

# CA- INTERMEDIATE

Jan 2025

**GOODS & SERVICES TAX**

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**By :- CA SANCHIT GROVER**

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# **MOST DETAILED ANALYSIS OF INCOME TAX & GST GUARANTEED**

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FOR 10 MARKS

## COMPILER OF COMPREHENSIVE GST QUESTIONS

**Q1)** M/s. Comfortable (P) Ltd. is registered under GST in Chennai, Tamil Nadu. It is engaged in the manufacture of iron and steel products. It has carried out following transactions in the financial year 2023-24:-

- a) Purchased 1,000 Metric Ton (MT) iron @ 1,000 per MT (excluding GST) from M/s. Hard Ltd. Of Chennai. M/s. Hard Ltd. has fulfilled the order as follows:

| Date        | Quantity (MT) | Taxable Value |
|-------------|---------------|---------------|
| 28-Feb-2024 | 200           | 2,00,000/-    |
| 10-Mar-2024 | 250           | 2,50,000/-    |
| 25-Mar-2024 | 250           | 2,50,000/-    |
| 28-Mar-2024 | 200           | 2,00,000/-    |

Balance order requirement has been fulfilled by Hard Ltd. on 5-Apr-2024. However, Hard Ltd. has raised the invoice for full order at the time of dispatch of first lot, i.e. on 28-Feb-2024. M/s. Comfortable (P) Ltd. has made the full payment on 28-Feb-2024 for the order.

- b) Company has received IT engineering service from M/s. Dynamic Infotech (P) Ltd. of Chennai for ₹ 11,00,000/- (excluding GST) on 28-Oct-2023. Invoice for service rendered was issued on 5-Nov- 2023. M/s Comfortable (P) Ltd. made part-payment of ₹ 4,13,000/- on 31-Dec-2023. Being unhappy with service provided by M/s Dynamic Infotech (P) Ltd., it did not make the balance payment. Deficiency in service rendered was made good by M/s Dynamic Infotech (P) Ltd. by 15-Feb-2024. M/s. Comfortable (P) Ltd. made payment of ₹ 2,95,000/- on 15-Feb-2024 towards full and final settlement of the dues and did not pay the balance amount.
- c) Company has made the following intra State supplies (excluding GST) for the financial year 2023-24:-

| S.No. | Particulars   | Amount (₹) |
|-------|---|------------|
| 1.    | Value of intra-State supplies made to registered persons    | 10,00,000  |
| 2.    | Value of intra- State supplies made to unregistered persons | 2,00,000   |

- (i) Compute the GST liability (CGST, SGST or IGST, as the case may be) of M/s. Comfortable (P) Ltd. for the financial year 2023-24:-
- (ii) Compute the amount of input tax credit to be reversed in the FY 2023-24 and/or in the next FY 2024-25, if any.

Assume the rates of GST as under:

|      |     |
|------|-----|
| CGST | 9%  |
| SGST | 9%  |
| IGST | 18% |

**Note :** (i) All the conditions necessary for availing input tax credit have been fulfilled.

(ii) Ignore interest, if any

(ICAI MTP May 2019 – 8 Marks)

**Q2)** '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

| Particulars                                | Amount   | Particulars                             | 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 combi 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 combi 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
- 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.
- 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 hereunder

| Tax  | Amount in ₹ |
|------|-------------|
| 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. *(ICAI RTP Nov 2020)*

- Q3)** KNK Ltd., a registered supplier of Mumbai is a manufacturer of heavy machines. Its outward supplies (exclusive of GST) for the month of January, 2024 are as follows

| S No. | Particulars | Amount in ₹ |
|-------|-------------|-------------|
| (i)   | Inter-State | 85,00,000   |
| (ii)  | Intra-State | 15,00,000   |

Applicable rate of CGST, SGST and IGST on outward supply are 9%, 9% and 18% respectively. Details of GST paid on inward supplies during the month of January, 2024 are as follows

| S No. | Particulars  | CGST paid in ₹ | SGST paid in ₹ |
|-------|--|----------------|----------------|
| (i)   | Raw material A<br>(of which 70% of inputs procured were used and 30% were in stock at the end of the January, 2024)              | 60,000         | 60,00          |
| (ii)  | Raw material B<br>(of which 90% material received in factory and remaining material completely damaged due to a road accident on | 50,000         | 50,000         |

|       |  |        |        |
|-------|--|--------|--------|
|       | the way to factory. There was no negligence on the part of the KNK Ltd.) |        |        |
| (iii) | Construction of pipelines laid outside the factory premises              | 30,000 | 30,000 |
| (iv)  | Insurance charges paid for trucks used for transportation of goods.      | 55,000 | 55,000 |

**Additional Information:**

- There is no opening balance of any input tax credit and all the conditions necessary for availing the input tax credit (ITC) have been fulfilled.
- Details of GST paid on inward supplies are available in GSTR-2B except for item (i) i.e. Raw Material A, for which supplier has not filed its GSTR-1 for the month of January 2024, hence corresponding input tax credit (ITC) is not reflecting in GSTR-2B of KNK Ltd. in January, 2024.

**Compute the following:**

- Amount of eligible input tax credit (ITC) available for the month of January, 2024.
- Minimum net GST payable in cash, for the month of January, 2024 after using available input tax credit. Working notes should form part of your answer. **(CA Inter Nov 2020 – 8 Marks)**

**Q4)** 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, 2023:

| S.No | Details of the Transactions   | Amount               |
|------|---|----------------------|
| 1    | Intra-State taxable supply of Direct Selling Agent (DSA) service to public sector Bank.   | 2,50,000             |
| 2    | Services provided to a Governmental authority by way of sanitation conservancy  | 99,900               |
| 3    | 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               |
| 4    | Purchased a car for the official use of managing partners of the Firm for business use (Inter-State purchase).  | 9,00,000             |
| 5    | 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                  |
| 6    | Provided training and performance appraisal services in Bengaluru to following persons:<br>(a) ABC Private Limited, a registered supplier in the State of Kerala<br>(b) Babu Cones, a proprietorship concern of Rajasthan, which was not registered under GST | 3,00,000<br>1,00,000 |

Note:

- Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively
- All the amounts given above are exclusive of taxes.
- All the conditions necessary for availing the ITC have been fulfilled.
- There was no opening balance of any input tax credit.

(v) The turnover of M/s Cute & Co was Rs. 2 crore in the previous financial year.

Compute the net GST payable in cash, by M/s Cute & Co. for the month of October, 2023. Correct legal provisions should form part of your answer (ICAI RTP May 2024)

**Q5)** Star Ltd., a registered supplier in Karnataka has provided the following details for supply of one machine:-

| S.no | Particulars   | Amount |
|------|---|--------|
| 1    | List price of machine supplied [exclusive of items given below from (2) to (4)]               | 80,000 |
| 2    | Tax levied by Local Authority on sale of such machine   | 6,000  |
| 3    | Discount of 2% on the list price of machine was provided (recorded in the invoice of machine) |        |
| 4    | Packing expenses for safe transportation charged separately in the invoice                    | 4,000  |

Star Ltd. received ₹ 5,000 as subsidy from a NGO on sale of each such machine, The Price of ₹ 80,000 of the machine is after considering such subsidy.

During the month of February, 2023, Star Ltd. supplied three machines to Intra-State customers and one machine to Inter-State customer.

Star Ltd. purchased inputs (intra-State) for ₹1,20,000 exclusive of GST for supplying the above four machines during the month. The Balance of ITC at the beginning of February, 2023 was:

| CGST    | SGST   | ICST    |
|---------|--------|---------|
| ₹18,000 | ₹4,000 | ₹26,000 |

**Note:**

- Rate of CGST, SGST and IGST to be 9%,9% and 18% respectively for both inward and outward supplies.
- All the amounts given above are exclusive of GST.
- All the conditions necessary for availing the ITC have been fulfilled. Compute the minimum net GST payable in cash by Star Ltd. for the month of February, 2023. (CA Inter Jan 2021 - 8 Marks)

**Q6)** X Electronics is a registered manufacturer of electrical appliances. made contract with dealers, that purchase of air conditioners of capacity 1.5 Ton in the month of October, 2023 of quantity of more than 50 units will entitle them for 10% discount.

Interstate supply made during the month of October 2023 is ₹ 50,00,000 Details of Intrastate supply :

| Particulars   | Amount      |
|---|-------------|
| Supply of Microwave Oven  | ₹15,00,000  |
| Supply of Refrigerators with Stabilizers being a mixed supply, rate of GST on Refrigerator is 28% (14% COST & 14% SGST), rate of GST on Stabilizer is 18% (9% COST & 9% SGST) | ₹ 40,00,000 |
| Supply of Air Conditioners of capacity 1.5 Ton @ ₹50,000 per Air Conditioner  | ₹ 50,00,000 |

Intrastate inward supplies are:

| Particulars                                 | Amount    |
|---|-----------|
| Raw material                                | 20,00,000 |
| Paid Gym membership for employees           | 50,000    |
| Truck purchased for transportation of goods | 30,00,000 |

X Electronics made supply of Air Conditioners (capacity 1.5 Ton) to only one dealer named Mr. L. Gym membership for employees is not obligatory for X Electronics under any law.

Opening Balance of ITC is as under :

CGST : ₹ 58,000

SGST : ₹ 70,000 IGST : ₹ 10,00,000

**Note:**

- (i) Rate of CGST, SGST and IGST are 9%, 9% and 18% respectively for both inward and outward supplies except where specifically provided.
- (ii) Both inward and outward supplies are exclusive of taxes.
- (iii) All the condition for availing the ITC have been fulfilled. Compute the Net GST payable in cash by X Electronics for the month of October, 2023. (CA Inter July 21 - 8 Marks)

**Q7)** 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 2023:

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.:

| S. No. | Particulars  | Amount<br>(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 6 <sup>th</sup> January 2023 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 6 <sup>th</sup> January 2023. X & Co. paid the consideration for the goods on 20 <sup>th</sup> 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 2023 and the last lot would be delivered in April 2023  | 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 2023. Afterwards, the company re-values it at ₹ 9 per packet in February 2023 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 2023. (CA Inter Dec 2021 - 8 Marks)

**Q8)** M/s. ABC & Co., a chartered accountancy firm, has its office in Bengaluru and is registered under GST in the State of Karnataka. It submitted the following information for the month of April:

| Sr. No. | Particulars  | Amount of services provided excluding GST (₹) |
|---------|--|---|
| 1.      | Statutory audit services provided (intra-State supplies)                 | 1,20,000                                      |
| 2.      | ITR filing services provided within Karnataka (intra-State supplies)     | 1,60,000                                      |
| 3.      | Internal audit services provided to Mumbai client (inter-State supplies) | 1,80,000                                      |

M/s. ABC & Co. had also incurred the following expenses in the month of April for the purpose of providing the taxable services:

| Sr. No. | Particulars  | CGST (₹) | SGST (₹) |
|---------|--|----------|----------|
| 1.      | Car purchased by firm for the use of senior partner of the firm for official use   | 42,000   | 42,000   |
| 2.      | Office rent paid to landlord who is registered in State of Karnataka   | 450      | 450      |
| 3.      | Professional fee paid to Mr. Rajesh, a practicing Chartered Accountant, for professional services availed [TDS of ₹ 20,000 is deducted under section 194J of the Income-tax Act, 1961] | 18,000   | 18,000   |
| 4.      | Computer purchased for office purpose  | 3,000    | 3,000    |

Out of the above 4 suppliers/service providers, landlord of office to whom rent was paid did not upload his GSTR-1 within the specified time allowed under GST resulting in the GST amount not being reflected in GSTR-2B of M/s. ABC & Co.

Compute the net GST payable in cash by M/s. ABC & Co. for the month of April.

Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively assuming that all the remaining conditions of utilisation of ITC are fulfilled.

(ICAI MTP MAY 2023)

- Q9)** M/s. Flow Pro, a registered supplier, is engaged in manufacturing heavy steel fabrication machine. The details pertaining to pricing of each such machine is as follows:

| S. No. | Particulars   | Amount (₹) |
|--------|---|------------|
| (i)    | Price of the machine [excluding taxes and other charges mentioned at S. Nos. (ii) and (iii)]  | 25,00,000  |
| (ii)   | Third party inspection charges<br>[Such charges were payable by M/s Flow Pro but the same have been directly paid by BP Ltd. to the inspection agency. These charges were not recorded in the invoice issued by M/s Flo Pro.] | 5,00,000   |
| (iii)  | Freight charges for delivery of the machine<br>[M/s Flow Pro has agreed to deliver the goods at BP Ltd.'s premises]   | 2,00,000   |
| (iv)   | Subsidy received from the State Government on sale of machine under Skill Development Programme<br>[Subsidy is directly linked to the price]  | 5,00,000   |
| (v)    | Discount of 2% is offered to BP Ltd. on the price mentioned at S. No. (i) above and recorded in the invoice   |            |

Note: Price of the machine is net of the subsidy received.

M/s. Flow Pro has supplied one such machine in the month of October. It also provided the following details pertaining to the purchases made/services availed during said month:



| S. No. | Inward supplies | IGST (₹) | Remarks   |
|--------|-----------------|----------|---|
| (i)    | Inputs 'A'      | 1,00,000 | One invoice on which IGST payable was ₹ 10,000, is missing  |
| (ii)   | Inputs 'B'      | 50,000   | Inputs are to be received in two lots. First lot has been received in October   |
| (iii)  | Capital goods   | 1,20,000 | M/s. Flow Pro has capitalised the capital goods at full invoice value inclusive of GST as it will avail depreciation on the full invoice value. |
| (iv)   | Input services  | 2,25,000 | One invoice dated 20th January of preceding financial year on which GST payable was ₹ 50,000 was missing and has been found in October          |

Compute the net GST payable in cash by M/s. Flow Pro for October assuming that all the inward supplies are inter-State supplies and all outward supplies are intra-State supplies. Assume the rates of taxes to be as under:

| Particulars           | Rates of tax |
|-----------------------|--------------|
| Central tax (CGST)    | 9%           |
| State Tax (SGST)      | 9%           |
| Integrated tax (IGST) | 18%          |

Make suitable assumptions, wherever necessary. All the conditions necessary for availing the ITC have been fulfilled. Opening balance of the input tax credit for the relevant period is Nil. The annual return for the previous financial year was filed on 15th September of the current year. **(ICAI MTP MAY 2023)**

**Q10)** Sreshth Pvt. Ltd., a registered supplier of goods and services in Kolkata, has furnished the following information for the month of February:

| S. No. | Particulars  | Amount (₹) |
|--------|--|------------|
| (i)    | Intra-State supply of taxable goods  | 4,00,000   |
| (ii)   | Purchase of goods destroyed due to fire before being put into the production process (It is an intra-State transaction)  | 5,50,000   |
| (iii)  | Services provided to a foreign diplomatic mission located in India (It is an intra-State transaction)  | 1,00,000   |
| (iv)   | Intra-State purchase of food items for being served to the customers, free of cost. (It is an intra-State transaction)   | 1,75,000   |
| (v)    | Goods transport services received from an unregistered GTA. (It is an inter-State transaction)   | 2,00,000   |
| (vi)   | Inter-State services provided to Dhruv Ltd. in respect of a business exhibition held in Delhi  | 10,000     |
| (vii)  | Inter-State security services provided to Torrent Higher Secondary School (unregistered under GST) for their annual day function organised in Katyani Auditorium outside the School campus | 15,000     |
| (viii) | Inputs to be received in 3 lots, out of which 2nd lot was received during the month  | 40,000     |

The company has following balances of ITC 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 unless otherwise mentioned.

(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 Sreshth Pvt. Ltd. was ₹ 2.5 crore in the previous financial year.

Compute the minimum GST, payable in cash, by Sreshth Pvt. Ltd. for the month of February. Make suitable assumptions as required. *(ICAI MTP NOV 2022)*

**Q11)** Prithviraj Pvt. Ltd., a registered supplier, is engaged in manufacturing heavy steel fabrication machine. The details pertaining to pricing of each such machine is as follows:

| S. No. | Particulars  | Amount (₹) |
|--------|--|------------|
| (i)    | Price of the machine (exclusive of taxes and discounts)  | 5,50,000   |
| (ii)   | Part fitted in the machine at the premises of the recipient<br>[Amount has been paid by recipient directly to the supplier. However, it was Prithviraj Pvt. Ltd.'s liability to pay the said amount] | 20,000     |
| (iii)  | Installation and testing charges at the premises of the recipient  | 25,000     |
| (iv)   | Subsidy received from Shri Ram Trust [Subsidy is directly linked to the price of the machine]  | 50,000     |

Items given in points (ii) to (iv) have been excluded while arriving at price of the machine given in point (i) above. The contract includes installation and testing of machine at the recipient's premises.

Prithviraj Pvt. Ltd. has made supply of 10 such machines in the month of July. It also provided the following details pertaining to the purchases made/services availed during said month:

| Sr. No | Particulars  | Amount(₹) |
|--------|--|-----------|
| (1)    | Raw material (to be received in September)   | 10,00,000 |
| (2)    | Membership of a club availed for employees working in the factory  | 6,00,000  |
| (3)    | Trucks used for transport of raw material  | 3,50,000  |
| (4)    | Capital goods (out of 3 items, invoice for 2 items is missing and GST paid on those two items is ₹ 18,000) | 7,00,000  |

Compute the net GST payable in cash by Prithviraj Pvt. Ltd. for the given month assuming that all the inward and outward supplies are intra-State supplies. Assume the rates of taxes to be as under:

| Particulars           | Rates of tax |
|-----------------------|--------------|
| Central tax (CGST)    | 9%           |
| State Tax (SGST)      | 9%           |
| Integrated tax (IGST) | 18%          |

Make suitable assumptions, wherever necessary. All the conditions necessary for availing the ITC have been fulfilled. Opening balance of the input tax credit for the relevant period is Nil *(ICAI MTP SEP 2022)*

- Q12)** Zeon Ltd., a GST registered supplier located in Ranchi, Jharkhand, is engaged in the manufacturing of washing machines & mixer grinders. It provides you the details of various activities undertaken during the month of September, 2021 as follows:

| Sl. No. | Particulars  | Amount (₹)  |
|---------|--|-------------|
| (i)     | Outward supplies made during the month   |             |
|         | a. Within Jharkhand  | ₹ 24,00,000 |
|         | b. Outside Jharkhand   | ₹ 5,00,000  |
|         |  | 29,00,000   |
| (ii)    | Purchase of raw materials from registered dealers within Jharkhand which includes materials worth ₹ 2,00,000 purchased from Mr. Krishna, a registered person who is paying tax under composition scheme. | 7,00,000    |
| (iii)   | Bus purchased from a registered dealer in Tatanagar, Jharkhand. Bus used to ferry its 25 workers to and from factory.  | 12,00,000   |

Assume the rates of GST applicable on various supplies as follows:

| Nature of supply                  | CGST | SGST | IGST |
|-----------------------------------|------|------|------|
| Composition supplies              | 0.5% | 0.5% | -    |
| Bus                               | 14%  | 14%  | 28%  |
| Raw material                      | 6%   | 6%   | 12%  |
| Washing machines & mixer grinders | 9%   | 9%   | 18%  |

Opening balances of input tax credit as on 01/09/2021 were as follows:

| CGST (₹) | SGST (₹) | IGST (₹) |
|----------|----------|----------|
| 20,000   | 5,000    | 95,000   |

Note:

- All the figures mentioned above are exclusive of taxes.
- Both inward & outward supplies within the State of Jharkhand are to be considered intra-State supplies and outside the State of Jharkhand are inter-State supplies.
- Subject to information given above, all the other conditions necessary for availing ITC have been fulfilled.

Calculate the amount of net minimum GST payable in cash by Zeon Ltd. for the month of September, 2021.

Brief and suitable notes should form part of your answer.

(CA Inter May 22- 8 Marks)

- Q13)** 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 2022 are as follows:

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

|  | ₹        |
|--|----------|
| Value of goods   | 4,00,000 |
| Value of freight charges charged separately in above invoices. | 1,00,000 |

- 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.

|   | ₹        |
|---|----------|
| Value of services component of invoices       | 3,00,000 |
| Value of parts / spares component in invoices | 50,000   |

- (iii) 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, 2022, Jino Enterprises had made inter-State supply of 10 numbers of such combo products.
- (iv) 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. 2021-2022, 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, 2022. **(CA Inter May 23- 8 Marks)**

- Q14)** Ajay Limited, a registered dealer in Patna (Bihar), is engaged in various types of supplies. The company provided the following details for the month of January 2022:

| Sl. No. | Particulars  | Amount in ₹                    |                       |              |                       |    |                                     |          |          |    |                               |          |          |  |
|---------|--|--------------------------------|-----------------------|--------------|-----------------------|----|-------------------------------------|----------|----------|----|-------------------------------|----------|----------|--|
| (i)     | Outward supply of goods made during the month to various non-related persons:  | As given in particulars column |                       |              |                       |    |                                     |          |          |    |                               |          |          |  |
|         | <table border="1"> <thead> <tr> <th></th> <th>Particulars</th> <th>Market value</th> <th>Transaction Value (₹)</th> </tr> </thead> <tbody> <tr> <td>a.</td> <td>in the State of Bihar (Intra-State)</td> <td>3,00,000</td> <td>4,00,000</td> </tr> <tr> <td>b.</td> <td>to other States (Inter-State)</td> <td>2,00,000</td> <td>1,00,000</td> </tr> </tbody> </table> |                                | Particulars           | Market value | Transaction Value (₹) | a. | in the State of Bihar (Intra-State) | 3,00,000 | 4,00,000 | b. | to other States (Inter-State) | 2,00,000 | 1,00,000 |  |
|         | Particulars  | Market value                   | Transaction Value (₹) |              |                       |    |                                     |          |          |    |                               |          |          |  |
| a.      | in the State of Bihar (Intra-State)  | 3,00,000                       | 4,00,000              |              |                       |    |                                     |          |          |    |                               |          |          |  |
| b.      | to other States (Inter-State)  | 2,00,000                       | 1,00,000              |              |                       |    |                                     |          |          |    |                               |          |          |  |
| (ii)    | Services provided to the State Government of Karnataka for conducting a computer training programme for its employees. Total expenditure incurred for the said programme was ₹ 90,000, of which ₹ 63,000 was borne by the State Govt. (Inter-State transaction)  | 5,00,000                       |                       |              |                       |    |                                     |          |          |    |                               |          |          |  |

|       |  |          |
|-------|--|----------|
| (iii) | Stock transfer without consideration to its branch at Gaya (Bihar). Branch has separate GSTN for convenience of accounting and billing. Value under section 15 - ₹ 20,000 (Intra -State) | Nil      |
| (iv)  | Intra - State inward supply of various services for use in the course or furtherance of business (30 invoices)   | 6,50,000 |

Additional Information:

- (a) All the amounts given above are exclusive of taxes.
- (b) During the course of arranging and filing documents, the accountant of Ajay Limited observed that an invoice for ₹ 30,000 (excluding tax) dated 02.12.2021 was omitted to be recorded in the books of accounts and no payment was made against the same till the end of January 2022. This invoice was issued by Mr. Mukesh of Patna, from whom Ajay Limited had taken cars on rental basis. Invoice included cost of fuel also. (Intra-State transaction).
- (c) Rate of GST applicable on various supplies are as follows:

| Nature of supply                      | CGST | SGST | IGST |
|---------------------------------------|------|------|------|
| Car rental service                    | 2.5% | 2.5% | 5%   |
| All other inward and outward supplies | 9%   | 9%   | 18%  |

- (d) No opening balance of input tax credit exists in the beginning of the month.
- (e) Out of the 30 invoices of inward supply received, 6 invoices with taxable value amounting to ₹ 1,50,000 were e-invoices in which Invoice Reference Number (IRN) was not mentioned. However, all the invoices were duly reflected in GSTR 2B for the month of January 22, since the suppliers had filed their GSTR-1.
- (f) 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 Ajay Limited for the month of January 2022. Brief notes for treatment given for each item should form part of your answer.

(CA Inter Nov 22- 8 Marks)

- Q15)** 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 (Intra-State transaction)   | 1,40,000   |
| (ii)  | Outdoor catering services availed for a marketing event organised for his prospective customers (Intra-State transaction)   | 50,000     |
| (iii) | Services of transportation of students provided to Subhaskar College providing education as part of a curriculum for obtaining a recognised qualification (Intra-State transaction) | 1,00,000   |
| (iv)  | Legal services availed for official purpose from an advocate located in Gujarat (Inter-State transaction)   | 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 (Intra-State transaction)                       | 2,00,000   |
| (vi)  | Recovery agent's services provided to a car dealer (Intra-State transaction)  | 15,000     |
| (vii) | General insurance taken on a car (seating capacity 5) used for official purposes (Intra-State transaction)  | 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) 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

(ICAI RTP May 2023) + (ICAI MTP May 2024 - 10 Marks)

- Q16)** Miss Nitya, proprietor of M/s. Honest Enterprise, a registered supplier of taxable goods and services in the state of West Bengal, pays GST under regular scheme. It is not eligible for any threshold exemption. It provided the following information for the month of December 2022

| S. No | Particulars   | GST (₹)  |
|-------|---|----------|
|       | <b>Outward Supply</b>   |          |
| (1)   | Intra-state supply of goods to M/s Natural & Sons   | 7,00,000 |
| (2)   | Intra-state transfer of goods to its branch office in the state of West Bengal. Both places are under the same GSTIN.                 | 1,00,000 |
| (3)   | Provided inter-state supply of sponsorship services to XYZ Ltd of Chennai   | 80,000   |
| (4)   | Advance received for future supply of management consultancy service to Mr. Sharad (Intra-state supply)                               | 40,000   |
|       | <b>Inward Supply (Intra-State)</b>  |          |
| (1)   | Purchase of taxable goods from registered suppliers.  | 8,00,000 |
| (2)   | Availed Works Contract service for repair of office building. Amount of repair was debited in the profit & loss account.              | 30,000   |
| (3)   | Availed legal service from an advocate to represent the matter in the Court relating to collection of disputed proceed from customers | 50,000   |

Notes:-

- (i) Rate of CGST, SGST and IGST on all supplies are as below:

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

- (ii) Both inward and outward supplies given above are exclusive of taxes.
- (iii) All the conditions necessary for availing the ITC have been fulfilled.
- (iv) Working note should form part of the answer.

Compute the net minimum GST payable in cash by M/s. Honest Enterprise for the month of December 2022.

(CA Inter Nov 2023 - 8 Marks)

- Q17)** Vishnu 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 Rs. 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. GTA has exercised option to pay tax @12% (It is an inter-State transaction)                                      | 2,00,000 |
| (vi)   | Inter-State services provided by way of training in sports   | 10,000   |
| (vii)  | Inter-State security services provided to Bharat higher secondary school for their annual day function organised in Kaman 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:

| CGST (₹) | SGST (₹) | IGST (₹) |
|----------|----------|----------|
| 57,000   | Nil      | 50,000   |

Note:

- Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively.
- Both inward and outward supplies are exclusive of taxes, wherever applicable
- All the conditions necessary for availing the ITC have been fulfilled.
- The turnover of Vishnu Pvt. Ltd. was Rs. 2.5 crore in the previous financial year. Compute the minimum GST, payable in cash, by Vishnu Pvt. Ltd. for the month of February. Make suitable assumptions as required.

(ICAI MTP May 2024 – 10 Marks)

**Q18)** 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, 2023:

**(A) Details of Outward Supplies:**

- Supply of goods of Rs. 18,00,000 to Vaidehi Enterprises, a registered person of Udaipur, Rajasthan. Further, received Rs. 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.
- Supply of goods worth Rs. 35,00,000 to Calc. Exim, a registered person of Prayagraj, Uttar Pradesh. Further, the amount of Rs. 60,000 charged separately (not included above) from Calc. Exim on account of municipal taxes levied in relation to such outward supply.
- Supply of services to Sunshine Ltd., a registered person in Jodhpur, Rajasthan before discount worth Rs. 6,00,000. Further, discount of Rs. 30,000 which has been given at the time of supply of service and duly recorded in the invoice.
- It delivered the goods worth Rs. 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:**

- Purchased raw material goods worth Rs. 20,00,000 from PQR Ltd; a GST registered dealer, located at Kanpur, Uttar Pradesh. Goods worth Rs. 1,00,000 out of total purchases were not received during the month.
- Purchased machinery for manufacturing process worth Rs. 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 Rs. 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 Rs. 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 Rs. 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 2023- CGST Rs. 20,000, SGST Rs. 50,000 and IGST Rs. 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, 2023.

(CA Inter May 2024 – 10 Marks)

**Q19)** DEF Pvt. Ltd., a registered supplier of goods and services in Pune, Maharashtra, has furnished the following details for the month of January, 2024. The turnover of DEF Pvt. Ltd. was Rs. 3.2 crores in last financial year:-

| S.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 Rs. 5,00,000 from R Ltd. (registered in Gujarat) on 15.03.2023. Now R Ltd. issued debit note on 15.01.2024 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 2024:-

CGST Rs. 25,000

SGST Rs. 25,000

IGST Rs. 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, 2024. Make suitable assumptions wherever required. **(CA Inter Sep 2024 – 10 Marks)**

**Q20)** 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 Rs. 4,50,000. Additionally, the company paid an amount of Rs. 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 Rs. 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 Rs. 2,75,000 (exclusive of any tax).

3. **Travelling payment for the team:** The employees incurred an amount of Rs. 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 Rs. 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 Rs. 1,50,000).

7. **Insurance services:** The company paid for insurance of the above new car amounting to Rs. 25,000 which includes IGST amounting to Rs. 2,300.

8. **Procurement of services:** The company received inter-State supply of services used for business purpose on which GST paid was Rs. 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 Rs. 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.

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) There was no opening balance of input tax credit.

(iv) The turnover of the company was Rs. 10 crores in the previous financial year.

(v) All the transactions are inter-State, unless otherwise specified.

**(ICAI MTP Jan 2025)**

### Answers to Comprehensive Questions of GST

#### Ans. 1) Computation of net GST payable for the financial year 2023-24

| Particulars   | Value (₹) | CGST (₹)        | SGST (₹)        |
|---|-----------|-----------------|-----------------|
| <b>Tax liability</b>                                |           |                 |                 |
| Intra-State supplies made to registered persons     | 10,00,000 | 90,000          | 90,000          |
| Intra State supplies made to unregistered persons   | 2,00,000  | <u>18,000</u>   | <u>18,000</u>   |
| <b>Total (A)</b>                                    |           | <b>1,08,000</b> | <b>1,08,000</b> |
| <b>Input Tax credit</b>                             |           |                 |                 |
| Supply of iron in lots by M/s Hard Limited [Note-1] | 10,00,000 | -               | -               |
| Supply of IT engineering service [Note-2]           | 11,00,000 | <u>99,000</u>   | <u>99,000</u>   |
| <b>Total (B)</b>                                    |           | <b>99,000</b>   | <b>99,000</b>   |
| <b>Net GST payable (A)-(B)</b>                      |           | <b>9,000</b>    | <b>9,000</b>    |

#### Notes:-

- Section 16 of CGST Act, 2017 provides that where the goods against an invoice are received in lots or installments, the registered person shall be entitled to take credit upon receipt of the last lot or installment. Although 900 tonnes of iron are received in financial year 2023-24, the last lot of iron has been received after FY 2023-24 only, i.e. on 5, April 2023, thus no input tax credit is available in FY 2023-24.  
In view of above provisions, full input tax credit in respect of transaction (a) will be claimed in financial year 2023-2024 i.e. on receipt of last installment.
  - Section 16 of CGST Act, 2017 *inter alia* provides that every registered person is entitled to take credit of input tax charged on supply of services to him which are used in the course of business on receipt of the said services.  
Thus, in view of the above mentioned provisions full input tax credit of ₹ 1,98,000/- can be claimed in financial year 2024-25.
- (ii) Section 16 of CGST Act, 2017 provides that where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of 180 days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon, in the prescribed manner.  
However, the recipient shall be entitled to avail of the credit of input tax on payment made by him of the amount towards the value of supply of goods or services or both along with tax payable thereon.  
Since the full amount of value along with tax payable thereon has not been paid by M/s Comfortable (P) Ltd. to M/s Dynamic Infotech (P) Ltd within a period of 180 days from the date of issue of invoice, the proportionate amount of input tax credit availed needs to be reversed. However, the reversal will be done in the financial year 2024-25 during when the time period of 180 days expire.

#### Input tax credit to be reversed in financial year 2024-25

| Particulars   | Amount (₹)      |
|---|-----------------|
| Total value of procurement of IT engineering service                        | 11,00,000       |
| Add: Total GST on the above value @ 18%[CGST + SGST]                        | <u>1,98,000</u> |
| Value including GST   | 12,98,000       |
| Amount paid for the said service including GST<br>[₹ 4,13,000 + ₹ 2,95,000] | <u>7,08,000</u> |
| Amount [value along with tax payable thereon] not paid for the said service | 5,90,000        |
| <b>ITC to be reversed [₹ 1,98,000 x 5,90,000/12,98,000]</b>                 | <b>90,000</b>   |

#### Ans. 2) (A) Calculation of Total Output tax payable for the month of July

| S No.                   | Particulars of Outward Supplies   | CGST          | SGST          | IGST          |
|-------------------------|---|---------------|---------------|---------------|
| (i)                     | Inter-State supply of Stationery (2,00,000 x 18%) – <b>Note 1</b>   | -             | -             | 36,000        |
| (ii)                    | Intra-State supply of 500 combi packs of calculators and diaries (500 x ₹ 800 x 28%) – <b>Note 2</b>  | 56,000        | 56,000        | -             |
| (iii)                   | Intra-State supply of services of business correspondent to a Shubhvidhi Bank with respect to accounts in its urban area branch (1,00,000 x 9%) - <b>Note 3</b> | 9,000         | 9,000         | -             |
| <b>Total Output Tax</b> |   | <b>65,000</b> | <b>65,000</b> | <b>36,000</b> |

**(B) Calculation of Total Input Tax Credit for the month of July**

| S No.  | Particulars of Inward Supplies  | CGST          | SGST          | IGST          |
|--|---|---------------|---------------|---------------|
| (i)  | Inter-State purchase of office stationery [ <b>Note-4</b> ]                       | -             | -             | 18,000        |
| (ii)   | Intra-State repairing of lorry used for transportation of goods [ <b>Note-5</b> ] | 9,000         | 9,000         | -             |
| Total ITC availed during the month of July       |   | 9,000         | 9,000         | 18,000        |
| Add: Opening ITC at the start of July            |   | 5,000         | 5,000         | 80,000        |
| <b>Total Input Tax available for utilization</b> |   | <b>14,000</b> | <b>14,000</b> | <b>98,000</b> |

**(C) Calculation of Net amount of GST payable in cash**

| Adjustment of ITC   | CGST          | SGST       | IGST       |
|---|---------------|------------|------------|
| Total Output tax for the month  | 65,000        | 65,000     | 36,000     |
| <b>Step 1:</b> Less:- ITC of IGST adjusted against output IGST                                      | -             | -          | (36,000)   |
| <b>Step 2:</b> Less:- ITC of IGST adjusted against output CGST and SGST – <b>See Working Note 6</b> | (11,000)      | (51,000)   | -          |
| <b>Step 3:</b> Less:- ITC of CGST adjusted against output CGST                                      | (14,000)      | -          | -          |
| <b>Step 4:</b> Less:- ITC of SGST adjusted against output SGST                                      | -             | (14,000)   | -          |
| <b>Total Output tax paid</b>  | <b>40,000</b> | <b>Nil</b> | <b>Nil</b> |
| <b>ITC to be carried forward</b>  | -             | -          | -          |

**Working Notes:-**

- 1) Taxable supplies made by a registered person are liable to tax irrespective of whether they are made to a registered person or to an unregistered person.
- 2) Supply of calculator and diary as a combi pack with a single price of ₹ 800 is a mixed supply. Being a mixed supply comprising of two supplies, it shall be treated as supply of that particular supply which attracts highest rate of tax..
- 3) Services provided by a business facilitator/ business correspondent to a banking company only with respect to accounts in its rural area branch are exempt and not with respect to accounts in its urban area branch
- 4) ITC can be taken only on the basis of a valid tax paying document. Thus, ITC will not be available on goods for which the invoice is missing
- 5) ITC on motor vehicles used for transportation of goods is allowed. Further, ITC is allowed on repair and maintenance services relating to motor vehicles, ITC on which is allowed.
- 6) IGST credit, after being set off against IGST liability, can be utilised against CGST and SGST liability in any order and in any proportion. Thus, there cannot be one answer for the minimum net CGST and SGST payable in cash as the amount of CGST and SGST liabilities are the same as also the amount of ITC for CGST and SGST is also the same

**Ans. 3) (i) Computation of amount of eligible ITC available for the month of January, 2024**

| S No. | Particulars of Inward Supplies          | CGST   | SGST   |
|-------|---|--------|--------|
| (i)   | Raw materials B (90%) [ <b>Note-1</b> ] | 45,000 | 45,000 |

|                           |   |                 |                 |
|---------------------------|---|-----------------|-----------------|
| (ii)                      | Construction of pipelines laid outside the factory premises [Note-2]  | Nil             | Nil             |
| (iii)                     | Insurance charges paid for trucks used for transportation of goods [Note-3]   | 55,000          | 55,000          |
| (iv)                      | Raw materials A [Note-4]  | Nil             | Nil             |
| (v)                       | Eligible ITC on invoices the details of which are available in GSTR-2B  | 1,00,000        | 1,00,000        |
| (vi)                      | ITC on invoices the details of which are not available in GSTR-2B, i.e. the invoices which have not been uploaded by the suppliers in their GSTR-1 [Note-4] | -               | -               |
| <b>Total Eligible ITC</b> |   | <b>1,00,000</b> | <b>1,00,000</b> |

**Notes:**

- ITC on goods destroyed is blocked under section 17 of the CGST Act, 2017.
- ITC on works contract services availed for construction of plant and machinery is allowed but pipelines laid outside the factory premises are excluded from the definition of plant and machinery and hence, ITC thereon is blocked.
- ITC on motor vehicles used for transportation of goods is allowed. Further, ITC is also allowed on insurance services relating to motor vehicles, ITC on which is allowed.
- As per Sec 16(1) read with Rule 36(4), where invoice has not been uploaded by the supplier in its GSTR-1, no ITC shall be available in respect of such supplies that are not reflected in GSTR-2B of recipient

**(ii) Computation of minimum net GST payable in cash for the month of January, 2024**

| Items  | Value (₹) | CGST @9%      | SGST@9%       | IGST@18%         |
|--|-----------|---------------|---------------|------------------|
| Inter-State outward supplies   | 85,00,000 |               |               | 15,30,000        |
| Intra-State outward supplies   | 15,00,000 | 1,35,000      | 1,35,000      | -                |
| Total output tax payable   |           | 1,35,000      | 1,35,000      | 15,30,000        |
| Less: Set off of CGST and SGST credit against CGST and SGST liability respectively |           | (1,00,000)    | (1,00,000)    |                  |
| <b>Minimum net GST payable in cash</b>   |           | <b>35,000</b> | <b>35,000</b> | <b>15,30,000</b> |

**Ans. 4) Computation of Output Tax payable by M/s Cute & Co. for month of Oct 2023**

| S No. | Particulars   | Amount   | SGST   | CGST   | IGST   |
|-------|---|----------|--------|--------|--------|
| (i)   | Intra-State taxable supply of DSA service<br><i>[Since DSA services are provided by partnership firm, so taxable under forward charge]</i>  | 2,50,000 | 22,500 | 22,500 | -      |
| (ii)  | Services provided to a Governmental authority by way of sanitation conservancy <i>[Specifically exempt under GST]</i>   | 99,900   | -      | -      | -      |
| (iii) | Information Technology services<br><i>[Import of services from a non-related person without consideration, in the course or furtherance of business is not a supply.]</i>   | Nil      | -      | -      | -      |
| (iv)  | Training and performance appraisal services to ABC Private Limited<br><i>[Taxable; 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.]</i>                   | 3,00,000 | Nil    | Nil    | 54,000 |
| (v)   | Training and performance appraisal services to Babu Cones.<br><i>[Taxable, 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]</i> | 1,00,000 | 9,000  | 9,000  | -      |

|   |   |        |               |               |               |
|---|---|--------|---------------|---------------|---------------|
| <b>Total tax payable under forward charge</b> |   |        | <b>31,500</b> | <b>31,500</b> | <b>54,000</b> |
| (i)   | Rent paid for residential unit<br><i>[Service by way of renting of residential dwelling to a registered person is taxable under reverse charge mechanism]</i> | 25,000 | 2,250         | 2,250         |               |
| <b>Total tax payable under reverse charge</b> |   |        | <b>2,250</b>  | <b>2,250</b>  |               |

**Computation of Total ITC available to Mr. Uttam**

| Particulars  | CGST         | SGST         |
|--|--------------|--------------|
| (i) Tax paid under reverse charge on Renting Service | 2,250        | 2,250        |
| <b>Total ITC available during the month</b>          | <b>2,250</b> | <b>2,250</b> |

**Computation of minimum GST payable from Cash Ledger**

| Particulars   | CGST          | SGST          | IGST          |
|---|---------------|---------------|---------------|
| Output GST payable under forward charge   | 31,500        | 31,500        | 54,000        |
| Adjustment of CGST credit against CGST output tax liability and SGST credit against SGST output tax liability | (2,250)       | (2,250)       | -             |
| Net GST payable under forward charge  | 29,250        | 29,250        | 54,000        |
| GST payable under reverse charge -Note  | 2,250         | 2,250         | -             |
| <b>Net GST payable through cash ledger</b>  | <b>31,500</b> | <b>31,500</b> | <b>54,000</b> |
| <b>ITC to be carried forward</b>  | <b>Nil</b>    | <b>Nil</b>    |               |

**Note:-** 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]

**Ans. 5) Computation of value of taxable supply**

| Particulars   | Amount (₹)    |
|---|---------------|
| List price of the machine   | 80,000        |
| Add: Tax levied by Local Authority on the sale of machine [Tax other than GST, if charged separately, are includible in the value in terms of section 15 of the CGST Act, 2017.]  | 6,000         |
| Add: Packing expenses for safe transportation [Includible in the value as per section 15 of the CGST Act, 2017.]  | 4,000         |
| Add: Subsidy received from a NGO on sale of each machine [Subsidy received from a non-Government body and which is directly linked to the price, the same is included in the value in terms of section 15 of the CGST Act, 2017.] | 5,000         |
| <b>Total</b>  | <b>95,000</b> |
| Less: Discount @ 2% on ₹80,000 [Since discount is known at the time of supply and recorded in invoice, it is deductible from the value in terms of section 15 of the CGST Act, 2017.]   | 1,600         |
| <b>Value of taxable supply</b>  | <b>93,400</b> |

**Computation of minimum net GST payable in cash by Star Ltd.**

| Particulars  | CGST (₹)                  | SGST (₹)                  | IGST (₹)                 |
|--|---------------------------|---------------------------|--------------------------|
| Sale of machine [Intra-State sales = ₹ 93,400 × 3 machines = ₹ 2,80,200 Inter-State sales = ₹ 93,400 × 1 machine = ₹ 93,400] | 25,218<br>[2,80,200 × 9%] | 25,218<br>[2,80,200 × 9%] | 16,812<br>[93,400 × 18%] |
| Total output tax   | 25,218                    | 25,218                    | 16,812                   |
| Less: Set off of IGST against IGST and SGST [IGST credit first be utilized towards payment of IGST, remaining amount can be  |                           | (9,188)                   | (16,812)                 |

|   |            |              |  |
|---|------------|--------------|--|
| utilized towards CGST and SGST in any order and in any proportion]  |            |              |  |
| Less: Set off of CGST against CGST and SGST against SGST [CGST credit cannot be utilized towards payment of SGST and vice versa.] | (25,218)   | (14,800)     |  |
| <b>Minimum net GST payable in cash</b>  | <b>Nil</b> | <b>1,230</b> |  |

**Working Note:****Computation of total ITC available**

| Particulars                            | CGST (₹)                 | SGST (₹)                | IGST (₹)      |
|--|--------------------------|-------------------------|---------------|
| Opening balance of ITC                 | 18,000                   | 4,000                   | 26,000        |
| Add: Inputs purchased during the month | 10,800 [₹ 1,20,000 × 9%] | 10,800 [₹1,20,000 × 9%] |               |
| <b>Total ITC available</b>             | <b>28,800</b>            | <b>14,800</b>           | <b>26,000</b> |

**Ans. 6) Calculation of Total Output tax payable for the month of October 2023**

| S No.                   | Particulars of Outward Supplies   | CGST             | SGST             | IGST            |
|-------------------------|---|------------------|------------------|-----------------|
| (i)                     | Intra-State supply of Microwave oven (15,00,000 × 9%)   | 1,35,000         | 1,35,000         | -               |
| (ii)                    | Intra-State supply of refrigerators with stabilizers (40, 00,000 × 14%)<br><i>[Being mixed supply, the supply shall be treated as a supply of that particular supply which attracts the highest rate of tax and taxed accordingly. Thus, it will be taxed @ 14% CGST and 14% SGST.]</i> | 5,60,000         | 5,60,000         | -               |
| (iii)                   | Intra-State Supply of 100 (₹ 50 lakh/ ₹ 50,000) air conditioners [₹ 45,00,000 × 9%]<br><i>[Since 100 air conditioners have been supplied, discount @ 10% will be available – Note 1)</i>  | 4,05,000         | 4,05,000         | -               |
| (iv)                    | Inter-State Supply [50,00,000 × 18%]  | -                | -                | 9,00,000        |
| <b>Total Output Tax</b> |   | <b>11,00,000</b> | <b>11,00,000</b> | <b>9,00,000</b> |

**Calculation of Total Input Tax Credit for the month of October 2023**

| S No.  | Particulars of Inward Supplies  | CGST            | SGST            | IGST             |
|--|---|-----------------|-----------------|------------------|
| (i)  | Purchase of Raw Materials [20,00,000 × 9%]  | 1,80,000        | 1,80,000        | -                |
| (ii)   | Gym membership for employees<br><i>[ITC on membership of a health and fitness centre is blocked if there is no statutory obligation for the employer to provide the same.]</i>  | -               | -               | -                |
| (iii)  | Truck purchased for transportation of goods [30,00,000 × 9%] -<br><i>ITC on motor vehicles used for transportation of goods is not blocked. It has been assumed that depreciation has not been claimed on tax component</i> | 2,70,000        | 2,70,000        | -                |
| Total ITC availed during the month of October    |   | 4,50,000        | 4,50,000        |                  |
| Add: Opening ITC at the start of October         |   | 58,000          | 70,000          | 10,00,000        |
| <b>Total Input Tax available for utilization</b> |   | <b>5,08,000</b> | <b>5,20,000</b> | <b>10,00,000</b> |

**(A) Calculation of Net amount of GST payable in cash**

| Adjustment of ITC                                       | CGST            | SGST            | IGST       |
|---|-----------------|-----------------|------------|
| Total Output tax for the month                          | 11,00,000       | 11,00,000       | 9,00,000   |
| Step 1: Less:- ITC of IGST adjusted against output IGST | -               | -               | (9,00,000) |
| Step 2: Less:- ITC of IGST adjusted against output CGST | (1,00,000)      | -               | -          |
| Step 3: Less:- ITC of CGST adjusted against output CGST | (5,08,000)      | -               | -          |
| Step 4: Less:- ITC of SGST adjusted against output SGST | -               | (5,20,000)      | -          |
| <b>Total Output tax paid</b>                            | <b>4,92,000</b> | <b>5,80,000</b> | <b>Nil</b> |
| <b>ITC to be carried forward</b>                        | -               | -               | -          |

**Working Notes**

- It has been presumed that there is one supply transaction for 100 ACs and thus, the discount has been given in the invoice itself. Alternatively, even if there have been multiple supply transactions for the ACs during the month and the discount has been given vide credit note, it has been presumed that the credit note has been issued in October 2023 and all other conditions prescribed in section 15(3)(b) of the CGST Act, 2017 have been complied with. Thus, the effect of the discount has been adjusted in the month of October 2023 itself
- It has been assumed that Rule 86B is not applicable in the given case

**Ans. 7) Computation of net GST liability of ABC Ltd. to be paid in cash for February 2023**

| Particulars  | Value<br>(₹)                        | CGST<br>(₹)                    | SGST<br>(₹)                    | IGST<br>(₹)     |
|--|-------------------------------------|--------------------------------|--------------------------------|-----------------|
| Net output GST liability as given  |                                     | 3,00,000                       | 2,50,000                       | 3,00,000        |
| Add: Trucks given on hire to GTA [Services by way of giving a means of transportation of goods on hire to a GTA are exempt]  | 3,75,000                            | --                             | --                             | --              |
| Add: Interest on delayed payment of 15 days (6 <sup>th</sup> February, 2023 to 20 <sup>th</sup> February, 2023)<br>[Includible in value in terms of section 15 of the CGST Act, 2017. – <i>See WN-3</i> ]  | 5,900<br>[5,90,000 ×<br>2% × 15/30] | --                             | --                             | 900             |
| <b>Total output tax liability</b>  |                                     | <b>3,00,000</b>                | <b>2,50,000</b>                | <b>3,00,900</b> |
| Less: ITC in respect of legal services paid as reverse charge is available   | 1,50,000                            | (13,500)<br>[1,50,000<br>× 9%] | (13,500)<br>[1,50,000<br>× 9%] |                 |
| <b>Net output tax liability (A)</b>  |                                     | <b>2,86,500</b>                | <b>2,36,500</b>                | <b>3,00,900</b> |
| Legal consultancy services received(B) [Tax is payable under reverse charge on legal services received by a business entity <sup>3</sup> from a partnership firm of advocates.<br>Further, 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.] | 1,50,000                            | 13,500<br>[1,50,000<br>× 9%]   | 13,500<br>[1,50,000<br>× 9%]   |                 |
| <b>Total GST payable in cash [(A) + (B)]</b>   |                                     | <b>3,00,000</b>                | <b>2,50,000</b>                | <b>3,00,900</b> |

**Notes:**

- ITC on goods received in lots is available on receipt of last lot. Hence, ITC on tools received will not be available in February 2023.
- Since discount given by ABC Ltd. on the packets of tools was not known at the time of supply, it shall not be excluded from its value of supply.

- (3) Interest on delayed payment collected is assumed to be inclusive of GST. Further, the invoice value has been taken as inclusive of GST for computing said penal interest. However, it is also possible to assume the interest to be exclusive of GST and to compute the same by taking the values as exclusive of GST (i.e. ₹ 5,00,000).

**Ans. 8) Computation of net GST payable by ABC & Co. for the month of April**

| Particulars   | Value of supply | CGST (₹)        | SGST (₹)        | IGST (₹)      |
|---|-----------------|-----------------|-----------------|---------------|
| Statutory audit services  | 1,20,000        | 10,800          | 10,800          |               |
| ITR filing services   | 1,60,000        | 14,400          | 14,400          |               |
| Internal audit services   | 1,80,000        | -               | -               | <u>32,400</u> |
| Total output tax liability  |                 | 25,200          | 25,200          | 32,400        |
| Less: ITC [Refer Working Note]<br><i>[CGST credit is set off against CGST liability and SGST credit is set off against SGST liability since CGST credit cannot be utilized towards payment of SGST liability and vice versa.]</i> |                 | <u>(21,000)</u> | <u>(21,000)</u> |               |
| <b>Net GST payable</b>  |                 | <b>4,200</b>    | <b>4,200</b>    | <b>32,400</b> |

**Working Note:**

**Computation ITC that can be availed**

| Particulars  | CGST (₹)      | SGST (₹)      |
|--|---------------|---------------|
| <b>Computation of eligible ITC</b>   |               |               |
| Car purchased for official use by senior partner <i>[ITC on motor vehicles used for transportation of persons with seating capacity upto 13 persons (including driver) is blocked except when used for making specified outward supplies.]</i> |               | Nil           |
| Office rent paid to landlord<br><i>[No ITC since the supplier did not upload the details of invoice in his GSTR-1 and said details are not being reflected in GSTR-2B of recipient.]</i>   |               | Nil           |
| Professional fee paid<br><i>[ITC on services used in the course/furtherance of the business is allowed.]</i>   | 18,000        | 18,000        |
| Computer for office purpose<br><i>[ITC on goods used in the course/furtherance of the business is allowed.]</i>  | <u>3,000</u>  | <u>3,000</u>  |
| Total eligible ITC which can be availed<br><i>[ITC in respect of invoices furnished by the suppliers in their GSTR-1s and reflected in GSTR-2B of recipient.]</i>  | <b>21,000</b> | <b>21,000</b> |

**Ans. 9) Computation of net GST payable by M/s Flow Pro Ltd. for the month of July**

| Particulars   | CGST (₹) | SGST (₹) |
|---|----------|----------|
| GST payable on outward supplies <i>(Refer Working note - 1)</i>   | 2,83,500 | 2,83,500 |
| Less: ITC (Refer Working note - 2)<br><i>[ITC of IGST can be utilised for payment of CGST and SGST in any proportion and in any order.]</i> | 1,32,500 | 1,32,500 |
| Net GST payable in cash   | 1,51,000 | 1,51,000 |

**Note:** ITC of IGST can be utilised towards payment of CGST and SGST in any proportion and in any order. Therefore, there can be multiple ways of setting off of IGST credit against CGST and SGST liability and accordingly, in the given case, amount of net GST payable in cash under the heads of CGST and SGST will vary. However, total amount of net GST payable in cash will be ₹ 3,02,000 in each case.

**Working note - 1) Computation of GST payable on outward supply made by M/s. Flo Pro for the month of July**

| Particulars | Amount (₹) |
|-------------|------------|
|-------------|------------|



|  |                  |
|--|------------------|
| Price of the machine <i>[Since the subsidy is received from the State Government, the same is not includible in the value of supply in terms of section 15(2)(e)]</i>  | 25,00,000        |
| Third party inspection charges <i>[Any amount that the supplier is liable to pay in relation to the supply but has been incurred by the recipient and not included in the price actually paid or payable for the goods, is includible in the value of supply in terms of section 15(2)(b)]</i> | 5,00,000         |
| Freight charges for delivery of the machine <i>[Since arranging freight is the liability of supplier, it is a case of composite supply and thus, freight charges are added in the value of principal supply.]</i>  | 2,00,000         |
| Total  | 32,00,000        |
| Less: Discount @ 2% on ₹ 25,00,000 being price charged to BP Ltd. <i>[Discount given before or at the time of supply if duly recorded in the invoice is deductible from the value of supply in terms of section 15(3)(a)]</i>  | 50,000           |
| <b>Value of taxable supply</b>   | <b>31,50,000</b> |
| <b>GST payable on outward supplies</b>   |                  |
| CGST @ 9%  | 2,83,500         |
| SGST @ 9%  | 2,83,500         |
| <i>[Since all the outward supplies are intra-State supplies, CGST and SGST are payable on the same.]</i>   |                  |

**Working note – 2 Computation of ITC available with M/s Flow Pro for the month of July**

| S. No. | Inward supplies   | ITC (₹)         |
|--------|---|-----------------|
| (i)    | Inputs 'A'<br><i>[ITC cannot be taken on missing invoice. The registered person should have the invoice in its possession to claim ITC.]</i>  | 90,000          |
| (ii)   | Inputs 'B'<br><i>[When inputs are received in lots, ITC can be availed only on receipt of last lot.]</i>  | Nil             |
| (iii)  | Capital goods<br><i>[Input tax paid on capital goods cannot be availed as ITC, if depreciation has been claimed on such tax component.]</i>   | Nil             |
| (iv)   | Input services<br><i>[ITC on an invoice cannot be availed after 30th November following the end of financial year to which such invoice pertains or the date of filing annual return, whichever is earlier. Since the annual return for the previous financial year has been filed on 15th September, ITC on the invoice pertaining to previous financial year cannot be availed after 15th September.]</i> | 1,75,000        |
|        | <b>Total ITC (IGST)</b>   | <b>2,65,000</b> |

Note - CGST @ 9% and SGST @ 9% are payable on the outward supplies since they are intra-State supplies and IGST @ 18% is payable on the inward supplies since they are inter-State supplies.

**Ans. 10)****Computation of GST payable on outward supplies**

| S.No. | Particulars  | CGST (₹)      | SGST (₹)      | IGST (₹)     | Total (₹)     |
|-------|--|---------------|---------------|--------------|---------------|
|       | <b>GST payable under forward charge</b>  |               |               |              |               |
| (i)   | Intra-State supply of goods [Note-1]   | 36,000        | 36,000        | Nil          | 72,000        |
| (ii)  | Services provided to a foreign diplomatic mission located in India [Note-2]  | 9,000         | 9,000         | Nil          | 18,000        |
| (iii) | Services provided to Dhruv Ltd. in respect of a business exhibition held in Delhi [Note-3]   | Nil           | Nil           | 1,800        | 1,800         |
| (iv)  | Inter-State security services provided to Torrent higher secondary school for their annual day function to be held in Katyani Auditorium. [Note-4]   | Nil           | Nil           | 2,700        | 2,700         |
|       | <b>Total GST payable under forward charge</b>  | <b>45,000</b> | <b>45,000</b> | <b>4,500</b> | <b>94,500</b> |
|       | <b>GST payable under reverse charge</b>  |               |               |              |               |
|       | GTA services availed<br><i>[As per Notification No. 13/2017 CT(R) dated 28.06.2017, GST is payable by the recipient on reverse charge basis on the receipt of services of transportation of goods by road from a goods transport agency (GTA), provided registered GTA has not undertaken the option to pay GST under forward charge. In the given case, since GTA is unregistered, hence reverse charge provisions will be applicable.]</i> | Nil           | Nil           | 10,000       | 10,000        |

Notes

- Intra-State supply of goods is leviable to CGST and SGST.
- Services by a foreign diplomatic mission located in India are exempt vide Notification No. 12/2017 CT(R) dated 28.06.2017. However, no exemption is available with respect to the services provided to a foreign diplomatic mission located in India.
- Services by an organiser to any person in respect of a business exhibition are exempt vide Notification No. 12/2017 CT(R) dated 28.06.2017, only if such business exhibition is held outside India. Thus, in the given case, said service is taxable.
- Security services provided to Torrent higher secondary School for Annual Day function organised outside the school campus will be taxable as only the security services performed within the premises of the higher secondary school are exempt vide Notification No. 12/2017 CT(R) dated 28.06.2017.

#### Computation of total ITC available

| Particulars   | CGST (₹) | SGST (₹) | IGST (₹) |
|---|----------|----------|----------|
| Opening ITC   | 57,000   | Nil      | 50,000   |
| Add: Purchase of goods destroyed due to fire before being put into the production process <i>[ITC is blocked on lost goods, stolen goods, destroyed goods and goods that are written off]</i> | Nil      | Nil      | Nil      |
| Add: Purchase of food items for being served to the customers, free of cost <i>[Blocked credit u/s 17(5)]</i>   | Nil      | Nil      | Nil      |
| Add: Goods transport services received from GTA <i>[ITC is available for the services received from GTA since it is used in course or furtherance of business.]</i>                           | Nil      | Nil      | 10,000   |
| Add: Inputs to be received in 3 lots, out of which 2nd lot was received during the month <i>[In case of goods received in lots, ITC can be taken only upon receipt of the last lot]</i>       | Nil      | Nil      | Nil      |
| Total ITC   | 57,000   | Nil      | 60,000   |

#### Computation of minimum GST payable from electronic cash ledger

| Particulars   | CGST (₹) | SGST (₹) | IGST (₹) | Total (₹) |
|---|----------|----------|----------|-----------|
| GST payable under forward charge  | 45,000   | 45,000   | 4,500    | 94,500    |
| Less: ITC of IGST used against IGST Output tax liability <i>[First ITC of IGST should be utilized in full -first against IGST liability and then against CGST and SGST liabilities in a manner to minimize cash outflow]</i>                              | -        | -        | (4,500)  | 4,500     |
| Less: ITC of IGST used against SGST Output tax liability <i>[Since there is no SGST Credit, hence to ensure minimum cash outlay, it is beneficial that IGST credit is first used against SGST liability and only balance used against CGST Liability]</i> | -        | (45,000) | -        | 45,000    |
| Less: ITC of IGST used against CGST Output tax liability  | (10,500) | -        | -        | 10,500    |
| Less: ITC of CGST used against CGST tax liability   | (34,500) | -        | -        | 34,500    |
| Forward Charge Liability to be paid through E-Cash Ledger   | Nil      | -        | -        | Nil       |
| Add:-GST payable under reverse charge on GTA services <i>[Reverse charge liability has to be mandatorily paid through E-Cash ledger and balance in E-credit ledger cannot be used for its payment]</i>  | -        | -        | 10,000   | 10,000    |
| Minimum GST payable in cash   | Nil      | Nil      | 10,000   | 10,000    |

**Note:** Since sufficient balance of ITC of CGST is available for paying CGST liability and cross utilization of ITC of CGST and SGST is not allowed, ITC of IGST has first been used to pay SGST (after paying IGST liability) and then CGST to minimize cash outflow.

**Ans. 11)**

#### Computation of net GST payable by Prithviraj Pvt. Ltd. for the month of July

| Particulars  | CGST (₹) | SGST (₹) |
|--|----------|----------|
| GST payable on outward supplies <i>(Refer Working note - 1)</i>  | 5,80,500 | 5,80,500 |
| Less: ITC <i>(Refer Working note - 2) [ITC of CGST is utilised for payment of CGST and ITC of SGST is utilised for payment of SGST.]</i> | (76,500) | (76,500) |
| Net GST payable in cash  | 5,04,000 | 5,04,000 |

**Working note -1 Computation of GST payable on outward supply made by Prithviraj Pvt. Ltd. for the month of July**

| Particulars  | Amount (₹) |
|--|------------|
| Price of machine <i>(exclusive of taxes and discounts)</i>   | 5,50,000   |
| Amount paid by the recipient directly to the supplier (Prithviraj Pvt. Ltd.) for the part fitted in the machine <i>[Any amount that the supplier is liable to pay in relation to a supply but which has been incurred by the recipient of the supply and not included in the price actually paid or payable for the goods is includible in the value of supply.]</i> | 20,000     |
| Installation and testing charges <i>[Any amount charged for anything done by the supplier in respect of the supply of goods at the time of/before delivery of goods is includible in the value of supply.]</i>   | 25,000     |
| Subsidy received from Shri Ram Trust<br><i>[Since the subsidy is received from a non-Government body and directly linked to the price, the same is includible in the value of supply.]</i>   | 50,000     |
| Value of taxable supply of 1 machine   | 6,45,000   |
| Value of taxable supply of 10 machines<br>[₹ 6,45,000 × 10]  | 64,50,000  |
| <b>GST payable on outward supplies</b>   |            |
| CGST @ 9%  | 5,80,500   |
| SGST @ 9%  | 5,80,500   |
| <i>[Since all the outward supplies are intra-State supplies, CGST and SGST are payable on the same.]</i>   |            |

**Working note - 2) Computation of ITC available with Prithviraj Pvt. Ltd. for the month of July**

| Particulars  | CGST (₹)      | SGST (₹)      |
|--|---------------|---------------|
| Raw Material<br><i>[ITC not available as raw material is not received in July]</i>   | Nil           | Nil           |
| Membership of a club availed for employees working in the factory<br><i>[Blocked credit]</i>   | Nil           | Nil           |
| Trucks used for transport of raw material<br><i>[ITC of GST paid on motor vehicles used for transportation of goods is allowed]</i>                          | 31,500        | 31,500        |
| Capital goods<br><i>[ITC of GST paid on items for which invoice is missing is not available. So, ITC of ₹ 18,000 is not available] [₹ 63,000 - ₹ 18,000]</i> | 45,000        | 45,000        |
| <b>Total ITC available</b>   | <b>76,500</b> | <b>76,500</b> |

Note - Since all the inward supplies are intra-State supplies, CGST @ 9% and SGST @ 9% are payable on the same.

**Ans. 12) Computation of minimum net GST payable in cash by Zeon Ltd. for the month of September 2021**

| Particulars   | CGST (₹)                     | SGST (₹)                     | IGST (₹)                   |
|---|------------------------------|------------------------------|----------------------------|
| Outward supplies made within Jharkhand  | 2,16,000<br>[24,00,000 × 9%] | 2,16,000<br>[24,00,000 × 9%] |                            |
| Outward supplies made outside Jharkhand   |                              |                              | 90,000<br>[5,00,000 × 18%] |
| Total output tax  | 2,16,000                     | 2,16,000                     | 90,000                     |
| Less:- ITC of IGST utilized against IGST Output tax   | -                            | -                            | (90,000)                   |
| Less:- Balance ITC of IGST utilized against SGST Output tax liability <i>[Since there is sufficient CGST Credit to pay CGST liability but SGST Credit is insufficient to pay SGST liability, hence to ensure minimum cash outflow it is better to use unutilized IGST ITC against SGST liability]</i> | -                            | (5,000)                      | -                          |
| Less:- ITC of CGST utilized against CGST Output tax   | (2,16,000)                   | -                            | -                          |
| Less:- ITC of SGST utilized against SGST Output tax   | -                            | (2,03,000)                   | -                          |
| <b>Minimum net GST payable in cash</b>  | <b>Nil</b>                   | <b>8,000</b>                 | <b>Nil</b>                 |
| ITC to be carried forward next month  | 2,000                        |                              |                            |

**Working Note: Computation of ITC available**

| Particulars  | CGST (₹)                  | SGST (₹)                  | IGST (₹) |
|--|---------------------------|---------------------------|----------|
| Opening balance  | 20,000                    | 5,000                     | 95,000   |
| Purchase of raw materials from registered dealers within Jharkhand [7,00,000 - 2,00,000] <i>[ITC on purchases of goods worth ₹ 2,00,000 on which tax has been paid under composition scheme is blocked. ITC on remaining purchases worth ₹ 5,00,000 is available, being supply of goods used/intended to be used in the course/furtherance of business.]</i> | 30,000<br>[5,00,000 × 6%] | 30,000<br>[5,00,000 × 6%] |          |

|  |                               |                               |               |
|--|-------------------------------|-------------------------------|---------------|
| Bus purchased from dealer in Jharkhand used to ferry 25 workers to and from factory [ITC on motor vehicles for transportation of persons with seating capacity > 13 persons (including the driver) used for any purpose is allowed.] | 1,68,000<br>[12,00,000 × 14%] | 1,68,000<br>[12,00,000 × 14%] |               |
| <b>Total ITC available</b>   | <b>2,18,000</b>               | <b>2,03,000</b>               | <b>95,000</b> |

**Ans. 13) Computation of minimum CGST, SGST and IGST payable in cash by Jino Enterprises for the month of October**

| Particulars  | Value (₹)                           | CGST (₹)                     | SGST (₹)                     | IGST (₹)                      |
|--|-------------------------------------|------------------------------|------------------------------|-------------------------------|
| Intra-State supply of air-conditioners<br>[Since goods are agreed to be delivered at customer's doorsteps, supply of air-conditioners along with transportation thereof is a composite supply which is treated as the supply of the principal supply (viz. air-conditioners). Accordingly, rate of principal supply, i.e. air-conditioners will be charged.] | 5,00,000<br>[4,00,000+<br>1,00,000] | 30,000<br>[5,00,000 ×<br>6%] | 30,000<br>[5,00,000<br>× 6%] |                               |
| Intra-State supply of repairing services <sup>1</sup>  | 3,00,000                            | 27,000<br>[3,00,000 ×<br>9%] | 27,000<br>[3,00,000<br>× 9%] |                               |
| Intra-State supply of parts /spares  | 50,000                              | 3,000<br>[50,000 ×<br>6%]    | 3,000<br>[50,000 ×<br>6%]    |                               |
| Inter-State supply of 10 combos of air-conditioners and stabilizers [Since supplies are not naturally bundled and a single price is being charged, it is a mixed supply. It is treated as supply of that particular supply which attracts highest tax rate(i.e., stabilizers).]  | 2,00,000<br>[20,000 × 10]           |                              |                              | 36,000<br>[2,00,000 ×<br>18%] |
| <b>Total output tax</b>  |                                     | <b>60,000</b>                | <b>60,000</b>                | <b>36,000</b>                 |
| <b>Less:- ITC of IGST utilized against IGST Liability</b>  |                                     | -                            | -                            | (36,000)                      |
| <b>Less:- ITC of IGST utilized against CGST &amp; SGST Liability</b>   |                                     | (22,000)                     | (22,000)                     | -                             |
| <b>Less:- ITC of CGST utilized against CGST Liability</b>  |                                     | (21,000)                     | -                            | -                             |
| <b>Less:- ITC of SGST utilized against SGST Liability</b>  |                                     | -                            | (21,000)                     | -                             |
| <b>Minimum net GST payable in cash</b>   |                                     | <b>17,000</b>                | <b>17,000</b>                | <b>Nil</b>                    |

**Working Note: Computation of ITC available**

| Particulars  | CGST (₹)                 | SGST (₹)                 | IGST (₹)      |
|--|--------------------------|--------------------------|---------------|
| Purchase of business class air tickets for travel from Assam<br>[Not exempt, since air travel embarking from Assam is not being undertaken in economy class. Further, ITC is available since service is used in the course/furtherance of business.] | 1,000<br>[40,000 × 2.5%] | 1,000<br>[40,000 × 2.5%] |               |
| Invoices relating to FY 2021-22<br>[ITC in respect of any invoice can be taken upto 30th November following the end of FY to which such invoice relates or furnishing of the relevant annual return, whichever is earlier.]                          | 20,000                   | 20,000                   | 80,000        |
| <b>Total ITC available</b>   | <b>21,000</b>            | <b>21,000</b>            | <b>80,000</b> |

**Ans. 14) Computation of net GST payable in cash by Ajay Ltd. for the month of January 2022**

| Particulars  | CGST (₹)                  | SGST (₹)                  | IGST (₹)                   |
|--|---------------------------|---------------------------|----------------------------|
| Outward intra-State supply of goods made in the State of Bihar<br>[Value of supply is the transaction value of the goods.]   | 36,000<br>[4,00,000 × 9%] | 36,000<br>[4,00,000 × 9%] |                            |
| Outward supply of goods made to other States<br>[Value of supply is the transaction value of the goods.]   |                           |                           | 18,000<br>[1,00,000 × 18%] |
| Inter-State services provided to State Government of Karnataka for conducting a computer training programme<br>[Not exempt since the State Government has borne less than 75% of total expenditure of the training programme.] |                           |                           | 90,000<br>[5,00,000 × 18%] |
| Intra-State stock transfer to Gaya Branch with separate registration<br>[Supply of goods between distinct persons in course or furtherance of business qualifies as supply even if made without consideration.]                | 1,800<br>[20,000 × 9%]    | 1,800<br>[20,000 × 9%]    |                            |
| <b>Total output tax</b>  | <b>37,800</b>             | <b>37800</b>              | <b>1,08,000</b>            |
| <b>Less:- ITC of CGST utilized against CGST liability</b>  | (37,800)                  | -                         | -                          |

|  |            |            |               |
|--|------------|------------|---------------|
| Less:- Balance ITC of CGST utilized against IGST liability | -          | -          | (7,200)       |
| Less:- ITC of SGST utilized against SGST liability         | -          | (37,800)   | -             |
| Less:- Balance ITC of SGST utilized against IGST liability | -          | -          | (7,200)       |
| <b>Net GST payable in cash</b>                             | <b>Nil</b> | <b>Nil</b> | <b>93,600</b> |

**Working Note: Computation of ITC available**

| Particulars   | CGST (₹)                  | SGST (₹)                  | IGST (₹)  |
|---|---------------------------|---------------------------|-----------|
| Intra-State inward supply of services<br>[₹ 6,50,000 – ₹1,50,000]<br><i>[ITC cannot be claimed on the e-invoices without IRN since an e-invoice without IRN is not treated as valid document for claiming ITC.]</i>   | 45,000<br>[5,00,000 × 9%] | 45,000<br>[5,00,000 × 9%] | --        |
| Cars taken on rental basis from Mr. Mukesh  | --                        | --                        | --        |
| <i>[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 invoice is issued charging CGST/SGST @ 2.5% is payable under reverse charge. Time of supply of such services is 1st February being earlier of date of payment, or date immediately following 60 days since issue of invoice by the supplier. Since the time of supply of renting of motor car services in the given case does not fall in January, 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 - Ajay Ltd. is not in the same line of business1.]</i> |                           |                           |           |
| <b>Total ITC available</b>  | <b>45,000</b>             | <b>45,000</b>             | <b>--</b> |

**Ans. 15)**
**Computation of GST payable**

| Particulars   | Value of Supply (₹) | CGST @ 9% (₹) | SGST @ 9% (₹) | IGST @ 18% (₹) |
|---|---------------------|---------------|---------------|----------------|
| <b>GST payable under forward charge</b>   |                     |               |               |                |
| Carnatic music performance given to promote a brand of readymade garments<br><i>[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.]</i> | 1,40,000            | 12,600        | 12,600        | Nil            |
| Services of transportation of students provided to Subhaskar College<br><i>[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.]</i>           | 1,00,000            | 9,000         | 9,000         | Nil            |
| Services provided to Wealth Bank as a business correspondent<br><i>[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.]</i>   | 2,00,000            | 18,000        | 18,000        | Nil            |
| Services provided as a recovery agent<br><i>[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.]</i>  | 15,000              | 1,350         | 1,350         | Nil            |
| <b>Total GST payable under forward charge (A)</b>   |                     | <b>40,950</b> | <b>40,950</b> | <b>Nil</b>     |
| <b>GST payable under reverse charge</b>   |                     |               |               |                |
| Legal services availed from an advocate<br><i>[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.]</i>           | 1,75,000            | Nil           | Nil           | 31,500         |
| <b>Total GST payable under reverse charge (B)</b>   |                     | <b>Nil</b>    | <b>Nil</b>    | <b>31,500</b>  |
| <b>Total GST payable [(A)+(B)]</b>  |                     | <b>40,950</b> | <b>40,950</b> | <b>31,500</b>  |

**Computation of total ITC available**

| Particulars  | Value of supply (₹) | CGST @ 9% (₹) | SGST @ 9% (₹) | IGST @ 18% (₹) |
|--|---------------------|---------------|---------------|----------------|
| Outdoor catering services availed<br><i>[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.]</i> | 50,000              | Nil           | Nil           | Nil            |
| Legal services availed<br><i>[ITC is available as said services are used in course or furtherance of business.]</i>  | 1,75,000            | Nil           | Nil           | 31,500         |

|  |        |            |            |               |
|--|--------|------------|------------|---------------|
| General insurance taken on a car (seating capacity 5) used for official purposes<br><i>[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.]</i> | 40,000 | Nil        | Nil        | Nil           |
| <b>Total ITC available</b>   |        | <b>Nil</b> | <b>Nil</b> | <b>31,500</b> |

**Computation of net GST payable in cash**

| Particulars   | CGST @ 9% (₹) | SGST @ 9% (₹) | IGST @ 18% (₹) |
|---|---------------|---------------|----------------|
| GST payable under forward charge  | 40,950        | 40,950        | Nil            |
| Less: ITC of IGST used against CGST & SGST Output tax liability   | (15,750) IGST | (15,750) IGST | -              |
| Forward Charge tax payable in cash  | 25,200        | 25,200        | Nil            |
| Add: GST payable under reverse charge in cash <i>[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.]</i> | Nil           | Nil           | 31,500         |
| <b>Net GST payable in cash</b>  | <b>25,200</b> | <b>25,200</b> | <b>31,500</b>  |

**Note:** CGST and SGST is payable on the intra-State transaction and IGST is payable on the inter-State transactions.

**Ans. 16) Computation of minimum net GST payable in cash by M/s Honest Enterprise for the month of December 22**

| Particulars   | Value of Supply (₹) | CGST @ 9% (₹) | SGST @ 9% (₹) | IGST @ 18% (₹) |
|---|---------------------|---------------|---------------|----------------|
| <b>GST payable under forward charge</b>   |                     |               |               |                |
| Intra-State supply of goods to M/s Natural & Sons   | 7,00,000            | 17,500        | 17,500        | -              |
| Intra-State branch transfer<br><i>[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.]</i>   | 1,00,000            | -             | -             | -              |
| Inter-State supply of sponsorship service to XYZ Ltd. of Chennai<br><i>[Since sponsorship service is provided to a body corporate, tax on the same is payable by recipient - XYZ Ltd. - under reverse charge.]</i>  | 80,000              | -             | -             | -              |
| Advance received for future intra-State supply of management consultancy service<br><i>[In case of supply of service, tax is payable at the time of receipt of advance amount too]</i>  | 40,000              | 3,600         | 3,600         | -              |
| Total Output Tax  |                     | 21,100        | 21,100        |                |
| Less ITC Utilized   |                     | (27,200)      | (27,200)      |                |
| <b>Total GST payable under forward charge (A)</b>   |                     | <b>Nil</b>    | <b>Nil</b>    |                |
| <b>GST payable under reverse charge</b>   |                     |               |               |                |
| Legal services availed<br><i>Tax on legal services availed by a business entity from an advocate is payable under reverse charge. Further, tax payable under reverse charge cannot be set off against ITC and thus, reverse charge has to be paid in cash since the tax payable under reverse charge is not an output tax.]</i> | 50,000              | 4,500         | 4,500         | -              |
| <b>Minimum Net GST Payable in cash</b>  |                     | <b>4,500</b>  | <b>4,500</b>  | <b>-</b>       |

**Computation of total ITC available**

| Particulars   | Value of supply (₹) | CGST @ 9% (₹) | SGST @ 9% (₹) | IGST @ 18% (₹) |
|---|---------------------|---------------|---------------|----------------|
| Intra-State purchase of taxable goods<br><i>[ITC of goods used in the course/ furtherance of business is available.]</i>  | 8,00,000            | 20,000        | 20,000        | -              |
| Works contract service for repair of office<br><i>[ITC is available since the repair amount is debited in the profit &amp; loss account and not capitalized in the books of account.]</i> | 30,000              | 2,700         | 2,700         | -              |
| Legal services availed<br><i>[ITC of services used in the course/ furtherance of business is available]</i>   | 50,000              | 4,500         | 4,500         | -              |
| <b>Total</b>  |                     | <b>27,200</b> | <b>27,200</b> |                |

**Ans 17) Computation of net GST payable through E-cash Ledger**

| S No. | Particulars  | CGST (₹)      | SGST (₹)      | IGST (₹)     |
|-------|--|---------------|---------------|--------------|
| (i)   | Intra-State supply of goods for Rs. 4,00,000 [Note-1]  | 36,000        | 36,000        | Nil          |
| (ii)  | Services rendered by way of labour contracts for repairing a single residential unit otherwise than as a part of residential complex [Note-2]  | 9,000         | 9,000         | Nil          |
| (iii) | Services provided by way of training in recreational activities relating to sports [Note-3]  | Nil           | Nil           | 1,800        |
| (iv)  | Inter-State security services provided to Bharat higher secondary school for their annual day function to be held in Kaman Auditorium [Note-4] | Nil           | Nil           | 2,700        |
|       | <b>Total output tax</b>  | <b>45,000</b> | <b>45,000</b> | <b>4,500</b> |
|       | Less:- ITC of IGST utilized against IGST liability   | -             | -             | (4,500)      |
|       | Less:- Balance ITC of IGST utilized against CGST & SGST liability [Note-5]   | (24,500)      | (45,000)      | -            |
|       | Less:- ITC of CGST utilized against CGST liability   | (20,500)      | -             | -            |
|       | <b>Net GST payable in cash</b>   | <b>Nil</b>    | <b>Nil</b>    | <b>Nil</b>   |

**Notes relating to above-**

- (1) A registered person (excluding composition supplier) has to pay GST on the outward supply of goods at the time of supply as specified in section 12 of the CGST Act, 2017, i.e. date of issue of invoice or the last date on which invoice ought to have been issued. Thus, liability to pay tax on the advance received in January will also arise in the month of February, when the invoice for the supply is issued
- (2) Services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex are exempt. Labour contracts for repairing are thus, taxable
- (3) Services by way of training in sports is exempt under GST, only if provided by charitable entities registered under section 12AA or section 12AB of the Income-tax Act, 1961. Thus, in the given case, said service is taxable
- (4) Security services provided to Bharat higher secondary School for Annual Day function organised outside the school campus will be taxable as only the security services performed within the premises of the higher secondary school are exempt
- (5) Since sufficient balance of ITC of CGST is available for paying CGST liability and cross utilization of ITC of CGST and SGST is not allowed, ITC of IGST has first been used to pay SGST (after paying IGST liability) and then CGST to minimize cash outflow

**Working Note: Computation of ITC available**

| Particulars  | CGST (₹)      | SGST (₹)   | IGST (₹)      |
|--|---------------|------------|---------------|
| Opening ITC  | 57,000        | Nil        | 50,000        |
| Add: Purchase of goods from a composition dealer<br>[ITC is not available in case of supply of goods where tax has been paid under composition scheme]                               | Nil           | Nil        | Nil           |
| Add: Membership of a club [Blocked credit]   | Nil           | Nil        | Nil           |
| Add: Goods transport services received from GTA<br>[Input tax credit is available for the services received from GTA as the same are used in the course or furtherance of business.] | Nil           | Nil        | 24,000        |
| Add: Inputs to be received in 4 lots, out of which 2nd lot was received during the month<br>[In case of goods received in lots, ITC can be taken only upon receipt of the last lot]  | Nil           | Nil        | Nil           |
| <b>Total ITC available</b>   | <b>57,000</b> | <b>Nil</b> | <b>74,000</b> |

**Ans 18) Computation of minimum Net GST payable through E-cash Ledger by Evershine Private Ltd. for the month of September 2023**

| S No. | Particulars   | CGST (₹) | SGST (₹) | IGST (₹) |
|-------|---|----------|----------|----------|
| (i)   | Intra-State supply of goods to Vaidehi Enterprises<br>[Since arranging freight is the liability of supplier, it is a composite supply and thus, freight charges are added to the value of principal supply.. Place of supply is location where movement of goods terminates] – 18,50,000 x 9% | 1,66,500 | 1,66,500 | -        |

|  |   |                 |                 |                 |
|--|---|-----------------|-----------------|-----------------|
| (ii)                                   | Inter-State supply to Calc. Exim<br>[Municipal tax is includible in value since it is a tax levied under a law other than GST law and is charged separately.] - $35,60,000 \times 18\%$   | -               | -               | 6,40,800        |
| (iii)                                  | Intra-State supply to Sunshine Ltd.<br>[Place of supply is location of recipient. Discount given at the time of supply is deductible from the value since duly recorded in the invoice.] - $5,70,000 \times 9\%$  | 51,300          | 51,300          | -               |
| (iv)                                   | Inter-State supply to Raghu Enterprise<br>[Place of supply in case of bill to ship model is principal place of business of a third person at whose instructions the goods are delivered by supplier to recipient. Thus, it is considered as Inter State supply.] - $2,00,000 \times 18\%$ | -               | -               | 36,000          |
| <b>Total Output Tax</b>                |   | <b>2,17,800</b> | <b>2,17,800</b> | <b>6,76,800</b> |
| (i)                                    | IITC of IGST utilized against Output IGST   | -               | -               | (4,17,000)      |
| (ii)                                   | IITC of CGST utilized against Output CGST   | (2,17,800)      | -               | -               |
| (iii)                                  | IITC of CGST utilized against Output IGST   | -               | -               | (12,200)        |
| (iv)                                   | IITC of SGST utilized against Output SGST   | -               | (2,17,800)      | -               |
| (v)                                    | IITC of SGST utilized against Output IGST   | -               | -               | (42,200)        |
| <b>Minimum Net GST Payable in cash</b> |   | <b>Nil</b>      | <b>Nil</b>      | <b>2,05,400</b> |

**Working Note: Computation of ITC available**

| Particulars  | CGST (₹)        | SGST (₹)        | IGST (₹)        |
|--|-----------------|-----------------|-----------------|
| Opening ITC  | 20,000          | 50,000          | 75,000          |
| Inter-State purchase of raw material<br>[ITC is not available on goods worth Rs. 1,00,000 since not received during the month. Place of supply is location where movement of goods terminates] - $19,00,000 \times 18\%$ | -               | -               | 3,42,000        |
| Purchase of machinery<br>[ITC is not available since depreciation has been claimed on the GST component.]  | -               | -               | -               |
| Intra-State purchase of truck<br>[ITC on motor vehicles used for transportation of goods is available.] - $15,00,000 \times 14\%$  | 2,10,000        | 2,10,000        | -               |
| Purchase of car<br>[ITC on motor vehicles for transportation of persons with seating capacity up to 13 persons (including driver), is blocked, except when used for specified purposes.]                                 | -               | -               | -               |
| Purchase of goods for construction of an additional floor<br>[ITC on goods used in construction of immovable property (other than plant or machinery) on one's own account is blocked if capitalized in the books.]      | -               | -               | -               |
| <b>Total ITC</b>   | <b>2,30,000</b> | <b>2,60,000</b> | <b>4,17,000</b> |

**Ans 19) Computation of Output Tax Liability of DEF Pvt Ltd. for January 2024**

| S No. | Particulars  | CGST (₹) | SGST (₹) | IGST (₹) |
|-------|--|----------|----------|----------|
| (i)   | Intra-State supply of taxable goods ( $5,00,000 \times 9\%$ )<br>[In the absence of any information, it is logical to assume that Intra-State Supply is there]   | 45,000   | 45,000   | -        |
| (ii)  | Consideration for non-performance of contract<br>[Being 'liquidated damages', they are not the consideration for tolerating the non-performance of the contract. Hence, not a supply]  | -        | -        | -        |
| (iii) | Service of booking of flight tickets<br>[Taxable since service of booking of air tickets is being provided here. Only the service of transportation of passengers in economy class embarking from Bagdogra is exempt. Further, the place of supply of services made to a registered person is the location of such person, viz. Delhi in given case. Thus, same is inter-State supply.] - $20,000 \times 18\%$ | -        | -        | 3,600    |
| (iv)  | Selling of Pune unit as going concern to H Ltd.<br>[Services by way of transfer of a going concern is exempt]  | -        | -        | -        |
| (v)   | Service in relation to business exhibition in Dubai<br>[Services by an organiser to any person in respect of a business exhibition held outside India is exempt.]  | -        | -        | -        |
| (vi)  | Inter-State Supply of Service - $10,00,000 \times 18\%$  | -        | -        | 1,80,000 |



|                                   |               |               |                 |
|-----------------------------------|---------------|---------------|-----------------|
| <b>Total Output Tax Liability</b> | <b>45,000</b> | <b>45,000</b> | <b>1,83,600</b> |
|-----------------------------------|---------------|---------------|-----------------|

**Computation of ITC available to DEF Private Ltd. for January 2024**

| Particulars   | CGST (₹)      | SGST (₹)      | IGST (₹)      |
|---|---------------|---------------|---------------|
| Opening ITC   | 25,000        | 25,000        | 30,000        |
| Issue of debit note for post delivery service<br><i>[ITC on debit notes issued in a financial year can be availed any time till 30th November of the succeeding financial year or the date of filing of the relevant annual return, whichever is earlier, irrespective of the date of original invoice/ supply. Further, place of supply being Pune in given case, same is inter-State supply.]</i> | -             | -             | 4,500         |
| Receipt of intra-State services<br><i>[ITC on services used in the course or furtherance of business is allowed.]</i>   | 54,000        | 54,000        | -             |
| Purchase of confectionery items<br><i>[ITC on food or beverages is specifically disallowed unless the same is used for making outward taxable supply of the same category or as an element of the taxable composite or mixed supply.]</i>   | -             | -             | -             |
| <b>Total</b>  | <b>79,000</b> | <b>79,000</b> | <b>34,500</b> |

**Ans 20) Computation of Total Value of Supply**

| S No.                                    | Particulars  | IGST (₹)        |
|--|--|-----------------|
| (i)                                      | Consultancy services provided to XYZ Ltd.<br><i>(As per section 15 of the CGST Act, 2017, the value of supply includes the amount of any tax paid under any law other than GST. Accordingly, the amount of professional tax is includible in the value of services.)</i> | 4,54,500        |
| (ii)                                     | Digital marketing services provided to Mr. A<br><i>(The amount incurred by the recipient on behalf of the supplier is includible in the value of supply.)</i>  | 3,00,000        |
| (iii)                                    | Travelling expenses recovered from the client<br><i>(Incidental expenses like travelling expenses incurred in course of supply is includible in value of supply.)</i>  | 50,000          |
| (iv)                                     | Post supply discount<br><i>(No adjustment of post supply discount is allowed as the customer has not reversed the input tax credit.)</i>   | -               |
| (v)                                      | Late payment charges<br><i>(The late payment charges recovered are includible in GST and liable to tax at the time of receipt of amount.)</i>  | 1,00,000        |
| <b>Total Value of Supply for October</b> |  | <b>9,04,500</b> |

**Computation of Output Tax Payable**

| S No. | Particulars  | IGST (₹) |
|-------|--|----------|
| (i)   | Total value of outward supply  | 9,04,500 |
| (ii)  | Total output tax payable @ 18%<br><i>(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.)</i> | 1,62,810 |

**Computation of Net GST payable in cash**

| Particulars  | IGST (₹)        |
|--|-----------------|
| Total Output Tax   | 1,62,810        |
| Less:- Input Tax Credit  | (81,000)        |
| Net GST Payable  | 81,810          |
| Add- GST payable under reverse charge for receipt of sponsorship services<br><i>[Tax on sponsorship services availed by a body corporate from any person 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.]</i> | 36,000          |
| <b>Total GST Payable in cash</b>   | <b>1,17,810</b> |

**Computation of Eligible ITC available**

| S No. | Particulars | IGST (₹) |
|-------|-------------|----------|
|-------|-------------|----------|

|                            |  |               |
|----------------------------|--|---------------|
| (i)                        | Purchase of car for use by director<br><i>(ITC on motor vehicles for transportation of persons with seating capacity <math>\leq</math> 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.)</i> | -             |
| (ii)                       | Insurance of car<br><i>(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)</i>  | -             |
| (iii)                      | ITC on receipt of services<br><i>(ITC is available on services used in the course or furtherance of business.)</i>   | 45,000        |
| (iv)                       | ITC on sponsorship services<br><i>(ITC is available on services used in the course or furtherance of business.)</i>  | 36,000        |
| <b>Total ITC available</b> |  | <b>81,000</b> |

