

COMPUTATION OF GST (10 Marks Que)



Chapter 15

COMPUTATION

CCP 15.01.02.00

ABC Ltd., a registered supplier in Surat, Gujarat has calculated output net GST liability after adjusting ITC in the books for the month of February, 20XX:-

CGST : ₹3,00,000

SGST : ₹2,50,000

IGST : ₹3,00,000

During the above month, the following additional information is provided by ABC Ltd.:-

Sr. No	Particulars	Amount [₹] [excluding GST]
1	The company had given on hire 5 trucks to one of the transporters of Vadodara (a goods transport agency) for transporting goods for 10 days. The hiring charges for the trucks were ₹ 7,500 per truck per day.	3,75,000
2	The company sold goods to X & Co. of Delhi on 6th January, 20XX with a condition that interest @ 2% per month will be charged on invoice value if X & Co. failed to make payment within 30 days of the delivery of the goods. Goods were delivered and also the invoice was issued on 6th January, 20XX. X & Co. paid the consideration for the goods on 20th February along with applicable interest.	5,00,000
3	The company sought legal consultancy services for it's business from A & Advocates, a partnership firm of advocates situated at Bhuj, Gujarat.	1,50,000
4	The company ordered 3,000 packets of tools which are to be delivered by the supplier of Delhi via 3 lots of 1,000 packets monthly. The supplier raised the invoice for full quantity in February, 20XX and the last lot would be delivered in April, 20XX.	5,00,000
5	The company supplied 10,000 packets of tools to one of it's customer at ₹ 10/- per packet in Gujarat in January, 20XX. Afterwards, the company re-values it at ₹ 9 per packet in February, 20XX and the company issued credit note to the customer for ₹ 1 per packet.	

The rate of GST is 9% CGST, 9% SGST and 18% IGST.

You are required to compute the actual net liability of GST to be paid in cash along with working notes for the month of February, 20XX. [CA Inter Dec 21 Exam]

Answer:- Computation of net GST liability of ABC Ltd. to be paid in cash for February, 20XX:-

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
Net output GST liability (Given)				
Add: Trucks given on hire to goods transport agency (GTA) [Note 1]				
Add: Interest on delayed payment of 15 days (6th February, 20XX to 20th February, 20XX) [Note 2]				
Total output tax liability				

Less: ITC in respect of legal services paid as reverse charge is available				
Net output tax liability (A)				
Legal consultancy services received (B) [Note 3]				
Total GST payable in cash [(A) + (B)]				

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CCP 15.01.10.00

M/s Cute & Co., a partnership firm, registered supplier under GST in Bengaluru (Karnataka State), has provided the following information for the month of October, 20XX

S.No.	Particulars	Amount (₹)
(i)	Intra-State taxable supply of Direct Selling Agent (DSA) service to public sector Bank	2,50,000
(ii)	Services provided to a Governmental authority by way of sanitation conservancy.	99,900
(iii)	Rent paid to a residential dwelling taken for running an office for providing DSA services; Owner of the residential property was not registered under GST; This is an intra-State supply availed.	25,000
(iv)	Purchased a car for the official use of managing partners of the Firm for business use (Inter-State purchase).	9,00,000
(v)	Availed Information Technology services for their business from Partner's friend Mr Allan Waugh from Melbourne, Australia. Mr. Waugh refused to take any consideration. Open Market value of said service was ₹ 1,25,000. (Inter-State transactions).	Nil
(vi)	Provided training and performance appraisal services in Bengaluru to following persons: a) ABC Private Limited, a registered supplier in the State of Kerala b) Babu Cones, a proprietorship concern of Rajasthan, which was not registered under GST	3,00,000 1,00,000

Note:

- (i) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively.
- (ii) All the amounts given above are exclusive of taxes.
- (iii) All the conditions necessary for availing the ITC have been fulfilled.
- (iv) There was no opening balance of any input tax credit.
- (v) The turnover of M/s Cute & Co was ₹2 crore in the previous financial year.

Compute the net GST payable in cash, by M/s Cute & Co. for the month of October, 20XX. Correct legal provisions should form part of your answer. [CA Inter RTP May 24]

Answer:

CCP 15.01.03.00

Jino Enterprises, a partnership firm is a regular taxable person registered in Guwahati, Assam and is engaged in supply of Air conditioners and its accessories as well as air-conditioned repairing services. Details of their various activities for the month of October 20YY are as follows:

- 1) Intra State supply of Air conditioner to customers in Assam. Freight is separately charged in invoices for delivery of goods at customer's doorstep.

Particulars	Amount (₹)
Value of goods	4,00,000
Value of freight charges charged separately in above invoices	1,00,000

- 2) Intra State supply of repairing services wherein apart from charging service charges, cost of parts/ spares provided to customers is also charged and consideration for the same is separately mentioned in the invoices.

Particulars	Amount (₹)
Value of services component of invoices	3,00,000
Value of parts / spares component in invoices	50,000

- 3) In order to enhance their sales and to clear the stock of old models of air - conditioner, Jino Enterprises made combo offers to customers wherein, if a customer purchases an Air-conditioner along with a stabilizer, the same is offered at a combo price of ₹20,000 as against the original price of ₹30,000 (Air-conditioner ₹22,000 & stabilizer ₹8,000) if these are purchased separately. During October 20YY, Jino Enterprises had made inter-State supply of 10 numbers of such combo products.
- 4) Purchased business class air tickets for intra State travel from Guwahati Airport, Assam to Dibrugarh Airport, Assam for its executive employees relating to business of the concern. Basic air fare was ₹40,000 and airlines charges GST @ 2.5% CGST, SGST each on basic freight, in case the same is applicable.

Additional Information:

- a) All the figures mentioned above are exclusive of taxes.
- b) In respect of few of the invoices relating to F.Y. 20XX -20YY, involving ITC of CGST ₹20,000, SGST of ₹20,000, IGST ₹80,000 was not taken earlier. Jino Enterprises now want to avail credit in respect of such invoices in the current month.
- c) The rates of GST applicable on various supplies are as follows:

Nature of Supply	CGST	SGST	IGST
Air-Conditioner, Parts and accessories (Except Stabilizers)	6%	6%	12%
Services	9%	9%	18%
Stabilizers	9%	9%	18%
Freight	6%	6%	12%

Calculate the amount of minimum CGST, SGST & IGST tax payable in cash by Jino Enterprises for the month of October, 20YY.

Note: Working Notes (legal provisions) should form part of your answer.

[CA Inter May 23 Exam][CA IPC July 21 Exam (Similar)]

Answer :- Computation of minimum CGST, SGST and IGST payable in cash by Jino Enterprises for the month of October, 20YY:

Particulars	Value	IGST (₹)	CGST (₹)	SGST (₹)
Intra-State supply of air-conditioners [Note 1]				
Intra-State supply of repairing services [Note 2]				
Intra-State supply of parts / spares [Note 2]				
Inter-State supply of 10 combos of air- conditioners and stabilizers [Note 3]				
Total Output Tax				
Less: ITC (Working Note) [Note 4]				
IGST: 80,000				
CGST: 21,000				
SGST: 21,000				
Minimum net GST payable in cash				

Working Note:-

Computation of ITC available:

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Purchase of business class air tickets for travel from Assam [Note 5]			
Invoices relating to FY 20XX-YY [Note 6]			
Total ITC available			

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CCP 15.01.07.00

Neelkanth Pvt. Ltd., a registered supplier of goods and services at Kolkata has furnished the following information for the month of February:

S.No.	Particulars	Amount (₹)
(i)	Intra-State supply of taxable goods including ₹ 1,00,000 received as advance in January, the invoice for the entire sale value is issued on 15th February	4,00,000
(ii)	Purchase of goods from a composition dealer, registered in Kolkata	5,50,000
(iii)	Services provided by way of labour contracts for repairing a single residential unit otherwise than as a part of residential complex (It is an intra-State transaction)	1,00,000
(iv)	Membership of a club availed for employees working in the factory (It is an intra-State transaction)	1,75,000
(v)	Goods transport services received from a GTA. GST is payable @12% (It is an inter-State transaction)	2,00,000
(vi)	Inter-State services provided by way of training in recreational activities relating to sports	10,000
(vii)	Inter-State security services provided to ABC higher secondary school for their annual day function organised in Fintex Auditorium outside the School campus	15,000
(viii)	Inputs to be received in 4 lots, out of which 2nd lot was received during the month	40,000

The company has following ITCs with it at the beginning of the tax period:

Particulars	Amount (₹)
CGST	57,000
SGST	Nil
IGST	50,000

Note:

- (i) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively.
- (ii) Both inward and outward supplies are exclusive of taxes, wherever applicable.
- (iii) All the conditions necessary for availing the ITC have been fulfilled.
- (iv) The turnover of Neelkanth Pvt. Ltd. was ₹ 2.5 crore in the previous financial year.

Compute the minimum GST, payable in cash, by Neelkanth Pvt. Ltd. for the month of February. Make suitable assumptions as required [CA Inter RTP Nov 22][CA Inter MTP Mar 24]

Answer:-

1) Computation of GST Payable on outward supplies:

Particulars	Value	IGST @ 18%	CGST @ 9%	SGST @ 9%
Intra-State supply of goods (Note-1)				
Services rendered by way of labour contracts for repairing a single residential unit otherwise than as a part of residential complex (Note-2)				
Services provided by way of training in recreational activities relating to sports (Note-3)				
Inter-State security services provided to ABC higher secondary school for their annual day function held in Fintex Auditorium (Note-4)				
Total GST payable				

2) Computation of Total ITC :

Particulars	IGST ₹ 18%	CGST ₹ 9%	SGST ₹ 9%
Opening ITC (Given)			
Add: Purchase of goods from a composition dealer (Note-5)			
Add: Membership of a club (Note-6)			
Add: Goods transport services received from GTA (Note-7)			
Add: Inputs to be received in 4 lots, out of which 2nd lot was received during the month (Note-8)			
Total ITC			

3) Computation of minimum GST payable:

Particulars	IGST ₹ 18%	CGST ₹ 9%	SGST ₹ 9%
Total Output tax liability			
Less: Input tax Credit [Note-9]			
IGST: 74,000			
CGST: 57,000			
SGST: Nil			
Minimum GST payable in cash			

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CCP 14.01.08.00

'XY' of Kolkata is engaged in supply of various goods and services. It pays GST under regular scheme. The following information is provided by it for the month of July:-

Payments	Amount(₹)	Receipts	Amount(₹)
Inter-State purchases of office stationery	1,40,000	Inter-State supply of office stationery	2,00,000
Repairing of lorry used to transport goods from warehouse to clients' location [Intra-State supply]	1,00,000	Intra-State supply of 500 combo packs containing one calculator and one diary	4,00,000
		Intra-State supply of services of business correspondent to Shubhvidhi Bank with respect to accounts in its urban area branch	1,00,000

The following additional information is provided by 'XY' in relation to the above receipts and payments:-

- 10% of the inter-State supply of office stationery are made to unregistered persons.
- Each combo pack (containing a calculator and a diary) is priced at ₹ 800. The calculator and the diary are individually priced at ₹ 700 and ₹ 200 respectively.
- An invoice of ₹ 40,000 towards purchase of office stationery is missing and no other tax paying document is available in respect of such goods.
- All the figures mentioned above are exclusive of taxes, wherever applicable.

- (v) Rates of CGST, SGST and IGST for all services, office stationery and calculator are 9%, 9% and 18% respectively. Rates of CGST, SGST and IGST for diary are 14%, 14% and 28% respectively.
- (vi) Subject to the information given above, all the necessary conditions for availing input tax credit have been fulfilled. Details of opening balances of input tax credit as on 1st July is given here under:

Tax	Amounts(₹)
CGST	5,000
SGST	5,000
IGST	80,000

Compute the minimum net GST [CGST, SGST or IGST, as the case may be] payable in cash by 'XY' for the month of July. [CA Inter RTP Nov 2020]

Answer:- Computation of minimum net GST payable in cash by 'XY' for the month of July:-

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
(i) Calculation of Total tax liability:-				
Inter -State supply of office stationery [Note 1]				
Intra-State supply of 500 combo pack of calculators and diaries [Note 2]				
Intra-State supply of services of business correspondent to Shubhvidhi Bank with respect to accounts in its urban area branch (Note 3)				
Total tax liability				
(ii) Calculation of total Input Tax Credit (ITC):				
Brought forward ITC [Given]				
Inter-State purchase of office stationery [Note 4]				
Intra-State repairing of lorry used for transportation of goods [Note 5]				
Total ITC				
(iii) Calculation of Minimum net GST payable in cash:-				
Total tax liability [from (i)]				
Less ITC [Note 6]				

IGST -				
CGST -				
SGST -				
Minimum net GST payable in cash				

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CCP 15.01.01.00

Chill Ltd., Delhi, a registered supplier, manufacturing machineries has made a taxable supply of machinery during the month of March. It furnished the following details for each such machinery supplied:

S.No.	Particulars	Amount (₹)
(i)	List price of machinery (exclusive of taxes)	10,00,000
(ii)	Subsidy received from the Central Government for supply of machinery to Government School(exclusively related to supply of machinery included at S. No. 1)	2,10,000
(iii)	Subsidy received from an NGO for supply of machinery to an old age home (exclusively related to supply of goods included at S. No. 1)	2,00,000
(iv)	Tax levied by Municipal Authority	2,50,000
(iv)	Packing charges	1,25,000

Additional information:-

The list price of the machinery is after considering the two subsidies received. However, the other charges/ taxes/fee are charged to the customers over and above the list price.

Further, the company has provided the following information pertaining to purchases made/services availed by it in respect of supply of said machinery during the month of March:

S.No.	Particulars	GST (₹)
1)	Raw material (to be received in the month of April)	8,50,000
2)	Membership of a club availed for employees working in the factory (not obligatory to be provided under any law)	4,00,000
3)	Inputs to be received in 6 lots, out of which 1st lot was received during the month	3,50,000
4)	Trucks used for transport of raw material	1,50,000
5)	Capital goods (out of 3 items, invoice for 2 items is missing and GST paid on those items is ₹ 2,82,000)	3,50,000

Note:

(i) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively.

(ii) All inward and outward supplies are exclusive of taxes, wherever applicable.

(iii) All the conditions necessary for availing the ITC have been fulfilled, subject to the information given above.

(iv) All inward and outward supplies are inter-State supplies.

Compute the net GST payable in cash, by Chill Ltd. for the month of March.

[CA Inter RTP Nov 23][CA Inter Jan 21 Exam (Similar)]

Answer :-

1) Computation of total value of taxable supply made by Chill Ltd. during the month of March:

Particulars	Amount (₹)	Remark
List price of the machinery		
Subsidy received from the Central Government		
Subsidy received from NGO		
Tax levied by the Municipal Authority		
Packing charges		
Total value of taxable supplies		

2) Computation of ITC that can be availed by Chill Ltd. for the month of March:

Particulars	ITC (₹)	Remark
Raw Material		
Membership of a club availed for employees working in the factory (not obligatory to be provided under any law)		

Inputs to be received in 6 lots, out of which 1st lot was received during the month		
Trucks used for transport of raw material		
Capital goods		
Total ITC		

3) Computation of net GST payable in cash:

Particulars	Value (₹)	IGST @ 18%
Supply of machinery		
Less: ITC available		
Net GST payable in cash		

CCP 15.01.05.01

Evershine Pvt. Ltd., a GST registered supplier located in Jaipur, Rajasthan is engaged in taxable supply of packaging goods and consultancy services. It provides following details of various activities undertaken during the month of September 20XX:

(A) Details of Outward Supplies:

- 1) Supply of goods of ₹ 18,00,000 to Vaidehi Enterprises, a registered person of Udaipur, Rajasthan. Further, received ₹ 50,000 from Vaidehi Enterprises towards freight charges (as agreed to deliver the goods at Vaidehi Enterprises' premises) which was not included in above value of supply.
- 2) Supply of goods worth ₹ 35,00,000 to Calc. Exim, a registered person of Prayagraj, Uttar Pradesh. Further, the amount of ₹ 60,000 charged separately (not included above) from Calc. Exim on account of municipal taxes levied in relation to such outward supply.
- 3) Supply of services to Sunshine Ltd., a registered person in Jodhpur, Rajasthan before discount worth ₹ 6,00,000. Further, discount of ₹ 30,000 which has been given at the time of supply of service and duly recorded in the invoice.
- 4) It delivered the goods worth ₹ 2,00,000 to Jeevan Solutions, a registered person located at Bikaner, Rajasthan on the direction of Raghu Enterprise, a registered person of Mumbai, Maharashtra and tax invoice was issued by Evershine Pvt. Ltd. to Raghu Enterprise of Mumbai, Maharashtra.

(B) Details of Inward Supplies:

- 1) Purchased raw material goods worth ₹ 20,00,000 from PQR Ltd; a GST registered dealer, located at Kanpur, Uttar Pradesh. Goods worth ₹ 1,00,000 out of total purchases were not received during the month.
- 2) Purchased machinery for manufacturing process worth ₹ 2,00,000 from MPQ Pvt. Ltd., a GST registered dealer, located at Bengaluru, Karnataka. Company has claimed depreciation under Income Tax Act 1961 on full value of the machine, including the GST component.
- 3) Purchased truck worth ₹ 15,00,000 from GST registered dealer, located at Ajmer, Rajasthan for transportation of its goods. GST rate on truck is: CGST 14%, SGST 14%, IGST 28%.

- 4) Purchased car (having seating capacity of 7 persons) costing to ₹10,00,000 excluding GST from Mihir Automobiles Pvt. Ltd., a GST registered dealer, located at Ajmer, Rajasthan for use of its director for official purpose. GST rate on car: CGST 14%, SGST 14%, IGST 28%
- 5) Purchased goods worth ₹ 5,00,000 from DEF Buildwell Pvt. Ltd., a registered person of Jaipur, Rajasthan for construction of an additional floor of factory building, of Evershine Pvt. Ltd.

Opening balance of Input tax credit as on the beginning of September 20XX–CGST ₹20,000, SGST ₹50,000 and IGST ₹75,000.

Rate of GST applicable on both inward and outward supply of goods & services: CGST 9%, SGST 9% and IGST @18%, except where otherwise provided.

Notes:

- (i) All the figures mentioned above are exclusive of taxes.
- (ii) Subject to the information given above, conditions necessary for claiming ITC were complied with.
- (iii) All inward supplies are used for taxable goods only.
- (iv) Brief and suitable notes should form part of your answer.

Calculate the amount of net minimum GST payable in cash by Evershine Pvt. Ltd. for the month of September 20XX. [CA Inter May 24 Exam]

Answer:-

