

Solution to CA Final IOT - Nov. 24
by Jay Agarwal.

Downloaded From www.castudynotes.com

(3)
AQF1

INTEGRATED CASE SCENARIO:- I

Pukhraj Gupta is a registered supplier of goods and services under GST in the State of Karnataka. He provided the following details of outward transactions belong to the financial year 2023-2024:

Particulars	Amount (₹)
Taxable supply <i>ATV</i>	1,40,00,000
Exempted Supply <i>ATV</i>	3,50,000
Interest received on Unsecured loan (not included in above) <i>ATV</i>	2,00,000
Transfer goods to the residence of his brother, a well-known professional. <i>ATX</i>	Free of cost but the open market value is ₹ 40,000

During the month of April, 2024, Pukhraj Gupta provided the following outward supplies:

Particulars	Amount (₹)
Taxable supply of goods <i>TV</i>	4,00,000
Insurance Agent service to Samta Insurance company registered under GST <i>RCM</i>	30,000
Interest received for late payment from various customers <i>TV</i>	10,000
Recovery agent service to Vipul Limited, a trader of goods <i>TV</i>	40,000
Security and housekeeping service provided to Bachpan School (upto higher secondary), an unregistered person under GST, at its Annual Day function held at Vallabh Convention centre being outside the school campus. <i>TV</i>	50,000

+

AQF1

P.T.O.

Join Us on Telegram http://t.me/canotes_final

AQF1

Particulars	Amount (₹)
Renting of Motor Vehicle designed to carry passenger provided to M Sea Limited wherein cost of fuel is included (applicable rate of tax CGST @ 2.50% and SGST 2.50%) <i>RCM</i>	80,000
Received with reference to a contract of ₹ 5,00,000 for taxable supplies awarded by a public sector undertaking (PSU) registered u/s 51 of the CGST Act, 2017 in the state of Tamil Nadu, taxable supplies was made in the state of Karnataka as per instruction of the PSU. <i>Tv ✓</i>	1,50,000

Further, on 20th April, 2024, he hired Perfect Wedding Planner of Japan to plan and organize his son's wedding under a composite contract of all events of marriage. Pre-wedding program was organized at Mumbai while the marriage and reception held at Paris (France)

In addition to the above, Proper officer has issued an order under The CGST Act, 2017 dated 10th April, 2024 and raised a demand of ₹ 33 lakh (Tax ₹ 20 lakh, Interest- ₹ 3 lakh and Penalty ₹ 10 lakh) in respect of an intra-State transaction. The above amounts are related to CGST only.

Pukhraj Gupta admitted the tax demand of ₹ 5 lakh and interest demand of ₹ 2 lakh and disputed the remaining tax and interest demand and entire penalty demanded. Pukhraj Gupta wants to file an appeal before the Appellant Authority.

All amounts given above are exclusive of taxes, wherever applicable

From the informations given above, choose the most appropriate answer for the following Q. No. 1 to 6 with reference to GST law:

1. What is the aggregate turnover of the financial year 2023-2024 under section 2(6) of the CGST ACT 2017? (2 Marks)
- A. ₹ 1,45,90,000
- B. ₹ 1,45,50,000
- C. ₹ 1,43,50,000
- D. ₹ 1,43,90,000

AQF1

+

Downloaded From www.castudynotes.com

2. What is the place of supply in respect of transaction with Perfect Wedding organization Planner? (2 Marks)

- A. Mumbai for both the event *Sec. 13*
- B. Karnataka for both the event
- C. For Pre-wedding- Mumbai and for marriage and reception- Paris
- D. Japan for both the event

3. Which of following outward supplies provided by Mr. Pukhraj Gupta are NOT subject to payment of tax under reverse charge mechanism (RCM)? (2 Marks)

- (i) Insurance Agent service
- (ii) Recovery agent service *→ Not given to Bank/B-E*
- (iii) Security and Housekeeping service *→ Not given to Regd. person*
- (iv) Renting of Motor vehicle -

Choose the most appropriate answer

- A. Only (ii), (iii) and (iv)
- B. Only (ii) and (iii)
- C. Only (ii) and (iv)
- D. Only (iii)

4. What is the taxable value of supply for the month of April, 2024 in the hands of Pukhraj Gupta? (2 Marks)

- A. ₹ 6,50,000
- B. ₹ 6,10,000
- C. ₹ 6,00,000
- D. ₹ 5,60,000

(TV)
 (i) amt. from customer
 (to whom goods/services)
 supplied is not exempt

+

5. Amount of TDS require to be deducted under section 51 by the PSU : (2 Marks)

- A. CGST ₹ 750 and SGST ₹ 750
- B. IGST ₹ 3,000
- C. CGST ₹ 1,500 and SGST ₹ 1,500

(POS & LOS
in same state
LOR in diff.)

D. No TDS required to be deducted u/s. 51 of the CGST Act, 2017.

6. What is the maximum amount of pre-deposit (of CGST only) to be made for filing the appeal before the Appellant Authority under the GST law? (2 Marks)

- A. ₹ 8.50 lakh
- B. ₹ 10 lakh
- C. ₹ 9.60 lakh
- D. ₹ 12.20 lakh

(Paid 7 lacs)
+
10% of 15 lacs tax
(20-5)

7. Madhav associates has taken GST registration on 1st January, 2023 but failed to furnish GST returns. Owing to this, the proper officer cancelled its registration on 31st July 2023 and order of cancellation of registration was served to Madhav associates on the same date.

(2 Marks)

Up to which date an application for revoke the cancellation of registration can be filed assuming no extension in time-limit has been granted?

- A. 30th August 2023
- B. 31st August 2023
- C. 29th October 2023
- D. 30th October 2023

90 days
31 Aug + 30 Sep
+ 29 Oct.

(7)

AQF1

8. Keshav of Bengaluru imported 2000 pieces of certain dutiable goods from China during the month of April, 2024. The Central Government has imposed Anti-Dumping Duty from 1st April, 2024 by way of notification in the Official Gazette under section 9A of the Customs Tariff Act 1975. Details regarding import are as below:

Particular	Amount per piece
Normal Value (Comparable price in China)	\$ 120
Export Price	\$ 60
Landed Value of dumped item	\$ 75
Fair Selling price (Non injurious price)	\$ 105

Rate of exchange relevant for conversion is ₹ 80 per \$

Maximum Amount of Anti- Dumping to be payable by Keshav on 2000 pieces of dutiable goods is: (2 Marks)

- A. ₹ 48,00,000/-
- B. ₹ 96,00,000/-
- C. ₹ 72,00,000/-
- D. ₹ 24,00,000/-

$$\begin{aligned} 120 - 60 &= 60 \\ 105 - 75 &= 30 \\ \hline \text{lower } & 30 \\ 2000 \times 30 \times 80 &\Rightarrow \end{aligned}$$

AQF1

P.T.O.

9. Chirag imported a machine from China at ₹ 100 lakh in May, 2023 on payment of all duties of customs. The said machine was exported (sent back) to the supplier for repairs in August, 2023 and re-imported without any re-manufacturing or reprocessing in March, 2024 after repairs as per the terms of warranty, the repairs were carried out free of cost but 50% of the cost of material was to be borne by Chirag. Following details are available in relation to the repairs: (2 Marks)

Fair Cost of Repair (excluding cost of material)	₹ 4,00,000
Cost of Material used in repairs	₹ 5,00,000
Actual Insurance and Freight paid towards send back to supplier	₹ 1,00,000
Actual Insurance and Freight paid toward re-importation	₹ 1,20,000

Value for the purpose of levy of customs duty for such repairs under section 20 of the Customs Act, 1962:

- A. ₹ 11,20,000/-
 B. ₹ 8,70,000/-
 C. ₹ 7,50,000/-
 D. ₹ 7,70,000/-

All amount will get added

INTEGRATED CASE SCENARIO:- II

Data Limited commenced business of trading of goods in the state of Assam on 1st April, 2023. Aggregate turnover of the company crossed ₹ 20 lakh on 31st May, 2023 and ₹ 40 lakh on 15th July, 2023. The company made the application for registration under GST law on 25th July, 2023 and the registration certificate was granted on 30th July, 2023. The company has opted to file return on monthly basis under regular scheme. The company was exclusively engaged in supply of taxable goods only.

The company had following input tax credit lying in the books related to input and input service on different dates:

Particulars	Amount in (₹)			
	30 th May, 2023	14 th July, 2023	24 th July, 2023	29 th July, 2023
Input held in stock	10,000	15,000	20,000	40,000
Input services	4,000	6,000	12,000	14,000

Assam - sale of goods limit is 40 lacs.

(9)

AQF1

During the month of January, 2024 the company has installed solar panel at the office premises. Details regarding the installation of solar panel were as follow:

Particulars	Amount
List Price of the solar panel	₹ 5,50,000
Additional information not adjusted or given effect in the list price	
(a) Trade discount recorded in invoice @ 3% on list price	
(b) Local taxes paid ₹ 15,000	
(c) Cost of packing, outward freight, loading-unloading and installation charges ₹ 12,000 as a condition of sale	
(d) State Government subsidy directly linked to the price ₹ 70,000	

Apart from the above, Data Limited received ₹ 2,00,000 as advance payment on 2nd January, 2024 from Mr. Prem, a customer, with respect to the taxable supply of goods of ₹ 10,00,000. The company removed the goods on 9th January, 2024 and issued the invoice on 10th January, 2024. Goods were received by Mr. Prem on 11th January, 2024 and Mr. Prem had made the balance payment of ₹ 8,00,000 on 20th January, 2024 through NEFT.

In addition to the above, due to oversight, the company failed to disclose a self-assessed outward supply of ₹ 2,00,000 while filing the GSTR-3B for the month of August, 2023. Balance of input tax credit for the month of August, 2023 in the electronic credit ledger was of ₹ 10,000/- each under CGST and SGST which remains till date of deposit of tax. Company filed the return for the month of August, 2023 on the due date of return on 20th September, 2023. The company disclosed this supply in the return (GSTR 3B) for the month of January, 2024 and paid the net tax (after set off of ITC of ₹ 10,000 each CGST and SGST) with interest in the GSTR 3B filed on 18th February, 2024.

The Proper officer issued show cause notice on 25th February, 2024 demanding the penalty for late deposit of tax on escaped supply relating the month of August, 2023.

Note: All amounts given above are exclusive of taxes, wherever applicable. All supplies are intra-State and chargeable to GST @ 9% each under CGST and SGST.

From the information given above, choose the most appropriate answer for the following Q No. 10 to 15 with reference to GST law:

10. What is the effective date of Registration of the company? (2 Marks)
- A. 15th July, 2023
 - B. 25th July, 2023
 - C. 31st May, 2023
 - D. 30th July, 2023 ✓

For Assessment limit
is 40 lacs.

+

AQF1

P.T.O.

Reg. applied within
30 days

(10)
Subsidy not adjusted means not reduced yet
AQF1

11. What is value of inward supply of Solar Panel under section 15 the CGST Act, 2017? (2 Marks)

- A. ₹ 5,45,500
- B. ₹ 5,60,500
- C. ₹ 4,90,500
- D. ₹ 4,75,500

$$\begin{array}{r}
 \text{₹ } 5,50,000 + 12000 \\
 (-) 16,500 - 70,000 \\
 + 15,000 \\
 \hline
 \text{₹ } 4,90,500
 \end{array}$$

12. Amount of total interest (CGST+SGST) to be paid (nearest to rupees one) under section 50 of the CGST Act, 2017 with respect to delayed disclosure of outward supply : (Assume 365 days in the year) (2 Marks)

- A. ₹ 1,192 (₹ 596 each under CGST and SGST)
- B. ₹ 1,184 (₹ 592 each under CGST and SGST)
- C. ₹ 2,680 (₹ 1,340 each under CGST and SGST)
- D. ₹ 2,664 (₹ 1,332 each under CGST and SGST)

$$\begin{array}{l}
 \text{₹ } 2,00,000 \times 9\% \\
 \times 151 \div 365 \times 18\% \\
 \Rightarrow 1340.38
 \end{array}$$

13. Amount of opening input tax credit available for availment and utilization on registration : (2 Marks)

- A. ₹ 15,000
- B. ₹ 21,000
- C. ₹ 54,000
- D. ₹ 40,000

on inpluts
on date prior to liable
for reg. (14th July)

14. In relation to the transaction with Mr. Prem, Time of supply of goods for purpose of payment of tax will be: (2 Marks)

- A. For ₹ 2,00,000 – 02.01.2024 and for ₹ 8,00,000–09.01.2024
- B. 09.01.2024 for both ₹ 2,00,000 and ₹ 8,00,000
- C. 10.01.2024 for ₹ 2,00,000 and ₹ 8,00,000
- D. For ₹ 2,00,000 – 02.01.2024 and for ₹ 8,00,000–10.01.2024

(Due date of Invoice)

15. Amount of total penalty which could be leviable under section 73 of the CGST Act, 2017 with respect to the payment of tax on delayed disclosure of outward supply (total for both CGST and SGST) (2 Marks)

- A. ₹ 20,000
- B. ₹ 3,600
- C. ₹ 10,000
- D. Nil

As SCN has issued
10% of Tax or

$$\begin{array}{l}
 \text{for CGST } 10,000 \text{ whichever lower} \\
 \text{for SGST } 10,000 \\
 \hline
 \text{₹ } 20,000
 \end{array}$$

Search CA Jay Agarwal on YT
for free batch of IDT.
Good Luck