



The Institute of Chartered Accountants of India

Code: IN3BG620536
Subject : 03B Goods and Services Tax

Total Marks: 35
Marks Obtained : 31.5

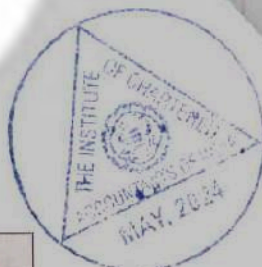
Subject : Goods and Service Tax

Number of Answer Books used : Main + additional sheets

For use by ICAI only



620536



Q.No.	To be ticked (✓) by the candidate against the Questions answered	Marks Awarded (To be filled by Examiner)					Total
		a	b	c	d	e	
1							
2							
3							
4							
5	✓						
6	✓						
7	✓						
8							
9							
10							
11							
12							
13							
14							
Total							

09 MAY 2024

B

Use only Blue / Black Ball Point Pen to write and shade the circles.
AVOID RED PEN.
Write the marks in the boxes before shading the respective circles.

Total Marks awarded

0	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9

Total Marks awarded (in words) _____

Examiner's Signature _____



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INSTRUCTIONS TO THE CANDIDATE

Answers are not to be written on this page



- Answers should be written in figures and words in the allotted space at the right hand corner of the cover page only and nowhere else including additional answer book/s and graph paper.
- Roll number should be written in the box in numbers and darken the appropriate circles of the OMR form provided in the right hand corner of the cover page with **Black / Blue** ball point pen.
- Fill particulars such as name of Examination, Paper No. and subject at the appropriate space at the left hand upper corner.
- Remove the Bar Code sticker of the particular paper from the Attendance sheet and affix the same on the box provided in the right hand corner of the cover page.
 - Since a machine will read the Roll no., please check and ensure that Roll number written in numbers, words and circles darkened are correct. In case any candidate fills this information wrongly, Institute will not take any responsibility for rectifying the mistake.
 - The answers should be written neatly and legibly
 - The answer to each question must be commenced on a fresh page and question number prominently written at the top of each answer. Alternatively, the question number should be distinctly written in the margin.
 - The answer to each question in all parts should be fully completed in one page or in a consecutive set of pages, before the next question is taken up.
 - The candidates are required to write answers of Section A in the answer booklet with the marking (A) on the cover page and answers of Section B in the answer booklet with the marking (B) on the cover page. In case a candidate writes the answers in wrong set of answer books the same will be not be valued and no correspondence in this regard will be entertained.
 - Writing of Roll number in place/s other than the space provided for the purpose or writing distinguishing mark, symbols like "OM", "Sri", "Jesus", "786", etc., will tantamount to adoption of "unfair means"
 - Before submission of answer book to the invigilator take care to score out (X) blank pages, if any, that you might have left.



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03



SECTION-B

Answer to Question 5(a)

Computation of Output Tax Liability of
Evershine Pvt. Ltd. for the month of
September 2023

Particulars	IGST	SGST	CGST
Supply of Goods to Vaidehi Enterprises ∴ $18,50,000 \times 9\%$ [Freight Charge recovered included in value of Supply as per Section 15(2) of CGST Act, 2017]		1,66,500	1,66,500
Supply of Goods to Calc. Exim, Prayagraj, Uttar Pradesh (Inter State) ∴ $35,60,000 \times 18\%$ [Municipal Taxes charged is includible in value of Supply as per Section 15(2) of CGST Act, 2017]	6,40,800		



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Supply of service to Sunshine Ltd, Rajasthan (Intra state) R 10,000 x 9% 2 5aStep1 [Discount agreed at time of invoice & recorded is deducted from value of Supply as per Section 15(3) of CGST Act, 2017]		51,300	51,300
Goods Sold to Raghu Enterprises, Mumbai (Inter-state) ∴ 2,00,000 x 18% [Place of supply shall be Mumbai ^{as} when goods are delivered on direction of 3rd person as per Section 10 of IGST Act, 1.5 5aStep2]	36,000		
Total Output Tax Liability	6,76,800	2,17,800	2,17,800



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Calculation of Eligible ITC for month
of September, 2023

Particulars	IGST	SGST	CGST
Opening Balance	75,000	50,000	20,000
Purchase of Goods from PQR Ltd, Kanpur, Uttar Pradesh (Inter State) ∴ 19,00,000 × 18%.	3,42,000		
[ITC not allowed in respect of goods not received]			
Purchase of Machinery from MNO Pvt. Ltd.			
[ITC not allowed as company has claimed depreciation on GST Component]			
Purchase of truck from Ajmer, Rajasthan ∴ 15,00,000 × 14%.		2,10,000	2,10,000
[ITC allowed as truck used for transportation of goods]			




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Purchase of car from Ajmer, Rajasthan	—	<input checked="" type="checkbox"/>	—
[ITC blocked as per Section 17(5) as seating capacity is less than 13 person]			
<div>3</div> <div>R</div> <div>5aStep4</div> <div>Purchase of Goods for construc- -tion of factory building</div>	—	<input checked="" type="checkbox"/>	—
[ITC blocked as per Section 17(5)]			
Eligible ITC	4,17,000	2,60,000	2,60,000 2,30,000

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Computation of minimum GST payable
in cash for month of September, 2023

Particulars	IGST	SGST	CGST
Output Tax Liability	6,76,800	2,17,800	2,17,800
Less :- ^{Input} IGST applied first for Output IGST	(4,17,000)		
Less :- Input SGST applied for Output SGST and balance for Output IGST [2,60,000 - 2,17,800]	(42,200)	(2,17,800)	
Less :- Input CGST applied for output CGST and balance for output IGST [2,30,000 - 2,17,800]	(12,200)		(2,17,800)
GST payable in cash	2,05,400		

8.5

R

5a



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Answer to Question 5(b)

Computation of Taxable Supply of Mr. Ravindra
for the month of January 2024

Particulars	Amount (₹)	Remarks
Service of chief selector to recognised sports body	5,00,000 <input checked="" type="checkbox"/>	Service by player, referee, coach, umpire & team manager and exempt only <input checked="" type="checkbox"/>
Service of labour contract for construction of independent residential unit	- <input checked="" type="checkbox"/>	This service is exempt.
Rent of warehouse for warehousing sugarcane	- <input checked="" type="checkbox"/>	Service of warehousing of agricultural produce is exempt <input checked="" type="checkbox"/>
Slum & Improvement & Upgradation Service	<input checked="" type="checkbox"/>	This service is exempt.
Western Music Dance Performance	1,25,000 <input checked="" type="checkbox"/>	Service of music, dance, theatre in folk/classical form is exempt where consideration upto ₹1,50,000 <input checked="" type="checkbox"/>
Taxable Supply	6,25,000 <input checked="" type="checkbox"/>	



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Answer to Question 6(a)

Computation of Eligible ITC and of
Vishnu Limited for the month of
February, 2024

[Amount in ₹]

Particulars	IGST	CGST	SGST
Capital Goods [ITC is not allowed on capital goods in case of voluntary registration] ✓	-	✓	-
Inputs in finished goods stock procured procured on 13 th February 2023 [ITC is not allowed as the same was procured earlier than 1 year from date of registration] ✓	-	✓	-
Value Input in semi-finished goods - received on 10 th October, 2023 ∴ 2,50,000 × 6% [fully Allowed]		15,000	15,000 ✓

2

R

6aStep2



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Input lying in stock of semi-finished goods procured on 1 st February 2024 [7,50,000 x 7.5%] : Fully Allowed		11,250	11,250	<input checked="" type="checkbox"/>	
Inputs procured on 8 th February 2024 lying in finished goods 60,000 x 18% (Fully Allowed)		10,800		<input checked="" type="checkbox"/>	
1.5	R 6aStep3 Eligible ITC	10,800	26,250	26,250	<input checked="" type="checkbox"/>

4.5 R 6a

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Calculation of GST to be paid in cash
for month of February, 2024

Particulars	IGST	CGST	[Amount in ₹]	
			SGST	
Output Tax Liability		31,000	31,000	
Less:- Input IGST utilised first in any proportion		(5400)	(5400)	
Less:- Input CGST utilised upto remaining liability		(25600)		
Less:- Input SGST utilised upto remaining liability			(25,600)	
GST payable in cash	—	—	—	✓

1

R

6aStep1

Input carried forward

$$CGST = 26,250 - 25,600 = ₹ 650$$

$$SGST = 26,250 - 25,600 = ₹ 650$$



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Answer to Question 6(b)

(1) As per Section 12 of IGST Act, 2017, the place of supply of services in relation to transportation courier will be :-

If ^{service} recipient is registered, location of service recipient

If service recipient is unregistered, the place where goods were handed over to courier agent. ☒

In this case, Mr. Joy, unregistered person of Kolkata, West Bengal, sends a courier through Mahan Courier Agency, West Bengal to his sister in Mumbai.

1.5

6bStep1

hence, as Mr. Joy is unregistered, place of supply shall be Kolkata, West Bengal. ☒



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(2) As per Section 12 of IGST Act, 2017, place of supply of services in relation to passenger transportation shall be :-

If service receipt is registered, location of such registered service receipt

If service receipt is unregistered, location where passenger embarks the journey.

In the case, Mr. Nitin, unregistered person books two flights, first from Prayagraj to Jaipur and second from Jaipur to Prayagraj.

Hence, as Mr. Nitin is unregistered, the place of supply shall be

1.5

6bStep2

R

1) 1st Flight [Prayagraj to Jaipur] - Prayagraj, Uttar Pradesh

2) 2nd Flight [Jaipur to Prayagraj] - Jaipur, Rajasthan



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(3) As per Section 10 of the IGST Act, 2017, place of supply of goods where supply involves assembly or installation of goods, shall be place where goods are assembled or installed.



1.5

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6bStep3

In this case, Rimjhim Pvt. Ltd., Lucknow, UP purchase machine from Manav Steel Industries Ltd., Jaipur, Rajasthan for being installed in factory located in Haridwar, Uttarakhand.

Hence, place of supply of machine shall be Haridwar, Uttarakhand.

R

4.5

6b

R

9

6

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Answer to Question 7(a)

i) As per applicable provision of the CGST Act, 2017, where there has been a shortfall in tax paid in any return under this Act, then interest shall be leviable at the rate of 18% from the date of return filed to the date when such interest is paid. ☒

Such interest shall be leviable on total amount of shortfall [~~not adjusting with Credit Ledgers~~] in the return. ☒

In the case given in question

Return for January filed on 20th February, 2024.

Shortfall was of ₹16,000

Shortfall paid with return of February on March 20th 2024

3

R

7aStep1

Period of delay = 29 days ☒ [9 days - Feb & 20 days - March]

$$\text{Interest} = 16,000 \times 18\% \times \frac{29}{366} = ₹228.1967$$

Total Interest = ₹228 (Rounded off) ☒



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ii) In case, if the return for the month of January, 2024 was filed belatedly, then the interest would have been leviable on the amount of shortfall paid through cash ledgers.



Calculation of Interest

Shortfall = ₹16,000

Paid through Cash Ledgers = ₹12,000

Period of Delay = 29 days [9 days + 20 days]

$$\text{Interest} = \frac{12,000 \times 18\% \times 29}{366} = ₹171.1475$$

∴ Interest = ₹171 (Rounded off)

2

7aStep2

5

7a





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Answer to Question 7(b)

As per Section 52 of the CGST Act, 2017, Every e-commerce operator, not being an agent, shall collect tax at source at the rate of 1% [0.5% CGST & 0.5% SGST] on the value of net taxable supplies made through it, when consideration of such sale is collected by e-commerce operator.



Such tax shall not be collected on supply of covered under reverse charge mechanism or covered under Section 9(5) of the Act

Net Taxable Supplies \Rightarrow

Total Supplies made through E-Commerce Operator
Less: Returns during the period

Net Taxable Supplies made through E-Commerce Operator

1.5

R

7bStep1

Every e-commerce operator is required to obtain registration as per Section 24 of the CGST Act, 2017.



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The e-commerce operator shall file return in the FORM- GSTR-8 & deposit the amount of tax collected on or before 10th day of month succeeding the month in which tax is collected.

Example :- If tax collected in month of March, return shall be filed on or before 10th April.

Such return shall contain details of total supplies made during the period, tax collected at source, goods held on behalf of suppliers etc.

Further, the e-commerce operator is required to file an Annual Return on or before 31st Decem-ber of the year in the FORM- GSTR-9B.

2.5

7bStep2

4

7b

9

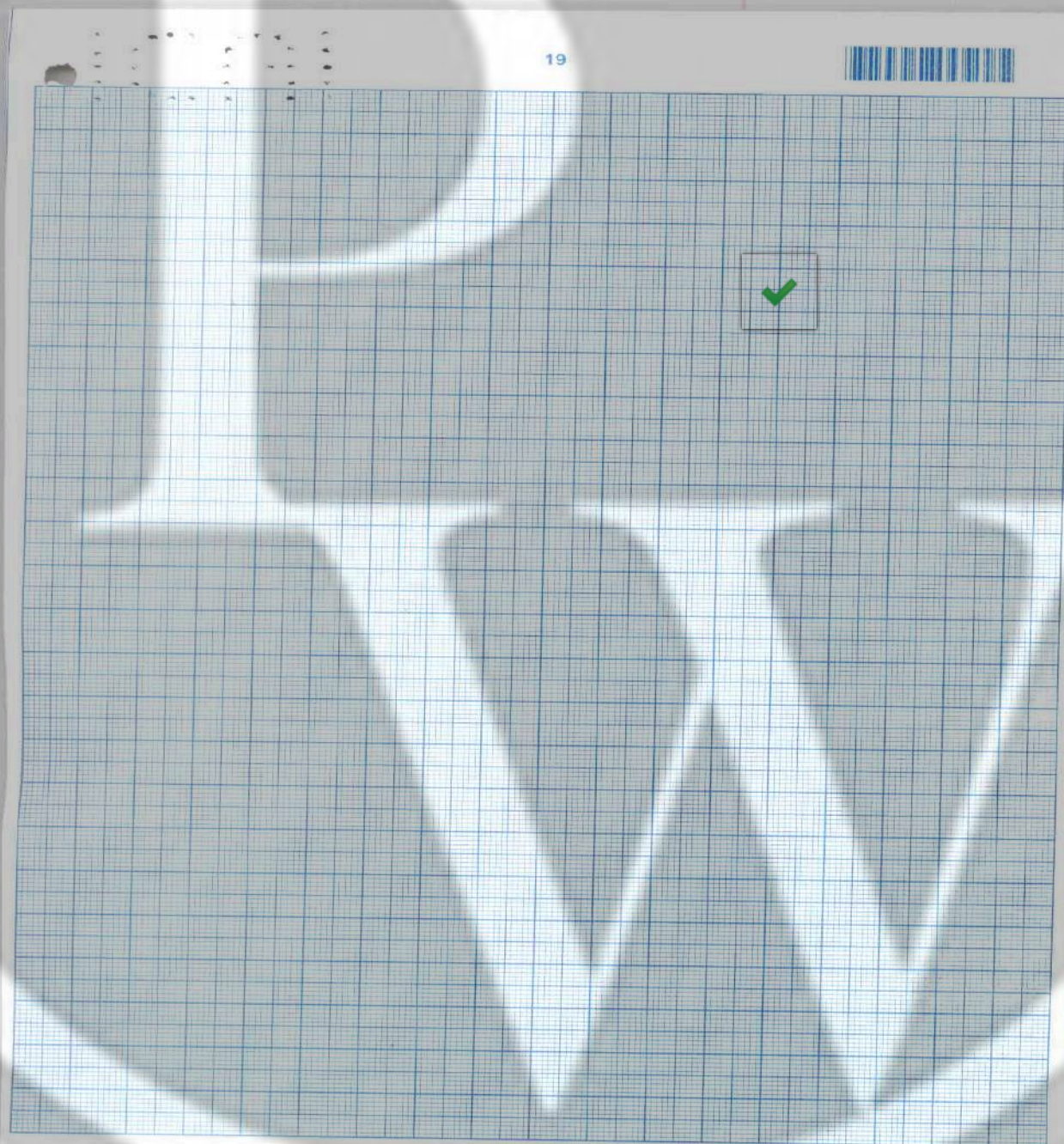
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