

THE REVISIONARY TEST PAPER 6**(THEORY BASED QUESTIONS FROM PAST PAPERS)**

1. Briefly explain the provisions relating to reversal of input credit in case of non-payment of tax by the supplier and re-availment thereof?
2. Explain the procedure for revocation of cancellation of registration where the registration of a person is cancelled suo-moto by the proper officer as per the provisions of CGST Act, 2017.
3. Mr. Sameer, a registered person under GST, is unable to file GSTR-1 on the reason being shown that tax payable under GSTR-1 which has been filed in respect of last tax period exceeds the tax payable under GSTR-3B which has been filed for the corresponding tax period. Explain the procedure to be followed by the department and Mr. Sameer for the same as per the provisions of Rule 88C of the CGST Rules 2027.
4. (i) Who are not eligible to opt for composition scheme for goods under GST Laws?
(ii) GTA services provided to an unregistered person (including unregistered casual taxable person) are exempt from GST by virtue of Entry 21 A of GST Laws. Discuss the validity of above statement.
5. List any 5(five) activities/transactions specified under Schedule III of the CGST Act, 2017 which shall be neither treated as supply of goods nor as supply of services. Detailed explanations is not required.
6. “Rule 86A of the CGST Rules 2017 provides that in certain specified circumstances, Commissioner on the basis of reasonable belief may not allow debit of an amount equivalent to such credit in electronic credit ledger.”

State the grounds (as guided by CBIC) on which the reasons for such belief must be based on.
7. (a) Rule 86B restricts the use of Input Tax Credit (ITC) available in the Electronic Credit Ledger for discharging output tax liability. List down the exceptions to the rule 86B.

(b) List any three situations that warrant issue of credit note. Briefly explain the time line to declare such credit note in the GST return.
8. List the details of outward supplies which can be furnished using Invoice Furnishing Facility (IFF). Also briefly list the cases where a registered person is debarred from furnishing details of outward supplies in GSTR-1/IFF.
9. “Under the GST law, taxes on taxable services supplied by the Central Government or the State Government to a business entity in India are payable by recipient of services”. State the exceptions of the above statement.
10. Mr. B a registered supplier of Uttar Pradesh, is doing the trading of taxable goods. He approaches you to understand the manner of utilisation of available Input Tax Credit (ITC). With reference to provisions of payment of tax, state the manner of utilisation of ITC under GST law.
11. State any five circumstances under which the proper officer can cancel the registration on his own under the CGST Act, 2017.

12. Mr. Q, a casual taxable person of Gujarat state is a trader of taxable notified handicraft goods. It makes supplies to the states of Maharashtra, Rajasthan and Andhra Pradesh. Turnover for October, 2022 is ₹18 Lakh.

- (i) Explain the provisions of registration for casual taxable person under GST. Examine whether Mr. Q is liable for registration or not?
- (ii) What will be the answer if Mr. Q makes trading in taxable notified products instead of taxable notified handicraft goods which involves 75% making on machine and 25% by hand?

13. Is Dynamic Quick Response (QR) Code applicable to suppliers who issue invoice to unregistered persons? If no, list the suppliers to whom Dynamic QR Code is not applicable.

14. (i) What is 'e- invoicing'?

(ii) What is the threshold limit for mandatory issuance of E-invoice for all registered businesses?

(iii) A consignor hands over his goods for transportation on Friday to the transporter. However, assigned transporter starts the movement of goods from consigner's warehouse to its depot located at distance of 600 Km. on Monday. When will the e-way bill be generated and for how many days it will be valid?

SOME OTHER THEORY QUESTIONS

15. Write short notes on the following:

- (i) Rule 37 A (ii) Rule 88 C (iii) Rule 88 D (iv) Rule 86 C (v) Blocking of E- Credit Ledger (vi) Transactions mentioned in Schedule I (vii) Restriction of ITC u/s. 38 (viii) Cases where GSTR1 can't be furnished (ix) Amendment through GSTR1A (x) Contents of GSTR3B
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THE REVISIONARY TEST PAPER 7

Question 1: Miss Nitya, proprietor of M/s. Honest Enterprise, a registered supplier of taxable goods and services in the state of West Bengal, pays GST under regular scheme. It provided the following information for the month of December 2024:

S. No.	Particulars	Amount (₹)
	<u>OUTWARD SUPPLY:</u>	
i.	Intra-state supply of goods to M/s. Natural & Sons	7,00,000
ii.	Intra-state transfer of goods to its branch office in the state of West Bengal. Both places are under the same GSTIN.	1,00,000
iii.	Provided inter-state supply of sponsorship services to XYZ Ltd of Chennai	80,000
iv.	Advance received for future supply of management consultancy service to Mr. Sharad (Intra-state supply)	40,000
	<u>INWARD SUPPLY: (Intra-state)</u>	
i.	Purchase of taxable goods from registered suppliers.	8,00,000
ii.	Availed Works Contract service for repair of office building. Amount of repair was debited in the profit & loss account.	30,000
iii.	Availed legal service from an advocate to represent the matter in the Court relating to collection of disputed proceed from customers.	50,000

Notes:

(i) Rate of CGST, SGST and IGST on all supplies are as below:

Particulars	CGST	SGST	IGST
Goods	2.5%	2.5%	5%
Supply of services	9%	9%	18%

Compute the net minimum GST payable in cash by M/s. Honest Enterprise for the month of December 2024

Question 2: Rama Private Limited, Mumbai, a registered supplier, manufactures taxable goods. It provides the following details of taxable inter-State supply made by it during the month of March 2025:

S. No.	Particulars	Amount (₹)
(i)	List price of taxable goods supplied inter-State (exclusive of taxes)	20,00,000
(ii)	Subsidy received from the Central Government for supply of taxable goods to government School {exclusively related to supply of goods included at S.No. (i)}	3,50,000
(iii)	Tax levied by Municipal Authority	20,000
(iv)	Special packing at the request of customer to be charged to the customer	15,000

(v)	Late fee paid by the recipient of supply for delayed payment of consideration (Recipient has agreed to pay ₹ 6,000 (plus GST @ 18%) in Lump Sum and no additional is payable by him over and above such amount)	7,080
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The list price of the goods is net of the subsidies received. However, the other charges/ taxes/fee are charged to the customers over and above the list price. Rama Private Limited offers 3% discount on the list price of the goods which is separately shown in the invoice for the goods.

Calculate the total value of taxable supplies made by Rama Private Limited during the month of March, 2025 and assume the rate of IGST is 18%.

Question 3: Mr. Dhanwan, an individual registered supplier of Ahmedabad (Gujarat), received the following amount towards rendering of the intra-state supply of various services in the month of January 2025:

S. No.	Particulars	Amount (₹)
I.	Consideration received from security and housekeeping services provided to "Holy Foundation", an educational institution providing services by way of pre-school education, outside the school premises on its annual day function.	60,000
II.	Amount received as an honorarium for participation as guest anchor on "Apna TV" in relation to a debate.	2,25,000
III.	Sum received as hiring charges for provision of non-air conditioned contract carriage for transportation of employees to and from the work to M/s. Siddhi Pvt. Ltd, a registered person under the GST. Such hiring is for 3 months. Use of the contract carriage is at the disposal of the company.	1,50,000
IV.	Amount received for provision of training in recreation activities of music.	90,000
V.	Renting of residential flat to Mr. Sahil, proprietor of M/s. Dayaram & Sons, a registered person under GST for the purpose of his own residence (in personal capacity)	30,000

You are required to compute the value of taxable supply.

Question 4: Yash started the business of supplying shoes in the State of Karnataka from 1st April, 2024. He makes only intra-State supplies. His turnover for April-June quarter was ₹20 lakh and for July-September quarter was ₹ 110 lakh. Further, one-fourth of his total turnover in each of the quarter was exempt from GST. Being eligible for composition scheme, Yash got himself registered under the composition scheme with effect from 1st July, 2024.

You are required to compute the tax payable by Yash under composition scheme assuming that he is a manufacturer.

Will your answer be different if Yash is a trader? Give your answer supported with the relevant provisions of the CGST Act, 2017.

Question 5: Examine whether the following activities would be treated as supply under GST law?

(i) Mr. Sonu from Chandigarh purchased a water cooler from Malhotra Bros. of Hoshiarpur for ₹25,000 to donate it to a temple situated in Hoshiarpur. Mr. Sonu directed Malhotra Bros. to engrave the words on the water cooler- "Donated by

Mr. Sonu from Chandigarh" and dispatch the water cooler directly to the temple.

(ii) Wesco Ltd, a registered person in Ahmedabad (Gujarat) having head office located in Singapore, received management consultancy services free of cost from its head office.

Question 6: Shyam Ltd., a registered person, is engaged in the business of spices. It provides following details in relation to GST paid on inward supplies procured by it during the month of March, 2025:

S. No.	Particulars	Amount (₹)
1)	Raw spices purchase	
	– Raw spices used for sale to customers	80,000
	– Raw spices used for personal use of directors	20,000
2)	Electric machinery purchased for being used in the manufacturing process	35,000
3)	Motor vehicle used for transportation of the employee (seating capacity 8 persons)	55,000
4)	Payment made to contractor for construction of staff quarter.	2,00,000

Determine the amount of ITC that can be availed by Shyam Ltd. for the month of March, 2025 by giving the necessary explanation for treatment of various items. Subject to the information given above, all the other conditions necessary for availing ITC have been fulfilled.

Question 7: Mr. Venaram proprietor of M/s. Lalit Kirana Stores is registered as a composition dealer in the Jodhpur district of Rajasthan. He has not furnished the statement for payment of self - assessment tax in the form GST CMP-08 for two consecutive quarters. He placed an order for purchase of taxable goods worth ₹ 5,50,000 with M/s. Bob & Sons (a partnership firm), a registered dealer in the Bikaner district of Rajasthan. M/s. Bob & Sons has been regularly filing its GST returns. M/s. Bob & Sons wants to generate E-way bill with respect to intra- state supply to be made to M/s. Lalit Kirana Stores. Whether M/s. Bob & Sons is allowed to generate E-way bill as per the provisions of CGST Act, 2017? Answer with proper reasoning.

Question 8: Piyush is a supplier of taxable goods in Karnataka. He got registered under GST in the month of April, 2024 and wishes to pay his IGST liability for the month. Since he is making the GST payment for the first time, he is of the view that he needs to mandatorily have the online banking facility to make payment of GST; offline payment is not permitted under GST. You are required to advise him with regard to following issues:

(i) Are manual challans allowed under GST?

(ii) What is the validity period of the payment challan?

(iii) Is cross utilization among Major and Minor heads of the electronic cash ledger permitted?

Question 9: Dream World Pvt. Ltd is registered under GST in the State of Haryana. During the Financial Year 2023-24, its annual aggregate turnover was ₹ 12 crore. In the month of April 2024, it supplied goods worth ₹ 12 lakh to Nightmare Ltd (a registered taxable person).

- (i) You are required to ascertain whether issue of e-invoice is mandatory in respect of this transaction?
- (ii) What would be your answer if Nightmare Ltd is a SEZ (Special Economic Zone) unit?

Question 10: What will be the late fee (CGST + SGST) for delay in filing of Annual Return under section 44 of the CGST Act, 2017 for financial year 2023-24, if delay is for 47 days and turnover of the company was ₹ 5.20 crore during the relevant financial year.

Question 11: Mr. Atul of Chennai is a registered dealer under GST. He has an opening balance of input tax credit of ₹ 1,20,000 (IGST) lying in the electronic credit ledger relating to the month of November, 2024. During the month, a legal proceeding has been initiated under the GST law which resulted in a tax liability of ₹ 80,000 (IGST, other than RCM liability). Mr. Atul agrees with the tax liability and wants to use the balance lying in the electronic credit ledger towards payment of same.

He seeks your opinion with regard to the provisions of GST laws as to whether he is allowed to use the amount lying in the electronic credit ledger for making the payment of tax liability, payable as a consequence of the proceeding?

Question 12: A Government Department is registered under GST. Its aggregate turnover in the preceding financial year was ₹ 22 crore. You are required to comment with the help of relevant provisions whether the -said Department is required to issue e-invoices in the current financial year or not?

Question 13: Mr. Sameer, a registered person under GST, is unable to tile GSTR-1 on the reason being shown that tax payable under GSTR-1 which has been filed in respect of last tax period exceeds the tax payable under GSTR-3B which has been filed for the corresponding tax period. Explain the procedure to be followed by the department and Mr. Sameer for the same as per the provisions of Rule 88C of the CGST Rules 2017.

Question 14: GMEGA Events, an event management company registered under CGST Act, 2017 at Mumbai, organizes a marriage function for Rakesh of Hubli (Karnataka). Determine the place of supply as per IGST Act, 2017 in the following independent cases:

- (i) If Rakesh is registered at Hubli (Karnataka) and function held at London.
- (ii) If Rakesh is registered at Hubli (Karnataka) and function held at New Delhi.
- (iii) If Rakesh is unregistered person and function held at New Delhi.
- (iv) If Rakesh is unregistered person and function held at London.

SOLUTION TO REVISIONARY TEST PAPER 7

Solution to Question 1:

[Please give references to the provisions]

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
<u>GST payable under forward charge</u>				
Intra-State supply of goods to M/s Natural & Sons	7,00,000		17,500	17,500
Intra-State branch transfer – not taxable as not a distinct person	1,00,000		--	--
Inter-State supply of sponsorship service to XYZ Ltd. of Chennai – taxable under RCM	80,000			
Advance received for future intra-State supply of management consultancy Service – taxable	40,000		3,600	3,600
Total output tax			21,100	21,100
Less: ITC utilized			27,200	27,200
Net GST payable [A]			Nil	Nil
Legal services availed ² [B]	50,000		4,500 [50,000 × 9%]	4,500 [50,000 × 9%]
- Taxable under rcm basis				
GST payable through e cash ledger [A] + [B]			4,500	4,500

Working Note:

Chapter 13 Computation of ITC available

Particulars	Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
Intra-State purchase of taxable goods	8,00,00		20,000 [8,00,000 × 2.5%]	20,000 [8,00,000 × 2.5%]
Works contract service for repair of Office	30,000		2,700 [30,000 × 9%]	2,700 [30,000 × 9%]
Legal services availed	50,000		4,500 [50,000 × 9%]	4,500 [50,000 × 9%]
Total			27,200	27,200

Answer to Question 2: Computation of total value of Taxable Supplies made by Rama Private Ltd. during the month of March 2025

Particulars	Amount (₹)
List Price of the Goods	20,00,000
Subsidy amounting to ₹3,50,000 received from the Central Government and hence not includible.	NIL
Tax levied by the Municipal Authority – taxes other than GST are includible.	20,000
Packing charges – includible being incidental charges	15,000

Late fees paid by recipient of supply for delayed payment ($\text{₹}7,080 \times \frac{6,000}{100/118}$)	
Includible as per Section 15	
	20,41,000
Less: Discount @ 3%	(60,000)
Assessable Value	19,81,000

Solution to Question 3:

Computation of value of supply on which GST is to be paid by Mr. Dhanwan

Particulars	Amount (₹)
Security and housekeeping services provided to an educational institution – taxable as provided outside the premises	60,000
Honorarium for participation as guest anchor – taxable	2,25,000
Hiring charges for non-air conditioned contract carriage Taxable as exemption available only over pre-determined route and pre-determined schedule	1,50,000
Training in recreational activities of music – exempted	-
Renting of residential flat to Mr. Sahil- exempted as provided on his personal account	-
Assessable Value →	4,35,000

Answer to Question 4:

(i) Where Yash is a manufacturer:

Composition Tax = CGST = ₹ 110 lakh x 0.5% = ₹ 55,000 SGST = ₹ 110 lakh x 0.5% = ₹ 55,000

(ii) Where Yash is a trader:

Tax payable by him under composition scheme will be as follows only on taxable turnover.

CGST = 82.50 lacs x 0.5% = ₹ 41,250

SGST = 82.50 lacs x 0.5% = ₹ 41,250

Solution to Question 5: Write Notes of circular from our mat.

(i) Donation of water cooler by Mr. Sonu to temple is not a supply under GST law.

However, supply of water cooler by Malhotra Bros. to Mr. Sonu is supply as it is made for consideration in course or furtherance of business.

(ii) services received by Wesco Ltd. is a supply as per Schedule I.

Answer to Question 6: Computation of ITC that can be availed by Shyam Ltd. for the month of March 2024

Particulars	ITC (₹)
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Purchase of Raw spices which are sold to customers – ITC allowable.	80,000
Purchase of Raw spices for personal use of directors – blocked credit where used for personal consumption	Nil
Electric machinery purchased for being used in the manufacturing process – allowable	35,000
Motor vehicle used for transportation of employee as seating capacity less than 13 persons	Nil
Payment made to contractor for construction of staff quarter not allowed being blocked credit	Nil
ITC ALLOWABLE	1,15,000

Solution to Question 7: The restriction of e way bill pertains to inward supply and not to outward supply. Therefore, M/s. Bob & Sons can generate e-way bill with respect to supply by M/s Lalit Kirana Store.

Answer to Question 8:

Sr. No.	Particulars
(i)	Manual payment challans is not permissible and it must be generated online from the portal.
(ii)	Its valid for 15 days from the date of generation of challan.
(iii)	Major head and minor head adjustment in e cash ledger is allowed

Solution to Question 9: (i) Dream World Pvt. Ltd must issue e invoices mandatorily as aggregate turnover in any preceding financial from 2013-24 onwards exceeds ₹ 5 crores.

(ii) The issuance of e-invoice is mandatory even though Nightmare Ltd. is a SEZ unit.

Answer to Question 10:

Late Fees payable is lower of the following:

- (i) ₹100 per day for 47 days = ₹ 4,700/-
- (ii) 0.04% of ₹ 5.20 crores = ₹ 20,800/-

i.e. 4700

Solution to Question 11: Mr. Atul agrees to the given tax liability without any dispute and hence can use balance of ₹ 80,000 lying in e credit ledger.

Answer to Question 12: The Government Departments are exempted from issuing e- invoices

Solution to Question 13: Mr. Sameer shall get intimation on the common GST portal/his email address of such difference and he must pay the differential tax liability along with interest, or explain the difference, within 7 days period failing which the said amount shall be recoverable from him.

Answer to Question 14:

1. Since recipient is registered at Hubli, the place of supply shall be Hubli (Karnataka).
2. Place of supply is location of recipient where recipient is registered i.e. Hubli,
3. As recipient is unregistered the place of supply is the location where the event is actually held in India. i.e., New Delhi
4. When it is provided to an unregistered person, and if the event is held outside India, the place of supply is the location of recipient i.e. Karnataka

Question 15: Discuss the place of supply in the following cases:

1. ABC Inc. supplies services to a recipient in Gujarat, but the billing is done from its Mumbai office.

➔ Answer: As per Section 12(2)(a) of the IGST Act, the place of supply is Gujarat, since the recipient is located there.

2. GHI Pvt. Ltd. supplies goods from its warehouse in Maharashtra to a customer in Telangana.

➔ As per Section 12(1)(a) of the IGST Act, the place of supply is Telangana, since the goods are delivered to the recipient at their place of business.

3. MNO Ltd. supplies software to a customer in Rajasthan, with the software downloaded from the company's server in Delhi.

➔ As per Section 12(2)(b) of the IGST Act, the place of supply is Rajasthan, since the recipient downloads the software in Rajasthan.

4. PQR Pvt. Ltd. provides event management services for a conference held in Goa, with the company's office in Mumbai handling the arrangements.

➔ Answer: As per Section 12(2)(a) of the IGST Act, the place of supply is Goa, since the services are provided at the conference location.

5. ABC Startups provides online education services to students in various states, including Maharashtra and Karnataka, from its server hosted in Delhi.

➔ The place of supply is the state where the recipient (student) accesses the services, i.e., Maharashtra and Karnataka, respectively.

Question 16: Discuss the following issues/case studies:

1. ABC Pvt. Ltd. (contractor) receives a contract from XYZ Ltd. (contractee) worth ₹10 lakhs for construction services. XYZ Ltd. deducts 1% TDS (₹10,000) as per GST TDS provisions.

Question: How will ABC Pvt. Ltd. claim the TDS credit, and what is the tax liability?

Answer: ABC Pvt. Ltd. can claim the TDS credit in their GST return. The amount of TDS will be shown in its e cash ledger. The tax liability is ₹1,80,000 (18% of ₹10 lakhs), and the TDS credit of ₹10,000 will be offset against this liability.

2. DEF Ltd. (e-commerce operator) sells goods worth ₹5 lakhs through its platform to various customers. It collects 1% TCS (₹5,000) as per GST TCS provisions.

Question: How will DEF Ltd. deposit the TCS amount, and what is the reporting requirement?

Answer: DEF Ltd. must deposit the TCS amount (₹5,000) to the government and file return through Form GSTR-8. It must also furnish a TCS certificate to the sellers.

3. DEF Ltd. failed to file its GST return (Form GSTR-3B) for the month of February by the due date (March 20). It now files the return on March 25 with a tax liability of ₹1,00,000.

Question: What is the late fee payable by DEF Ltd.?

Answer: DEF Ltd. will pay a late fee of ₹500 [Rs. 100 x 5] along with the tax liability of ₹1,00,000 and interest @18%.

4. JKL Pvt. Ltd. files its GST return (Form GSTR-3B) for the month of March on 20th April, reporting a tax liability of ₹50,000. However, it realizes that it forgot to report ₹50,000 worth of sales in its Form GSTR-1.

Question: What is the course of action for JKL Pvt. Ltd.?

Answer: JKL Pvt. Ltd. must file an amended return (Form GSTR-3B) by the 20th of the next month (May 20) and pay the additional tax liability of ₹9,000 (18% of ₹50,000). It must also file an amended Form GSTR-1 by the 11th of the next month (May 11).

5. MNO Pvt. Ltd. is a composition dealer with a turnover of ₹50 lakhs.

Question: What is the reporting requirement, and what is the tax liability?

Answer: MNO Pvt. Ltd. must (i) File CMP 8 quarterly within 18 days from end of quarter and pay taxes (ii) file Form GSTR-4 by April 30, 2024 for financial year 2023-24, reporting its sales and tax liability.

6. ABC Pvt. Ltd. files its GST return (Form GSTR-3B) for the month of December, reporting a tax liability of ₹1,00,000. However, it realizes that it forgot to claim an input tax credit (ITC) of ₹20,000.

Question: What is the course of action for ABC Pvt. Ltd.?

Answer: ABC Pvt. Ltd. must file an amended return (Form GSTR-3B) by the 20th of the next month (February 20) and claim the additional ITC of ₹20,000.

7. DEF Ltd. files its GST return (Form GSTR-1) for the month of February, reporting sales of ₹5 lakhs and tax liability of ₹90,000. However, it receives a notice from the GST department stating that the return has been rejected due to errors.

Question: What is the course of action for DEF Ltd.?

Answer: DEF Ltd. must rectify the errors and re-file the return (Form GSTR-1) within 7 days of the

receipt of the notice as per Rule 88D.

8. DEF Ltd. files its GST return (Form GSTR-3B) for the month of February, reporting a tax liability of ₹50,000. However, it pays the tax on March 25.

Question: What is the interest payable by DEF Ltd.?

Answer: DEF Ltd. will pay interest of ₹1,233 ($₹50,000 \times 18\% \times 5/365$) for the period from March 1 to March 5.

9. M/s GHI Ltd. sells goods worth ₹2,00,000 to M/s JKL Ltd. on 1st August 2024. The goods are returned by M/s JKL Ltd. on 15th August 2024. What is the tax liability of M/s GHI Ltd. under GST?

- a) ₹36,000 (18% of ₹2,00,000)
- b) ₹24,000 (12% of ₹2,00,000)
- c) ₹0 (No tax liability)
- d) ₹40,000 (20% of ₹2,00,000)

Answer: c) ₹0 (No tax liability as the return takes place in the same month and both invoice and credit note will be issued in the same month.

10. - M/s ABC Ltd. supplies goods worth ₹1,00,000 to M/s DEF Ltd. on 15th June 2024.

- The goods are transported by M/s ABC Ltd.'s own vehicle at distance of 3000 kms.
- The e-way bill was generated on 16th June 2024, but the vehicle broke down on 17th June 2023, and the goods were stored in a warehouse.
- The goods were then transported in another vehicle from the warehouse to M/s DEF Ltd. on 20th June 2024.

Question: - What is the validity of the e-way bill in this case?

- Is M/s ABC Ltd. required to generate a new e-way bill?

Answer: - The e-way bill is valid for 15 days from the date of generation.

- M/s ABC Ltd. is not required to generate a new e-way bill, but they need to update the e-way bill with the new transport details in Part B of The e way bill.

11. - M/s DEF Ltd. is a service provider worth ₹5,00,000.

- The company has a GST registration and is required to maintain accounts and records.
- The company has a habit of destroying old records and documents after a year.

Question: - What are the implications of destroying old records and documents under GST?

- How can M/s DEF Ltd. rectify the situation?

Answer: - Destroying old records and documents can lead to non-compliance with GST record-keeping requirements, which can attract penalties and interest.

- M/s DEF Ltd. should maintain all records and documents for at least 72 months from the date of

filing of annual return, as per GST rules. They can rectify the situation by retrieving and reconstructing the destroyed records, and maintaining all records going forward.

12. - M/s GHI Ltd. is a trader worth ₹8,00,000.

- The company has a GST registration and is required to maintain accounts and records.
- The company has a practice of recording transactions in a manual ledger, but does not maintain any supporting documents.

Question: - What are the implications of not maintaining supporting documents under GST?

- How can M/s GHI Ltd. rectify the situation?

Answer: - Not maintaining supporting documents can lead to non-compliance with GST record-keeping requirements, which can attract penalties and interest.

- M/s GHI Ltd. should maintain all supporting documents, such as invoices, receipts, and payment vouchers, to support the transactions recorded in the manual ledger. They can rectify the situation by obtaining and maintaining all supporting documents going forward.

13. - M/s JKL Ltd. is a manufacturer worth ₹12,00,000.

- The company has a GST registration and is required to maintain accounts and records.
- The company has a computerized accounting system, but does not have a backup of the data.

Question: - What are the implications of not having a backup of accounting data under GST?

- How can M/s JKL Ltd. rectify the situation?

Answer: - Not having a backup of accounting data can lead to loss of data and non-compliance with GST record-keeping requirements, which can attract penalties and interest.

- M/s JKL Ltd. should maintain a regular backup of their accounting data to prevent loss of data. They can rectify the situation by creating a backup of their data and maintaining regular backups going forward.