 years before on 1st September for ₹ 8,00,000. Seating capacity of the old motor vehicle was 10 persons including driver. Rate of GST on motor vehicle is 18%.

On 25th July, VTPL-HO engaged Bahubali Ltd., a company (registered under GST in Mumbai, Maharashtra) dealing in textile machineries, to supply machineries worth ₹ 30,00,000 for a spinning unit to be set up at Satara, Maharashtra. Machineries are supplied in completely knocked down condition at the Satara unit and assembled by the engineers of Bahubali Ltd. Satara unit is yet to be registered under GST.

Following information is available in respect of the units for which VTPL is registered under GST as an ISD, for month of July:

Input Service	CGST (₹)	SGST (₹)	IGST (₹)	Remarks
X	50,000	50,000		Used in Unit Darsh
Y	-	-	1,20,000	Used in Unit Nitya and Darsh
Z	4,000	4,000		Used in Unit Kunj [Input Service Z is in respect of servicing of motor bike (with engine capacity of 120 cc) used in Kunj Unit for business purpose]

Total turnover of the units for the last financial year are given under.

Unit	Turnover (₹)
Darsh	15,00,000
Kunj	8,00,000
Nitya	10,00,000

Note:

1. Applicable rate of CGST and SGST is 6% each and IGST is 12% on all inward and outward supplies, unless otherwise specified.
2. All the units are operational during the year unless specifically mentioned otherwise in the question.
3. All the amounts given above are exclusive of GST, wherever applicable.
4. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. I. to v. as follows:- [Study Mat] [CA Final MTP Series II

Nov 23]

i. Which of the following statements is/are correct in respect of the goods sent for job work to Mr. Dinesh?

1. VTPL is not eligible to take input tax credit as it has not declared the premises of the job worker as its additional place of business.
2. VTPL is required to reverse the input tax credit as job worker returned the goods after 1 year from 10th April.
3. VTPL is not required to reverse the input tax credit as job worker returned the goods before 1 year from 16th April.
4. VTPL cannot directly sell the goods to M/s Mahendra Enterprises from job worker's premises as VTPL has not declared the premises of the job worker as its additional place of business.

- a. 1st and 4th
b. 2nd and 4th
c. Only 3rd
d. Only 4th

[Hint:- Refer Sec 143 read with sec 19 – goods directly sent to job worker for job work have to be returned or supplied within 1 year from date the goods are recd by job worker. If job worker is registered, then principal can directly supply goods from job worker's premises without declaring it as additional POB]

ii. Which of the following statements is true in context of input tax credit to be distributed by ISD VTPL-HO to Unit Kunj?

- a. CGST and SGST credit of ₹ 54,000 each and IGST credit of ₹ 1,20,000 will be distributed as IGST credit, to Unit Kunj in proportion to its turnover

of preceding financial year to the total turnover of all the three units of the preceding financial year.

b. Ineligible credit of CGST and SGST of ₹ 4,000 each will be distributed as ineligible credit of IGST of ₹ 8,000 to Unit Kunj.

c. Credit of CGST and SGST of ₹ 4,000 each will be distributed as credit of IGST of ₹ 8,000 to Unit Kunj.

d. Ineligible credit of CGST and SGST of ₹ 4,000 each will be distributed as ineligible credit of CGST and SGST of ₹ 4,000 each to Unit Kunj.

[Hint:- Ineligible credit of CGST & SGST ₹ 4000 each is used only for Kunj & hence, distributed to it only as per sec 20. As per the definition of motor vehicle - it does not include vehicle having less than 4 wheels with engine capacity of upto 25 CC, but here, bike has 120 CC & hence, included in motor vehicle definition & thus, ITC of motor bike is blocked u/s 17(5)(a)]

iii. Amount to be distributed by VTPL-HO to Unit Darsh is-

a. CGST and SGST credit of ₹ 50,000 each; IGST credit of ₹ 72,000.

b. CGST and SGST credit of ₹ 50,000 each; IGST credit of ₹ 54,545.

c. IGST credit of ₹ 1,72,000.

d. nil as Unit Darsh is not registered under GST and is exclusively engaged in supply of exempt goods.

[Hint:- Input service X is completely used for Darsh whereas input service Y is used for Darsh & Nitya which shall be distributed between them as per

their t/o of P.F.Y. The t/o ratio of Darsh & Nitya is 15:10. Hence, IGST distributed to Darsh = ₹ 50000 CGST + ₹ 50000 SGST + (120000 / 25 * 15)]

iv. Place of supply of the machinery supplied by Bahubali Ltd. on 25th July and the tax charged thereon is:

a. Surat, Gujarat; CGST and SGST

b. Satara, Maharashtra; CGST and SGST

c. Mumbai, Maharashtra; IGST

d. Surat, Gujarat; IGST

[Hint:- Refer sec 10(1)(d) of IGST Act- POS shall be place where the machine is assembled i.e. at Satara. As LOS & POS are same state, CGST & SGST shall be levied]

v. Amount of ITC available on purchase of new motor vehicle in exchange of old motor vehicle as on 5th July is _____.

a. nil as ITC is blocked on motor vehicle under section 17(5) of the CGST Act, 2017

b. ₹ 2,16,000

c. ₹ 1,35,000

d. ₹ 2,97,000

[Hint:- New motor vehicle has seating capacity of 14 (including the driver) which exceeds the limit of 13 given u/s 17(5)(a) & ITC is allowed. ITC = ₹ 12 lakhs * 18%. This exchange involves 2 separate transactions which shall be taxed in the hands of respective supplier with their respective value]

MCQ 26.01.11.00

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 for trading of goods 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 ₹ 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 ₹ 50 lakh, on 25th November was ₹ 40 lakh and on 7th December was ₹ 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 Nhava Sheva 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 ₹ 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 actual 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 (₹).

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.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos.

(i) to (v):- [CA Final MTP Nov 21] [Study Mat]

i) 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 ₹ 50 lakh.
- (b) XLL can avail credit of ₹ 40 lakh.
- (c) XLL can avail credit of ₹ 20 lakh.
- (d) XLL cannot avail credit on opening stock.

[Hint:- Refer sec 18(1)(a)- As XLL applied for registration on 25th Nov i.e. within 30 days of becoming liable on 31st Oct, it can avail ITC of Inputs held in stock and inputs contained in semi-finished or finished goods held in stock on 30th Oct]

ii). 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.

[Hint:- Person has to register in every state/UT from where it makes taxable supply & registration is to be obtained based on PAN all over India except for cases falling under sec 23]

iii) 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 ₹ 50,000.
- (d) E-way bill was rightfully issued by XYZ Logistics Limited being the transporter of goods.

[Hint:- Refer rule 138(14) for cases where e-way bill is not required to be generated - It includes transportation of goods from ICD to Customs port]

iv) 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.

[Hint:- Green cess is paid by XLL as a pure agent of customer and hence not to be added in value as per rule 33. Transport cost is to be added in value as that is charged to customer.]

v) 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.

[Hint:- Refer sl no. 9B of exemption - Supply of services associated with transit cargo to Nepal and Bhutan is exempt]

MCQ 26.01.12.00

Mr. Viyaan, a practicing Chartered Accountant, based in Hyderabad, is registered under GST in the State of Telangana. He undertook following transactions/activities during the current financial year:

(1) He provided consultancy services to Kahani Tours, a UK based entity engaged in the business of e-commerce in the field of tour and travels, having its office at UK. Kahani Tours paid a sum of Euro 95,000 to Mr. Viyaan billed @ 75 per Euro. Mr. Viyaan made travel to UK several times during the year and incurred Euro 5,000 @ ₹ 75 as incidental expenses (including VAT paid ₹ 10,000) which was ultimately charged from Kahani Tours. Kahani Tours also paid a sum of EURO 5,000 @ ₹ 75 to Mr. Viyaan as interest on account of delay in payment of agreed consideration.

Mr. Viyaan also hired the services of a professional firm based in UK to complete the assignment of providing services to Kahani Tours and paid Euro 10,000 @ ₹ 75. This was not recovered from Kahani Tours.

(2) Mr. Viyaan's taxable earnings for services provided in India for the financial year are ₹ 85,00,000. In addition to this, Mr. Viyaan also provided return filing services free of charge in the month of July to Indian residents who were economically weaker. Open market value of such services was ₹ 1,40,000.

(3) In July, Mr. Viyaan also provided financial services to his real brother Mr. Kish who is working at an IT company and earning handsomely, for ₹ 75,000 (invoice value). However, Mr. Viyaan offered him 90% discount on the invoice raised to him. Therefore, Mr. Kish paid ₹ 7,500 only.

(4) Thakar Electricals Ltd., registered under GST in Guwahati, Assam approached Mr. Viyaan to impart GST training to its accounts and finance personnel. Mr. Viyaan imparted the said training to 50 employees of Thakar Electricals Ltd. at a conference room of Sukh Ram Hotel located in Siliguri, West Bengal on 25th August.

Notes: The rates of tax are 9% (CGST), 9% (SGST) and 18% (IGST) on all inward/ outward supplies. All the amounts given above are exclusive of taxes, wherever applicable.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. i) to iv) below:- [Ca final MTP Mar 22][Study Mat]

i) Compute the value of supply made by Mr. Viyaan to Kahani Tour (in Euros).

- (a) 120,000
- (b) 105,000
- (c) 115,000
- (d) 125,000

[Hint:

Particulars	Euros
Consultancy charges being transaction value u/s 15(1)	95,000
Incidental expenses charged from Kahani tours u/s 15(2)(c)	5000
Interest on delay in payment of agreed consideration u/s 15(2)(d)	5000
Professional fees paid to firm based in UK (not recovered from Kahani Tours & not added)	-
Total taxable value	105000

ii) Compute aggregate turnover of Mr. Viyaan for the current financial year.

- (a) ₹ 1,78,75,000 (b) ₹ 1,86,25,000
(c) ₹ 1,63,82,500 (d) ₹ 1,80,90,000

(Hint: Aggregate turnover :-

Particulars	(₹)
Supply made to Kahani Tours (value is calculated in sub-question above) (Euros 105000 * Rs 75)	7875000
Taxable supply of services in India	8500000
Return filing services provided free of charge (not a supply as there is no consideration)	0
Financial services provided to Mr. Kish (Independent brother is not a related person & hence, actual transaction value is considered u/s 15(1)) (75000 - 90% discount)	7,500
Aggregate Turnover	16382500

iii) What is value of supply made by Mr. Viyaan to Mr. Kish if Mr. Kish is the son of Mr. Viyaan and not his brother, other facts remaining the same?

- (a) ₹ 7,500 (b) ₹ 75,000
(c) Not a supply since they are related
(d) Value cannot be determined

[Hint:- Son is always treated as a related person as per sec 2(49) & hence, value shall be the OMV ₹ 75000 as per rule 28]

iv) The place of supply of the GST training imparted by Mr. Viyaan to the accounts and finance personnel of Thakar Electricals Ltd. is _____.

- (a) Hyderabad, Telangana

(b) Guwahati, Assam

(c) Siliguri, West Bengal

(d) Either (a) or (b), at the option of Mr. Viyaan

[Hint:- Refer sec 12(5) of IGST Act- POS of training service provided to a registered person shall be the location of such person & here, Thakar Electricals Ltd. is registered in Guwahati, Assam]

MCQ 26.01.13.00

Jaskaran, a registered supplier of Delhi, is engaged in supplying a bouquet of taxable goods and services. He has made the following supplies in the month of January:

S.No.	Particulars	Value of service (₹)
1	Supply of 20,000 packages at ₹ 30 each to Sukhija Gift Shop registered under GST in Punjab [Each package consists of 2 chocolates, 2 fruit juice bottles and a packet of toy balloons]	6,00,000
2	500 packages each consisting of 1 chocolate and 1 fruit juice bottle given as free gift to Delhi customers on the occasion of Diwali [Cost of each package is ₹ 12, but the open market value of such package of goods and of goods of like kind and quality is not available. Input tax credit has not been taken on the items contained in the package]	
3	Catering services provided to elder brother free of cost for his business function in Delhi [Cost of providing said services is ₹ 55,000, but the open market value of such services	

and of services of like kind and quality is not available.]

*excluding GST

Following additional information has been furnished by Jaskaran:

- Penalty of ₹ 10,000 was collected in lumpsum in the month of March from Sukhija Gift Shop since the payment was received with a delay of 60 days.
- One of the old customers of Jaskaran - Mr. Bahubali - approached him requesting him to arrange the transportation of the goods purchased by him from a local supplier. Jaskaran arranged the transportation of said goods for Mr. Bahubali through a goods transport operator. Jaskaran did not issue a consignment note to Mr. Bahubali.

3. Assume the rates of GST to be as under:

Goods / Services supplied	CGST	SGST	IGST
Chocolates	9%	9%	18%
Fruit Juice Bottles	6%	6%	12%
Toy Balloons	2.5%	2.5%	5%
Catering Service	9%	9%	18%

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. i) to iv) below:- [CA Final MTP Mar 22] [Study Mat]

i) GST payable on packages supplied to Sukhija Gift Shop in January and in March is (1) _____ and (2) _____ respectively.

(a) (1) IGST - ₹ 1,09,526; (2) nil

(b) (1) CGST - ₹ 54,763; SGST - ₹ 54,763; (2) nil

(c) (1) IGST - ₹ 1,08,000; (2) IGST - ₹ 1,526

(d) (1) CGST - ₹ 54,000; SGST - ₹ 54,000; (2) CGST - ₹ 763; SGST - ₹ 763

[Hint:- Supply to Sukhija gift shop is a mixed supply as not naturally bundled & single price is charged for entire supply & hence, entire supply will be taxable at the highest rate applicable i.e. 18%. ₹10000 penalty is taxable in march as actually recd in march & shall be treated as inclusive of GST & taxable at same rate of 18%. LOS is Delhi whereas POS is Punjab & hence, 18% is charged. 18% GST = (₹600000 * 18%) & (₹10000/118*18) = ₹108000 & ₹1526]

ii) GST on services of transportation of goods provided by Jaskaran to Mr. Bahubali:

(a) is payable by Mr. Bahubali @ 5%.

(b) is payable by Jaskaran @ 12%.

(c) is payable by Mr. Bahubali @ 12%.

(d) is not payable at all.

[Hint:- Goods transport operator is not a GTA as it is not issuing consignment note & hence, the service is exempt under sl. No. 18 of exemption]

iii) Supply of 500 packages given as free gift to Delhi customers on the occasion of Diwali is

(a) a mixed supply (b) not a supply

(c) a composite supply

(d) a separate supply of chocolate and fruit juice bottle

[Hint:- The customers are not related & there is no consideration involved & hence, it is not a supply]

iv) For the purposes of GST law, value of supply of catering services provided by Jaskaran to his elder

brother free of cost for his business function in Delhi is -----.

(a) ₹ 60,500 (b) ₹ 55,000

(c) ₹ 60,500 or ₹ 55,000, whichever is lower

(d) nil as catering services provided by Jaskaran to his elder brother is not a supply.

[Hint:- Elder brother is not dependent on Jaskaran & hence, not treated as family as per sec 2(49). There is no consideration involved & hence, it is not a supply]

MCQ 26.01.19.00

Chilly Hot Private Limited (hereinafter referred to as 'Chilly Hot') is engaged in providing multidimensional services to its clients through its office in Haryana, registered under GST. During the month of July, following transactions were undertaken by Chilly Hot:

(i) Import of certain cloud services from Moon.com for an amount of ₹ 50,00,000. There is an additional charge of 2% as equalisation levy on such services in India which is recovered from the offshore service supplier by the Government. Moon.com passes the taxes to its customers by charging them, as its internal policy.

(ii) Chilly Hot pays sitting fee of ₹ 25,000 each to its 4 directors per month. Further, there are two directors who are in the executive roles and are withdrawing ₹ 2,00,000 each per month as salary from the company and the applicable TDS amount, under section 192 of the Income - tax Act, 1961, is deducted from such salary.

(iii) Chilly Hot paid for life insurance of its employees in compliance of its internal policy. The amount of premium was ₹ 5,00,000.

(iv) Chilly Hot provided consultancy services to its client, Sun Corp. based in Bangalore and issued an invoice of ₹ 30,00,000.

(v) Empowering India is a non-government organisation located in Haryana. It aims at empowering the eligible companies to grow their business in India. Chilly Hot, being one of the eligible companies, received a subsidy of ₹ 5,00,000 in lumpsum from Empowering India for the month of July.

(vi) Chilly Hot provided sponsorship services to Mr. X, an individual, for an event organised by it in the State of Haryana. The amount agreed for such sponsorship services is ₹ 5,00,000.

All the amounts given above are exclusive of GST unless otherwise provided. There is no other outward or inward supply transaction apart from aforesaid transactions in the month of July.

The opening balance of input tax credit for the relevant tax period for the company is nil. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

GST is applicable on all inward and outward supplies at the following rates:

I. Intra-State supply - 9% CGST and 9% SGST

II. Inter-State supply - 18% IGST

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos i) to v) below: [CA Final MTP Apr 22] [Study Mat]

i) The liability to pay GST for cloud services procured by Chilly Hot from Moon.com shall be:

(a) on Moon.com since the services are online information and database access or retrieval services and GST of ₹ 9,00,000 shall be paid by Moon.com.

(b) nil. There will not be any GST liability on the transaction since Moon.com is located outside India and services are provided electronically.

(c) on Moon.com under forward charge and GST of ₹ 9,18,000 shall be paid by Moon.com.

(d) on Chilly Hot under reverse charge and GST of ₹ 9,18,000 shall be paid by Chilly Hot.

[Hint:- Refer sl no. 17 under RCM relating to IGST- Chilly Hot (recipient) is a registered person receiving service from non-taxable territory & RCM is applicable. Equalisation levy of 2% on ₹50 lakhs is to be added in ₹50 lakhs value u/s 15(2)(a) as recovered from recipient. Hence, GST payable = (50 lakhs + 2% of ₹50 lakhs) * 18% = ₹918000]

ii) Chilly Hot seek your advice on the taxability of the sitting fee payable to directors and salary payable to the executive directors. The correct advice is:

(a) Sitting fees paid to the directors is liable to GST under reverse charge and the salary paid to executive directors shall not be liable to GST.

(b) Total amount payable to directors (sitting fees as well as salary) is exempt from GST.

(c) Total amount payable to directors (sitting fees as well as salary) is liable to GST under reverse charge in hands of Chilly Hot.

(d) Total amount payable to directors (sitting fees as well as salary) is liable to GST under forward charge in the hands of the directors as professional income.

[Hint:- Salary payable to executive director is covered under para 1 of schedule III & hence, not a supply whereas sitting fees to directors is a supply & liable to GST as it is not in course/relation to employment. Sitting fee is covered under RCM under sl. no. 6]

iii) What shall be the amount of input tax credit available with Chilly Hot for the month of July?

(a) ₹ 10,26,000 (b) ₹ 11,16,000

(c) ₹ 9,36,000 (d) ₹ 1,96,000

[Hint:- ITC available for July:-

Particulars	ITC (₹)
Cloud services [(50 lakhs + 2% of 50 lakhs) * 18%]	918000
Sitting fees to directors (25000 * 4 * 18%)	18,000
Salary to directors (not a supply & hence, no GST paid on it)	-
Life insurance of employees (ITC is blocked u/s 17(5)(b) - as it is not paid under statutory obligation)	-
Total ITC	9,36,000

iv) Compute the value of outward supplies made by Chilly Hot in the month of July.

(a) ₹ 30,00,000 (b) ₹ 25,00,000

(c) ₹ 35,00,000 (d) ₹ 40,00,000

[Hint:- Consultancy service ₹30 lakhs + sponsorship service ₹5 lakhs taxable under forward charge as provided to individual = ₹35 lakhs]

v) Compute the amount of GST to be deposited in cash by Chilly Hot for the month of July.

(a) Nil (b) ₹ 7,20,000

(c) ₹ 9,36,000 (d) ₹ 14,76,000

[Hint:- GST to be paid in cash for July:

Particulars	GST (₹)
Tax payable under reverse charge:-	
Cloud services [(50 lakhs + 2% of 50 lakhs) * 18%] (to be paid under RCM)	9,18,000
Sitting fees to directors (25000 * 4 * 18%) (to be paid under RCM)	18,000
GST payable in cash	9,36,000

Note:- There is sufficient ITC available ₹936000 to pay tax payable under forward charge as under:-

Consultancy service (₹30 lakhs * 18%) = ₹540000

Sponsorship service (₹5 lakhs * 18%) = ₹90000]

MCQ 26.01.15.00

Mr. Shorya, proprietor of M/s Grand-New Enterprises, is engaged in trading of office stationery items in its stationery store located at Salt Lake City, Kolkata. The said store is taken on lease from Kolkata Municipal Corporation (KMC).

During the previous financial year, the turnover of M/s Grand-New Enterprises was ₹ 14 lakh.

Mr. Shorya supplies goods within the State of West Bengal only, but purchases stationery items mostly from Delhi & Mumbai. He owns a duplex house in New Town, Kolkata. He stays on the ground floor & has let out the first floor to an employee of IDICI Bank, Delhi (both unregistered under GST) for residential purposes. The rent for the same is paid by IDICI Bank to Mr. Shorya.

During the current financial year, he applied for GST registration on voluntary basis on 2nd April, 20XX and the registration was granted to him w.e.f. 9th April, 20XX.

The details of his stock position during current financial year is as under:

Particulars	2nd April, 20XX	8th April, 20XX
Office stationery items purchased from a registered dealer	₹ 1 lakh	₹ 1 lakh
Books, periodicals, journals, newspaper, maps etc.	₹ 0.20 lakh	₹ 0.20 lakh

The details of transactions carried out by Mr. Shorya during the current financial year is furnished hereunder:

Particulars	1st April, 20XX to 8th April, 20XX (₹ in lakh)	9th April, 20XX to 31st March, 20YY (₹ in lakh)
Sale of office stationery items (Intra-State supply to RP)	3	84
Sale of office stationery items (Intra-State supply to URP)	2	14
Legal fees paid to advocate	-	0.10
Purchase of stationery items (Intra-State supply received from registered person)	3	74
Purchase of furniture for use in own office (from an unregistered dealer of Kolkata)	-	1
Purchase of stationery items from a registered dealer of Delhi	1	18
Lease rent of the stationery store paid to Kolkata Municipal Corporation (KMC)	-	1.20
Transportation charges paid to M/s Jagat Transporters, a GTA (tax is not payable @ 12%)	0.10	1.50
Interest paid on borrowings from BBI Bank	0.20	1.80
Accrued interest on Fixed deposit with BBI Bank	-	0.16
Rent received from IDICI Bank for its employee	-	2.40

Mr. Shorya went to Mumbai, Maharashtra for a business meeting in February, 20YY and stayed in Hotel Blue Pines for a week. Hotel charged ₹ 1,00,000 (taxable value) for the stay.

All the amounts given above are exclusive of GST, wherever applicable, unless otherwise provided.

Assume that there is no other outward or inward supply transaction apart from aforesaid transactions in the current financial year. GST is applicable on all inward and outward supplies, except on services of transportation of goods, at the following rates:

- I. Intra-State supply – 6% CGST and 6% SGST
- II. Inter-State supply – 12% IGST

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. i) to v) below:- [CA Final MTP Apr 22] [CA Final RTP N21][Study Mat]

i) The value of outward supply which shall be subject to GST for the current financial year is---

- (a) ₹ 98 lakh
- (b) ₹ 100 lakh
- (c) ₹ 102.40 lakh
- (d) ₹ 108 lakh

[Hint:- Value of outward supply subject to GST:-

Particulars	(₹)
Intra-state sale of stationery to RP	8400000
Intra-state sale of stationery to URP	1400000
Sales between 2nd April to 8th April is not liable to GST as the voluntary registration is effective from 9th April	-
Accrued int. on FD (exempt under sl. No. 27 of exemption)	-

Rent received from IDICI Bank for its employee (Exempt under sl. No. 12 of exemption - renting of residential dwelling for use as residence to URP is exempt)	-
Total taxable value	9800000

ii) Which of the following statements is correct in terms of the facts of the case scenario given above?

- (a) Mr. Shorya cannot opt to pay tax in the FY - 20YY-22 under composition scheme under section 10(1) and 10(2) of the CGST Act, 2017.
- (b) Mr. Shorya is entitled to take the ITC of inputs held in stock on 1st April, 20XX.
- (c) Mr. Shorya shall be liable to pay GST under reverse charge under section 9(4) of the CGST Act during the current financial year in respect of purchases made from unregistered persons.
- (d) Mr. Shorya is entitled to take the ITC of inputs held in stock on 8th April, 20XX.

[Hint:- Refer sec 18(1)(b):- In case of Voluntary registration, effective date of registration is date of certificate of registration and assessee can take ITC on input held as stock on the day preceding the date of grant of registration - i.e. the day preceding the 9th April]

iii) The value of supply on which Mr. Shorya is liable to pay GST under reverse charge for the current financial year is _____.

- (a) ₹ 1,60,000 (b) ₹ 2,80,000

- (c) ₹ 1,30,000 (d) ₹ 2,70,000

[Hint:- GTA service taken ₹150000 is covered under sl. No. 1 of RCM + Lease rent ₹120000 of stationery store is covered under sl. No. 5A as property is rented by a local authority to RP]

iv) Which of the following inward supply is not subject to payment of tax under reverse charge mechanism?

- (i) Shop rent paid to KMC
- (ii) Legal fee paid to advocate
- (iii) Purchase of stationery items from unregistered person
- (iv) Transportation charges paid to M/s Jagat Enterprises

Choose the most appropriate option.

- (a) (i) and (ii) (b) (iii)
- (c) (ii) and (iii) (d) (i) and (iii)

[Hint:- Purchase of stationery items from URP is not covered under RCM & Legal service received is exempt as per sl. No. 45 of exemption as the t/o ₹14 lakhs of Shorya in P.F.Y. is not exceeding the threshold for registration u/s 22]

v) Whether input tax credit is available on the GST paid by Mr. Shorya on the taxable value of ₹ 1,00,000 charged by Hotel Blue Pines located in Mumbai, Maharashtra, for his stay? If yes, please specify the amount of input tax credit available.

- (a) Yes, ₹ 3,000 - CGST and ₹ 3,000 - SGST
- (b) Yes, ₹ 12,000 - IGST

- (c) Yes, ₹ 6,000 - CGST and ₹ 6,000 - SGST

- (d) No input tax credit is available.

[Hint: POS of Hotel service is Maharashtra as per sec 12(3) of IGST Act while the registration of Shorya is in Kolkata. Hence, ITC is not available for the CGST & SGST paid in Mumbai. ITC of one state cannot be utilized against tax payable in another state]

MCQ 26.01.16.00

Zoom Air is an airline company operating domestic as well as international flights. The head office of Zoom Air is in Mumbai and the company has also obtained registration under GST in each of the States from where the flight operations are being conducted.

During the month of January, following transactions were undertaken by it:

(i) Zoom Air sold air tickets worth ₹ 5,00,000 during the month from its head office and the breakup of air fare is as follows:

Basic fare excluding GST - ₹ 4,00,000

Passenger Service Fee (PSF) and User Development Fee (UDF) inclusive of GST - ₹ 1,00,000

Both PSF and UDF are statutory fees which are required to be collected by the airlines as per Government directions and authorization given to airlines. The aforesaid amount of PSF and UDF are inclusive of GST @ 18%. PSF and UDF are remitted by the airlines to the airport authority. Further, the

amount of PSF and UDF is separately disclosed in the invoice issued to customers by Zoom Air along with applicable GST. The airport authority pays an amount of 5% of PSF and UDF (inclusive of GST amount) collected as collection charges to the airlines on which GST is applicable. There is no levy of PSF and UDF on the tickets booked by Zoom Air for its own crew or other employees.

(ii) Zoom Air (Head Office) has collaborated with Supertrip India, an online travel portal, providing services to the customers by way of booking air tickets through its electronic commerce platform and registered under GST in the State of Maharashtra. During the month, Supertrip India booked tickets for ₹ 2,00,000 (base fare excluding GST, PSF and UDF) for the customers of Zoom Air. The amount was remitted by Supertrip India to Zoom Air after required adjustments as per GST law in terms of tax collection at source @ 1% as IGST or @ 0.5% of CGST and @ 0.5% of SGST as applicable. In addition to the aforesaid amount, Supertrip India charged commission from Zoom Air at the rate of 5% of the base fare of air tickets booked.

(iii) Zoom Air (Head Office) charged 100% cancellation fee from the customers for bookings made in prior months. The amount of cancellation fee charged was ₹ 1,00,000 inclusive of GST. Instead of actually collecting the

cancellation fee from the customers, such amount was adjusted against the booking amount and GST discharged at the time of initial bookings. However, the PSF and UDF amounting to ₹ 10,000 (inclusive of GST) charged from the customers against such bookings were refunded.

(iv) Zoom Air (Head Office) provided gifts in the form of air tickets to 10 of its employees based at its head office for an amount equivalent to ₹ 60,000 each. No amount was recovered from the employees for such air tickets.

(v) Zoom Air has a corporate tie-up with Welcome Hotel located in Rajasthan for stay of its crew members. For January, the hotel issued an invoice of ₹ 5,00,000 in the name of Zoom Air, Head office, Mumbai.

Haryana office of Zoom Air has provided services by way of sale of online advertisement space to Amazing Pvt. Ltd. (a company registered in the State of Haryana) for promotion of Amazing Pvt. Ltd.'s products. The amount charged for such service by Haryana office of Zoom Air is ₹ 5,00,000.

All the amounts given above are exclusive of GST unless otherwise provided. The opening balance of input tax credit of Zoom Air and Supertrip India for the relevant tax period is nil.

Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled. Assume that there is no other outward or inward supply transaction apart from

aforesaid transactions, in the month of January.

GST is applicable in the aforesaid case scenario @ 18% ignoring CGST, SGST and IGST bifurcation for the sake of simplicity.

In case of cancellation of tickets, the airport authority and Zoom Air had an agreement that PSF and UDF related adjustment shall be finalized at the end of financial year, i.e., during the month of March. Further, separate GST invoice shall be issued to carry out such adjustment in books of accounts.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. i) to v) below: [CA Final RTP May 22] [CA Final MTP Series I Nov 23]

i) The gross GST liability of Mumbai Head Office of Zoom Air for the month of January is:

- (a) ₹ 1,08,000 (b) ₹ 72,000
(c) ₹ 1,80,000 (d) ₹ 2,16,900

Particulars	(₹)
Tickets sold (only basic fare is to be taken as ₹1 lakh is just collected as pure agent - not to be added in value as per rule 33)	4,00,000
Collection charges received from airlines (100000 PSF & UDF collected * 5%)	5000
Tickets sold through Supertrip India (an ECO)	2,00,000
Tickets gifted to employees (₹10 * ₹60000) (Gift value is exceeding ₹50000 per employee & hence, is deemed supply as per para 2 of schedule 11)	6,00,000
Total taxable value	12,05,000
GST @18% on ₹1205000	216900

[Hint:- Gross GST liability of Mumbai HO for Jan:-

ii) Determine all kinds of credits available to Mumbai Head Office of Zoom Air for setting off

against its GST liability for the month of January is:

- (a) ₹ 3,800 (b) ₹ 93,800
(c) ₹ 6,800 (d) ₹ 96,800

[Hint:- 1) TCS collected by Supertrip India (on ₹ 2 lakhs @ 1% total) i.e. ₹ 2000 + GST paid on commission paid to Supertrip India ₹ 1800 (i.e. ₹ 2 lakhs * 5% * 18%). 2) ₹ 100000 PSF & UDF is collected just as pure agent & hence, Zoom Air is not liable to pay GST on the same & hence, no ITC is available. 3) POS of Hotel service is Rajasthan as per sec 12(3) of IGST Act & LOS is also Rajasthan. HO of Zoom Air is in Maharashtra & registered there. Hence, ITC is not available for the CGST & SGST paid in Rajasthan. ITC of one state cannot be utilized against tax payable in another state]

iii) Assuming that the customers, in point (i) of the case scenario above, are registered customers and all other conditions for availment of input tax credit are complied with, the amount of input tax credit available to such customers would be:

- (a) ₹ 90,000 (b) ₹ 72,000
(c) ₹ 87,254 (d) ₹ 76,272

[Hint:- 1) Zoom Air will collect GST ₹ 72000 on basic fare ₹ 400000 whereas GST to be collected by airlines is ₹ 15254 i.e. ₹ 100000/118*18.

2) So, total tax to be paid for which ITC shall be available to customers is ₹ 72000 + ₹ 15254 =

₹ 87254]

iv) Choose the correct answer in relation to the transaction between Haryana office of Zoom Air and Amazing Pvt. Ltd.:

- (a) The service is in the nature of online information and database access or retrieval services and Amazing Pvt. Ltd. is liable to pay IGST of ₹ 90,000.
(b) The sale of advertisement space is a deemed sale of services as per Schedule II of CGST Act, 2017 and liable to CGST of ₹ 45,000 and SGST of ₹ 45,000.
(c) Zoom Air is required to pay IGST of ₹ 90,000 and Amazing Pvt. Ltd. is required to collect tax at source on consideration paid to Zoom Air.
(d) Zoom Air is required to pay CGST of ₹ 45,000 and SGST of ₹ 45,000 and full credit shall be allowed to Amazing Pvt. Ltd.

[Hint:- POS shall be Haryana as per sec 12(2) of IGST Act. LOS & POS are in Haryana & hence, CGST & SGST shall be levied being an intra-state supply & there is no restriction on ITC availment here.]

v) Supertrip India purchases 1000 air tickets in bulk for an amount of ₹ 1,000 per ticket from Zoom Air and provides booking of air ticket facility at its

electronic portal to the customers on its own account. Supertrip India was able to sell only 800 air tickets for which the total amount collected from customers was ₹ 15,00,000. As per the agreement, the remaining 200 air tickets purchased by Supertrip India from Zoom Air lapsed, and amount was forfeited by Zoom Air. Rate of TCS is 1%.

Choose the correct statement.

- (a) Supertrip India shall be liable to pay GST of ₹ 90,000 and deduct TCS of ₹ 10,000.
(b) Supertrip India is acting as an agent of Zoom Air and shall be liable to pay GST of ₹ 1,26,000 and no GST will be payable by Zoom Air separately.
(c) Supertrip India shall be liable to pay GST of ₹ 90,000 and Zoom Air shall be liable to pay GST of ₹ 1,80,000.
(d) Supertrip India shall be liable to pay GST of ₹ 1,57,500 and Zoom Air shall be liable to pay GST of ₹ 1,80,000.

[Hint:- 1) Supertrip India purchased entire 1000 tickets on its own account & Zoom Air will pay tax on entire 1000 tickets sold i.e. tax to be paid by Zoom Air = (1000 tickets * ₹ 1000) * 18% = ₹ 180000. 2) Supertrip India sold 800 tickets for ₹ 15 lakhs on its own account & hence, liable to pay GST on ₹ 15 lakhs & avail ITC of ₹ 180000 tax paid on purchases from Zoom Air. Thus, tax payable = (₹ 15 lakhs * 18% - ₹ 180000 = ₹ 90000)]

MCQ 26.01.17.00

Mr. Mahesh, a registered person under GST, is engaged in textile business in the State of Gujarat. He wants to supply textiles with traditional Indian designs. So, he availed designing services from Mr. Manoj (grandfather of Mr. Mahesh) in South Africa without any consideration. He also availed architect services from Mr. Murali (brother of Mr. Mahesh) in London for ₹ 2 lakh for his personal purposes. Mr. Manoj is a well-established freelance textile designer in South Africa and Mr. Murali is an architect of high repute in London.

For producing the goods as per the traditional Indian designs, he needs to purchase & install an 'Automatic Zig-Zag Electric Sewing Machine'. On 3rd May, Mr. Mahesh raised a purchase order for Sewing Machine on KUSHA Pvt Ltd. (registered supplier in Andhra Pradesh) for an amount of ₹ 2 crores. The rates of GST on various dates of the transaction are as follows:

State	Particulars	Rate of IGST
06th June	Sewing machine is installed & accepted by Mr. Mahesh	18%
15th June	Date of invoice	18%
31st July	Payment is entered in the books of KUSHA Pvt Ltd.	28%
09th August	Payment is credited to the bank account of KUSHA Pvt Ltd.	28%

(Note: The rate has been changed from 18% to 28% with effect from 01st August)

From the next financial year onwards, Mr. Mahesh intends to provide ancillary services relating to textiles like dyeing and designing & also intends to avail the composition scheme. The details of turnover & GST payable during the current financial year & the budgeted figures for the next financial year are as follows:

Particulars	Current financial year (₹)	Next financial year (₹)
Taxable supplies (excluding GST)	55,00,000	77,00,000
Exempt supplies (exempt by way of a notification)	45,00,000	37,00,000
IGST (paid on outward supplies)	5,000	7,000
CGST	15,000	17,000
SGST	15,000	17,000

*including supply of services of ₹ 4,00,000.

On the occasion of 'Birth anniversary of Mahatma Gandhi', Mr. Mahesh received a contract for supply of Indian traditional clothes for an amount of ₹ 10,00,000 (exclusive of taxes) from XYZ Ltd., a State owned enterprise. It has its registered office at Delhi and it is registered under GST only in the Union Territory of Delhi. It intends to celebrate the birth anniversary of Mahatma Gandhi by distributing such clothes to the people in the city of Porbandar, Gujarat – birthplace of Mahatma Gandhi. As per the terms of the contract, the delivery of clothes should be made directly at Porbandar to an employee of XYZ Ltd. Mr. Mahesh supplied the goods as per the

contract & received the payment.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. i) to v) below:- [Study Mat]

i) In respect of the services imported by Mr. Mahesh, which of the following services are considered as supply under section 7 of the CGST Act, 2017?

- (a) Designing services received from Mr. Manoj of South Africa (b) Architect services received from Mr. Murali of London
(c) Both the designing services and architect services received from Mr. Manoj and Mr. Murali respectively
(d) Neither the designing services nor the architect services received from Mr. Manoj and Mr. Murali respectively

[Hint:- 1) Mr. Manoj is not a related person as he is not family as per sec 2(49) since he is independent & thus, transaction with him without consideration is not a supply under sec 7 or para 4 of schedule I. 2) Mr. Murali is also not a family i.e. not a related person but the transaction with him is supply as per sec 7(1)(b) as there is consideration involved though for personal purpose.]

ii) What is the 'date of payment' for sewing machine supplied by KUSHA Pvt Ltd. to Mr. Mahesh? Determine time of supply in said case.

- (a) 31st July; 6th June (b) 9th August; 6th June
(c) 31st July; 15th June (d) 9th August; 15th June

[Hint:- 1) As per proviso to sec 14- The date of receipt of payment shall be the date of credit in the bank

account if such credit in the bank account is after 4 working days from the date of CIRT. Here, amount is credited after 4 working days from 1st Aug, so date of payment is 9th Aug. 2) N/no. 66/2017 applies in case of sec 14 also & hence, TOS will be earlier of - Date of issue of Invoice or last date to issue invoice]

iii) Whether Mr. Mahesh will be eligible to opt for the composition scheme under sub-sections (1) and (2) of section 10 of the CGST Act, 2017 in the next financial year? If he is eligible, then what is the permissible limit for him for supply of services in the next financial year?

(a) Eligible; the permissible limit for supply of services is ₹ 11,40,000

(b) Eligible; the permissible limit for supply of services is ₹ 10,00,000

(c) Eligible; the permissible limit for supply of services is ₹ 5,50,000

(d) Mr. Mahesh is not eligible to opt for composition scheme.

[Hint:- 1) POS for transaction with XYZ Ltd. is Delhi as per sec 10(1)(b) & LOS is Gujarat & hence, such transaction is inter-state supply of goods. 2) Mahesh is engaged in inter state outward supply & hence, is not eligible to opt composition scheme u/s 10(2)(c)]

iv) With respect to contract for an amount of ₹ 10,00,000 from XYZ Ltd., specify the applicable rate of tax deducted at source (TDS) under section 51 of the CGST Act, 2017.

(a) 0.5 %

(b) 1%

(c) 2%

(d) Nil

[Hint:- Refer proviso to sec 51(1)- LOS (Mahesh) is Gujarat & POS is Gujarat as per sec 10(1)(a). Both LOS & POS are in same state whereas LOR (XYZ Ltd.) is in other state Delhi & hence, TDS provisions does not apply]

MCQ 26.01.18.00

Mr. X is engaged in the business of supplying FMCG (Fast-moving consumer goods) to the customers on retail as well as wholesale basis. X has its head office located in Delhi and branches in Rajasthan and Madhya Pradesh. It is registered under GST in all the three States.

During the month of January, following transactions were undertaken:

(i) X supplied goods to its agent A from its factory located in Rajasthan. A sold them to the unrelated wholesalers in the State of Rajasthan by issuing an invoice in his own name. The goods of like kind and quality were sold by A to an unrelated customer for ₹ 1,00,000. A also purchased goods of like kind and quality from another independent supplier for ₹ 80,000 on the same day.

(ii) X appointed a consultancy firm - Rudra Consultancy registered in Rajasthan- to incorporate a new company and to undertake all the legal formalities for incorporation of said company, for an agreed consideration of ₹ 35,000. Rudra Consultancy paid the legal fee of

₹ 15,000 to the relevant Government Department during the process of incorporation of the company. The GST invoice was issued by Rudra Consultancy on X's branch in Rajasthan for an amount of ₹ 35,000 without any breakup of its own service charges and other legal expenses or fees.

(iii) X imported certain digital data warehousing services from Mazon Inc. located in USA. The amount charged by Mazon Inc. was ₹ 5,00,000. The services were for personal consumption of X and were not used in course or furtherance of business of X. The transaction was billed to X on the GST registration number of Rajasthan.

(iv) X imported certain online gaming services from Balibaba Inc. located in China. The services were provided to X on free of cost basis. The open market value of such services was ₹ 1,00,000. These services were also for personal consumption of X and were received on a device whose internet protocol address was registered in India. The transaction was billed to X on the GST registration number of Rajasthan.

(v) Madhya Pradesh branch of X purchased goods worth ₹ 15,00,000 (liable to GST @ 5%) from a Madhya Pradesh dealer and procured certain input services worth ₹ 5,00,000 (liable to GST @ 28%) in Madhya Pradesh. In the later part of the month, X sold these goods for ₹ 18,00,000 (liable to GST @ 5%).

(vi) Rajasthan branch paid the sponsorship fee of ₹

5,00,000 to Ganga Solutions, registered in Rajasthan, for an entertainment event organised by Ganga Solutions in Haryana.

The opening balance of input tax credit of X in the States of Delhi, Rajasthan and Madhya Pradesh is nil. Further, there is no other inward or outward supply transaction for X in the months of January apart from the aforementioned transactions. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

All the above transactions are exclusive of GST, wherever applicable. GST is applicable in the aforesaid case scenario at the following rates unless otherwise specified:

(i) Intra-State supply – 9% CGST and 9% SGST

(ii) Inter-State supply – 18% IGST

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. i) to v) below: [CA Final RTP May 23]

1) In respect of the goods supplied by X to its agent A in Rajasthan, the value of supply shall be_.

a) ₹ 1,10,000

b) ₹ 72,000

c) Nil, since the supply between agent and principal without consideration is not a supply.

d) ₹ 80,000 or at the option of X - ₹ 90,000

[Hint:- Rule 29 applies as agent A is issuing invoice in his own name. Value shall be OMV Rs 80000 or 90% of Rs 100000]

ii) GST payable on the services of incorporation of the company provided by Rudra Consultancy to X is_.

a) ₹ 6,300 and full input tax credit of the same is available to X

b) ₹ 3,600 and full input tax credit of the same is available to X

c) ₹ 6,300 and input tax credit of ₹ 3,600 is available to X

d) ₹ 6,300 and no input tax credit is available to X

[Hint:- GST shall be payable on entire ₹ 35000 invoice value as there is no breakup available. So, this expense is not incurred as a pure agent. GST = ₹ 35000 * 18% total GST]

iii) Which of the following statements is true in respect of import of digital data warehousing services and online gaming services?

a) IGST of ₹ 1,08,000 is payable by X under reverse charge mechanism and full input tax credit of the same is available to X.

b) Service providers i.e. Mazon Inc. and Balibaba Inc. need to obtain registration as OIDAR (Online Information Database Access and Retrieval) service providers and pay IGST of ₹ 1,08,000 and no input tax credit is available to X.

c) IGST of ₹ 90,000 is payable by X under RCM and no ITC of the same is available to X.

d) No GST is payable since import of services by individuals for personal use is specifically exempt

under GST.

[Hint:- 1) As per sec 2(17) of IGST Act - digital data warehousing i.e. digital data storage is an OIDAR service. LOS is outside India, LOR is in India & POS is in India as per sec 13(12) of IGST Act & hence, it is import of service as per sec 2(11) of IGST Act. It is inter-state supply as per sec 7 of IGST Act & thus, IGST payable = ₹ 5 lakhs * 18% = ₹ 90000. Refer sl. no. 17 under RCM-supplier is outside India whereas recipient (Mr. X) is registered in India & hence, X will pay IGST under RCM but ITC is not allowed to him as ITC is blocked u/s 17(5) of CGST Act as the supply is used for personal consumption.

2) Online gaming service is obtained without consideration from unrelated person & hence, it is not a supply as per sec 7(1)(b).]

iv) Which of the following statements is true in respect of the sponsorship fee paid by Rajasthan branch of X to Ganga Solutions?

a) X is liable to pay IGST of ₹ 90,000.

b) Ganga Solutions is liable to pay IGST of ₹ 90,000.

c) X is liable to pay CGST and SGST of ₹ 45,000 each.

d) Ganga Solutions is liable to pay CGST and SGST of ₹ 45,000 each.

[Hint:-1) Refer sl. No. 4 under RCM- RCM will not apply as recipient X is not body corporate or partnership firm & hence, Ganga solutions will pay tax under forward charge.

2) POS u/s 12(7) of IGST Act is location of X as X is a

registered recipient in Rajasthan & thus, POS is Rajasthan. LOS & POS are in Rajasthan & thus, it is intrastate supply u/s 8 of IGST Act leviable to CGST & SGST of ₹45000 each i.e. (9% of ₹5 lakhs)

v) Compute the net GST liability of X in Madhya Pradesh and amount of input tax credit refund, if any, available to X.

a) Net GST liability is ₹15,000 and eligible refund amount under inverted duty structure is ₹1,40,000.

b) Net GST payable is nil and eligible refund amount under inverted duty structure is ₹1,25,000.

c) Net GST payable is nil and no refund is available.

d) Net GST payable is nil and eligible refund amount under inverted duty structure is ₹75,000

[Hint:- Net GST payable in MP:-

Particulars	GST (₹)
Supply of goods (18 lakhs * 18%)	324000
Less:-	
ITC of purchase of goods (15 lakhs * 18%)	-270000
ITC of input services availed (5 lakhs * 18%)	-90000
ITC on service obtained from Rudra consultancy (35000 * 18%)	-6300
Net GST payable	-42300

Note:- When we compute net GST payable- we have excess ITC & hence, net GST payable is Nil. Refund provisions are not attracted as there is no inverted tax structure or zero-rated supply here.]

MCQ 26.01.19.00

IndiaInfotel Ltd. (hereinafter referred to as Infotel) is a telecommunication company operating in India. The company has obtained registration in all the States in India and has its head office in Haryana. The invoice for telecommunication services in India is issued to the customer by head office located in Haryana for all the services.

During the month of January, following transactions were undertaken:

1. Receipts from post-paid mobile customers are ₹25,00,000 (₹5,00,000 is from customers located in Haryana and remaining amount is from customers located in rest of India).

Apart from this, Infotel collected an amount of ₹20,00,000 as subscription income (identifiable separately on the post-paid bill) from the customers (this amount is not included in the collection at point No. 1). The same was collected for payment to Cloudzone Ltd. (hereinafter referred to as Cloudzone), an online content provider [OTT Platform] located in Maharashtra. Full amount was remitted to Cloudzone by Infotel on behalf of the post-paid customers. Cloudzone issues invoice to the customers in its own name. As per the agreement, Infotel is not involved in any sort of facilitation or arrangement of supply from Cloudzone to the customers. The customers on their own availed the facility to pay for the services provided by Cloudzone by way of payment through

Infotel. Subscription income is charged from the customers on actual basis and no fee is charged by Infotel from the customers for such payment facility.

Infotel receives an amount equivalent to 10% of the total amount collected from the customers as collection charges from Cloudzone.

2. Direct receipts from prepaid mobile customers are ₹50,00,000 (Entire payment is received from customers located outside Haryana).

3. Mobile telecommunication revenue received from Paykwik Ltd. (hereinafter referred to as Paykwik), a reseller/ selling agent of Infotel, is ₹30,00,000. The location of Paykwik is in Maharashtra. Commission paid to Paykwik is 10% of the revenue received.

4. Infotel collected an amount of ₹5,00,000 from the customers located in Haryana against the direct to home (DTH) service provided in Haryana. This amount includes a one-time installation charges of ₹50,000.

5. Infotel purchased certain equipment for installation of its towers in the State of Rajasthan. The goods were delivered and installed by the supplier (based in Rajasthan) at Infotel's site in Rajasthan and invoice was issued to Infotel at Haryana Head Office. Total amount charged was ₹75,00,000.

6. Infotel collaborated with Amaze Inc., a company based in USA, for receiving technological support in relation to provision of cloud storage services to its

customers. The amount paid by Infotel to Amaze Inc. is ₹ 5,00,00,000 for technology support. Further, the cloud storage services were provided by Infotel to its unrelated premium customers on free of cost basis for the trial period. The open market value of such services is ₹ 75,00,000.

7. As per the agreement with Amaze Inc., in case of any failure in provision of cloud storage services to the customers by Infotel, Amaze Inc. shall provide the backup server access to Infotel's customers for data storage. The customer is not aware of the fact that data is being stored on Amaze Inc.'s server in case of failure at Infotel's end. Amaze Inc. charged an amount of ₹ 50,00,000 from Infotel for such instance in the month of January.

All the amounts given above are exclusive of GST unless otherwise provided. The opening balance of input tax credit for the relevant tax period of Infotel is Nil for all the registrations.

GST is applicable in the aforesaid case scenario at the following rates, unless otherwise specified:

I. Intra-State supply – 9% CGST and 9% SGST

II. Inter-State supply – 18% IGST

Assume that there is no other outward or inward supply transaction apart from aforesaid transactions, in the month of January.

Based on the facts of the case scenario given above, choose the most appropriate answer to

Q. Nos. i) to v) below:- [CA Final RTP Nov 23]

i) The GST payable in cash for the month of January by the Head Office of Infotel in Haryana (assuming that no ITC is utilised by it) is_.

- (a) ₹ 20,16,000 (b) ₹ 1,22,76,000
(c) ₹ 29,16,000 (d) ₹ 1,19,16,000

Hint:

Particulars	GST (₹)
Tax payable on Outward supplies	
Post paid receipts (₹25 lakhs * 18%)	4,50,000
Collection charges from Cloudzone (₹20 lakhs * 10% * 18%)	36,000
Pre paid receipts (50 lakhs * 18%)	9,00,000
Mobile telecommunication revenue (₹30 lakhs * 18%)	5,40,000
DTH service (₹5 lakhs * 18%)	90,000
Tax payable on inward supplies under RCM	
Technical support payment to Amaze Inc. (₹500 lakhs * 18%) (Refer sl. No. 17 under RCM)	90,00,000
Failure in provision of cloud storage services - amount paid by Amaze Inc. (₹50 lakhs * 18%)	9,00,000
Total	1,19,16,000

ii) The input tax credit available to Infotel in the month of January at its Head Office in Haryana is_.

- (a) ₹ 99,54,000 (b) ₹ 1,13,04,000
(c) ₹ 4,000 (d) ₹ 14,04,000

[Hint:- ITC = GST charged by suppliers + GST calculated under RCM = [(Commission paid to paykwik ₹30 lakhs * 10%) + (Supplies under RCM as covered in above Question i.e. ₹500L + ₹50L)] * 18% = ₹99,54,000]

iii) In terms of GST Law, please select the correct statement for transaction between Infotel, Cloudzone and the subscribing customer:

- (a) Infotel is an agent of Cloudzone.
(b) Infotel is a pure agent of Cloudzone.
(c) Infotel is a pure agent of the subscribing customer.
(d) Infotel is an intermediary of Cloudzone.

[Hint:- As infotel didn't charge anything from Subscribing customer & remitted all amounts those were collected from customer, so it is pure agent of customers. Invoice is also issued in Cloudzone's name. Refer the definition of Pure Agent to know all conditions]

iv) The jurisdictional tax authorities are contemplating to bring Amaze Inc. under the tax net for the transaction related to cloud storage. Please choose the most appropriate statement:

- (a) Amaze Inc. is liable to obtain registration and pay GST in India on the said transaction as it is providing online information and database access or retrieval services to Infotel.
(b) Amaze Inc. is liable to obtain registration in India and pay tax as principal supplier since it is providing cloud storage services to the customers through its agent i.e., Infotel in India.
(c) Infotel is an intermediary of Amaze Inc. and therefore, the tax liability of Amaze Inc. shall be discharged by Infotel on behalf of Amaze Inc.

(d) Amaze Inc. is not liable to, obtain registration and pay tax in India, in respect of the said transaction.

[Hint:- Refer sec 24- Supplier of OIDAR service from outside India is compulsorily required to register if it provides such service to URP. Here, Infotel is already registered and hence, Amaze Inc. is not liable to register in India and pay tax as it is also covered under RCM under Sl. no. 17 of RCM]

v) For the direct to home services, Infotel is exploring the possibility of providing equipment like dish antenna and cables (liable to GST at 28%) to the customers at an additional charge of ₹ 2,000. Currently, the company collects ₹ 1,000 from new customers as installation and one-month charges for services (liable to GST at 18%). In case the dish antenna and cables are also provided, the combined charge would be ₹ 3,000. Please select the most appropriate statement.

(a) GST on amount of ₹ 2,000 shall be charged at the rate of 28% and balance amount of ₹ 1,000 to be charged at 18%.

(b) GST on amount of ₹ 3,000 shall be charged at the rate of 28%.

(c) GST on amount of ₹ 3,000 shall be charged at the rate of 18%.

(d) No GST on ₹ 2,000 and GST at the rate of 18% on ₹ 1,000.

[Hint:- Supply of DTH services & providing equipment

like dish antenna & cables are composite supply here the principal supply is installation of DTH & hence, entire ₹3000 is liable to tax at rate of principal supply i.e. 18%]

MCQ 26.01.20.00

SR Associates is a partnership firm registered under GST in the State of Rajasthan. In the month of July, following transactions were made by SR Associates:

(a) Purchase of commodity X on 1st July from registered person for an amount of ₹ 5,00,000 at the rate of ₹ 1000 per tonne from the open market. The said commodity was deposited in the warehouse of NCDEX Ltd. (an agricultural commodity exchange) in Rajasthan as a security against transactions entered by SR Associates on the same day.

(b) In order to hedge the aforesaid transaction, on 1st July, SR Associates undertook a derivative sale transaction in futures contract for the month of August at NCDEX at the rate of ₹ 1,100 per tonne.

(c) SR Associates took subscription for an AI (Artificial Intelligence) based platform from an unrelated party, ABC Inc (a company based in US) to get real time updates on the pricing of commodity X in the international market. ABC Inc charged ₹ 50,000 for such subscription. The invoice was issued to SR Associates on 1st July, but the payment was made to ABC Inc on 20th August.

(d) NCDEX charges rent from SR Associates at the

rate of ₹ 10,000 per month and service charges at the rate of ₹ 20,000 per month.

(e) On the date of expiry of future contract of the month of August, i.e. 31st August for commodity X, the rate of commodity X was ₹ 900 per tonne. SR Associates squared off the contract (without physical delivery) for the month of August at the same rate.

(f) NCDEX charged brokerage on the transactions (both purchase and sale of derivative contract separately) at the rate of ₹ 5,000 per contract from SR Associates in the month when such transaction was entered and when such transaction was squared off.

(g) On the purchase of commodity X, additional levy in form of Mandi Tax was applicable at the rate of ₹ 10 per tonne which is not included in the rate per tonne under point (a) above.

All the amounts given above are exclusive of GST unless otherwise provided. The opening balance of input tax credit for the relevant tax period of SR Associates is Nil. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

Assume that there is no other outward or inward supply transaction apart from aforesaid transactions, in the months of July and August.

GST is applicable in the aforesaid case scenario at the following rates unless otherwise specified:

1. Intra-State supply – 9% CGST and 9% SGST

II. Inter-State supply – 18% IGST

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. (i) to (v) below:- [Study Mat] [CA Final MTP Series I nov 23]

i) Compute the taxable value of inward supply of commodity X for SR Associates in the month of July.

- (a) ₹ 5,00,000 (b) ₹ 5,50,000
(c) ₹ 5,55,000 (d) ₹ 5,05,000

[Hint:- Taxable value = Purchase price ₹500000 + Mandi tax added u/s 15(2)(a) ₹10 per tonne * 500 tonnes = ₹505000]

ii) Compute the value of outward supply made by SR Associates in the month of August.

- (a) Nil (b) ₹ 5,55,000
(c) ₹ 5,60,000 (d) ₹ 5,00,000

[Hint:- As per CBIC circular- if settlement of future contract does not take place by way of actual delivery of underlying commodity, then it would not be treated as supply of goods and thus, not liable to GST. Here, transaction is undertaken without physical delivery & hence, it is not a supply.]

iii) What is the time of supply for subscription of AI based platform by SR Associates?

- (a) July 1 (b) August 31
(c) August 20 (d) July 31

[Hint:- Refer sl. No. 17 of RCM under IGST- RCM is applicable in this case for import of service & SR

Associates is liable to pay tax. As per sec 13(3)- TOS is 20th Aug i.e. earlier of payment date 20th Aug or 61th day from 1st July i.e. 31st Aug]

iv) Compute the net GST payable in cash by SR Associates for the month of August.

- (a) Nil (b) ₹ 2,700
(c) ₹ 81,000 (d) ₹ 9,000

[Hint:- As discussed in above sub-question, RCM is applicable & SR Associates is liable to pay tax under RCM which is to be paid in cash. Net GST payable = ₹50000 * 18% = ₹9000]

v) Compute the input tax credit balance available with SR Associates for the month of July.

- (a) ₹ 9,000 (b) ₹ 16,200
(c) ₹ 97,200 (d) Nil

[Hint:- ITC balance available for July:-

Particulars	ITC (₹)
Commodity purchased (taxable value ₹505000 including mandi tax u/s 15(2)(a))	90,900
Subscription paid for AI (As TOS is in Aug- ITC is available in Aug & not in July)	-
Rent paid to NCDEX (₹10000 * 18%)	1800
Service charges paid to NCDEX (₹20000 * 18%)	3600
Future contract purchased & sold (not a supply as discussed earlier)	-
Brokerage paid on purchase of derivative contract in July (₹5000 * 18%)	900
Brokerage paid on sale of derivative contract in July on ₹5000 (ITC is available in Aug when it is sold)	-
ITC balance available	97,200

MCQ 26.01.21.00

Dhairya Limited, India, a registered supplier under GST in the State of Kerala, is engaged in supplying goods and services. Dhairya Inc., San Francisco, USA, is a subsidiary of Dhairya Limited, India and is engaged in supply of information technology services to customers in USA. Dhairya Limited, India has undertaken following transactions during the month of April:

Particulars	Amount (₹)
Supplied large paper rolls to Ford Mount School, Bengaluru (Karnataka), for printing of question papers. As directed by the school, Dhairya Limited delivered the paper rolls at a printing press located in Trivandrum, Kerala.	15,00,000
Bond amount recovered from the outgoing Managing Director (residing in Kerala) of Dhairya Limited since he had left the employment before contracted period.	2,50,000
Supplied steel sheets in the territorial waters* to Dhruvank Builders.	6,00,000
*Located at a distance of 12 nautical miles from the baseline of Kerala and 15 nautical miles from the baseline of Tamil Nadu.	
Received an advance for future supplies of goods from a customer based in Kerala	2,10,000
Received an advance for future supplies of services from a customer based in Kerala	4,90,000
Computer (used for business purpose & on which no ITC has been taken yet) given free of cost to unrelated person based in Kerala [Purchased 2 years' back at a price of ₹ 1,12,100 (including GST). Open market value is ₹ 75,000.]	Nil

Dhairya Limited provided the following additional information for the month of April:

- (i) The company paid the sitting fee of ₹ 6,00,000 to an independent director, based at Cochin, Kerala, for attending meetings.
- (ii) Room charges of ₹ 2,25,000 were paid to Hillwoods Hotel located in Mumbai, Maharashtra for stay of the CEO of the company on a business trip.
- (iii) The company availed the services of an Arbitral Tribunal in Cochin, Kerala to settle a business dispute and paid ₹ 7,00,000.
- (iv) Salary of ₹ 15,00,000 was paid to employees on payroll.
- (v) The company purchased a new machinery from a dealer based in Cochin, Kerala for ₹ 12,00,000. Depreciation has been claimed under the Income-tax Act, 1961 on the same including on all applicable taxes.

In the month of May, Dhairya Limited sent a team of 25 employees to San Francisco for receiving the training in emerging information technologies. The training was given by Dhairya Inc., USA, at its office located in San Francisco. The expenses related to such training were paid by Dhairya Limited to Dhairya Inc., USA.

Further, Dhoom Events Ltd., an event management company, located and registered at Karnataka, had organized a cultural event in the month of May for Dhairya Limited, in Dubai. Dhairya Limited paid a

sum of ₹ 10,00,000 to Dhoom Events Ltd. for the same.

Notes –

- (A) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively for both inward and outward supply of goods and services, wherever applicable.
- (B) All the amounts given above are exclusive of taxes, wherever applicable.
- (C) The opening balance of input tax credit for the relevant tax periods of Dhairya Limited, India is Nil.

(D) Assume that there is no other outward or inward transaction apart from aforesaid transactions, in the months of April and May.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. (i) to (vi) below:- [CA Final RTP May 24]

i) Which of the following activities/transactions undertaken by Dhairya Limited do not amount to supply?

- (i) Supply of steel sheets in territorial waters
- (ii) Computer being used for business purpose given free of cost to unrelated person
- (iii) Supply of paper rolls for printing of question papers to Ford Mount Senior Secondary School

(iv) Recovery of bond amount from the outgoing Managing Director

Choose the most appropriate option.

(a) (ii) and (iv)

(b) (ii), (iii) and (iv)

(c) (i), (iii) and (iv)

(d) (i), (ii) and (iii)

[Hint:- i) Steel sheets given is supply as there is consideration involved & supplied in the course/furtherance of business, ii) Computer without consideration to unrelated person is not a supply under para 1 & para 2 of schedule II as ITC is not availed on it, iii) Paper rolls given is supply as there is consideration involved & supplied in the course/furtherance of business & iv) Bond is recovered in relation to employment contract & hence it is not a supply as per para 1 of schedule III]

ii) Which of the inward supplies received by Dhairya Limited in the month of April are taxable under reverse charge?

- (i) Services received from the independent director
- (ii) Accommodation services received from Hillwoods Hotel, Mumbai
- (iii) Services of the Arbitral Tribunal
- (iv) New machinery purchased from the dealer based in Cochin
- (v) Salary paid to employees on payroll

Choose the most appropriate option.

(a) (ii) and (v)

(b) (ii), (iii) and (iv)

(c) (i), (iii) and (v)

(d) (i) and (iii)

[Hint:- i) One of the condition for being Independent director (ID) is the director should not have been an employee of the company & hence, services provided by ID is a supply & RCM is applicable as per sl. No. 6

of RCM, ii) RCM is N.A. as there is no entry on this, iii) RCM is applicable as per sl. no. 3 of RCM as the service is not exempt under sl. no. 45 of exemption chapter, iv) RCM is N.A. as there is no entry on this, & v) It is not supply as per para 1 of schedule III & thus, there is no question of RCM as tax is only not payable.]

iii) Compute the total GST payable on outward supplies before setting off of ITC for the month of April by Dhairya Limited.

(a) CGST - ₹ 1,03,050, SGST - ₹ 1,03,050 and IGST - ₹ 2,70,000

(b) CGST - ₹ 98,100, SGST - ₹ 98,100 and IGST - ₹ 2,70,000

(c) CGST - ₹ 1,35,000, SGST - ₹ 1,35,000

(d) CGST - ₹ 98,100, SGST - ₹ 98,100

[Hint:- Total GST payable before setting off of ITC:-

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Tax payable under FC			
Supply of paper rolls (As per sec 10(1)(b) of IGST Act- POS shall be Karnataka & LOS is Kerala. Thus, it is inter-state supply) (15 lakhs * 18% IGST)	2,70,000	-	-
Bond amount recovered from MD (it is not supply as discussed in another sub-question)	-	-	-

Supply of steel sheets in territorial waters (As per sec 9 of IGST Act - POS is the coastal State or UT nearest to the baseline i.e. Kerala. It is intra-state supply as LOS & POS are in same state) (₹6 lakhs * 9% CGST & SGST each)	-	54000	54000
Advance for supply of goods (As per n/no. 66/2017, TOS is not on advance)	-	-	-
Advance for supply of services (N/N. 66/2017 is not applicable to supply of services) (₹490000 * 9% CGST & SGST each) (LOS & POS is in Kerala & hence, it is intra-state supply)	-	44100	44100
computer supplied free of cost (not a supply as discussed in another sub-question)	-	-	-
Total GST payable	270000	98100	98100

Note:- Total GST payable on outward supplies is asked in question and hence, tax payable under RCM is not considered here]

iv) Compute the total ITC admissible to Dhairya Limited for the month of April.

(a) CGST - ₹ 63,000, SGST - ₹ 63,000 and IGST - ₹ 40,500

(b) CGST - ₹ 1,17,000, SGST - ₹ 1,17,000 and IGST - Nil

(c) IGST - ₹ 2,74,500

(d) CGST - ₹ 2,25,000, SGST - ₹ 2,25,000 and IGST - ₹ 40,500

[Hint:- Total ITC admissible to Dhairya limited for April:-

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Tax paid under RCM on sitting fee paid to Independent director under sl. No. 6 (₹6 lakhs * 9% CGST & SGST each)	-	54000	54000
Room charges (POS is in MH as per sec 12(3) whereas LOS is also in MH & Hence, it is intra-state supply. ITC is not allowed for CGST & SGST paid in other state]	-		
Services of arbitral tribunal availed taxable under RCM as discussed in another sub-question (₹7 lakhs * 9% CGST & SGST each)	-	63,000	63,000
Salary paid (it is not a supply as discussed in another sub-question)	-		
Machine purchased (ITC is not allowed as per sec 16(2) as depreciation is claimed on GST component also)	-		
Total ITC admissible	-	1,17,000	1,17,000

v) Whether GST is applicable on the event organized by Dhoom Events Ltd., Karnataka for Dhairya Limited in Dubai and what is the place of supply in such case?

(a) GST is applicable and the place of supply is Karnataka.

(b) GST is applicable and the place of supply is

Kerala.

(c) GST is not applicable and the place of supply is Dubai.

(d) GST is applicable and the place of supply is Dubai.

[Hint:- GST is applicable as it is a supply. LOS is in Karnataka & LOR is also in India & hence, POS as per sec 12(7)(b) shall be LOR i.e. Kerala as the event is held in Dubai which is outside India]

vi) How shall the amount paid towards the training expenses of employees of Dhairya Limited be treated under the GST law?

(a) No GST is applicable on the transaction since training was imparted in San Francisco, i.e., a place outside India.

(b) GST is applicable on the training expenses and is payable as IGST by Dhairya Limited since the place of supply for training services in case of registered person is location of such registered person.

(c) Dhairya Inc., USA, is required to obtain registration as casual taxable person in India and discharge the GST liability on training expenses in India.

(d) Dhairya Inc., USA, is required to obtain registration as - online information and database access or retrieval service provider in India and discharge the tax liability on training service.

[Hint:- LOS is outside India & POS is also outside

India as per sec 13(3)(b) of IGST Act. Thus, No GST is payable]

MCQ 26.01.22.00

Alpha Cargo Private Limited, a company registered under GST in the State of Rajasthan, is engaged in supplying services of transportation of goods. In addition to its head office registered in Rajasthan, the company has also obtained registration in other States where it is operating as supplier of goods transportation services. During the month of January, following transactions were undertaken:

1. Revenue from service of transportation of goods provided to registered persons is ₹ 70,00,000.

2. Revenue from supply of goods transportation services provided to Dhoop Garments, registered in Rajasthan, for transport of goods to Japan is ₹ 18,10,000.

3. The company paid rent to the local municipal authorities of respective States for its offices located in different States as mentioned below:

- Rajasthan - ₹ 50,000

- Maharashtra - ₹ 75,000

- Delhi - ₹ 25,000

- Gujarat - ₹ 40,000

The invoice was issued by the local municipal authority in these States to the offices of the company located in respective States.

4. There are 5 independent directors in the company

(all based in Rajasthan) and the sitting fees paid to each such director during the month is ₹ 25,000 from the head office of the company.

Out of these directors, Mr. X, a chartered accountant and an independent director of the company, is also a partner in ABC LLP, a chartered accountant firm in Delhi. ABC LLP provided professional services to the company during the month. The LLP has issued an invoice for ₹ 1,50,000 on the head office in the month of January.

Another independent director, Mr. Z, on account of his long-term relationship with Alpha Cargo Private Limited, has provided personal guarantee of ₹ 1 crore to Dhandhan Bank for loan taken by the company during the month of January. He has not charged any commission or brokerage for the same.

5. The company obtained services of Mr. Y (based in Rajasthan), who is providing agency services for payment of annual road tax payable to the Government for the vehicles owned and operated by the company.

Mr. Y issued an invoice amounting to ₹ 10,00,000 on the head office.

Such amount includes ₹ 9,50,000 as amount of road tax paid on actual basis and is indicated separately in the invoice and ₹ 50,000 as fee of Mr. Y for said services.

6. The company also paid an amount of ₹ 5,00,000

for an event related to goods transport industry in the State of Rajasthan as sponsorship amount.

7. The company, registered as Goods Transport Agency, has opted for payment of GST on goods transportation services on forward charge basis.

In the month of February, Rajasthan office of the company has following balances available in its electronic cash ledger:

Description	IGST (₹)	CGST (₹)	SGST (₹)	Total(₹)
Tax	25,000	20,000	20,000	65,000
Interest	2,000	3,000	3,000	8,000

All the amounts given in the scenario are exclusive of GST, unless otherwise provided. The opening balance of input tax credit of Alpha Cargo Private Limited for the relevant tax periods is nil. GST is payable (wherever applicable) on all inward and outward transactions in the aforesaid case scenario at the following rates, unless otherwise specified:

I. Intra-State supply – 9% CGST and 9% SGST

II. Inter-State supply – 18% IGST

Based on the facts of the case scenario given above, choose the most appropriate answer to Q.

Nos. i) to v) below:- [CA Final RTP May 24]

i) Total amount of GST payable (before setting off of ITC) by the company including GST payable under reverse charge for the month of January, for all its locations, is:

- (a) ₹ 16,20,000 (b) ₹ 12,60,000
(c) ₹ 13,72,000 (d) ₹ 17,32,500

[Hint:- Total GST payable before setting off of ITC:-

Particulars	GST (₹)
Tax payable under forward charge:-	
Transport of goods within India (₹70 lakhs * 18%)	12,60,000
Goods transport to Japan (₹1810000 * 18%)	3,25,800
Tax payable under RCM:-	
Rent paid to local municipal authorities (RCM is applicable as per sl. No. 5A under RCM. [(₹50000 + ₹75000 + ₹25000 + ₹40000)*18%])	34,200
Sitting fee to directors (RCM is applicable as per sl. No. 6 under RCM - ₹25000 * 5 * 18%)	22,500
Sponsorship service received (RCM is applicable as per sl. No. 4 under RCM - ₹5 lakhs * 18%)	90,000
Total GST payable before setting off of ITC	17,32,500

ii) In February, after paying all its dues for the month, Rajasthan office wants to transfer certain amounts using Form GST PMT-09 from its electronic cash ledger to the electronic cash ledger of Orissa office. It wants to transfer:

(i) from tax (minor head) under IGST (major head) amounting to:

- (a) ₹ 12,000 to tax under CGST head and
(b) ₹ 12,000 to tax under SGST head, of Orissa office, and

(ii) from interest (minor head) under the major head of:

- (a) CGST of ₹ 3,000 to interest under IGST head, and

(b) SGST of ₹ 3,000 to interest under IGST head, of Orissa office.

Balance under all the heads in electronic cash ledger of Orissa office is nil at that time. The balance of tax under IGST, CGST and SGST heads of the electronic cash ledger of Orissa office and that of interest under IGST, CGST and SGST heads of the electronic cash ledger of Rajasthan office will be:

- (a) Tax: Nil; ₹12,000; Nil and Interest: ₹ 2,000; Nil; ₹ 3,000
(b) Tax: Nil; ₹12,000; ₹12,000 and Interest: ₹2,000; Nil; Nil
(c) Tax: Nil; Nil; ₹12,000 and Interest: ₹2,000; Nil; Nil
(d) Tax: ₹24,000; Nil; Nil and Interest: ₹2,000; Nil; ₹3,000

[Hint:- Note- SGST/UTGST balance of any minor head of one state cannot be transferred to another state's SGST/UTGST minor head. This is not allowed by Govt.

Rajasthan Office balances of E- cash ledger:-				
		IGST (₹)	CGST (₹)	SGST (₹)
Tax (₹)	Opening Bal	25000	20000	20000
	Transferred	-12000	-	-
	Closing	13000	20000	20000
Interest (₹)	Opening Bal	2000	3000	3000
	Transferred	-	-3000	-
	Closing	2000	0	3000

Orissa Office balances of E- cash ledger:-				
		IGST (₹)	CGST (₹)	SGST (₹)
Tax (₹)	Opening Bal	-	-	-
	Transferred	-	12000	-
	Closing	-	12000	-
Interest (₹)	Opening Bal	-	-	-
	Transferred	3000	-	-
	Closing	3000	-	-

iii) The total amount payable to Mr. Y including GST as applicable is _____.

- (a) ₹ 10,00,000 (b) ₹ 11,80,000
(c) ₹ 11,71,000 (d) ₹ 10,09,000

[Hint:- Road tax paid ₹950000 out of total ₹1000000 shall not be included in taxable value as per rule 33 - as that is paid as pure agent by Mr. Y & separately shown in invoice. Thus, taxable value = ₹50000 fee charged & GST = ₹50000 * 18% = ₹9000. Now, question is asking the total amount payable to Mr. A and not the total taxable value which will include road tax. Thus, amount payable = ₹1000000 + ₹9000 = ₹1009000]

iv) Total input tax credit available to the company at PAN India level is:

- (a) ₹ 1,82,700 as IGST (b) ₹ 3,53,700 as IGST
(c) ₹ 77,850 as CGST, ₹ 77,850 as SGST and ₹ 27,000 as IGST
(d) ₹ 91,350 as CGST and ₹ 91,350 as SGST

[Hint:- Total ITC available at PAN India level:-

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Tax paid under RCM:-			
Rent paid to local municipal authorities (RCM is applicable as per sl. No. 5A under RCM. [(₹50000 + ₹75000 + ₹25000 + ₹40000) * 18%] (LOS & POS both are in respective same states so it is intra-state supply)	-	17,100	17,100

Sitting fee to directors (RCM is applicable as per sl. No. 6 under RCM - ₹25000 * 5 * 18%) (LOS & POS both are in same states so it is intra-state supply)	-	17,100	17,100
Sitting fee to directors (RCM is applicable as per sl. No. 6 under RCM - ₹25000 * 5 * 18%) (LOS & POS both are in same states so it is intra-state supply)	-	11250	11250
Sponsorship service received (RCM is applicable as per sl. No. 4 under RCM - ₹5 lakhs * 18%) (LOS & POS both are in same states so it is intra-state supply)	-	45000	45000
Tax paid under FC:-			
Agency service from Mr. Y (Valuation & tax is discussed in above question) (LOS & POS both in Rajasthan & hence it is intra-state supply) (₹50000 * 9% CGST & SGST each)	-	4,500	4,500
Professional services received from ABC LLP (LOS is Delhi & POS is Rajasthan as per sec 12(2) of IGST Act & hence, it is inter-state supply liable to IGST) (₹150000 * 18% IGST)	27000	-	-
Total ITC available for Feb at PAN India level	27000	77,850	77850

v) The value of supply of the service of providing personal guarantee by Mr. Z to Dhandhan Bank for sanctioning of credit facilities to the company is:

- (a) Nil since it is not a supply under GST.
(b) Nil. Services provided by a director to a company is deemed as supply, even without consideration, under Schedule I of the CGST Act, 2017. However, since as per RBI Guidelines, no consideration can be paid to the director by the company for providing guarantee, Open Market Value (OMV) of said supply will be zero.
(c) 1% of the amount of the guarantee provided, i.e. 1 lakh.
(d) 10% of the amount of the guarantee provided, i.e. ₹ 10 lakh.

[Hint:- Refer Circular No. 204/16/2023- there is no consideration involved in this kind of guarantee & hence, there is no taxable value as there is no OMV]

MCQ 26.01.23.00

'M/s Kalpavriksha Iron Traders' (KIT) is located in the city of Visakhapatnam & is registered under GST in the State of Andhra Pradesh. On 1st May, 'KIT' received an order for supply of different variety of iron bars amounting to ₹ 60,00,000 (exclusive of GST) from TMT Pvt. Ltd. located in the city of Hyderabad and registered under GST in the State of Telangana. The details of advance payment, issue of invoice and the terms & conditions of the contract relating to delivery of iron bars are as follows:-

1. The buyer has to pay ₹ 7,00,000 as advance to the supplier.

2. The balance amount needs to be paid within 25 days from the date of issue of invoice.

3. The supplier will bear the cost of transportation of goods and other related charges.

4. If payment is not received within the stipulated time limit, then buyer needs to pay penal charges (taxes, if any, to be paid separately) as follows:

Delay in days	1 to 10	11 to 20	21 to 30	More than 30
Penal Charges	₹ 5000 per day	₹ 50,000 + (₹8000 per day)	₹ 1,30,000 + (₹10000 per day)	₹ 2,30,000 + (₹ 12000 per day)

5. If the entire (i.e. 100%) payment is received within the period as mentioned in the below table, the recipient will be entitled for discount as

No. of days*	1 to 5	6 to 10	11 to 15	After 15th day
Total Discount	₹ 15,000	₹10,000	₹ 8,000	No Discount

* within which the payment is received after the date of invoice Discount will be given only when the full payment is made.

The details of invoice & payment are as follows:

No. of days*	Particulars
2nd May	TMT Pvt. Ltd. paid the stipulated amount of advance to KIT
5th May	Invoice issued to TMT Pvt. Ltd.
10th May	30% of the invoice amount is paid

10th May	Another 20% of the invoice amount is paid
18th May	Balance amount is paid

On 3rd May, TMT Pvt. Ltd. requested KIT to deliver the iron bars to Sakthi Iron & Steels (SIS) located in the city of Bhubaneswar (Odisha).

On 5th May, KIT entered into a contract with 'Express transports' [a Goods Transport Agency (GTA) located & registered under GST in the State of Andhra Pradesh for delivery of iron bars at Bhubaneswar; GST is payable at the rate of 5% on its services]. The freight charges and loading charges for the delivery services provided by GTA are ₹ 1,50,000 (exclusive of GST) and ₹ 5000 (exclusive of GST) respectively.

The iron bars are removed from the warehouse of KIT on 6th May and an e-way bill is generated at 00:15 hrs. on 6th May. The distance from the warehouse of KIT to location of SIS is 455 km. KIT paid the freight charges to the transporter immediately after the delivery of the goods.

Note:

1. Credit note is to be issued by KIT for discount to be provided, if any, and for levying penal charges, further invoice to be issued.

2. The iron bars, delivered in the truck, are not Over Dimensional Cargo.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. i) to vi) below:-

i) What shall be the place of supply for the following two independent supplies?

A) Supply between KIT & TMT Pvt Ltd.;

B) Supply between TMT Pvt Ltd. & SIS

(a) A) Bhubaneswar; B) Hyderabad

(b) A) Bhubaneswar; B) Bhubaneswar

(c) A) Hyderabad; B) Bhubaneswar

(d) A) Hyderabad; B) Visakhapatnam

[Hint:- 1) Refer Sec 10(1)(b) of IGST Act for transaction between KIT & TMT Pvt Ltd. - POS shall be location of TMT Pvt Ltd- Hyderabad.

2) Refer sec 10(1)(a) of IGST Act for transaction between TMT Pvt Ltd. & SIS- POS shall be the place where movement terminates for delivery to SIS- Bhubaneswar]

ii) What shall be the time of supply for the transaction between KIT & TMT Pvt Ltd.?

(a) 5th May

(b) 6th May

(c) 2nd May

(d) 2nd May for supply of ₹7,00,000 & 5th May for the balance consideration.

[Hint:- Refer sec 12(2) read with n/no. 66/2017- TOS shall be date of invoice "5th May" which is earlier of last date to issue invoice "goods removed from warehouse on 6th May"]

iii) What shall be the value of taxable supply made by KIT to TMT Pvt Ltd.?

(a) ₹ 61,55,000

(b) ₹ 61,47,000

(c) ₹ 59,92,000

(d) ₹ 61,22,000

[Hint:- Value of taxable supply made by KIT to TMT Pvt

Ltd:-

Particulars	(₹)
Transaction value	6000000
Freight charges for transportation	150000
Loading charges	5000
Discount given (100% payment is paid on 18th May i.e. on 13th day from date of invoice 5th may)	-8000
Value of taxable supply	61,47,000

Note:- There is no penalty to be paid by recipient as the complete payment is made within 25 days from invoice date.]

iv) What will be the validity of the e-way bill generated by KIT on 6th May?

- (a) 12:00 midnight of 11th -12th May
- (b) 12:00 midnight of 10th -11th May
- (c) 12:15 midnight of 10th -11th May
- (d) 12:00 midnight of 9th -10th May

[Hint:- 1) Validity period shall be counted from the time at which e-way bill is generated & each day shall be counted as the period expiring at midnight of the day immediately following the date of generation of e-way bill. 2) Here, e-way bill is generated on 6th May & is valid for 3 days as there are 455 kms involved rounded off to 600 kms to calculate validity. 3) 1st day expire at 12.00 midnight of 7th-8th may, 2nd day expires at 12.00 midnight of 8th-9th may & 3rd day expires at 12.00 midnight of 9th-10th may]

v) In the above case scenario, if the entire (100%) payment is made on the following independent dates namely, A) 03rd June, B) 28th May and C)

20th June, then the total value of taxable supply for KIT w.r.t. transactions with TMT Pvt Ltd. in each independent case will be:

- (a) A) 61,75,000; B) 61,55,000; C) 62,95,000.
- (b) A) 60,30,000; B) 60,05,000; C) 61,55,000.
- (c) A) 61,80,000; B) 61,47,000; C) 63,05,000.
- (d) A) 60,30,000; B) 59,97,000; C) 61,55,000.

[Hint:- Total value of taxable supply for KIT in 3 independent cases:-

Particulars	100% payment made on:-		
	3rd June	28th May	20th June
Transaction value	60,00,000	60,00,000	60,00,000
Freight charges for transportation	1,50,000	1,50,000	1,50,000
Loading charges	5000	5000	5000
Penalty imposed on recipient for delay in payment:- A) Payment is made on 29th day from invoice date & so there is delay of 4 days. Penalty = 4 days * ₹5000 per day. B) Payment is made on/before 30th May & hence, no penalty payable. C) Payment is made after 30th May & hence, there is delay of total 21 days. Penalty = ₹130000 + (₹10000 per day * 1 day)	20000	-	20000

Note:- There will be no discount given in all the 3 cases as the 100% payment is made after the criteria given.]

23.6 Who will be liable to pay GST on freight charged by 'Express Transports'?

- (a) TMT Pvt Ltd
- (b) SIS
- (c) Express Transports
- (d) KIT

[Hint:- KIT is liable to pay freight as it is required to bear the cost of transportation. So, KIT is the recipient & is liable to pay tax under RCM as per sl. No. 1 under RCM as tax is to be paid at 5%]

MCQ 26.01.24.00

Kunj Manufacturers, a supplier registered under GST in Gujarat, has opted to pay tax under composition scheme under sub-sections (1) and (2) of section 10 of the CGST Act, 2017. It is exclusively engaged in manufacturing textile products.

The following information is available in relation to Kunj Manufacturers for the current financial year:

1. Total turnover during the quarter April-June is ₹ 1,50,00,000.
2. The option to pay tax under composition scheme lapses from 1st July and it switches to regular scheme as a monthly return filer.
3. Tax paid on inputs lying in stock as on 30th June (Invoice dated 4th May) - CGST ₹ 10,000 and SGST ₹ 10,000.
4. Tax paid on inputs contained in semi-finished goods held in stock as on 30th June- CGST ₹ 5,000 and SGST ₹ 5,000 (Invoice was dated 31st December of preceding financial year).
5. A machinery was purchased on 15th March of

preceding financial year for ₹ 10,00,000 (taxable value). Applicable GST rate was 12%.

6. On 10th August, Kunj Manufacturers sold goods worth ₹ 2,40,000 to Surat Municipal Corporation (SMC). The contract with SMC was to supply only goods and not any services.

7. On 15th August, Kunj Manufacturers sold goods worth ₹ 10,00,000 to Finance Department of Gujarat Government.

8. Apart from the information provided above, sales and purchases worth ₹ 15,00,000 and ₹ 12,00,000 respectively were also reported during the period of July to February.

9. During the month of March of the current financial year, Kunj Manufacturers manufactured 2,500 meters of fabric (Sales value of the fabric is ₹ 200 per meter). ITC pertaining to such output was CGST - ₹ 27,500 and SGST - ₹ 27,500. Mr. Kunj exported 1,500 meters of fabric under bond and sold the balance 1,000 meters of fabric in Gujarat, India.

Notes:

1. There is no other outward or inward supply transaction apart from the aforesaid transactions, in the relevant period.

2. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

3. It is also assumed that due date for any return required to be filed by the taxpayer has not been extended by the Government.

4. Rate of GST applicable on goods manufactured by

Kunj Manufacturers under regular scheme is 12%. GST rate applicable on inward supplies is also 12% unless otherwise specified.

5. All the purchases and sales are made within the State except the export sales.

6. All the amounts given above are exclusive of taxes, wherever applicable.

Based on the facts of the case scenario given above, choose the most

appropriate answer to Q. Nos. (i) to (iv) below:-

[Study Mat]

i) The net GST payable in cash by Kunj Manufacturers during the period from April to February is _____.

- (a) ₹ 1,76,800 (b) ₹ 3,46,800
(c) ₹ 18,26,800 (d) ₹ 18,46,800

[Hint:- Net GST payable in cash from Apr to Feb:-

Particulars	GST (₹)
T/o from Apr to June (₹1.5 Cr * 1% tax for trader)	150000
Tax payable in cash under composition scheme (A)	150000
Goods sold to SMC (₹240000 * 12% tax)	28800
Goods sold to Finance Department of Gujarat Govt. (₹10 lakhs * 12% tax)	120000
Other sales from July to Feb (₹15 lakhs * 12%)	180000
Less:- ITC available (calculated in below sub-question 2)	-282000
Less:- TDS available u/s SI (₹10 lakhs * 2% total TDS)	-20000

Tax payable in cash under normal scheme (B)	26800
Net Tax payable in cash from Apr to Feb [(A) + (B)]	176800

ii) Input Tax Credit (ITC) available to Kunj Manufacturers during the period from April to February is _____.

- (a) ₹ 2,72,000 (b) ₹ 2,82,000
(c) ₹ 2,88,000 (d) ₹ 3,02,000

[Hint:- ITC available from Apr to Feb:-

Particulars	ITC (₹)
Tax paid on inputs lying in stock as on 30th June (₹10000 each under CGST & SGST)	20000
Tax paid on inputs contained in semi-finished goods held in stock as on 30th June (₹5000 each under CGST & SGST)	10000
Tax paid on machinery [10 lakhs * 12% tax] - [(₹10 lakhs * 12%) * 5% per Qtr * 2 Qtrs from Jan of PFY to June end of CFY]]	108000
Tax paid on other purchases from July to Feb (₹12 lakhs * 12% tax)	144000
Total ITC available from Apr to Feb	282000

Note:- Refer sec 18(1)(c)- Kunj manufacturers can avail ITC of Inputs held in stock and inputs contained in semi-finished held in stock & capital goods in stock on the day immediately preceding the date from which he becomes to pay tax under regular scheme i.e. on 30th June which is a day before the day when composition scheme lapses]

iii) The amount of GST refund available to Kunj Manufacturers for the month of March in the current financial year is _____.

- (a) ₹ 24,000 (b) ₹ 33,000
(c) ₹ 31,000 (d) ₹ 22,000

[Hint:- 1) Tax payable on goods sold in Gujarat, India = ₹1000 meters * 200 per meter * 12% GST = ₹24000. Total ITC available for setoff in March = ₹27000 CGST + ₹27000 SGST = ₹55000. Thus, net ITC available for refund after set off = ₹55000 ITC - ₹24000 GST payable = ₹31000.

2) Refer rule 89(4)- Refund available as per formula on ZRSG = (T/o of ZRSG + T/o of ZRSS) x Net ITC ÷ Adjusted Total T/o i.e. (1500 meters * ₹200 per meter) * (₹27500 CGST + ₹27500 SGST) / (2500 meters * ₹200 per meter) = ₹33000.

3) So, refund calculated as per formula is ₹33000 but ITC balance is only ₹31000 in e-credit ledger & thus, max. refund that can be claimed is ₹31000.

iv) Assuming that goods have been sold by Kunj Manufacturers to Finance Department of Gujarat Government for a value of ₹ 1,00,000 instead of ₹ 10,00,000, net GST payable by Kunj Manufacturers in cash during the period from July to February will be

- (a) ₹ 15,88,800 (b) ₹ 83,800
(c) ₹ 82,800 (d) nil

[Hint:- Net GST payable in cash from July to Feb:-

Particulars	GST (₹)
Goods sold to SMC (₹240000 * 12% tax)	28800
Goods sold to Finance Department of Gujarat Govt. (₹1 lakhs * 12% tax)	12000
Other sales from July to Feb (₹15 lakhs * 12%)	180000

Less:- ITC available (calculated in sub-question 2)	-282000
Net Tax payable in cash from July to Feb	-61200

MCQ 26.01.25.00

Mr. Veera is a trader of readymade garments and is registered under GST in the State of Uttar Pradesh. His turnover is ₹ 1,80,00,000 during the current financial year. The composition of his turnover is as under-

- (a) Intra-State - ₹ 80,00,000
(b) Inter-State - ₹ 1,00,00,000 [including exempt supplies of ₹ 15,00,000]

His inward supplies are as under-

- (a) Inter-State - ₹ 1,00,30,000 [including ₹ 20,00,000 exclusively used for exempt supplies]
(b) Intra-State ₹ 46,00,000 [including ₹ 15,00,000 exclusively used for taxable supplies]

Apart from above, Mr. Veera has undertaken following transactions during the current financial year:

1. He purchased a pick-up van for the purpose of delivery of goods to his customers for ₹ 1,70,000.
2. He got his showroom renovated (debited all expenses under repairs and maintenance) and spent money as under-

Labour charges	₹ 3,60,000
Architect fees	₹ 80,000
Wooden flooring	₹ 4,00,000
Miscellaneous expenses	₹ 1,62,000

3. He purchased some T-shirts for ₹ 1,80,000

(taxable under GST). After one week, he gave them away free to its customers to promote his business.

4. He also sold his shares during the year for ₹ 10 crore and bought a house from that money.
5. The rates of tax are 9% (CGST), 9% (SGST) and 18% (IGST) on all inward/outward supplies.
6. All the amounts given above are exclusive of taxes, wherever applicable.
7. The opening balance of input tax credit for the relevant tax period of Mr. Veera is Nil. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. i) to iv) below:- [Study Mat]

- i) Compute value of exempt outward supply (for the purpose of reversal of ITC) by Mr. Veera during the current financial year.

- (a) ₹ 10,00,000 (b) ₹ 15,00,000
(c) ₹ 25,00,000 (d) ₹ 20,00,000

[Hint:- Refer sec 17(3) for definition of exempt supply for rule 42 & 43. Exempt supply = ₹15,00,000 (directly given in Question + (₹1,00,00,000 sale value of shares * 1% (i.e. value of security shall be taken as 1% of the sale value of such security)) = ₹25 lakhs]

- ii) Which of the following statements is true?

- (a) Mr. Veera cannot claim ITC on van purchased for delivery of goods, expenses incurred on

renovation of showroom and T-shirts distributed free of cost.

(b) Mr. Veera can claim ITC on van purchased for delivery of goods and T-shirts distributed free of cost, but cannot claim ITC on expenses incurred on renovation of showroom.

(c) Mr. Veera can claim ITC on van purchased for delivery of goods, expenses incurred on renovation of showroom and T-shirts distributed free of cost.

(d) Mr. Veera can claim ITC on van purchased for delivery of goods and expenses incurred on renovation of showroom, but cannot claim ITC on T-shirts distributed free of cost.

[Hint:- Van is used to transport goods & hence, ITC is allowed, expenses incurred on renovation of showroom is charged in P & L account and not capitalised & hence ITC is allowed whereas ITC on t-shirts are blocked u/s 17(5) as they are given for free]

iii) Calculate the amount of input tax credit credited to electronic credit ledger of Mr. Veera (ignore individual heads of CGST/SGST/IGST).

- (a) ₹ 24,84,360 (b) ₹ 22,73,400
(c) ₹ 23,04,000 (d) ₹ 24,53,760

[Hint:- ITC credited to e-credit ledger:-

Particulars	ITC (₹)
Inward interstate supply other than those exempted [(₹10030000 - ₹2000000) * 18%]	1445400
Inward intrastate supply including taxable (₹46 lakhs * 18%)	828000

Van purchased to transport goods - ITC is allowed (₹170000 * 18%)	30600
Renovation of showroom - ITC is allowed as charged to P&L account [(₹360000 + ₹80000 + ₹400000 + ₹162000) * 18%]	180360
Total	2484360

iv) Compute the amount of common credit as per rule 42 of the CGST Rules, 2017.

- (a) ₹ 20,03,400 (b) ₹ 22,14,360
(c) ₹ 20,34,000 (d) ₹ 21,83,760

[Hint:- Common credit as per rule 42:-

Particulars	(₹)
Inward interstate supply other than those exempted [(₹10030000 - ₹2000000) * 18%]	1445400
Inward intrastate supply other than only taxable [(₹46 lakhs - ₹15 lakhs) * 18%]	558000
Van purchased to transport goods (₹170000 * 18%)	30600
Renovation of showroom - [(₹360000 + ₹80000 + ₹400000 + ₹162000) * 18%]	180360
Total Common Credit	2214360

Answers:-

26.01.01.01	b	26.01.05.05	a	26.01.10.02	d	26.01.15.01	a	26.01.19.04	d	26.01.23.05	a
26.01.01.02	c	26.01.06.01	b	26.01.10.03	c	26.01.15.02	d	26.01.19.05	c	26.01.23.06	d
26.01.01.03	a	26.01.06.02	c	26.01.10.04	b	26.01.15.03	d	26.01.20.01	d	26.01.24.01	a
26.01.01.04	d	26.01.06.03	c	26.01.10.05	b	26.01.15.04	c	26.01.20.02	a	26.01.24.02	b
26.01.01.05	d	26.01.06.04	a	26.01.11.01	a	26.01.15.05	d	26.01.20.03	c	26.01.24.03	c
26.01.02.01	b	26.01.06.05	b	26.01.11.02	c	26.01.16.01	d	26.01.20.04	d	26.01.24.04	d
26.01.02.02	b	26.01.07.01	b	26.01.11.03	a	26.01.16.02	a	26.01.20.05	c	26.01.25.01	c
26.01.02.03	a	26.01.07.02	a	26.01.11.04	b	26.01.16.03	c	26.01.21.01	a	26.01.25.02	d
26.01.02.04	a	26.01.07.03	c	26.01.11.05	c	26.01.16.04	d	26.01.21.02	d	26.01.25.03	a
26.01.03.01	c	26.01.07.04	d	26.01.12.01	b	26.01.16.05	c	26.01.21.03	b	26.01.25.04	b
26.01.03.02	c	26.01.07.05	a	26.01.12.02	c	26.01.17.01	b	26.01.21.04	b		
26.01.03.03	a	26.01.08.01	d	26.01.12.03	b	26.01.17.02	b	26.01.21.05	b		
26.01.03.04	c	26.01.08.02	d	26.01.12.04	b	26.01.17.03	d	26.01.21.06	a		
26.01.03.05	b	26.01.08.03	d	26.01.13.01	c	26.01.17.04	d	26.01.22.01	d		
26.01.04.01	a	26.01.08.04	a	26.01.13.02	d	26.01.18.01	d	26.01.22.02	a		
26.01.04.02	b	26.01.08.05	c	26.01.13.03	b	26.01.18.02	a	26.01.22.03	d		
26.01.04.03	c	26.01.09.01	a	26.01.13.04	d	26.01.18.03	c	26.01.22.04	c		
26.01.04.04	c	26.01.09.02	c	26.01.14.01	d	26.01.18.04	d	26.01.22.05	b		
26.01.05.01	b	26.01.09.03	d	26.01.14.02	a	26.01.18.05	c	26.01.23.01	c		
26.01.05.02	a	26.01.09.04	c	26.01.14.03	c	26.01.19.01	d	26.01.23.02	a		
26.01.05.03	d	26.01.09.05	c	26.01.14.04	c	26.01.19.02	a	26.01.23.03	b		
26.01.05.04	b	26.01.10.01	c	26.01.14.05	c	26.01.19.03	c	26.01.23.04	d		