

Tharun's  
**BRAINERY**

For passionate learners...



CA Intermediate

Paper-3B

**AMENDMENTS**

**In Goods and Service Tax**

Jan'25 Exam

[www.tharunraj.com](http://www.tharunraj.com)

## SEGMENT - 2

# SUPPLY, COMPOSITE & MIXED SUPPLY

**Clarification on taxability of salvage/ wreck value earmarked in the claim assessment of the damage caused to the motor vehicle – CBIC Circular<sup>1</sup> [No prior]**

Insurance companies offer services to insure motor vehicles against damages. When a motor vehicle is damaged, the insurance company is responsible for either repairing the vehicle or compensating the insured based on the insurance policy's terms. The compensation provided by the insurance company can be subject to deductibles, which are pre-agreed amounts that reduce the final claim payment.

**GST Liability on Salvage Value:** The circular addresses whether the insurance company is liable to pay GST on the salvage or wreckage value when assessing a claim for damage to a motor vehicle.

### **When Salvage Remains with the Insured:**

- **Situation:** In some cases, according to the contract terms, the insurance company deducts the salvage value from the final claim amount. This means that the salvage or wreckage remains the property of the insured person (the vehicle owner), and the insurance company simply reduces the payout by the salvage value.
- **GST Implication:** In this scenario, since the insurance company does not take ownership of the salvage, it is not considered a supply made by the insurance company. Therefore, the insurance company is not liable to discharge GST on the salvage value. The ownership and responsibility of the salvage remain with the insured.

### **When Salvage Becomes Property of the Insurance Company:**

- **Situation:** In other cases, the insurance company settles the full claim amount without deducting the salvage value, meaning the salvage or wreckage becomes the property of the insurance company. The insurance company may then sell the salvage to a salvage buyer.
- **GST Implication:** When the insurance company takes ownership of the salvage and subsequently sells it, this transaction is considered a supply under GST law. Therefore, the insurance company must discharge GST on the sale of the salvage, as it is now a taxable supply made by the insurance company to the salvage buyer.

<sup>1</sup> Circular No.-215/9/2024-GST dated 26.06.2024



## SEGMENT - 3

# LIABILITY TO PAY GST

**Clarification on the taxability of ESOP/ESPP/RSU provided by a company to its employees through its overseas holding company – CBIC Circular<sup>1</sup>**

This circular clarifies the GST implications on transactions related to the allotment of securities or shares (such as Employee Stock Purchase Plans (ESPP), Employee Stock Option Plans (ESOP), or Restricted Stock Units (RSU)) from a foreign holding company to the employees of its domestic subsidiary company.

### **Employee Stock Plans (ESPP/ESOP/RSU)<sup>2</sup>:**

Companies often incentivize their employees by allotting securities or shares as part of their compensation package. These schemes are commonly referred to as ESPP, ESOP, or RSU, depending on the specific terms agreed upon between the employer and the employee.

- **No Supply of Service in Cost-to-Cost Reimbursement:**

The circular clarifies that when a foreign holding company issues ESOPs, ESPPs, or RSUs to the employees of its domestic subsidiary, and the domestic subsidiary reimburses the cost of these securities or shares to the foreign holding company on a cost-to-cost basis, no supply of service is deemed to have taken place between the foreign holding company and the domestic subsidiary.

- As a result, in such scenarios, there is no GST liability on the reimbursement amount because it is considered merely a reimbursement of the actual cost of the securities/shares, with no profit element or additional charge involved.

### **GST on Additional Charges:**

- However, if the foreign holding company charges an amount over and above the cost of the securities/shares from the domestic subsidiary, by whatever name it is called (such as fees for facilitating or arranging the transaction), this additional amount is considered a supply of services.
- GST would be levied on this additional amount as it is treated as consideration for the supply of services by the foreign holding company to the domestic subsidiary.

<sup>1</sup> Circular No.-213/07/2024-GST dated 26.06.2024

<sup>2</sup> **ESPP** allows employees to buy company stock at a discount, often through payroll deductions.

**ESOP** grants employees the option to purchase stock at a set price after a vesting period, incentivizing long-term employment.

**RSU** provides employees with shares that vest over time or based on performance, with the employee owning the shares outright once vested.



## SEGMENT - 4

### VALUE OF SUPPLY

#### Mechanism for providing evidence of compliance of conditions of Post supply discount – CBIC Circular<sup>1</sup>

Section 15(3)(b) specifies that the value of supply shall exclude the 'post-supply discount,' provided that the recipient has reversed the ITC proportionate to the discount value. However, currently there is no mechanism to verify such reversal.

With the above backdrop, the Circular clarifies the mechanism for suppliers to demonstrate compliance with Section 15(3)(b)(ii) of the CGST Act, 2017, regarding discounts via credit notes after supply.

#### Conditions for Excluding Discounts from Taxable Value:

Discounts can be excluded from the taxable value if:

- Established by an agreement at or before the time of supply.
- Specifically linked to relevant invoices.
- ITC attributable to the discount is reversed by the recipient.

#### Interim Solution: (Till the time a functionality is enabled in the portal, below mentioned provisions are applicable)

- **For tax amounts exceeding ₹5 lakhs:** Supplier shall obtain a certificate from the recipient's CA/CMA certifying ITC reversal
- **For tax amounts not exceeding ₹5 lakhs:** Supplier shall obtain an undertaking or certificate from the recipient.
- Certificates should detail credit notes, relevant invoices, ITC reversal amounts, and supporting documents like FORM GST DRC-03/Return etc.
- CA/CMA certificates must include a UDIN, verifiable on ICAI or ICMAI websites.
- This procedure shall also apply to past periods.
- Tax amount shall include CGST, SGST, IGST, and compensation cess

<sup>1</sup> Circular No. 212/6/2024 GST dated 26.06.2024

**Question**

PQR Ltd., a manufacturer, entered a contract with DEF Ltd., a distributor, on 1st April 2024. The supply was made on 10th May 2024, with a value of ₹25,00,000, and the applicable GST rate was 12%. Payment terms required full payment within 30 days of the invoice date. A post-supply discount of 7% was agreed upon, conditional on DEF Ltd. successfully selling 80% of the goods within the quarter (April-June 2024).

By 30th June 2024, DEF Ltd. sold 85% of the goods, making it eligible for the 7% post-supply discount. Consequently, on 15th July 2024, PQR Ltd. issued a credit note for such discount to DEF Ltd. for the post-supply discount. DEF Ltd. had availed ITC on the full invoice value as they complied with the conditions of availment of ITC. To comply with the provisions of Section 15(3)(b) of the CGST Act, 2017, DEF Ltd. is required to reverse the ITC proportionate to the post-supply discount.

- (i) How much ITC needs to be reversed by DEF Ltd. based on the credit note issued by supplier?
- (ii) What is the consequence to PQR Ltd. based on such credit note?
- (iii) How PQR Ltd. can prove that recipient has reversed the ITC?

What will be your answer in (iii) above if the ITC to be reversed is ₹5,50,000?

**Answer**

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

## SEGMENT - 5

### INVOICE & TIME OF SUPPLY

**Time of supply in respect of supply of services of construction of road and maintenance thereof of National Highway Projects of National Highways Authority of India (NHAI) in Hybrid Annuity Mode (HAM) MODEL - CBIC Circular<sup>1</sup>**

This circular provides clarification on the GST implications for Hybrid Annuity Model (HAM) contracts, which involve the construction, operation, and maintenance of highways.

**Hybrid Annuity Model (HAM):** A HAM contract is a single, integrated contract where the concessionaire (the contractor) is responsible for both the construction of a highway and its operation and maintenance (O&M) over a specified period.

**Continuous Supply of Services:** Given that the concessionaire is required to perform services over an extended period, with payments made in instalments, the contract is treated as a "continuous supply of services" under section 2(33) of the CGST Act.

**Due date of invoice:** As per Sec. 31(5) of the CGST Act

- If due date of instalment is ascertainable from the contract, then the due date of such instalment.
- If payment is linked to completion of event, then date of completion of such event.
- In the absence of above, then the date on which such instalment is received.

**Time of Supply of Services:** Determined as per Sec. 13(2) of CGST Act, 2017

- Invoice date or payment date, whichever is earlier, if invoice is issued within the due date
- Completion date or payment date, whichever is earlier, if invoice not issued within the due date

**Inclusion of Interest in Taxable Value:** The instalments or annuities paid by the National Highways Authority of India (NHAI) to the concessionaire may include an interest component. As per section 15(2)(d) of the CGST Act, any interest amount included in the instalments or annuities is also considered part of the taxable value for GST purposes. Therefore, GST must be paid on the entire instalment amount, including the interest component.

<sup>1</sup> Circular No. 221/15/2024- GST dt. 26.06.2024

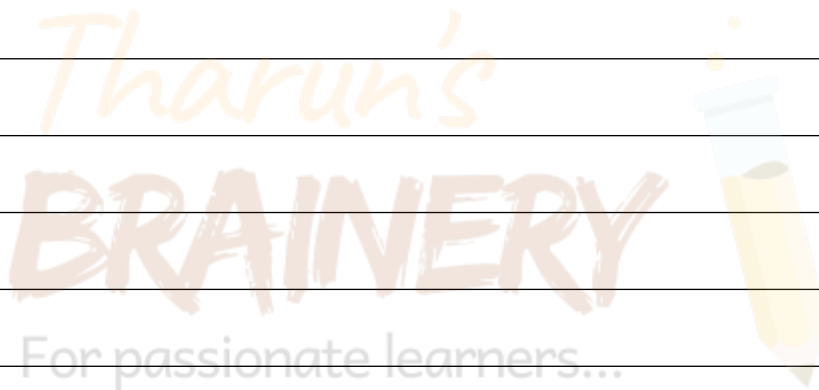


**Question**

Larsen & Toubro (L&T) has entered into a Hybrid Annuity Model (HAM) contract with the National Highways Authority of India (NHAI) for the construction, operation, and maintenance of a highway. The contract specifies that L&T will receive payments in 20 equal instalments over 10 years. Each instalment is ₹10,00,000, which includes ₹1,00,000 as an interest component. The deemed date of completion of milestone event is on 30th June 2024. The due date for the first instalment is 1st July 2024. However, L&T issued the invoice for the first instalment on 5th July 2024, and the payment was received on 15th July 2024. The applicable rate of GST for such contracts is 18%

- i. What is the due date of invoice as per Sec. 31(5)?
- ii. What is the time of supply as per Sec. 13(2) and what is the due date of payment of GST?
- iii. Calculate the GST liability for the first instalment?
- iv. What will be the time of supply, if the invoice is issued on 1st July 2024 and what is the due date of payment of GST?

**Answer**



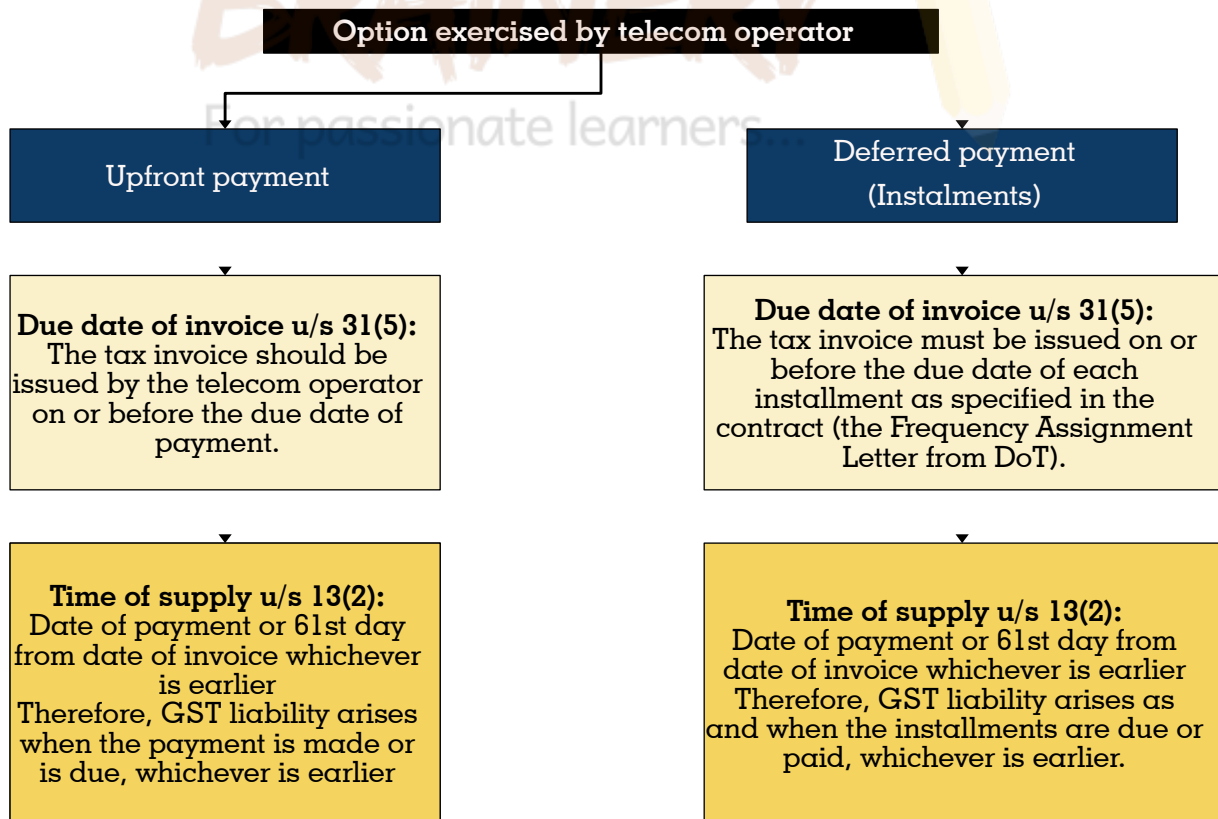
**Clarification on time of supply of services of spectrum usage and other similar services under GST – CBIC Circular<sup>1</sup>**

This circular provides clarification on the GST implications for the allocation of spectrum (and similar natural resources) by the Government of India, specifically the Department of Telecommunications (DoT), to telecom operators.

**Spectrum Allocation Model:** The Government, through DoT, allocates spectrum to telecom operators. The telecom operators secure the right to use the spectrum by bidding for it, and they may choose to pay for the spectrum either upfront or in installments over a specified period.

**Continuous Supply of Services:** The supply of spectrum is considered a "continuous supply of services" as defined under section 2(33) of the CGST Act because it involves an agreement for the Government to provide the spectrum usage continuously over a period exceeding three months, with periodic payment obligations.

**Reverse Charge Mechanism:** The GST liability on the spectrum allocation services provided by the Government (DoT) to the telecom operators is to be discharged by the telecom operators under the reverse charge mechanism. This means that the telecom operator (the recipient of the service) is responsible for paying the GST, not the Government.



<sup>1</sup> Circular No.-222/16/2024-GST dated 26.06.2024

**Extension to Other Resources:** Similar treatment applies to other natural resources allocated by the Government.

### Question

Reliance Jio has successfully bid for the allocation of spectrum by the Department of Telecommunications (DoT) under the Government of India's spectrum allocation model. The total bid amount for the spectrum allocation is ₹1,000 crore. Reliance Jio is given two payment options:

**Option 1:** Make a full upfront payment of ₹1,000 crore on or before 30th June 2024.

**Option 2:** Pay in 10 equal annual installments. The first installment is due on 1st July 2024, with each installment comprising both principal and interest. The installment amounts, considering an annual interest rate of 10%, are as follows:

- o Installment 1 (due 1st July 2024): ₹160 crore
- o Installment 2 (due 1st July 2025): ₹144 crore
- o Installment 3 (due 1st July 2026): ₹128 crore
- o Installment 4 (due 1st July 2027): ₹112 crore
- o Installment 5 (due 1st July 2028): ₹96 crore
- o Installment 6 (due 1st July 2029): ₹80 crore
- o Installment 7 (due 1st July 2030): ₹64 crore
- o Installment 8 (due 1st July 2031): ₹48 crore
- o Installment 9 (due 1st July 2032): ₹32 crore
- o Installment 10 (due 1st July 2033): ₹16 crore

The Frequency Assignment Letter from DoT specifies these payment options and also states that GST at the rate of 18% is applicable on the spectrum allocation. Assume that the invoice is issued by DoT on 15th June 2024.

You are required to determine the following:

- i. Determine when the GST liability arises if Reliance Jio opts for the full upfront payment, and calculate the GST amount payable. Assume that the payment is made on 28th June 2024.
- ii. What will be your answer in (i) above if the payment is made on 5th July 2024 and such delay is condoned by DOT.
- iii. Determine the GST liability timing and amount if Reliance Jio chooses to pay in installments, and specifically calculate the GST payable for the second installment if the payment is made on 30th June 2025.
- iv. What will be your answer in (ii) above if the payment is made on 4th July 2025 and such delay is condoned by DOT.

### Answer

---



---



---

Answer

Tharun's  
**BRAINERY**  
For passionate learners...



## SEGMENT - 6

# INPUT TAX CREDIT

**Clarification on time limit under section 16(4) for availing ITC in case of supplies received from unregistered suppliers in respect of RCM supplies – CBIC Circular<sup>1</sup>**

This circular clarifies the application of the time limit for availing Input Tax Credit (ITC) under the Central Goods and Services Tax (CGST) Act, particularly in cases where the recipient of supplies is required to pay tax under the Reverse Charge Mechanism (RCM).

- When the supplier is unregistered and recipient is registered, in case of supply of goods or services, covered under RCM, recipient shall issue invoice to supplier under Sec. 31(3)(f).
- Invoice shall be issued by recipient to supplier on the date of receipt of such goods or services.

### When can recipient claim ITC?

- Ascertain the financial year in which invoice is issued for such inward supply.
- Time limit u/s 16(4): 30th November of the succeeding financial year or date of filing annual return whichever is earlier.

### What is the implication of delayed invoicing?

- If the recipient issues the invoice after the time of supply and pays the tax accordingly, interest on the delayed payment of tax will be applicable.
- Additionally, the recipient may also face penalty under Section 122 of the CGST Act for the delayed issuance of the invoice.

### Question

XYZ Pvt. Ltd., a registered company under GST, whose aggregate turnover during the previous year exceeds threshold limit, procures legal consultancy services from Mr. Santhanam, an advocate who is not registered under GST. The legal consultancy services are provided on June 15, 2023, and Mr. Santhanam charges a fee of ₹1,00,000, which is paid by XYZ Pvt. Ltd. on June 16, 2023. However, the company's accountant issues the invoice for the legal consultancy services only on August 20, 2024, and pays the applicable GST in the GSTR-3B of August 2024 filed on September 18, 2024 and also wanted to avail ITC in August 2024. Answer the following questions:

- Who is liable to pay GST in this case?
- What is the due date of invoice and who is required to issue invoice?
- What is the time of supply of service and due date of payment of GST assuming that due date of GSTR-3B is 20th of next month?
- By when XYZ Pvt. Ltd. can avail ITC and whether they can avail ITC in June 2023?
- Is there any interest payable in the present case?

<sup>1</sup> Circular No. 211/5/2024-GST dated 26.06.2024

Answer

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

**Clarification in respect of GST liability and input tax credit (ITC) availability in cases involving Warranty/ Extended Warranty – CBIC Circulars**

**Integrated Explanation of Circulars No. 195/07/2023-GST and 216/10/2024-GST:**  
These two circulars provide detailed guidance on GST implications related to warranties, particularly focusing on the replacement of goods or parts under warranty, the role of distributors, and the tax treatment of extended warranties. Let's integrate the key points from both circulars.

**Replacement of Goods or Parts Under Warranty:**

**Circular No. 195/07/2023-GST:**

- **Initial Clarification: Circular No. 195/07/2023 - GST** clarified that when parts are replaced under warranty by the manufacturer, no additional GST is applicable because the replacement is part of the original supply of goods, for which GST has already been paid. The manufacturer is not required to reverse Input Tax Credit (ITC) for these replacements.

**Extension in Circular No. 216/10/2024-GST:**

- **Inclusion of Full Goods Replacement:** Circular No. 216/10/2024-GST extends this clarification to include cases where entire goods, not just parts, are replaced under warranty. The same principles apply—no additional GST is charged on the replacement of goods, and no ITC reversal is required. This means that whether a part or the entire product is replaced, the GST treatment remains the same as clarified earlier.

### Replenishment of Goods or Parts by Manufacturer to Distributor:

#### Situation Clarified:

- **Distributor Replacement:** Often, distributors replace defective parts or goods for customers under warranty, using their own stock. Later, the manufacturer replenishes the distributor's stock.
- **GST Treatment:** When the manufacturer replenishes the stock provided to the distributor via a delivery challan without charging any consideration, no GST is payable on this replenishment. Additionally, the manufacturer does not need to reverse ITC on these goods or parts.

### Nature of Supply of Extended Warranty at the Time of Original Supply:

#### Circular No. 195/07/2023-GST:

- **Composite Supply:** If an extended warranty is purchased at the same time as the original goods, and from the same supplier, it is considered part of a composite supply. The principal supply being the goods, the GST rate applicable to the goods also applies to the extended warranty.

#### Circular No. 216/10/2024-GST:

- **Supply by Different Supplier:** If the extended warranty is provided by a different supplier than the one who supplied the goods, it is treated as a separate supply of services. GST would then be charged as a service, distinct from the original supply of goods.

### Nature of Supply of Extended Warranty Made After Original Supply:

#### Consistent Clarification:

- **Separate Supply of Services:** Whether the extended warranty is purchased at the time of the original sale or later, if purchased separately from a different supplier or after the original supply, it is treated as a distinct supply of services. The supplier of the extended warranty is liable to charge GST on this service.

#### Question

Samsung Electronics sells a smartphone to a customer with a 1-year manufacturer's warranty. During the warranty period, the customer experiences a defect and visits an authorized distributor, who replaces the defective smartphone with a new one from their own stock. Samsung later replenishes the distributor's stock without charging any additional amount. Additionally, at the time of purchase, the customer buys an extended 2-year warranty from a third-party service provider, Warranty Plus, which begins after the manufacturer's 1-year warranty expires.

You are required to:

- Determine the GST liability for Samsung on the replacement of the defective smartphone under the manufacturer's warranty.
- Explain the GST implications for Samsung when it replenishes the distributor's stock with a new smartphone.





• **Clarification:**

- The insurance company is considered the "recipient" of the repair service to the extent of the approved claim cost, even though the initial payment was made by the insured. This is because the liability to pay for the repair service ultimately lies with the insurance company.
- **ITC Availability:** The insurance company can avail of ITC on the GST paid for the repair services, as these services are directly related to their outward supply of insurance services. The circular confirms that ITC is **not barred** under Section 17(5) of the CGST Act for motor vehicle repair services in this context.

**ITC Availability When the Invoice Includes Amount Beyond Approved Claim Cost:**

- **Scenario:** When the repair invoice issued by the garage includes an amount that exceeds the approved claim cost, and the insurance company only reimburses the approved portion:
- **Two Separate Invoices:** If the garage issues one invoice to the insurance company for the approved claim cost and another invoice to the customer for the excess amount, the insurance company can claim ITC on the GST paid on the invoice issued to it, as long as it reimburses the corresponding amount.
- **Single Invoice for Full Amount:** If a single invoice is issued to the insurance company for the full repair amount, but the insurance company only reimburses the insured for the approved claim cost, ITC is available only to the extent of the reimbursement amount. The insurance company cannot claim ITC on the portion of the invoice that exceeds the reimbursement.

**ITC Availability When the Invoice is Not in the Name of the Insurance Company:**

- **Scenario:** If the garage issues the repair invoice in the name of the insured (customer) rather than the insurance company:
- **Condition of Section 16(2)(a) and (aa) of the CGST Act:** These sections require that the invoice must be in the name of the person claiming ITC.
- **Clarification:** Since the invoice is not in the name of the insurance company, the company cannot satisfy the conditions of Section 16(2)(a) and (aa), and therefore, ITC is not available to the insurance company in this situation.

NOTES



**Clarification on availability of input tax credit on ducts and manholes used in network of optical fibre cables (OFCs) in terms of section 17(5) of the CGST Act, 2017 – CBIC Circular<sup>1</sup>**

This circular provides clarification on the eligibility of Input Tax Credit (ITC) for ducts and manholes used in the network of Optical Fiber Cables (OFCs) under the Central Goods and Services Tax (CGST) Act, 2017.

**Definition of "Plant and Machinery":**

- **Context of OFC Network:** Ducts and manholes are essential components of the Optical Fiber Cable (OFC) network, which is crucial for providing telecommunication services. The OFC network is typically laid within PVC ducts, and manholes serve as nodes for connectivity, upkeep, and maintenance of the network.
- **Plant and Machinery under CGST Act:** According to the Explanation in Section 17 of the CGST Act, "plant and machinery" includes apparatus, equipment, and machinery used for making outward supplies. The definition specifically excludes certain items like land, buildings, civil structures, telecommunication towers, and pipelines laid outside the factory premises.
- **Clarification on Ducts and Manholes:** The circular clarifies that ducts and manholes, which are integral to the OFC network, qualify as "plant and machinery." These components are not specifically excluded from the definition because:
  - They are not in the nature of land, buildings, or civil structures.
  - They are not telecommunication towers or pipelines laid outside the factory premises.

**Input Tax Credit (ITC) Eligibility:**

- **General Rule:** Under Section 17(5) of the CGST Act, ITC is restricted for certain goods and services, particularly those related to motor vehicles, construction services, and telecommunication towers, among others.
- **Application to Ducts and Manholes:**
  - **Not Restricted:** The circular clarifies that the availment of ITC is not restricted for ducts and manholes used in the OFC network. This means that companies laying OFCs and using these components can claim ITC on the GST paid for their procurement.
  - **Supporting Clause:** Since ducts and manholes are considered "plant and machinery" and are used in the business of providing telecommunication services, they do not fall under the exclusions listed in Section 17(5)(c) and (d) of the CGST Act.

<sup>1</sup> Circular No. 219/13/2024- GST dt. 26.06.2024

**Question**

XYZ Telecom Ltd. is engaged in providing telecommunication services and is expanding its network by laying new Optical Fiber Cables (OFCs) across various regions. The OFCs are housed within PVC ducts, and service/connectivity manholes are installed as nodes in the network to facilitate maintenance and connectivity. The company has incurred significant expenses on purchasing these ducts and manholes.

You are required to:

1. Determine whether XYZ Telecom Ltd. can claim Input Tax Credit (ITC) on the purchase of ducts and manholes used in its OFC network, according to the provisions of the CGST Act.
2. Explain the rationale behind the eligibility of ITC on these items, referring to the relevant sections of the CGST Act and the clarification provided in the circular.
3. Discuss whether there are any specific restrictions under Section 17(5) of the CGST Act that would prevent XYZ Telecom Ltd. from claiming ITC on these purchases.
4. Analyze the impact on XYZ Telecom Ltd.'s GST liability if these components were instead classified as excluded items under the definition of "plant and machinery."

**Answer**



## SEGMENT - 14

### PLACE OF SUPPLY

#### Clarification regarding place of supply of goods to unregistered persons:

Clause (ca) of Section 10(1) of the Integrated Goods and Services Tax (IGST) Act, 2017, was inserted with effect from 1st October 2023. This clause specifically deals with the determination of the place of supply of goods when the supply is made to an unregistered person, such as in e-commerce transactions. The clause serves as a non-obstante provision, meaning it overrides the general provisions related to the place of supply of goods as stated in clauses (a) and (c) of Section 10(1) of the IGST Act.

#### Determination of Place of Supply:

- When goods are supplied to a person other than a registered person (typically an unregistered individual or consumer), the place of supply is generally determined based on the location of recipient in the records of supplier. In the absence of such details, POS shall be location of supplier.
- **Clarification provided:**
  - **Billing Address and Delivery Address Match:** If the billing address and delivery address match, the place of supply is determined as per the address recorded on the invoice.
  - **Different Billing and Delivery Addresses:** If the billing address and the delivery address are different, the place of supply is determined by the delivery address recorded on the invoice.

#### Explanation of Recording the Address:

- The clause clarifies that **recording** the name of the State of the unregistered person on the invoice is sufficient for it to be considered as recording the address of the recipient.

#### Scenario:

Mr. A, an unregistered person located in State X, places an order on an e-commerce platform for a mobile phone, which is to be delivered to an address in State Y. Mr. A provides a billing address in State X when placing the order.

#### Question:

What would be the place of supply for this transaction—the billing address (State X) or the delivery address (State Y)?

#### Clarification:

- **Place of Supply:** In this scenario, since the delivery address is different from the billing address, the place of supply, according to Clause (ca) of Section 10(1), will be the location where the goods are delivered, i.e., State Y.

- **Invoice Requirement:** The supplier (the e-commerce platform or seller) may record the delivery address (State Y) as the address of the recipient on the invoice to determine the correct place of supply.

**Practical Implications:**

- **GST Liability:** The GST will be applied based on the place of supply, which in this case is State Y. This is crucial for determining whether Central GST (CGST) and State GST (SGST) or Integrated GST (IGST) should be levied.
- **Compliance for E-commerce Platforms:** E-commerce platforms need to ensure that their billing systems correctly capture the delivery address as the place of supply when it differs from the billing address to apply the correct GST

**Question**

Reliance Digital Ltd., an e-commerce company registered in Mumbai, Maharashtra, sells electronic goods across India through its online platform. On 10th October 2024, a customer, Mr. Ravi (an unregistered individual), placed an order for a television priced at 1,20,000. Mr. Ravi's billing address is in Pune, Maharashtra, but he requests delivery of the television to his vacation home located in Goa.

**Additional Information:**

- The GST rate applicable on the television is 18%.
- Reliance Digital Ltd. has received several similar orders where the billing and delivery addresses are different.
- For the order placed by Mr. Ravi, the company issued an invoice on 12th October 2024, and the television was dispatched on 13th October 2024.

You are required to:

1. Determine the place of supply for the television in this scenario based on the provisions of clause (ca) of section 10(1) of the IGST Act, 2017.
2. Compute the GST payable on this transaction and specify whether CGST/SGST or IGST will be applicable.
3. Explain the impact on the GST liability of Reliance Digital Ltd. if the billing address and delivery address were the same (both in Maharashtra).
4. Calculate the total invoice value (including GST) that Mr. Ravi would need to pay if the place of supply is determined to be in Goa.

**Answer**

---



---



---

Answer

Tharun's  
**BRAINERY**  
For passionate learners...

