

Time of Supply of goods – Movement of goods involved**Q7 – Page no 49****Ans:-****Original**

	Concept illustrations Section 12(2)	Invoice Date	Invoice due date [Date of removal]	Payment entry in suppliers book	Credit in bank account	Time of supply
1	Invoice raised before removal	10-Oct-17	20-Oct-17	26-Oct-17	30-Oct-17	10-Oct-17
2	Advance received	30-Oct-17	20-Oct-17	10-Oct-17	12-Oct-17	30-Oct-17

Corrected

	Concept illustrations Section 12(2)	Invoice Date	Invoice due date [Date of removal]	Payment entry in suppliers book	Credit in bank account	Time of supply
1	Invoice raised before removal	10-Oct-17	20-Oct-17	26-Oct-17	30-Oct-17	10-Oct-17
2	Advance received	30-Oct-17	20-Oct-17	10-Oct-17	12-Oct-17	20-Oct-17

Value of Supply**Q41 – Page no 95**

Ans. As per proviso to Rule 32(5) of CGST rules, the purchase value of goods repossessed from a defaulting borrower, who is not registered, for the purpose of recovery of a loan or debt shall be deemed to be the purchase price of such goods by the defaulting borrower reduced by five percentage points for every quarter or part thereof, between the date of purchase and the date of disposal by the person making such repossession.

Thus, in the given case purchase value for lending company will be ₹ 4,75,000 (₹ 5,00,000 – 5% per quarter i.e. April 2019 to June 2019).

Smart Ltd will sell the car under his possession. If the sale price of the car is above Rs 4,75,000 say ₹ 5,25,000. Smart Ltd will be liable to pay GST on ₹ 50,000 (₹ 5,25,000 – 4,75,000).

Thus, in the given case purchase value for lending company will be ₹ 3,00,000 (₹ 5, 00,000 – 5% per quarter i.e. September 2017 to June 2019 = 8 quarters).

Smart Ltd will sell the car under his possession. If the sale price of the car is above Rs 3,00,000 say ` 5,25,000. Smart Ltd will be liable to pay GST on ` 2,25,000 (` 5,25,000 – 3,00,000).

Note:- Corrections made to number of quarters

Exemption

Q29 – Page no 117

Ans.

Original

Particulars	Value
1) Holding a dance programme, entry tickets whereof were sold for ` 250 per person -	₹ 30 lacs
The value of Taxable Supplies	₹ 897 lacs

Corrected

1) Holding a dance programme, entry tickets whereof were sold for ` 250 per person -	Nil
The value of Taxable Supplies	- ₹ 867 lacs

Note:- Since the value of ticket price does not exceed ` 250 per person, the value shall be exempt from tax

Q45 – Page no 129

Ans.

Original

S. No.	Particulars	Amount is Rs
1	Services by way of waxing of apples to provide it an artificial sheen for increasing its marketability [Note 1]	-
2	Admission to a Railway Museum [Note 2]	-
3	Transportation of patients to ABC Nursing Home and Bheem Multispecialty Hospital, in an ambulance owned by XYZ Ltd [Note 3]	-
4	Admission to a Telly Award Function [Value per ticket per person is Rs 510] [Note 4]	-
5	Transportation of milk by a goods transport agency [Note 5]	-
	Value of taxable service	-

Corrigendum to GST Questioner

(File 1)

Notes:

4) As per Sl. No. 81 services by way of right to admission to an award function is exempt. Since no limit for value has been specified it doesn't matter what the value is per ticket. Hence, the same is not liable to GST

Corrected

S. No.	Particulars	Amount is Rs
1	Services by way of waxing of apples to provide it an artificial sheen for increasing its marketability [Note 1]	-
2	Admission to a Railway Museum [Note 2]	-
3	Transportation of patients to ABC Nursing Home and Bheem Multispecialty Hospital, in an ambulance owned by XYZ Ltd [Note 3]	-
4	Admission to a Telly Award Function [Value per ticket per person is Rs 510] [Note 4]	5,10,000
5	Transportation of milk by a goods transport agency [Note 5]	-
	Value of taxable service	5,10,000

Notes

4) As per Sl. No. 81 services by way of right to admission to an award function is exempt. However here the limit of ₹250 per person for value has been exceeded i.e. ₹510 thus same shall be liable to tax.

Input Tax Credit

Q11 – Page no 162

Ans.

Original

This is one of the condition to be satisfied to claim input tax credit, In the given case the recipient Mr Akshay shall be eligible to claim input tax credit of Rs 5,100 against CGST & Rs 5,100 against SGST on provisional basis. In case of ~~failure of payment of tax by supplier within 180 days this will be reflected in mismatch report~~ and on non-acceptance of such difference by the supplier it will be added to the output tax liability of Mr Akshay which shall be payable along with interest by him.

Corrected

This is one of the condition to be satisfied to claim input tax credit, In the given case the recipient Mr Akshay shall be eligible to claim input tax credit of Rs 5,100 against CGST & Rs 5,100 against SGST on provisional basis. In case of **failure of payment of tax by recipient to the supplier within 180 days this will be reflected in mismatch report** and on non-acceptance of such difference by the supplier it will be added to the output tax liability of Mr Akshay if he has claimed ITC on this & which shall be payable along with interest by him.

Payment of Tax**Q26. – Page no 202****Ans.****Original**

Particulars	CGST	SGST
Output tax liability for the month of November, 2017 @ 18% (Being CGST 9% and SGST 9%) [i.e. 1,91,022 * 18%]	17,191	17,192
Less: Eligible input tax credit in respect of purchases of –		
Fabric material (42,000 * 12%)	2520	2520
Textile material (90,000 * 5%)	2250	2250
Capital goods (2, 70,000 * 18%)	24,300	24,300
CGST/SGST credit to be carried forward	29,070	29,070

Corrected

Particulars	CGST	SGST
Output tax liability for the month of November, 2017 @ 18% (Being CGST 9% and SGST 9%) [i.e. 1,91,022 * 18%]	17,191	17,192
Less: Eligible input tax credit in respect of purchases of –		
Fabric material (42,000 * 12%)	2520	2520
Textile material (90,000 * 5%)	2250	2250
Capital goods (2, 70,000 * 18%)	24,300	24,300
Total input tax credit	29,070	29,070
CGST/SGST credit to be carried forward	11,879	11,879

Q27 – Page no 202

Ans.

Original

Computation of Invoice value and tax liability:

Particulars	`
Inputs purchased from local dealer [WN]	1,65,000
Depreciation expense	37,500
Manufacturing expenses	65,000
Total cost of goods manufactured	2,67,500
Add: Profit margin @ 5% on cost	13,375
Total Sales Value	2,80,875
Output tax liability (IGST @ 12%)	33,705
Less:- Input tax credit available on :	
Inputs –	
> CGST	9,900
> SGST	9,900
Capital goods –	
> CGST	6,250
> SGST	6,250
IGST to be deposited in cash	1,405

Note:

(2) The credit of CGST and SGST is to be utilized for payment of CGST and SGST output tax liability respectively and any amount remaining thereafter shall be utilized towards IGST liability.

Corrected

Particulars	₹
Inputs purchased from local dealer [WN]	1,65,000
Depreciation expense	37,500
Manufacturing expenses	65,000
Total cost of goods manufactured	2,67,500
Add: Profit margin @ 5% on cost	13,375
Total Sales Value	2,80,875
Output tax liability (IGST @ 12%)	33,705
Less:- Input tax credit available on :	
Capital goods –	
> IGST @ 5%	12,500
Inputs –	
> CGST	9,900
> SGST	9,900
IGST to be deposited in cash	1,405

Note:

(2) The credit of IGST available shall be first utilized and remaining amount shall be set off against available balance of CGST and SGST in that order for payment of output tax liability respectively and any amount remaining thereafter shall be paid in cash.

Registration**Q22 – Page no 221****Ans.****Original**

As per section 25 of CGST Act, Every person who is liable to be registered under section 22 or section 24 shall apply for registration in every such State or Union territory in which he is so liable within thirty days from the date on which he becomes liable to registration, in such manner and subject to such conditions as may be prescribed. Thus, SP Ltd is required to obtain registration upto 30.12.2017.

Corrected

As per section 25 of CGST Act, Every person who is liable to be registered under section 22 or section 24 shall apply for registration in every such State or Union territory in which he is so liable within thirty days from the date on which he becomes liable to registration, in such manner and subject to such conditions as may be prescribed. Thus, SP Ltd is required to obtain registration up to 01.12.2017.

Q17 – Page no 219**Ans.****Original****Notes:-**

(1) An agriculturist is not liable to obtain registration under the act to the extent of supply of produce out of cultivation of land. In computing aggregate turnover, Intra-state supply of goods agricultural produce grown out of cultivation of land by family shall not be included.

Additional note to the above

(1) An agriculturist is not liable to obtain registration under the act to the extent of supply of produce out of cultivation of land. In computing aggregate turnover, Intra-state supply of goods agricultural produce grown out of cultivation of land by family shall not be included.

> As per sec 23 there is no clarification whether to include such income or not its controversial, for exam point of you please mention note of your assumption and work out both ways

Place of Supply**Q4 – Page no 134****Original**

~~As per sec 10(1)(a) of IGST act, The place of supply is Pune in Maharashtra. Since the location of supplier is Nasik (Maharashtra) and place of supply is Pune, CGST & SGST shall be charged as it comes under the category of intrastate supply. Determine the place of supply of goods and nature of transaction.~~

Ans. As per sec 10(1)(a) of IGST act, the place of supply is Pune in Maharashtra. Since the location of supplier is Nasik (Maharashtra) and place of supply is Pune, CGST & SGST shall be charged as it comes under the category of intrastate supply.

Exclude this question

Q46 – Page no 148

Original

~~**Conclusion** – As the location of supplier is Mumbai (Mr. Raj) & Place of supply is Canada the IGST will be triggered. But as per sec 16 of IGST act supply can be made without payment of IGST under a bond or letter of undertaking or IGST can be paid and a refund for the same can be claimed.~~

Corrected

Conclusion – As both location of service provider and place of supply is outside India there shall be no levy of GST as it does not fall within the ambit of taxable territory.

Reversal of Input tax credit

Q59 – Page no 187

Original Question part

~~(4) The input tax credit on capital goods lying in stock is Rs 90,000. These goods were purchased on 17.09.2017~~

Corrected part in question

(4) The input tax credit on capital goods lying in stock is Rs 90,000. These goods were purchased on 17.09.2016

Ans:

Original

Particulars	Rs
Inputs lying in stock (Credit = Rs 130000 * 18/118)	19,830
Inputs in process (Rs 53,100 * 18/118)	8,100

Corrigendum to GST Questioner**(File 1)**

Inputs contained in finished goods lying in stock (Rs 295000 * 30% * 18/118)	13,500
Input tax on capital goods used for 8 months taking residual life as 5 years (Rs 90,000 * 52/60) { As per Rule 44 of CGST rules, 2017, 52 months being the residual life of capital goods of total 60 months}	78,000
Amount to be paid by Blue Ltd	1,19,430

The aforesaid amount can be paid by utilizing the balance in electronic credit ledger. The balance credit = ~~Rs 1,75,000 – Rs 1,19,430 = Rs 55,570~~ shall lapse.

If balance in electronic credit ledger is Rs 1,10,000 : Then M/s Blue Ltd will have to pay in cash an amount of ~~Rs 1,19,430 - 1,10,000 = Rs 9,430.~~

Corrected

Particulars	Rs
Inputs lying in stock (Credit = Rs 130000 * 18/118)	19,830
Inputs in process (Rs 53,100 * 18/118)	8,100
Inputs contained in finished goods lying in stock (Rs 295000 * 30% * 18/118)	13,500
Input tax on capital goods used for 9 months taking residual life as 5 years (Rs 90,000 * 51/60) { As per Rule 44 of CGST rules, 2017, 51 months being the residual life of capital goods of total 60 months}	76,500
Amount to be paid by Blue Ltd	1,17,930

The aforesaid amount can be paid by utilizing the balance in electronic credit ledger. The balance credit = Rs 1,75,000 – Rs 1,17,930 = Rs 57,070 shall lapse.

If balance in electronic credit ledger is Rs 1,10,000 : Then M/s Blue Ltd will have to pay in cash an amount of Rs 1,17,930 - 1,10,000 = Rs 7,930.