



Concept of Supply

CCP 02.03.06.00

Examine whether the following activities would be treated as supply under GST law?

- a) Glory Ltd. is engaged in manufacturing and selling of cosmetic products. Seva Trust, a charitable organisation, approached Glory Ltd. to provide financial assistance for its charitable activities. Glory Ltd. donated a sum of ₹ 2 lakh to Seva Trust with a condition that Seva Trust will place a hoarding at the entrance of the trust premises displaying picture of products sold by Glory Ltd. [CA Inter May 22 Exam]
- b) Mr. Sonu from Chandigarh purchased a water cooler from Malhotra Bros. of Hoshiarpur for ₹ 25,000 to donate it to a temple situated in Hoshiarpur. Mr. Sonu directed Malhotra Bros. to engrave the words on the water cooler- "Donated by Mr. Sonu from Chandigarh" and dispatch the water cooler directly to the temple. [CA Inter Nov 23 Exam]

Answer:-

Legal Provision:-

- An activity qualifies as supply under GST only if it is for a consideration and is in course/furtherance of business.
- Donations received by the charitable organizations are treated as consideration only when there's an **obligation on part of the recipient** of the donation to do anything.

Discussion & Conclusion:-

a)	Since in the given case, the display of products sold by the donor – Glory Ltd. – in charitable organization's premises aims at advertising/promotion of its business , it is supply for consideration in course/furtherance of business and thus, qualifies as supply under GST law.
b)	<ul style="list-style-type: none">➤ In the given case, the name of the donor, Mr. Sonu is displayed in temple as an expression of gratitude and public recognition of his act of philanthropy and is not aimed at advertising or promotion of his business.➤ Hence, donation of water cooler by Mr. Sonu to temple is without quid pro quo and thus, not a supply under GST law.➤ However, supply of water cooler by Malhotra Bros. to Mr. Sonu is supply as it is made for consideration in course or furtherance of business.

CCP 02.05.13.00

Daksh gold Pvt. Ltd. is an Indian subsidiary (in Mumbai) of Moksh Gold Inc. (Japan based company). On occasion of Diwali, Daksh gold Pvt. Ltd. distributes gift hamper to its employee worth ₹ 3,00,000.

Answer the following questions:-

1. Does it qualify as supply?
2. Would your answer be different, if gifts of ₹ 42,000 have been given to an employee?
3. What would be your answer if Daksh gold Pvt. Ltd. offers its employees ESPP as part of their compensation package. When an employee decides to purchase these stocks, Moksh Gold Inc. directly transfers the shares to the employee. Daksh gold Pvt. Ltd. reimburses Moksh Gold Inc. for the cost of these shares on a cost-to-cost basis & there is no separate commission charged by Moksh Gold Inc.

Answer:- Legal Provision:-

- As per **section 7(1)(c)** read with **Para 2 of Schedule I** of CGST Act, 2017, Supply of goods &/or services between related persons is treated as supply even if it is without consideration.
- **Proviso to para 2 of schedule I** states that if gifts given by employer to an employee are not exceeding ₹ 50,000 in value in a financial year, then it shall not be treated as supply of goods &/or services.
- As per **explanation to section 15**, employer and employee are deemed to be related persons.
- As per **CBIC clarification, ESOP/ESPP/RSU is a part of employee's remuneration as per their contract & thus, it is not a supply as per para 1 of Schedule III.**
- Securities/shares are neither goods nor services as per the definitions in the GST Act & thus, **its sale or purchase is not a supply.**

Discussion & Conclusion:-

- 1) **Diwali gift** to employee worth ₹ 3,00,000 will qualify as supply and such supply would be leviable to GST as the employer & employee are related and value of gift exceeds ₹ 50000 in a financial year.
- 2) If **gift of ₹ 42,000** is given instead of ₹ 3,00,000, the same **will not qualify as supply**. This is because, the value of gift is not exceeding ₹ 50,000 in a financial year.
- 3) **The reimbursement from Daksh gold Pvt. Ltd. to Moksh Gold Inc. for the shares transferred to its employees, when done on a cost-to-cost basis, is not subject to GST. Also, the sale or purchase of shares is not a supply as these are not goods or services.**

CCP 02.06.18.00

Wesco Ltd, a registered person in Ahmedabad (Gujarat) having head office located in Singapore, received management consultancy services free of cost from its head office. [CA Inter Nov 23 Exam]

Answer:-

Legal Provision: As per **Para 4 of schedule I**, in case of **import of services** by a person from a related person or from his establishments located outside India, **without consideration**, in the course or furtherance of business shall be treated as **“supply”**.

Conclusion: Hence, services received by Wesco Ltd. **qualify as supply** even though such services have been provided free of cost by the head office.

CCP 02.10.35.00

Circular No. 196/08/2023 GST dated 17.07.2023

Discuss taxability of shares held in a subsidiary company by holding company? (CA Inter MTP Mar 24)

Answer:-

- It has been **clarified** vide a circular that securities are considered neither as goods nor as services as per definition of goods and services.
- Further, **securities include 'shares'** as per definition of securities.
- This implies that the securities held by the holding company in the subsidiary company are neither goods nor services & thus, **purchase or sale of shares or securities, in itself is neither a supply of goods nor a supply of services.**
- For a transaction/activity to be treated as supply of services, there must be a supply as per under section 7 of CGST Act.
- It cannot be said that a service is being provided by the holding company to the subsidiary company, solely on the basis that there is a specific SAC entry in the scheme of classification of services, unless there is a supply of services by the holding company to the subsidiary company in accordance with section 7 of the CGST Act, 2017.

- Therefore, the activity of holding of shares of subsidiary company by the holding company **cannot be treated as a supply of services** by a holding company to the said subsidiary company and **cannot be taxed under GST**.



Value of Supply

CCP 05.02.10.00

Describe the conditions to be satisfied for availing deduction of post supply discounts from the value of supply as per the provisions of section 15(3) of the CGST Act 2017. [CA Inter May 24 Exam] [Study Mat (Similar)]

Answer: Conditions to be satisfied for availing deduction of post supply discounts from the value of supply as per Section 15(3) of the CGST Act, 2017 are as follows:

- (i) Discount is in terms of an agreement entered into
- (ii) At or before the time of supply.
- (iii) Discount can be specifically linked to relevant invoices.
- (iv) Input tax credit as is attributable to the discount on the basis of document issued by supplier is reversed by the recipient of the supply.
- (v) Supplier should obtain CA/CMA certificates or recipient undertakings/certificate (where total tax is not exceeding ₹5,00,000 in a financial year) certifying the proportionate reversal of ITC by recipient for credit note issued by supplier & this will be considered admissible evidence for compliance with Sec 15(3)(b).



Place of Supply

CCP 07.04.06.01

XYZ Pvt. Ltd., a furniture manufacturer based in Rajasthan, receives an order from Mr. Sharma, an individual (unregistered person) residing in Delhi. Mr. Sharma purchases a dining table and requests delivery to his residence in Delhi. XYZ Pvt. Ltd. issues an invoice with Mr. Sharma's Delhi address and arranges for the delivery of the dining table through a third-party logistics provider. Determine Place of Supply and GST implications. Will the place of supply still be same, if Mr. Sharma instructs XYZ Pvt. Ltd. to deliver the dining table to another address located in Punjab which is recorded in invoice as address of delivery whereas the billing is done at Delhi's address?

Answer :- Legal Provision :-

- As per **section 10(1)(ca)** of IGST Act, if the supply of goods is made to unregistered person, the place of supply shall be the **location as per the address of the said person recorded in the invoice**.
- However, if the address of the unregistered person is not recorded in the invoice, the place of supply shall be the **location of the supplier**.
- **As per CBIC clarification**, if billing address differs from delivery address in invoice in case of supply of goods to unregistered person, **POS shall be address of delivery of goods recorded on invoice**.

Discussion & Conclusion:

- In the given case, the invoice issued by XYZ Pvt. Ltd. records Mr. Sharma's address in Delhi. Therefore, the place of supply for this transaction will be **Delhi**.

- ⇒ Since the place of supply (Delhi) is different from the location of the supplier (Rajasthan), this transaction constitutes an **interstate supply**. Thus, liable to **IGST**.
- ⇒ **Yes**, in second case, if billing address differs from the delivery address in invoice, **POS** shall be the **address of delivery** of dining table recorded on invoice i.e. **Punjab**.

CCP 07.04.07.00

Determine the place of supply in each of the following cases:

- (i) Pure Refineries (Mumbai, Maharashtra) gives a contract to PQ Ltd. (Ranchi, Jharkhand) to supply a machine which is required to be assembled in a power plant in its refinery located in Kutch, Gujarat. [Study Mat (Example)]
- (ii) Mizu Machine Ltd., registered in the State of Andhra Pradesh, supplied a machinery to Keyan Wind Farms Ltd., registered in the State of Karnataka. However, this machinery was assembled and installed at the wind mill of Keyan Wind Farms Ltd., which was located in the State of Tamil Nadu. [CA Inter RTP May 24]
- (iii) Rimjhim Pvt. Ltd, located at Lucknow, Uttar Pradesh, purchases a manufacturing machine from Manav Steel Industries Ltd., located at Jaipur, Rajasthan, for being installed in its factory located at Haridwar, Uttarakhand. [CA Inter May 24 Exam]

Answer :-Legal Provision :- As per **section 10(1)(d)** of IGST Act, if goods are assembled or installed at site, the place of supply shall be the place of such installation or assembly.

Conclusion:

i)	In the given case, the place of supply is the site of assembly machine i.e., Kutch even though Pure refineries is located in Maharashtra.
ii)	Thus, the place of supply is the site of assembly of machine, i.e. Tamilnadu .
iii)	Thus, the place of supply is Haridwar, Uttarakhand .

CCP 07.05.15.00

Mr. Joy, an unregistered person of Kolkata, West Bengal sends a courier through Kolkata, West Bengal based Mohan Courier Agency to his sister in Mumbai, Maharashtra. [CA Inter May 24 Exam]

Answer :-

Legal Provision :-

As per **section 12(8)** of IGST Act, for supply of services by way of transportation of goods, including mail or courier, the place of supply shall be as under:-

- ⇒ If the recipient is registered, **place of supply shall be the location of such registered person**.
- ⇒ If the recipient is not registered, **the place of supply shall be the place where the goods are handed over for their transportation**.

Conclusion: In the given case, the place of supply will be **Kolkata, West Bengal**.

CCP 07.05.16.00

Mr. Nitin, an unregistered person, resides at Rewa, Madhya Pradesh books a two-way air journey ticket from Prayagraj, Uttar Pradesh to Jaipur, Rajasthan on 6 September and back. He leaves Prayagraj on 11 September in a morning flight and land in Jaipur the same day. He leaves Jaipur on 15 September in a late night flight and lands in Prayagraj the next day. [CA Inter May 24 Exam]

Answer :-Legal Provision :- As per section 12(9) of IGST Act, if the passenger transportation service is provided to:-

- a registered person, the place of supply shall be the location of such registered person,
- an unregistered person, the **place of supply shall be the place where the passenger embarks on the conveyance for a continuous journey** wherein the return journey is treated as a separate journey, even if the tickets for onward and return journey is issued at the same time.

Discussion & Conclusion: In the given case, the place of supply for the outward and return journey are the locations where Mr. Nitin embarked on the conveyance for the continuous journey, i.e. **Prayagraj, Uttar Pradesh** for outward journey and **Jaipur, Rajasthan**, for return journey.



Exemption Under GST

CCP 08.07.13.01

Mr. Poddar has 3 buildings – A, B & C. Building A is run as hotel which offers accommodation services with a value of supply at ₹18,000 per person per month. A customer books a room for 95 continuous days in it. Building B is a residential building named as i.e Greenwood Hostel in which, 1st floor flat is given on rent to college student for 3 months whose rent is ₹ 25,000 per person per month i.e. ₹ 75,000. Building C is also residential which is given on rent as student residences to students & each residence in it is given on rent to each student for 60 days where rent is ₹ 18,000 per person per month i.e. ₹36,000. Under the GST law, determine the taxability or exemption, if any, for each case?

Answer:-

Legal Provision:

- Accommodation services with a value of supply **less than or equal to ₹20,000** per person per month, provided for a minimum continuous period of 90 days, are **exempt** from GST.
- Services by way of renting of residential dwelling for use as residence except where the residential dwelling is rented to a registered person is **exempted**. However, accommodation services for students in student residences & accommodation services provided by Hostels, Camps, Paying Guest accommodations & the like **are not covered** in this exemption.

Discussion & Conclusion:

(i)	<ul style="list-style-type: none">➤ Building A hotel offers accommodation at ₹18,000 per person per month, and the customer books the room for 95 continuous days.➤ Since both conditions are met i.e. value of supply is less than ₹20,000 per person per month and the accommodation is for more than 90 days. Therefore, this service is exempt from GST.
(ii)	Renting of 1st floor of Hostel B to student is taxable under GST as value exceeds ₹ 20,000 per person per month & also forms part of exception to other exemption.
(iii)	Renting of each residence in building C to student is taxable under GST as here, the value is not exceeding ₹ 20,000 per person per month but it is for a period of 60 days (i.e. less than 90 days) & also forms part of exception to other exemption.

CCP 08.14.27.00

Mr. Ravindra, a registered person in Bhopal, Madhya Pradesh has provided the following information regarding outward transactions made during the month of January 20XX:

- 1) He was appointed by recognized sports body as a chief selector of hockey team and received ₹ 5,00,000 as remuneration.
- 2) Services of pure labour contract was provided for construction of independent residential unit for ₹ 1,80,000.
- 3) He rented out his warehouse for warehousing of sugarcane and received rental income of ₹ 75,000.
- 4) Provided services to Municipal Corporation of Bhopal for slum improvement and upgradation for ₹ 6,50,000.
- 5) He has charged consideration of ₹ 1,25,000 against western music dance performance in an event.

You are required to compute the taxable value of supply on which GST is to be paid by Mr. Ravindra for the month of January 20XX. All the amount stated above are exclusive of GST, wherever applicable.

Suitable Notes should form part of answer. [CA Inter May 24 Exam]

Answer: Computation of taxable value of supply on which GST is to be paid by Mr. Ravindra:

S.No.	Particulars	(₹)	Remarks
1.	Remuneration received as a chief selector of hockey team.	5,00,000	Taxable , since services provided to a recognised sports body by an individual only as a player, referee, umpire, coach or team manager are exempt .
2.	Service of pure labour contract for construction of independent residential unit	Nil	Services of pure labour contracts of construction of original works pertaining to a single residential unit otherwise than as a part of a residential complex are exempt .
3.	Rental income from warehousing of sugarcane	Nil	Warehousing of sugarcane being an agricultural produce is exempt .
4.	Services to Municipal Corporation of Bhopal for slum improvement and upgradation	Nil	Services provided to a Local Authority by way of slum improvement and upgradation are exempt .
5.	Consideration received against western music dance performance in an event	1,25,000	Taxable , since the amount received for western music dance performance, but the exemption is available for performance in folk or classical art forms of music or dance. if the consideration charged for such performance is not more than ₹ 1,50,000.
	Value of taxable supply	6,25,000	

CCP 08.14.30.00

Mr. Dhanwan, an individual registered supplier of Ahmedabad (Gujarat), received the following amount towards rendering of the intra-state supply of various services in the month of January 20XX:

Sr.No.	Particulars	Amount (₹)
1.	Consideration received from security and housekeeping services provided to 'Holy Foundation', an educational institution providing services by way of pre-school education, outside the school premises on its annual day function.	60,000

(ii)	Amount received as an honorarium for participation as guest anchor on 'Apna TV' in relation to a debate.	2,25,000
(iii)	Sum received as hiring charges for provision of non-air-conditioned contract carriage for transportation of employees to and from the work to M/s. Siddhi Pvt. Ltd, a registered person under the GST. Such hiring is for 3 months. Use of the contract carriage is at the disposal of the company.	1,50,000
(iv)	Amount received for provision of training in recreation activities of music.	90,000
(v)	Renting of residential flat to Mr. Sahil, proprietor of M/s. Dayaram & Sons, a registered person under GST for the purpose of his own residence (in personal capacity)	30,000

You are required to compute the value of supply on which GST is to be paid by Mr. Dhanwan for the month of January 20XX. All the amounts stated above are exclusive of GST, wherever applicable. Suitable notes should form part of the answer. [CA Inter Nov 23 Exam]

Answer: Computation of value of supply on which GST is to be paid by Mr. Dhanwan:

S.No.	Particulars	₹	Remarks
(i)	Security and housekeeping services provided to an educational institution	60,000	Not exempted , since security & housekeeping services are performed outside the educational institution.
(ii)	Honorarium for participation as guest anchor	2,25,000	Liable to GST since it is not specifically exempt and it is also not covered in Schedule III of the CGST Act, 2017 (neither supply of good nor supply of service).
(iii)	Hiring charges for non-air-conditioned contract carriage	1,50,000	Not exempt , since exemption available only where transportation take place over pre-determined route and pre-determined schedule and contract carriage is hired for a period of time, during which the contract carriage is at the disposal of the recipient.
(iv)	Training in recreational activities of music	-	Services by way of training in recreational activities relating to arts or culture, by an individual are exempt .
(v)	Renting of residential flat to Mr. Sahil	-	Renting of residential dwelling to a proprietor (registered under GST) of a proprietorship concern in his personal capacity for use as his own residence and on his own account is exempt.
	Value of taxable supply on which GST is to be paid by Mr. Dhanwan	4,35,000	

CCP 08.14.31.00

Determine whether GST is payable on services provided under the following independent cases:-

5. Service of affiliation provided by Central educational board to a private school. [CA Inter RTP Nov 23]

Answer:-

5 **Legal Provision:**

- ⇒ Services of affiliation provided by a Central to a school established, owned or controlled by the Central Government is **exempt**.
- ⇒ As per **CBIC clarification**, the affiliation service provided to a private school is not related to admission of students or conduct of examinations & thus, services of affiliation, provided to all other schools by them **are taxable**.

Discussion & Conclusion:-

In given case, affiliation service provided by Central educational board to a private school is **taxable**.



Payment of Tax

CCP 09.05.10.00

Answer the following:-

(iv) Mr. Atul of Chennai is a registered dealer under GST. He has an opening balance of input tax credit of ₹1,20,000 (IGST) lying in the electronic credit ledger relating to the month of November 20XX. During the month, a legal proceeding has been initiated under the GST law which resulted in a tax liability of ₹ 80,000 (IGST, other than RCM liability). Mr. Atul agrees with the tax liability and wants to use the balance lying in the electronic credit ledger towards payment of same.

He seeks your opinion with regard to the provisions of GST laws as to whether he is allowed to use the amount lying in the electronic credit ledger for making the payment of tax liability, payable as a consequence of the proceeding? [CA Inter Nov 23 Exam]

Answer:

- (iv) ⇒ The amount available in the electronic credit ledger of IGST may be used for making any payment towards tax under the CGST Act or the SGST Act or the IGST Act other than tax payable under reverse charge .
- ⇒ It is **clarified** that any payment towards output tax, payable as a consequence of any proceeding instituted under the provisions of GST laws, can be made by utilization of the amount available in the electronic credit ledger of a registered person.
- ⇒ **Thus**, Mr. Atul is **allowed to use the credit of IGST** in electronic credit ledger for making payment of tax liability of ₹80,000, payable as a consequence of the legal proceeding.

CCP 09.10.18.00

GSTR 3B for the month of January 20XX has been filed by M/s Avisha Limited, a registered person, within the due date prescribed by the CGST Act 2017 which is on February 20th 20XX. It came to the notice of the Co. that tax due for the month of January 20XX has been paid short by ₹ 16,000. The short fall of ₹16,000 has been paid through cash ledger and credit ledger at the time of filing GSTR 3B for the month of February 20XX on March 20th 20XX in the following manner:

Particulars	Cash Ledger	Credit Ledger
Shortfall	₹ 12,000	₹4000

Assume that electronic cash ledger and credit ledger carry sufficient balance for the above short fall.

1) You are required to calculate the amount of interest payable if any under section 50 of the CGST Act 2017 and rule 88B of the CGST rules 2017.

2) Give the effect if GSTR-3B for the month of January 20XX had been filed belatedly on March 20, 20XX and all other conditions remaining same.

Calculation should be rounded off to nearest rupee. As 2024 is leap year, give effect of same.

[CA Inter May 24 Exam][Study Mat (Example), CA Inter Dec 21 Exam (Similar)]

Answer :-

Legal Provision:

- As per **Section 50**, Interest is payable on delayed payment of tax @18% p.a from next day of due date till the date of payment of tax.
- As per **proviso to section 50**, if delay payment of tax is due to delay filing of return, then interest is payable on **Net tax liability paid through Electronic Cash ledger**.
- If return is filed within due date, but short payment of tax is found subsequently for same tax period, then Interest is payable on **Gross tax liability**.

Discussion and Conclusion :-

1) Since Avisha Limited has furnished Form GSTR-3B for the month **within the prescribed due date**, interest is payable on the **Gross tax liability** deposited with a delay of 29 days [21.02.20XX - 20.03.20XX (both inclusive)] as under:

Interest: $16,000 \times 18\% \times 29/366 = ₹228$ (rounded off)

2) If Avisha Limited has filed Form GSTR-3B for the month **after the due date, i.e. on 20.03.20XX**, interest is payable on the **Net tax liability** paid through Electronic Cash Ledger only, for a delay of 29 days, as under:

Interest: $₹12,000 \times 18\% \times 29/366 = ₹171$ (rounded off)

CCP 09.10.20.00

Mr. Broker wrongly availed ₹1,25,000 as input tax credit (CGST + SGST) at the time of furnishing return under section 39 of the CGST Act, 2017 for the month of October 20XX. This ITC was not utilized against the output tax liability for the month of October 20XX. Mr. Broker utilised ITC of ₹75,000 from the above wrongly availed ITC of ₹1,25,000 against output tax liability for the month of November 20XX.

Mr. Broker paid the amount of ITC wrongly utilised of ₹75,000 on 10th March, 20YY and reversed the unutilized amount of ₹50,000 on 20th March 20YY. Calculate the total interest payable (CGST + SGST) rounded off to nearest rupee under GST law if Mr. Broker files:

- (i) Form GSTR-3B for the month of October on 18th November 20XX, and
- (ii) Form GSTR-3B for the month of November on 25th December 20XX.

Note: Assume there is no extension of due date of filing of Form GSTR-3B, and no other transactions were undertaken during the year 20XX-YY. [CA Final Nov 23 Exam]

Answer:-

Legal Provision:

- As per **Sec 50 read with Rule 88B**, if ITC has been wrongly availed and utilised, the registered person shall pay **interest** on the same
 - for the period starting from the date of utilisation of such wrongly availed ITC
 - till the date of reversal of ITC or payment of tax in respect of such amount
 - @ 18% per annum.
- Where date of utilisation of ITC will be **Earlier** of Due date of furnishing returns or Actual date of filing return.

Discussion & Conclusion:

- In the given case, Since wrongly availed ITC of ₹ 50,000 has been reversed without utilizing the same, interest is not payable on the same.
 - However, Interest is payable on wrongly availed and utilised ITC of ₹75,000.
 - Date of utilisation of said ITC will be:
 - Due date of furnishing return for Nov 20XX [20th December, 20XX] or
 - Actual date of filing of the return for Nov 20XX [25th December 20XX] whichever is **earlier**.
- Thus, date of utilisation of said ITC will be 20th December, 20XX.**
- Interest (CGST + SGST) will be payable for **80 days** [21st December 20XX to 10th March, 20YY (both days inclusive)] as follows:
 - = ₹75,000 × 80/365 × 18%
 - = **₹2,959** [CGST+SGST] (rounded off)

Authors Note:

ICAI has calculated interest from next day of Date of utilisation, but the provision says it should be from the date of utilisation, So Answer may vary in some cases & Student has to follow ICAI Approach.



TDS-TCS

CCP 09.12.22.00

Whether the rate of tax of **0.5%** notified under section 52 is CGST or SGST or a combination of both CGST and SGST? [Study Mat]

Answer :-

The rate of TCS as notified under CGST Act is payable under CGST and the equal rate of TCS is expected under the SGST Act also, in effect **aggregating to 0.5%**.

CCP 09.12.24.00

State whether the provisions pertaining to tax collected at source under section 52 of CGST Act, will be applicable,

- a) If Fitan Ltd. sells watch on its own through its own website?
- b) If ABC limited who is dealer of Royul brand sells watches through Slipkart, an electronic commerce operator? [Study Mat]

Answer :-

Legal Provision:

- As per **Section 52** of the CGST Act, Every ECO **not being an agent**, shall collect tax at source
 - at **0.25%** (i.e. 0.25 % CGST & SGST/UTGST each or 0.5% IGST)
 - of the **net value of taxable supplies** made through it by other suppliers
 - where the consideration for such supplies is to be collected by ECO.

Discussion & conclusion:

a)	➤ In the given case, Fitan Ltd. sells watch through its own website. ➤ Thus , TCS won't be applicable.
b)	➤ In the given case, ABC limited who is dealer of Royul brand sells watches through Slipkart. ➤ Thus , TCS will be applicable to Slipkart.

CCP 09.12.25.00

Who is liable to collect TCS (collection of tax at source) under Section 52 of the CGST Act, 2017. Briefly explain the provisions relating to registration, filing of return and deposit of TCS to Government as per the provisions of section 52 of the CGST Act, 2017 and rule 12 of the CGST Rules, 2017. [CA Inter May 24 Exam]

Answer :-

- Every Electronic Commerce Operator (ECO), not being an agent, is liable to collect tax at source (TCS).
- Such ECO is required to submit a registration application in prescribed form through the common portal. The proper officer shall, after due verification, **grant registration within 3 working days** from the date of the application.
- On a request or upon an enquiry or pursuant to any other proceeding under GST law, if the PO is **satisfied** that a person is no longer liable to collect TCS, he may **cancel** his registration.
- Such ECO shall furnish a **monthly statement** in prescribed form containing the details of the outward supplies of goods and/ or services effected through it, including supplies returned through it and the amount collected by it as TCS during the month **within 10 days** after the end of each month in which tax has been collected at source.
- The TCS amount collected by the ECO has to be deposited by 10th of the month succeeding the month in which TCS has been collected.
- They also required to file **annual statement on or before 31st December** following the end of the financial year.
- However, The operator **shall not be allowed to furnish a statement after the expiry of 3 years** from the due date of furnishing the said statement.

CCP 09.12.26.00

From the following information of independent cases, your expert advice, with appropriate reasoning, is sought on the applicability of TDS/TCS provisions of the CGST Act, 2017. You shall also quantify the amount of TDS/TCS, as the case be, if the same is applicable.

- 1) Top Fashions, a designer cloth dealer and registered in the State of West Bengal, effected supply through 'QUICK DEAL', an electronic commerce operator. Net value of taxable intra-State supplies effected for the month of October 20XX was ₹1,50,000.
- 2) M/s Super Builders, a registered supplier in Tamil Nadu, was awarded a works contract by Government of Tamil Nadu amounting to ₹4,30,000. Of this, value of exempt supply was ₹1,00,000.
- 3) Tasty Caterers, a registered supplier of Kerala, provided catering services in Kochi, Kerala to Government of Andhra Pradesh for its annual training camp held for its staff. Value of said services was ₹4,50,000.

Answer :

1)	<ul style="list-style-type: none"> ➤ As per Section 52, in case where supplies is made through ECO, where the consideration for such supplies is collected by ECO, then ECO has to deduct TCS @0.5% (0.25% CGST & 0.25% SGST) of the Net value of taxable supplies (i.e Gross sales less Sales returns) made through ECO. ➤ In given case, QUICKDEAL and ECO has to deduct TCS as follows: $TCS = ₹1,50,000 * 0.25\%$ $= ₹375 \text{ (CGST)} \ \& \ ₹375 \text{ (SGST)}$
2)	<ul style="list-style-type: none"> ➤ As per Section 51, if any supply of goods or services is made to the government, where Total contract value of Taxable supplies exceeds ₹2,50,000, then Government has to deduct TDS @ 2% (CGST1% & SGST1%) on such contract Value.

	<ul style="list-style-type: none"> ➤ Taxable value does not includes Value of Exempt supply ➤ In given case, taxable value = ₹ 4,30,000 - ₹ 1,00,000 Hence, Tamilnadu State Government need to deduct TDS TDS = ₹ 3,30,000 * 1% = ₹ 3,300 (CGST) & ₹ 3,300 (SGST)
3)	<ul style="list-style-type: none"> ➤ As per Sec 12 of IGST Act, in case of catering services, the place of supply is the place where the services is actually performed. ➤ As per proviso the Sec 51, if location of supplier & Place of supply is in a state & recipient is located in another state, then in such case, TDS is not deductible. ➤ In given case, Location of supplier & place of supply is in Kerala & recipient is in another state, hence provision of TDS is not applicable.

Note:

In above question, it has been assumed that the value given is exclusive of GST, wherever applicable, since the rate of tax is not given in the question.



Input Tax Credit

CCP 09.02.07.01 Rule 37A

Briefly explain the provisions relating to reversal of input tax credit in case of non-payment of tax by the supplier and re-availment thereof? [CA Inter Nov 23 Exam]

Answer:

- As per **Rule 37A of CGST rule 2017**, If a registered person (recipient) **avails ITC** in GSTR-3B for a tax period in respect of an invoice/debit note details of which have been furnished by supplier in GSTR-1/**GSTR 1A** /using IFF, **but supplier** does not furnish his return **till 30th September** following the end of FY in which the ITC in respect of invoice/ debit note has been availed, then the amount of ITC **shall be reversed by recipient**, while furnishing a return in Form GSTR-3B **on or before 30th November** following the end of such FY during which such ITC has been availed.
- However, if the said amount of ITC is **not so reversed by recipient**, such amount shall be payable by the said person **along with interest**.
- Further, if the said supplier **subsequently furnishes the return in Form GSTR-3B** for the said tax period, the said registered person may re-avail the amount of such credit in the return in Form GSTR-3B for a tax period thereafter.

CCP 09.02.09.01

ABC Pvt. Ltd. is engaged in the supply of electronic goods. During the FY 20XX–XY, the company's GST registration was cancelled on 15th August 20XX. Subsequently, the cancellation was revoked on 5th February 20XY by an order from Appellate Authority. ABC Pvt. Ltd. filed return for the period for which registration stood cancelled on 25th February 20XY. ABC Pvt. Ltd. has an invoice dated 20th July 20XX for goods supplied worth ₹1,00,000. Can ABC Pvt. Ltd. claim the ITC for the invoice dated 20th July 20XX? If yes, what is the time limit for the same?

Note: ABC Pvt. Ltd. has furnished annual return on 15th December 20XY.

Answer:- Legal Provision:

- As per **Sec 16(6)** of CGST Act, if the registration of a registered person is cancelled u/s 29 and subsequently revoked by an order, the registered person **can claim ITC** for the invoices or debit notes that were not restricted u/s 16(4) on the date of order of cancellation.
- **Its ITC can be claimed in the return filed till the later of following dates:**
 - Earlier of 30th Nov of following year or date of furnishing Annual return.
 - Return filed for period from the date of cancellation of registration or the effective date of cancellation of registration till the date of the order revoking the cancellation, if such return is filed **within 30 days** from the date of the revocation order.

Discussion & Conclusion:

- **Yes**, In the given case, ITC for the invoice dated 20th July 20XX will be claimed by the later of:-
 - a) 30th November 20XY i.e. the earlier of 30th November 20XY or 15th December 20XY or
 - b) 25th February 20XY i.e. the date of filing return for the period from 15th August 20XX (cancellation date) to 5th February 20XY (revocation order date).
- **Thus ABC Pvt. Ltd. must claim the ITC by 30th November 20XY.**

CCP 10.03.10.00

Answer the following questions independently:

- a) SRS Cars Pvt. Ltd., a car manufacturer, purchased a tempo Traveller (Seating capacity of 15 persons) for the transport of its employees within the factory premises. Can SRS Cars Pvt. Ltd. avail ITC on such purchase? Will your answer differ, if seating capacity of tempo traveller is 10 persons?
- b) ABC Motors, an authorized dealer, purchases a demo vehicle for demonstration purposes for ₹10,00,000 with GST @18%. Can ABC Motors avail ITC on such purchase? Would your answer differ, if ABC Motors promotes its sale by helping potential buyers to decide to purchase a similar type of motor vehicle.

Answer:

Legal Provision:-

- As per **section 17(5)(a)** of CGST Act, ITC is **not** available on Motor vehicle for transportation of persons having approved seating capacity of not more than 13 persons (including driver), **except** when they are used for making **following taxable supplies:-**
 - a) Further supply of such motor vehicles or
 - b) Transportation of passengers or
 - c) Imparting training on driving such motor vehicles.

Discussion & Conclusion:-

a)	<p>⇒ In first case, SRS Cars Pvt. Ltd. purchased a tempo Traveller with seating capacity of 15 persons which is exceeding capacity of 13 persons & thus, it will be able to avail ITC on the same.</p> <p>⇒ Yes, answer will differ in second case. If seating capacity of tempo traveller is 10 persons, then SRS Cars Pvt. Ltd. cannot avail ITC on the same as ITC is blocked u/s 17(5)(a).</p>
b)	<p>⇒ In first case, CBIC clarified that the vehicle is solely used for demonstration purposes and not for passenger transport or training, thus ITC is blocked u/s 17(5)(a).</p> <p>⇒ Yes, answer will differ in second case as it is used for making 'further supply of such motor vehicles'. Thus, ITC for demo vehicles is not blocked u/s 17(5)(a).</p>

CCP 10.04.19.01

As per the CGST Act 2017, Vishnu Limited was not mandatorily required to get registered, however it opted for voluntary registration and applied for registration on 12th February 20YY. Registration certificate has been granted by the Department on 24th February 20YY, Vishnu Limited is not engaged in making inter-State outward taxable supplies. The CGST and SGST liability for the month of February 20YY is ₹ 31,000 each. Vishnu Limited provides the following information of goods held in stock on 23rd February 20YY:

S.No.	Particulars	GST (₹)
1	Capital goods procured on 5th February 20YY, (Rate of CGST and SGST @ 6% each) being intra State supply.	2,00,000
2	Inputs contained in finished goods stock held were procured on 13th February 20XX (Rate of IGST @18%) being inter-State supply.	3,00,000
3	Value of Inputs received on 10th October 20XX contained in semi-finished goods held in stock (Rate of CGST and SGST @ 6% each) being intra-State supply.	2,50,000
4	Inputs procured on 1st February 20YY lying in stock of semi -finished goods(Rate of CGST and SGST @ 7.5 % each) being intra-State supply	1,50,000
5	Inputs procured on 8th February 20YY lying in stock of finished goods.(Rate of IGST @ 18%) being inter-State supply.	60,000

You are required to determine the eligible ITC available and amount of net minimum GST to be paid in cash by Vishnu Limited for the month of February 20YY. [CA Inter May 24 Exam]

Answer:Legal Provision: As per section 18(1)(b) of CGST Act, a person applying for registration voluntarily can avail

- ITC on inputs contained in semi-finished or finished goods held in stock on the day **immediately preceding** the date of grant of registration, **within 1 year** from date of issue of tax invoice by supplier.

Discussion & Conclusion: Computation of eligible ITC available:

Particulars	IGST(₹)	CGST(₹)	SGST(₹)
Capital goods [Note 1]	Nil	Nil	Nil
Inputs procured on 13th February 20XX	Nil	Nil	Nil
Inputs procured on 10th October 20XX	Nil	15,000 (2,50,000*6%)	15,000 (2,50,000*6%)

Inputs procured on 1st February 20YY	Nil	11,250 (1,50,000*7.5%)	11,250 (1,50,000*7.5%)
Inputs procured on 8th February 20YY	10,800 (60,000*18%)	Nil	Nil
Total ITC	10,800	26,250	26,250

Computation of minimum net GST to be paid in cash by Vishnu Limited for the month of February 20XX:

Particulars	CGST(₹)	SGST(₹)
Output tax liability (Given)	31,000	31,000
Less: ITC [Note 2]		
IGST: ₹ 10,800	(5,400)	(5,400)
CGST: ₹ 26,250	(25,600)	X
SGST: ₹ 26,250	X	(25,600)
Net GST Payable in Case	Nil	Nil

Notes:- 1) Person taking voluntary registration cannot avail ITC on CG held on the day immediately preceding the date of grant of registration.

2) IGST credit is utilized first for payment of CGST and SGST liability in equal proportion. CGST credit is utilized for payment of CGST liability and SGST credit is utilized for payment of SGST liability.



Registration

CCP 11.16.33.00

Explain the circumstances under which proper officer can cancel the registration on his own of a registered person under CGST Act, 2017. [CA Inter Jan 21 Exam]

OR

Explain the statutory provisions for cancellation or suspension of registration under section 29(2) of the CGST Act, 2017. [CA IPC Jan 21 Exam]

OR

State any five circumstances under which the proper officer can cancel the registration on his own under the CGST Act, 2017 [CA Inter May 22 Exam]

OR

Briefly enumerate the contraventions which make a registered person liable to cancellation of registration, as prescribed under rule 21 of the CGST Rules, 2017. [CA Inter RTP May 23]

[Note:- For this specific Q – start the answer as “Rule 21 of CGST Rules, 2017 prescribes the contraventions which make a registered person liable to cancellation of registration. As per said rule, the registration granted to a person is liable to be cancelled, if:” & then write pts. (a) to (i)]

Answer:-

i) As per **section 29(2)** of CGST Act, 2017 read with **rule 21** of CGST Rules, 2017, the circumstances under which **proper officer can cancel the registration on his own** of a registered person under the CGST Act, 2017 are as under:-

(i) A registered person has contravened any of the following provisions of the GST law:-

- he does not conduct any business from the declared place of business.
- he issues invoice/bill without supply of goods or services or both in violation of the provisions of GST law.
- he violates the provisions of anti-profiteering.

- d) he violates the provisions relating to furnishing of bank details.
- e) He avails ITC in violation of the provisions of section 16 of CGST Act or the rules made thereunder.
- f) furnishes the details of outward supplies in FORM GSTR-1, **as amended in FORM GSTR-1A if any**, under section 37 for one or more tax periods which is in excess of the outward supplies declared by him in his valid return under section 39 for the said tax periods.
- g) **failed to file returns** due between the order of cancellation and revocation of registration **within 30 days** of the revocation order.
- h) If the cancellation was retrospective, **failed to file all returns** from the date of order of cancellation date to the revocation order **within 30 days**.
- i) he has not furnished returns for a continuous period of 6 months under normal scheme
- j) he has not furnished returns for a continuous period of 2 tax periods under QRMP scheme
- ii) A person paying tax under composition levy has **not furnished returns for 3 consecutive tax periods**.
- iii) A RP paying tax under regular scheme **has not furnished returns for continuous period of 6 months**.
- iv) Voluntarily registered person has **not commenced the business within 6 months** from the date of registration.
- v) Registration was obtained by means of **fraud, wilful misstatement or suppression of facts**.
- Proper officer shall not cancel the registration without giving the person an **opportunity of being heard**.
 - During pendency of the proceedings relating to cancellation of registration, the proper officer may suspend the registration for prescribed period and in prescribed manner.



Tax Invoice

CCP 12.16.21.00

Mohan Enterprise is a registered person having principal place of business in Gandhinagar, Gujarat. They received services of Advocate Sameer, a registered person from Ahmedabad, Gujarat. Shekhar, an unregistered person provided services of labour to Mohan Enterprise. Explain the provisions relating to issue of invoice by recipient Mohan Enterprise if he is liable to pay tax under reverse charge under Section 9(3) or 9(4) of the CGST Act, 2017. [CA Inter May 24 Exam][Study Mat (Similar)]

Answer : Legal Provision:-

- As per Section 31, A registered person shall issue an **invoice** in respect of goods and/or services received by him provided he is liable to **pay tax under reverse charge** on such supplies.
- As per section 31(3)(f), when a registered person **receives supply** of goods &/or services which are liable to tax on reverse charge basis **from an unregistered person, then Invoice is to be issued by recipient** on the date of receipt of goods &/or services.

Discussion & Conclusion:

- In the given case, tax on services received from advocate Sameer by Mohan Enterprise is payable **under reverse charge**.
- However, Mohan Enterprises is **not required to issue an invoice** with respect to said supply as supplier Sameer is registered.
- Further, tax on labour services received from unregistered person-Shekhar is **not payable** under reverse charge.
- Therefore, Mohan Enterprises is **not required to issue an invoice** with respect to said supply.



Accounts, Records & E-Way Bill

CCP 13.04.21.01

Mr. Venaram proprietor of M/s. Lalit Kirana Stores is registered as a composition dealer in the Jodhpur district of Rajasthan. He has not furnished the statement for payment of self - assessment tax in the form GST CMP-08 for two consecutive quarters. He placed an order for purchase of taxable goods worth ₹ 5,50,000 with M/s. Bob & Sons (a partnership firm), a registered dealer in the Bikaner district of Rajasthan. M/s. Bob & Sons has been regularly filing its GST returns. M/s. Bob & Sons wants to generate E-way bill with respect to intra- state supply to be made to M/s. Lalit Kirana Stores. Whether M/s. Bob & Sons is allowed to generate E-way bill as per the provisions of CGST Act, 2017? Answer with proper reasoning. [CA Inter Nov 23 Exam]

Answer:-

Legal Provision:

- As per **Rule 138E of CGST Rules 2017**, if a person paying tax under composition scheme has not furnished the statement for payment of self-assessed tax for **2 consecutive quarters**, e-way bill shall not be allowed to be generated in respect of **any outward movement** of goods by such person.
- However, this **restriction does not apply** to generation of e-way bill in respect of **inward movement** of goods by the defaulter.

Conclusion:

- Hence, in the given case, M/s. Bob & Sons is **allowed to generate e-way bill** with respect to supply to be made to M/s Lalit Kirana Stores since M/s. Bob & Sons, who is making the outward movement of goods is a regular return filer.



Returns

CCP 14.02.06.00

Mr. Gauri Shiva, a registered person in Punjab, supplies goods taxable @ 12% [CGST @ 6%, SGST @ 6% & IGST @ 12%] in the States of Punjab and Haryana. He has furnished the following details in relation to independent supplies made by him in the quarter ending June, 20XX:-

Supply	Recipient	Nature of supply	Value (₹)
1	Mr. A, a registered person	Inter-State	80,000
2	Mr. B, a registered person	Inter-State	1,05,000
3	Mr. C, an unregistered person	Intra-State	60,000
4	Mr. D, an unregistered person	Intra-State	1,10,000
5	Mr. M, an unregistered person	Inter-State	1,50,000
6	Mr. N, an unregistered person	Inter-State	20,000
7	Mr. O, an unregistered person	Inter-State	1,00,000
8	Mr. P, an unregistered person	Inter-State	1,30,000
9	Mr. Q, a registered person	Intra-State	5,000
10	Mr. R, a registered person	Intra-State	2,10,000

The aggregate annual turnover of Mr. Gauri Shiva in the preceding financial year was ₹ 1.20 crore. With reference to rule 59 of the CGST Rules, 2017, discuss the manner in which the details of above supplies are required to be furnished in GSTR-1. (CA Inter RTP May 2020)

Answer:-

Legal Provision:-

☞ As per **Rule 59** of CGST Rules, 2017, GSTR-1 shall **include** following:-

a) Invoice-wise details of all:-

i) Inter-State and intra-State supplies made to registered persons and

ii) Inter-State supplies made to unregistered persons with invoice value more than ₹1,00,000

b) Consolidated details of all:-

i) Intra-State supplies made to unregistered persons for each rate of tax and

ii) Inter-State supplies made to unregistered persons with invoice value upto ₹1,00,000 for each rate of tax separately for each State

c) Debit & credit notes, if any, issued during the month for invoices issued previously.

Discussion & Conclusion:-

As per above provisions, Mr. Gauri Shiva shall furnish details of outward supplies of goods during quarter ending June, 20XX as follows:-

Supply	Recipient	Nature of supply	Value (₹)	Manner of furnishing details
1	Mr. A, a registered person	Inter-State	80,000	Invoice-wise details
2	Mr. B, a registered person	Inter-State	1,05,000	Invoice-wise details
3	Mr. C, an unregistered person	Intra-state	60,000	Consolidated details of supplies of 3 & 4
4	Mr. D, an unregistered person	Intra-state	1,10,000	
5	Mr. M, an unregistered person	Inter-State	1,50,000	Invoice-wise details
6	Mr. N, an unregistered person	Inter-State	20,000	Consolidated details of supplies 6 and 7
7	Mr. O, an unregistered person	Inter-State	1,00,000	
8	Mr. P, an unregistered person	Inter-State	1,30,000	Invoice-wise details
9	Mr. Q, a registered person	Intra-state	5,000	Invoice-wise details
10	Mr. R, a registered person	Intra-state	2,10,000	Invoice-wise details

CCP 14.02.08.01

Mr. Sameer, a registered person under GST, is unable to file GSTR-1 on the reason being shown that tax payable under GSTR-1 which has been filed in respect of last tax period exceeds the tax payable under GSTR-3B which has been filed for the corresponding tax period. Explain the procedure to be followed by the department and Mr. Sameer for the same as per the provisions of Rule 88C of the CGST Rules 2017.

[CA Inter Nov 23 Exam]

Answer:

☞ In the given case, Mr. Sameer would be **intimated** on the portal and his email address of such difference and **be directed** to either

(i) pay the differential tax liability along with interest or

(ii) explain the difference

within period of 7 days.

☞ On receiving such intimation, Mr. Sameer should either

(i) **deposit** the amount specified in the said intimation fully or partially, along with interest and furnish the

details on the common portal or

(ii) **furnish** a reply explaining the reasons for any amount of differential tax liability remaining unpaid within period of 7 days.

➔ Where any amount specified in the said intimation **remains unpaid within 7 days' period** and where **no explanation** is furnished by Mr. Sameer or where the explanation furnished by him is not found to be acceptable by the proper officer, the said amount **shall be recoverable** from him.



COMPUTATION OF GST

CCP 15.01.05.00

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 20XX:

S.No.	Particulars	Amount (₹)
	OUTWARD SUPPLY	
(i)	Intra-state supply of goods to M/s. Natural & Sons	7,00,000
(ii)	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
(iii)	Provided inter-state supply of sponsorship services to XYZ Ltd of Chennai	80,000
(iv)	Advance received for future supply of management consultancy service to Mr. Sharad (Intra-state supply)	40,000
	INWARD SUPPLY: (Intra-state)	
(i)	Purchase of taxable goods from registered suppliers.	7,00,000
(ii)	Availed Works Contract service for repair of office building. Amount of repair was debited in the profit & loss account.	30,000
(iii)	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%

(i) Both inward and outward supplies given above are exclusive of taxes.

(ii) All the conditions necessary for availing the ITC have been fulfilled

(iii) 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 20XX. [CA Inter Nov 23 Exam]

Answer: Computation of minimum net GST payable in cash by M/s Honest Enterprise for the month of December 20XX:

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
GST payable under forward charge:				
Intra-State supply of goods to M/s Natural & Sons	7,00,000	–	17,500 (7,00,000 *2.5%)	17,500 (7,00,000 *2.5%)
Intra-State branch transfer [Note 1]	1,00,000	–	–	–
Inter-State supply of sponsorship service to XYZ Ltd. of Chennai [Note 2]	80,000	–	–	–
Advance received for future intra-State supply of management consultancy service [Note 3]	40,000	–	3,600 (40,000 *9%)	3,600 (40,000 *9%)
Total Output tax		–	21,100	21,100
Less: ITC utilised (Working Note)		–	27,200	27,200
Net GST Payable [A]		–	Nil	Nil
Legal services availed [Note 4] [B]	50,000	–	4,500 (50,000 *9%)	4,500 (50,000 *9%)
Minimum net GST payable in cash [A] + [B]		–	4,500	4,500

Working Note: Computation of ITC available

Intra-State purchase of taxable goods [Note 5]	8,00,000	–	20,000 (8,00,000 *2.5%)	20,000 (8,00,000 *2.5%)
Works contract service for repair of office [Note 6]	30,000	–	2,700 (30,000 *9%)	2,700 (30,000 *9%)
Legal services availed [Note 7]	50,000	–	4,500 (50,000 *9%)	4,500 (50,000 *9%)
Total		–	27,200	27,200

Notes:

1)	Such transfer is not a supply as the branch has the same GSTIN as that of the head office and thus, not a distinct person .
2)	Since sponsorship service is provided to a body corporate, tax on the same is payable by recipient – XYZ Ltd. – under reverse charge .
3)	In case of supply of service , tax is payable at the time of receipt of advance amount too.
4)	<ul style="list-style-type: none"> ⇒ 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.
5)	ITC of goods used in the course/ furtherance of business is available .

6)	ITC is available since the repair amount is debited in the profit & loss account and not capitalized in the books of account.
7)	ITC of services used in the course/ furtherance of business is available .

CCP 15.01.05.01

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

(A) Details of Outward Supplies:

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

(B) Details of Inward Supplies:

- 1) Purchased raw material goods worth ₹ 20,00,000 from PQR Ltd; a GST registered dealer, located at Kanpur, Uttar Pradesh. Goods worth ₹ 1,00,000 out of total purchases were not received during the month.
- 2) Purchased machinery for manufacturing process worth ₹ 2,00,000 from MPQ Pvt. Ltd., a GST registered dealer, located at Bengaluru, Karnataka. Company has claimed depreciation under Income Tax Act 1961 on full value of the machine, including the GST component.
- 3) Purchased truck worth ₹ 15,00,000 from GST registered dealer, located at Ajmer, Rajasthan for transportation of its goods. GST rate on truck is: CGST 14%, SGST 14%, IGST 28%.
- 4) Purchased car (having seating capacity of 7 persons) costing to ₹10,00,000 excluding GST from Mihir Automobiles Pvt. Ltd., a GST registered dealer, located at Ajmer, Rajasthan for use of its director for official purpose. GST rate on car: CGST 14%, SGST 14%, IGST 28%
- 5) Purchased goods worth ₹ 5,00,000 from DEF Buildwell Pvt. Ltd., a registered person of Jaipur, Rajasthan for construction of an additional floor of factory building, of Evershine Pvt. Ltd.

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

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

Notes:

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

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

Answer:- Computation of minimum net GST payable in cash by Evershine Pvt. Ltd. for the month of Sep 20XX:

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
Output tax payable				
Intra-State supply of goods to Vaidehi Enterprises [Note 1]	18,50,000	-	1,66,500	1,66,500
Inter-State supply to Calc. Exim [Note 2]	35,60,000	6,40,800	-	-
Intra-State supply to Sunshine Ltd. [Note 3]	5,70,000	-	51,300	51,300
Inter-State supply to Raghu Enterprise [Note 4]	2,00,000	36,000	-	-
Total Output tax		6,76,800	2,17,800	2,17,800
Less: ITC available (WN-1) [Note 5]				
IGST: ₹ 4,17,000		4,17,000	-	-
CGST: ₹ 2,30,000		12,200	2,17,800	X
SGST: ₹ 2,60,000		42,200	X	2,17,800
Minimum net GST payable in cash		2,05,400	Nil	Nil

Working Note: Computation of ITC available:

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
Opening Balance [Given]		75,000	20,000	50,000
Inter-State purchase of raw material [Note 6]	19,00,000	3,42,000 (₹19,00,000 *18%)	-	-
Purchase of machinery [Note 7]	2,00,000	-		
Inter-State purchase of Truck [Note 8]	15,00,000	-	2,10,000 (₹15,00,000 *14%)	2,10,000 (₹15,00,000 *14%)
Purchase of car [Note 9]	10,00,000	-	-	-
Purchase of goods for construction of an additional floor [Note 10]	5,00,000	-	-	-
Total		4,17,000	2,30,000	2,60,000

Notes:

1)	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.
2)	As per section 15(2)(a) of CGST Act, Tax other than GST are includible in value, if charged separately.
3)	As per section 15(3)(a) , Discount given before or at the time of supply if duly recorded in the invoice is deductible from the value of supply

4)	<ul style="list-style-type: none"> ➤ 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.
5)	<ul style="list-style-type: none"> ➤ IGST credit to be utilized first towards payment of IGST. ➤ CGST credit utilized for payment of CGST and IGST in that order. ➤ SGST credit utilized for payment of SGST and IGST in that order.
6)	As per section 16(2)(b) , ITC is not available on goods worth ₹1,00,000 since not received during the month.
7)	As per section 16(3) , ITC is not available since depreciation has been claimed on the GST component.
8)	As per section 17(5)(a) , ITC on motor vehicles used for transportation of goods is available .
9)	As per section 17(5)(a) , 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.
10)	As per section 17(5)(d) , 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.