

## TOPIC – ORDER OF UTILIZATION OF ITC

### Question 1

The following are details of purchases, sales, etc effected by M/s TAB & Co, a manufacturer registered under CGST Act:

- 1) Purchased raw material 'A' from local dealer Rs 86,100 (inclusive of GST @ 5%).
- 2) Purchased raw material 'B' from local dealer Rs 1,12,000 (inclusive of GST @ 12%).
- 3) Purchased capital goods from within the state to be used in manufacture of taxable goods Rs 1,96,000 (inclusive of GST @ 12%). Depreciation @ 15% to be charged.
- 4) Other direct and indirect expenses Rs 55,460.
- 5) Earned 5% profit margin on total cost.
- 6) During the month of October 2017, only 70% production is sold within the state and applicable GST rate being 12%.

Calculate the amount of CGST and SGST payable after utilizing input tax credit for the month of October 2017 assuming no opening balance of input tax credit is available.

### Question 2

M Ltd, a manufacturer registered in Gujarat, provides the following particulars for January 2018:

- 1) Inputs purchased within state Rs 1,05,000 (includes GST @ 5%).
- 2) Machinery purchased on 15.01.2018 for Rs 1,00,000 (excluding 18% GST) from a local dealer in Gujarat, eligible for input tax credit. Depreciation rate 15%.
- 3) Manufacturing expenses and profits Rs 55,000.
- 4) Goods produced were sold outside Gujarat with IGST @ 18% on sales.

Calculate the amount of GST payable after utilizing input tax credit assuming no opening balance of input tax credit is available.

### Question 3

Vivitha & Co, a registered dealer in Ludhiana, furnishes the following details of purchases and sales pertaining to the month of July 2018:

Particulars	Amount (Rs)
Goods 'A' purchased from local market (including GST @ 12%)	50,400
Goods 'B' purchased from Jaipur (including IGST @ 18%)	82,600
Sales made during the month to dealer of Kolkata of product:	
➤ Goods 'A'	40,000
➤ Goods 'B'	25,000
Sales made within the state of Goods 'B'	35,000

Figures given above are exclusive of tax. Compute the net CGST, SGST and IGST liability for the month of July 2018.

**Question 4**

Mr K of Kolkata purchased goods from Mr A of Assam amounting to Rs 1,18,000 (including 18% IGST) in the month of March 2018. He also purchased raw material worth Rs 1,25,000 from local dealer who has opted for composition scheme. He incurred Rs 50,000 as direct and indirect expenses and added profit margin @ 12% of cost.

Mr K sold 70% of finished goods to Mr M of Mumbai with IGST @ 12% payable thereon, and 30% of finished goods to Mr N of Kolkata with CGST and SGST @ 12% payable thereon.

Compute the net CGST, SGST and IGST liability for the month of March 2018.

**Answer 1:**

- Net CGST Payable = Nil
- Net SGST Payable = Nil
- Input CGST To Be Carried Forward = Rs 6,920
- Input SGST To Be Carried Forward = Rs 6,920

**Answer 2:**

- Net IGST Payable = Rs 7,600
- Balance Input CGST & Input SGST Left = Nil

**Answer 3:**

- Net CGST Payable = Nil
- Net SGST Payable = Nil
- Net IGST Payable = Nil
- Input CGST To Be Carried Forward = Nil
- Input SGST To Be Carried Forward = Nil
- Input IGST To Be Carried Forward = Rs 2,400

**Answer 4:**

- Net CGST Payable = Rs 5,544
- Net SGST Payable = Rs 5,544
- Net IGST Payable = Rs 7,872