

Case Study Based MCQ - 12

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GSP Pvt. Ltd. has started its business in the month of August. It is engaged in supply of machines required for various industries along with related services. The machines are assembled and installed at the customer's premises. It has its head office in Mumbai, Maharashtra and branches in the States of Delhi, Karnataka, Madhya Pradesh, Uttarakhand and Tamil Nadu.

The turnover of GSP Pvt. Ltd. in the month of August is as under:

State	Intra-State taxable supplies (value exclusive of taxes)	Value of inward supplies on which reverse charge mechanism is applicable
Maharashtra	Rs. 2,44,000	Rs. 1,06,000
Delhi	Rs. 3,65,560	Rs. 1,50,690
Karnataka	Rs. 3,60,480	Rs. 1,01,250
Madhya Pradesh	Rs. 4,83,440	Rs. 1,40,220
Uttarakhand	Rs. 3,10,600	Rs. 95,500
Tamil Nadu	Rs. 2,09,560	Rs. 80,560

The following details for the month of December are provided by GSP Pvt. Ltd.:-

State	Taxable value of supply of machinery	Taxable value of installation service	Taxable value of inputs	Taxable value of input services
Maharashtra	Rs. 25,00,000	Rs. 3,00,000	Rs. 9,80,000	Rs. 5,60,000
Delhi	Rs. 20,00,000	Rs. 2,40,000	Rs. 7,84,000	Rs. 4,48,000

Karnataka	Rs. 19,00,000	Rs. 2,28,000	Rs. 7,44,800	Rs. 4,25,600
Madhya Pradesh	Rs. 22,50,000	Rs. 2,70,000	Rs. 8,82,000	Rs. 5,04,000
Uttarakhand	Rs. 12,20,000	Rs. 1,46,400	Rs. 4,78,240	Rs. 2,73,280
Tamil Nadu	Rs. 24,20,000	Rs. 2,90,400	Rs. 9,48,640	Rs. 5,42,080

Notes:

(i) Applicable rates of GST are as follows:

Particulars	CGST	SGST	IGST
Outward supply of machinery	9%	9%	18%
Outward supply of installation service	9%	9%	9%
Inward supply of goods	6%	6%	12%
Inward supply of services	9%	9%	18%

(ii) All the above transactions are exclusive of GST, wherever applicable.

(iii) There is no other inward or outward supply transaction for GSP Pvt. Ltd. in the relevant months apart from the aforementioned transactions.

(iv) Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

1. Whether GSP Pvt. Ltd. is required to take registration under GST in the month of August? What is the threshold limit of turnover for GSP Pvt. Ltd. to obtain registration?

(a) Yes. Threshold limit of turnover for GSP Pvt. Ltd. to obtain registration is Rs. 20,00,000.

(b) Yes. Threshold limit of turnover to obtain registration for GSP Pvt. Ltd. is not applicable as it is liable to obtain compulsory registration irrespective the quantum of its aggregate turnover.

(c) No. Threshold limit of turnover for GSP Pvt. Ltd. to obtain registration in Uttarakhand is Rs. 10,00,000 and for other States /Union Territories (where it has operations) is Rs. 20,00,000.

(d) Yes. Threshold limit of turnover for GSP Pvt. Ltd. to obtain registration is Rs. 40,00,000.

Answer : (b)

2. Assuming that GSP Pvt. Ltd. also has a branch in the State of Tripura with turnover of intra-State taxable supplies of Rs. 11,20,250 in the month of August, state whether the company is required to take registration in the said month? What will be the threshold limit of turnover for GSP Pvt. Ltd. to obtain registration now?

(a) Yes. Threshold limit of turnover to obtain registration for GSP Pvt. Ltd. is not applicable as it is liable to obtain compulsory registration irrespective of its turnover.

(b) No. Threshold limit of turnover for GSP Pvt. Ltd. to obtain registration is Rs. 10,00,000.

(c) Yes. Threshold limit of turnover for GSP Pvt. Ltd. to obtain registration is Rs. 20,00,000.

(d) No. Threshold limit of turnover for GSP Pvt. Ltd. to obtain registration in Tripura is Rs. 10,00,000 and for other States/Union Territories (where it has operations) is Rs. 20,00,000.

Answer : (a)

3. What shall be the net GST payable for the month of December in the State of Maharashtra provided the machinery has been installed at customer's site at Kanpur (U.P.) and the parts of the machinery are manufactured at factory located in Mumbai and dispatched from Mumbai, Maharashtra? Assume that all inputs and input services are procured from within the State. The invoice is raised by Mumbai Branch of GSP Pvt. Ltd.

- (a) IGST Rs. 2,85,600 (b) CGST Rs. 1,42,800 & SGST Rs. 1,42,800
(c) IGST Rs. 5,04,000 (d) IGST Rs. 1,42,800

Answer : (a)

4. The supply of machinery and supply of service of installation of machinery is a _____ supply and the applicable tax rate shall be the rate of tax applicable on _.

- (a) mixed, principal supply (b) mixed, supply having highest volume
(c) composite, principal supply (d) composite, supply having highest rate

Answer : (c)

5. GSP Pvt. Ltd. has received an order for supply of machinery from Auto Wheels Pvt. Ltd. GSP Pvt. Ltd. has delivered the parts manufactured at factory located in Mumbai and installed the same at the site of Auto Wheels Pvt. Ltd. which is located in Madhya Pradesh. Mumbai Branch of GSP Pvt. Ltd. has raised an invoice on the registered office of Auto Wheels Pvt. Ltd. which is located in Mumbai, Maharashtra. What shall be the place of supply (POS) of the transaction and the type of GST to be charged?

- (a) POS - Maharashtra, IGST (b) POS - Madhya Pradesh, IGST
(c) POS - Maharashtra, CGST & SGST (d) POS - Madhya Pradesh, CGST & SGST

Answer : (b)