

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

SECTION – B

Question 4

M/s Horizon Media & Eventworks Ltd., a registered company in Mumbai (Maharashtra), engaged in event management, media coordination and institutional support services, has furnished the following particulars relating to transactions undertaken during the month of August, 2026:

Sr. No.	Particulars	Amount (Rs.)
(i)	Paid consideration to an independent journalist for preparation and submission of exclusive news reports relating to international trade developments for publication in company's weekly industrial magazine.	4,80,000
(ii)	Received amount towards online entrance examination fees from candidates seeking admission in "Horizon School of Design", a recognized educational institution providing education upto higher secondary level.	9,20,000
(iii)	Provided catering and housekeeping services to "National Institute of Technology", Jaipur, for students and faculty members.	12,00,000
(iv)	Provided transportation facility to students, faculty and staff of "Spring Valley Public School", Delhi, through air-conditioned buses owned by Horizon Media & Eventworks Ltd.	15,00,000
(v)	Supplied online educational journals and periodicals to "Royal Commerce College", Chennai, affiliated to a recognised university.	6,50,000
(vi)	Organised inter-State cricket tournament for "Western Cricket Association", a recognised sports body. Amount paid to former international cricketer appointed as coach for participating teams.	7,00,000
(vii)	Collected admission charges for entry to a classical dance festival organised by "Nritya Sanskriti Foundation", a charitable trust registered under section 12AB of the Income-tax Act. Festival was organised for promotion of Indian classical arts.	3,80,000
(viii)	Received liquidated damages from contractor for delay in completion of Government auditorium project undertaken for Maharashtra State Government.	5,50,000
(ix)	Provided warehousing facility for storage of tendu leaves and lac collected by tribal forest cooperatives in Madhya Pradesh.	4,40,000

Other Transactions

Sr. No.	Particulars	Amount (Rs.)
(i)	Paid legal consultancy charges to M/s AKJ & Co., a partnership firm of advocates situated in Gujarat.	5,00,000
(ii)	Procured security services from M/s Falcon Security Services, a proprietary firm registered in Maharashtra. Recipient company is body corporate.	8,40,000
(iii)	Paid sponsorship charges to "Volleyball Federation", a non-recognised sports body registered under GST.	10,00,000

Sr. No.	Particulars	Amount (Rs.)
(iv)	Paid renting charges for commercial office premises taken on lease from an unregistered person situated in Maharashtra.	6,00,000
(v)	Paid freight charges to a Goods Transport Agency (GTA) which had opted to pay tax under forward charge @ 18%.	3,20,000

Additional Information:

(i) All figures given above are exclusive of GST wherever applicable.

(ii) Subject to information given above, all conditions necessary for availing input tax credit have been fulfilled and details are reflected in GSTR-2B.

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

(iv) Opening balance of ITC available in electronic credit ledger is as follows:

- IGST : Rs. 3,40,000
- CGST : Rs. 1,60,000
- SGST : Rs.- 1,60,000

(v) Wherever details required for determination of place of supply are not specifically provided, the same may be determined in accordance with relevant statutory provisions.

Nature of Supply	Rate
GTA services under forward charge	IGST 18%, CGST 9%, SGST 9%
Security services under forward charge	IGST 18%, CGST 9%, SGST 9%
All other taxable inward and outward supplies	IGST 18%, CGST 9%, SGST 9%

You are required to:

Compute the net minimum GST liability payable in cash by M/s Horizon Media & Eventworks Ltd. for the month of August, 2026 after utilisation of input tax credit.

Answer

(a) Computation of net minimum GST liability payable in cash by M/s Horizon Media & Eventworks Ltd. for the month of August, 2026:

Particulars	Value (Rs.)	CGST (Rs.)	SGST (Rs.)	IGST (Rs.)
Computation of outward tax liability				
Online entrance examination fees collected from candidates. [Services provided by educational institution to students by way of conduct of entrance examination are exempt from GST.]	9,20,000	Nil	Nil	Nil
Catering and housekeeping services supplied to National Institute of Technology. [Services by way of catering and housekeeping supplied to educational institution are exempt only when supplied to schools. Since services are supplied to college/institute, exemption is not available. Further, it is an inter-State supply.]	12,00,000	-	-	2,16,000 [12,00,000 × 18%]
Transportation facility provided to school through air-conditioned buses. [Transportation, catering, security and housekeeping services supplied to school are exempt irrespective of air-conditioned nature of buses.]	15,00,000	Nil	Nil	Nil
Supply of online educational journals and periodicals to Royal Commerce College. [Supply of online educational journals/periodicals to educational institution is exempt from GST.]	6,50,000	Nil	Nil	Nil
Admission charges collected for classical dance festival. [Services by way of right to admission to recreational activities relating to arts or culture by charitable entity registered under section 12AB are exempt from GST.]	3,80,000	Nil	Nil	Nil
Liquidated damages received from contractor. [Consideration received in the form of liquidated damages for cancellation/non-performance of Government contract payable to State Government is exempt from GST.]	5,50,000	Nil	Nil	Nil
Warehousing facility for storage of tendu leaves and lac. [Services by way of warehousing of minor forest produce are exempt from GST.]	4,40,000	Nil	Nil	Nil
Total output tax liability		Nil	Nil	2,16,000

Add: GST payable under Reverse Charge Mechanism (RCM)

Particulars	Value (Rs.)	CGST (Rs.)	SGST (Rs.)	IGST (Rs.)
Legal consultancy services received from partnership firm of advocates.	5,00,000	-	-	90,000

Particulars	Value (Rs.)	CGST (Rs.)	SGST (Rs.)	IGST (Rs.)
[Services supplied by partnership firm of advocates to business entity are liable to GST under reverse charge. Supplier is located in Gujarat and recipient in Maharashtra and hence, it is an inter-State supply.]				[5,00,000 × 18%]
Security services procured from proprietary firm by body corporate. [Security services supplied by person other than body corporate to registered body corporate are liable to GST under reverse charge.]	8,40,000	75,600 [8,40,000 × 9%]	75,600 [8,40,000 × 9%]	-
Sponsorship services received from recognised sports body. [GST on sponsorship services supplied to body corporate is payable under reverse charge by recipient.]	10,00,000	90,000 [10,00,000 × 9%]	90,000 [10,00,000 × 9%]	-
Renting of commercial office premises from unregistered person. [Renting of commercial immovable property by unregistered person to registered person is liable to GST under reverse charge. Since both supplier and recipient are located in Maharashtra, it is an intra-State supply.]	6,00,000	54,000 [6,00,000 × 9%]	54,000 [6,00,000 × 9%]	-
GTA services received under forward charge. [Since GTA has opted to pay tax under forward charge @ 18%, reverse charge is not applicable.]	3,20,000	Nil	Nil	Nil
Total GST payable under RCM		2,19,600	2,19,600	90,000

Total GST Liability

Particulars	CGST (Rs.)	SGST (Rs.)	IGST (Rs.)
Output tax liability	Nil	Nil	2,16,000
Less: Eligible ITC [Refer Working Note below]			
IGST credit utilized against IGST liability	-	-	(2,16,000)
Output tax liability Payable	Nil	Nil	Nil
Add: GST payable under RCM	2,19,600	2,19,600	90,000
Net GST Payable (RCM Only)	2,19,600	2,19,600	90,000

Working Note:

Computation of eligible ITC available for set-off

Particulars	CGST (Rs.)	SGST (Rs.)	IGST (Rs.)
Opening ITC	1,60,000	1,60,000	3,40,000
Services provided by independent journalist. [Services by an independent journalist, Press Trust of India (PTI) or United News of India (UNI) by way of collection or providing news are exempt from GST.]	Nil	Nil	Nil
Coaching services supplied during cricket tournament. [Services provided by coach for participation in sporting event organised by recognised sports body are exempt from GST.]	Nil	Nil	Nil
GST paid under RCM on security services [ITC of tax paid under reverse charge is available.]	75,600	75,600	-
GST paid under RCM on sponsorship services [ITC of GST paid under reverse charge is available.]	90,000	90,000	-
GST paid under RCM on renting of commercial premises [Commercial premises used in course or furtherance of business. Hence, ITC is available.]	54,000	54,000	-
GST paid under RCM on legal consultancy services [ITC of GST paid under reverse charge is available.]	-	-	90,000
GTA services received under forward charge. [Supplier has opted to pay GST under forward charge @ 18%. Hence, normal ITC is available.]	-	-	57,600 [3,20,000 × 18%]
Total eligible ITC	3,79,600	3,79,600	4,87,600