

# CHAPTER 2

## Supply under GST

### QUESTION BANK

<b>Q1.</b>	<p><b>Explain the services provided by way of tolerating non-performance of a contract and its chargeability under the provisions of the CGST Act, 2017</b></p> <p style="text-align: right;"><b>(MTP May 2020), 5 Marks</b></p>
<b>Ans</b>	<p>Non-performance of a contract is the failure to fulfill the obligations under a contract. It is generally one of the conditions stipulated in any contract for supply of goods/services.</p> <p>The agreement entered into between the parties stipulates that both the service provider and service recipient abide by the terms and conditions of the contract. In case any of the parties breach the contract for any reason including non-performance of the contract, then such person is liable to pay damages in the form of fines or penalty to the other party.</p> <p>Tolerating non-performance of a contract in lieu of damages or fines is a supply in terms of section 7 of the CGST Act, 2017 as it is made for a consideration by a person in the course or furtherance of business.</p> <p>Further, tolerating non-performance of a contract is treated as a supply of service in terms of section 7 read with Schedule II of CGST Act, 2017.</p> <p>However, in case of supplies to Government, non-performance of contract by the supplier of service for which consideration in the form of fines or liquidated damages is payable is exempt from GST.</p>
<b>Q2.</b>	<p><b>Raman is an architect in Chennai. His brother who is settled in London is a well -known lawyer. Raman has taken legal advice from him free of cost with regard to his family dispute. Examine whether the said activity would amount to supply under section 7 read with Schedule I of the CGST Act</b></p> <p><b>Would your answer be different if in the above case, Raman has taken advice in respect of his business unit in Chennai?</b></p> <p style="text-align: right;"><b>(MTP Nov 19), 6 Marks</b></p>
<b>Ans</b>	<p>Schedule I of CGST Act, inter alia, stipulates that import of services by a taxable person from a related person located outside India, without consideration is treated as supply if it is provided in the course or furtherance of business. Explanation to section 15, inter alia, provides that persons shall be deemed to be “related persons” if they are members of the same family. Further, as per section 2(49) of the CGST Act, 2017, family means, —</p> <ul style="list-style-type: none"> <li>(i) The spouse and children of the person, and</li> <li>(ii) The parents, grand-parents, brothers and sisters of the person if they are wholly or mainly dependent on the said person.</li> </ul> <p>In the given case, Raman has received free of cost legal services from his brother. However, in view of section 2(49)(ii) above, Raman and his brother cannot be considered to be related as Raman’s brother is a well-known lawyer and is not wholly/mainly dependent on Raman. Further, Raman has taken legal advice from him in personal matter and not in course or furtherance of business. Consequently, services provided by Raman’s brother to him would not be treated as supply under section 7 read with Schedule I of the CGST Act.</p>

	<p>In the above case, if Raman has taken advice with regard to his business unit, services provided by Raman's brother to him would still not be treated as supply under section 7 of the CGST Act read with Schedule I as although the same are provided in course or furtherance of business, such services have not been received from a related person.</p>
Q3.	<p><b>The temple of ancestral deity of Mr. Aman goel and his family is located at Beri, Haryana. The temple is run by a charitable organisation registered under section 12AA of the Income Tax Act, 1961. The family has got unshakeable faith in their ancestral deity. Mr. Aman is a big entrepreneur having flourishing business of tiles in Guregram. Upon the birth of their first child, he donated Rs. 10 lakh to the said temple for construction of a sitting hall in the temple. On the main door of the sitting hall, a name plate was placed stating "Donated by Mr. Aman Goel upon birth of his first child".</b></p> <p><b>You are required to examine the levability of GST on the donation received from Mr. Aman Goel?</b></p> <p style="text-align: right;"><b>(RTP May 2020)</b></p>
Ans	<p>It has been clarified vide Circular No. 116/35/2019 GST dated 11.10.2019 that when the name of the donor is displayed in the religious institution premises, by placing a name plate or similar such acknowledgement, which can be said to be an expression of gratitude and public recognition of donor's act of philanthropy and is not aimed at giving publicity to the donor in such manner that it would be an advertising or promotion of his business, then it can be said that there is no supply of service for a consideration (in the form of donation). There is no obligation (quid pro quo) on part of recipient of the donation or gift to do anything (supply a service). Therefore, there is no GST liability on such consideration.</p> <p>In the given case, there is no reference or mention of any business activity of the donor which otherwise would have got advertised. Thus, since the gift or donation is made to a charitable organization, the payment has the character of gift or donation and the purpose is philanthropic (i.e., it leads to no commercial gain) and not advertisement, hence GST is not leviable.</p>
Q4.	<p><b>Mr. Priyam, director of Sun Moon Company Private Limited, provided service to the company for remuneration of Rs. 1,25,000. Briefly answer whether GST is applicable in the below mentioned independent cases? If yes, who is liable to pay GST?</b></p> <p><b>(a) Mr. Priyam is an independent director of Sun Moon Company Private Limited and not an employee of the company.</b></p> <p><b>(b) Mr. Priyam is an executive director, i.e. an employee of Sun Moon Company Private Limited. Out of total remuneration amounting to Rs. 1,25,000, Rs. 60,000 has been declared as salaries in the books of Sun Moon Company Private Limited and subjected to TDS under section 192 of the Income-Tax Act (IT Act). However, Rs. 65,000 has been declared separately other than salaries in the Sun Moon Company Private Limited's accounts and subjected to TDS under section 194J of the IT Act as professional services.</b></p> <p style="text-align: right;"><b>(RTP May 2021)</b></p>
Ans	<p>As per Para I of Schedule III of the CGST Act, services by an employee to the employer in the course of or in relation to his employment are non-supplies, i.e. they are neither supply of goods nor supply of services. Services provided by the independent directors who are not employees of the said company to such company, in lieu of remuneration as the consideration for the said services, are clearly outside the scope of Schedule III of the CGST Act and are therefore taxable. Further, such remuneration paid to the directors is taxable in hands of the company, on reverse charge basis.</p>

	<p>Thus, GST is applicable in this case and Sun Moon Company Private Limited is liable to pay GST</p> <p>(ii) The part of director's remuneration which is declared as salaries in the books of a company and subjected to TDS under section 192 of the Income-tax Act</p> <p>(IT Act), is not taxable being consideration for services by an employee to the employer in the course of or in relation to his employment in terms of Schedule III.</p> <p>Further, the part of employee director's remuneration which is declared separately other than salaries in the company's accounts and subjected to TDS under section 194J of the IT Act as fees for professional or technical services are treated as consideration for providing services which are outside the scope of Schedule III and is therefore, taxable. The recipient of the said services i.e. the company, is liable to discharge the applicable GST on it on reverse charge basis.</p> <p>In lieu of the above provisions, Rs. 60,000 declared as salaries in the books of Sun Moon Company Private Limited and subjected to TDS under section 192 of the Income-Tax Act (IT Act), is not taxable being consideration for services by an employee to the employer in the course of or in relation to his employment in terms of Schedule III.</p> <p>Further, Rs. 65,000 declared separately other than salaries in the Sun Moon Company Private Limited's accounts and subjected to TDS under section 194J of the IT Act as professional services is treated as consideration for providing services which is outside the scope of Schedule III and is therefore, taxable. The recipient of the said services i.e. the Sun Moon Company Private Limited, is liable to discharge the applicable GST on it on reverse charge basis.</p>
<b>Q5.</b>	<p><b>With reference to provisions of the CGST Act, 2017 discuss in brief, when "Importation of services" is to be considered as supply and when it is not to be considered as supply.</b></p> <p><b>(NOV 2020 Suggested), 5 Marks</b></p>
<b>Ans</b>	<p>Importation of services for a consideration whether or not in the course or furtherance of business is to be considered as supply.</p> <p>Importation of services by a person without consideration is deemed as supply provided the following two conditions are satisfied:-</p> <p>(a) such import is from related person or from his establishments located outside India, and</p> <p>(b) such import is in the course or furtherance of business</p> <p>In case any or both of the above two conditions is/are not satisfied, the import of services without consideration shall not be deemed as supply.</p>
<b>Q6.</b>	<p><b>State whether the following supplies would be treated as supply of goods or supply of services as per Schedule II of CGST Act:</b></p> <p>(i) Renting of immovable property</p> <p>(ii) Transfer of right in goods without transfer of title in goods.</p> <p>(iii) Works contract services</p> <p>(iv) Temporary transfer of permitting use or enjoyment of any intellectual property right</p> <p>(v) Transfer of title in goods under an agreement which stipulates that property shall pass at a future date.</p> <p><b>MTP May 19-2, 5 Marks</b></p>
<b>Ans.</b>	<p>(i) Renting of immovable property would be treated as supply of services in terms of Schedule-II of CGST Act, 2017.</p> <p>(ii) As per Schedule-II of CGST Act, 2017, transfer of right in goods without transfer of title in goods would be treated as supply of services.</p> <p>(iii) As per Schedule-II of CGST Act, 2017, works contract services would be treated as supply</p>

	<p>of services.</p> <p>(iv) As per Schedule-II of CGST Act, 2017, temporary transfer of permitting use or enjoyment of any intellectual property right would be treated as supply of services.</p> <p>(v) As per Schedule-II of CGST Act, 2017, transfer of title in goods under an agreement which stipulates that property shall pass at a future date would be treated as supply of goods.</p>
<b>Q7.</b>	<p><b>Explain the composite supply and mixed supply. If a trader launches a package sales for marriage containing double bed, refrigerator, washing machine, wooden wardrobe at a single rate. He is issuing invoice showing value of each goods separately. Whether this is case of mixed supply or composite supply. Explain.</b></p> <p style="text-align: right;"><b>(JULY 2021 SUGGESTED), 4 Marks</b></p>
<b>Ans</b>	<p>Composite supply comprises of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.</p> <p>Mixed supply means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.</p> <p>Items such as double bed, refrigerator, washing machine and wooden wardrobe are not naturally bundled and also the invoice for the supply shows separate values for each item i.e., the package is not supplied for a single price.</p> <p>Therefore, supply of such items as a package will neither constitute a composite supply nor a mixed supply. Thus, the various items of the package will be treated as being supplied individually.</p> <p>Note: The question specifies that the various items are supplied at a 'single rate'. The "single rate" expression is construed as single rate of tax in the above answer. Further, the "single rate" may also be construed as single price as given in the below mentioned answer.</p> <p>Items such as double bed, refrigerator, washing machine and wooden wardrobe are not naturally bundled. Therefore, supply of such items as a package will not constitute composite supply. Further, a single price has been charged for the package.</p> <p>Consequently, supply of such items as a package will be treated as mixed supply</p>

## Updated Questions

Q8.	HDFC Bank has made the following transactions in FY21-22. Calculate GST liable if rate is 18%.		
	Particulars		Amount
	Term Loan given		200 lakhs
	Interest earned on term loan		50lakhs
	Interest earned on O/D/CC		80 lakhs
	Bank Charges on various activities		20 lakhs
	Commission earned on conversion of foreign earnings		10lakhs
	Sale of Government bond		240 lakhs
	Note: All the transactions are intra state supply. (VG)		
Ans	Particulars	Rs	Remarks
	1. Term Loan	-	Transaction in money , hence excluded
	2. Interest on Tem Loan	Exempt	Separate considerations charged for use of money i.e. term loan is service but exempted from payment of tax.
	3. Interest on O/D	Exempt	Separate considerations charged for use of money i.e. term loan is service but exempted from payment of tax.
	4. Commission on Conversion	10lakhs	Separate consideration charged for conversion of money is a service and taxable.
	5. Bank Charges	20 Lakhs	It is a supply of service and taxable.
	6. Sale of Government Bond	-	It is a transaction in securities. Not covered in the definition of goods and service. Hence no GST is payable.
	7. Taxable value	30,00,000	
CGST 9% 2,70,000 SGST 9% 2,70,000			
Q9.	Saksham supplied goods and issue invoice in December for Rs 40,000 to Mr. Ram. Received advance of Rs 20,000 in September. When GST is payable. Assume rate of tax payable is 18%. Assume intra state supply. (VG)		
Ans	As per Notification No 66/2017, GST on supply of goods is payable on invoice basis and not on advance. Hence entire GST is Payable on the date when invoice is issued i.e. December 2020 and due date of payment of tax is 20 January (will study later on) CGST payable= 40,000* 9%=3600 SGST Payable = 40,000*9%=3600		
Q10.	If in above case Saksham supplied services instead of goods, then what would be the liability of GST. (VG)		
Ans	Calculation of GST Payable on advance in September	Calculation of GST Payable in December when invoice is issued	
	CGST 20,000*9%=1800 SGST 20,000*9%= 1800	Balance amount= 20,000 CGST= 1800 SGST= 1800	
	Assumption: Advance is exclusive of GST		

Q11.	An architect has provided architect services to Builder Sanghwani Properties. He has retained one flat in the building against his service. Whether it is supply of service? (VG)			
Ans	As per Sec 7(1)(a) if any goods/ services are supplied for consideration in the course of business then it would be treated as supply. Consideration includes any payment received in money or otherwise in respect of service. In the given case architect has received consideration in form of flat. Hence his service is supply and liable to GST.			
Q12.	XYZ fertilizers manufacturing fertilizers. It has declared price Rs 100 for per Kg of fertilizers Government has announced 30% subsidy on such fertilizers. Co has sold 10000 packets of fertilizers to various farmers for which 7,00,000 received from farmers and 3,00,000 subsidy received from govt. Specify on what amount GST is payable(Rate 18%) ? Would your answer differ if subsidy is given by charitable trust instead of the Government? (VG)			
Ans	As per Sec 2(31) consideration does not include subsidy received from CG or SG. Hence, in given case, XYZ is liable to pay GST on Rs 7,00,000. GST payable= 7,00,000*18%=1,26,000 Only Subsidy received from CG/SG is excluded from consideration. Hence, subsidy received from charitable trust is liable to GST. GST payable= 10,00,000*18%= Rs 1,80,000			
Q13.	Piyush gave gifts and bonus to its employees on Diwali. Determine whether following supplies of GST to Various employees without consideration are liable to GST(rate18%)assuming there is no such condition of gifts in employer- employee agreement.			
	Employees	Nature of Supply(Goods/Service)	Value of Supply	
	Amit	Bike	45,000	
	Bhawna	Car	4,00,000	
	Charles	Jewel	90,000	
	Devansh	Cash	80,000	
	Everett	Flat for residence for temporary use	80,000(deemed rent)	
	Assume Intra state supply. (VG)			
Ans	Determination of taxable Value			
	Employee	Nature of supply	Value of Supply	Taxable Value
	Amit	Bike	45,000	-
	Bhawna	Car	4,00,000	4,00,000
	Charles	Jewel	90,000	90,000
	Devansh	Cash	80,000	-
	Everett	Flat	80,000	80,000
				4,70,000
	CGST@9%=42,300 SGST@9%=42,300			

<b>Q14.</b>	<b>R an owner of shop is a registered person under GST. He has decided to close the business. At the time of deregistration he has closing stock of Rs. 30,00,000. Value of movable Furniture and machinery 40,00,000 Rs. Find amount of supply. Also state whether it is supply of goods or services? (VG)</b>
<b>Ans</b>	As per clause (C) of Para 4 of schedule. II if any person ceases to be a taxable person then any

	goods of asset shall be deemed to be supply and GST is payable Value of supply on which GST is payable = 40,00,000 + 30,00,000 = 70,00,000/- It would be treated as supply of goods																		
Q15.	Piyush has given GST training to Mr. A who is an employee of Jayshree ltd. Payment is made by Jayshree ltd. Invoice is in the Jayshree ltd. Who is recipient in this case? (VG)																		
Ans	As per sec2 where a consideration is payable for supply of GST, recipient is the person who is liable to pay such consideration. In given case, consideration is paid by Jayshree ltd. Hence recipient is Jayshree ltd.																		
Q16.	Worldwide Pvt Ltd (a registered taxable person) having following transactions in financial year relating to permanent transfer or disposal of business asset																		
	Assets	ITC Taken	Amount																
	Building	No	40,00,000																
	Plant (movable)	Yes	11,20,000																
	Furniture (movable)	Yes	4,50,000																
	Vehicle	No	70,000																
	Closing stock	Yes	15,80,000																
	Total		72,20,000																
	Compute the taxability in following cases: (i) When transfer for some consideration (ii) When transfer is made free of cost (VG)																		
Ans	Permanent transfer or disposal of Assets																		
	Assets	Value	Case I																
	Building	40,00,000	Transfer of immovable property is not supply as per sec 7																
	Plant (movable)	11,20,000	11,20,000 Supply u/s 7(1)(a)																
	Furniture (Movable)	4,50,000	4,50,000 7(i)(a)																
	Vehicle	70,000	70,000 7(i) (a)																
	Closing stock	15,80,000	15,80,000 7(i)(a)																
Q17.	Vijay malya supply liquor and airline services. Calculate tax liability:- (a) Supply of liquor in April – Rs.400000 (Excise state rate 12%, VAT 12.5%) (b) Supply of airlines services -6000000 (GST 18%) All are intra state supply. (VG)																		
Ans	Legal provision: As per provision of sec 9(1), GST is levied on intra state supply of goods and services, to the point <b>except alcoholic liquor</b> for human consumption.  Calculation of tax liability: : <table><tr><td>Airline services</td><td></td></tr><tr><td>Value of supply</td><td>6000000</td></tr><tr><td>CGST9%</td><td>540000</td></tr><tr><td>SGST9%</td><td>540000</td></tr><tr><td></td><td></td></tr><tr><td>TOTAL PRICE</td><td>7080000</td></tr></table> <table><tr><td>Alcoholic liquor</td><td></td></tr><tr><td>Value of supply</td><td>4000000</td></tr></table>			Airline services		Value of supply	6000000	CGST9%	540000	SGST9%	540000			TOTAL PRICE	7080000	Alcoholic liquor		Value of supply	4000000
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	<table><tr><td>Excise duty 12%</td><td>480000</td></tr><tr><td></td><td>4480000</td></tr><tr><td>Vat 12.5%</td><td>560000</td></tr><tr><td>TOTAL PRICE</td><td>5040000</td></tr></table>	Excise duty 12%	480000		4480000	Vat 12.5%	560000	TOTAL PRICE	5040000								
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Q18.	Motorola has 3 factories in Maharashtra, Delhi and Arunachal Pradesh under same PAN. State briefly (a) Whether Co. has to take separate registration for each factory? (b) Whether each registered factory would be treated as separate person? (c) Whether stock transfer of goods/services from one factory to another would be treated as supply? (VG)																
Ans	(a) Yes, as per section 25 every person have to take registration statewise. Hence each factory in different state is required to take registration separately. (b) Yes, as per section 25(4) if a person is registered in more than one state then for each registration shall be treated as deemed distinct person. (c) Yes, as per sec 7(1)(c) schedule I para 2, supply of goods or services without consideration ( stock transfer) between deemed distinct person is treated as supply under GST and liable to pay tax.																
Q19.	Apple ltd manufacturer of laptop. It is selling their product through various distributors, consignment agents and also from their own branches. Company has manufactured 5900 quantity of laptop in April and made following transactions- (a) 600 laptop directly sold from factory for Rs. 40000 each (Intra state) (b) 1100 laptop sold to distributor I square of Haryana @ 38000 each. I square further sells the goods to Various customers. (c) 600 laptop given to consignment agent of Punjab for further supply. Consignment agent is further selling the goods on his own invoice ( For stock transfer no price is charged but Market Value of laptop is Rs. 40000 each) (d) 800 laptop are transferred to consignment agent of Delhi for further supply who makes the supply in name of Principal at value Rs. 40000. (e) 400 laptop transferred by Apple ltd to their own branch in Delhi for further sale. This branch in Delhi is not separately registered. (f) 1100 laptop is transferred by co. to his own branch in MP (Market Value Rs.40000 each) for further sale (g) 800 laptop are transferred free by Apple to fancy Ltd. ( Subsidiary co. of Apple ) in Delhi in course of business (MV 40000 each) (h) 300 laptop are transferred to warehouse of Apple ltd in Rajasthan for storage. (i) 200 laptop are given free to trust of Delhi (ITC was taken on laptop at the time of purchase MV 40000) Determine GST liability Of Apple ltd located in Peeragarhi, Delhi if applicable rate of GST on laptop is 28% . Above prices are exclusive of GST.																
Ans	Calculation of tax liability of Apple Ltd. <table><tr><td>Particulars</td><td>Value</td><td>IGST 28%</td><td>CGST 14%</td><td>IGST 14%</td><td>REMARKS</td></tr><tr><td>Sale from factory (600*40000)</td><td>24000000</td><td></td><td>3360000</td><td>3360000</td><td>As per sec 7(1) (a) sale is made for consideration in course of business hence, supply &amp; GST Payable</td></tr></table>					Particulars	Value	IGST 28%	CGST 14%	IGST 14%	REMARKS	Sale from factory (600*40000)	24000000		3360000	3360000	As per sec 7(1) (a) sale is made for consideration in course of business hence, supply & GST Payable
Particulars	Value	IGST 28%	CGST 14%	IGST 14%	REMARKS												
Sale from factory (600*40000)	24000000		3360000	3360000	As per sec 7(1) (a) sale is made for consideration in course of business hence, supply & GST Payable												



	Sale to Distributor (1100*38000)	41800000	11704000			As per sec 7(1) (a) sale is made for consideration in course of business hence, supply & GST is payable (Inter state) distributor is selling further, so ownership transferred
	Stock transfer to consumption Agent of Punjab (600*40000)	24000000	6720000			Inter State Supply As per para 3 Schedule 1 of sec 7(1)(c) read with CBIC clarification, if agent issues own invoice for further supply then stock trf from P to A would be treated supply and liable to pay GST
	Stock trf to consignment agent of Delhi	-	-	-	-	As per CBIC clarification if agent is making further supply under principal's invoice then stock trf from P to A is not treated as supply under para 3 of schedule 1 & no GST is payable 7(1) (a) (b) (c)
	Further sale by consignment Agent to customer (Intra) (40*40000)	16000000		2240000	2240000	In above case when further supply is made by agent then principal is liable to pay GST.

	Stock by to own Nagpur branch (QTY 300)					Nagpur branch is under same register & not a Deemed Distinct Person u/s 25. Hence Para 2 of schedule 1 is N.A and not treated as supply under GST
	Stock trf to own MP branch (Deemed Distinct Person) (1100*40000)	44000000	12300000			Branch is in MP hence separately registration required. Hence as per sec 25(4) it is Deemed Distinct Person and para 2 of Schedule 1 of sec 7(1)(c) such stock transfer would be treated as deemed supply and GST is payable thereon.
	Trf of mobile to subsi PQR (800*40000)	32000000	-	4480000	4480000	As per para 2 of schedule 1 of section 7(1)(c) supply of goods to related person in course of business would be treated as deemed supply
	Stock transfer to own warehouse in Rajasthan (30*30000)	9000000	2520000	-	-	Warehouse in Rajasthan is separately registered and Deemed Distinct Person u/s 25(4). As per para 2 of schedule 1 of sec 7(1)(c) stock transfer

						is treated as deemed supply.
	Free distribution to trust (200*40000)	8000000		1120000	1120000	As per para 1 of schedule 1 of sec 7(1) (c) Permanent trf of business asset on which itc taken would be treated as supply and liable to gst
	Total	V=19880000	I= 33244000	C=11200000	S=11200000	
<b>Q20.</b>	<b>Mr. V has taken architect service from Mr. Johny of UK. Determine GST liability in following different cases as per section 7(1)(a), 7(1)(b), 7(1) (c) ,para4</b> <b>(1) Mr. Johny is unrelated person and service is taken for consideration \$2000 =supply 7(1)(b) whether no business.</b> <b>(2) Mr. Johny is related person and service is taken for consideration \$2000 = supply 7(1) (b)</b> <b>(3) Mr Johny is unrelated person and service is taken by Mr. V for his personal use (for construction of his own house) and fees paid \$2000 =supply 7(1) (b)</b> <b>(4) Service is taken from Mr. Johny (unrelated person) without consideration - not covered in 7(1) (b) and para 4 of schedule 1 of sec 7(1)(c)</b> <b>(5) Service is taken from Mr. Johny (related person) without consideration for designing of office = supply under para 4</b> <b>(6) Service is taken from Mr. johny(related person) without consideration (free) for construction of V's personal house =not covered in 7(1) (b)&amp;para 4</b> <b>Hence considered as IMPORT</b> <b>(VG)</b>					
<b>Q21.</b>	<b>Kavya ltd. has registered factory (Place of business) in Punjab and unregistered office (not Place of Business) in Haryana. Whether they are treated as Deemed Distinct Person? (VG)</b>					
<b>Ans</b>	As per sec 25(5) if a person obtained registration in one state for an establishment and also has another establishment (unregistered) in other state, then for the purpose of GST law they are treated as Deemed Distinct Person.					
<b>Q22.</b>	<b>Paras has various branches in Haryana which are as follows:-</b> <b>(1) Head office - Hisar (Place of business)</b> <b>(2) Branch 1 - Gurugram</b> <b>(3) Branch 2 - Fatehabad</b> <b>(4) Branch 3 - Faridabad</b> <b>State whether Paras has to take registration for each branch? (VG)</b>					
<b>Ans</b>	As per sec 25 state wise single registration is compulsory. But if a taxpayer has more than one branch in the same state, then at his option, he can take separate registration. If he takes separate registration for different branches, within a state then as per 25(4), they are					

	<p>treated as Deemed Distinct Person.</p>
<b>Q23.</b>	<p><b>With reference to Paras case study if it has taken single registration for all branches in Haryana then whether stock transfer of goods and service between branches would be treated as supply and liable to GST? (VG)</b></p>
<b>Ans</b>	<p>If all branches are under single registration then it will not treated as Deemed Distinct Person and transfer of goods/services from one branch to another is not treated as supply .Hence no GST payable.</p>
<b>Q24.</b>	<p><b>Samsung has 3 factories in Maharashtra, Delhi&amp; mp under same pan .State briefly.</b></p> <p><b>(a) Whether co. Has to take separate registration for each factory?</b></p> <p><b>(b) Whether each registered factory would be treated as separate person ?</b></p> <p><b>(c) Whether stock transfer of goods/service from one factory to another would be treated as society? (VG)</b></p>
<b>Ans</b>	<p>(a) Yes, as per section 25 every person have to take registration state wise .hence, each factory in different state is required to take registration separately.</p> <p>(b) Yes, as per section 25(4)if a person registered in more one state then ,for each registration shall be treated as deemed distinct person.</p> <p>(c) Yes, as per section 7(1) (c), schedule 1 Para 2 supply of goods or service without consideration (stock transfer) between deemed distinct person is treated as supply under GST. And liable to pay tax.</p>
<b>Q25.</b>	<p><b>With reference to Paras case study, if it has taken single registration for all branches in then whether Haryana Stock transfer of goods and service between branch would be treated as supply and liable to GST ? (VG)</b></p>
<b>Ans</b>	<p>If all branches are under single registration than, they are not treated as DDP and transfer of goods /services from one branch to another is not treated as supply and no GST payable. Note: such stock transfer of goods should to under rule 65 stock transfer challan.</p>
<b>Q26.</b>	<p><b>Mr. Alpha consignment agent of Ravi Drinks Ltd. (supply) who undertakes supply of soft drinks on behalf of Ravi Drinks Ltd. Alpha supplied goods worth 20 l to Mr. Cee on behalf of Ravi Drinks Ltd. Specify who is supplier of goods in this case. (VG)</b></p>
<b>Ans</b>	<p>As per section 2 supplier includes agent acting on behalf of supplier so, in given transaction Mr. Alpha (agent) is also treated as supplier and liable for payment of GST. Note: Liability to pay GST in case of agent is to be decided by referring the provision of Para 3 of schedule I of section 7(1) (c). <b>Note:</b> In this case the agent is not liable to pay GST Liability because goods sold not in the name of agent.</p>
<b>Q27.</b>	<p><b>Samsung transferred goods from factory, of Haryana to Factory 2 of UP without consideration Delivery of Goods is taken by factory 2. State the recipient. (VG)</b></p>
<b>Ans</b>	<p>As per Sec 2 where no consideration is payable for supply of goods then recipient is to whom the goods are delivered. In given case goods delivered to Factory 2, Hence factory 2 is recipient.</p>