

GST TEST 7

(Place of Supply)

Time : 30 minutes Each Q : 2 Marks : Total Marks : 20

DETERMINE POS IN THE BELOW CASES

Question 1 : X took a building on rent from Mr. Y. He bolted a machinery on the floor of the building. After three years he vacated the building but agreed with the land lord to leave behind the machinery for the land lord without dismantling it.

Question 2 : Ruchi Soya Limited (Meerut, UP) gives a contract to BHEL Limited (Bilaspur, Himachal Pradesh) to supply a heavy motor machine which is required to be assembled in a factory located in Manali, Himachal Pradesh.

Question 3 : Ms. Deepa (Delhi) boards the Delhi-Mumbai train at Delhi. During the journey, she sells the goods at Vadodara which were taken on board by her at Delhi. The place of supply of goods is the location at which the goods are taken on board i.e. Delhi and not Vadodara where they have been sold.

Question 4 : X provided architectural services to Y of Delhi. X and Y are registered under GST. X has place of business in Nagpur. The building is situated in Delhi.

Question 5 : A is a rich businessman of Delhi. He hosts the marriage of his daughter in the Udaipur fort in Udaipur Rajasthan..

Question 6 : A hotel chain X charges a consolidated sum of ₹ 30,000 for stay in its two establishments in Delhi and Agra, where the stay in Delhi is for 2 nights and the stay in Agra is for 1 night.

Question 7 : A company C provides the service of 24 hours accommodation in a houseboat, which is situated both in Kerala and Karnataka in as much as the guests board the house boat in Kerala and stay there for 22 hours but it also moves into Karnataka for 2 hours (as declared by the service provider).

Question 8 : Z comes to visit Shimla from Delhi. He enjoys a play in a theatre in Shimla and pays for the same..

Question 9 : An event management company E has to organize some promotional events in States S1 and S2 for a recipient R (unregistered). 3 events are to be organized in S1 and 2 in S2. They charge a consolidated amount of ₹ 10,00,000 from R

Question 10 : A company T installs a leased circuit between the Delhi and Mumbai offices of a company C. The starting point of this circuit is in Delhi and the end point of the circuit is in Mumbai. Hence, one point of this circuit is in Delhi and another in Maharashtra.



GST TEST 7 SOLUTION (PLACE OF SUPPLY)

Solution 1 : The supply of machinery by the tenant to the Landlord does not involve movement of goods and the place of supply shall be where the machine is fixed.

Solution 2 : The place of supply is the site of assembly of machine, i.e. Manali even though Ruchi Soya is located in UP.

Solution 3 : Place of Supply: Delhi

Solution 4 : Place of supply : Delhi

Solution 5 : Place of supply of service will be Udaipur. In fact, all other services provided at the Udaipur Fort for the conduct of marriage will also have place of supply as Udaipur

Solution 6 : The place of supply in this case is both in the Union territory of Delhi and in the State of Uttar Pradesh and the service shall be deemed to have been provided in the Union territory of Delhi and in the State of Uttar Pradesh in the ratio 2:1 respectively. The value of services provided will thus be apportioned as ₹ 20,000 in the Union territory of Delhi and ₹ 10,000 in the State of Uttar Pradesh.

Solution 7 : The place of supply of this service is in the States of Kerala and Karnataka. The service shall be deemed to have been provided in the ratio of 22:2 or 11:1 (simplified) in the States of Kerala and Karnataka, respectively. The value of the service shall be accordingly apportioned between the States.

Solution 8 : The place of supply will be the place where the play is actually held and the theater is located i.e. Shimla

Solution 9 : The place of supply of this service is in both the States S1 and S2. Say the proportion arrived at by the application of generally accepted accounting principles is 3:2. The service shall be deemed to have been provided in the ratio 3:2 in S1 and S2 respectively. The value of services provided will thus be apportioned as ₹ 6,00,000 in S1 and ₹ 4,00,000 in S2.

Solution 10 : The place of supply of this service is in the Union territory of Delhi and the State of Maharashtra. The service shall be deemed to have been provided in the ratio of 1: 1 in the Union territory of Delhi and the State of Maharashtra, respectively.

