

GST Sums for Practice-PART I solutions-By Vinayak Krishnan

Ans.1. Solution:

Statement showing Calculation of Value of Taxable Supplies

Particulars	Amt(Rs.)	Amt(Rs.)
List Price of the goods	10,50,000	
Less: GST @ 5% (10,50,000*5/105)(Note 1)	<u>(50,000)</u>	10,00,000
Packaging Charges		10,000
Freight		14,000
<u>Subsidy(Note 2)</u>		
Thane Municipal Corporation	5,000	
ABC Corporation	3,000	
Gujarat Government	<u>Nil</u>	<u>8,000</u>
		10,32,000
Less: Discount(10,00,000*10%)		1,00,000
Value of Taxable Supplies		9,32,000

Notes:

1. The List Price excluding GST has to be considered.
2. Subsidy from central government and state government is not included in the value of supply. Thus, only the subsidy given by Gujarat Government is not included.
3. Discount is always on the list price, **excluding GST**.

Ans. 2. Solution:

Statement showing Calculation of Value of Taxable Supplies

Particulars	Amt(Rs.)	Amt(Rs.)
List Price of the goods	10,50,000	
Less: GST	(50,000)	
Less: Local Taxes	(30,000)	
Less: Packaging Charges	(20,000)	
Less: Storage Charges	<u>(10,000)</u>	
List Price of the Goods		9,40,000
Add: Local Taxes		30,000
Add: Packaging Charges		20,000
Add: Storage Charges		10,000
Add: Transportation Charges(incurred by customer)(Note 1)		Nil
Less: Discount@ 10% on List Price(940,000*10%)		<u>(94,000)</u>
Value of Taxable Supplies		9,06,000

Note:

1. It has been assumed that the Transportation Charges are incurred by the customer after the supply is complete. Hence, the same is not included in value of supply.

Ans. 3. Solution:**Summary of Place of Supply and GST Applicable**

Sr. No.	Location of Supplier	Location of Recipient	Location of Third Person	Place of Supply	Inter/Intra State Supply	GST Applicable
1	Anand, Gujarat	Pune, Maharashtra	NA	Pune, Maharashtra	Inter-State	IGST
2	Salem, TN Nellore, AP Cuttack, Odisha	Ramnathapuram, Tamil Nadu	NA	Jharsugda, Odisha	Inter-State Inter-state Intra-state	IGST IGST CGST+SGST
3	Madgaon, Goa	NA	NA	Madgaon, Goa	Intra-State	CGST+SGST
4	Bengaluru, Karnataka	Kannur, Kerala	Chennai, TN	Chennai, TN	Inter-State	IGST
5	Pune, Maharashtra	Mumbai, Maharashtra	NA	Pune, Maharashtra	Intra-State Supply	CGST+SGST
6	Lisbon, Portugal	Mapusa, Goa	NA	Mapusa, Goa	Inter-State Supply	IGST. Customs Duty will be as applicable
7	Ratnagiri, Maharashtra	Tehran, Iran	NA	Tehran, Iran	Inter-State Supply	Exempted

Explanation:

1. When supply involves movement of goods, the place of supply shall be the location of the goods when movement of goods terminates for delivery to the recipient. Even though

Shikha limited sent its vehicle to the premises of Ramya Ltd., the delivery is still not complete until the goods reach the premises of Shikha Ltd. Hence, Pune, Maharashtra, is the place of supply.

2. When goods are assembled or installed at site, the place of supply of goods shall be the location of installation or assembly. Place of Supply, therefore is, Jharsugda, Odisha. However, location of supplier shall be Salem, TN; Nellore, AP; and Cuttack, Odisha; for respective parts or components procured at these places.
3. When goods are supplied on board a conveyance, the place of supply of goods shall be the location where goods are taken on board. Therefore, Madgaon, Goa is the place of supply.
4. When goods are supplied to a person on the instructions of a third person, the place of supply of goods shall be the location of such third person. Therefore, Chennai, Tamil Nadu is the place of supply.
5. When supply involves movement of goods, the place of supply shall be the location of the goods when movement of goods terminates for delivery to the recipient. Mobile is bought from shop at Pune. Hence, Place of Supply is Pune, Maharashtra.
6. When goods are imported into India, location of the importer is the place of supply.
7. When goods are exported out of India, location outside India, where goods have been supplied, is the place of supply.

Ans.4. Solution:

Summary of Place of Supply and GST Applicable

Sr. No.	Place of Supply	GST Applicable
1	Dehradun, Uttarakhand	CGST+SGST
2	Kochi, Kerala	CGST+SGST
3	Nizamabad, Telangana	IGST
4	Aurangabad, Maharashtra	IGST
5	Mumbai, Maharashtra	CGST+SGST

Explanation: Place of Supply in case of services is-

1. Location where event is actually held- Dehradun Uttarakhand.
2. Admission to Water Park- where the water park is located- Kochi, Kerala
3. Changes made to immovable property, place where property is located- Nizamabad, Telangana.
4. If immovable property outside India, location of the recipient-Aurangabad, Maharashtra.
5. First Scheduled point of departure- i.e. Mumbai, Maharashtra.

Ans. 5. Solution:

The aggregate turnover limit for registration in case of Goods for Normal Category states is Rs. Exceeding 40 Lakhs, and for special category states is Exceeding Rs. 20 Lakhs. The aggregate turnover shall include taxable goods, exempt goods, non-taxable goods, but shall not include inward supplies of goods, where tax is payable under reverse charge mechanism.

Computation of Aggregate Turnover

Particulars	Amt(Rs.)
Supplies of Taxable Goods	3,00,000
Supplies of Exempt Goods	10,00,000
Inward Supplies of Goods under Reverse Charge	Nil
Non-Taxable Supplies of Goods	10,00,000
Total	23,00,000

- i) Siddhi Limited is **not liable to be registered**, if it is located in Maharashtra, Normal Category State, as the aggregate turnover does not exceed 40 lakhs.
- ii) Siddhi Limited is **liable to be registered**, if it is located in Mizoram, Special Category State, as the aggregate turnover exceeds 20 lakhs.
