

Introduction of GST

Q8 – Page no 3

Ans:

Original

v) Electricity

Correction:- ~~v) Electricity~~ – As it is in the ambit of GST but under exemption

Charge of Tax & Application of CGST & IGST

Page 14

Original

Q24. Iii) ~~ETA star adventure club provides a free trekking camp to members of the club~~

Corrected

Q24. Iii) ETA star adventure club provides a free trekking camp to **non-members** of the club

Q41 – Page no 20

Ans:

Original

Also as per proviso to the gift value **not** exceeding ` 50,000 in a financial year by an employer to employee shall be treated as supply.

Corrected

Also as per proviso to para 2 of Sch I, where the gift value exceeds ₹ 50,000 in a financial year by an employer to employee it shall be treated as supply.

Q43 – Page no 21

Additional note to answer: -

For the purpose of identifying as related party we need to check the percentage of control which is computed on criteria i.e. whether there is direct control or by third party. In case of direct control there should be shareholding of more than 50% & if by third person in both of them (Supplier & Recipient) it shall be more than 25% clause applied.

Reverse Charge**Q9. (iii) – Page 29****Ans:-****Original**

No, should be available to recipient. However as per provisions of sec 9(3), supplier who has paid tax erroneously is free to claim refund.

Corrected

As per sec 9(3) of CGST act, The recipient is liable to pay tax & thus ITC is available to recipient. However the supplier can claim refund for tax erroneously paid by him.

Q11 – Page no 30**Ans:****Original**

In the given case Mr X is liable to register under GST by 10th Dec 2018

Tax liability : Mr X is liable to pay tax on the value of legal service under reverse charge taken from individual advocate.

Also he is liable to pay tax on his outward supply after 12 lakhs even though the turnover limit of threshold is not fully exhausted because he is registered person from 10th Dec 2018.

Corrected

As per Sl.No. 45 of exemption services, In the given case Mr X shall not be liable to pay tax as his aggregate turnover falls below 20 lacs.

Thus Mr X shall not be liable to get registered in the given case as he falls under exemption in GST for availing this legal service

Time of supply**Page no 52**

Q13. What is time of supply with respect to amount received in excess of the invoice amount (e.g.: Invoice is issued for Rs 5,000 on August 22, 2017 by the supplier. Subsequently, the recipient pays- scenario 1: ` 5,500/- and scenario 2: Rs 8,000/-)? **For scenario 2:- Date on which payment is entered in books of accounts of the supplier is August 30, 2017 & Date on which payment is credited to the bank account is August 28, 2017.**

CORRIGENDUM TO QUESTONER**(FILE – 2)****Q20 – Page no 56****Ans:-****Original**

	Reverse charge Section 12(3)	Date of invoice issued by supplier	Removal of goods	Receipt of goods	Payment by recipient	Time of Supply
3	No payment made for the supply	31-Oct-17	30-Dec -17	05-Jan-18	-	30-Nov-17

Corrected

	Reverse charge Section 12(3)	Date of invoice issued by supplier	Removal of goods	Receipt of goods	Payment by recipient	Time of Supply
3	No payment made for the supply	31-Oct-17	30-Dec -17	05-Jan-18	-	01-Dec-17

Q47 – Page no 68**Original****Legal Provision**

The above case falls within the purview of Section 13 (3) of CGST Act

Discussion

~~(a) The date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or~~

~~(b) The date immediately following sixty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier;~~

Conclusion

Date of Invoice: 27/01/2018

CORRIGENDUM TO QUESTIONER

(FILE – 2)

Date immediately following 60 days from date of issue of Invoice: 28/03/2018 (4 days of Jan+28 days of Feb+28 days of March)

Corrected

Legal Provision

The above case falls within the purview of proviso to Section 13 (3) of CGST Act - Provided further that in case of supply by associated enterprises, where the supplier of service is located outside India, the time of supply shall be the date of entry in the books of account of the recipient of supply or the date of payment, whichever is earlier.

Discussion

As per the above section the time of supply shall be the earlier of the following:-

- the date of entry in the books of account of the recipient of supply **or**
- the date of payment, whichever is earlier

Conclusion

Date of debit in recipient's book of accounts: 7/2/2018 or

Date of Payment: 25/2/2018

Hence, time of supply is **7/2/2018** as it is the earliest of the above

Note:- The criteria of 61 th day is not applicable to associated enterprises.

Q50 – Page no 69

Ans:-

Original

	Issue of vouchers Section 13(4) [or Section 12(4)]	First service/ delivery of goods	Issue of voucher	Redemption of voucher	Last date for acceptance of voucher	Last date for acceptance of voucher
4	Gift voucher for Rs. 1,500 for services [or goods]- valid for 6 months	-	01-Nov-17	25-Dec-17	31-Mar-18	01-Nov-17

Corrected

CORRIGENDUM TO QUESTIONER**(FILE – 2)**

	Issue of vouchers Section 13(4) [or Section 12(4)]	First service/ delivery of goods	Issue of voucher	Redemption of voucher	Last date for acceptance of voucher	Time of Supply
4	Gift voucher for Rs. 1,500 for services [or goods]- valid for 6 months	-	01-Nov-17	25-Dec-17	31-Mar-18	25 –Dec -17

Exemption under GST**Q23 – Page no 113****Ans:****Original**

Customer	Nature of service provided	Amount charged	Remarks
M/s XYZ Ltd	Transport of color TV sets to M/s XYZ Ltd a registered entity (Note2)	3,55,000	Taxable supply under reverse charge

Note 2. As per entry no 21 A, GTA services provided an unregistered person is exempt and services provided to a body corporate registered under GST Act is not exempt and hence liable to GST under reverse charge wherein the recipient i.e. XYZ Ltd shall pay GST

Corrected

Customer	Nature of service provided	Amount charged	Remarks
M/s XYZ Ltd	Transport of color TV sets to M/s XYZ Ltd a registered entity (Note2)	3,55,000	Taxable supply

Note 2:- As per entry no 21 A, GTA services provided an unregistered person is exempt and services provided to a body corporate registered under GST Act is liable to GST. As GTA has opted to pay GST @ 12% thus it shall be liable on this service.

Page no 127

Q43 – Sr no 2 – Supply of food in convention center for organizing conferences along with renting thereof – `2,80,000/-

Exclude this Sr.No from question

Place of supply**Q27 – Page no 142****Ans:****Original**

ii) As per sec 12(2)(b), If the address of Mr. C is available in the records of Mr. A, location of Mr. C i.e., New Delhi will be the place of supply, else the location of Mr. A, which is Gurugram, will be the place of supply. CGST + SGST will be triggered.

Corrected

ii) As per sec 12(4), the place of supply will be the location where the service is actually performed which in the given case is Gurugram. CGST + SGST will be triggered.

Q64. Page no 154

Sr.no 3 – Services provided to an **unregistered company in Delhi** in relation to fashion show in Jammu ₹ 3 Lakh

Q67 – Page no 157**Ans:- Original**

No.	Particulars	Legal Provision	Discussion	Conclusion	GST
2	Service Provider is located in Mumbai and Service Recipient is located in Overseas. Testing is carried on in Kerala	Section 13 (3) (a) and Section 13 (7)	Hence, place of supply is Assam and location of service provider is Mumbai. As per section 13 (7) where service is supplied in more than one State the value of such supplies shall be in proportion as per the terms in the contract	CGST + SGST will be triggered	Value Rs 500,000*30% =Rs 150,000 IGST Rs 175,000*12% =Rs 18,000

Corrected

CORRIGENDUM TO QUESTONER**(FILE – 2)**

No.	Particulars	Legal Provision	Discussion	Conclusion	GST
2	Service Provider is located in Mumbai and Service Recipient is located in Overseas. Testing is carried on in Kerala	Section 13 (3) (a) and Section 13 (7)	Hence, place of supply is Kerala and location of service provider is Mumbai. As per section 13 (7) where service is supplied in more than one State the value of such supplies shall be in proportion as per the terms in the contract	IGST will be triggered as it is an interstate supply	Value Rs 500,000*30% =Rs 150,000 IGST Rs 175,000*12% =Rs 18,000

Input Tax Credit**Page No. 162****Original**

Question 12 :- Hercules Machinery did not file its annual return till October, 2018. Determine whether Hercules Machinery can avail the Input tax credit in the given scenario? (ICAI)

Corrected

Question 12:- Hercules Machinery did not file its annual return till October, 2018. Determine whether XYZ Ltd can avail the Input tax credit in the given scenario? (ICAI)

Imp Note: - There is a misprint of pertaining to Q47 page 180 the answer has been posted on page no 182 & Working notes pertaining to Q49 page no 182 has been posted on top of Page no 181

Q47 – Page 182**Ans:-****Original**

Sl.No	Description of goods	(Rs)
3	Goods destroyed in transit	25,000

CORRIGENDUM TO QUESTONER**(FILE – 2)**

4	Goods used for provision of services during warranty period {Used in course of business, thus ITC will be available}	16,000
5	Inputs used for testing & quality control check { Used in course of business, thus ITC will be available}	17,000
6	Inputs used in trail run	18,500
	Total Input Tax credit available	76500

Corrected

Sl.No	Description of goods	(Rs)
3	Goods destroyed in transit	Nil
4	Goods used for provision of services during warranty period {Used in course of business, thus ITC will be available}	16,000
5	Inputs used for testing & quality control check { Used in course of business, thus ITC will be available}	17,000
6	Inputs used in trail run	18,500
	Total Input Tax credit available	51,500

Note;- As per sec 17(5)(h) of CGST act, Input tax credit pertaining to goods destroyed in transit shall not be available.

Q25 – Page no 170**Ans:-****Original**

Particulars	CGST (₹)	SGST (₹)
Total credits of capital goods available for the month of Aug 2018 = 45,000 + 1908 – 415	46,493	46,493

Corrected

Particulars	CGST (₹)	SGST (₹)
Total credits of capital goods available for the month of Aug 2018 = 45,000 + 41040 - 415	85,625	85,625

Payment of tax**Q33 – Page no 204****Ans:****Original**

CORRIGENDUM TO QUESTONER

(FILE – 2)

Tax - 1, 20,000

Less:- ~~Input tax credit~~ 70,000

Tax Payable - 50,000

Interest is ~~₹50,000 * 18% * 56/365 = ₹1381~~

Corrected

Gross Tax payable - 1, 20,000

Interest is ₹1, 20,000 * 18% * 56/365 = ₹ 3134/- (Number of days from 11th Oct to 5th Dec)