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COMPUTATION OF GST



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10
MARKS



10 MARKS

COMPULSORY QUESTIONS

WITH VISHAL SIR

CA Final May 24 Exam Question in Our Questionnaire Que. No. 6

Q.6 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 20%, SGST 20%, IGST 40%.
- 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 20%, SGST 20%, IGST 40%.
- 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:-





CA Final Sep 24 Exam Question in Our Questionnaire Que. No. 7

Q.7 DEF Pvt. Ltd., a registered supplier of goods and services in Pune, Maharashtra, has furnished the following details for the month of January, 20YY. The turnover of DEF Pvt. Ltd. was ₹ 3.2 crores in last financial year.

Sr. No.	Particulars	Amount (₹)
(i)	Intra State supply of taxable goods	5,00,000
(ii)	F Ltd. of Mumbai (unregistered) had promised to DEF Pvt. Ltd. in Oct 23 to complete contract within 3 months, but they were not able to complete committed contract, so DEF Pvt. Ltd. received consideration for non-performance of contract on time as decided by pre written agreement.	2,00,000
(iii)	DEF Pvt. Ltd. had provided service of booking of flight tickets for employee of H Enterprise (registered in Delhi) in the economy class from Bagdogra (West Bengal) to Pune Maharashtra.	20,000
(iv)	DEF Pvt. had purchased goods worth ₹ 5,00,000 from R Ltd. (registered in Gujarat) on 15.03.20XX. Now R Ltd. issued debit note on 15.01.20YY for post delivery service to DEF Pvt. Ltd. as per part of terms of sales.	25,000
(v)	DEF Pvt. Ltd. had sold one of its unit in Pune as a going concern (with all goods and unexecuted orders) to H Ltd. (registered in New Delhi)	10,00,000
(vi)	DEL Pvt. Ltd. had provided service to Mr. Y (registered in Punjab) to organise business exhibition in Dubai.	5,00,000
(vii)	Inter-State supply of service	10,00,000
(viii)	Amount towards receipt of intra State services	6,00,000
(ix)	Purchase of confectionery items which are to be used to supply free of cost to customers in a customer meet organised by DEF Pvt. Ltd.	1,00,000

Opening balance of Input Tax credit at the beginning of Jan 20YY.

CGST ₹ 25,000, SGST ₹ 25,000, IGST ₹ 30,000

Additional Information:

1. Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively unless otherwise mentioned.
2. Both inward and outward supplies are exclusive of taxes, wherever applicable.
3. All the conditions necessary for availing the ITC have been fulfilled.

From the information given above, compute the output tax liability and input tax credit available to DEF Pvt. Ltd., for the month of January, 20YY. Make suitable assumptions wherever required.

[CA Inter Sep 24 Exam]

Answer:- 1) Computation of Output tax liability of DEF Pvt. Ltd. for January, 20YY:

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
Intra-State supply of taxable goods				
Consideration for non- performance of contract [Note 1]				
Service of booking of flight tickets [Note 2]				
Selling of Pune unit as going concern to H Ltd. [Note 3]				

Service in relation to business exhibition in Dubai [Note 4]				
Inter-State supply of service				
Total Output tax liability				

2. Computation of input tax credit available to DEF Pvt. Ltd. for January, 20YY:

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
Opening balance				
Issue of debit note for post delivery service [Note 5]				
Receipt of intra-State services [Note 6]				
Purchase of confectionery items [Note 7]				
Total ITC				

Notes:-

1)	
2)	
3)	
4)	
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7)	

JAN 25 Exam Question in Our Questionnaire Question No 8

Q.8 Galaxy Cube Private Ltd., a registered person in Bharuch, Gujarat, engaged in various lines of business, provided the following details regarding its transactions made during the month of May 20XX:

S.No.	Outward / Inward Transactions:	Amount (₹)
1	Supplied a latest technology laptop with touch screen option to Managing Director's friend (Open market value as well as sale to unknown customers was at ₹ 90,000)	60,000
2	Supplied printed letter cards to M K Industries, a registered person in Gandhinagar, Gujarat. Logo design was supplied by M K Industries. Out of ₹ 5,00,000, Materials cost was ₹ 4,00,000 & balance was Printing cost.	5,00,000
3	Provided services of transportation of passengers by an Omnibus through an Electronic Commerce Operator (ECO).	12,58,000
4	Provided catering services to Excel University of Patna, Bihar, which is recognized by UGC for granting recognised qualification	2,12,000
5	Made supply of goods in the territorial waters to Blue Waters Inc., registered in the State of Maharashtra. Such place of territorial water was at a distance of 5 nautical miles to the baseline of coastal State of Gujarat and 7 nautical miles to the baseline of coastal State of Maharashtra.	4,50,000
6	Purchased goods from DK & Co., a registered composition dealer.	3,35,000

Additional Information:

- During the course of filing invoices, accountant identified an invoice dated 31.03.20XX, issued by Mr. Mahajan, whose residential house was taken on rent for MD of the company for his residential use. Invoice was for ₹ 50,000 (excluding tax). No payment has been made for this invoice.
- All the figures given above are exclusive of GST.
- All inward and outward supplies are intra-state except where details of place of recipient are given.
- Subject to the information given above, all the conditions necessary for availing the ITC have been fulfilled.
- GST Rates are as follows:

Particulars	CGST	SGST	IGST
Supply of Goods	2.5%	2.5%	5%
Supply of Services	9%	9%	18%

Compute the net minimum GST payable in cash by Galaxy Cube Private Ltd. for the month of May 20XX.

[CA Inter Jan 25 Exam]

Answer: 1. Computation of output tax liability of Galaxy Cube Pvt. Ltd. for May, 20XX:

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)

Notes:-

1)	Since supply is made to an unrelated person (Managing Director's friend not being a related person) and price is the sole consideration, value of supply is the transaction value i.e. the Price actually paid or payable for the said supply.
2)	

3)	Tax on transportation of passenger's services by an omnibus provided through ECO by a company is not a notified service u/s 9(5) of the CGST Act, 2017 and hence tax is payable by Galaxy Cube Private Ltd. and not by the ECO since the person supplying such service through ECO is a company.
4)	
5)	➡ Where supply is in the territorial waters, the POS is deemed to be in the coastal State where the nearest point of the appropriate baseline is located, i.e Gujarat in the given case. ➡ Hence, the supply will be an intra-State supply of goods.
6)	➡ ITC is not available since input tax does not include the tax paid under the composition levy and a composition supplier does not collect tax from the recipients. ➡ Also, ITC on inward supplies received from a composition supplier is blocked.
7)	ITC is available as said services are used in course or furtherance of business.
8)	

May 25 Exam Question

Q. MLM Private Limited, a registered person in Udaipur, Rajasthan engaged in various lines of business, provided the following details regarding the transactions undertook in the month of March, 2024:

Outward Transactions			Amount (₹)
Advance received from Mr. Gokul for Business support services to be supplied in the month of April, 2024.			2,00,000
Provided commissioning services under Pure labour contract to M/s Raj Builders of Jaipur, Rajasthan for Multi-storey residential complex.			5,00,000
Stock transferred without consideration to its branch in Jodhpur, Rajasthan. Branch has same GSTIN.			1,25,000
Outward sale of goods to various unrelated persons			As provided in the Column
Particulars	Market value (₹)	Transaction Value (₹)	
Intra-State	5,00,000	5,75,000	
Provided warehousing services for Kidney beans (Rajma), Red lentils and other pulses.			50,000
Inward Transactions			Amount (₹)
Received Car rental services from Carman Private Limited, an unregistered company in Udaipur engaged in car renting services. MLM Private Limited paid rent on monthly basis (Cost of fuel also included in the monthly rent). [Rate of CGST and SGST is 9% each]			1,20,000
Intra-State inward supply of various goods and services for use in the course or furtherance of business.			7,50,000 [Goods] 2,50,000 [Services]

Additional Information:

- (i) The Company paid ₹ 50,000 to Mr. Ajay, an independent director, as sitting fees.
- (ii) The Company made donation of ₹ 4,50,000 to a local old age home (a trust not registered under GST) for setting a Water Cooler at old age home with the name of company embedded on the water cooler to express their support for the good cause.
- (iii) All the figures are exclusive of GST.
- (iv) All inward and outward supplies are intra-State except where otherwise stated.
- (v) Subject to information given above, all the conditions necessary for availing the ITC have been fulfilled.
- (vi) Rates of GST are given below except where otherwise stated:

Particulars	CGST	SGST	IGST
Supply of Goods	2.5%	2.5%	5%
Supply of Services	9%	9%	18%

Calculate the net GST Payable in cash by MLM Private Limited for the month of March, 2024. Support your calculations with relevant reasons

Answer:- Computation of net GST payable in cash by MLM Private Limited for the month of March 2024

Particulars	Value (₹)	CGST (₹)	SGST (₹)
GST payable under forward charge			
Advance received from Mr. Gokul for business support services [Tax is payable at the time of receipt of advance for supply of services.]	2,00,000	18,000 [2,00,000 × 9%]	18,000 [2,00,000 × 9%]
Commissioning services under pure labour contract for multi-storied residential complex [Taxable, since pure labour contract services pertain to a residential complex.]	5,00,000	45,000 [5,00,000 × 9%]	45,000 [5,00,000 × 9%]
Intra-State branch transfer [Such transfer is not a supply as the branch has the same GSTIN as that of the head office and thus, is not a distinct person.]	—	—	—
Intra-State supply of goods to unrelated persons [Transaction value is the value of supply]	5,75,000	14,375 [5,75,000 × 2.5%]	14,375 [5,75,000 × 2.5%]
Warehousing services for pulses [Note] [Exempt, since warehousing of pulses is exempt from GST]	—	—	—
Total output tax		77,375	77,375
Less: ITC available		45,750	45,750
Net GST payable [A]		31,625	31,625
GST payable under reverse charge			
Services of an independent director availed [B] [Tax on services provided by a director to a company is payable under reverse charge. Further, tax payable under reverse charge cannot be set off against ITC and thus, has to be paid in cash since the tax payable under reverse charge is not an output tax.]	50,000	4,500 [50,000 × 9%]	4,500 [50,000 × 9%]
Net GST payable in cash [A] + [B]		36,125	36,125

Note:- The reversal provisions under rule 42 of the CGST Rules, 2017 have not been given effect to in the above answer on account of specific exclusion of the same via Study guidelines applicable for May, 2025 examination.

Working Note:
Computation of ITC available

Particulars	Value (₹)	CGST (₹)	SGST (₹)
Car rental services [Tax is not payable under reverse charge mechanism since supplier is a body corporate. Further, no tax is payable under forward charge also since supplier is unregistered and thus, no ITC is available.]	-		
Intra-State inward supply of goods [ITC of goods used in the course/furtherance of business is available.]	7,50,000	18,750 [7,50,000 x 2.5%]	18,750 [7,50,000 x 2.5%]
Intra-State inward supply of services [ITC of services used in the course/ furtherance of business is available.]	2,50,000	22,500 [2,50,000 x 9%]	22,500 [2,50,000 x 9%]
Services of an independent director availed [ITC of services used in the course/ furtherance of business is available.]	50,000	4,500 [50,000 x 9%]	4,500 [50,000 x 9%]
Donation made to local old age home there's no quid pro quo and thus, it is not a supply [Since the name of donor – the company - is displayed in such a manner: ➡ which can be said to be an expression of gratitude and public recognition of donor's act of philanthropy ➡ which is not aimed at giving publicity/ advertisement/ promotion to the donor's business Hence, no ITC is available.]	-		
Total		45,750	45,750

Sep 25 Exam Question in Our Questionnaire Que. no. 9

Q. 9 Mr. Karan, a registered supplier in Kochi (Kerala State) has provided the following information of supply received/made during the month of February 20YY:

S.No.	Particulars	Amount (₹)
(i)	On 5th February 20YY Supplied goods to Jaara Enterprises, an unregistered partnership firm in Bikaner, Rajasthan. Discount of 10% offered to Jaara Enterprises on this invoice price of ₹ 2,00,000 as per pre agreement but not recorded in the invoice. Discount given for this invoice by way of credit note on 28th February 20YY.	2,00,000
(ii)	Made a supply of machinery to Cool & Co. registered in the State of Kerala. The machinery was installed at Factory site of Cool & Co. in the State of Tamil Nadu as per agreement.	6,00,000
(iii)	Provided supply of online educational journals on monthly basis to St. Peters High School, situated in the State of Kerala.	25,000
(iv)	Provided renting of his own commercial property situated at Thrissur (Kerala) to Safe Volt Limited of Kerala, in which he is an independent director.	70,000
(v)	Supplied a consignment of Office uniform to Rasool Tea Estate situated at Munnar (Kerala).	2,00,000
(vi)	Payment made to Mr. Manish, a contractor of Bengaluru for construction of staff quarters within the factory premises at Kochi. Staff quarters capitalised in the books and no depreciation charged	1,25,000

Mr. Karan provided the following additional information:

- During the month, supply for ₹ 13,000 was made against redemption of foods coupons issued during December 20XX for use against specific Pizza available in a food court run by Mr. Karan in Kochi, coupons were valid till 28.02.20YY.
- In respect of supply made to Munnar, being a hill station, local levy of Green tax of ₹ 10,000 was charged by Mr. Karan in the invoice made to Rasool Tea Estate.
- Mr. Karan was advised by his accountant that since he is a director in the company to whom he let out his property, GST is to be paid by the company under Reverse Charge Mechanism [RCM].
- Assume rate of CGST, SGST and IGST are 9%, 9% and 18% respectively for both inward and outward



supplies of goods and services, except where otherwise provided.

(v) All the amounts given above in the table are exclusive of GST and Green Tax or any other tax wherever applicable.

(vi) Subject to the information given above, conditions for availing ITC have been complied with.

(vii) All the inward and outward supplies to be considered in the course of Intra-State except where information provided to determine the Place of supply.

(viii) Assume all the inward supplies used for the taxable outward supplies only.

(ix) There was opening balance of Input Tax Credit (ITC) of ₹ 1,50,000 of IGST and ₹ 30,000 of CGST and Nil of SGST.

From the information given above, you are required to compute the net minimum GST liability payable in cash after deduction of ITC by Mr. Karan for the month of February 20YY.

Note: Correct relevant legal provision and individual tax amount (if any) for each item should form part of your answer. [CA Inter Sep 25 Exam]

Answer: Computation of minimum net GST liability payable in cash by Mr. Karan for the month of February 20YY:

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
Supplied goods to Jaara Enterprises [Note 1]				
Supply of machinery to Cool & Co. [Note 2]				
Supply of online educational journals to St. Peters High School [Note 3]				
Renting of commercial property to Safe Volt Limited [Note 4]				
Supply of consignment of office uniform to Rasool Tea Estate [Note 5]				
Supply against redemption of foods coupons issued during December 20XX [Note 6]				
Total output Tax liability				

Less: ITC available [Working Note] [Note 7] IGST: ₹ 1,50,000 CGST: ₹ 30,000 SGST: NIL				
Minimum net GST liability payable in cash		Nil	Nil	19,020

Working Note: Computation of ITC available for set off:

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
Opening ITC				
Payment made for construction of staff quarters within the factory premises [Note 8]				
Total				

Notes:-

1)	
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Jan 26 Exam Question

Q. TTY Pvt. Ltd, a registered supplier in Bengaluru has provided the following information of supply received/made during the month of June, 2025:

S.No.	Outward Transactions	Amount (₹)
(i)	Supply of taxable goods to Mr. Sudhir of Hubli (Karnataka) registered under Composition scheme in the state of Karnataka	4,00,000
(ii)	Hiring receipts for supply of Industrial heavy machines along with supply of machine operators. (out of ₹ 9,00,000, value of ₹ 2,25,000 belongs to supply of operators, but not separately charged). As per policy of the industry, these machines are always hired out along with operators, and operators are also supplied only when machines hired out with single price.	9,00,000
(iii)	Renting of dumpers including driver given for transport of minerals within the mining area in Jharkhand for a period of 18 months to Vanshika Builders, registered in the state of Bihar.	10,50,000
(iv)	Stock transferred without consideration to its branch in Shimoga, Karnataka. Branch has same GSTIN. (Value of goods as per Valuation Rules under GST law is ₹ 2,50,000)	-
(v)	Given on hire 26 motor vehicles (seating capacity of 14 persons excluding driver) to Karnataka State Road Transport Corporation (KSRTC)	12,00,000
	Inward Transactions	Amount (₹)
(i)	Purchased 4 electric scooters with engine capacity of 23 cc for use by its employees for commuting within the office premises and nearby client locations. Scooters were supplied in Bengaluru (Karnataka) by a GST-registered dealer located in Rajasthan	4,80,000
(ii)	Mr. Vijay (Managing Director) went to Surat, Gujarat for a business meeting in June 2025 and stayed for 3 days in "Royal Residency Hotel" registered in the state of Gujarat. Hotel accommodation charges paid ₹ 18,000 (taxable value, excluding GST) for the stay	18,000

Additional Information:

- (i) In the month of December, 2024, company had availed services in an inter-State transaction with a taxable value of ₹ 6,00,000; This transaction was liable to tax under reverse charge. Payment for the same to the supplier was not made till the current month (overdue for 181 days during June, 2025). However, tax due under the said transaction was paid to Government in December 2024 and input tax credit availed in the same month.
- (ii) On 11th June 2025, received a debit note of ₹ 2,50,000 in respect of inward intra-State taxable supplies of service. The underlying invoice was issued in the month of October, 2023 in which it was found later that the supplier had erroneously declared a value which is less than the actual value of services provided.
- (iii) All the figures are exclusive of GST wherever applicable
- (iv) All the conditions necessary for availing the input tax credit have been fulfilled and also that details of GST paid on inward supplies are available in GSTR 2B. There was no Opening balance of input tax credit at the beginning of the month
- (v) Assume that all the inward supplies are used only for outward taxable supply
- (vi) Wherever details for determination of Place of Supply are not given in the question, it shall be taken as Inter-State transaction
- (vii) Assume the applicable rates of GST as under:-
 - (a) Service of hiring of heavy machine IGST 5%, CGST 2.5% and SGST 2.5%
 - (b) Service of Supply of machine operator without heavy machines IGST 18%, CGST 9% and SGST 9%
 - (c) All other inward and outward supply, IGST 18%, CGST 9% and SGST 9%

You are required to compute the net minimum GST liability of TTY Pvt. Ltd to be paid in cash if any, for the month of June, 2025 after utilizing input tax credit.

Note: Calculate tax for each point separately and Legal explanations for each point should form part of your answer including Place of provision of supply.



Answer:- Computation of net minimum GST liability of TTY Pvt. Ltd. to be paid in cash, for the month of June, 2025

S.No.	Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
Computation of outward tax liability					
(i)	Supply of taxable goods to Mr. Sudhir [It is an intra- State supply since place of supply is Karnataka being location of goods at the time at which movement terminates for delivery to recipient.]	4,00,000		36,000 [4,00,000 x 9%]	36,000 [4,00,000 x 9%]
(ii)	Hiring of industrial heavy machines with operators [Being composite supply wherein the principal supply is the hiring out of the heavy machine, GST rate of principal supply being 5% will apply.]	9,00,000	45,000 [9,00,000 x 5%] (Refer note 1)	-	-
(iii)	Renting of dumpers including driver [Taxable / Not specifically exempt as same is service of renting of transport vehicles with operator and not service of transportation of goods by road. Further, it is an inter-State supply since place of supply of services provided to the registered person is Bihar being location of such registered person.]	10,50,000	1,89,000 [10,50,000 x 18%]	-	-
(iv)	Stock transfer to branch in Karnataka [Such transfer is not a supply as the branch has the same GSTIN as that of the head office and thus, is not a distinct person.]	Nil	-	-	-
(v)	Hiring 26 motor vehicles to KSRTC. [Services by way of giving on hire to a State Transport Undertaking (STU), a motor vehicle meant to carry more than 12 passengers is exempt.]	12,00,000		Nil	Nil
	Total output tax liability		2,34,000	36,000	36,000
	Less: Total Eligible ITC [Refer Working Note]				

	IGST credit is set off against IGST liability		(86,400)		-
	CGST and SGST credit is set off against CGST and SGST liability respectively			(22,500)	(22,500)
	Net GST payable in cash		1,47,600	13,500	13,500

Working Note:

Computation of total ITC available for set off

S.No.	Particulars		IGST (₹)	CGST (₹)	SGST (₹)
(i)	Purchased 4 electric scooters with engine capacity of 23 cc [Vehicle with less than 4 wheels fitted with engine capacity of upto 25cc is not a motor vehicle and thus, ITC on same is not blocked. Further, it is an inter- State supply since place of supply is Karnataka being location of goods at the time at which movement terminates for delivery to recipient and supplier is in Rajasthan.]	4,80,000	86,400 [4,80,000 x 18%]		
(ii)	Hotel charges paid for accommodation. [It is an intra-State supply since place of supply is Surat/ Gujarat being the location of immovable property. However, ITC of the same will not be available since the recipient of said intra-State supply is located in a different State than that of place of supply.]	18,000	-	-	-
(iii)	Availment of credit on services for which payment is overdue for 181 days [Reversal of credit availed is not required since the condition of payment of value of supply plus tax within 180 days does not apply to supplies on which tax is payable under reverse charge.]	6,00,000	-	-	-

(iii)	Debit note received in respect of inward intra-State taxable supplies of service. [ITC on debit notes issued in a FY can be availed in the month of issue of such debit note or at any time till 30th November of the succeeding FY or date of filing of annual return, whichever is earlier, irrespective of the date of original invoice/supply.]	2,50,000		22,500 [2,50,000 x 9%]	22,500 [2,50,000 x 9%]
	Total input tax credit [Refer Note 2]		86,400	22,500	22,500

Note:-

- 1) It is specifically mentioned in the question that wherever details for determining the place of supply are not given in the question, it shall be treated as inter-State transaction
- 2) Full credit is admissible for set-off since it has been provided in question that all inward supplies are used only for outward taxable supply.

RTP May 24 Question in Our Questionnaire Que. no. 11

Q.11 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] [CA Inter MTP 1 May 25]

Answer: Computation of net GST payable in cash:

Particulars	IGST @ 18%(₹)	CGST@9% (₹)	SGST@9% (₹)
Output tax liability [Refer Working Note 1]			
Less: ITC available [Refer Working Note 2]			
Net GST payable			
Add: Tax Payable under reverse charge to be paid in cash [The amount available in the electronic credit ledger may be used for making any payment towards output tax. Further, output tax means the tax chargeable on taxable supply of goods and/or services but excludes tax payable on reverse charge basis. Thus, tax liability under reverse charge has to be paid in cash]			
Total GST Payable in cash			

Working Notes:**1. Computation of total value of taxable supplies made by M/s Cute & Co. for the month of October 20XX**

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)	Remark
Taxable under Forward Charge					
Intra-State taxable supply of DSA service					Since DSA services are provided by partnership firm, so taxable under forward charge .
Services provided to a Governmental authority by way of sanitation conservancy					Specifically exempt under GST.
Information Technology services					As per Para 4 of Schedule I of CGST Act, Import of services from a non-related person without consideration, in the course or furtherance of business is not a supply .
Training and performance appraisal services to ABC Private Limited					Taxable , As per Sec 12(5) of IGST Act the place of supply of services in relation to training and performance appraisal to a registered person, shall be the location of such person. Thus, place of supply is Kerala and hence an inter-State transaction.
Training and performance appraisal services to Babu Cones					Taxable , As per Sec 12(5) of IGST Act, the place of supply of services in relation to training and performance appraisal to an unregistered person, shall be the location where the services are actually performed. Thus, place of supply is Bengaluru, hence Intra-State transaction.
Taxable under Reverse Charge					
Rent paid for residential unit					Service by way of renting of residential dwelling to a RP is taxable under reverse charge mechanism
Total value of taxable supplies					

2. Computation of ITC that can be availed by M/s Cute & Co. for the month of October 20XX:

Particulars	IGST (₹)	CGST (₹)	SGST (₹)	Remark
Rent paid to residential dwelling for providing DSA services				ITC is available as services are used in the course or furtherance of business.
Purchase of car				Blocked credit as per Sec 17(5) of the CGST Act 2017.
Total ITC				

RTP Sep 24 Question

Q. Craftmodel Limited, a registered dealer in Patna (Bihar), is engaged in various types of supplies. It is not engaged in renting of cars business. The company provided the following details for the month of January, 20YY.

S.No.	Particulars				Amount (₹)
(i)	Outward supply of goods made during the month to various non- related persons:				As given in particulars problem
	S.No.	Particulars	Market value	Transaction Value	
	a.	in the State of Bihar (Intra-State)	3,00,000	4,00,000	
	b.	to other State (Inter-State)	7,50,000	6,00,000	
(ii)	The company pledged its 5% equity shares to the merchant banker for the purpose of proposed initial public offer.				
(iii)	Stock transfer of goods worth ₹ 58,000 without consideration to its branch at Gaya (Bihar). Branch has been declared as an additional place of business in the registration certificate.				
(iv)	Intra-State inward supply of various services for use in the course or furtherance of business (30 invoices). Out of 30 invoices, details of 10 invoices amounting to ₹ 2,50,000 were not furnished by the suppliers in their GSTR-1s and resultantly, were not reflected in Craftmodel Limited’s GSTR-2B.				12,00,000
(v)	Outward supply of services of milling of paddy into rice (Intra-State)				2,00,000
(vi)	Outward supply of services of giving trucks on hire to a Governmental authority (Intra-State)				1,50,000
(vii)	Amount paid to IIM Ahmedabad, Gujarat for providing 15 days’ management training to 10 managers from 10th January. The IIM provided Participation Certificates at the end of the training program.				5,00,000
(viii)	Purchased air tickets for its employees from Patna to Guwahati, Assam airport in economy class. Total fare was ₹1,00,000, out of which basic fare was ₹ 80,000.				

Additional Information:

- All the amounts given above are exclusive of taxes, wherever applicable.
- During the course of arranging and filing documents, the Accountant of Craftmodel Limited observed that an invoice for ₹ 30,000 (excluding tax) dated 2nd December 20XX was omitted to be recorded in the books of accounts and no payment was made against the same till the end of January 20YY. This invoice was issued by Mr. Rahuketu of Patna, from whom Craftmodel Limited had taken cars on rental basis. Invoice included cost of fuel also.
- Regarding pledging of shares, the face value of shares is ₹ 5,00,000. The market value of shares is ₹ 8,00,000.
- Rate of GST applicable on various supplies are as follows:

Nature of supply	CGST	SGST	IGST
Car rental service	2.5%	2.5%	5%
Transportation of passengers by air	2.5%	2.5%	5%
All other inward and outward supplies	9%	9%	18%

- No opening balance of input tax credit exists in the beginning of the relevant tax period.
 - Subject to the information given above, conditions necessary for claiming ITC were complied with.
- You are required to calculate the amount of net GST liability payable in cash by Craftmodel Limited for the month of January 20YY. [CA Inter RTP Sep 24, CA Inter MTP 2 Jan 25] [CA Inter Nov 22 Exam, May 25(Similar)]

Answer: Computation of net GST payable in cash by Craftmodel Ltd. for the month of January 20YY:

Particulars	IGST(₹)18%	CGST(₹)9%	SGST(₹)9%
Outward intra-State supply of goods made in the State of Bihar [Note 1]			
Outward supply of goods made to other States [Note 1]			
Pledging of 5% equity shares to the merchant banker [Note 2]			
Intra-State stock transfer to Gaya Branch with separate registration [Note 3]			
Services of milling of paddy into rice [Note 4]			
Services of giving trucks on hire to a Governmental authority [Note 5]			
Total output tax			
Less: ITC [Working Note] [Note 6] IGST: ₹ 90,000 CGST: ₹ 85,500 SGST: ₹ 85,500			
Minimum Net GST payable in cash			
ITC balance to be carried forward next month			

Working Note: Computation of ITC available:

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Intra-State inward supply of services used in the course of business [Note 7]			
Training course organized by IIM, Gujarat [Note 8]			
Air tickets from Patna to Guwahati [Note 9]			
Cars taken on rental basis from Mr. Rahuketu [Note 10]			
Total ITC available			

Notes:-

1)	Value of supply is the transaction value of the goods. [Sec 15(1)]
2)	➡ Shares being securities are neither goods nor services. ➡ Thus, transfer of shares which is neither goods nor services is not a supply.
3)	Stock transfer between 2 units of a legal entity under single registration is not a deemed supply under GST and hence, the same is not liable to tax under GST since branch with same GSTIN is not a distinct person.
4)	➡ Milling of paddy into rice cannot be considered as an intermediate production process for cultivation of plants for food, fibre or other similar products or agricultural produce. ➡ Thus, it is not eligible for exemption.
5)	Services by way of giving motor vehicles on hire to a Governmental authority are taxable.
6)	➡ IGST credit should first be utilized towards payment of IGST. ➡ ITC of CGST should be utilized for payment of CGST and IGST in that order. ITC of CGST cannot be utilized for payment of SGST. ➡ ITC of SGST should be utilized for payment of SGST and IGST in that order. However, ITC of SGST should be utilized for payment of IGST, only after ITC of CGST has been utilized fully. ITC of SGST cannot be utilized for payment of CGST.
7)	ITC cannot be availed by a registered person for invoices if the details of which have not been furnished by the supplier in GSTR-1.
8)	➡ Not exempt. Short duration programmes offered by IIMs for which participation certificate is awarded are not 'qualification recognized by law'. ITC is available for supply of services which are used in the course or furtherance of his business. ➡ Further, the place of supply of services in relation to training and performance appraisal to a registered person, shall be the location of such person. Thus, POS is Patna (Bihar) . ➡ Further, where the location of the supplier and the place of supply are in two different States, it shall be treated as inter-State supply of services .
9)	Transport of passengers by air terminating in an airport located in Assam is exempt from GST as said transportation is in economy class.
10)	➡ Tax on renting of motor car services wherein cost of fuel is included in consideration provided by a non-body corporate to a body corporate and CGST/SGST is charged @ 2.5% each, is payable under reverse charge . ➡ Time of supply of such services is 1st February being earlier of date of payment, or 61st day from the date of issue of invoice by supplier or Date of issue of invoice by the Recipient, if any. Since the time of supply of renting of motor car services in the given case does not fall in January 20YY, tax liability on the same does not arise in said month. ➡ Further, ITC on renting of motor car services received is blocked since the recipient - Craftmodel Ltd. is not in the same line of business.

RTP Jan 25 Question in Our Questionnaire Que.No. 12

Q.12 M/s Consultease Services Private Limited, a company registered under GST in Mumbai, Maharashtra, offers business consultancy, digital marketing and project management services across India. The company recorded the following transactions in October:

- 1) **Consultancy services for market analysis:** Provided consultancy services for market analysis to XYZ Ltd., a registered client in Chennai, Tamil Nadu (Inter-State), for ₹ 4,50,000. Additionally, the company paid an amount of ₹ 4,500 as professional tax applicable in the State of Maharashtra as per requirement of local state legislation. The amount of professional tax was recovered separately from XYZ Ltd.
- 2) **Digital Marketing Services for Launch Event:** Conducted digital marketing for an upcoming product launch for Mr. A based in Rajasthan, who is an unregistered person under GST. The agreed fee for the said services is ₹ 3,00,000. Out of the agreed fee, an amount of ₹ 25,000 is incurred by Mr. A. The company was liable to pay the same in relation to the supply and the net payment received by the company was ₹ 2,75,000 (exclusive of any tax).
- 3) **Travelling payment for the team:** The employees incurred an amount of ₹ 50,000 on travel to Kolkata for client project and claimed a reimbursement of the same from the company. As a policy, company charged such expenses from the clients on actual basis.
- 4) **Discount passed on to customer:** Post supply discount was offered to a customer amounting to ₹ 50,000 against a supply for which invoice was issued in September. The customer has not reversed the input tax credit relating to such discount.
- 5) **Recovery of late payment charges:** The company received an amount of ₹ 1,00,000 as late payment charges for delay in payment for consideration from a client whose service contract was completed in June.
- 6) **Purchase of car:** A car was purchased in the name of company for use by the director. The total cost of car was ₹ 10,50,000 (inclusive of IGST amounting to ₹ 1,50,000).
- 7) **Insurance services:** The company paid for insurance of the above new car amounting to ₹ 25,000 which includes IGST amounting to ₹ 2,300.
- 8) **Procurement of services:** The company received inter-State supply of services used for business purpose on which GST paid was ₹ 45,000. Said credit was not restricted under any provision of GST laws.
- 9) **Sponsorship:** The company sponsored a sports event wherein it paid an amount of ₹ 2,00,000 to the event organizers.

You are required to compute the following for the month of October:

- a) Total value of supply
- b) output tax payable by the Company.
- c) net GST payable in cash.

Notes:

- (i) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively.
- (ii) All the amounts given above are exclusive of taxes.
- (iii) There was no opening balance of input tax credit.
- (iv) The turnover of the company was ₹ 10 crores in the previous financial year.
- (v) All the transactions are inter-State, unless otherwise specified. [CA Inter RTP Jan 25]

Answer: a) Computation of total value of supply:

Particulars	IGST (₹)
Consultancy services provided to XYZ Ltd. [Note 1]	
Digital marketing services provided to Mr. A [Note 2]	
Travelling expenses recovered from the client [Note 3]	
Post supply discount [Note 4]	
Late payment charges [Note 5]	
Total value of supply for October	



b) Computation of net GST payable in cash:

Particulars	IGST (₹)
Total output tax payable @ 18% [Note 6]	
Less: ITC (Working Note)	
Net GST payable (A)	
Add: GST payable under reverse charge for receipt of sponsorship services [Note 7] (B)	
Total GST payable in cash (A) +(B)	

Working Note : Computation of ITC available:

Particulars	IGST (₹)
Purchase of car for use by director [Note 8]	
Insurance of car [Note 9]	
ITC on receipt of services [Note 10]	
ITC on sponsorship services [Note 10]	
Total ITC available	

Notes:-

1)	➡ The value of supply includes the amount of any tax paid under any law other than GST. [Sec 15] ➡ Accordingly, the amount of professional tax is includible in the value of services.
2)	The amount incurred by the recipient on behalf of the supplier is includible in the value of supply.
3)	Incidental expenses like travelling expenses incurred in course of supply is includible in value of supply.
4)	No adjustment of post supply discount is allowed as the customer has not reversed the input tax credit.
5)	The late payment charges recovered are includible in GST and liable to tax at the time of receipt of amount.
6)	Company is liable to pay GST on sponsorship services under reverse charge, but the tax payable under reverse charge is not included in the value of output tax.
7)	Tax on sponsorship services availed by a body corporate from any person other than body corporate is payable under reverse charge. Since the tax payable under reverse charge is not an output tax, ITC cannot be utilized to pay GST payable under reverse charge. Thus, it has to be paid in cash.
8)	ITC on motor vehicles for transportation of persons with seating capacity ≤ 13 persons (including the driver) is blocked except when the same are used for (i) making further taxable supply of such motor vehicles (ii) making taxable supply of transportation of passengers (iii) making taxable supply of imparting training on driving such motor vehicles. Purchase of car for use by director is not a specified purpose.
9)	ITC is not allowed on services of insurance relating to the motor vehicles on which ITC is blocked. Since, the car is not used for any of the eligible purposes, ITC thereon is blocked and thus, ITC on insurance taken on such car is also blocked.
10)	ITC is available on services used in the course or furtherance of business.

RTP May 25 Question in Our Questionnaire Que.No. 4

Q.4 Surya is engaged in providing a bouquet of goods and services. It is registered in Jaipur, Rajasthan. It provides the following information for the month of January:

Sl.No.	Particulars	Amount (₹)
(i)	Organised a business exhibition in Gujarat for Jignesh Industries, registered in Surat, Gujarat	20,00,000
(ii)	Provided accommodation services to 10 CA students (originally from outside Rajasthan) in a hostel – Surya Homes, owned by it. Surya Homes is located in Jaipur, Rajasthan. [Hostel accommodation charges are ₹ 22,000 per student per month. As per agreement, minimum period of stay of the students in hostel is 4 months.]	2,20,000
(iii)	Performed the carnatic music to promote a brand of readymade garments – Rigley Garments, registered in Udaipur, Rajasthan.	1,45,000
(iv)	Intra-State services provided as a business correspondent of Manimani Bank, registered in Rajasthan, with respect to accounts in its Jaipur city branch.	1,20,000
(v)	Rented a commercial property in Jaipur, Rajasthan to Ganga Ltd., a supplier of goods & services registered in Jodhpur, Rajasthan. Surya is a director in Ganga Ltd.	3,00,000
(vi)	Sponsored a Business Summit organized in Bikaner, Rajasthan, by Associated Chamber of Commerce and paid a sponsorship fee of ₹ 5,00,000 to Associated Chamber of Commerce, registered in Jaipur, Rajasthan.	
(vii)	Received the services of transportation of goods by road from Sindhu Transporters, an unregistered Goods Transport Agency of Jodhpur, Rajasthan.	2,00,000
(viii)	Taken cars on rental basis from Ajay Limited, registered in Jodhpur, Rajasthan.	1,50,000

1) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively for both inward and outward supply of goods and services except the car rental service and service of transportation of goods by GTA, on which the rates of CGST, SGST and IGST are 2.5%, 2.5% and 5% respectively.

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

3) There was no opening balance of the ITC for the relevant period.

From the information given above, you are required to compute the minimum net GST liability payable in cash (CGST, SGST or IGST, as the case may be) for the month of January for Surya. [CA Inter RTP May 25]

Answer :- Computation of minimum net GST payable in cash for the month of January by Surya :

Particulars	Amount (₹)	IGST (₹)	CGST (₹)	SGST (₹)
GST payable under Forward charge				
Business exhibition organized for Jignesh Industries [Note 1]				
Provided accommodation services to CA students in hostel [Note 2]				
Carnatic music Performance [Note 3]				

Business correspondent services provided [Note 4]				
Renting of commercial property to Ganga Ltd. [Note 5]				
Total Output tax liability [A]				
Less: ITC available				
Business Summit Sponsored [Note 6]				
Services of transportation of goods received from unregistered GTA [Note 7]				
Taken cars on rental basis from Ajay Limited [Note 8]				
Total ITC available [B]				
Net GST [Note 9] [A] – [B]				
GST payable under Reverse charge				
Services of transportation of goods received from unregistered GTA [Note 10]	2,00,000		5,000 (2,00,000* 2.5%)	5,000 (2,00,000* 2.5%)
Total net GST payable in cash		3,60,000	21,900	21,900

Notes:-

1)	➔ Taxable since services by an organiser to any person in respect of a business exhibition are exempt only when such exhibition is held outside India. ➔ Further, it is an inter- State supply since place of supply of organisation of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to an exhibition is location of recipient, i.e. Gujarat.
2)	➔ Supply of accommodation services having value of supply upto ₹ 20,000 per person per month are exempt provided that the accommodation service is supplied for a minimum continuous period of 90 days. ➔ Since in the given case, hostel accommodation charges per student per month exceed ₹ 20,000, said services are taxable. ➔ Further, it is an intra- State supply since the place of supply of services in relation to immovable property is the location of immovable property, i.e. Rajasthan.

3)	➡ Classical musical performance by the artist -Surya is not exempt even though consideration charged for such performance does not exceed ₹ 1,50,000 since he has performed as a brand ambassador. ➡ Further, it is an intra- State supply since the place of supply is location of recipient, i.e. Rajasthan.
4)	Taxable since services provided in the capacity of a business correspondent to a banking company are exempt only when said services are provided with respect to accounts in its rural area branch.
5)	➡ Taxable since renting of only residential dwelling for use as residence is exempt. ➡ Further, since services are being provided by director of the company in his personal capacity and supplier of services of renting of commercial property is a registered person, tax is payable under forward charge. ➡ Moreover, it is an intra- State supply since the place of supply of services in relation to immovable property is the location of immovable property, i.e. Rajasthan.
6)	➡ Since recipient of sponsorship services is an individual (Surya), tax is not payable under reverse charge. ➡ It is an intra-State supply since place of supply of sponsorship services is location of recipient, i.e. Rajasthan. ➡ Further, ITC is available on said service since it is used in course or furtherance of business.
7)	➡ It is intra-State supply since the place of supply of services by way of transportation of goods provided to a registered recipient is location of such recipient, i.e., Rajasthan. ➡ Moreover, ITC is available on said service since it is used in course or furtherance of business.
8)	➡ Tax is not payable under reverse charge since the recipient, Surya is not a body corporate and supplier - Ajay Limited is a body corporate. ➡ It is an intra-State supply since place of supply of car rental services is location of recipient, i.e. Rajasthan. ➡ Further, ITC is available on said service since it is used in course or furtherance of business.
9)	ITC of CGST and SGST has been utilized for payment of CGST and SGST liability respectively.
10)	➡ Since GTA is unregistered, it has not exercised the option to pay tax itself. ➡ Thus, tax on services of transportation of goods being provided to a registered person is payable under reverse charge by Surya @ 2.5% each under CGST and SGST.

RTP Sep 25 Question in Our Questionnaire Que.No. 10

Q.10 Mr. Sagar Chaturvedi, registered under GST, is engaged in supplying multiple services (as discussed in the table below) in Mumbai, Maharashtra. He has furnished the following information with respect to the services supplied and received by him, during the month of April:

S.No.	Particulars	Amount (₹)
(i)	Services of transportation of students provided to Sanskar College offering the degree courses recognized by law.	90,000
(ii)	Outward supply of services of milling of paddy into rice	1,80,000
(iii)	Received the services by way of transportation of goods by road from Sindhu Transporters, an unregistered Goods Transport Agency of Nagpur, Maharashtra.	2,00,000
(iv)	Organized a business exhibition in Gujarat for Ramesh Industries, registered in Delhi.	20,00,000
(v)	Provided training at his Mumbai Office to employees of Aashiyana Interiors, a proprietorship concern of Rajasthan, which was not registered under GST.	1,00,000
(vi)	Recovery agent's services provided to a car dealer	30,000
(vii)	Legal services availed for official purpose from an individual advocate located in Gujarat	1,60,000
(viii)	Sponsored his business in a Cricket Match, organized by Mumbai Cricket Association, Maharashtra wherein he paid an amount of ₹ 1,50,000 to the association.	

Notes:

- (i) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively for both inward and outward supply of services except the service of transportation of goods by GTA, on which the rates of CGST, SGST and IGST are 2.5%, 2.5% and 5% 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.
- (iv) The turnover of Sagar was ₹ 1.8 crore in the previous financial year.
- (v) All the above-mentioned supplies are intra-state, wherever the information for determining the place of supply is not provided.

Compute the net GST payable in cash, by Sagar for the month of April. [CA Inter RTP Sep 25]

Answer: Computation of GST payable:

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
GST payable under forward charge				
Services of transportation of students provided to Sanskar College [Note 1]				
Services of milling of paddy into rice [Note 2]				

Business exhibition organized for Ramesh Industries [Note 3]				
Training to employees of Aashiyana Interiors [Note 4]				
Services provided as a recovery agent [Note 5]				
Total GST payable under forward charge (A)				
GST payable under reverse charge				
Services of transportation of goods received from unregistered GTA [Note 6]				
Legal services availed from an advocate [Note 7]				
Total GST payable under reverse charge (B)				

Computation of Total ITC available:

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
Services of transportation of goods received from unregistered GTA [Note 8]				
ITC on sponsorship services [Note 9]				
Legal services availed from an advocate [Note 10]				
Total ITC available				

Computation of net GST payable in cash

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
GST payable under forward charge			
Less: ITC			

Add: GST payable under reverse charge in cash [Note 11]	28,800	5000	5000
Net GST payable in cash	3,60,000	22,500	22,500

Notes:-

1.	Services of transportation of students provided to an educational institution other than an institution providing pre-school education or education up to higher secondary school or equivalent, are not exempt .
2.	➡ Milling of paddy into rice cannot be considered as an intermediate production process for cultivation of plants for food, fibre or other similar products or agricultural produce. ➡ Thus, it is not eligible for exemption.
3.	➡ Taxable since services by an organizer to any person in respect of a business exhibition are exempt only when such exhibition is held outside India. ➡ Further, it is an inter-State supply since the place of supply of services by way of organization of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to an exhibition in case of a registered recipient is location of such recipient, i.e. Delhi.
4.	➡ Taxable. Further, the place of supply of services in relation to training and performance appraisal provided to an unregistered person, shall be the location where the services are actually performed. ➡ Thus, place of supply is Mumbai. Hence, it is an Intra-State supply.
5.	Tax is payable under forward charge since recovery agent's services are being provided to a person other than banking company/financial institution/ non-banking financial company.
6.	It is intra-State supply since the place of supply of services by way of transportation of goods provided to a registered recipient is location of such recipient, i.e., Maharashtra.
7.	➡ Legal services received by a business entity with aggregate turnover in the preceding financial year exceeding threshold limit for registration (₹ 20 lakh) are not exempt and tax on the same is payable under reverse charge. ➡ Further, place of supply of services provided to a registered person is the location of such person. ➡ Thus, place of supply is Mumbai. Resultantly, same is an inter-State supply as supplier is located in Gujarat.
8.	ITC is available on said service since it is used in course or furtherance of business.
9.	➡ It is an intra-State supply, since place of supply is Mumbai, Maharashtra, being the location of recipient. ➡ ITC is available on services used in the course or furtherance of business.
10.	ITC is available on services used in the course or furtherance of business.
11.	Tax payable under reverse charge, being not an output tax, cannot be set off against ITC and thus, will have to be paid in cash.

RTP Jan26 Question

Q. Mr. Prithviraj, registered under GST, is engaged in supplying services (as discussed in the table below) in Maharashtra. He has furnished the following information with respect to the services provided/ received by him, during the month of February:

S.No.	Particulars	Amount (₹)
(i)	Carnatic music performance given by Mr. Prithviraj to promote a brand of readymade garments	1,40,000
(ii)	Outdoor catering services availed for a marketing event organised for his prospective customers	50,000
(iii)	Services of transportation of students provided to Subhaskar College providing education as part of a curriculum for obtaining a recognised qualification	1,00,000
(iv)	Legal services availed for official purpose from an advocate located in Gujarat	1,75,000
(v)	Services provided to Wealth Bank as a business correspondent with respect to accounts in a branch of the bank located in urban area	2,00,000
(vi)	Recovery agent's services provided to a car dealer	15,000
(vii)	General insurance taken on a car (seating capacity 5) used for official purposes	40,000

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.
- (iv) All the transactions mentioned above are Intra-State unless information for determination of place of supply is given.
- (v) The turnover of Mr. Prithviraj was ₹ 2.5 crore in the previous financial year.

Compute the net GST payable in cash, by Mr. Prithviraj for the month of February. [CA Inter RTP Jan 26]

Answer:- Computation of GST payable

Particulars	Value (₹)	IGST @18% (₹)	CGST@9% (₹)	SGST@9% (₹)
GST payable under forward charge				
Carnatic music performance given to promote a brand of readymade garments [Carnatic music performance by Mr. Prithviraj is not exempt from GST even though the consideration charged does not exceed ₹ 1,50,000 since said performance has been made by him as a brand ambassador.]				
Services of transportation of students provided to Subhaskar College [Services of transportation of students provided to an educational institution other than an institution providing pre-school education or education up to higher secondary school, are not exempt.]				

Services provided to Wealth Bank as a business correspondent [Services provided by a business correspondent to a banking company are not exempt when such services are provided with respect to accounts in its urban area branch.]				
Services provided as a recovery agent [Tax is payable under forward charge since recovery agent's services are being provided to a person other than banking company/financial institution/ non-banking financial company.]				
Total GST payable under forward charge (A)				
GST payable under reverse charge				
Legal services availed from an advocate [Legal services received by a business entity with aggregate turnover in the preceding financial year exceeding threshold limit for registration (₹ 20 lakh) are not exempt and tax on the same is payable under reverse charge. Further, since place of supply is Maharashtra, being the location of registered person, thus same is an Inter- State supply.]				
Total GST payable under reverse charge (B)				
Total GST payable [(A)+(B)]				

Computation of total ITC available

Particulars	Value (₹)	IGST @18% (₹)	CGST@9% (₹)	SGST@9% (₹)
Outdoor catering services availed [ITC on outdoor catering services is blocked except when such services are (i) used by the taxpayer who is in the same line of business or (ii) provided by the employer to its employees under a statutory obligation.]				

Legal services availed [ITC is available as said services are used in course or furtherance of business.]				
General insurance taken on a car (seating capacity 5) used for official purposes [ITC on motor vehicles for transportation of persons with seating capacity ≤ 13 persons (including the driver) is blocked except when the same are used for (i) making further taxable supply of such motor vehicles (ii) making taxable supply of transportation of passengers (iii) making taxable supply of imparting training on driving such motor vehicles. Further, ITC is not allowed on services of general insurance relating to such ineligible motor vehicles.]				
Total ITC available				

Computation of net GST payable in cash

Particulars	IGST @18% (₹)	CGST@9% (₹)	SGST@9% (₹)
Computation of net GST payable in cash			
Less: ITC of IGST			
Add: GST payable under reverse charge in cash [Tax payable under reverse charge, being not an output tax, cannot be set off against ITC and thus, will have to be paid in cash.]			
Net GST payable in cash			