

Case Study Based MCQ - 15

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'M/s Kalpavriksha Iron Traders' (KIT) is located in the city of Visakhapatnam & is registered under GST in the State of Andhra Pradesh. On 1st May, 'KIT' received an order for supply of different variety of iron bars amounting to Rs. 60,00,000 (exclusive of GST) from 'TMT Pvt. Ltd.' located in the city of Hyderabad and registered under GST in the State of Telangana.

The details of advance payment, issue of invoice and the terms & conditions of the contract relating to delivery of iron bars are as follows:-

- (i) The buyer has to pay Rs. 7,00,000 as advance to the supplier.
- (ii) The balance amount needs to be paid within 25 days from the date of issue of invoice.
- (iii) The supplier will bear the goods transportation and other related charges.
- (iv) If payment is not received within the stipulated time limit, then buyer needs to pay penal charges (taxes, if any to be paid separately) as follows:

Delay (in days)	1 to 10	11 to 20	21 to 30	More than 30
Penal charges	Rs.5,000 Per day	Rs. 50,000+ (Rs. 8,000 Per day)	Rs.1,30,000+(Rs. 10,000 Per day)	Rs.2,30,000+(Rs. 12,000 Per day)

- (v) If the entire (i.e. 100%) payment is received within the period as mentioned in the below table, the recipient will be entitled for discount as follows:

No. of days*	1 to 5	6 to 10	11 to 15	After 15th day
Total discount	Rs. 15,000	Rs. 10,000	Rs. 8,000	No Discount

* with in which the payment is received after the date of invoice Discount will be given only when the full payment is made.

The details of invoice & payment are as follows:

Date	Particulars
2nd May	TMT Pvt. Ltd. paid the stipulated amount of advance to KIT
5th May	Invoice issued to TMT Pvt. Ltd.
10th May	30% of the invoice amount is paid
14th May	Another 20% of the invoice amount is paid
18th May	Balance amount is paid

On 3rd May, TMT Pvt. Ltd. requested KIT to deliver the iron bars to Sakthi Iron & Steels (SIS) located in the city of Bhubaneswar (Odisha). On 5th May, KIT entered into a contract with 'Express transports' [a Goods Transport Agency (GTA) located & registered under GST in the State of Andhra Pradesh charging GST at the rate of 5% on its services] for delivery of iron bars at Bhubaneswar. The freight charges and loading charges for the delivery services provided by GTA are Rs. 1,50,000 (exclusive of GST) and Rs. 5000 (exclusive of GST) respectively.

The iron bars are removed from the warehouse of KIT on 6th May and an e-way bill is generated at 00:15 AM on 6th May. The distance from the warehouse of KIT to location of SIS is 455 km. KIT paid the freight charges to the transporter immediately after the delivery of the goods.

Note:

(i) If buyer receives any discount from the supplier, he will reverse the proportionate ITC availed at the time of purchase.

(ii) The iron bars are not Over Dimensional Cargo.

1. What shall be the place of supply for the following two independent supplies?

A) Supply between KIT & TMT Pvt Ltd.;

B) Supply between TMT Pvt Ltd. & SIS

(a) A) Bhubaneswar; B) Hyderabad (b) Bhubaneswar; B) Bhubaneswar

(c) Hyderabad; B) Bhubaneswar (d) Hyderabad; B) Visakhapatnam

Answer : (c)

2. What shall be the time of supply for the transaction between KIT & TMT Pvt Ltd.?

(a) 5th May (b) 6th May

(c) 2nd May (d) 2nd May for supply of Rs. 7,00,000& 5th May for the balance value of supply.

Answer : (a)

3. What shall be the value of taxable supply made by KIT to TMT Pvt Ltd.?

(a) Rs. 61,55,000 (b) Rs. 61,47,000 (c) Rs. 59,92,000 (d) Rs. 61,22,000

Answer : (b)

4. What will be the validity of the e-way bill generated by KIT on 6th May?
- (a) 12:15 midnight of 9th -10th May (b) 12:00 midnight of 9th -10th May
(c) 12:00 midnight of 10th -11th May (d) 12:00 midnight of 11th -12th May

Answer : (b)

5. In the above case scenario, if the entire (100%) payment is made on the following independent dates namely, A) 03rd June, B) 28th May and C) 20th June, then the value of taxable supply in each independent case will be:
- (a) A) 61,75,000; B) 61,55,000; C) 62,95,000. (b) A) 60,30,000; B) 60,05,000; C) 61,55,000.
(c) A) 61,80,000; B) 61,47,000; C) 63,05,000. (d) A) 60,30,000; B) 59,97,000; C) 61,55,000.

Answer : (a)

6. Who will be liable to pay GST on freight and loading charges charged by 'Express Transports'?
- (a) TMT Pvt Ltd (b) SIS (c) Express Transports (d) KIT

Answer : (d)