

Case Study Based MCQ – 32

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Mr. Dinanath of Kolkata, a registered person under GST deals in sales & services of electronic goods such as TV, refrigerator, washing machine etc. His aggregate turnover during the preceding financial year was Rs. 6.2 crores. He furnishes following information for the month of December.

Outward supplies during the month of December are as under:

Particulars	Amount (Rs.)
Supply of goods to un-registered persons residing in & around Kolkata	Rs. 12 lakh
Supply of goods to a dealer of Bihar	Rs. 6 lakh
Supply of goods to registered dealers in West Bengal	Rs. 28 lakh
Repair & maintenance services provided to un-registered persons	Rs. 4 lakh

Inward supplies during the month of December are as under:

Particulars	Amount (Rs.)
Purchase of goods from registered dealers (Inter-State supply)	Rs. 30 lakh
Purchase of goods from registered dealers (Intra-State supply)	Rs. 4 lakh
Purchase of goods from un-registered dealers (Intra-State supply)	Rs. 2 lakh
Transportation charges paid to Om Logistics (GTA) (GST not charged by transporter on said bill)	Rs. 2 lakh
Payment made to Star Security Services Pvt Ltd (not registered under GST) for providing security services	Rs. 0.50 lakh
Loading & un-loading charges paid to labourer	Rs. 0.10 lakh

Shop rent paid to Kolkata Municipal Corporation	Rs. 0.30 lakh
Fee paid to Mr. Das, a Senior Advocate of Kolkata High court for legal service	Rs. 0.10 lakh

Following additional information is also provided:

- During the course of un-loading TV sets, supplied by a registered person, one LED TV costing Rs. 25,000 was damaged & the supplier refused to replace the same.
- The Assistant Commissioner of Commercial Tax, Kolkata has issued a show cause notice (SCN), to Mr. Dinanath due to non displaying of Registration Certificate & GSTIN at a prominent place of principal place of business. Mr. Dinanath's plea is that the display GSTIN to general public is not mandatory as it is required for buyers only & the same is already mentioned in the tax invoice.
- GST rate on all inward and outward supplies is 18% (CGST @ 9%, SGST @ 9%, IGST @ 18%), except transportation service which attracts GST @ 5%.
- There is no opening ITC available in the relevant period in electronic credit ledger of Mr. Dinanath.
- All the goods purchased by Mr. Dinanath is ex-shop and he arranges his own transportation through GTA.

Note. All the above amounts are exclusive of GST, wherever applicable.

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions:-

1. The total value of inward supplies on which GST is payable by Mr. Dinanath under reverse charge is-

- (a) Rs. 2.40 lakh (b) Rs. 2.10 lakh (c) Rs. 2.90 lakh (d) Rs. 3.00 lakh

Answer : (a)

2. The total value of inward supplies received during the month of December, not eligible for input tax credit (ITC) is -

- (a) Rs. 2,50,000 (b) Rs. 2,85,000 (c) Rs. 2,90,000 (d) Rs. 3,25,000

Answer : (b)

3. The gross GST liability of Mr. Dinanath for the month of December, assuming that no ITC is claimed/availed is -

- (a) Rs. 9,17,200 (b) Rs. 9,43,200 (c) Rs. 9,26,200 (d) Rs. 9,20,800

Answer : (a)

4. Which of the following statement is incorrect?

- Tax liability under reverse charge can be discharged through electronic credit ledger.
- Transportation of goods by a registered person other than goods transport agency is not covered under reverse charge.
- Inward supply of taxable goods which get damaged/destroyed is not eligible for ITC.

- (a) (i) (b) (ii) (c) (iii) (d) (i), (ii) and (iii)

Answer : (a)

5. The penalty that may be leviable for failure to display Registration Certificate & GSTIN in a prominent location at principal place of business & at every additional place of business is:-

(a) Rs. 5000

(b) Rs. 10,000

(c) Rs. 25,000

(d) Nil

Answer : (c)