

EXAMINATION QUESTIONS - GST PORTION

MAY 2018 OLD COURSE QUESTIONS

QUESTION 1

Part (a) - 6 Marks: Mr Nimit, a supplier of goods, pays GST under regular scheme. He is not eligible for any threshold exemption. He has made the following outward taxable supplies in the month of August 2019:

Intra-state supplies of goods	Rs 6,00,000
Inter-state supplies of goods	Rs 2,00,000

He has also furnished the following information in respect of purchases made from registered dealers during August 2019:

Intra-state purchase of goods	Rs 4,00,000
Inter-state purchase of goods	Rs 50,000

Balance of ITC available at the beginning of August 2019:

CGST	Rs 15,000
SGST	Rs 35,000
IGST	Rs 20,000

Compute the net GST payable by Mr Nimit for the month of August 2019 after taking note of the following points:

- 1) Rate of CGST, SGST and IGST to be 9%, 9% and 18% respectively, on both inward and outward supplies.
- 2) Both inward and outward supplies given above are exclusive of taxes, wherever applicable.
- 3) All the conditions necessary for availing the ITC have been fulfilled.

Part (b) - 4 Marks: Shri Krishna Pvt Ltd, a registered dealer, furnishes the following information relating to goods sold by it to Shri Balram Pvt Ltd in the course of intra-state.

S.No.	Particulars	Amount (Rs)
(i)	Price of the goods	1,00,000
(ii)	Municipal tax	2,000
(iii)	Inspection charges	15,000
(iv)	Subsidies received from Shri Ram Trust (As products are going to be used by blind association)	50,000
(v)	Late fees for delayed payment (Though Shri Balram Pvt Ltd made late payment but these charges are waived by Shri Krishna Pvt Ltd)	1,000
(vi)	Weightment charges paid by Shri Balram Pvt Ltd to Radhe Pvt Ltd (on behalf of Shri Krishna Pvt Ltd)	2,000

According to GST law, determine the value of taxable supply made by Shri Krishna Pvt Ltd. Items given in points (ii) to (vi) are not considered while arriving at the price of the goods given in point no (i).

QUESTION 2

Part (a) - 5 Marks: M/s Pradyumn Corporation Pvt Ltd, a registered dealer of Mumbai, furnishes you following information for the month of October 2019. Compute GST liability (CGST, SGST or IGST, as the case may be) of M/s Pradyumn Corporation Pvt Ltd for the month of October 2019. Assume CGST & SGST rate to be 9% each and IGST rate to be 18%.

S.No.	Particulars	Amount (Rs)
(i)	Intra-state sale of taxable goods (out of the total amount, Rs 50,000 was received as advance in September 2019)	2,00,000
(ii)	Goods purchased from unregistered dealers (purchased on 20 th October 2019) (10,000 in case of inter-state & balance intra-state)	50,000
(iii)	Received for services by way of labour contracts for repairing a single residential unit otherwise than as a part of residential complex (It is an intra-state transaction)	50,000
(iv)	Professional fees paid to Ms Udadhi located in a non-taxable territory (It amounts to an inter-state transaction)	50,000

Part (b) – 5 Marks: List the activities to be treated as supply under CGST Act, 2017 even if made without consideration.

QUESTION 3

Part (a) – 3 Marks: On 4th Sept 2019, V.R. Mehman a famous music composer, received Rs 3 crore of consideration from Zilmil Music Co Ltd for sale of copyright of his original music album. He finished his work & made available the CD to the music company on 20th July 2019 & raised the invoice on 24th July 2019. What will be the time of supply as per CGST Act, 2017?

Note: Above service is taxable under reverse charge basis.

Part (b) – 3 Marks: State, with reason, person liable to pay GST in each of following independent cases. Assume recipient is located in taxable territory.

- 1) Rental income received by Tamil Nadu State Government from renting an immovable property to Mannappa Pvt Ltd (Turnover of the company in the preceding financial year exceeds the applicable threshold limit given u/s 22)
- 2) Legal Fees received by Mr Sushrut, a senior advocate, from M/s Tatva Trading Company having turnover of Rs 50 lakhs in preceding financial year

Part (c) – 4 Marks: Bharat Associates Pvt Ltd purchased machinery worth Rs 9,00,000 (excluding GST) on 20-07-2019 on which it paid GST @ 18% and availed the ITC. On 05-03-2020, it sold the machinery for Rs 7,00,000 (excluding GST) to Hindustan Associates Pvt Ltd. The GST rate on sale is 18%. What will be the course of action for Bharat Associates Pvt Ltd to follow under CGST Act, 2017?

QUESTION 4

Part (a) – 5 Marks: Under what circumstances does the need of issuance of debit note and credit note arise u/s 34 of CGST Act, 2017?

Part (b) – 5 Marks: Answer the following with reference to GST laws:

- 1) What is CIN?
- 2) When is interest payable?
- 3) How does the new payment system benefit the taxpayer & the commercial tax department?

QUESTION 5

Part (a) – 4 Marks: Determine the effective date of registration under CGST Act, 2017 in respect of the following cases with explanation:

- 1) The aggregate turnover of Varun Industries of Mumbai has exceeded Rs 20 lakhs on 1st August 2019. It submits the application for registration on 20th August 2019. Registration certificate granted on 25th August 2019.
- 2) Sweta InfoTech Services are the provider of internet services in Pune. The aggregate turnover of them exceeds Rs 20 lakhs on 25th September 2019. It submits the application for registration on 27th October 2019. Registration certificate is granted on 5th November 2019.

Part (b) – 4 Marks: Chidanand Products Pvt Ltd started its business of supply of services on 1st August 2019. Its turnover exceeds Rs 20,00,000 on 5th September 2019. It applied for registration on 28th September 2019 & granted registration certificate on 6th October 2019. Guide the company regarding invoices to be issued between 5th September 2019 to 6th October 2019 to registered dealers. Further it had also made supplies to unregistered dealers in that period. How it can raise invoices?

Part (c) – 2 Marks: State with reason whether following statement is true or false:

"When the change in constitution of business results in change in PAN, the business entity can apply for amendment of registration in prescribed manner within 15 days."

QUESTION 6

Attempt any two parts out of (a), (b) and (c):

Part (a) – 5 Marks: M/s Ginny and John Company is a partnership firm of interior decorators and also running a readymade garment showroom. Turnover of the showroom was Rs 80 lakhs and receipts from interior decoration service

were Rs 22 lakhs in the preceding financial year. With reference to the provisions of the CGST Act, 2017, examine whether the firm can opt for composition scheme?

Will your answer change, if the turnover of the showroom was Rs 70 lakhs and receipts from interior decoration service were Rs 22 lakhs in the preceding financial year?

Also discuss whether it is possible for M/s Ginny and John Company to opt for composition scheme only for showroom?

Part (b) - 5 Marks: Mrs Pragati received legal advice for her personal problems & paid 1,000 pound as legal fees to Miss Unnati of UK (London). Explain whether the above activity of import of service would amount to supply u/s 7 of the CGST Act, 2017?

If in above case both of them are real sisters & no consideration is paid then will it change your answer?

Further in the above case if both of them are real sisters & Mrs Pragati receives legal advice for her business & she doesn't pay any consideration then what will be your answer?

Part (c) - 5 Marks: Explain the provisions relating to filing of annual return u/s 44 of CGST Act, 2017 and Rules thereunder.

MAY 2018 NEW COURSE QUESTIONS

QUESTION 1

Part (a) - 6 Marks: Mr Ajay, a registered supplier of goods, pays GST under regular scheme and provides the following information for the month of August 2019:

S.No.	Particulars	Amount (Rs)
(i)	Inter-state taxable supply of goods	10,00,000
(ii)	Intra-state taxable supply of goods	2,00,000
(iii)	Intra-state purchase of taxable goods	5,00,000

He has the following input tax credit at the beginning of August 2019:

Nature	ITC Amount (Rs)
CGST	20,000
SGST	30,000
IGST	25,000

Compute the net GST payable by Mr Ajay for the month of August 2019 after taking note of the following points:

- Rate of CGST, SGST and IGST are 9%, 9% and 18% respectively.
- Both inward and outward supplies are exclusive of taxes wherever applicable.
- All the conditions necessary for availing the ITC have been fulfilled.

Part (b) - 4 Marks: Fun Pharma Private Limited, a registered supplier is engaged in the manufacture of taxable goods. The company provides the following information of GST paid on the purchases made/input services availed by it during the month of September 2019:

S.No.	Particulars	GST Paid (Rs)
(i)	Purchase of cabs used for the transportation of its employees	3,30,000
(ii)	Inputs consisting of three lots, out of which first lot was received during the month	1,25,000
(iii)	Capital goods (out of three items, invoice for one item was missing and GST paid on that item was Rs 25,000)	2,50,000
(iv)	Outdoor catering service availed on women's day	72,000

Determine the amount of input tax credit available with M/s Fun Pharma Private Limited for the month of September 2019 by giving necessary explanations for treatment of various items. All the conditions necessary for availing the input tax credit have been fulfilled.

QUESTION 2

Part (a) - 5 Marks: Candy Blue Ltd, Mumbai, a registered supplier, is manufacturing chocolates and biscuits. Calculate the value of taxable supply made by M/s Candy Blue Ltd for the month of October 2019 from the following details:

Particulars	Amount (Rs)
List price of goods supplied inter-state	12,40,000
Items already adjusted in the list price given above:	
➤ Subsidy from Central Government for supply of biscuits to Government School	1,20,000
➤ Subsidy from Trade Association for supply of quality biscuits	30,000
Items not adjusted in the list price given above:	
➤ Tax levied by Municipal Authority	24,000
➤ Packing Charges	12,000
➤ Late fee paid by the recipient of supply for delayed payment of invoice	5,000

Part (b) - 5 Marks: Explain the meaning of the term "recipient of supply of goods and/or services" under CGST Act, 2017.

QUESTION 3

Part (a) - 4 Marks: M/s Mansh & Vansh Trading Company, a registered supplier, is liable to pay GST under forward charge. Determine the time of supply from the following information furnished by it:

- Goods were supplied on 03-10-2019
- Invoice was issued on 05-10-2019
- Payment received on 09-10-2019

Part (b) - 3 Marks: Examine whether GST is exempted on the following independent supply of services:

- Teja & Co, a tour operator, provides services to a foreign tourist for tour conducted in Jammu & Kashmir and receives a sum of Rs 3,00,000.
- Ms Poorva acts as a Team Manager for Indian Sports League (ISL), a recognised sports body, for a Tennis tournament organised by Multi brand retail company and received a remuneration of Rs 2,00,000.

Part (c) - 3 Marks: M/s Sai Trading Company, an eligible registered dealer in goods making intra-state supplies within the state of Andhra Pradesh, has reported an aggregate turnover of Rs 78 lakhs in the preceding financial year. Determine whether Sai Trading Company will be eligible for composition levy, as on 31-10-2019.

Will your answer be different, if in the above scenario, M/s Sai Trading Company is making intra state supply within the State of Jammu and Kashmir?

QUESTION 4

Part (a) - 4 Marks: Determine the effective date of registration in the following instances:

- The aggregate turnover of Madhu Ltd, engaged in taxable supply of services in the state of Punjab, exceeded Rs 20 lakhs on 25th August 2019. It applies for registration on 19th September 2019 and is granted registration certificate on 29th September 2019.
- What will be your answer, if in the above scenario, Madhu Ltd submits the application for registration on 27th September 2019 and is granted registration on 5th October 2019?

Part (b) - 3 Marks: Determine with reason whether the following statements are true or false:

- A registered person shall issue separate invoices for taxable and exempted goods when supplying both taxable as well as exempted goods to an unregistered person.
- A non-banking financial company can issue a consolidated tax invoice at the end of every month for the supply made during that month.

Part (c) - 3 Marks: List any six state levies, which are subsumed in GST.

QUESTION 5

Answer any two out of the following three sub divisions:

Part (a) – 5 Marks: When shall the interest be payable by a registered person and what is the maximum rate of interest chargeable for the same?

Part (b) – 5 Marks: List the inclusions and exclusions for computing the "aggregate turnover" under CGST Act, 2017.

Part (c) – 5 Marks: Who is required to furnish final return under CGST Act, 2017 and what is the time limit for the same? Discuss.

NOV 2018 OLD COURSE QUESTIONS
QUESTION 1

Part (a) – 6 Marks: Worldwide Pvt Ltd (a registered taxable person) having gross receipts of Rs 50 lakhs in the preceding financial year provides the following information relating to their services for the month of July 2019:

S.No.	Particulars	Amount (Rs)
(1)	Running a boarding school	2,40,000
(2)	Fees from prospective employer for campus interview	1,70,000
(3)	Education services for obtaining the qualification recognised by law of foreign country	3,10,000
(4)	Renting of furnished flats for temporary stay to different persons (Rent per day is less than Rs 1,000 per person)	1,20,000
(5)	Conducting Modular Employable Skill Course, Approved by National Council of Vocational Training	1,40,000
(6)	Conducting private tuitions	3,00,000

Compute the value of taxable supply and the amount of GST payable. The above receipts don't include the GST amount. Rate of GST is 18%.

Part (b) – 4 Marks: M/s J & Co Chartered Accountants, a partnership firm having its registered and head office in Mumbai, is registered under the GST Act in the State of Maharashtra only. It does not have any branches in other states. The gross receipts of the firm in FY 2018-19 were Rs 60 lakhs. The firm has submitted following information for August 2019:

S.No.	Particulars	Amount (Rs)
(1)	Professional services provided and bills raised during the month for providing services of ITR filing and income tax consultancy	1,00,000
(2)	Internal audit of X Pvt Ltd at their office in Mumbai (Registered in the State of Maharashtra)	50,000
(3)	Statutory audit services provided to M/s Tirupati Trading Pvt Ltd at Ahmedabad (Registered in the State of Gujarat)	70,000

Firm has also furnished following information in respect of input services availed from registered dealers for providing of output services during August 2019:

S.No.	Particulars	Amount Excluding GST (Rs)	CGST (Rs)	SGST (Rs)	IGST (Rs)
(1)	Services availed from Courier Agency	5,000	450	450	Nil
(2)	Railway travelling expenses from Mumbai to Ahmedabad and return ticket for conducting audit of M/s Tirupati Trading Pvt Ltd (3 Tier AC)	12,000	Nil	Nil	600
(3)	Service availed from another professional firm at Mumbai - Amount is paid without TDS u/s 194 J of Income Tax Act	20,000	1,800	1,800	Nil

Compute the Net GST Payable by M/s J & Co for the month August 2019 after adjusting the GST credit. Brief reasoning should form part of your answer.

- Rate of CGST, SGST and IGST to be 9%, 9% & 18% respectively, on outward supplies.
- All the conditions necessary for availing the ITC have been fulfilled.
- Opening Balance of available input tax credit is NIL for CGST, SGST and IGST.

QUESTION 2

Part (a) - 5 Marks: JP Charitable Institution, an entity registered u/s 12AA of Income Tax Act, 1961 and registered in GST, has furnished you the following details with respect to the activities undertaken by it during the month of January 2020. You are required to compute its GST liability from the information given below, assuming the rate of GST as 18%. Brief reasoning should be part of your answer.

S.No.	Tax Liability	Amount (Rs)
(1)	Membership fees received from members	10,00,000
(2)	Amount received for advancement of educational programs relating to abandoned or orphaned or homeless children	4,00,000
(3)	Amount received for renting of commercial property owned by Trust	5,00,000
(4)	Amount received for counselling of terminally ill person	3,50,000
(5)	Fees charged for Yoga Camp conducted by Trust	2,00,000
(6)	Amount received relating to preservation of Forest & Wildlife	6,00,000

Part (b) - 5 Marks: M/s XYZ & Co, a firm of Chartered Accountants, issued invoice for services rendered to Mr A on 7th September 2019. Determine the time of supply in the following independent cases:

- The provision of service was completed on 1st August 2019.
- The provision of service was completed on 14th August 2019.
- Mr A made the payment on 3rd August 2019 where provision of service was remaining to be completed.
- Mr A made the payment on 15th September 2019 where provision of service was remaining to be completed.

QUESTION 3

Part (a) - 5 Marks: M/s Maheshwari Corporation Pvt Ltd is a supplier of goods and services at Bangalore, registered in the State of Karnataka having turnover of Rs 200 lakhs in the last financial year. It has furnished the following information for the month of June 2019:

S.No.	Tax Liability	Amount (Rs)
(1)	Services provided by way of labour contract for repairing a single residential unit otherwise than as a part of residential complex (It is an intra-state transaction)	1,30,000
(2)	Intra-state sale of taxable goods including Rs 50,000 received as advance in April 2019. The invoice for the entire sale value is issued on 15 th June 2019.	2,50,000
(3)	Goods transport services received from GTA; GTA is paying tax @ 12% (It is an inter-state transaction)	1,80,000
(4)	Goods purchased from unregistered dealer on 20 th June 2019 (Inter-state purchases are worth Rs 45,000 and balance purchases were intra-state)	80,000

Compute Net GST Liability (CGST, SGST, IGST as the case may be) of M/s Maheshwari Corporation Pvt Ltd for the month of June 2019 assuming CGST, SGST & IGST rates to be 9%, 9% & 18% respectively, unless otherwise specified.

Part (b) - 5 Marks: Harshgeet Pvt Ltd, a registered supplier, is engaged in the manufacture of taxable goods. The company provides the following information pertaining to GST paid on the purchases made/input services availed by it during the month of July 2019:

S.No.	Tax Liability	Amount (Rs)
(1)	Raw Material (To be received in September 2019)	2,50,000
(2)	Membership of a club availed for employees working in the factory	1,45,000
(3)	Inputs to be received in 5 lots, out of which 3 rd lot was received during the month	80,000
(4)	Trucks used for transport of raw material	40,000
(5)	Capital Goods (out of 3 items, invoice for 2 items is missing & GST paid on those items is Rs 80,000)	1,50,000

Determine the amount of tax credit available with Harshgeet Pvt Ltd for the month of July 2019 by giving the necessary explanation for treatment of various items. All the conditions necessary for availing the ITC have been fulfilled.

QUESTION 4

Part (a) - 2 Marks: There is a dairy farm selling milk and milk products in Delhi. The turnover of this dairy farm is: Milk (Exempted) - Rs 39,90,000; Butter (Taxable) - Rs 50,000.

What is the registration liability under GST for the above-mentioned person assuming he has same PAN?

Part (b) - 2 Marks: Amit, a taxable person, is operating in Tamil Nadu, Punjab and West Bengal with the same PAN. Can he operate with a single registration in West Bengal?

Part (c) - 2 Marks: Mr X is running a consulting firm and also a readymade garment showroom in Kolkata registered with same PAN. Turnover of the showroom is Rs 70 lakhs and receipt of consultancy firm is Rs 15 lakhs in the preceding financial year. You are required to answer the following:

- (i) Is Mr X eligible for composition scheme?
- (ii) Is it possible for Mr X to opt for composition scheme only for showroom?

Part (d) - 2 Marks: Differentiate between direct and indirect taxes (Give any two 2 points)

Part (e) - 2 Marks: Can a person get himself voluntarily registered though he may not be liable to pay GST?

QUESTION 5

Part (a) - 4 Marks: Insight Ltd is operating in West Bengal. The tax liability for the month of August 2019 is as follows:

S.No.	Tax Liability	Amount (Rs)
(1)	Output CGST Payable	24,000
(2)	Output SGST Payable	9,000
(3)	Output IGST Payable	3,000
(4)	Input CGST	7,000
(5)	Input SGST	14,000
(6)	Input IGST	12,000

Calculate tax payable and carry forward for the month of August 2019.

Part (b) - 4 Marks: M/s Software Limited reduced the amount of Rs 2,00,000 from the output tax liability in contravention of provisions of Section 42(10) of CGST Act, 2017 in the month of December 2019, which is ineligible credit. A show-cause notice was issued by the Tax Department to pay tax along with interest. M/s Software Limited paid the tax and interest on 31st March 2020. Calculate interest liability. (Ignore Penalty)

Part (c) - 2 Marks: The aggregate turnover of Vikas Enterprise of Mumbai (Maharashtra) has exceeded Rs 20 lakhs on 25th January 2020. It submits the application for registration on 15th February 2020. Registration certificate is granted on 20th February 2020. Determine the effective date of registration under CGST Act, 2017.

QUESTION 6

Answer any two parts out of (a), (b) and (c):

Part (a) - 5 Marks: What kinds of invoice details of outward supplies are required to be furnished in GSTR-1 for outward supplies?

Part (b) - 5 Marks: Discuss the provisions relating to issuance of credit notes and debit notes under CGST Act and rules thereunder.

Part (c) - 5 Marks: State whether the following supplies would be treated as supply of goods or supply of services as per Schedule II of CGST Act:

- (i) Renting of immovable property
- (ii) Transfer of right in goods without transfer of title in goods
- (iii) Works contract services
- (iv) Temporary transfer of permitting use or enjoyment of any intellectual property right
- (v) Sale of personal car to dealer

NOV 2018 NEW COURSE QUESTIONS

QUESTION 1

Part (a) - 6 Marks: Mr Thiraj, a registered supplier of service in Bangalore (Karnataka State) has provided the following information for the month of February 2020:

S.No.	Particulars	Amount (Rs)
(i)	Intra-state taxable supply of service	5,20,000
(ii)	Legal fee paid to a lawyer located within the state	20,000
(iii)	Rent paid to the State Govt for his office building	30,000
(iv)	Received for services towards conduct of exams to Loveall University, Pune (recognized by law), being an inter-state transaction	16,000

Compute the net GST liability (CGST, SGST or IGST) of Mr Thiraj for the month of February 2020. Rate of CGST, SGST and IGST are 9%, 9% and 18% respectively. All the amounts given above are exclusive of taxes.

Part (b) - 4 Marks: CANWIN Ltd, a registered supplier, is engaged in the manufacture of tanks. The company provides the following information pertaining to GST paid on the purchases made/input services availed by it during January 2020:

S.No.	Particulars	GST (Rs)
(i)	Purchase of machinery where debit note is issued	1,15,000
(ii)	Inputs purchased were directly delivered to Mr Joe, a job-worker and a registered supplier	80,000
(iii)	Computers purchased (Depreciation was claimed on the said GST portion under Income Tax Act, 1961)	50,000
(iv)	Works contract services availed for construction of staff quarters within the company premises	4,25,000

Determine the amount of ITC available to M/s CANWIN Ltd for the month of January 2020 by giving brief explanations for treatment of various items. Subject to the information given above, all the conditions necessary for availing the ITC have been fulfilled.

QUESTION 2

Part (a) - 5 Marks: Ms Achintya, a registered supplier in Kochi (Kerala State), has provided the following details in respect of her supplies made within intra-state for the month of March 2020. Compute the value of taxable supply and the gross GST liability assuming rate of CGST to be 9% and SGST to be 9%. Amounts given are exclusive of GST.

S.No.	Particulars	Amount (Rs)
(i)	List price of goods supplied intra-state (exclusive of items given below from ii to v)	3,30,000
(ii)	Swachh Bharat Cess levied on sale of the goods	12,500
(iii)	Packing expenses charged separately in the invoice	10,800
(iv)	Discount of 1% on list price of goods was provided (recorded in the invoice of goods)	
(v)	Subsidy received from State Government for encouraging women entrepreneurs	5,000

Part (b) - 5 Marks: Explain the meaning of supply as per provisions of Section 7(1) of CGST Act, 2017.

QUESTION 3

Part (a) - 4 Marks: From the following information, compute the net GST payable for the month of March 2020:

	Output GST (Rs)	Opening ITC as per Credit Ledger (Rs)
CGST	2,000	Nil
SGST	15,000	1,000
IGST	24,000	37,000

Part (b) - 3 Marks: Decide with reason whether the following independent services are exempt under CGST Act, 2017:

- M/s Fast Trans, a goods transport agency, transported relief materials meant for victims of Kerala floods being a natural disaster, by road from Delhi to Emakulam, for a Limited Co.
- Keyan Enterprises, an event organizer, provided services to Breathing Wall Ltd by way of organizing business exhibition at Pragati Maidan in New Delhi as part of Make in India initiative.

Part (c) - 3 Marks: Decide which person is liable to pay GST in the following independent cases, where the recipient is located in the taxable territory. Ignore the aggregate turnover and exemption available.

- (i) Mr Raghu provided sponsorship services to 'We Win Cricket Academy', an LLP.
- (ii) 'Safe Trans', a Goods Transport Agency, transported goods of Kapil & Co, a partnership firm which is not registered under GST.

QUESTION 4

Part (a) - 3 Marks: Determine with brief reasons, whether the following statements are True or False:

- (i) Registration under CGST Act, 2017 can be cancelled by the proper officer, if the voluntarily registered person has not commenced the business within three months from the date of registration.
- (ii) Electronic cash ledger balance of Rs 5,000 under major head of IGST can be utilized for discharging the liability of major head of CGST.

Part (b) - 5 Marks: Mr Lakhan provides Continuous Supply of Services (CSS) to M/s TNB Limited. He furnishes the following further information:

- Date of commencement of providing CSS - 01-10-2019
- Date of completion of providing CSS - 31-01-2020
- Date of receipt of payment by Mr Lakhan - 30-03-2020

Determine the time of issue of invoice as per provisions of CGST Act, 2017, in the following circumstances:

- (i) If no due date for payment is agreed upon by both under the contract of CSS.
- (ii) If payment is linked to the completion of service.
- (iii) If M/s TNB Limited has to make payment on 25-03-2020 as per the contract between them.

Part (c) - 2 Marks: A tax payer can file GSTR-1 under CGST Act, 2017, only after the end of the current tax period. State exceptions to this.

QUESTION 5

Answer any two parts out of (a), (b) and (c):

Part (a) - 5 Marks: State the persons who are not liable for registration as per provisions of Section 23 of Central Goods and Service Tax Act, 2017.

Part (b) - 5 Marks: Mr Allan, a non-resident person, wishes to provide taxable supply of goods. He has no fixed place of business or residence in India. He seeks your advice on the following aspects, relating to CGST Act, 2017:

- (i) When shall he apply for registration?
- (ii) Is PAN mandatory for his registration?
- (iii) What is the period of validity of RC granted to him?
- (iv) Will he be able to extend the validity of his registration? If yes, what will be the period of extension?

Part (c) - 5 Marks:

- (i) List any four central levies, which are subsumed in GST. (2 Marks)
- (ii) Ms Jimmy wants to adjust input tax credit for payment of interest, penalty and payment of tax under reverse charge. (3 Marks)

JUNE 2019 OLD COURSE QUESTIONS

QUESTION 1 (8 Marks)

Mr Uttam Kumar, a registered supplier of service in Kolkata, has provided the following information for the month of October 2019:

S.No.	Particulars	Amount (Rs)
(i)	Intra-state taxable supply of service	6,40,000
(ii)	Amount received from Kapola Pvt Ltd for services provided to company, being intra-state transaction (He is a director in Kapola Pvt Ltd)	5,00,000
(iii)	Paid legal fee to senior advocate for one legal matter within state, being intra-state transaction	50,000
(iv)	Amount received for service provided by him as a commentator to a recognized sports body, being intra-state transaction	1,20,000
(v)	Amount received for acting as a coach in recreational activities relating to sports, from one local charitable entity registered u/s 12AA of the Income Tax Act, 1961, being intra-state transaction	30,000

Compute the net GST liability (CGST, SGST or IGST) of Mr Uttam Kumar for the month of October 2019. Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively. All the amounts given are exclusive of CGST, SGST and IGST.

QUESTION 2

Part (a) - 5 Marks: Koli Ltd supplies machinery to Ghisa Ltd (a dealer in the same state), provides following particulars regarding the same. Determine the value of taxable supply of machinery.

S.No.	Particulars	Amount (Rs)
(i)	Price of machinery (exclusive of taxes and discounts)	5,50,000
(ii)	One part is directly fitted in machinery at the place of Ghisa Ltd (Amount paid by Ghisa Ltd directly to the supplier. As per the contract, this amount is to be paid by Koli Ltd and not included in price)	20,000
(iii)	Installation and testing charges for machinery, not included in price.	25,000
(iv)	Discount 2% on machinery price (Recorded in the invoice)	
(v)	Koli Ltd provides additional 1% discount at year end based on additional purchase of other machinery	

Part (b) - 4 Marks: Jamku Ltd, a registered person, is engaged in the business of spices. It provides the following details for GST paid during October 2019. Determine the amount of ITC available to Jamku Ltd for the month of October 2019 with all related workings and explanations. All the conditions necessary for availing the ITC have been fulfilled.

S.No.	Particulars	Amount (Rs)
(i)	Purchase of raw spices purchase	
	➤ Raw spices used for furtherance of spices	50,000
	➤ Raw spices used for personal use of directors	20,000
(ii)	Electric machinery purchased to be used in the manufacturing process	25,000
(iii)	Motor vehicle used for transportation of the employee	55,000
(iv)	Payment made for material and to contractor for construction of staff quarter	1,25,000

QUESTION 3

Part (a) - 5 Marks: Examine the liability of compulsory registration u/s 24 of the CGST Act, 2017 in each of the independent cases mentioned below:

- Meenu, a supplier in Maharashtra, is engaged in supply of potatoes within Maharashtra and also outside Maharashtra, whose turnover exceeds threshold limit under GST law. (2 Marks)
- Jinu Oils, Gujarat, is engaged in supplying machine oil as well as petrol. Total turnover of machine oil is Rs 20 lakhs and of petrol is Rs 25 lakhs. (2 Marks)

- (iii) Tilu is working as an agent, he is supplying goods as an agent of Tiku (who is a registered taxable person) and its aggregate turnover does not exceed Rs 20 lakhs/Rs 40 lakhs during the financial year. (1 Mark)

Part (b) - 4 Marks: Jolla provides continuous supply of services regarding Annual Maintenance Contract (AMC) of ACs and all electronic items in Khotu Ltd. He provides the following details regarding the same.

They made contract for the AMC. As mentioned in contract, AMC will start from 01-10-2018 and AMC is valid for a year. AMC ends on 30-09-2019. Jolla receives payment for the AMC on 31-10-2019.

Explain time of issue of invoice in Continuous Supply of Service (CSS) as per provisions of CGST Act, 2017 and accordingly determine the time of issue of invoice in following different circumstances:

- (i) As mentioned in contract, Khotu Ltd have to make payment on 05-11-2019.
(ii) If terms of payment are not mentioned in AMC and also not agreed by both the parties.

QUESTION 4

Part (a) - 5 Marks: Examine in relation to composition levy scheme under the CGST Act, 2017 and the rules made thereunder in the following individual cases:

- (i) Ketu is a manufacturer of ice-cream and pan masala in the State of Maharashtra. His turnover for the year does not exceed Rs 1.5 Crore. He wants to register for composition levy scheme. Is he eligible for it? (1 Mark)
(ii) Jadhu of Gujarat opts for composition scheme during FY 2019-20. But on 10-02-2020, his turnover crosses Rs 1.5 Crore. Can he continue under composition levy scheme? (2 Marks)
(iii) X Ltd has 2 branches, K & L in Delhi, having same PAN. Branch K opts for normal scheme. X Ltd wants to continue composition levy in case of its branch L. Can X Ltd continue composition levy only for branch L? (2 Marks)

Part (b) - 4 Marks: Please answer the following individual independent cases with reference to Section 37 of the CGST Act, 2017 and Rule 59 of CGST Rules, 2017:

- (i) Mr Kolly is a registered supplier in the State of Gujarat. He is filing GSTR-1 every month. During the month of February 2020, he was out of India and so did not do any transaction during the month. He believes that as there is no transaction, there is no need to file GSTR-1 for the month of February 2020. Is he correct? (1 Mark)
(ii) Mr Kaji is a registered dealer in Kerala. He was registered as a normal tax payer for FY 2019-20. But on 15-01-2020, he converted from normal tax payer to composition tax payer. Is he liable to file GSTR-1 for the month of February 2020? (2 Marks)
(iii) Mrs Zeel, a registered dealer in Rajasthan, did not file GSTR-1 for the month of June 2019 but she wants to file GSTR-1 for the month of July 2019. Is it possible? (1 Mark)

QUESTION 5

Part (c) is to be answered compulsorily. Answer any one out of part (a) & part (b).

Part (a) - 4 Marks: Explain the meaning of consignment note in relation to Goods Transport Agency and state its contents as per the provisions of the CGST Act, 2017.

Part (b) - 4 Marks: Explain the services provided by way of tolerating non-performance of a contract and its chargeability under the provisions of the CGST Act, 2017.

Part (c) - 5 Marks: What are e-ledgers? State the entries to be debited to electronic liability register under the CGST Act, 2017 and the CGST Rules, 2017.

JUNE 2019 NEW COURSE QUESTIONS

QUESTION 1 (8 Marks)

Mr Himanshu, a registered supplier of chemicals, pays GST under regular scheme. He is not eligible for any threshold exemption. He has made the following outward taxable supplies for the month of September 2019:

S.No.	Particulars	Amount (Rs)
(i)	Intra-state taxable supply of goods	25,00,000
(ii)	Inter-state taxable supply of goods	5,00,000

He has also made the following inward supplies:

S.No.	Particulars	Amount (Rs)
(i)	Intra-state purchase of goods from registered dealer	14,00,000
(ii)	Intra-state purchase of goods from unregistered dealer	2,00,000
(iii)	Inter-state purchase of goods from registered dealer	4,00,000

He has the following input tax credit at the beginning of September 2019:

Nature	ITC Amount (Rs)
CGST	95,000
SGST	60,000
IGST	50,000

Additional Information:

- He purchased a car (intra-state supply) used for business purpose at a price of Rs 6,72,000 (including CGST of Rs 36,000 & SGST of Rs 36,000) on September 15, 2019. He capitalized the full value including GST in the books on the same date to claim depreciation.
- Out of inter-state purchase from registered dealer, goods worth Rs 1,00,000 were received on October 3, 2019 due to road traffic jams.

Compute the net GST payable by Mr Ajay for the month of September 2019 after taking note of the following points:

- Rate of CGST, SGST and IGST are 9%, 9% and 18% respectively.
- Both inward and outward supplies are exclusive of taxes wherever applicable.
- All the conditions necessary for availing the ITC have been fulfilled.

QUESTION 2

Part (a) – 6 Marks: M/s Apna Bank Limited, a Scheduled Commercial Bank, has furnished the following details for the month of August 2019. Compute the value of taxable supply. Give reasons with suitable assumptions.

S.No.	Particulars	Amount Excluding GST (In Crores)
(i)	Extended housing loan to its customers	100
(ii)	Processing fees collected from its customers on sanction of loan	20
(iii)	Commission collected from its customers on bank guarantee	30
(iv)	Interest income on credit card issued by the bank	40
(v)	Interest received on housing loan extended by the bank	25
(vi)	Minimum balance charges collected from current account and saving account holder	1

Part (b) – 4 Marks: Decide with reason whether the following independent services are exempt under CGST Act, 2017:

- Gokul Residents' Welfare Association received Rs 9,000 per month as contribution from each member for sourcing of goods and services from third persons for common use of its members.
- Mr Vikalp, a performing artist, has received Rs 1,58,000 from performance of Classical Dance and Rs 90,000 from acting in TV Serial during the month of June 2019.

QUESTION 3

Part (a) – 4 Marks: Examine the following independent cases of supply of goods and services and determine the time of issue of invoice under each of the cases as per the provisions of CGST Act, 2017:

- (i) Sakthi Enterprises, Kolkata entered into a contract with Suraj Enterprises, Surat for supply of goods on 3rd October 2019. The goods were removed from the factory at Kolkata on 11th October 2019. As per the agreement, the goods were to be delivered by 31st October 2019. Suraj Enterprises has received the goods on 14th October 2019.
- (ii) Trust and Fun Ltd, an event management company, has provided its services for an event at Kapoor Film Agencies, Mumbai on 5th June 2019. Payment for the event was made on 19th June 2019.

Part (b) – 2 Marks: M/s Daksha Enterprises has made a cash deposit of Rs 10,000 under minor head "Tax" of major head "SGST". It has a liability of Rs 2,000 for minor head "Interest" under the major head "SGST". State whether M/s Daksha Enterprises can utilise the amount available for payment of interest.

Part (c) – 4 Marks: State with brief reason, whether following suppliers of taxable goods are required to register under the GST law:

- (i) Mr Raghav is engaged in wholesale cum retail trading of medicines in the State of Assam. His aggregate turnover during the financial year is Rs 9,00,000 which consists of Rs 8,00,000 as intra-state supply and Rs 1,00,000 as inter-state supply.
- (ii) Mr S.N. Gupta of Rajasthan is engaged in trading of taxable goods on his own account and also acting as an agent of Mr Rishi of Delhi. His turnover is of Rs 32 lakhs on his own account and Rs 9 lakhs on behalf of principal. Both turnovers are intra-state supply.

QUESTION 4

Part (a) is to be answered compulsorily. Answer any one out of part (b) & part (c).

Part (a) – 5 Marks: Enumerate the persons who are not eligible to opt for composition scheme u/s 10(2) of the CGST Act, 2017.

Part (b) – 5 Marks: List out the situations in which a credit note/debit note may be issued under the CGST Act, 2017.

Part (c) – 5 Marks: Answer the following questions with respect to casual taxable person under the CGST Act, 2017:

- (i) Who is a casual taxable person?
- (ii) Can a casual taxable person opt for the composition scheme?
- (iii) When is the casual taxable person liable to get registered?
- (iv) What is the validity period of the registration certificate issued to a casual taxable person?
- (v) Can the validity of registration certificate issued to a casual taxable person be extended? If yes, what will be the period of extension?

NOV 2019 OLD COURSE QUESTIONS**QUESTION 1 (8 Marks)**

Alfa Institute of Management (AIM), a private college, is registered under GST in the State of Punjab. AIM provides the following particulars for the month of April 2019:

S.No.	Particulars	Amount (Rs)
(i)	Tuition fee received from students pursuing management courses recognized by Punjab University, established by an Act of State Legislature	18,00,000
(ii)	Tuition fee received from students pursuing undergraduate courses recognized by Stan University, London under Dual Degree programmes	8,50,000
(iii)	Fee received from students of Competitive Exam training academy run by a Department of AIM	5,40,000
(iv)	Mess fees received from students (Mess is run by AIM on its own)	3,20,000

(v)	Amount paid to Local Municipal Corporation for premises taken on rent for conducting coaching classes for competitive exams	50,000
(vi)	Legal Services availed from Top Care & Co, a partnership firm of advocates, for the competitive exam training academy (Intra-state transaction)	20,000

Notes:

- Rate of CGST, SGST and IGST are 9%, 9% and 18% respectively for both outward and inward supplies.
- All the amounts given above are exclusive of taxes wherever applicable.
- All the conditions necessary for availing the ITC have been fulfilled wherever applicable.
- No opening balance of ITC under any head of tax.

From the information given above, you are required to calculate the value of taxable supply and net GST liability (CGST, SGST or IGST as the case may be) to be paid in cash, if any, by AIM for the month of April 2019.

QUESTION 2

Part (a) – 5 Marks: Dina Ltd, a registered supplier from Maharashtra, is engaged in the manufacturing of passenger auto. The company provides the following details of purchases made/services availed by it during the month of March 2020. You are required to determine the eligible input tax credit available to M/s Dina Ltd for the month of March 2020, by giving brief explanations for treatment of various items. Subject to the information given above, all the other conditions necessary for availing input tax credit have been fulfilled.

S.No.	Particulars	Amount (Rs)
(i)	Purchase of iron which is used as a raw material {Goods were received in two instalments, first one in March 2020 and the second instalment was received in April 2020}	2,50,000
(ii)	Purchase of accessories which were delivered directly to the dealers of the company. Only invoice was received by Dina Ltd	90,000
(iii)	Purchase of bus (seating capacity 15) for the transportation of employees from their residence to company and back	1,97,000
(iv)	Input tax credit on general insurance taken on a car used by executives of the company for official purposes	5,200
(v)	Payment made to M/s Tasty Caterers for providing daily breakfast & lunch to the employees of the company, as a voluntary staff welfare measure	54,700

Part (b) – 4 Marks: M/s Pranav Associates, a partnership firm, provided recovery agent services to Newtron Credits Ltd, a NBFC and a registered supplier, on 15th January 2020. Invoice for the same was issued on 7th February 2020 and the payment was made on 18th April 2020 by Newtron Credits Ltd. Bank account of company was debited on 20th April 2020. Determine the following:

- Person liable to pay GST
- Time of supply of service

QUESTION 3

Part (a) – 5 Marks: Kartik & Co, a registered supplier under GST, provides the following information regarding various tax invoices issued by it during the month of March 2020:

- Value of supply charged in an invoice was Rs 2,50,000 against the actual taxable value of Rs 2,30,000.
- Tax charged in an invoice was Rs 32,000 against the actual tax liability of Rs 68,000 due to wrong HSN code being chosen while issuing invoice.
- Value charged in an invoice was Rs 3,20,000 as against the actual value of Rs 4,20,000 due to wrong quantity considered while billing.

Kartik & Co asks you to answer the following:

- Who shall issue a Debit/Credit Note under CGST Act, 2017?
- Whether Debit Note or Credit Note has to be issued in each of the above circumstances and, if so, quantify the amount for which it is to be issued.

(iii) What is the maximum time-limit available for declaring the credit note in the GST Return?

Part (b) – 4 Marks: Examine, with reason, whether registration is required under CGST Act, 2017 in the following independent cases:

- Aadhav Computers of Gujarat is providing Computer Maintenance Service. Aggregate Turnover of Aadhav Computers is Rs 15 Lakhs which comprises both inter-state and intra-state supply.
- Soft Wings of West Bengal, exclusively trading in garments, supplies its taxable goods to various states in India. Aggregate Turnover of Soft Wings is Rs 35 Lakhs.

QUESTION 4

Part (a) – 5 Marks: M/s United Electronics, a registered dealer, is supplying all types of electronic appliances in the State of Karnataka. Their aggregate turnover in FY 2018-19 by way of supply of appliances was Rs 120 Lakhs. The firm also expects to provide repair and maintenance service of such appliances from FY 2019-20. With reference to the latest amendments made in CGST Act, 2017, examine:

- Whether the firm can opt for the composition scheme for FY 2019-20, as the turnover may include supply of both goods and services?
- If yes, up to what amount, the supply of services can be provided?

Part (b) – 4 Marks: Mr Alok, a registered supplier of taxable goods, filed GSTR-3B for the month of January 2020 on 15th April 2020. The prescribed due date to file the said GSTR-3B was 20th February 2020. The amount of net GST payable on supplies made by him for the said month worked out to Rs 36,500 which was paid on the same date of filing the return. Briefly explain the related provisions and compute the amount of interest payable under the CGST Act, 2017 by Mr Alok.

QUESTION 5

Part (c) is to be answered compulsorily. Answer any one out of part (a) & part (b).

Part (a) – 4 Marks: Discuss about the exemption available to the services provided by an Old Age Home under the CGST Act, 2017.

Part (b) – 4 Marks: Documents based on which ITC is taken should contain at least certain details. What are they?

Part (c) – 5 Marks: Discuss about the late fee levied for delay in filing:

- Final Return
- Annual Return

NOV 2019 NEW COURSE QUESTIONS

QUESTION 1 (8 Marks)

M/s Grey, a registered taxable person under regular scheme, provides the following information in respect of supplies made by it during the month of April 2019:

S.No.	Particulars	Amount (Rs)
(i)	Inter-state supply of goods	1,00,000
(ii)	Intra-state supply of 500 packets of detergent @ Rs 400 each along with a plastic bucket worth Rs 100 each with each packet, being a mixed supply (Rate of GST on detergent is 18% and on plastic bucket is 28%)	
(iii)	Supply of online educational journals to M/s Pinnacle, a private coaching centre providing tuitions to students of Class X-XII, being intra-state supply	50,000

M/s Grey has also received the following inward supplies:

(iv)	Inter-state supply of goods (out of which invoice for goods worth Rs 20,000 is missing and no other tax paying document is available)	70,000
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(v)	Repairing of bus with seating capacity of 20 passengers used to transport its employees from their residence, being intra-state supply	50,000
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Details of opening balances of ITC as on 1-4-2019 are as follows:

Particulars	Amount (Rs)
CGST	5,000
SGST	5,000
IGST	40,000

Following additional information is provided:

- Rate of GST in respect of all inward and outward supplies except item (ii) above is 18% (ie, 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 Grey is not eligible for any threshold exemption.

Compute the minimum net GST payable in cash by M/s Grey for the month of April 2019.

QUESTION 2

Part (a) – 6 Marks: Mr Zafar of Assam, provides the following information for FY 2018-19 (ie, the preceding financial year). 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 FY 2019-20.

S.No.	Particulars	Amount (Rs in lakhs)
(i)	Value of taxable outward supplies (Out of Rs 50 lakhs, Rs 10 lakhs was in course of inter-state transactions)	50.00
(ii)	Value of exempt supplies (Out of Rs 70 lakhs, Rs 30 lakhs was received as interest on loans & advances)	70.00
(iii)	Value of inward supplies on which he is liable to pay tax under reverse charge	5.00
(iv)	Value of exports	5.00
All the amounts are exclusive of GST.		

Part (b) – 4 Marks: Know & Grow Publishers, a registered dealer in India, paid an advance of Rs 50,000 to Mr Ganatra, an author, for the copyright covered u/s 13(1)(a) of the Copyright Act, 1957 of his original literary work on 5-9-2019. It made the balance payment of Rs 1,50,000 on 12-12-2019. You are required to determine the time of supply, if Mr Ganatra raised the invoice on:

- 6-10-2019, or
- 17-12-2019.

QUESTION 3

Part (a) – 5 Marks: Explain the registration requirements under GST law in the following independent cases:

- Mr Ahmad of Jammu engaged in the business of supplying tobacco based pan masala with an aggregate turnover of Rs 24 lacs.
 - Mr Lepcha of Mizoram is engaged in the supply of papers with an aggregate turnover of Rs 13 lacs.
- Will your answer be different if Mr Lepcha is located in Meghalaya?

Part (b) – 5 Marks: Mr Shah, a consignor is required to move goods from Ahmedabad (Gujarat) to Nadiad (Gujarat). He appoints Mehta Transporter for movement of goods. Mehta Transporter moves the goods from Ahmedabad (Gujarat) to Kheda (Gujarat). For completing the movement of goods from Kheda (Gujarat) to Nadiad (Gujarat), Mehta Transporter now hands over the goods to Parikh Transporter. Explain the procedure regarding e-way bill to be followed by consignor and transporter as per provisions of GST law and rules made thereunder.

QUESTION 4

Part (a) is to be answered compulsorily. Answer any one out of part (b) & part (c).

Part (a) - 5 Marks: Explain in brief the conditions to be fulfilled by a registered person under GST law for availing the option to pay concessional tax @ 3% (effective rate 6%) under GST as per the provisions of Notification No 2/2019 CT(R) dated 7-3-2019 as amended, with effect from 1st April 2019.

Part (b) - 5 Marks: Discuss the provisions of Section 39(9) of the CGST Act, 2017 relating to rectification of errors/ omissions in GST returns already filed and also state its exceptions. State the time limit for making such rectification.

Part (c) - 5 Marks:

- (i) Explain the consequences if the taxable person under GST law files the GST return u/s 39(1) of the CGST Act, 2017 but does not make payment of self-assessment tax. (2 Marks)
- (ii) State the items which are to be debited to electronic liability register of the taxable person under the CGST Act, 2017 and rules thereunder. (3 Marks)



MAY 2018 OLD COURSE QUESTIONS

ANSWER 1

Part (a) - 6 Marks:

Computation Of Output GST Liability Of Mr Nimit {August 2019}:

Particulars	Amount (Rs)	CGST (Rs)	SGST (Rs)	IGST (Rs)
Intra-state taxable supply of goods	6,00,000	54,000	54,000	-
Inter-state taxable supply of goods	2,00,000	-	-	36,000
Total		54,000	54,000	36,000

Computation Of Input GST Credit Of Mr Ajay {August 2019}:

Particulars	Amount (Rs)	CGST (Rs)	SGST (Rs)	IGST (Rs)
Opening ITC (As Brought Forward)	-	15,000	35,000	20,000
Intra-state purchase of taxable goods	4,00,000	36,000	36,000	-
Inter-state purchase of goods	50,000	-	-	9,000
Total		51,000	71,000	29,000

Computation Of Net GST Payable In Cash {August 2019}:

Particulars	CGST (Rs)	SGST (Rs)	IGST (Rs)
Output GST Liability	54,000	54,000	36,000
Less: Utilization of ITC			
➤ Set-off of IGST credit against IGST liability	-	-	(29,000)
➤ Set-off of CGST credit against CGST liability	(51,000)	-	-
➤ Set-off of SGST credit firstly against SGST liability and then against IGST liability	-	(54,000)	(7,000)
Net GST Payable In Cash	3,000	Nil	Nil

Note: Balance SGST credit of Rs 10,000 shall be c/f to the future periods.

Part (b) - 4 Marks: Computation Of Value Of Taxable Supply Made By Shri Krishna Pvt Ltd:

S.No.	Particulars	Amount (Rs)
(i)	Price of the goods	1,00,000
(ii)	Municipal tax {Includible in the value as per Section 15 of the CGST Act, 2017}	2,000
(iii)	Inspection charges {Being incidental expenses, the same are includible in the value as per Section 15 of the CGST Act, 2017}	15,000
(iv)	Subsidies received from Shri Ram Trust (As products are going to be used by blind association) {Since subsidy is received from a non-government body, the same is includible in the value in terms of Section 15 of the CGST Act, 2017}	50,000
(v)	Late fees for delayed payment (Though Shri Balram Pvt Ltd made late payment but these charges are waived by Shri Krishna Pvt Ltd) {Not includible in the value of supply since delayed payment charges have been waived off}	Nil
(vi)	Weightment charges paid by Shri Balram Pvt Ltd to Radhe Pvt Ltd (on behalf of Shri Krishna Pvt Ltd) {Liability of the supplier being discharged by the recipient, is includible in the value of supply in terms of Section 15 of the CGST Act, 2017}	2,000
	Value Of Taxable Supply	1,69,000

ANSWER 2**Part (a) - 5 Marks:** Computation Of GST Liability Of M/s Pradyumn Corporation Pvt Ltd (October 2019):

S.No.	Particulars	Amount (Rs)	CGST (Rs)	SGST (Rs)	IGST (Rs)
(i)	Intra-state sale of taxable goods (out of the total amount, Rs 50,000 was received as advance in September 2019) <i>{In case of supply of goods, the liability to pay tax arises at the time of issuance of invoice and not at the time of receipt of advance. Therefore, although Rs 50,000 advance was received last month, the liability on the entire amount of Rs 2,00,000 would arise in October 2019}</i>	2,00,000	18,000	18,000	
(ii)	Goods purchased from unregistered dealers (purchased on 20 th October 2019) <i>{Assuming that the transaction is not notified u/s 9(4) & 5(4) of CGST Act & IGST Act respectively, no GST is chargeable on these transactions}</i>	50,000	-	-	-
(iii)	Received for services by way of labour contracts for repairing a single residential unit otherwise than as a part of residential complex (It is an intra-state transaction) <i>{Services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex are exempt. Labour contracts for repairing are thus, taxable}</i>	50,000	4,500	4,500	-
(iv)	Professional fees paid to Ms Udadhi located in a non-taxable territory (It amounts to an inter-state transaction) <i>{In case of service supplied by a person located in a non-taxable territory to a person located in taxable territory, GST is payable under reverse charge by such recipient}</i>	50,000	-	-	9,000
Total GST Liability			22,500	22,500	9,000

Part (b) - 5 Marks: Following activities shall be treated as supply even if made without consideration in terms of Section 7 of CGST Act, 2017 read with Schedule I:

- 1) Permanent transfer or disposal of business assets where input tax credit has been availed on such assets.
- 2) Supply of goods or services or both between related persons or between distinct persons as specified in Section 25 of the CGST Act, 2017, when made in the course or furtherance of business.
However, gifts not exceeding Rs 50,000 in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.
- 3) Supply of goods:
 - By a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or
 - By an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
- 4) Import of services by a person from a related person or from any of his other establishments outside India, in the course or furtherance of business.

ANSWER 3**Part (a) - 3 Marks:** Supply of services by a music composer to a music company by way of transfer or permitting the use or enjoyment of a copyright relating to original musical works is taxable under reverse charge.

As per Section 13 of CGST Act, 2017, the time of supply of service on which GST is payable on reverse charge basis is earlier of the following:

- Date of payment (04.09.2019); or

- Date immediately following 60 days since issue of invoice by the supplier (23.09.2019)

Thus, time of supply of services in the existing case is 04.09.2019.

Part (b) - 3 Marks:

- 1) GST is payable on reverse charge basis on services supplied by the State Government by way of renting of immovable property to any person registered under GST law. Since the turnover of Mannappa Pvt Ltd for the preceding financial year exceeds the threshold limit prescribed u/s 22, Mannappa Pvt Ltd would have got itself registered under the GST law. Therefore, in the given case, person liable to pay GST is the recipient of services, ie Mannappa Pvt Ltd.
- 2) GST on legal services supplied by a senior advocate (Mr Sushrut) to any business entity (M/s Tatva Trading Company) located in the taxable territory is payable on reverse charge basis. Therefore, in the given case, person liable to pay GST is the recipient of services, ie M/s Tatva Trading Company.

Part (c) - 4 Marks: If 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 two figures:

- 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 Bharat Associates Pvt Ltd shall be computed as follows:

- ITC taken on the machinery (Rs 9,00,000 × 18%) = Rs 1,62,000
- Time period for which the asset has been used = 20th July 2019 to 5th March 2020 = 3 quarters
- ITC pertaining to the period of usage of the capital goods = (Rs 1,62,000 × 5%) × 3 quarters = Rs 24,300
- Amount of reduced ITC based on percentage points (A) = Rs 1,37,700 {Rs 1,62,000 - Rs 24,300}
- Duty leviable on transaction value (Rs 7,00,000 × 18%) (B) = 1,26,000
- Amount payable towards disposal of machinery {Higher of (A) and (B)} = Rs 1,37,700

ANSWER 4

Part (a) - 5 Marks:

- Credit note is required to be issued by the supplier:
 - If taxable value charged in the tax invoice is found to exceed the taxable value in respect of supply of goods and/or services;
 - If tax charged in the tax invoice is found to exceed the tax payable in respect of supply of goods and/or services;
 - If the quantity charged in the tax invoice is found to exceed the quantity actually made available to the recipient;
 - If goods supplied are returned by the recipient; or
 - If goods and/or services supplied are found to be deficient.
- Debit note is required to be issued by the supplier:
 - If taxable value charged in the tax invoice is found to be less than the taxable value in respect of supply of goods and/or services;
 - If tax charged in the tax invoice is found to be less than the tax payable in respect of supply of goods and/or services; or
 - If the quantity charged in the tax invoice is found to be less than the quantity actually made available to the recipient.

Part (b) - 5 Marks:

- 1) CIN is Challan Identification Number. It is generated by the banks indicating that the payment has been realized and credited to the appropriate government account against a generated challan.
- 2) Interest is payable in the following cases in terms of Section 50 of CGST Act, 2017:
 - Delay/failure to pay tax, in full or in part within the prescribed period.
 - Undue or excess claim of input tax credit.
 - Undue or excess reduction in output tax liability.
- 3) The new payment system benefits the taxpayer and the commercial tax department in the following ways:
 - **Benefits To Taxpayer:**

- No more queues and waiting for making payments as payments can be made online 24 X 7.
- Electronically generated challan from GSTN common portal in all modes of payment and no use of manually prepared challan (ie, paperless transactions).
- Instant online receipts for payments made online.
- Tax consultants can make payments on behalf of the clients.
- Single challan form to be created online, replacing the three or four copy Challan.
- Greater transparency.
- Online payments made after 8 pm will be credited to the taxpayer's account on the same day.
- **Benefits To Commercial Tax Department:**
 - Revenue will come earlier into the government treasury as compared to the old system.
 - Logical tax collection data in electronic format.
 - Speedy accounting and reporting.
 - Electronic reconciliation of all receipts.
 - Warehousing of digital challan.

ANSWER 5

Part (a) - 4 Marks: A supplier whose aggregate turnover in a financial year exceeds the applicable threshold limit (Rs 40/20/10 lakhs) is liable to apply for registration within 30 days from the date of becoming liable to registration u/s 22 of CGST Act, 2017 (ie, within 30 days from the date of crossing the threshold limit of Rs 40/20/10 lakhs).

Where the application is submitted within the said period of 30 days, the effective date of registration is the date on which the person becomes liable to registration; otherwise it is the date of grant of registration.

In the given cases, it appears that the applicable turnover limit for registration is Rs 20 lakhs.

- 1) Since Varun Industries applied for registration within 30 days of becoming liable to registration, the effective date of registration is 1st August 2019.
- 2) Since Sweta InfoTech Services applied for registration after the expiry of 30 days from the date of becoming liable to registration, the effective date of registration is 5th November 2019.

Part (b) - 4 Marks: A supplier of services whose aggregate turnover in a financial year exceeds Rs 20 lakhs in a State/UT is liable to apply for registration within 30 days from the date of becoming liable to registration u/s 22 of CGST Act, 2017 (ie, within 30 days from the date of crossing the threshold limit of Rs 20 lakhs).

Where the application is submitted within the said period of 30 days, the effective date of registration is the date on which the person becomes liable to registration; otherwise it is the date of grant of registration.

Every registered person who has been granted registration with effect from a date earlier than the date of issuance of registration certificate to him, may issue revised tax invoices in respect of taxable supplies effected during this period within 1 month from the date of issuance of registration certificate.

In view of the aforesaid provisions, Chidanand Products Pvt Ltd may issue revised tax invoices against the invoices already issued during the period between the effective date of registration (5th September 2019) and the date of issuance of registration certificate (6th October 2019), within 1 month from 6th October 2019.

Further, Chidanand Products Pvt Ltd may issue a consolidated revised tax invoice in respect of all taxable supplies made to unregistered dealers during such period. However, in case of inter-state supplies made to unregistered dealers, a consolidated revised tax invoice cannot be issued if the value of supply exceeds Rs 2,50,000.

Part (c) - 2 Marks: The said statement is FALSE. When a change in constitution of a business results in change of PAN of the registered person, the said person shall apply for fresh registration. The reason for the same is that GSTIN is PAN based. Any change in PAN would warrant a new registration.

ANSWER 6

Part (a) - 5 Marks: A registered person, whose aggregate turnover in the preceding financial year did not exceed Rs 1.5 crore (Rs 75 lakhs in case of Specified Special Category States) may opt for composition scheme vide Section 10 of CGST Act, 2017. However, he shall not be eligible to opt for composition scheme if, inter alia, he is engaged in the supply of services other than restaurant services.

In the given case, since M/s Ginny and John Company is engaged in supply of interior decorator's service, it is not eligible to opt for composition scheme irrespective of its turnover in the preceding financial year. Therefore, the answer will remain the same, ie the company will not be eligible to opt for composition scheme even with the change in the turnovers as given in the second case.

Further, where more than one registered persons are having the same Permanent Account Number, the registered person shall not be eligible to opt for composition scheme unless all such registered persons opt to pay tax under composition scheme. Therefore, the answer will not change in the last case also as all the registrations under the same PAN are required to opt for composition scheme and since the supply of interior decorator service is ineligible for composition scheme, supply of readymade garments too becomes ineligible for composition scheme.

Part (b) - 5 Marks: Supply, u/s 7 of the CGST Act, 2017, inter alia, includes import of services for a consideration even if it is not in the course or furtherance of business. Thus, although the import of service for consideration by Mrs Pragati is not in the course or furtherance of business, it would still amount to supply as consideration is involved in the present case.

Further, import of services by a taxable person from a related person located outside India, without consideration is treated as supply if it is provided in the course or furtherance of business. In the given case, import of service without consideration by Mrs Pragati from her real sister - Miss Unnati (real sister, being member of the same family, is a related person) will not be treated as supply as it is not in course or furtherance of business.

However, import of service without consideration by Mrs Pragati from her sister - Miss Unnati (related person) will be treated as supply if she receives legal advice for her business, ie in the course or furtherance of business.

Part (c) - 5 Marks: Every registered person, other than an Input Service Distributor, a person deducting/collecting tax at source, a casual taxable person and a non-resident taxable person, shall furnish an annual return for every financial year electronically in Form GSTR-9 on or before 31st December following the end of such financial year.

Every registered person who is required to get his accounts audited u/s 35(5) of the CGST Act, 2017 shall furnish the annual return electronically along with a copy of the audited annual accounts and a reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year with the audited annual financial statements, and other prescribed particulars.

MAY 2018 NEW COURSE QUESTIONS

ANSWER 1

Part (a) - 6 Marks:

Computation Of Output GST Liability Of Mr Ajay {August 2019}:

Particulars	Amount (Rs)	CGST (Rs)	SGST (Rs)	IGST (Rs)
Intra-state taxable supply of goods	2,00,000	18,000	18,000	-
Inter-state taxable supply of goods	10,00,000	-	-	1,80,000
Total		18,000	18,000	1,80,000

Computation Of Input GST Credit Of Mr Ajay {August 2019}:

Particulars	Amount (Rs)	CGST (Rs)	SGST (Rs)	IGST (Rs)
Opening ITC (As Brought Forward)	-	20,000	30,000	25,000
Intra-state purchase of taxable goods	5,00,000	45,000	45,000	-
Total		65,000	75,000	25,000

Computation Of Net GST Payable In Cash {August 2019}:

Particulars	CGST (Rs)	SGST (Rs)	IGST (Rs)
Output GST Liability	18,000	18,000	1,80,000
Less: Utilization of ITC			
➤ Set-off of IGST credit against IGST liability	-	-	(25,000)
➤ Set-off of CGST credit firstly against CGST liability and then against IGST liability	(18,000)	-	(47,000)
➤ Set-off of SGST credit firstly against SGST liability and then against IGST liability	-	(18,000)	(57,000)
Net GST Payable In Cash	Nil	Nil	51,000

Part (b) - 4 Marks: Computation of Input Tax Credit Available With Fun Pharma Private Limited (September 2019):

S.No.	Particulars	GST Paid (Rs)
(i)	Purchase of cabs used for the transportation of its employees {ITC on motor vehicles can be availed, inter alia, when they are used for making the taxable supply of transportation of passengers, ie if the taxable person is in the business of transport of passengers. In the given case, since the supplier is a manufacturer, it cannot avail credit on cabs used for transportation of its employees assuming that the seating capacity of cabs including the driver doesn't exceed 13 persons}	Nil
(ii)	Inputs consisting of three lots, out of which first lot was received during the month {When inputs are received in instalments, ITC can be availed only on receipt of last instalment}	Nil
(iii)	Capital goods (out of three items, invoice for one item was missing and GST paid on that item was Rs 25,000) {ITC cannot be taken on missing invoice; the registered person should have the invoice in its possession to claim ITC}	2,25,000
(iv)	Outdoor catering service availed on women's day {ITC on outdoor catering is specifically disallowed unless the same is used for making outward taxable supply of the same category or as an element of the taxable composite or mixed supply}	Nil
Total ITC Available		2,25,000

ANSWER 2

Part (a) - 5 Marks: Computation Of Value Of Taxable Supply Made By Candy Blue Ltd (October 2019):

Particulars	Amount (Rs)
List price of goods supplied	12,40,000

Add: Subsidy amounting to Rs 1,20,000 received from Central Government {Since subsidy is received from Central Government, the same is not includible in the value of supply}	Nil
Add: Subsidy received from Trade Association {Since subsidy is received from a non-government body, the same is includible in the value of supply}	30,000
Add: Tax levied by the Municipal Authority {Any taxes other than those levied under GST law are includible in the value of supply}	24,000
Add: Packing charges {Being incidental expenses, the same are includible in the value of supply}	12,000
Add: Late fees paid by recipient of supply for delayed payment {Includible in the value of supply}	5,000
Value Of Taxable Supply	13,11,000

Note: In the above solution, list price of the goods and late fee for delayed payment of invoice have been assumed to be exclusive of taxes.

Part (b) - 5 Marks: Recipient of supply of goods or services or both means:

- Where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;
- Where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available; and
- Where no consideration is payable for the supply of a service, the person to whom the service is rendered, and (i) any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply, and (ii) shall include an agent acting as such on behalf of the recipient in relation to the goods or services or both supplied.

ANSWER 3

Part (a) - 4 Marks: As per Section 12 of CGST Act, 2017, the time of supply of goods, tax on which is payable under forward charge shall be determined as follows:

- Date of issue of invoice, where the invoice is issued within the prescribed time limit.
- Last date on which the invoice is required to be issued, where the invoice is not issued within the prescribed time limit.

While determining time of supply u/s 12 of CGST Act, 2017, the date of payment doesn't matter.

Further, a registered person is required to issue a tax invoice before or at the time of removal of goods for supply to the recipient. Thus, in the given case, the invoice for supply of goods should have been issued on or before the removal of goods (ie, on 03-10-2019).

However, since the invoice has not been issued within the prescribed time, the time of supply will be the last date on which the invoice is required to be issued (ie, 03-10-2019). Thus, the time of supply of the goods will be 03-10-2019.

Part (b) - 3 Marks:

- Services provided by a tour operator to a foreign tourist are exempt from GST provided such services are in relation to a tour conducted wholly outside India. Thus, since in the given case, services provided by Teja & Co are in relation to a tour conducted within India, the same are not exempt from GST.
- Services provided by a team manager to a recognised sports body for participation in a sporting event are exempt from GST provided said sporting event is organised by a recognised sports body. Thus, since in the given case, the sporting event is not organised by a recognised sports body, the services provided by Ms Poorva are not exempt from GST.

Part (c) - 3 Marks:

- Section 10 of CGST Act, 2017 provides that a registered person, whose aggregate turnover in the preceding financial year did not exceed Rs 1.5 crore may opt for composition scheme. The turnover limit is Rs 75 lakhs in case of Specified Special Category States.

In the given case, the applicable turnover limit for composition scheme will be Rs 1.5 crore as Andhra Pradesh is not a Specified Special Category State.

Further, since the aggregate turnover of the registered person in the given case does not exceed Rs 1.5 crore and it satisfies other conditions of composition scheme namely, not making inter-state supplies of goods, it is eligible for composition levy.

- Since the turnover limit for determining the eligibility for composition scheme in the State of Jammu and Kashmir is also Rs 1.5 crore, Sai Trading Company will be eligible for composition levy provided it is not making inter-state supplies of goods.

ANSWER 4

Part (a) - 4 Marks: A supplier of services whose aggregate turnover in a financial year exceeds Rs 20 lakhs in a State/UT (Rs 10 lakhs in Specified Special Category States) is liable to apply for registration within 30 days from the date of becoming liable to registration (ie, the date of crossing the threshold limit of Rs 20 lakhs/Rs 10 lakhs).

Where the application is submitted within the said period, the effective date of registration is the date on which the person becomes liable to registration; otherwise it is the date of grant of registration.

In the given case, the applicable turnover limit for registration will be Rs 20 lakhs as Punjab is not a Specified Special Category State.

- a) Since Madhu Ltd applied for registration within 30 days of becoming liable to registration, the effective date of registration is 25th August 2019.
- b) In this case, since Madhu Ltd applies for registration after the expiry of 30 days from the date of becoming liable to registration, the effective date of registration is 5th October 2019.

Part (b) - 3 Marks:

- a) The given statement is **FALSE**. Where a registered person is supplying taxable as well as exempted goods or services or both to an unregistered person, a single 'invoice-cum-bill of supply' may be issued for all such supplies.
- b) The said statement is **TRUE**. A non-banking financial company has been allowed to issue a consolidated tax invoice or any other document in lieu thereof for the supply of services made during a month at the end of the month.

Part (c) - 3 Marks: The State levies which are subsumed in GST are as under:

- State surcharges and cesses in so far as they relate to supply of goods & services
- Entertainment Tax (except those levied by local bodies)
- Tax on lottery, betting and gambling
- Entry Tax (All Forms) & Purchase Tax
- VAT/Sales tax
- Luxury Tax
- Taxes on advertisements

ANSWER 5

Part (a) - 5 Marks: Interest is payable in the following cases:

- Failure to pay tax, in full or in part, within the prescribed period.
- Undue or excess claim of input tax credit.
- Undue or excess reduction in output tax liability.

The maximum rate of interest chargeable for the same is as under:

- 18% p.a. in case of failure to pay full/part tax within the prescribed period.
- 24% p.a. in case of undue or excess claim of input tax credit or undue or excess reduction in output tax liability.

Part (b) - 5 Marks: Aggregate turnover includes the aggregate value of all taxable supplies, exempt supplies, exports of goods and/or services and inter-state supplies of persons having the same PAN, to be computed on all India basis.

Aggregate turnover excludes:

- Value of inward supplies on which tax is payable by a person on reverse charge basis.
- Any tax which is levied under GST law (ie, CGST, SGST, UTGST, IGST & GST Compensation Cess).

Part (c) - 5 Marks: Every registered person who is required to furnish a return u/s 39(1) of the CGST Act, 2017 and whose registration has been surrendered or cancelled shall file a Final Return in Form GSTR-10 electronically in the prescribed form through the common portal.

Final Return has to be filed within 3 months of the date of cancellation or date of order of cancellation, whichever is later.

NOV 2018 OLD COURSE QUESTIONS

ANSWER 1**Part (a) - 6 Marks: Computation Of Value Of Taxable Supply And Amount Of GST Payable:**

S.No.	Particulars	Amount (Rs)
(1)	Running a boarding school <i>{Services provided by an educational institution to its students, faculty and staff are exempt}</i>	Exempt
(2)	Fees from prospective employer for campus interview <i>{No exemption available as the services are not provided by an educational institution to its students, faculty and staff}</i>	1,70,000
(3)	Education services for obtaining the qualification recognised by law of foreign country <i>{An institution providing education services for obtaining qualification recognized by a foreign country does not qualify as educational institution. Thus, said services are not exempt}</i>	3,10,000
(4)	Renting of furnished flats for temporary stay to different persons <i>{Since the daily rent is less than Rs 1,000 per person, exemption is available from levy of GST}</i>	Exempt
(5)	Conducting Modular Employable Skill Course, Approved by National Council of Vocational Training <i>{An institution providing Modular Employable Skill Course qualifies as educational institution. Services provided by an educational institution to its students, faculty and staff are exempt}</i>	Exempt
(6)	Conducting private tuitions <i>{No exemption available}</i>	3,00,000
Value Of Taxable Supply		7,80,000
GST Payable @ 18%		1,40,400

Part (b) - 4 Marks: Computation Of Net GST Payable By M/S J & Co (August 2019):

S.No.	Particulars	Amount (Rs)	CGST (Rs)	SGST (Rs)	IGST (Rs)
(1)	Professional services provided and bills raised during the month for providing services of ITR filing and income tax consultancy	1,00,000	9,000	9,000	-
(2)	Internal audit of X Pvt Ltd at their office in Mumbai (Registered in the State of Maharashtra)	50,000	4,500	4,500	-
(3)	Statutory audit services provided to M/s Tirupati Trading Pvt Ltd at Ahmedabad (Registered in the State of Gujarat)	70,000	-	-	12,600
Total Output GST Liability			13,500	13,500	12,600
<u>Less:</u> ITC (Refer working note)			(2,250)	(2,250)	(600)
Net GST Payable			11,250	11,250	12,000

Working Note: Computation Of ITC Available For Set-Off:

S.No.	Particulars	Amount Excluding GST (Rs)	CGST (Rs)	SGST (Rs)	IGST (Rs)
(1)	ITC on courier services	5,000	450	450	-
(2)	ITC on railway travelling expenses for conducting of audit of M/s Tirupati Pvt Ltd	12,000	Nil	Nil	600
(3)	ITC on services availed from another professional firm at Mumbai	20,000	1,800	1,800	Nil
Total ITC Available			2,250	2,250	600

ANSWER 2

Part (a) - 5 Marks: Charitable activities provided by an entity registered u/s 12AA of the Income Tax Act, 1961 are exempt from levy of GST. Out of all the activities listed in the question, the following activities are covered within the meaning of 'charitable activities' as given under the GST law:

- Public health by way of care or counseling of terminally ill persons
- Advancement of religion, spirituality or yoga

- Advancement of educational programmes or skill development relating to abandoned, orphaned or homeless children
- Preservation of environment including watershed, forests and wildlife

Computation Of Value Of Taxable Supply Of J.P. Charitable Institution & Its GST Liability (January 2020):

S.No.	Tax Liability	Amount (Rs)
(1)	Membership fees received from members (Not covered within the meaning of 'charitable activities')	10,00,000
(2)	Amount received for advancement of educational programs relating to abandoned or orphaned or homeless children (Covered within the meaning of 'charitable activities')	Exempt
(3)	Amount received for renting of commercial property owned by Trust (Not covered within the meaning of 'charitable activities')	5,00,000
(4)	Amount received for counselling of terminally ill person (Covered within the meaning of 'charitable activities')	Exempt
(5)	Fees charged for Yoga Camp conducted by Trust (Covered within the meaning of 'charitable activities')	Exempt
(6)	Amount received relating to preservation of Forest & Wildlife (Covered within the meaning of 'charitable activities')	Exempt
Value Of Taxable Supply		15,00,000
CGST Liability - Rs 1,35,000; SGST Liability - Rs 1,35,000		

Part (b) - 5 Marks: Section 13 of CGST law provides that in case of supply of services, where tax is payable under forward charge, the time of supply shall be determined as follows:

- If the invoice is issued within 30 days of supply of service, the time of supply shall be the date of invoice or the date of receipt of payment, whichever is earlier.
 - If the invoice is not issued within 30 days of supply of service, the time of supply shall be the date of provision of service or the date of receipt of payment, whichever is earlier.
- (i) Since the invoice is not issued within the prescribed time period of 30 days, the time of supply shall be the date of provision of service (ie, 01.08.2019) or the date of payment, whichever is earlier.
- (ii) Since the invoice is issued within the prescribed time period of 30 days, the time of supply shall be the date of invoice (ie, 07.09.2010) or the date of payment, whichever is earlier.
- (iii) Since the invoice has been raised before the provision of service, the time of supply shall be the date of invoice (ie, 07.09.2019) or the date of payment (ie, 03.08.2019), whichever is earlier. Therefore, the time of supply shall be 03.08.2019.
- (iv) Since the invoice has been raised before the provision of service, the time of supply shall be the date of invoice (ie, 07.09.2019) or the date of payment (ie, 15.09.2019), whichever is earlier. Therefore, the time of supply shall be 07.09.2019.

ANSWER 3**Part (a) - 5 Marks: Computation of Net GST Liability of M/s Maheshwari Corporation Pvt Ltd (June 2019):**

Particulars	Amount (Rs)	CGST (Rs)	SGST (Rs)
Services provided by way of labour contract for repairing a single residential unit otherwise than as a part of residential complex (It is an intra-state transaction) {Services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex are exempt. Labour contracts for repairing are thus, taxable}	1,30,000	11,700	11,700
Intra-state sale of taxable goods including Rs 50,000 received as advance in April 2019. The invoice for the entire sale value is issued on 15 th June 2019.	2,50,000	22,500	22,500

{Time of supply of goods is the time of issue of invoice. So, advance received in April 2019 will also be taxed in June 2019}			
Goods purchased from unregistered dealer on 20 th June 2019 {Assuming that the transaction is not notified u/s 9(4) & 5(4) of CGST Act & IGST Act respectively, no GST is chargeable on these transactions}	80,000	Nil	Nil
Total Output GST Liability		34,200	34,200
Less: ITC of GST paid on GTA services received {Since GTA is paying tax @ 12%, tax is payable under forward charge. Further, ITC of IGST (Rs 1,80,000 × 12% = Rs 21,600) paid on the same is available}	1,80,000	(21,600)	Nil
Net GST Liability		12,600	34,200

Part (b) - 5 Marks: Computation Of ITC Available With Harshgeet Pvt Ltd (July 2019):

S.No.	Tax Liability	Amount (Rs)
(1)	Raw Material (To be received in September 2019) {ITC can be availed only if the goods have been received. Since the goods are received in September 2019, ITC cannot be availed in July 2019}	Nil
(2)	Membership of a club availed for employees working in the factory {Blocked credit in terms of Section 17(5) of the CGST Act, 2017}	Nil
(3)	Inputs to be received in 5 lots, out of which 3 rd lot was received during the month {In case of goods received in lots, ITC can be taken only upon receipt of the last lot}	Nil
(4)	Trucks used for transport of raw material {ITC of GST paid on motor vehicles is allowed only when used, inter alia, for transportation of goods}	40,000
(5)	Capital Goods (out of 3 items, invoice for 2 items is missing & GST paid on those items is Rs 80,000) {ITC of GST paid on items for which invoice is missing is not available; so ITC of Rs 80,000 is not available}	70,000
Total ITC Available		1,10,000

ANSWER 4

Part (a) - 2 Marks: A supplier of Delhi engaged exclusively in supply of goods is liable to get himself registered u/s 22 of CGST Act if his aggregate turnover from supply of goods exceeds Rs 40 lakhs. Further, aggregate turnover, inter alia, means the aggregate value of all taxable supplies as well as exempt supplies.

Thus, in the given case, aggregate turnover would come out to Rs 40,40,000. Since aggregate turnover of the dairy farm in Delhi exceeds Rs 40 lakhs, it is liable to get itself registered u/s 22 of CGST Act.

Part (b) - 2 Marks: No, Amit cannot operate with a single registration in West Bengal if he is making taxable supplies from Tamil Nadu and Punjab also. Every person who is liable to take a registration will have to get himself registered separately for each of the states where he has a business operation and is liable to pay GST. However, if he is not making taxable supplies from Tamil Nadu and Punjab, he can operate with a single registration in West Bengal.

Part (c) - 2 Marks: A registered person, whose aggregate turnover in the preceding financial year did not exceed Rs 1.5 crore in a State/UT (Rs 75 lakhs in case of Specified Special Category States) may opt for composition scheme. However, he shall not be eligible to opt for composition scheme if, inter alia, he is engaged in the supply of services other than restaurant services.

- In the given case, since Mr X is engaged in the supply of consultancy service, he is not eligible to opt for composition scheme. It is assumed that the turnover of consultancy services exceeds the relaxation limit prescribed under the composition law.
- No, it is not possible for Mr X to opt for composition scheme only for showroom as all the registrations under the same PAN have to opt for composition scheme and since the supply of consultancy service is ineligible for composition scheme, supply of readymade garments too becomes ineligible for composition scheme.

Part (d) - 2 Marks: First Point: In case of direct taxes, the person paying the tax to the Government directly bears the incidence of the tax whereas in case of indirect taxes, the person paying the tax to the Government collects the same from the ultimate consumer, i.e. incidence of tax is shifted to the other person.

Second Point: Direct taxes are progressive in nature (i.e., high rate of taxes for people having higher ability to pay). However, indirect taxes are regressive in nature (i.e., all the consumers equally bear the burden, irrespective of their ability to pay).

Part (e) - 2 Marks: Yes. A person, though not liable to be registered u/s 22 or 24 of CGST Act, 2017 may get himself registered voluntarily. Once a person obtains voluntary registration, he has to pay tax even though his aggregate turnover does not exceed the prescribed threshold limit.

ANSWER 5

Part (a) - 4 Marks: Computation Of Net GST Payable In Cash (August 2019):

Particulars	CGST (Rs)	SGST (Rs)	IGST (Rs)
Output GST Liability	24,000	9,000	3,000
Less: Utilization of ITC			
➤ Set-off of IGST liability from IGST credit	-	-	(3,000)
➤ Set-off IGST credit against CGST liability	(9,000)	-	-
➤ Set-off of CGST and SGST credit against CGST and SGST liability respectively	(7,000)	(9,000)	-
Net GST Payable In Cash	8,000	Nil	Nil

Note: Unutilized SGST credit of Rs 5,000 shall be c/f to next period.

Part (b) - 4 Marks: A taxable person who makes an undue or excess claim of input tax credit shall pay interest @ 24% p.a. on such undue or excess claim. The period of interest will be from the date following the due date of payment to the actual date of payment of tax.

- Due date of payment is 20th January, 2020.
- Period for which interest is due = 21st January 2020 to 31st March 2020 = 71 days
- Thus, interest liability = Rs 2,00,000 × 24% × 71/366 = Rs 9,311 (rounded off to nearest rupee)

Part (c) - 2 Marks: A supplier whose aggregate turnover in a financial year exceeds the threshold limit prescribed u/s 22 of CGST Act is liable to apply for registration within 30 days from the date of becoming liable to registration. In the present case, it appears that the applicable threshold limit for Vikas Enterprises of Mumbai is Rs 20 lakhs.

Where the application is submitted within the said period, the effective date of registration is the date on which the person becomes liable to registration; otherwise it is the date of grant of registration.

Since Vikas Enterprises applied for registration within 30 days of becoming liable to registration, the effective date of registration is 25th January 2020.

ANSWER 6

Part (a) - 5 Marks:

- The invoice details of outward supplies required to be furnished in GSTR-1 are name of buyer, GSTIN of buyer, invoice number, date, value, taxable value, rate of tax, amount of tax, HSN code in respect of supply of goods, accounting code in respect of supply of services and place of supply.
- Further, following invoice details of outward supplies are required to be furnished invoice-wise in GSTR-1:
 - Intra-state supplies made to the registered persons
 - Inter-state supplies made to the registered persons
 - Inter-state supplies made to unregistered persons with invoice value exceeding Rs 2,50,000

Part (b) - 5 Marks:

- Credit note is required to be issued by the supplier:
 - If taxable value charged in the tax invoice is found to exceed the taxable value in respect of supply of goods and/or

services;

- If tax charged in the tax invoice is found to exceed the tax payable in respect of supply of goods and/or services;
 - If the quantity charged in the tax invoice is found to exceed the quantity actually made available to the recipient;
 - If goods supplied are returned by the recipient; or
 - If goods and/or services supplied are found to be deficient.
- Debit note is required to be issued by the supplier:
 - If taxable value charged in the tax invoice is found to be less than the taxable value in respect of supply of goods and/or services;
 - If tax charged in the tax invoice is found to be less than the tax payable in respect of supply of goods and/or services; or
 - If the quantity charged in the tax invoice is found to be less than the quantity actually made available to the recipient.

Part (c) - 5 Marks:

- (i) Renting of immovable property would be treated as supply of services.
- (ii) Transfer of right in goods without transfer of title in goods would be treated as supply of services.
- (iii) Works contract services would be treated as supply of services.
- (iv) Temporary transfer of permitting use or enjoyment of any intellectual property right would be treated as supply of services.
- (v) Sale of personal car to dealer would be treated as supply of goods as any transfer of the title in goods is a supply of goods. However, it is important to note that sale of personal car to dealer is not a supply as supply is not made by the individual in the course or furtherance of business.

NOV 2018 NEW COURSE QUESTIONS

ANSWER 1**Part (a) - 6 Marks: Computation Of Total GST Liability Of Mr Thiraj (February 2020):**

Particulars	Amount (Rs)	CGST (Rs)	SGST (Rs)	IGST (Rs)
Intra-state taxable supply of services	5,20,000	46,800	46,800	-
Inter-state supply of services towards conduct of exams in Loveall University, Pune <i>{Since Loveall University provides education recognized by law, it is an educational institution and services provided to an educational institution by way of conduct of examination by such institution are exempt from GST}</i>	16,000	-	-	Exempt
Legal fee paid to lawyer located within state <i>{In case of legal services provided by an advocate to any business entity, GST is payable under reverse charge by the recipient of service}</i>	20,000	1,800 RCM	1,800 RCM	-
Rent paid to State Government for office building <i>{In case of services supplied by State Govt by way of renting of immovable property to a person registered under the CGST Act, GST is payable under reverse charge by the recipient of service}</i>	30,000	2,700 RCM	2,700 RCM	-
Total		46,800 FCM 4,500 RCM	46,800 FCM 4,500 RCM	Nil

Computation Of GST Payable In Cash {February 2020}:

Particulars	CGST (Rs)	SGST (Rs)
RCM Liability (To be discharged in cash only)	4,500	4,500
FCM Liability (After taking ITC of tax paid under reverse charge on legal fees paid to senior advocate and rent of office building to State Government)	42,300	42,300
Total GST Payable In Cash	46,800	46,800

Part (b) - 4 Marks: Computation Of ITC Available With CANWIN Ltd (January 2020):

S.No.	Particulars	GST (Rs)
(i)	Purchase of machinery where debit note is issued <i>{ITC is available if the goods are purchased on the basis of a debit note which is a valid document}</i>	1,15,000
(ii)	Inputs purchased were directly delivered to Mr Joe, a job-worker and a registered supplier <i>{ITC is available upon receipt of goods and where on the directions of the recipient, the goods are delivered by the supplier to a third person, it is deemed that the goods have been received by the recipient}</i>	80,000
(iii)	Computers purchased (Depreciation was claimed on the said GST portion under Income Tax Act, 1961) <i>{Where depreciation has been claimed on the tax component of the cost of capital goods and plant and machinery under the provisions of the Income Tax Act, 1961, the input tax credit on the said tax component is not allowed}</i>	Nil
(iv)	Works contract services availed for construction of staff quarters within the company premises <i>{Input tax credit on works contract services supplied for construction of an immovable property is specifically disallowed except where it is an input service for further supply of works contract service}</i>	Nil
	Total ITC Available	1,95,000

ANSWER 2**Part (a) - 5 Marks:** Computation Of Value Of Taxable Supply And Gross GST Liability Of Ms Achintya (March 2020):

Particulars	Amount (Rs)
List price of the goods	3,30,000
Add: Swachh Bharat Cess (SBC) levied on sale of goods {Any taxes, duties and cesses levied under any law other than the GST law are includible in the value}	12,500
Add: Packing expenses {Packing expenses being incidental expenses, are includible in the value}	10,800
Less: Subsidy received from State Government {Since subsidy is received from the State Government, the same is not includible in the value. It has been assumed that such subsidies are directly linked to the price of the goods. Further, since the same has not been adjusted in the list price, the same is to be excluded from the list price}	(5,000)
Less: Discount @ 1% on list price {Since discount is known at the time of supply, it is deductible from the value}	(3,300)
Value Of Taxable Supply	3,45,000
Gross GST Liability (CGST - Rs 31,050; SGST - Rs 31,050)	62,100

Part (b) - 5 Marks: Refer the relevant theory portion given in the main book.**ANSWER 3****Part (a) - 4 Marks:**

Particulars	CGST (Rs)	SGST (Rs)	IGST (Rs)
Output GST Liability	2,000	15,000	24,000
Less: Utilization of ITC			
➤ IGST	(1,000)	(12,000)	(24,000)
➤ SGST	-	(1,000)	-
Net GST Payable In Cash	1,000	2,000	Nil

Part (b) - 3 Marks:

- (i) Services provided by a goods transport agency, by way of transport in a goods carriage of, inter alia, relief materials meant for victims of inter alia natural or man-made disasters are exempt from GST. Therefore, services provided by M/s Fast Trans will be exempt from GST.
- (ii) Services provided by an organiser to any person in respect of a business exhibition held outside India is exempt from GST. Since in the given case, the exhibition is organized in India, the services of organization of event by Keyan Enterprises will not be exempt from GST.

Part (c) - 3 Marks:

- (i) In case of services provided by any person by way of sponsorship to any body-corporate or partnership firm/LLP, GST is liable to be paid under reverse charge by such body-corporate or partnership firm/LLP located in the taxable territory. Therefore, in the given case, 'We Win Cricket Academy' is liable to pay GST under reverse charge.
- (ii) In case of services provided by Goods Transport Agency (GTA) in respect of transportation of goods by road to, inter alia, any partnership firm whether registered or not under any law, GST is liable to be paid by such partnership firm. Therefore, in the given case, Kapil & Co is liable to pay GST under reverse charge.

ANSWER 4**Part (a) - 3 Marks:**

- (i) The said statement is **FALSE**. Registration under the CGST Act, 2017 can be cancelled by the proper officer, if the voluntarily registered person has not commenced the business within six months from the date of registration.
- (ii) **June 2020 Attempt:** The said statement is **FALSE**. Amount available under one major head cannot be utilised for discharging the liability under any other major head.

Nov 2020 Attempt: The said statement is **TRUE**. Cross-utilization of funds across major/minor heads of electronic cash ledger is permissible.

Part (b) - 5 Marks:

- (i) Where the due date of payment is not ascertainable from the contract, the invoice shall be issued before or at the time when the supplier of service receives the payment. Thus, in the given case, the invoice should be issued on or before 30.03.2020 (ie, the date of receipt of payment by Mr Lakhan).
- (ii) If payment is linked to the completion of an event, the invoice should be issued on or before the date of completion of that event. Since in the given case, payment is linked to the completion of service, invoice should be issued on or before 31.01.2020 (ie, the date of completion of service).
- (iii) Where the due date of payment is ascertainable from the contract, the invoice should be issued on or before the due date of payment. If M/s TNB Limited has to make payment on 25.03.2020 as per the contract between them, the invoice should be issued on or before 25.03.2020.

Part (c) - 2 Marks: A taxpayer can file GSTR-1 under the CGST Act, 2017, only after the end of the current tax period. However, following are the exceptions to this rule:

- Casual taxpayers, after the closure of their business; and
- Cancellation of GSTIN of a normal taxpayer.

ANSWER 5

Part (a) - 5 Marks: As per the provisions of Section 23 of CGST Act, 2017, the persons who are not liable for registration are as under:

- Person engaged exclusively in supplying goods/services/both that are wholly exempt from tax.
- Person engaged exclusively in supplying goods/services/both that are not liable to tax.
- Agriculturist to the extent of supply of produce out of cultivation of land.
- Persons only engaged in making supplies of taxable goods or services or both liable to reverse charge.
- Persons making inter-state supplies of taxable services upto an aggregate turnover of Rs 20 lakhs (Rs 10 lakhs in case of specified states).
- Casual taxable persons making taxable supplies of specified handicraft goods upto the prescribed limit subject to specified conditions.
- Persons making inter-state supplies of specified handicraft goods upto the prescribed limit subject to specified conditions.
- Persons making supplies of services through an electronic commerce operator (other than supplies specified u/s 9(5) of the CGST Act) upto an aggregate turnover of Rs 20 lakhs (Rs 10 lakhs in case of specified states).

Part (b) - 5 Marks:

- (i) Mr Allan, being a non-resident taxable person, should apply for registration, irrespective of the threshold limit, at least 5 days prior to the commencement of business.
- (ii) No, PAN is not mandatory for his registration. He has to submit a self-attested copy of his valid passport along with the application signed by his authorized signatory who is an Indian Resident having valid PAN.
However, in case of a business entity incorporated or established outside India, the application for registration shall be submitted along with its tax identification number or unique number on the basis of which the entity is identified by the Government of that country or its PAN, if available.
- (iii) Registration certificate granted to Mr Allan will be valid for:
 - Period specified in the registration application, or
 - 90 days from the effective date of registration whichever is earlier.
- (iv) Yes, Mr Allan can get the validity of his registration extended. Registration can be extended further by a period not exceeding 90 days.

Part (c) - 5 Marks:

- (i) The central levies which are subsumed in GST are as under:
- Central Excise Duty & Additional Excise Duties
 - Service Tax
 - Excise Duty under Medicinal & Toilet Preparation Act
 - CVD
 - Special CVD
 - Central Sales Tax
 - Central surcharges and cesses in so far as they relate to supply of goods & services
- (ii) The input tax credit as self-assessed in the return of a registered person shall be credited to his electronic credit ledger which may be used for making any payment towards "Output Tax". "Output Tax" inter alia excludes tax payable on reverse charge basis. Thus, Ms Jimmy cannot adjust input tax credit for payment of interest, penalty as also for payment of tax under reverse charge.

JUNE 2019 OLD COURSE QUESTIONS

ANSWER 1 (8 Marks)

Computation Of Total GST Liability Of Mr Uttam Kumar {October 2019}:

Particulars	Amount (Rs)	CGST (Rs)	SGST (Rs)
Intra-state taxable supply of service	6,40,000	57,600	57,600
Add: Amount received from Kapola Pvt Ltd for service provided to company, being intra-state transaction {Services supplied by a director of a company to the said company are taxable under reverse charge and thus, the tax leviable thereon will be paid by the company and not Mr Uttam Kumar}	5,00,000	Nil	Nil
Add: Legal fee paid to senior advocate for one legal matter within the state, being intra-state transaction {Services provided by a senior advocate by way of legal services are taxable under reverse charge and thus, the tax leviable thereon will be paid by Mr Uttam Kumar}	50,000 RCM	4,500 RCM	4,500 RCM
Add: Amount received for services provided as a commentator to a local recognized sports body, being intra-state transaction {Services provided to a recognized sports body by an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a recognized sports body is exempt from GST. However, services provided as a commentator to a local recognized sports body is taxable}	1,20,000	10,800	10,800
Add: Amount received for acting as a coach in recreational activities relating to sports from one local charitable entity registered u/s 12AA of the Income Tax Act, 1961, being intra-state transaction {Services by way of coaching in recreational activities relating to sports by charitable entities registered u/s 12AA of the Income Tax Act are exempt from GST}	30,000	Nil	Nil
Total		68,400 FCM 4,500 RCM	68,400 FCM 4,500 RCM

Computation Of GST Payable In Cash {October 2019}:

Particulars	CGST (Rs)	SGST (Rs)
RCM Liability (To be discharged in cash only)	4,500	4,500
FCM Liability (After taking ITC of tax paid on legal fees paid to senior advocate)	63,900	63,900
Total GST Payable In Cash	68,400	68,400

ANSWER 2

Part (a) - 5 Marks: Computation Of Taxable Value Of Supply Of Machinery:

Particulars	Amount (Rs)
Price of machinery (exclusive of taxes and discounts)	5,50,000
Add: Amount paid by Ghisa Ltd directly to the supplier for a part fitted in the machinery {Any amount that the supplier is liable to pay in relation to a supply but which has been incurred by the recipient of the supply and not included in the price shall be included in the value of supply}	20,000
Add: Installation and testing charges {Any amount charged for anything done by the supplier in respect of the supply of goods at the time of or before delivery of goods shall be included in the value of supply}	25,000
Less: Discount 2% on machinery price [Rs 5,50,000 × 2%] {Since discount is given at the time of supply of machinery and recorded in the invoice, the value of the supply shall not include such discount}	(11,000)
Less: Additional 1% discount at year end {Though the additional discount is established before or at the time of supply, it shall not be excluded from the value of supply on the assumption that the same is not linked to the relevant invoice and proportionate ITC has not been reversed by Ghisa Ltd}	Nil
Value Of Taxable Supply	5,84,000

Part (b) - 4 Marks: Computation Of ITC Available With Jamku Ltd (October 2019)

S.No.	Particulars	Amount (Rs)
(i)	Purchase of raw spices used for furtherance of spices {Every registered person is entitled to take credit of input tax charged on any supply of goods to him which are used or intended to be used in the course or furtherance of his business}	50,000
	Purchase of raw spices used for personal use of directors {ITC is not available on goods used for personal consumption}	Nil
(ii)	Electric machinery purchased to be used in the manufacturing process {Every registered person is entitled to take credit of input tax charged on any supply of goods to him which are used or intended to be used in the course or furtherance of his business}	25,000
(iii)	Motor vehicle used for transportation of the employee {ITC on motor vehicles can be availed, inter alia, when they are used for making the taxable supply of transportation of passengers. In the given case, since the supplier is in the business of spices, it cannot avail credit on motor vehicles used for transportation of the employee. Thus, ITC on motor vehicle used for transportation of the employee is blocked credit} - Assumed that the seating capacity of the vehicle including driver ≤ 13 persons	Nil
(iv)	Payment made for material and to contractor for construction of staff quarter {ITC is not available on goods or services or both received by a taxable person for construction of an immovable property (other than plant or machinery) on his own account including when such goods or services or both are used in the course or furtherance of business}	Nil
Total Eligible ITC		75,000

ANSWER 3**Part (a) - 5 Marks:**

- (i) Section 24 of CGST Act provides that persons making any inter-state taxable supply of goods are required to obtain registration compulsorily under GST laws irrespective of the quantum of aggregate turnover. However, an agriculturist, to the extent of supply of produce out of cultivation of land, is not liable to registration. Further, any person engaged exclusively in the business of supplying exempted goods is not liable to registration.
- Assuming that Meenu is engaged exclusively in cultivation and supply of potatoes and since potatoes are exempted goods, she is not liable to registration irrespective of the fact that she is engaged in making inter-state supply and her turnover exceeds the threshold limit.
- (ii) As per Section 22 of CGST Act, if the aggregate turnover of a person exceeds the threshold limit in a financial year, the person is liable for registration. Aggregate turnover includes turnover of taxable as well as non-taxable goods.
- The aggregate turnover of Jinu Oils would come out to Rs 45 lakhs (taxable turnover of Rs 20 lakhs pertaining to oil and non-taxable turnover of Rs 25 lakhs pertaining to petrol). Accordingly, Jinu Oils is liable to obtain registration because its turnover exceeds the threshold limit of Rs 40 lakhs prescribed for the state of Gujarat.
- (iii) Section 24 of the CGST Act provides that persons who make taxable supply of goods and/or services on behalf of other taxable persons (whether as an agent or otherwise) are required to obtain registration compulsorily under GST laws irrespective of the quantum of aggregate turnover. Therefore, Tilu will be mandatorily required to obtain registration.

Part (b) - 4 Marks: In case of continuous supply of services, the time of issue of invoice shall be determined as follows:

- Where due date of payment is ascertainable from the contract, the invoice shall be issued on or before the due date of payment.
- Where due date of payment is not ascertainable from the contract, the invoice shall be issued before or at the time when the supplier of service receives the payment
- Where payment is linked to the completion of an event, the invoice shall be issued on or before the date of completion of that event.

In view of the aforesaid provisions, time of issue of invoice will be as follows in the given different circumstances:

- (i) If it is mentioned in contract that Khotu Ltd has to make payment on 05.11.2019, the invoice shall be issued on or before 05.11.2019.
- (ii) If terms of payment are not mentioned in AMC and are also not agreed by both the parties, the invoice shall be issued on or before 31.10.2019.

ANSWER 4

Part (a) - 5 Marks:

- (i) A registered person who is engaged in manufacture of, inter alia, ice cream and pan masala, is not eligible to opt for composition levy even if his aggregate turnover does not exceed Rs 1.5 crore. Therefore, in the given case, Ketu is not eligible to opt for composition levy.
- (ii) The option to pay tax under composition levy availed of by a registered person lapses with effect from the day on which his aggregate turnover during a financial year exceeds the threshold limit of Rs 1.5 crore. He needs to pay tax under normal scheme from that day. Since in the given case, the turnover of Jadhu crosses Rs 1.5 crore on 10.02.2020, he cannot continue under composition scheme from that day.
- (iii) Where a person has multiple registrations under the same PAN, the registered person shall not be eligible to opt for composition scheme unless all the persons registered under the same PAN opt to pay tax under composition scheme. In other words, all the registrations under the same PAN have to opt for composition scheme. In view of the same, in the given case, X Ltd cannot continue with composition scheme only for branch L.

Part (b) - 4 Marks:

- (i) GSTR-1 needs to be filed even if there is no business activity in the tax period (Nil Return). Therefore, in the given case, even though Mr Kolly was out of India and thus had not done any transaction during February 2020, he is still required to file GSTR-1 for the said month.
- (ii) A person paying tax under composition scheme is not liable to furnish the details of outward supplies in GSTR-1. Further, in cases where a taxpayer has been converted from a normal taxpayer to composition taxpayer, GSTR-1 is to be filed only for the period during which the taxpayer was registered as normal taxpayer. Therefore, in the given case, Mr Kaji is not liable to file GSTR-1 for February 2020 since he had already shifted to composition scheme on 15.01.2020.
- (iii) Filing of returns prescribed u/s 39 for current month is possible only when returns of the previous month have been filed. However, there is no specific bar under the law on filing of GSTR-1 (prescribed u/s 37) for current month when GSTR-1 for the previous month has not been filed. Therefore, in the given case, Mrs Zeel can file GSTR-1 for July 2019 even though she has not filed GSTR-1 for the preceding month, ie June 2019.

ANSWER 5

Part (a) - 4 Marks: Consignment note means a document, issued by a Goods Transport Agency (GTA) against the receipt of goods for the purpose of transport of goods by road in a goods carriage, which is serially numbered. The contents of consignment note are as follows:

- Gross weight of the consignment;
- The name of the consignor and consignee (any one);
- Registration number of the goods carriage in which the goods are transported;
- Details of the goods transported;
- Details of the place of origin and destination;
- GST IN of the person liable for paying tax; and
- Other information as prescribed for a tax invoice under Rule 46 of CGST Rules, 2017.

Part (b) - 4 Marks: Non-performance of a contract is the failure to fulfill the obligations under a contract. It is generally one of the conditions stipulated in any contract for supply of goods/services. The agreement entered into between the parties stipulates that both the service provider and service recipient abide by the terms and conditions of the contract. In case any of the parties breach the contract for any reason including non-performance of the contract, then such person is liable to pay damages in the form of fines or penalty to the other party.

Tolerating non-performance of a contract in lieu of damages or fines is a supply in terms of Section 7 of the CGST Act as it is made for a consideration by a person in the course or furtherance of business. Further, tolerating non-performance of a contract is treated as a supply of service in terms of Section 7 read with Schedule II of CGST Act.

However, in case of supplies to Government, non-performance of contract by the supplier of service for which consideration in the form of fines or liquidated damages is payable is exempt from GST.

Part (c) - 5 Marks: Electronic Ledgers or E-Ledgers, ie Electronic Cash Ledger and Electronic Credit Ledger, are statements of cash and input tax credit in respect of each registered taxpayer. In addition, each taxpayer shall also have an electronic tax liability register. The entries to be debited to electronic liability register are as follows:

- All amounts payable towards tax, interest, late fee and any other amount as per return filed;
- All amounts payable towards tax, interest, penalty and any other amount determined in a proceeding by an Assessing authority or as ascertained by the taxable person;
- The amount of tax and interest payable due to mismatch; and
- Any amount of interest that may accrue from time to time.

JUNE 2019 NEW COURSE QUESTIONS

ANSWER 1 (8 Marks)

Computation Of Output GST Liability Of Mr Himanshu {September 2019}:

Particulars	Amount (Rs)	CGST (Rs)	SGST (Rs)	IGST (Rs)
Intra-state taxable supply of goods	25,00,000	2,25,000	2,25,000	-
Inter-state taxable supply of goods	5,00,000	-	-	90,000
Total		2,25,000	2,25,000	90,000

Computation Of Input GST Credit Of Mr Himanshu {September 2019}:

Particulars	Amount (Rs)	CGST (Rs)	SGST (Rs)	IGST (Rs)
Opening ITC (As Brought Forward)	-	95,000	60,000	50,000
Intra-state purchase of goods from registered dealer {Assumed that inward supply of goods is used/intended to be used in the course/furtherance of his business}	14,00,000	1,26,000	1,26,000	-
Inter-state purchase of goods from registered dealer {Assumed that inward supply of goods is used/intended to be used in the course/furtherance of his business. A registered person is entitled to avail credit in respect of supply of goods to only if he has actually received the said goods. Since goods worth Rs 1,00,000 have not been received in the month of September 2019, credit in respect of same cannot be claimed in the said month}	3,00,000	-	-	54,000
Intra-state purchase of goods from unregistered dealer {Assuming that the transaction is not covered within the scope of Section 9(4) of CGST Act, no tax is payable on this transaction}	2,00,000	-	-	-
Purchase of car used for business purpose {Tax paid on capital goods cannot be availed as ITC if depreciation has been claimed on such tax component. Moreover, ITC on motor vehicle (car) is blocked u/s 17(5) of CGST Act}	-	-	-	-
Total		2,21,000	1,86,000	1,04,000

Computation Of Net GST Payable In Cash {September 2019}:

Particulars	CGST (Rs)	SGST (Rs)	IGST (Rs)
Output GST Liability	2,25,000	2,25,000	90,000
Less: Utilization of ITC			
➤ IGST	-	(14,000)	(90,000)
➤ CGST	(2,21,000)	-	-
➤ SGST	-	(1,86,000)	-
Net GST Payable In Cash	4,000	25,000	Nil

ANSWER 2

Part (a) - 6 Marks: Computation Of Value Of Taxable Supply:

S.No.	Particulars	Amount Excluding GST (In Crores)
(i)	Extended housing loan to its customers {Since money does not constitute goods, extending housing loan is not a supply}	Nil
(ii)	Processing fees collected from its customers on sanction of loan {Interest does not include processing fee on sanction of the loan; hence the same is taxable}	20
(iii)	Commission collected from its customers on bank guarantee {Any commission collected over and above interest on loan, advance or deposit is taxable}	30

(iv)	Interest income on credit card issued by the bank {Services by way of extending loans in so far as the consideration is represented by way of interest are exempt from tax. However, interest involved in credit card services is taxable}	40
(v)	Interest received on housing loan extended by the bank {Services by way of extending loans in so far as the consideration is represented by way of interest are exempt from tax}	Nil
(vi)	Minimum balance charges collected from current account and saving account holder {Any charges collected over and above interest on loan, advance or deposit are taxable}	1
Value Of Taxable supply		91

Part (b) - 4 Marks:

- (i) Service by an unincorporated body or a registered non-profit entity, to its own members by way of share of contribution up to an amount of Rs 7,500 per month per member for sourcing of goods/services from a third person for the common use of its members in a housing society or residential complex, is exempt. In the given case, monthly contribution per month per member received by Gokul Residents' Welfare Association shall be taxable as the same exceeds Rs 7,500.
- (ii) Services by an artist by way of a performance in folk or classical art forms of music, dance, or theatre, if the consideration charged for such performance is not more than Rs 1,50,000 are exempt from GST.
- In the given case, since the consideration received by the performing artist Mr Vikalp for performance of classical dance is more than Rs 1,50,000, said services are taxable.
 - Further, consideration received for acting in TV serial is also taxable since said performance is not in folk/classical art forms of theatre.

ANSWER 3**Part (a) - 4 Marks:**

- (i) A registered person supplying taxable goods shall issue a tax invoice, before or at the time of removal of goods for supply to the recipient, where the supply involves movement of goods. Therefore, in the given case, invoice has to be issued on or before, 11th October 2019 (ie, the time of removal of goods).
- (ii) A registered person (other than an insurer/banking company/financial institution, including an NBFC) supplying taxable services shall issue a tax invoice before or after the provision of service, but within a period of 30 days from the date of supply of service. Thus, in the given case, invoice has to be issued within 30 days of 5th June 2019 (date of supply of service), ie the invoice should be issued on or before 5th July 2019.

Part (b) - 2 Marks:

June 2020 Attempt: The cash available in any minor head of a major head cannot be utilised for any other minor head of the same major head. Therefore, in the given case, amount of Rs 10,000 available under minor head 'tax' of major head 'SGST' cannot be utilised for payment of liability of Rs 2,000 under minor head 'interest' of the same major head.

Nov 2020 Attempt: Cross-utilization of funds across major heads and/or minor heads of electronic cash ledger is permissible under law. Therefore, in the given case, amount of Rs 10,000 available under minor head 'tax' of major head 'SGST' can be utilised for payment of liability of Rs 2,000 under minor head 'interest' of the same major head.

Part (c) - 4 Marks:

- (i) Person making any inter-state taxable supply of goods is required to obtain registration compulsorily under GST laws irrespective of the quantum of aggregate turnover. Thus, in the given case Mr Raghav is required to obtain registration compulsorily under GST laws even though his aggregate turnover does not exceed the threshold limit.
- (ii) Persons who make taxable supply of goods on behalf of other taxable persons whether as an agent or otherwise are required to obtain registration compulsorily under GST laws irrespective of the quantum of aggregate turnover. Aggregate turnover includes all supplies made by the taxable person, whether on his own account or made on behalf of all his principals. Accordingly, the aggregate turnover of Mr S.N. Gupta shall come out to Rs 41 lakhs.
- Therefore, Mr S.N. Gupta shall be required to obtain registration compulsorily under GST laws as he is acting as an agent of Mr Rishi and moreover his aggregate turnover exceeds the threshold limit of Rs 40 lakhs.

ANSWER 4

Part (a) - 5 Marks: A registered person shall not be eligible to opt for composition scheme if:

- He is engaged in supply of services other than restaurant or catering services;
- He is engaged in supply of goods not leviable to GST (alcoholic liquor for human consumption and five petroleum products);
- He is engaged in inter-state outward supplies of goods;
- He is engaged in supply of goods through an electronic commerce operator; or
- He is a manufacturer of notified goods (ie, ice-cream, pan-masala, aerated waters and tobacco).

Part (b) - 5 Marks:

- Credit note is required to be issued by the supplier:
 - If taxable value charged in the tax invoice is found to exceed the taxable value in respect of supply of goods and/or services;
 - If tax charged in the tax invoice is found to exceed the tax payable in respect of supply of goods and/or services;
 - If the quantity charged in the tax invoice is found to exceed the quantity actually made available to the recipient;
 - If goods supplied are returned by the recipient; or
 - If goods and/or services supplied are found to be deficient.
- Debit note is required to be issued by the supplier:
 - If taxable value charged in the tax invoice is found to be less than the taxable value in respect of supply of goods and/or services;
 - If tax charged in the tax invoice is found to be less than the tax payable in respect of supply of goods and/or services; or
 - If the quantity charged in the tax invoice is found to be less than the quantity actually made available to the recipient.

Part (c) - 5 Marks:

- (i) Casual taxable person ('CTP') means a person who occasionally undertakes transactions involving supply of goods and/or services in the course or furtherance of business, whether as principal, agent or in any other capacity, in a State/UT where he has no fixed place of business.
- (ii) No, a casual taxable person cannot opt for the composition scheme.
- (iii) CTP is liable to obtain registration compulsorily under GST laws, at least 5 days prior to the commencement of business.
- (iv) The registration certificate issued to a casual taxable person will be valid for:
 - the period specified in the registration application; or
 - 90 days from the effective date of registration, whichever is earlier.
- (v) Yes, the validity of registration certificate issued to a casual taxable person can be extended further for a maximum period of 90 days.

NOV 2019 OLD COURSE QUESTIONS

ANSWER 1 (8 Marks)**Computation Of Value Of Taxable Supply (April 2019):**

Particulars	Amount (Rs)
Tuition fee received from students pursuing management courses recognized by Punjab University, established by an Act of State Legislature <i>{Services provided by an educational institution to its students are exempt. Further, educational institution means inter alia an institution providing services by way of education as a part of a curriculum for obtaining a qualification recognised by an Indian law. Therefore, tuition fee received by Punjab University, being an educational institution, is exempt, since it provides qualification recognised by Indian law}</i>	Nil
Tuition fee received from students pursuing undergraduate courses recognized by Stan University, London under Dual Degree programmes <i>{Tuition fee received by Stan University is taxable since Stan University is not an educational institution as qualification provided by it is not recognised by Indian law}</i>	8,50,000
Fee received from students of Competitive Exam training academy run by a Department of AIM <i>{Fee received from students of competitive exam training academy is taxable as Department of AIM is not an educational institution since competitive exam training does not lead to grant of a recognized qualification}</i>	5,40,000
Mess fees received from students (Mess is run by AIM on its own) <i>{Catering services provided by educational institutions to its students are exempt. It has been assumed that the mess fees has been charged from the students pursuing the qualification recognised by law}</i>	Nil
Value of Taxable Supply	13,90,000

Computation Of Total GST Liability Of Alfa Institute of Management (April 2019):

Particulars	Amount (Rs)	CGST (Rs)	SGST (Rs)
GST liability under forward charge (9% CGST & 9% SGST)	13,90,000	1,25,100	1,25,100
Rent paid to Local Municipal Corporation <i>{GST is payable under reverse charge in case of renting of immovable property services supplied by a local authority to a registered person}</i>	50,000	4,500 RCM	4,500 RCM
Legal services received from Top Care & Co, a partnership firm of advocates <i>{GST is payable under reverse charge in case of legal services supplied by a firm of advocates to a business entity}</i>	20,000	1,800 RCM	1,800 RCM
Total		1,25,100 FCM 6,300 RCM	1,25,100 FCM 6,300 RCM

Computation Of GST Payable In Cash (April 2019):

Particulars	CGST (Rs)	SGST (Rs)
RCM Liability (To be discharged in cash only)	6,300	6,300
FCM Liability (After taking ITC of tax paid under reverse charge on legal fees paid to firm of advocates and rent paid to local municipal corporation)	1,18,800	1,18,800
Total GST Payable In Cash	1,25,100	1,25,100

ANSWER 2**Part (a) - 5 Marks: Computation Of Input Tax Credit (ITC) Available With Dina Ltd (March 2020):**

S.No.	Particulars	Amount (Rs)
(i)	Purchase of iron which is used as a raw material {Goods were received in two instalments, first one in March 2020 and the second instalment was received in April 2020} <i>{When inputs are received in instalments, ITC can be availed only on the receipt of last instalment. Hence, since last instalment is received in April 2020, ITC cannot be availed in March 2020}</i>	Nil

(ii)	Purchase of accessories which were delivered directly to the dealers of the company. Only invoice was received by Dina Ltd <i>{Goods delivered to another person on the direction of the registered person by way of transfer of documents of title or otherwise, either before or during the movement, are deemed to have been received by such registered person. Thus, ITC is available to the registered person, on whose order/direction the goods are delivered to a third person}</i>	90,000
(iii)	Purchase of bus (seating capacity 15) for the transportation of employees from their residence to company and back <i>{ITC on motor vehicles for transportation of persons with seating capacity > 13 persons (including the driver) used for any purpose is allowed}</i>	1,97,000
(iv)	Input tax credit on general insurance taken on a car used by executives of the company for official purposes <i>{ITC on motor vehicles for transportation of persons with seating capacity ≤ 13 persons (including the driver) is blocked except when the same are used for (a) making further taxable supply of such motor vehicles (b) making taxable supply of transportation of passengers (c) making taxable supply of imparting training on driving such motor vehicles. Further, ITC is not allowed on services of general insurance relating to such ineligible motor vehicles. Since, the car is not used for any of the eligible purposes, ITC thereon is blocked and thus, ITC on general insurance taken on such car is also blocked}</i>	Nil
(v)	Payment made to M/s Tasty Caterers for providing daily breakfast & lunch to the employees of the company, as a voluntary staff welfare measure <i>{ITC on outdoor catering is blocked except (a) in the case of sub-contracting, ie when such service is used by the taxpayer who is in the same line of business (b) when such service is provided by the employer to its employees under a statutory obligation. Since the company is not an outdoor caterer and it is providing such services to its employees as a voluntary staff welfare measure, ITC on such outdoor catering services is blocked}</i>	Nil
Total ITC Available		2,87,000

Part (b) - 4 Marks:

- (i) Tax on services supplied by a recovery agent to a non-banking financial company is payable under reverse charge by such non-banking financial company. Therefore, in the given case, person liable to pay GST is the NBFC - Newton Credits Ltd.
- (ii) The time of supply of services where GST is payable on reverse charge basis is earlier of the following:
- Date of payment as entered in the books of account of the recipient (18th April 2020);
 - Date on which the payment is debited in his bank account (20th April 2020); and
 - Date immediately following 60 days since issue of invoice by the supplier (8th April 2020).

Thus, time of supply of service is 8th April 2020.

ANSWER 3**Part (a) - 5 Marks:**

- (i) The registered supplier (ie, Kartik & Co) is required to issue a debit/credit note in each of the circumstances as explained in point (ii).
- (ii) **First Situation:** A credit note is required to be issued as the taxable value in invoice exceeds the actual taxable value. The credit note should be issued for the excess value of supply charged in the invoice, ie, Rs 20,000.

Second Situation: A debit note is required to be issued as the tax charged in the invoice is less than the actual tax payable. The debit note should be issued for the amount of tax which is charged less, ie Rs 36,000.

Third Situation: A debit note is required to be issued as the value of supply charged in the invoice is less than the actual value. The debit note should be issued for the amount of value which is charged less, ie Rs 1,00,000.

- (iii) The details of the credit note cannot be declared later than the return for the month of September following the end of the financial year in which such supply was made or the date of furnishing of the relevant annual return, whichever is earlier.

Part (b) - 4 Marks:

- (i) Registration is compulsory for suppliers engaged in inter-state supply. However, threshold exemption of Rs 20 lakhs (Rs 10 lakhs in case of Specified Special Category States) is available in case of inter-state supply of taxable services. Therefore, Aadhav Computers (aggregate turnover Rs 15 lakh) is not required to obtain registration as it is engaged in inter-state supply of taxable services and thus, is eligible for threshold exemption of Rs 20 lakhs applicable for Gujarat.
- (ii) The threshold limit for registration in the State of West Bengal for the persons engaged exclusively in supply of goods is Rs 40 lakhs. However, registration is compulsory if the supplier is engaged inter-state supply of goods. The threshold exemption of Rs 20 lakhs/Rs 10 lakhs available in case of inter-state supply of taxable services is not available in case of inter-state supply of taxable goods. Thus, Soft Wings is required to obtain registration.

ANSWER 4

Part (a) - 5 Marks:

- (i) The registered persons, whose aggregate turnover in the preceding financial year did not exceed Rs 1.5 crores, may opt to pay tax under composition levy. The scheme can be availed by an intra-state supplier of goods and supplier of restaurant service.
- However, the composition scheme permits supply of marginal services (other than restaurant services) for a specified value along with the supply of goods and restaurant service, as the case may be.
- Thus, M/s United Electronics can opt for composition scheme for FY 2019-20 as its aggregate turnover is less than Rs 1.5 crore in FY 2018-19 and it is not engaged in inter-state outward supplies.
- (ii) The registered person opting for composition scheme can also supply services (other than restaurant services) in the current financial year for a value up to 10% of the turnover in the preceding year or Rs 5 lakhs, whichever is higher.
- Thus, M/s United Electronics can supply repair and maintenance services up to a value of Rs 12 lakhs (10% of Rs 120 lakhs or Rs 5 lakhs, whichever is higher) in FY 2019-20.

Part (b) - 4 Marks: Interest is payable in case of delayed payment of tax @ 18% per annum from the date following the due date of payment to the actual date of payment of tax. Thus, the amount of interest payable by Mr Alok shall be as under:
Period of delay = 21st February 2020 to 15th April 2020 = 55 days.
Hence, amount of interest = Rs 36,500 × 18% × 55 days/366 days = Rs 987

ANSWER 5

Part (a) - 4 Marks: The services provided by an old age home to its residents are exempt if the following conditions are fulfilled:

- The old age home is run by Central Government, State Government or an entity registered u/s 12AA of the Income Tax Act, 1961.
- The consideration charged is upto Rs 25,000 per month per member.
- The consideration charged is inclusive of charges for boarding, lodging and maintenance.
- The residents of the old age home are aged 60 years or more.

Part (b) - 4 Marks: The documents based on which ITC is taken should contain at least the following details:

- Amount of tax charged
- Description of goods or services
- Total value of supply of goods and/or services
- GSTIN of the supplier and recipient
- Place of supply in case of inter-state supply

Part (c) – 5 Marks:

- (i) The late fee levied for delay in filing final return is lower of the following two figures:
- Rs 100 for every day during which such failure continues; or
 - Rs 5,000.
- (ii) The late fee levied for delay in filing annual return is lower of the following two figures:
- Rs 100 for every day during which such failure continues; or
 - 0.25% of the turnover of the registered person in the State/Union Territory.



NOV 2019 NEW COURSE QUESTIONS

ANSWER 1 (8 Marks)**Computation Of Output GST Liability Of M/s Grey {April 2019}:**

Particulars	Amount (Rs)	CGST (Rs)	SGST (Rs)	IGST (Rs)
Inter-state supply of goods	1,00,000			18,000
Intra-state supply of 500 packets of detergents along with a plastic bucket {Supply of detergent and bucket together with a single price of Rs 400 is a mixed supply. Being a mixed supply comprising of two supplies, it shall be treated as supply of that particular supply that attracts highest rate of tax, ie 28%}	2,00,000 (500 × 400)	28,000	28,000	-
Supply of online educational journal to private coaching centre {Supply of online educational journal is exempt only when the same is provided to an educational institution which provides a qualification recognised by law. Since the private coaching centre does not provide any recognised qualification, the supply of online educational journals to the same will be taxable}	50,000	4,500	4,500	-
Total		32,500	32,500	18,000

Computation Of Input GST Credit Of M/s Grey {April 2019}:

Particulars	Amount (Rs)	CGST (Rs)	SGST (Rs)	IGST (Rs)
Opening ITC (As Brought Forward)	-	5,000	5,000	40,000
Inter-state purchase of goods {ITC can be taken only on the basis of a valid tax paying document. Thus, ITC will not be available on goods for which the invoice is missing}	50,000	-	-	9,000
Repairing of bus with seating capacity of 20 passengers {ITC on motor vehicles for transportation of persons with seating capacity exceeding 13 persons (including the driver) used for any purpose is allowed. Further, ITC is allowed on repair and maintenance services relating to motor vehicles, ITC on which is allowed}	50,000	4,500	4,500	-
Total		9,500	9,500	49,000

Computation Of Net GST Payable In Cash {April 2019}:

Particulars	CGST (Rs)	SGST (Rs)	IGST (Rs)
Output GST Liability	32,500	32,500	18,000
Less: Utilization of ITC			
➤ Set-off of IGST liability from IGST credit			(18,000)
➤ Set-off IGST credit against CGST and SGST liability in any order and in any proportion	(23,000)	(8,000)	-
➤ Set-off of CGST and SGST credit against CGST and SGST liability respectively	(9,500)	(9,500)	-
Net GST Payable In Cash	Nil	15,000	Nil

ANSWER 2**Part (a) - 6 Marks: Computation Of Aggregate Turnover Of Mr Zafar Of Assam For FY 2018-19:**

S.No.	Particulars	Amount (Rs in lakhs)
(i)	Value of taxable outward supplies (Out of Rs 50 lakhs, Rs 10 lakhs was in course of inter-state transactions) {Value of all taxable supplies including inter-state supplies are includible in aggregate turnover}	50.00

(ii)	Value of exempt supplies (Out of Rs 70 lakhs, Rs 30 lakhs was received as interest on loans & advances) {Value of exempt supplies is includible in aggregate turnover. However, value of supply of exempt services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount, though exempt, is not includible in aggregate turnover for determining eligibility for composition scheme}	40.00
(iii)	Value of inward supplies on which he is liable to pay tax under reverse charge {Excludible from aggregate turnover}	-
(iv)	Value of exports {Includible in aggregate turnover}	5.00
Aggregate Turnover For Determining Eligibility For Composition Scheme		95.00

A registered person of Assam is eligible to opt for composition levy if his aggregate turnover does not exceed Rs 1.5 crore in the preceding financial year provided he is not engaged in inter-state outward supplies of goods. Therefore, in the given case, assuming that he is not engaged in making any inter-state outward supply of goods in FY 2019-20, Mr Zafar is eligible to opt for composition levy for FY 2019-20 since his aggregate turnover does not exceed Rs 1.5 crore in FY 2018-19.

Part (b) - 4 Marks: GST on supply of services by an author 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 original literary works to a publisher is payable under reverse charge by such publisher, ie Know & Grow Publishers.

The time of supply of service, on which GST is payable under reverse charge, is earlier of the following two dates:

- Date of payment; or
 - 61st day from the date of issue of invoice by the supplier.
- (i) If the invoice is issued on 06.10.2019, time of supply shall be as under:
- For the payment of Rs 50,000 - 05.09.2019 {earlier of date of payment and 61st day from the date of issue of invoice}
 - For the payment of Rs 1,50,000 - 06.12.2019 {earlier of date of payment and 61st day from the date of issue of invoice}
- (ii) If the invoice is issued on 17.12.2019, time of supply shall be as under:
- For the payment of Rs 50,000 - 05.09.2019 {earlier of date of payment and 61st day from the date of issue of invoice}
 - For the payment of Rs 1,50,000 - 12.12.2019 {earlier of date of payment and 61st day from the date of issue of invoice}

ANSWER 3

Part (a) - 5 Marks:

- (i) A person is eligible for enhanced threshold limit of Rs 40 lakhs in the State of Jammu and Kashmir if he is engaged exclusively in intra-state supply of goods. However, the enhanced threshold limit is not applicable if the person is engaged, inter alia, in the supply of pan masala and tobacco and manufactured tobacco substitutes. In that case, the normal threshold limit of Rs 20 lakhs will be applicable.

In view of the said provisions, in the given case, Mr Ahmad is liable to get himself registered under GST law since his aggregate turnover (Rs 24 lakhs) exceeds the applicable threshold limit for registration of Rs 20 lakhs.

- (ii) The enhanced threshold limit of Rs 40 lakhs as applicable to a person engaged exclusively in intra-state supply of goods, is not applicable to Mizoram (a specified Special Category State). Instead, a lower threshold limit of Rs 10 lakhs for registration is applicable for Mizoram. Thus, in the given case, Mr Lepcha of Mizoram is liable to get himself registered under GST law since his aggregate turnover (Rs 13 lakhs) exceeds the applicable threshold limit for registration of Rs 10 lakhs.

The enhanced threshold limit of Rs 40 lakhs is also specifically not applicable in the state of Meghalaya. Instead, the normal threshold limit of Rs 20 lakhs for registration is applicable to it. Therefore, if Mr Lepcha is located in Meghalaya, he is not liable to get himself registered under GST law since his aggregate turnover (Rs 13 lakhs) does not exceed the applicable threshold limit for registration of Rs 20 lakhs.

Part (b) - 5 Marks: In the given scenario, only one e-way bill is required to be issued.

Part A can be filled by either Mr Shah or recipient of goods or Mehta Transporter on the appropriate authorisation. Where the goods are transferred from one conveyance to another, the consignor or the recipient, who has provided information in Part A, or the transporter shall, before such transfer and further movement of goods, update the details of conveyance in the e-way bill on the common portal in Part B. Thus, on reaching Kheda, Mr Shah or the recipient of the goods,

who has filled Part A of the e-way bill, or Mehta Transporter can, before the transfer and further movement of goods, update the details of conveyance in Part B of the e-way bill.

Further, the consignor or the recipient, who has furnished the information in Part A, or the transporter, may assign the e-way bill number to another registered or enrolled transporter for updating the information in Part B for further movement of the consignment. Thus, on reaching Kheda, Mr Shah or the recipient of the goods, or Mehta Transporter can assign the said e-way bill to Parikh Transporter who will thereafter update the details of conveyance in Part B.

However, upon updation of the details of the conveyance by Parikh transporter in Part B, Mr Shah or the recipient, as the case may be, who has furnished the information in Part A shall not be allowed to assign the e-way bill number to another transporter.

ANSWER 4

Part (a) - 5 Marks: The registered person desirous of availing the option to pay concessional tax @ 3% (effective rate 6%) under Notification No 2/2019 CT(R) dated 7-3-2019 should:

- not be engaged in making any supply which is not leviable to tax.
- not be engaged in making any inter-state outward supply of goods and/or services.
- neither be a casual taxable person nor a non-resident taxable person.
- not be engaged in making any supply through an electronic commerce operator who is required to collect tax at source.
- not be engaged in making supplies of notified goods.
- neither collect any tax from the recipient nor be entitled to any input tax credit.
- issue a bill of supply instead of tax invoice.
- not have the aggregate turnover in the preceding financial year exceeding Rs 50 lakhs.
- not be eligible for composition scheme.

Part (b) - 5 Marks: Omission or incorrect particulars discovered in the returns filed u/s 39 can be rectified in the return to be filed for the month/quarter during which such omission or incorrect particulars are noticed. Any tax payable as a result of such error or omission will be required to be paid along with interest.

Exception: Section 39(9) of the CGST Act does not permit rectification of error/omission discovered on account of scrutiny, audit, inspection or enforcement activities by tax authorities.

Time Limit For Making Rectification: The time limit for making such rectification is earlier of the following dates:

- Due date for filing return for September month of next financial year; or
- Actual date of filing annual return.

Part (c) - 5 Marks:

(i) If the taxable person under GST law files the GST return u/s 39(1) of the CGST Act, 2017, but does not pay the self-assessment tax, the return is not considered as a valid return.

Since the input tax credit can be availed only on the basis of a valid return, the taxable person, in the given case, will not be able to claim any input tax credit. He shall pay interest, penalty, fees or any other amount payable under the CGST Act for filing return without payment of tax.

(ii) The items to be debited to electronic liability register of the taxable person are as under:

- all amounts payable towards tax, interest, late fee and any other amount as per return filed;
- all amounts payable towards tax, interest, penalty and any other amount determined in a proceeding by an Assessing authority or as ascertained by the taxable person;
- the amount of tax and interest as a result of mismatch; and
- any interest amount that may accrue from time to time.