

Case Study Based MCQ - 19

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Ms. Nitya, engaged in the trading of pipes, is registered under GST in the State of Gujarat. Total taxable turnover of Ms. Nitya from April to February in the current financial year is Rs. 40,00,000.

Following is the information for the month of March of the said financial year:

- (i) Taxable value of outward supply Rs. 5,00,000; Rs. 2,500 additional charges collected from the customers toward taxes levied by the Municipal Authority.
- (ii) Ms. Nitya went to Mumbai, Maharashtra for a business meeting and stayed in a hotel for two days. Hotel charged Rs. 10,000 (taxable value) for the stay.
- (iii) Taxable value of other inward supplies is Rs. 2,00,000.
- (iv) She also bought a life insurance policy for herself amounting to Rs. 11,100 (taxable value). (CGST Rs. 999, SGST Rs. 999).
- (v) She bought chairs for office purpose amounting to Rs. 10,000 (taxable value).

Following additional information is also provided for the current financial year:

On 5th April, Ms. Nitya purchased a motor car, with a seating capacity of 5 persons, worth Rs. 6,00,000 and used it exclusively for business purpose and capitalized the same in the books of accounts.

On the same day, she also bought 4 laptops worth Rs. 25,000 each. All the laptops are also capitalized in the books of accounts and no depreciation is claimed under the Income-tax Act, 1961 on the GST component of the same and ITC is availed on the same.

On 7th July, Ms. Nitya purchased an air conditioner worth Rs. 55,000 for office purpose and capitalized the same in the books of accounts.

On 31st December, Ms. Nitya decided to give the motor car, two laptops and the air conditioner to her brother - Mr. Darsh - a well-established businessman in Surat, Gujarat, without consideration. Open market value of the motor car, the air conditioner and the laptop on that day is Rs. 3,00,000, Rs. 40,000 and Rs. 15,000 (per laptop) respectively.

Note:

- (i) There is no other outward or inward supply transaction apart from the aforesaid transactions.
 - (ii) Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled. Ms. Nitya availed and utilized all the ITC for which she is eligible, but she did not avail the ITC on purchase of air conditioner.
 - (iii) All inward and outward supplies are intra-State supplies except the stay in hotel in Mumbai, Maharashtra.
 - (iv) Applicable rate of CGST is 6%, rate of SGST is 6% and rate of IGST is 12% on all inward and outward supplies.
 - (v) All the amounts given above are exclusive of GST, wherever applicable.
1. Upto which of the following date(s), Ms. Nitya has to maintain relevant books of accounts under the GST Law?

Assuming that:

- I. the above information is provided for the financial year 2019-20 and Ms. Nitya is under investigation for an offence under Chapter XIX of the CGST Act, 2017, and such investigation was concluded on 31st December 2021.
 - II. the above information is provided for the financial year 2019-20 and Ms. Nitya is under investigation for an offence under Chapter XIX, and such investigation was concluded on 31st December 2026.
- (a) 31st December 2026 for Case-I and 31st December 2027 for Case-II.
 - (b) 31st December 2027 for the both the cases.
 - (c) 31st December 2026 for the both the cases.
 - (d) 31st December 2026 for Case-I and 31st December 2032 for Case-II.

Answer : (a)

1. Which of the following statements are correct?
- 1. Motor car given by Ms. Nitya to her brother is supply.
 - 2. Air conditioner given by Ms. Nitya to her brother is supply.
 - 3. Laptop given by Ms. Nitya to her brother is supply.
 - 4. Air conditioner given by Ms. Nitya to her brother is not supply.
- (a) Both 1 and 2
 - (b) Both 2 and 3
 - (c) Both 3 and 4
 - (d) Both 1 and 4

Answer : (c)

2. Total taxable outward supply by Ms. Nitya for the current financial year is -

- (a) Rs. 48,70,000
- (b) Rs. 45,70,000
- (c) Rs. 45,32,500
- (d) Rs. 45,17,500

Answer : (c)

3. Total credit available for the month of March is_. (Assume that the opening balance of ITC for the relevant period is nil.)

- (a) IGST - Rs. 25,200
- (b) IGST - Rs. 26,400
- (c) CGST - Rs. 12,600, SGST - Rs. 12,600, IGST - Rs. 1,200
- (d) CGST - Rs. 12,600, SGST - Rs. 12,600

Answer : (d)

4. Tax payable by Ms. Nitya for the month of March is_. (Assume that the opening balance of ITC for the relevant period is nil.)

- (a) CGST - Rs. 17,550 and SGST - Rs. 17,550
- (b) CGST - Rs. 16,950 and SGST - Rs. 17,550
- (c) CGST - Rs. 16,350 and SGST - Rs. 17,550
- (d) CGST - Rs. 15,951 and SGST - Rs. 16,551

Answer : (a)