



SUPER 50 QUESTIONS OF IDT

IDT KE IMP QUESTIONS

Q1 State whether the following supplies would be treated as a supply of goods or supply of service as per Schedule II of the CGST Act:

- Works Contract
 - Renting of immovable goods
 - Transfer of right in goods without transfer of title in goods
 - Job work
 - Temporary transfer or permitting the use or enjoyment of any intellectual property right
- Solution**

Supply of: a. Service b. Service c. Service d. Service e. Service

Q2 Mr. Ram received a design service for his personal use and paid \$ 500 as a professional fee to Mr. Shyam of USA.

- Explain whether the aforesaid activity of import of service is considered as supply u/s 7 of the CGST Act.
- Is there any change in your opinion, if they are brothers and there is no consideration
- Further, is there any change in your opinion, if they are brothers and there is no consideration, and such the design service is for business purposes

Solution

Case a: Mr. Ram is getting service	According to Section 7(1)(b) of the CGST Act , the import of services for a consideration is considered a supply, whether or not it is in the course or furtherance of business. Since Mr. Ram paid \$ 500 to Mr. Shyam for the design service, this transaction qualifies as a supply under the CGST Act
Case b: Both of them are brothers and the transaction is without consideration	If Mr. Ram and Mr. Shyam are brothers and there is no consideration (i.e., Mr. Ram did not pay any money for the service), the import of service would not be considered a supply u/s 7 of the CGST Act. This is because the import of services without consideration is not included in the scope of supply u/s 7(1)(b)
Case c: Both of them are brothers and the transaction is without consideration and the service is for business purposes	However, the schedule I provides that import of services by a person from a related person, in the course or furtherance of business shall be treated as supply even though there is no consideration. Hence, it will be treated as a supply.



Q3 State whether the following supply is treated as a composite supply or mixed supply:

- Toothpaste is supplied along with a toothbrush as a single unit for a single price.
- Supply of package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated water and fruit juices for a single price
- Supply of laptop with warranty, pre-installed windows and Microsoft Office applications
- Food supplied to the in-patients as advised by the doctor/ nutritionist
- A hotel provides a 4-D/3-N package with the facility of breakfast

Solution

As per sec. 2(30), "Composite supply" means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.

"Principal supply" means the supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary - Sec. 2(90)

On the other hand as per sec. 2(74) "Mixed supply" means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.

Accordingly

- | | | | | |
|-----------------|-----------------|---------------------|---------------------|---------------------|
| a. Mixed Supply | b. Mixed Supply | c. Composite Supply | d. Composite Supply | e. Composite Supply |
|-----------------|-----------------|---------------------|---------------------|---------------------|

Q4 R Ltd. a manufacturer of cosmetic Products supplied a package consisting of Body oil (GST 18%). Body lotion (GST 28%). Shampoo (GST 28%) and Soap (GST 12%). The price per package is ₹ 750. (exclusive of GST). 15,000 packages were supplied by the company to its dealers. Determine the nature of supply and its GST liability.

Solution

"Mixed supply" means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.

In the instant case, body lotion, body oil, shampoo and soap are supplied together for a single price and none of them is the principal supply, hence, the nature of the supply is a mixed supply.

Further, as per sec. 8, in the case of mixed supply, the highest rate of tax, among rates applicable on the goods or services involved in the package, shall be applicable to the entire package.

In the given case, the highest rate of applicable GST is 28%. Hence, the entire value of taxable supply shall be taxable @ 28%



Computation of value of supply and tax thereon:

No. of package	15,000
Price per package	₹ 750
Value of Supply	₹ 1,12,50,000
Rate of GST	28%
GST	₹ 31,50,000

Q5 State in which Schedule of the CGST Act, the following supplies have been covered. Also determine in which category they shall be classified:

- Sale of land
- Goods forming part of business assets are transferred by the business so as no longer to form part of those assets without any consideration
- Services by an employee to the employer in the course of or in relation to his employment
- Services by any court or tribunal established under any law for the time being in force
- Temporary transfer of intellectual property right
- Services of funeral, burial, crematorium or mortuary including transportation of diseased
- Lease rental collected
- Construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly.

Solution

Schedule	Type of Supply
III	Neither supply of goods nor supply of services
II	Supply of goods
III	Neither supply of goods nor supply of services
III	Neither supply of goods nor supply of services
II	Supply of services
III	Neither supply of goods nor supply of services
II	Supply of services
II	Supply of services

Q6. State whether the following activity would amount to supply under CGST Act, 2017

- Urban Furniture is a renowned furniture house of Chennai. As a part of their business policy, the company donated 6 tables to Charitable School. It is to be noted that at the time of purchase of these tables, the ITC has been taken.
- A Ltd. has a factory in Kolkata and a depot in Patna. Both these establishments are registered in their respective States. Finished goods are sent from factory to Patna depot without consideration so that the same can be sold from the depot
- Bangur Charitable Trust donates clothes and toys to children living in slum area.

Solution



- As per Schedule I, permanent transfer or disposal of business assets where input tax credit (ITC) has been availed on such asset shall be treated as supply even though there is no consideration. Hence, such donations shall be treated as supply.
- As per Schedule I, supply of goods or services or both between:
 - related persons or
 - distinct persons as specified in sec. 25,
 when made in the course or furtherance of business, shall be treated as supply (even though without consideration). Thus supply from the factory to Patna depot is treated as supply.
- Supply has two elements, viz. **consideration** and it should be **in the course or furtherance of business**. Since both elements are missing hence such donations are not treated as supply.

Q7. Discuss whether GST is applicable in the following transactions:

Case	Applicability of GST
Mundhra Services Private Limited paid the salary of ₹ 24,00,000 to one of its employee, Sonam	Services by an employee to the employer in the course of or in relation to his employment is out of the scope of supply [covered in Schedule III]. Thus, it will not attract any GST liability
Apart from salary, the company gifts a wristwatch worth ₹ 65,000 to her	Since the value of the gift exceeds ₹ 50,000, hence, entire value shall be considered as supply for GST
Mr Vikash transferred 1000 debentures of MIL to Mrs Sonam for consideration of ₹ 20 lakhs	Debentures are securities which are neither goods nor services, thus, transfer of debentures is not subject to GST
Mr Vikash transferred a plot of land situated in Rajasthan to Mohak for consideration of ₹ 10,00,000	Sale of land is out of the scope of the supply under the Schedule III of the CGST Act, hence the transaction is not subject to GST
Mr Pawan, a supplier registered in Mumbai, procures goods from China and directly supplies the same to a customer in UK	As per Schedule III, the supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India is neither considered as a supply of goods nor considered as a supply of services. Hence, the transaction is not subject to GST



Q.8 Discuss whether the following person are eligible for the composition levy in the financial year 2024-25:

Case	Eligible for the Composition Scheme
M/s. Quality Ice Cream Ltd, Bangalore (Karnataka), engaged in the business of manufacturing ice cream has shown an aggregate turnover of ₹ 120 Lakhs during the financial year 2023-24.	A registered person who is engaged in the manufacture of ice creme is not eligible to opt for the composition levy even though aggregate turnover does not exceed ₹ 1.5 crores.
M/s Roby Collection, a registered dealer from Arunachal Pradesh, has reported intra-state turnover of goods of ₹ 125 lakhs for the financial year 2023-24	The threshold limit for the state of Arunachal Pradesh is ₹ 75 lakhs. Since the aggregate turnover of M/s Roby Collection for the proceeding financial year exceeds the threshold limit, hence it is not eligible for the composition levy
M/s Art Collection, a registered dealer from Chennai, has reported an export turnover of goods of ₹ 30 lakhs and a domestic turnover of ₹ 75 lakhs for the financial year 2023-24. They are expecting a similar trend in the financial year 2024-25	Export turnover is considered as an inter-State supply. A registered person who is engaged in the inter-State supply is not eligible to opt for the composition levy even though aggregate turnover does not exceed ₹ 1.5 crores.
Ms Komal wants to sell taxable goods in an exhibition organised for a week in Assam. She does not have any fixed place of business in Assam and is participating in the exhibition for the first time only.	Ms Komal is a casual taxable person hence she cannot exercise the option to pay tax under the composition scheme.
MSPL has 2 branches - one is located in Rajasthan and another one is located in Delhi. Rajasthan branch opts for the normal scheme. However, the company wants to opt for the composition scheme for the Delhi branch.	The first proviso to sec. 10(2) provides that where more than one registered person has the same PAN, the registered person shall not be eligible to opt for the composition scheme unless all such registered persons opt to pay tax under the composition scheme. Accordingly, in the instant case, it is not possible to opt for the composition scheme for the Delhi branch only. If the company wants to pay tax under the composition scheme, it will have to opt for the same for all branches.



Q9. Mr. Kamal is running a consulting firm and also a readymade garment showroom in Kolkata registered in the same PAN. Turnover of the showroom is ₹ 80 lakh and receipt of the consultancy firm is ₹ 20 lakh in the financial year 2023-24. You are required to answer the following:

- (1) Is Mr. Kamal eligible for the composition scheme for the financial year 2024-25?
- (2) Is it possible for Mr. Kamal to opt for the composition scheme only for the showroom?

Solution

1. As per sec. 10, any registered person, whose aggregate turnover in the preceding financial year did not exceed ₹ 1.5 Cr., may opt for the composition levy in the current financial year. In the instant case, the aggregate turnover of Mr. Kamal for the preceding financial year is ₹ 100 lakhs (i.e., ₹ 80 lakhs + ₹ 20 lakhs), hence, he is eligible for the composition levy for financial year 2024-25. However, it is to be noted that Mr Kamal can supply consultancy services in the financial year 2024-25 upto ₹ 10 lakhs being higher of the following:
 - a. ₹ 5,00,000
 - b. 10% of ₹ 100 lakhs (being aggregate turnover of the financial year 2023-24) i.e., ₹ 10 lakhs
2. The first proviso to sec. 10(2) provides that where more than one registered person has the same PAN, the registered person shall not be eligible to opt for the composition scheme unless all such registered persons opt to pay tax under the composition scheme. Accordingly, in the instant case, it is not possible to opt for the composition scheme for showroom only.

Q 10 Mr. V was following the composition scheme during the preceding financial year. For the first quarter of the current financial year, he gives you the following data from which you are required to calculate his GST liability:

Activity	Turnover (₹)	Rate of GST
Intra-State supply of manufactured goods	20,00,000	18%
Intra-State supply of trading goods	40,00,000	18%
Intra-State supply of services	10,00,000	18%
Export of goods	20,00,000	

Solution

Computation of tax liability

Particulars	₹
Intra-State supply of manufactured goods	20,00,000
Intra-State supply of trading goods	40,00,000
Intra-State supply of services	10,00,000
Export of goods being zero-rated supply	-
Value of supply	70,00,000
Tax on above	
- CGST @ 9%	6,30,000
- SGST @ 9%	6,30,000

Export turnover is considered as an inter-State supply. A registered person who is engaged in the inter-State supply is not eligible to opt for the composition levy even though aggregate turnover does not exceed ₹ 1.5 crores. In the instant case, Mr. V has export turnover, hence he is not eligible for the composition levy.



Q 11. V Ltd., a manufacturing concern, located in Chennai has opted for the composition scheme for the current financial year. Determine tax payable by V Ltd. on the basis of the following details supplied by V Ltd:

Particulars	Amount (₹)
Intra-State supplies of Goods X chargeable @ 5%	20,00,000
Intra-State supplies of Goods Y chargeable @ 18%	13,00,000
Intra-State supplies of Goods Y chargeable @ Nil	18,00,000
Intra state supplies which are wholly exempt	16,40,000
Value of intra-State inward supplies liable under reverse charge @ 5%	12,00,000

Solution

Computation of aggregate turnover and tax payable under the composition levy

Particulars	Amount (₹)
Intra-State supplies of Goods X chargeable @ 5%	20,00,000
Intra-State supplies of Goods Y chargeable @ 18%	13,00,000
Intra-State supplies of Goods Y chargeable @ Nil	18,00,000
Intra state supplies which are wholly exempt	16,40,000
Value of inward supplies liable under reverse charge @ 5%	-
Aggregate Turnover	67,40,000
Tax on above	
- CGST @ 0.5%	33,700
- SGST @ 0.5%	33,700

Computation of tax payable under reverse charge mechanism

Particulars	Amount (₹)
Value of inward supplies liable under reverse charge @ 5%	12,00,000
Tax on above	
- CGST @ 2.5%	30,000
- SGST @ 2.5%	30,000

Total Tax liability

Particulars	CGST (₹)	SGST (₹)
Tax liability under the composition levy	33,700	33,700
Tax payable under reverse charge mechanism	30,000	30,000
Tax Liability	63,700	63,700



Q12. S Ltd. of Bhopal, having aggregate turnover of ₹1,15,00,000 in the financial year 2023-24, has opted for the composition scheme, and furnishes the following information related to the financial year 2024-25:

Particulars	Amount (₹)
Intra-state supplies of goods A chargeable @ 5%	20,00,000
Intra-state supplies of goods B chargeable @ 0%	28,00,000
Intra-state supplies of services chargeable @ 5%	6,00,000
Interest earned on fixed deposit with banks	5,00,000
Intra-state supply which are exempt	2,00,000
Inward supply liable for reverse charge @ 5%	5,00,000
Intrastate supplies of goods P chargeable @ 12%	18,00,000

You are requested to determine his tax liability:

Case a: The company is a manufacturer Case b:

The company is a trading company

How shall your answer differ if the aggregate turnover of the financial year 2023-24 was only ₹45,00,000.

Solution

Computation of aggregate turnover and tax payable under the composition levy

Particulars	Case a (₹)	Case b (₹)
Intra-state supplies of goods A chargeable @ 5%	20,00,000	20,00,000
Intra-state supplies of goods B chargeable @ 0%	28,00,000	-
Intra-state supplies of services chargeable @ 5%	6,00,000	6,00,000
Interest earned on fixed deposit with banks	-	-
Intra-state supply which are exempt	2,00,000	-
Inward supply liable for reverse charge @ 5%	-	-
Intrastate supplies of goods P chargeable @ 12%	18,00,000	18,00,000
Aggregate Turnover	74,00,000	44,00,000
Tax on above		
- CGST @ 0.5%	37,000	22,000
- SGST @ 0.5%	37,000	22,000

Computation of tax payable under reverse charge mechanism

Particulars	Case a (₹)	Case b (₹)
Value of inward supplies liable under reverse charge @ 5%	5,00,000	5,00,000
Tax on above		
- CGST @ 2.5%	12,500	12,500
- SGST @ 2.5%	12,500	12,500

Total Tax liability

Particulars	Case a (₹)		Case b (₹)	
	CGST	SGST	CGST	SGST
Tax liability under the composition levy	37,000	37,000	22,000	22,000



Tax payable under reverse charge mechanism	12,500	12,500	12,500	12,500
Tax Liability	49,500	49,500	34,500	34,500

If the aggregate turnover of the financial year 2023-24 was only ₹ 45,00,000.

A composition supplier may supply services (excluding interest earned on deposit) of value not exceeding 10% of the turnover in the preceding financial year in a State or Union territory or ₹5,00,000, whichever is higher. Thus, the company can supply services to the extent of ₹ 5,00,000 being higher of the following:

- 10% of ₹ 45,00,000 i.e., ₹ 4,50,000; or
- ₹ 5,00,000

In the instant case, the company has supplied services (excluding interest earned on deposit) of value ₹ 6,00,000, hence the company is not eligible for the composition levy.

Computation of tax payable

Particulars	CGST (₹)	SGST (₹)
Intra-state supplies of goods A chargeable @ 5%	50,000	50,000
Intra-state supplies of goods B chargeable @ 0%	-	-
Intra-state supplies of services chargeable @ 5%	15,000	15,000
Interest earned on fixed deposit with banks	-	-
Intra-state supply which are exempt	-	-
Intrastate supplies of goods P chargeable @ 12%	1,08,000	1,08,000
Tax payable under forward charge	1,73,000	1,73,000
Add: Inward supply liable for reverse charge @ 5%	12,500	12,500
Tax payable	1,85,500	1,85,500

Liability remains the same whether the company is a manufacturer or trader.

Q 13. State the person liable to pay GST in each of the following independent cases assuming the recipient is located in the taxable territory:

- Legal fees received by Mr. Kamal, a senior advocate, from M/s MSPL having turnover of ₹75,00,000 in the preceding financial year.
- Mr. Parag, an unregistered author, received ₹ 10,00,000 as consideration from M/s Law Point Publication for the supply of services by way of the temporary transfer of copyright covered u/s 13(1)(a) of the Copyright Act, 1957 relating to original literary work of new book.
- Mr. Rahul, an independent director of M/s MSPL, receives ₹ 2,00,000 as a sitting fee from the company.
- Mr. Dipesh, an executive director of M/s ABPL, receives ₹ 12,00,000 as remuneration from the company.

Solution

- GST on legal services supplied by a senior advocate to any business entity located in the taxable territory is payable on reverse charge basis. M/s MSPL is a business entity, hence M/s MSPL,



being recipient of the service, is liable to pay GST under reverse charge mechanism.

- Copyright services provided by an unregistered author to the publisher are subject to reverse charge. The M/s Law Point Publication are liable to pay GST under the reverse charge mechanism.
- Services supplied by a director of a company to the said company are subject to reverse charge. Hence, M/s MSPL is liable to pay GST under the reverse charge mechanism. It is to be noted that Mr. Rahul is an independent director that denotes that the relationship between Mr. Rahul and the company is not of employer and employee.
- In the instant case, Mr. Dipesh is an employee of the company. Hence, any remuneration paid to Mr. Dipesh by the company is not subject to GST considering Schedule III of the CGST Act, 2017

Q 14. Examine whether GST is exempted from the following independent supply of services:

- A charitable trust provides free healthcare services to terminally ill people. The trust incurs an expense of ₹ 50,00,000 on providing these services in a year.
- A private university collects tuition fees amounting to ₹ 2,20,00,000 in a financial year for its undergraduate programs.
- A farmer sells fresh vegetables worth ₹ 20,00,000 to a local market.
- A municipal corporation spends ₹ 2,00,00,000 on sanitation services in its jurisdiction.

Solution

- Healthcare services provided by charitable trusts to the terminally ill person are exempt from GST
- Education services by recognized educational institutions are exempt from GST.
- Basic agricultural produce like fresh vegetables is exempt from GST
- Services provided by municipal corporations in relation to functions entrusted to municipalities under Article 243W of the Constitution are exempt from GST.

Q15. Pink Sugar Limited, Chennai, a registered supplier, is manufacturing chocolates and biscuits. It provides the following details of taxable inter-state supply made by it for the month of October 2024:

	₹
List price of goods supplied inter-state	12,40,000
Item already adjusted in the price given above	
- Subsidy from the Central Government for the supply of biscuits to Government schools	2,40,000
- Subsidy from the trade association for the supply of quality biscuits	60,000
Items not adjusted in the price	
- Tax levied by municipal authority	48,000
- Packing charges	24,000
- Late fee payable by the recipient of supply for delayed payment of invoice	5,000
[Yet to be received]	

Calculate the value of the taxable supply made by the company for October 2024.

Solution

Computation of value of taxable supply for the month of Oct 2024



Particulars	₹	₹
List price of the goods		12,40,000
Add:		
i. Tax levied by Municipal Authority [Includible in the value as per section 15(2)(a)]	48,000	
ii. Packing charges [Includible in the value as per section 15(2)(c)]	24,000	
iii. Late fee payable by the recipient of supply for delayed payment of invoice [Time of supply: at the time of receipt]	-	
iv. Subsidy from Central Government for the supply of biscuits to Government schools	-	
v. Subsidy received from a non-Government body [Since subsidy is received from a non-Government body, the same is included in the value in terms of section 15(2)(e)]	60,000	1,32,000
Value of taxable supply		13,72,000

Q16. Ms Sonam, a registered supplier in Kolkata, has provided the following details in respect of her supplies made intra-state for the month of October 2024:

	₹
Price of goods supplied (The item given below have not been included in the price)	6,00,000
Taxes other than GST levied on sale of the goods	20,000
GST levied on the goods	38,000
Packing expenses charged separately in the invoice	10,800
Discount of 1% on the price of goods (separately recorded in the invoice)	
Subsidy received from the State Government for encouraging women entrepreneurs	10,000

Solution

Computation of value of taxable supply for the month of Oct 2024

Particulars	₹	₹
List price of the goods		6,00,000
Add:		
i. Tax other than GST [Includible in the value as per section 15(2)(a)]	20,000	
ii. GST [not to be includible]	-	
iii. Packing charges [Includible in the value as per section 15(2)(c)]	10,800	
iv. Subsidy from the State Government	-	30,800
Total		6,30,800
Less: Discount @ 1% on ₹ 6,00,000		6,000
Value of taxable supply		6,24,800



Q17. Ms Swapna Saha owns a commercial building, which she let out to Urvi for the month of October 2024, for which, she charges a rent of ₹ 25,00,000. Ms Saha pays the maintenance charges of ₹ 2,00,000 for the month of October 2024, as charged by the local society. These charges have been reimbursed by Urvi. Further, Urvi had given ₹ 5,00,000 as interest-free refundable security deposit to Ms Saha. Further, Ms Saha has paid the municipal tax of ₹ 3,00,000 which she has not charged to Urvi. You are required to determine the value of supply.

Solution

Computation of value of taxable supply for the month of Oct 2024

Particulars	₹	₹
Rent		25,00,000
Add:		
i. Maintenance Charges paid to local society as reimbursed by Urvi	2,00,000	
ii. Interest-free refundable deposit as it is not considered as a consideration u/s 2(31)	-	
iii. Municipal tax paid by Ms. Saha as the same is not recovered from Ms. Urvi	-	2,00,000
Value of taxable supply		27,00,000

Q18. In the month of Oct 2024, Sunny, a GST registered dealer in Tamilnadu, supplies 1,000 pieces of product A @ ₹ 400 per piece to Sahil of Orissa. Trade discount of 10% is allowed. Sunny charges ₹ 17,500 for packing and freight separately. Inspection charges of ₹ 2,000 is borne by Sahil, though Sunny is liable to pay such charges. Interest of ₹ 3,000 (GST paid separately) is charged by Sunny for delayed payment made by Sahil which is paid by Sahil within Oct 2024 itself.

Calculate the value of supply.

Solution

Computation of value of taxable supply for the month of Oct 2024

Particulars	₹	₹
List price of the goods [₹ 400 x 1000]		4,00,000
Add:		
i. Packing charges [Includible in the value as per section 15(2)(c)]	17,500	
ii. Inspection Charges [being the obligation of the supplier borne by the buyer - sec. 15(2)(b)]	2,000	
iii. Interest on delayed payment [Includible in the value as per section 15(2)(d)]	3,000	22,500
Total		4,22,500
Less: Trade Discount @ 10% on ₹ 4,00,000		40,000
Value of taxable supply		3,82,500

Q18. ABC Advertisers conceptualised and designed the advertising campaign for a new product launched by Jupiter Pvt Ltd. for a consideration of ₹ 5,00,000. ABC Advertisers owed ₹ 20,000 to one of its vendors in relation to the advertising service provided by it to Jupiter Pvt Ltd. Such liability of ABC Advertisers was discharged by Jupiter Pvt Ltd. Jupiter Pvt Ltd. delayed the payment of consideration and thus, paid ₹ 15,000 as interest. Determine the value of taxable supply made by Samriddhi Advertisers.



Solution

Computation of value of taxable supply

Particulars	₹	₹
Service Charges		5,00,000
Add:		
i. Payment made by Jupiter Pvt. Ltd to vendor of ABC Advertisers [Liability of the supplier being discharged by the recipient, is includible in the value in terms of section 15(2)(b)]	20,000	
ii. Interest on delayed payment [Includible in the value as per section 15(2)(d)]	15,000	35,000
Value of taxable supply		5,35,000

It is assumed that on interest, GST is charged separately.

Q19. Shriram Private Limited, a registered dealer from West Bengal, furnished the following information relating to goods sold by it to Kanha Pvt Ltd, West Bengal.

Particulars	Amount (₹)
Price of the goods	2,00,000
Items not considered above:	
- Municipal Tax	4,000
- Inspection Charges	30,000
- Subsidies received from a private trust (As the product is going to be used by blind association)	1,00,000
- Late fees for delayed payment (Though Kanha Pvt Ltd made late payment but these charges are waived by Shriram Private Limited)	2,000
- Weighment charges being paid by Kanha Pvt Ltd to Sita Pvt Ltd on behalf of Shriram Private Limited	4,000

Determine the value of taxable supply.

Solution

Computation of value of taxable supply

Particulars	₹	₹
Price of the goods		2,00,000
Add:		
i. Municipal Tax	4,000	
ii. Inspection Charges [incidental expenses required to be included in the value]	30,000	
iii. Subsidies received from a private trust [assuming that it is a product-linked subsidy]	1,00,000	
iv. Late fees for delayed payment (as the same is waived)	-	
v. Weighment charges as a the liability of the supplier being discharged by the buyer	4,000	1,38,000
Value of taxable supply		3,38,000



Q20. Mr. Som supplies goods (liable under reverse charge) to Mr. Nath. You are required to determine the time of supply considering the following details:

13.11.2024	Mr. Nath approaches Mr. Som and places an order
26.11.2024	Mr. Nath receives the goods
20.11.2024	Mr. Som issues an invoice
22.12.2024	Mr. Nath makes a payment by cheque and accordingly records it in his books of accounts.
24.12.2024	The payment gets debited from Mr. Nath's bank account

Solution

The time of supply shall be the earlier of the following dates:

- the date of receipt of goods i.e. 26.11.2024
- the date of payment as recorded in the books of Mr. Nath i.e. 22.12.2024
- the date when the payment gets debited from the bank of Mr. Nath i.e. 24.12.2024
- the date immediately following 30 days from the date of issue of invoice by Mr. Som, i.e.
 $20.11.2024 + 30 \text{ days} + 1 \text{ day} = 21.12.2024$

Therefore, the time of supply will be 26.11.2024.

Q21. Vikash Consultancy provides the following details:

	Case A	Case B
Date of supply of services	19-08-2024	16-07-2024
Date of issue of invoice	29-08-2024	28-08-2024
Date of entering the payment in the books of the supplier	06-09-2024	29-08-2024
Date of credit of payment in the bank account	05-09-2024	01-09-2024

Determine the time of supply of services in both cases.

Solution

As per sec. 13(2), time of supply of services shall be the earliest of the following dates, namely:

Situation	Time of Supply
If the invoice is issued within 30 days from the date of the supply of service	<ol style="list-style-type: none"> The date of issue of invoice by the supplier; The date on which the payment is entered in the books of account of the supplier The date on which the payment is credited to the bank account - whichever is earlier
If the invoice is not issued within 30 days from the date of the supply of service	<ol style="list-style-type: none"> The date of provision of service; The date on which the payment is entered in the books of account of the supplier The date on which the payment is credited to the bank account - whichever is earlier

In Case A, the invoice has been issued within 30 days from the date of the supply of service, hence the date of supply of service is not relevant.

In Case B, the invoice has not been issued within 30 days from the date of the supply of service, hence the date of issuance of the invoice is not relevant.

The time of supply can be determined as follows:

	Case A	Case B
--	--------	--------



Date of supply of services	Not Applicable	16-07-2024
Date of issue of invoice	29-08-2024	Not Applicable
Date of entering the payment in the books of the supplier	06-09-2024	29-08-2024
Date of credit of payment in the bank account	05-09-2024	01-09-2024
Time of supply [Earliest of all the dates]	29-08-2024	16-07-2024

Q22. Z Ltd. procured the following goods in the month of Oct 2024:

Inward Supplies	GST (₹)
Cement used for making foundation and structural support for plant and machinery	17,000
Goods used in CSR activities	25,000
Inputs used in trial runs	10,000
Confectionery items for consumption of employees working in the factory	3,000
Trucks used for the transportation of inputs in the factory	20,000
Goods given as a free sample to prospective customers	8,000
Goods used in constructing an additional floor of the office building	27,000

Compute the amount of input tax credit (ITC) available to Z Ltd for the month of Oct 2024 assuming that other conditions to claim ITC have been satisfied.

Solution

Computation of input tax credit (ITC) available to Z Ltd for the month of Oct 2024

Particulars	ITC (₹)
Cement used for making foundation and structural support for plant and machinery	17,000
Goods used in CSR activities [covered u/s 17(5) - Block credit]	-
Inputs used in trial runs	10,000
Confectionery items for consumption of employees working in the factory [covered u/s 17(5) - Block credit]	-
Trucks used for the transportation of inputs in the factory	20,000
Goods given as a free sample to prospective customers [covered u/s 17(5) - Block credit]	-
Goods used in constructing an additional floor of the office building [covered u/s 17(5) - Block credit]	-
Input tax credit (ITC)	47,000

Q 23. Nitin Ltd. a registered person, is engaged in the business of sports equipment. It provides the following details of GST paid during October, 2024:

Inward Supplies	GST (₹)
Raw material purchased being used in furtherance of business	50,000
Raw material purchased for the personal use of directors	10,000
Machinery purchased to be used in the manufacturing process.	25,000
Motor vehicle purchased for transportation of the employee	65,000
Insurance premium paid on the aforesaid motor vehicle	1,000
Payment made to the contractor for the construction of staff quarter	95,000

Compute the amount of input tax credit (ITC) available to Nitin Ltd for the month of Oct 2024

assuming that other conditions to claim ITC have been satisfied.

Solution



Computation of input tax credit (ITC) available to Nitin Ltd for the month of Oct 2024

Particulars	ITC (₹)
Raw material purchased being used in furtherance of business	50,000
Raw material purchased for the personal use of directors [covered u/s 17(5) - Block credit]	-
Machinery purchased to be used in the manufacturing process.	25,000
Motor vehicle purchased for transportation of the employee [covered u/s 17(5) - Block credit]	-
Insurance premium paid on the aforesaid motor vehicle [covered u/s 17(5) - Block credit]	-
Payment made to the contractor for the construction of staff quarter [covered u/s 17(5) - Block credit]	-
Input tax credit (ITC)	75,000

Q 24. Compute the amount of Input tax credit admissible to Vinita Ltd. in respect of various inputs purchased during the month of Oct, 2024.

Particulars	₹
Goods purchased without invoice	1,75,000
Goods purchased from Sagar Ltd. (Full Payment is made by Vinita Ltd. to Sagar Ltd. against such supply but tax has not been deposited by Sagar Ltd.)	1,20,000
Purchases of goods not to be used for business purposes	28,000
Purchases of goods from Rahul Ltd. (Invoice of Rahul Ltd. is received in month of Oct 2024, but goods were received in month of Nov 2024)	14,000
Goods purchased against a valid invoice from Lekshita Ltd. Vinita Ltd. has made payment to Lekshita Ltd. for such purchases in the month of Nov 2024	48,000

Solution

Computation of Input tax credit available with Vinita Ltd. for the month of Oct 2024

Particulars	Note	₹
Goods purchased without invoice	As document are not available	Nil
Goods purchased from Sagar Ltd. (Full Payment is made by Vinita Ltd. to Sagar Ltd. against such supply but tax has not been deposited by Sagar Ltd.)	As tax is not paid by the Sagar Ltd	Nil
Purchases of goods not to be used for business purposes	Non business purpose	Nil
Purchases of goods from Rahul Ltd. (Invoice of Rahul Ltd. Is received in month of Oct 2024, but goods were received in month of Nov 2024)	Good yet not received	Nil
Goods purchased against a valid invoice from Lekshita Ltd. Vinita Ltd. has made payment to Lekshita Ltd. for such purchases in the month of Nov 2024		48,000
Total credit available for the month of Oct 2024		48,000



Q25. ABC Limited is a registered supplier and is engaged in manufacturing FMCG products. It has provided the following information pertaining to purchases made / Services availed in the month of October 2024:

Particulars	GST (₹)
Packing machine	25,000
Motorcycles for transportation of inputs	20,000
Membership of health and fitness centre for its employees	5,000
Inputs purchased but lost before reaching factory of the ABC Ltd	7,000
Input purchased but stolen from the factory	8,000

Compute the amount of input tax credit (ITC) available to ABC Ltd for the month of Oct 2024 assuming that other conditions to claim ITC have been satisfied.

Solution

Computation of input tax credit (ITC) available to ABC Ltd for the month of Oct 2024

Particulars	ITC (₹)
Packing machine	25,000
Motorcycles for transportation of inputs	---
Membership of health and fitness centre for its employees	---
Inputs purchased but lost before reaching factory of the ABC Ltd	---
Input purchased but stolen from the factory	---
Input tax credit (ITC)	25,000

Q26. Compute the amount of ITC admissible to XYZ Ltd in respect of the following item prepared by them in the month of October 2024:

Particulars	GST (₹)
Goods supplied for captive consumption in a factory	10,000
Goods purchased for being used in repairing the factory shed and same has been capitalised in books	20,000
Cement used for making the foundation and structural support to plant and machinery	5,000
Inputs used in trial run	7,000
Goods destroyed due to natural calamities	8,000
Food and beverages purchased for the employee during the office hours	1,000

Solution

Computation of input tax credit (ITC) available to XYZ Ltd for the month of Oct 2024

Particulars	ITC (₹)
Goods supplied for captive consumption in a factory	10,000
Goods purchased for being used in repairing the factory shed and same has been capitalised in books	-
Cement used for making the foundation and structural support to plant and machinery	5,000
Inputs used in trial run	7,000
Goods destroyed due to natural calamities	-
Food and beverages purchased for the employee during the office hours	-
Input tax credit (ITC)	22,000



Q 27 Sitani, a registered supplier of goods, provides the following information:

(a) Outward taxable supplies in the month of Oct 2024:

	₹
Inter-state supply of goods	15,00,000
Inter-state supply of goods	10,00,000

(b) Purchases made by her in the month of Oct 2024:

	₹
Inter-state purchase of goods	5,00,000
Inter-state purchase of goods	3,00,000

(c) Input Tax Credit balance in Electronic Credit Ledger as on 01.10.2024:

	₹
IGST	1,44,000
CGST	40,000
SGST	70,000

(d) Rate of CGST, SGST and IGST to be 6%, 6% and 12% respectively.

(e) Both inward and outward supplies are exclusive of taxes.

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

Compute the GST payable by Sitani for the month of Oct 2024 and the balance of input tax credit, if any, to be carried forward.

Solution

Computation of tax payable on outward supplies

Particulars	Taxable Value (₹)	CGST @ 6% (₹)	SGST @ 6% (₹)	IGST @ 12% (₹)
Inter-State supply	15,00,000	-	-	1,80,000
Intra-State supply	10,00,000	60,000	60,000	-
		60,000	60,000	1,80,000

Computation of available ITC

Particulars	Working	CGST @ 6% (₹)	SGST @ 6% (₹)	IGST @ 12% (₹)
Opening Balance		40,000	70,000	1,44,000
Inter-State	5,00,000 × 12%	-	-	60,000
Intra-State	3,00,000 × 6%	18,000	18,000	-
		58,000	88,000	2,04,000

Computation of net GST payable

Particulars	Total (₹)	CGST (₹)	SGST (₹)	IGST (₹)	C/f (₹)
GST on taxable supply		60,000	60,000	1,80,000	
Less: ITC of IGST	2,04,000	24,000	-	1,80,000	-
Less: ITC of CGST	58,000	36,000	-	-	22,000
Less: ITC of SGST	88,000	-	60,000	-	28,000
GST Payable in Cash		-	-	-	
ITC to be c/f		22,000	28,000	-	



Q 28. Sun Ltd., being a registered person in the state of Rajasthan, furnishes the following information:

	₹
— Purchases from Bihar	4,00,000
— Purchases from Rajasthan	8,00,000
— Sales to Andhra Pradesh	4,80,000
— Sales within Rajasthan	9,60,000

Input tax credit balances at the beginning of the relevant tax period were:

CGST: ₹ 50,000

SGST: ₹ 40,000 IGST : ₹30,000

Compute the net GST payable by Sun Ltd. for the tax period assuming:

- Inward and outward supplies are exclusive of taxes.
- Inward supplies (purchases) are subject to CGST @ 6%, SGST @ 6% and IGST @ 12% as applicable.
- Outward supplies (sales) are subject to CGST @ 9%, SGST @ 9% and IGST @ 18% as applicable.

Solution

Computation of tax payable on outward supplies

Particulars	Taxable Value (₹)	CGST @ 9% (₹)	SGST @ 9% (₹)	IGST @ 18% (₹)
Inter-State supply	4,80,000	-	-	86,400
Intra-State supply	9,60,000	86,400	86,400	
		86,400	86,400	86,400

Computation of available ITC

Particulars	Working	CGST @ 6% (₹)	SGST @ 6% (₹)	IGST @ 12% (₹)
Opening Balance		50,000	40,000	30,000
Inter-State	4,00,000 × 12%	-	-	48,000
Intra-State	8,00,000 × 6%	48,000	48,000	
		98,000	88,000	78,000

Computation of net GST payable

Particulars	Total (₹)	CGST (₹)	SGST (₹)	IGST (₹)	C/f (₹)
GST on taxable supply		86,400	86,400	86,400	
Less: ITC of IGST	78,000	-	-	78,000	-
Less: ITC of CGST	98,000	86,400	-	8,400	3,200
Less: ITC of SGST	88,000	-	86,400	-	1,600
GST Payable in Cash		-	-	-	
ITC to be c/f		3,200	1,600	-	



Q29. Mr. Dipesh Chakraborty, a GST registered dealer of West Bengal, furnishes the following particulars for the month of Oct 2024. Compute :

- (a) Amount of Input Tax Credit available to Sri Chakraborty for the month of Oct 2024
(b) Amount of GST payable by him.

	₹
Input Tax Credit balance in Electronic Credit Ledger on 01-10-2024:	
IGST	2,66,500
CGST	55,000
SGST	48,000
Details of outward supply -	
Inter-state (inclusive of GST)	24,19,000
Intra-state (inclusive of GST)	40,71,000
Details of inward supply -	
Inter-state (exclusive of GST)	6,50,000
Intra-state (exclusive of GST)	15,20,000
Rate of IGST - 18%, CGST - 9% and SGST - 9%.	

Solution

Computation of tax payable on outward supplies

Particulars	Working	Taxable Value (₹)	CGST @ 9% (₹)	SGST @ 9% (₹)	IGST @ 18% (₹)
Inter-State supply	₹ 24,19,000 × 100%/118%	20,50,000	-	-	3,69,000
Intra-State supply	₹ 40,71,000 × 100%/118%	34,50,000	3,10,500	3,10,500	
			3,10,500	3,10,500	3,69,000

Computation of available ITC

Particulars	Working	CGST @ 9% (₹)	SGST @ 9% (₹)	IGST @ 18% (₹)
Opening Balance		55,000	48,000	2,66,500
Inter-State	6,50,000 × 18%	-	-	1,17,000
Intra-State	15,20,000 × 9%	1,36,800	1,36,800	-
		1,91,800	1,84,800	3,83,500

Computation of net GST payable

Particulars	Total (₹)	CGST (₹)	SGST (₹)	IGST (₹)	C/f (₹)
GST on taxable supply		3,10,500	3,10,500	3,69,000	
Less: ITC of IGST	3,83,500	-	14,500	3,69,000	-
Less: ITC of CGST	1,91,800	1,91,800	-	-	-
Less: ITC of SGST	1,84,800	-	1,84,800	-	-
GST Payable in Cash		1,18,700	1,11,200	-	
ITC to be c/f		-	-	-	



Q 30 Mr. Pankaj, a GST registered dealer, supplied the following information for the month of Oct, 2024:

(i) Input Tax credit balance as on 01.10.2024:

IGST	₹ 3,20,000
CGST	₹ 30,000
SGST	₹ 30,000

(ii) Output GST payable as per Electronic liability register :

IGST	₹ 1,80,000
CGST	₹ 60,000
SGST	₹ 60,000

Compute GST payable and ITC to be carried forward.

Solution

Computation of net GST payable

Particulars	Total (₹)	CGST (₹)	SGST (₹)	IGST (₹)	C/f (₹)
GST on taxable supply		60,000	60,000	1,80,000	
Less: ITC of IGST	3,20,000	60,000	60,000	1,80,000	20,000
Less: ITC of CGST	30,000	-	-	-	30,000
Less: ITC of SGST	30,000	-	-	-	30,000
GST Payable in Cash		-	-	-	
ITC to be c/f		30,000	30,000	20,000	

Q31. With the help of the following information in the case of M/s Ram Enterprises, Bhopal (Madhya Pradesh) for the year 2023- 24. Determine the aggregate turnover for the purpose of registration under the CGST Act 2017

Particulars	₹
Sale of diesel on which sales tax is levied by the MP Government	1,00,000
Supply of goods after completion of job work from the place of RAM Enterprises directly by principal	3,00,000
Export supply to England	5,00,000
Supply to its own additional place of business	5,00,000
Outward supply on which GST is to be paid by recipient under reverse charge	1,00,000
Inward supply on which GST is to be paid by Ram Enterprises under reverse charge	1,50,000

All the above amounts are excluding GST.

Solution

Computation of aggregate turnover for the purpose of registration

Particulars	₹
Sale of diesel on which sales tax is levied by the MP Government [it is a non-taxable supply]	1,00,000
Supply of goods after completion of job work from the place of RAM Enterprises directly by principal [it will be considered as turnover of the principal]	-
Export supply to England	5,00,000
Supply to its own additional place of business	5,00,000



Outward supply on which GST is to be paid by recipient under reverse charge	1,00,000
Inward supply on which GST is to be paid by Ram Enterprises under reverse charge [Specifically excluded]	-
Aggregate Turnover	12,00,000

Note:

- As per sec. 2(6), "aggregate turnover" means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account Number, to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess.
- As per sec. 2(47), (47) "exempt supply" means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax u/s 11, or u/s 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply.

Q 32. XYZ Limited is a trader dealing in sports items. It is registered under GST and has undertaken the following sales during the day:

Transaction number	Recipient of supply	₹
1	Supply to a trader registered under GST	175
2	Supply to an unregistered trader	330
3	Supply to a retail customer	370
4	Supply to Mr. B, a consumer	150
5	Supply to a student	168

None of the recipients requires a tax invoice. Determine in respect of which of the above supplies, XYZ Limited may issue a Consolidated tax invoice instead of Tax invoice at the end of the day.

Solution:

T. N.	Recipient of supply	₹	Consolidated Invoice possible	Reason
1	Supply to a trader registered under GST	175	No	The customer is a registered person
2	Supply to an unregistered trader	330	No	The value of supply exceeds ₹ 200
3	Supply to a retail customer	370	No	
4	Supply to Mr. B, a consumer	150	Yes	The value of supply is less than ₹ 200 and the recipient is not a registered person and he don't require a tax invoice
5	Supply to a student	168	Yes	



Q33. State, with reason, the person liable to pay GST in each of following independent cases, where the supplier and recipient both are located in the taxable territory. Ignore the aggregate turnover and exemption available, if any:

- (i) Money Save Bank Ltd. located in Kolkata, appointed Ms. Sakshi as a recovery agent for collecting outstanding balance amount of loan from its customers. Ms. Sakshi provided service to Money Save Bank Ltd. for which bank paid commission of 15,000. Whether your answer will change in case of (i), if Ms. Sakshi provided recovery agent services to a car dealer company instead of Money Save Bank Ltd.
- (ii) Mr. Mohit has taken a loan from Dhanwan Bank Ltd. and for this he has taken a service of an individual Mr. Prakash who is a Direct Selling Agent of Dhanwan Bank Ltd. and bank paid the commission to Mr Prakash for giving a customer to the bank @ 1% of loan granted to Mr. Mohit.

Solution:

Reverse charge and forward charge

- (i) **General statement:**

As per section 9(3) of the CGST Act, 2017, if services are supplied by a recovery agent to a banking company or financial institution or a non-banking financial company (NBFC) located in a taxable territory, then GST is payable on reverse charge basis by recipient.

Factual answer:

In the first case, the recipient i.e., Money Save Bank shall be liable to pay GST under reverse charge for services provided by Ms Sakshi as a recovery agent.

In the second case, services are being supplied by a recovery agent to a car dealer and not to a banking company or financial institution or a non-banking financial company (NBFC).

Thus, service provider i.e. recovery agent Sakshi is liable to pay GST under forward charge.

- (ii) As per section 9(3) of the CGST Act, 2017, if services are provided by an individual Direct Selling Agent (DSA) other than body corporate, partnership or limited liability partnership firm to any banking company or non-banking financial company (NBFC) located in a taxable territory, then the GST is payable on reverse charge basis by recipient

In the given case, Prakash is an individual providing services as direct selling agent to a banking company i.e., Dhanwan Bank. Therefore, the recipient i.e., Dhanwan Bank is liable to pay GST under reverse charge.



Q34. Self & Family Life Insurance Company has collected premium from policy subscribers. It does not intimate the amount allocated for investment to subscribers of the policy at the time of supply of insurance services. The company has provided the following details in relation to its receipts for the month of May, 2024:

- (i) New policy subscribers: Premiums collected 50,00,000
- (ii) Renewal premium: Premiums collected ₹ 75,00,000
- (iii) Only Risk Cover policies: Premiums collected 30,00,000
- (iv) Single premium annuity policies: Premiums collected 95,00,000
- (v) Life micro-insurance policies as approved by the Insurance Regulatory and Development Authority, where insured amount does not exceed 2,00,000: Premiums collected 10,00,000.

All amounts are exclusive of tax. You are required to compute the value of taxable supply of service by Self & Family Life Insurance Company in terms of rule 32(4) of the CGST Rules, 2017 by giving necessary explanations for treatment of various items.

Solution:

	₹
Premium from new policy subscribers	12,50,000
Renewal premium	9,37,500
Premium for Only Risk Cover policies	30,00,000
Single premium on annuity policies	9,50,000
Life micro-insurance policies [Exempt vide Entry 36 of Notification no.12/2017-CT (Rule)]	Nil
Total value of taxable supply of service	61,37,500
Explanation for treatment of various items:	
As per rule 32(4) of the CGST Rules, 2017, the value of supply of services in relation to life insurance business, when the amount allocated for investment/savings on behalf of the policy holder is not intimated to the policy holder at the time of supply of service, is-	
(i) in case of single premium annuity policies, 10% of single premium charged from the policy holder;	
(ii) in all other cases, 25% of the premium charged from the policy holder in the first year and	
(iii) 12.5% of the premium charged from the policy holder in subsequent years;	
(iv) in case the entire premium paid by the policy holder is only towards the risk cover in life insurance, the premium so paid (i.e. 100%).	



Q35. Shyam Ltd, is a registered manufacturer of cars. Shyam Ltd. provides the following information of GST paid on the purchases made/input services availed by it during the month of May, 2024:

S.No.	Particulars	GST paid (₹)
(i)	Routine maintenance charges of cars manufactured by Shyam Ltd.	40,500
(ii)	Capital goods (out of five items, invoice for one item was missing and GST paid on that item was 2,500)	45,000
(iii)	Inputs consisting of four equal lots, out of which three lots were received during the month of May, 2024.	65,000
(iv)	Travel benefits extended to employees on vacation under statutory obligation	7,500
(v)	Purchased machinery for manufacturing process worth 2,00,000 and claimed depreciation under the Income Tax Act, 1961 on 2,36,000.	36,000
(vi)	Repairs services for office building, cost of repairs is charged to Profit and Loss Account	48,000

Determine the amount of Input tax credit (ITC) available with Shyam Ltd. for the month of May, 2024 by giving necessary explanations for treatment of various items. All the conditions necessary for availing the input tax credit except mentioned above have been fulfilled.

Solution:

Computation of Input tax credit available with Shyam Ltd for the month of May, 2024

SN	Particulars	₹
(i)	Routine maintenance of cars manufactured by Shyam Ltd. (ITC is eligible since such services are used in course or furtherance of business)	40,500
(ii)	Capital goods (out of five items, invoice for one item was missing and GST paid on that item was ₹ 2,500 (₹ 45,000 - ₹ 2,500) (ITC cannot be taken on missing invoice. The registered person should have the invoice in its possession to claim ITC)	42,500
(iii)	Inputs consisting of four lots, out of which three lots were received during the month (When inputs are received in lots/instalment, ITC can be availed only on receipt of last lot/instalment)	Nil
(iv)	Travel benefits extended to employees on vacation under statutory obligation (ITC shall be allowed on travel benefits extended to employees on vacation since it is obligatory for an employer to provide the same to its employees under any law for the time being in force).	7,500
(v)	Machinery purchased in respect of which depreciation is claimed under Income-tax Act 1961 on the tax component (ITC is not available since depreciation has been claimed on the GST/tax component)	Nil
(vi)	Repair services for office building, cost of repairs is charged to Profit and Loss Account (Repairs are revenue in nature, hence, input tax credit shall be available)	48,000



Input tax credit (ITC) available

1,38,500

Q36. Mrs Pooja, running a fancy store and also a footwear showroom, is registered under GST in same PAN in the State of Uttarakhand. Mrs Pooja is not engaged in making any inter-State supply. Her aggregate turnover in the preceding financial year 2022-23 was 50 lakh from fancy store and 45 lakh from footwear showroom.

As per the provisions of GST law, examine the issue and provide the answers with supporting explanatory note to the followings:

As per the provisions of GST law, examine the issue and provide the answers with supporting explanatory note to the followings:

supporting explanatory note to the followings:

- (i) Is Mrs Pooja eligible to opt composition scheme in the financial year 2023-24?
- (ii) Whether it is possible for Mrs Pooja to opt composition scheme only for fancy store and normal scheme for footwear showroom?
- (iii) Rework, if Mrs Pooja is running a restaurant as well as fancy store, whether she is eligible for composition scheme, if aggregate turnover in the preceding financial year 2022-23 was 30 lakh from fancy store and 35 lakh from the restaurant service.

Solution:

- (i) A registered person, whose aggregate turnover in the preceding financial year does not exceed ₹ 150 lakh, will be eligible to opt for payment of tax under the composition scheme.

However, a registered person of Uttarakhand whose aggregate turnover in the preceding financial year does not exceed ₹ 75 lakh, will be eligible to opt for payment of tax under the composition scheme.

Mrs Pooja is not eligible to opt for composition levy for current financial year since her aggregate turnover exceeds ₹ 75 lakh i.e. ₹ 95 lakh (₹ 50 lakh + ₹ 45 lakh) in preceding financial year.

- (ii) If a business is ineligible to opt for composition scheme, then all other business registered under the same PAN shall automatically be ineligible for the composition scheme.

Therefore, Mrs Pooja is not eligible for composition scheme only for fancy store and normal scheme for footwear showroom.

- (iii) Restaurant services and fancy store are eligible for the composition scheme.

Hence, Mrs Pooja is eligible for composition scheme, since, her aggregate turnover does not exceed ₹ 75 lakh i.e. ₹ 65 lakh (₹ 30 lakh + ₹ 35 lakh) in preceding financial year.



Q37. Mr Jay received an advance of 25,000 on 7th May, 2023 for supply of goods. He delivered the goods on 16th May, 2023. He raised an invoice of ₹75,000 on 20th June, 2023 and received the balance payment on the same day by NEFT in his bank account.

What will be the time of supply for above transaction under GST law for the purpose of payment of tax?

What will be your answer if the above information related to service instead of goods and Mr Jay would have provided services on 16th May, 2023?

Solution:

Time of supply for goods will be earlier of-

- Date of issue of invoice by the supplier or
- The last date on which he is required to issue the invoice

In present case:	For advance.	For balance.
Date of issue of invoice.	20th June.	20th June.
The last date on which he is		
Required to issue the invoice.	16th May.	16th May.

Advance on goods is not taxable at the time of receipt. So accordingly for the whole invoice amount of ₹ 75,000 the time of supply will be 16 May.

Time of supply of services:

If in above case if it would have been supply of service, the time of supply will be In present case, advance for

Service will be taxable on receipt of advance as advance of ₹ 25,000 received on 7th May time of supply for ₹ 25,000 will be 7th May.

As the invoice is not issued within the period prescribed under section 31 that is within 30 days the time of supply for balance ₹ 50,000 will be earlier of:

Date of provision of service	16th May
Date of receipt of payment.	20th June.

Show time of supply for ₹ 50,000 will be 16th May.

Q38. As per the provisions of GST law, determine the effective date of registration in the following independent cases:

- The aggregate turnover of M/s Parwati and Company, Utensil Trader of Delhi has exceeded the applicable threshold limit of 40 lakh on 1st October, 2023. It submits the application for registration on 20th October, 2023. Registration certificate granted to it on 25th October, 2023.
- Mr Hardik is an architect in Jaipur (Rajasthan). His aggregate turnover exceeds 20 lakh on 25th September, 2023. He submitted the application for registration on 27th October, 2023. Registration certificate granted to him on 10th November, 2023.

Legal provision should form part of your answer.



- (i) Every supplier becomes liable to registration if his turnover exceeds the applicable threshold limit i.e. ₹ 40 lakh in a financial year. Since in the given case, the turnover of Parwati Utensil Trader exceeded ₹ 40 lakh on 1st October, 2023, it becomes liable to registration on said date.

Further, since the application for registration has been submitted within 30 days from such date, the registration shall be effective from the date on which the person becomes liable to registration. Therefore, the effective date of registration is 1st October, 2023.

- (ii) Since in the given case, the turnover of Hardik Service exceeds the applicable threshold limit i.e. ₹ 20 lakh on 25th September, 2023, it becomes liable to registration on said date.

Further, since the application for registration has been submitted after 30 days from the date such person becomes liable to registration, the registration shall be effective from the date of grant of registration. Therefore, the effective date of registration is 10th November, 2023.

Q39. Discuss with reason, the person liable to pay GST in the following cases, assuming the recipient is located at taxable territory:

- (i) Rental income received by West Bengal State Government from renting of an immovable property to ABC Pvt. Ltd. The turnover of ABC Pvt. Ltd. was ₹39 lakhs in the preceding financial year).
- (ii) Legal fees received by Mr. A, an advocate, from M/s. XYZ Trading Company having turnover of ₹49 lakhs in the preceding financial year.
- (iii) Mr. X receives advance payment for providing specific service in future.
- (iv) P & Co., a partnership firm provides security services to RT Ltd. registered under GST.

Solution

- (i) According to Entry 5A of the Notification No. 13/2017-CT (Rate), in case of services supplied by the Central Government, State Government, Union Territory or local authority by way of renting of an immovable property to a person registered under the CGST Act, 2017, the recipient registered under the CGST Act, 2017 will be liable to pay GST. In this case, ABC Pvt. Ltd. will be liable to pay GST under reverse charge mechanism.
- (ii) Services provided by an advocate by way of legal services, directly or indirectly to any business entity located in the taxable territory, reverse charge mechanism is applicable and the business entity is liable to pay GST. Hence, M/s. XYZ Trading Company will be liable to pay GST.
- (iii) Mr. X is required to pay GST at the time of receipt of advance money as here he agrees to provide services in future.
- (iv) Security services (services provided by way of supply of security personnel) provided by any person other than a body corporate to a registered person is liable to be taxed under reverse charge mechanism. Here, RT Ltd. registered under GST shall be liable to pay GST on the same.



Q40. Certain goods are sent by Mr. X on sale on approval or return basis to Mr. Y on 22nd April 2023. The supply gets confirmed and invoice is issued on:

Case 1: 20th August 2023

Case 2: 22nd November 2023

Payment in each of the cases is made on 23rd November 2023.

Determine the time of supply.

Solution:

Date of receipt of payment is immaterial for the purpose of calculating time of supply u/s 12 of the CGST Act 2017. Therefore, 23rd November 2023 should be ignored altogether. The time of supply should be earlier of the date of issuance of invoice or the last date of issuance of invoice. The last date of issuance of invoice will be the earlier of the confirmation of supply or 6 months from the date of removal.

In case 1, the confirmation of supply occurred before 6 months from the date of removal. Thus, the last date of issuance of invoice was 20th August 2023. On this date, the invoice was issued. Hence, the time of supply will be 20th August 2023.

In case 2, the confirmation of supply happened after 6 months from the date of removal. The period of 6 months expired on 21st October 2023. Hence, the invoice was required to be issued by this date. Since the invoice was issued on 22nd November 2023, the actual date of issue of invoice will be considered as falling after the last date of issuance of invoice. The time of supply will be the last date of issuance of invoice i.e., 21st October 2023.

Q41. Discuss briefly the due dates and applicability of GSTR-1, GSTR-3B and GSTR-4

Solution:

(i) **GSTR-1:** Statement for furnishing details of outward supplies.

- Due date: To be filed by either of the following persons on or before the below given dates:

Registered person, who are not under QRMP Scheme - 11th of the next month

Registered persons, who have opted for QRMP Scheme - 13th of the subsequent quarter.

However, such persons can furnish details of outward supplies using IFF for the first 2 months of the quarter as under:

- 1st month of the quarter - on or before 13th of the subsequent month (max value = ₹ 50 Lakhs)
- 2nd month of the quarter - on or before 13th of the subsequent month (max value = ₹ 50 Lakhs)

Invoices furnished using the said facility in the first two months are not required to be furnished again in Form GSTR-1.

- Applicability: Applicable to Normal / regular taxpayer.

(ii) **GSTR-3B:** Monthly/ Quarterly summary return.

- Due date: To be filed as under:

o Registered persons, who are not under QRMP Scheme - 20th of the next month.

o Registered persons, who have opted for QRMP Scheme -

A. Aggregate turnover up to ₹ 5 Cr. in the previous financial year and registered in category 1

States (States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala,



Tamil Nadu, Telangana, Andhra Pradesh, the Union Territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep) - 22nd of the next month following the quarter.

B. Aggregate turnover up to ₹ 5 Cr. in the previous financial year and registered in category 2 States (States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi) - 24th of the next month following the quarter.

o pay the tax due in each of the first two months of the quarter by depositing the due amount in Form GST PMT-06, by 25th day of the month succeeding such month under the head "Monthly payment for quarterly taxpayer".

• **Applicability:** Applicable to All registered persons other than:

1. Input service distributor (ISD),
2. Non-resident taxable person,
3. Person paying tax u/s:
 - A. 10 - Composition levy
 - B. 51 - Tax deduction at source
 - C. 52 - Collection of tax at source

(iii) **GSTR-4:** Return by composition tax payers.

- **Due date:** To be filed as under:
 - o CMP-08 by 18th of the month succeeding the quarter.
 - o GSTR-4 Annually by 30th April following the end of a financial year.
- **Applicability:** Applicable to Composition taxpayer.

Q42. Mr. Ritesh of Assam, provides the following information for the preceding financial year 2023-24. You are required to find out the aggregate turnover for the purpose of eligibility of composition levy scheme and determine, whether he is eligible for composition levy scheme or not, for the F.Y. 202425.

Particulars	₹ in lakh	
Value of taxable outward supplies (out of above, ₹ 10 lakh was in course of inter-state)		75
Value of exempt supplies (which include ₹ 30 lakh received as interest on loans & advances)		70
Value of inward supplies on which he is liable to pay tax under reverse charge		15
Value of exports		7

All the amounts are exclusive of GST. Further, he assured that in F.Y. 2023-24, no inter-State supply will be executed by him.



Solution:

Computation of aggregate turnover of Mr. Ritesh for F.Y. 2023-24 for the purpose of eligibility of composition levy scheme:

Particulars	₹ in lakh
Value of taxable outward supplies [All taxable supplies including inter-State supplies]	75
Value of exempt supplies [excluding value of supply of services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount]	40
Value of inward supplies on which Mr. Ritesh is liable to pay tax under reverse charge	Nil
Value of exports	7
Aggregate turnover for determining eligibility for composition scheme	122

A registered person of Assam is eligible to opt for composition levy if his aggregate turnover does not exceed ₹ 1.5 crore in the preceding financial year. Therefore, in the given case, Mr. Ritesh is eligible to opt for composition levy for F.Y. 2024-25.

Q43. Y Ltd., Mumbai, a registered supplier, is manufacturing Chocolates and Biscuits. It provides the following details of taxable inter-state supply made by it for the month of October, 2023.

Particulars	Amount
List price of goods supplied inter-state	12,40,000
Items already adjusted in the list price	
Subsidy from Central Government for supply of biscuits to Government School	1,50,000
Subsidy from Trade Association for supply of quality biscuits	50,000
Items not adjusted in the list price	
Tax levied by Municipal Authority	25,000
Packing Charges	20,000
Late fee paid by the recipient of supply for delayed payment of invoice	5,000

Calculate the value of taxable supply made by Y Ltd. for the month of October, 2023.

Solutions:

Computation of value of taxable supply:

Particulars	₹
List price of goods supplied inter-state	12,40,000
Subsidy from Central Government for supply of biscuits to Government School	-
Subsidy from Trade Association for supply of quality biscuits	50,000
Tax levied by Municipal Authority	25,000
Packing Charges	20,000



Late fee paid by the recipient of supply for delayed payment of Invoice	5,000
Value of taxable supply	13,40,000

Q44. Calculate the input tax credit available with MS Motors Ltd., manufacturer of cars, in respect of the following services availed by it in the month of October, 2022:

Sl. No.	Particulars	Amount (₹)
1.	Accounting and Auditing Services	17,200
2.	Health insurance services for employees (Services are not provided under Government obligation)	6,200
3.	Routine maintenance of the cars manufactured by MS Motors Ltd.	28,000
4.	Repair services for office building (Cost of repairs is charged to Profit & loss Account)	28,400
5.	Hotel accommodation and conveyance facility to employees on vacation	13,360
6.	Testing services availed for car engines	19,000

Solution:

Computation of Input tax credit available with MS Motors Ltd.:

Sl. No.	Particulars	Amount
1.	Accounting and Auditing Services	17,200
2.	Health insurance services for employees (Services are not provided under Government obligation)	Nil
3.	Routine maintenance of the cars manufactured by MS Motors Ltd.	28,000
4.	Repair services for office building (Cost of repairs is charged to Profit & loss Account)	28,400
5.	Hotel accommodation and conveyance facility to employees on vacation	Nil
6.	Testing services availed for car engines	19,000
Total credit available		92,600



Q45. Examine with brief reasons, which person is liable to pay GST in the following independent cases, where the supplier and recipient both are located in the taxable territory. Ignore the aggregate turnover & exemption available:

- (i) Vikash is an insurance agent (registered under GST), received commission of ₹12,00,000 from Insurance Company (registered under GST).
- (ii) Mukesh is a business facilitator (registered under GST), received commission ₹1,95,000 for the services provided to the urban branch of a Nationalised Bank with respect to savings bank accounts.
- (iii) Gukesh (registered under GST) is an independent director of XYZ Company Ltd., has received sitting fees amounting to ₹1,00,000 from XYZ Company Ltd. for attending the Board meetings

Solution:

- (i) In case of services supplied by an insurance agent to any person carrying on insurance business, GST is liable to be paid under reverse charge by such person carrying on insurance business, located in the taxable territory. Therefore, in the given case, GST is payable under reverse charge by the recipient of service i.e. Insurance Company.
- (ii) In case of services provided by a business facilitator to a banking company, GST is liable to be paid under reverse charge by such banking company, located in taxable territory. Services provided by a business facilitator to a banking company with respect to accounts in its rural area branch are exempt from GST. Thus, services provided by him in respect of urban area branch of the bank will be taxable. Therefore, in the given case, GST is payable under reverse charge by the recipient of service i.e. Banking Company
- (iii) In case of services supplied by a director of a company/body corporate to the said company/body corporate, GST is liable to be paid under reverse charge by such company/body corporate, located in taxable territory. Therefore, in the given case, GST is payable under reverse charge by the recipient of service i.e. XYZ Company Ltd.

Q46. T-Series, Music Company & a registered dealer in India, paid an advance of ₹ 5,00,000 to Mr. Vikash, a music composer, for the copyright covered u/s 13(1)(a) of the Copyright Act, 1957, of his original musical work on 5-9-2024 (through RTGS). It made the balance payment of ₹ 2,50,000 on 12-12-2024 (through RTGS). You are required to determine the time of supply, if Mr. Vikash raised the invoice on: (i) 6-10-2024; or (ii) 17-12-2024.

Solution: Supply of services by a music composer by way of transfer or permitting the use or enjoyment of a copyright covered u/s 13(1)(a) of the Copyright Act, 1957 relating to musical works to a music company is liable for tax under reverse charge i.e. T-Series is required to pay.

The time of supply of service, on which GST is payable under reverse charge, is earlier of the following: a. Date of payment as entered in the books of account of the recipient or date on which payment is debited from the bank account, whichever is earlier; or

b. 61st day from the date of issue of invoice by the supplier.

The time of supply shall be earlier of the following dates:



Particulars	Case (i)	Case (ii)
First Payment of ₹ 5,00,000		
The date of payment	05-09-24	05-09-24
The date on which payment is debited from bank account	05-09-24	05-09-24
The date immediately following 60 days from the date of issue of invoice (06-10-2024 + 60 days + 1 day) (17-12-2024 + 60 days + 1 day)	06-12-24	16-02-25
Time of supply shall be	05-09-24	05-09-24
For Payment of ₹ 2,50,000		
The date of payment	12-12-24	12-12-24
The date on which payment is debited from bank account	12-12-24	12-12-24
The date immediately following 60 days from the date of issue of invoice (06-10-2024 + 60 days + 1 day) (17-12-2024 + 60 days + 1 day)	06-12-24	16-02-25
Time of supply shall be	06-12-24	12-12-24

Q47. M/s. VMA, a registered taxable person under regular scheme provides following information in respect of supplies made by it during the month of April, 2024 :

Particulars	₹
Inter-state supply of goods	2,00,000
Intra-state supply of 1000 packets of detergent @ ₹400 each along with a plastic bucket worth ₹100 each with each packet, being a mixed supply. (Rate of GST on detergent is 18% and on plastic bucket is 28%)	
Supply of online educational journals to M/s XYZ, a private coaching centre providing tuitions to students of Class X-XII, being intra-state supply	1,00,000
M/s. VMA has also received the following inward supplies:	
Inter-state supply of goods (out of which invoice for goods worth ₹ 40,000 is missing and no other tax paying document is available)	1,40,000
Repairing of bus with seating capacity of 20 passengers used to transport its employees from their residence, being intra-state supply	1,00,000
Details of opening balances of ITC as on 1-4-2024 are as follows:	
CGST	10,000
SGST	10,000
IGST	80,000

Following additional information is provided:

- Rate of GST in respect of all inward and outward supplies except item (ii) above is 18%. i.e. CGST and SGST @ 9% and IGST @ 18%.
 - All figures mentioned above are exclusive of taxes.
 - All the conditions for availing the ITC have been fulfilled except specifically given and M/s. VMA is not eligible for any threshold exemption.
- Compute the minimum net GST payable in cash by M/s. VMA for the month of April, 2024.



Solution: Computation of available ITC:

Particulars	IGST	CGST	SGST
Opening balance	80,000	10,000	10,000
ITC on Inter-state purchase of goods (excluding missing invoice) [$\text{₹ } 1,00,000 \times 18\%$]	18,000		
ITC on Repairing of bus [$\text{₹ } 1,00,000 \times 9\%$]		9,000	9,000
Available ITC	98,000	19,000	19,000

Computation of tax payable on outward supplies:

Particulars	Taxable Value ₹	CGST @ 9% ₹	SGST @ 9% ₹	IGST @ 18% ₹
Inter-State supply of goods	2,00,000	-	-	-
Intra-state mixed supply	4,00,000	56,000	56,000	-
Intra-State supply of services	1,00,000	9,000	9,000	-
Total		65,000	65,000	36,000

Computation of GST payable in cash:

Particulars	CGST @ 9%	SGST @ 9%	IGST @ 18%
Total GST payable	65,000	65,000	36,000
Less : ITC-IGST	(31,000)	(31,000)	(36,000)
Less : ITC-CGST / SGST	(19,000)	(19,000)	-
GST payable in cash	15,000	15,000	-

Note: Balance credit of IGST may be first utilized in the discharging CGST of ₹46,000. In that case, SGST of ₹30,000 would be payable.



Q48. Mr. Ritesh of Assam, provides the following information for the preceding financial year 2023-24. You are required to calculate the aggregate turnover for the purpose of eligibility of composition levy scheme and determine whether he is eligible for composition levy scheme or not, for the F.Y. 2024-25

Particulars	in lakh
Value of taxable outward supplies (out of above, ₹ 10 lakh was in course of interstate transactions)	75
Value of exempt supplies (which include ₹ 30 lakh received as interest on loans & advances)	70
Value of inward supplies on which he is liable to pay tax under reverse charge	15
Value of exports	7

All the amounts are exclusive of GST. Further, he assured that in F.Y. 2023-24, no inter-State supply will be executed by him.

Solution: Computation of aggregate turnover of Mr. Ritesh for F.Y. 2023-24 for the purpose of eligibility of composition levy scheme:

Particulars	₹ in lakh
Value of taxable outward supplies [All taxable supplies including inter-State supplies]	75
Value of exempt supplies [excluding value of supply of services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount]	40
Value of inward supplies on which Mr. Ritesh is liable to pay tax under reverse charge	Nil
Value of exports	7
Aggregate turnover for determining eligibility for composition scheme	122

A registered person of Assam is eligible to opt for composition levy if his aggregate turnover does not exceed ₹ 1.5 crore in the preceding financial year. Therefore, in the given case, Mr. Ritesh is eligible to opt for composition levy for F.Y. 2024-25.



Q49. Y Ltd., Mumbai, a registered supplier, is manufacturing Chocolates and Biscuits. It provides the following details of taxable inter-state supply made by it for the month of October, 2024

Particulars	
List price of goods supplied inter-state	12,40,000
Items already adjusted in the list price:	
Subsidy from Central Government for supply of biscuits to Government School	1,50,000
Subsidy from Trade Association for supply of quality biscuits	50,000
Items not adjusted in the list price:	
Tax levied by Municipal Authority	25,000
Packing Charges	20,000
Late fee paid by the recipient of supply for delayed payment of invoice	5,000

Calculate the value of taxable supply made by Y Ltd. for the month of October, 2024.

Solution:

Computation of value of taxable supply:

Particulars	
List price of goods supplied inter-state	12,40,000
Subsidy from Central Government for supply of biscuits to Government School	
Subsidy from Trade Association for supply of quality biscuits	50,000
Tax levied by Municipal Authority	25,000
Packing Charges	20,000
Late fee paid by the recipient of supply for delayed payment of invoice	5,000
Value of taxable supply	13,40,000



Q50. BA Pvt. Ltd. purchased machinery worth ₹ 10,00,000 (excluding GST) on 20-07-2024 on which it paid GST @ 18% and availed the ITC. On 05-03-2025, it sold the machinery for ₹8,00,000 (excluding GST) to HA Pvt. Ltd. The GST rate on sale is 18%. What will be the course of action for BA Pvt. Ltd. to follow under CGST Act, 2017?

Solution:

(a) Where capital goods or plant and machinery on which input tax credit (ITC) has been taken are supplied outward by a registered person, he must pay an amount that is higher of the following:

- ITC taken on such goods reduced by 5% per quarter of a year or part thereof from the date of issue of invoice for such goods; or
- tax on transaction value.

Accordingly, the amount payable on supply of machinery by BA Pvt. Ltd. shall be computed as follows:

ITC taken on acquisition of such machine [₹ 10,00,000 × 18%]	1,80,000
Time gap in quarters between date of purchase and outward supply of such machine	3 quarters
Total reduction in tax paid [5% for each quarter × 3 quarter]	15%
Amount of reduction in tax paid [₹ 1,80,000 × 15%]	27,000
Amount of GST to be Paid [being higher of the following]	
a. ₹ 1,80,000 - ₹ 27,000	1,53,000
b. GST on transaction value [₹ 8,00,000 × 18%]	1,44,000
Hence, liability of GST is	1,53,000