

**ICAI CA Inter GST –AI BASED Drafted Question (Pattern Based on Q.5(a))**

**SECTION – B**

**Question 1**

M/s Zenith Precision Tools Ltd., a registered supplier in Pune (Maharashtra), has provided the following information regarding the supplies made/received during the month of January, 2026:

<b>Sr. No.</b>	<b>Outward Transactions</b>	<b>Amount (₹)</b>
(i)	Supplied air purifiers to Mr. Vikas of Nashik (Maharashtra), an unregistered person. Out of total invoice value of ₹ 7,00,000, goods worth ₹ 1,20,000 are exempt supplies. Separate values of taxable and exempt goods were shown in the same invoice.	7,00,000
(ii)	Issued vouchers on 10.01.2026 to M/s Tasty Hub Pvt. Ltd., Jaipur (Rajasthan), which can be redeemed only against a specified combo meal before 15.02.2026.	1,50,000
(iii)	Provided service of transportation of passengers by air-conditioned contract carriage having seating capacity of 13 passengers (excluding driver) to M/s Bright Future School, Nagpur (Maharashtra), for transportation of students and staff.	5,40,000
(iv)	Stock transferred without consideration to branch office of M/s Zenith Precision Tools Ltd. situated at Ahmedabad (Gujarat). Branch office has separate GSTIN under the same PAN. Value of such goods for branch transfer may be taken as ₹ 4,80,000 as per GST Valuation Rules.	-----
(v)	Supplied solar water heating system along with installation service to M/s Crystal Residency, Indore (Madhya Pradesh) for a single consolidated price. Out of total consideration of ₹ 9,00,000, value attributable to installation service is ₹ 1,80,000, but the same has not been separately charged in the invoice.	9,00,000

**Inward Transactions**

<b>Sr. No.</b>	<b>Inward Transactions</b>	<b>Amount (₹)</b>
(i)	Purchased 3 motor vehicles having approved seating capacity of 5 persons (including driver) from a registered dealer in Maharashtra for use by the Managing Director and senior executives of the company.	18,00,000
(ii)	Paid legal consultancy fees to M/s R & K Associates, Advocates, Jaipur (Rajasthan), a partnership firm of advocates registered under GST.	2,40,000

**Additional Information:**

(i) During the month of August, 2025, M/s Zenith Precision Tools Ltd. had availed services from an unregistered supplier situated in Maharashtra amounting to ₹ 3,00,000, which were liable to tax under reverse charge. Tax under reverse charge was duly paid and input tax credit was availed in August, 2025 itself. However, payment to the supplier remained unpaid till 31.01.2026.

(ii) On 18.01.2026, the company received a debit note of ₹ 1,20,000 in respect of intra-State taxable supply of services originally received in November, 2023. The supplier had subsequently discovered that value charged in the original invoice was short by the said amount.

(iii) Accountant of the company is of the opinion that GST on passenger transportation service provided to school is exempt and even otherwise tax, if any, is payable by recipient under reverse charge.

(iv) All the figures given above are exclusive of GST, wherever applicable.

(v) Subject to the information given above, all the conditions necessary for availing input tax credit have been fulfilled and details of GST paid on inward supplies are available in GSTR-2B.

(vi) Assume that all inward supplies are used exclusively for effecting outward taxable supplies.

(vii) There was an opening balance of Input Tax Credit of IGST ₹ 1,10,000 and CGST ₹ 60,000 in the electronic credit ledger at the beginning of the month.

(viii) Wherever details required for determination of place of supply are not given in the question, the same may be taken as inter-State supply.

(ix) Assume the applicable rates of GST as under:

(a) Passenger transportation service by air-conditioned contract carriage: IGST 5%, CGST 2.5% and SGST 2.5%

(b) Solar water heating system along with installation service supplied for a single price: IGST 12%, CGST 6% and SGST 6%

(c) All other inward and outward taxable supplies: IGST 18%, CGST 9% and SGST 9%

You are required to compute the net minimum GST liability of M/s Zenith Precision Tools Ltd. to be paid in cash, if any, for the month of January, 2026 after utilisation of input tax credit.

Note: Calculate GST implications for each point separately and brief legal reasoning for each item should form part of the answer. Detailed provisions relating to place of supply are not required.