



# Workshop on GST

*WIRC - ICAI*  
*CA ASHISH KEDIA*  
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# Time of Supply



# Time of Supply of Goods – Sec 12(2)

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As per Section 12(2) of CGST ACT, time of supply of goods shall be earlier of invoice/ payment, i.e., –

Actual date of issue of invoice by the supplier

Due date for issue of invoice by the supplier [Section 31(1)\*]:

- **Supply involves movement:** Time of removal of goods for supply
- **Continuous Supply:** Date of issue of statement
- **Sale on approval basis:** Earlier of time at which it becomes known that the supply has taken place OR 6 months from date of removal
- **Other cases:** Delivery of goods/ making available to the recipient or
- **Notified categories of supplies:** Time to be specified by Rules

Date on which **payment is entered in the books of Accounts of supplier**

Date on which **payment is credited** to the supplier's bank a/c

*\*Where payment is received in advance, the Supplier shall issue a receipt voucher, and NOT a tax invoice*



# Time of Supply of Goods – Sec 12(2) Illustrations

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	Supply involves movement of goods Section 12(2) r/w Section 31(1)(a)	Invoice/ document date	Removal of goods	Delivery of goods	Receipt of payment	Time of supply
1	Delayed issue of invoice	26-Oct-17	20-Oct-17	26-Oct-17	26-Oct-17	20-Oct-17
2	Inter-State stock transfer	10-Oct-17	20-Oct-17	26-Oct-17	-	10-Oct-17
3	Advance received, invoice for full amount issued on same day (40% advance, 60% post supply payment)	30-Oct-17	10-Nov-17	14-Nov-17	30-Oct-17	30-Oct-17
					20-Nov-17	30-Oct-17



# Time of Supply of Goods – Sec 12(2) Illustrations

	Supply otherwise than by involving movement of goods Section 12(2) r/w Section 31(1)(b)	Invoice date	Receipt of invoice by recipient	Delivery of goods	Receipt of payment	Time of supply
4	Delayed issue of invoice	30-Oct-17	05-Nov-17	26-Oct-17	10-Nov-17	26-Oct-17
5	Invoice issued prior to delivery	20-Oct-17	10-Nov-17	26-Oct-17	10-Nov-17	20-Oct-17

  

	Continuous supply of goods Section 12(2) r/w Section 31(4)	Invoice date	Removal of goods	SoA/ payments due date	Receipt of payment	Time of supply
6	Contract provides for successive statements of account/ successive payments	01-Nov-17	15-Oct-17	05-Nov-17	01-Nov-17	01-Nov-17
			25-Oct-17			
7		11-Dec-17	08-Nov-17	05-Dec-17	11-Dec-17	05-Dec-17
			30-Nov-17			
8		08-Jan-18	14-Dec-17	05-Jan-18	01-Jan-18	01-Jan-18
			23-Dec-17			



# Time of Supply of Goods – Sec 12(2) Illustrations

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	<b>Sale on approval basis Section 12(2) r/w Section 31(7)</b>	<b>Removal of goods</b>	<b>Issue of invoice</b>	<b>Accepted by recipient</b>	<b>Receipt of payment</b>	<b>Time of supply</b>
<b>9</b>	Acceptance communicated within 6 months of removal	01-Nov-17	25-Nov-17	15-Nov-17	25-Nov-17	15-Nov-17
<b>10</b>	Amount paid to supplier before informing acceptance	01-Nov-17	25-Nov-17	15-Nov-17	12-Nov-17	12-Nov-17
<b>11</b>	Acceptance not communicated within 6 months of removal	01-Oct-17	15-May-18	15-May-18	02-May-18	01-Apr-18



# Time of Supply of Services – Sec 13(2)

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If invoice issued within prescribed time u/s 31(2) - 30 days (45 days in case of Banking, Insurance, Financial Institution or NBFC company)



Date of issue of Invoice or Payment, whichever is earlier

If invoice not issued within 30 days (45 days in case of Banking, Insurance, Financial Institution or NBFC company)



Date of completion of service or payment, whichever is earlier

If both cases do not apply



Date on which recipient shows in his books of accounts

*\*Where payment is received in advance, the Supplier shall issue a receipt voucher, and NOT a tax invoice*

*\*Where payment of Rs. 1000/- is received in advance, then time of supply for goods or services is date of issue of invoice*



# Time of Supply of Services – Sec 13(2) Illustrations

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	Section 13(2)	Invoice date	Invoice due date	Payment entry in supplier's books	Credit in bank account	Time of supply
1	Invoice raised before completion of service	10-Oct-17	20-Oct-17	26-Oct-17	30-Oct-17	10-Oct-17
2	Advance received	30-Oct-17	20-Oct-17	10-Oct-17	30-Oct-17	10-Oct-17





# Time of Supply of Services – Sec 13(2) Illustrations

	Based on due date for invoicing Section 13(2) r/w Section 31(2) r/w Invoice Rule - 2	Invoice date	Commencement of service	Completion of service	Receipt of payment	Time of supply
3	Delayed issue of invoice	26-Dec-17	20-Oct-17	16-Nov-17	28-Jan-18	16-Dec-17
4	Advance received, invoice for full amount issued on same day (40% advance, 60% post supply payment)	30-Oct-17	30-Oct-17	30-Dec-17	30-Oct-17	30-Oct-17
					04-Dec-17	30-Oct-17



# Time of Supply of Services – Sec 13(2) Illustrations

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	<b>Continuous supply of services Section 13(2) r/w Section 31(5)</b>	<b>Invoice date</b>	<b>Date as per contract</b>	<b>Receipt of payment</b>	<b>Entry of provision of services in books</b>	<b>Time of supply</b>
<b>5</b>	Section 31(5)(a) Contract provides for payments monthly on the 10 <sup>th</sup> of succeeding month	02-Nov-17	10-Nov-17	15-Nov-17	31-Oct-17	02-Nov-17
		17-Dec-17	10-Dec-17	15-Dec-17	30-Nov-17	10-Dec-17
		10-Jan-18	10-Jan-18	06-Jan-18	31-Dec-17	06-Jan-18
<b>6</b>	Section 31(5)(c)	12-Nov-17	10-Nov-17	25-Nov-17	12-Nov-17	10-Nov-17
	Contract provides for payments on completion of event. Recipient to pay within 1 month from date of completion	24-Apr-18	24-Apr-18	20-Apr-18	24-Apr-18	20-Apr-18



# Time of Supply of Goods / Services - Reverse Charge – Sec 12(3) / 13(3)

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Date on which payment is entered in the books of recipient

Date on which payment is debited to the recipient's bank a/c

Where tax liable to be paid on reverse charge basis, the time of supply of goods/services shall be earliest of

31<sup>st</sup> day (in case of goods) / 61<sup>st</sup> day (in case of services) from the date of issue of invoice by supplier

*Note: This factor is not relevant in case of services from a supplier being an associated enterprise outside India*

Where it is not possible to determine time of supply in the 3 other cases: **Date of entry in the books of account of the recipient**

**Note:** On the date of receipt of goods (or services) from a supplier being an unregistered person, the recipient shall issue an invoice [Section 31(3)]



# Time of Supply of Goods / Services - Reverse Charge – Sec 12(3) / 13(3)

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	Reverse charge Section 12(3)	Date of invoice issued by supplier	Removal of goods	Receipt of goods	Payment by recipient	Time of supply
1	General	31-Oct-17	31-Oct-17	20-Nov-17	30-Nov-17	20-Nov-17
2	Advance paid	31-Oct-17	31-Oct-17	20-Nov-17	05-Nov-17	05-Nov-17
3	No payment made for the supply	31-Oct-17	30-Dec-17	05-Jan-18	-	30-Nov-17

*Note: On the date of receipt of goods (or services) from a supplier being an unregistered person, the recipient shall issue an invoice [Section 31(3)]*



# Time of Supply of Goods / Services - Reverse Charge – Sec 12(3) / 13(3)

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	Reverse charge Section 13(3)	Date of invoice issued by supplier	Date of completion of service	Payment by recipient	Entry of receipt of services in recipient's books	Time of supply
4	General	31-Oct-17	31-Oct-17	20-Nov-17	30-Nov-17	20-Nov-17
5	Advance paid	31-Oct-17	31-Oct-17	05-Nov-17	31-Oct-17	05-Nov-17
6	Delay in payment (Max. 60 days from date of invoice)	31-Oct-17	31-Oct-17	10-Jan-18	31-Oct-17	31-Dec-17
7	Service received from associated enterprise located outside India (No time extension allowed)	31-Oct-17	30-Nov-17	05-Apr-18	31-Mar-18	31-Mar-18
8	Service by unregistered person, no payment made	-	30-Nov-17	-	05-Dec-17	05-Dec-17



# Time of Supply of Vouchers – Sec 12(4)/13(4)

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Time of supply in case of **supply of voucher**–

**Date of issue** – *If supply is identifiable at the point of issue of voucher*

**Date of redemption of voucher** – *Other cases*

*Note: Voucher – can be for goods or services*



# Time of Supply of Vouchers – Sec 12(4)/13(4)

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	Issue of vouchers Section 13(4) [or Section 12(4)]	First service/ delivery of goods	Issue of voucher	Redemption of voucher	Last date for acceptance of voucher	Time of supply
1	Voucher issued to a recipient after supply of a service [or specific goods], for the same service - valid for 1 year	01-Nov-17	01-Nov-17	14-Dec-17	30-Oct-18	01-Nov-17
2	Voucher issued to a recipient of machinery along at the time of delivery, for availing repair services [or specific goods] worth Rs. 5,000 - valid for 1 year	01-Nov-17	01-Nov-17	14-Dec-17	30-Oct-18	01-Nov-17
3	Voucher issued to a recipient after supply of a service, for any other services or goods across India, - valid for 1 year	01-Nov-17	01-Nov-17	14-Dec-17	30-Oct-18	14-Dec-17
4	Gift voucher for Rs. 1,500 for services [or goods]- valid for 6 months	-	01-Nov-17	25-Dec-17	31-Mar-18	01-Nov-17



# Residual Provision – Sec 12(5) / 13(5)

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Where it is not possible to determine the time of supply under any of the circumstances discussed, it shall be determined as:

**Due date for filing of such return** – *If periodical return has to be filed*

**Date on which the Tax is paid** – *Other cases*





# Time of Supply of Goods / Services - Value Addition – Sec 12(6) / 13(6)

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Time of supply  
for value  
addition by  
way of

Interest,  
Late Fees,  
Penalty

For Delayed  
payment of  
Consideration  
shall be

Date on which  
the supplier  
receives such  
addition in  
value



# Change in rate of tax in respect of supply of goods or services – Sec 14

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Date of supply of goods or services	Date of invoice	Date of receipt of payment	Time of supply	Rate of tax
(1)	(2)	(3)	(4)	(5)
<b>Before</b>	After	After	Earlier of (2) and (3)	<b>New</b>
<b>Before</b>	Before	After	(2)	<b>Old</b>
<b>Before</b>	After	Before	(3)	<b>Old</b>
<b>After</b>	Before	After	(3)	<b>New</b>
<b>After</b>	Before	Before	Earlier of (2) and (3)	<b>Old</b>
<b>After</b>	After	Before	(2)	<b>New</b>

# Value of Supply



# Value of Taxable Supply – Sec 15

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## Value of Taxable Supply

Value of supply of goods and / or services on which CGST/SGST is to be discharged shall be the **'Transaction Value'**, where

- Supplier and recipient of supply are unrelated
- Price is actually paid / payable – AND price is the sole consideration for the supply

### **“Related persons” - Explanation to Section 15**

- Officers / Directors of one another's business
- Partners in business
- Employer – employee
- A person directly / indirectly owns / controls / holds 25% of shares of both the persons
- One directly / indirectly controls the other
- Both are directly / indirectly controlled by a third person
- Together, they directly / indirectly control a third person
- Members of the same family
- Sole agent / distributor / concessionaire of the other



# Transaction value: Inclusions and exclusions

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## Transaction Value INCLUDES:

- Amounts charged by supplier to recipient in respect of any **taxes, duties, cesses, fees and charges levied** under any statute, other than taxes paid under GST regime;
- **Amount incurred by Recipient** which is liable to be paid by the Supplier;
- Charges by Supplier to Recipient being:
  - **Incidental expenses** (e.g: packing, commission)
  - **Charges for anything done by the Supplier** at the time or before the supply, in respect thereof
  - **Interest/ late fee/ penalty** for delayed payment of consideration
  - **Subsidies directly linked to price** – for supplier receiving the subsidy (excluding Central and State Govt subsidies; i.e., Government subsidies will not be included in transaction value)

## Transaction Value EXCLUDES discount:

- **Before / at the time of supply**
  - **Single condition:** Such discount is duly recorded in the invoice
- **After the supply: Cumulative conditions:**
  - Agreement establishing discount entered into before / at the time of supply
  - Discount specifically linked to relevant invoices
  - ITC reversed by the recipient to the extent of discount



# Transaction value: Recourse to Rules

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A. Where **value cannot be determined u/s 15(1)**, i.e., when:

1. Price is not the sole consideration
2. Supplier-recipient are related persons: Recourse to Rules even if the Supplier-Recipient relationship:
  - Did not influence the price;
  - Precedes agreement to the supply;
  - Has no bearing on pricing;
  - Has no bearing on Agreement to the Supply;
  - Has no relevance to the Supply;
  - Was to meet with different criteria or purpose;

**(Rules will apply both ways – supplier to recipient and recipient to supplier)**

B. **In case of notified supplies**

# Valuation Rules under CGST Rules, 2017 (Rule 27 to 35)



# Rule 27 of CGST Rules

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Value of supply of goods or services where consideration is not wholly in money

- The value of supply shall be-
  - a) The open market value of such supply
  - b) If open market value not available,
    - be the sum total of consideration in money and such further amount in money as is equivalent to consideration not in money if such amount is not known at time of supply





## Rule 27 of CGST Rules continued

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- The value of supply shall be-
  - c) If value is not determinable under (a) or (b), the value of supply of goods/ services of like kind and quality
  - d) If value not determinable under (a), (b) or (c), be the sum total of consideration in money and such further amount in money that is equivalent to consideration not in money as determined by application of rule 30 or 31 in that order.



## Rule 27 of CGST Rules continued

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- *Illustration:*
- *(1) Where a new phone is supplied for twenty thousand rupees along with the exchange of an old phone and if the price of the new phone without exchange is twenty four thousand rupees, the open market value of the new phone is twenty four thousand rupees.*
- *(2) Where a laptop is supplied for forty thousand rupees along with the barter of a printer that is manufactured by the recipient and the value of the printer known at the time of supply is four thousand rupees but the open market value of the laptop is not known, the value of the supply of the laptop is forty four thousand rupees.*



## Rule 28: Value of supply of goods or services or both between distinct or **related persons**, other than through an agent

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(a) The open market value of such supply

**(b) If open market value is not available**

Value of supply of goods or services of like kind and quality

**(c) If value of supply is not determinable under clause (a) or (b)**

Value as determined by application of Rule 30 or Rule 31, in that order

*Provided that where goods are intended for further supply as such by the recipient, the value shall, at the option of the supplier, be an amount equivalent to 90% of the price charged for the supply of goods of like kind and quality by the recipient to his customer not being a related person*

*Where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of goods or services*



## Rule 29: Value of supply of goods made or received through an agent

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- a) be the open market value, or
  - at the option of the supplier, be 90% of the price charged for the supply of goods of like kind and quality by the recipient (agent) to his customer not being a related person,
  - where the goods are intended for further supply by the said recipient (agent)
- b) where the value of a supply is not determinable under clause (a),
  - the same shall be determined by application of rule 30 or rule 31 in that order.



# Rule 29: Value of supply of goods made or received through an agent

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- **Illustration:**
- *A principal supplies groundnut to his agent and the agent is supplying groundnuts of like kind and quality in subsequent supplies at a price of five thousand rupees per quintal on the day of the supply. Another independent supplier is supplying groundnuts of like kind and quality to the said agent at the price of four thousand five hundred and fifty rupees per quintal. The value of the supply made by the principal shall be four thousand five hundred and fifty rupees per quintal or where he exercises the option, the value shall be 90 per cent. of five thousand rupees i.e., four thousand five hundred rupees per quintal.*



# Rule 30: Value of supply of goods or services or both based on cost

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- Where value is not determinable by any of the preceding rules,
- the value shall be 110% of the:
  - cost of production or manufacture or
  - cost of acquisition of such goods or
  - cost of provision of such services.



## Rule 31: Residual Method

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- Where value cannot be determined under any above provision, the same shall be determined using reasonable means consistent with the principles and general provisions of Sec15 and these Rules.
- Further, in case of supply of services, the supplier may opt for this rule, disregarding rule 30.



# Rule 32: Determination of value in respect of certain supplies

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## ***Rule 32(2) Dealing in forex including money changing***

- Option-1
  - When exchanged from or/ to INR:
  - Difference of Buying rate / Selling rate and RBI reference rate X Total units of currency
- (If RBI reference rate is not available, value shall be 1% of gross amount of INR received or provided)
- If neither of two currencies exchanged in INR,
  - the value shall be equal to 1% of the lesser of the two amounts
  - the person changing the money would have received by converting any of the two currencies into INR
  - on that day at the reference rate provided by RBI.





# Rule 32: Determination of value in respect of certain supplies

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## OPTION-2

Amount of currency exchanged up to Rs.1 lakh

1% of the gross amount of currency exchanged or Rs. 250/-, whichever is higher

Amount of currency exchanged exceeding Rs.1 lakh and up to Rs.10 lakhs

Rs. 1,000/- plus 0.5% of the gross amount of currency exchanged above Rs. 100,000/-

Amount of currency exchanged exceeding Rs.10 lakhs

Rs. 5,500/- plus 0.10% of the gross amount of currency exchanged above Rs.10 lakhs or Rs. 60,000/-, whichever is lower



# Rule 32: Determination of value in respect of certain supplies

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## Rule 32(3) - Air Travel Agents:

- Domestic bookings: 5% of Basic Fare
- International bookings: 10% of Basic Fare
- *“Basic fare” means that part of the air fare on which commission is normally paid to the air travel agent by the airline.*



# Rule 32: Determination of value in respect of certain supplies

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## Rule 32(4)

### Life Insurance Business

- a) gross premium charged from a policy holder reduced by the amount allocated for investment, or savings on behalf of the policy holder, if such amount is intimated to the policy holder at the time of supply of service;
- b) in case of single premium annuity policies other than (a) - 10% of single premium charged from the policy holder; or
- c) in all other cases, 25% of the premium charged from the policy holder in the first year and 12.5% of the premium charged from policy holder in subsequent years;
  - This shall not apply where the entire premium paid by the policy holder is only towards the risk cover in life insurance.



# Rule 32: Determination of value in respect of certain supplies

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## Rule 32(5)

### Second Hand Goods

- Supply of used goods as such or after such minor processing which does not change the nature of the goods and
- where no ITC has been availed on purchase of such goods,
- the value of supply shall be the difference between the selling price and purchase price and
- where the value of such supply is negative it shall be ignored.



# Rule 32: Determination of value in respect of certain supplies

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## Rule 32(6)

### Token / Coupon / Voucher / Stamp

- The value of a token, or a voucher, or a coupon, or a stamp (other than postage stamp)
- which is redeemable against a supply shall be
- money value of the goods or services redeemable against such token, voucher, coupon, or stamp.



# Rule 32: Determination of value in respect of certain supplies

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## Rule 32(7)

### Distinct Persons

- The value of taxable services provided by such class of service providers;
- as may be notified by the Government between distinct persons, (Entry-2 of Schedule I);
- other than those where ITC is not available under S.17(5);
- shall be deemed to be NIL.



## Rule 33: Definition of Pure Agent

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- Agency supplies are different from 'pure agent' in relation to valuation
- There is a payment made to third party by a payer
- Payer is a supplier of goods or services or both to a beneficiary (client)
- Underlying obligation to pay third party is of the beneficiary (client)
- Payment by payer is to discharge beneficiary's obligation toward third party
- Third party enjoys recourse to beneficiary in case of non-payment by payer
- For example, income-tax liability of a client is paid by the CA



# Rule 33: Value of supply of services in case of Pure Agent

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- The expenditure or costs incurred by the pure agent shall be excluded from the value of supply, if all the following conditions are satisfied, namely:
  - a) pure agent makes payment to the third party on behalf of recipient as the contract is between third party and recipient;
  - b) Recipient uses the services procured by pure agent - **Many rules omitted here**
  - c) Recipient is liable to make payment to third party;
  - d) Recipient authorizes pure agent to make payment on his behalf;
  - e) Recipient knows that the services for which payment has been made by pure agent shall be provided by third party;





## Rule 33: Value of supply of services in case of Pure Agent

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- f) Payment made by pure agent on behalf of recipient has been separately indicated in invoice issued by pure agent to recipient;
- g) Pure agent recovers from recipient only such amount as has been paid by him to third party;
- h) Services procured by pure agent from third party are in addition to supply he provides on his own account.



# Illustration

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- *Illustration.*- Corporate services firm A is engaged to handle the legal work pertaining to the incorporation of Company B. Other than its service fees, A also recovers from B, registration fee and approval fee for the name of the company paid to the Registrar of Companies. The fees charged by the Registrar of Companies for the registration and approval of the name are compulsorily levied on B. A is merely acting as a pure agent in the payment of those fees. Therefore, A's recovery of such expenses is a disbursement and not part of the value of supply made by A to B.



## Rule 34: Rate of exchange of currency, other than INR, for determination of value

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- Rate of exchange shall be applicable reference rate for that currency as determined by RBI on the date when point of taxation arises as per Sec 12 and Sec 13.



## Rule 35: Value of supply inclusive of integrated tax, central tax, State tax, Union territory tax

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- Where Value of Supply is inclusive of IGST/ CGST/ SGST/ UTGST then:

$$\text{Tax Amount} = \frac{\text{Value inclusive of taxes} \times \text{tax rate in \% of IGST or as the case may be CGST, SGST or UTGST}}{(100 + \text{sum of tax rates, as applicable, in \%})}$$



# Illustrations

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- **Illustration 1:** *X* an individual buys car from a dealer '*Y*' for Rs. 10 Lakhs along with exchange of his old car. The value of the old car as agreed between both the parties is Rs 1.5 Lakhs. (i) On what value will '*Y*' charge GST? (ii) If the open market value of the new car is Rs 12 lakhs, on what value will GST be levied?
- **Illustration 2:** *Facts are same as in Illustration 2 above, except for there is no agreed price for the exchange of old furniture. (i) What will be the value on which the '*Y*' levies GST? (ii) If '*Y*' sold to '*Z*' few months back will there be any change in the value on which GST is levied?*



# Illustrations

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- **Illustration 4:** *'A Ltd' and 'B Ltd' are related persons. 'A Ltd' supplies raw material 'X' to 'B Ltd'. 'A Ltd' supplied 100 Kgs of 'X' to 'B' in October for Rs. 800 per Kg. The following transactions of sale of 'X' are undertaken by 'A Ltd' in October.*
  1. *Supply of 100 kgs to another related party 'C' for 850 per kg*
  2. *Supply of 500 kgs to an unrelated party for Rs. 800 per kg*

*On what value will 'A Ltd' charge GST?*



- *Illustration 5: A Ltd' is an automobile manufacturer and has 5 manufacturing plants across India in different states. The corporate office in Mumbai houses all the senior management and strategic team. The plants operate as per their guidance. The overall payroll and administration cost incurred by the Corporate Office is Rs 10 lakhs per month. (i) How would the value of supply of Services by corporate office to the plants being distinct persons will be determined under GST? (ii) Can corporate office charge to each plant a fixed amount of Rs. 2 lakhs per month? (iii) Can corporate office charge to each plant considering the input credit requirement at each plant?*



- **Illustration 6:** *'A ltd' is an Indian consumer goods manufacturer. It manufactures a new model of refrigerator and fixes the dealer price at Rs 25,000. The market response is not as expected as an equivalent model is imported from China by the dealers at Rs 21,000. The dealers don't show much interest in promoting the product of 'A ltd'. 'A ltd' is confident that in long term the consumer market would recognize value in terms of quality and durability and would set a high price for its model as compared to the Chinese goods. However, as a strategy for market penetration, 'A ltd' reduces its price to Rs 21,000 and offers an additional year of warrant than offered by the Chinese manufacturer. Is the price of Rs 21,000 the transaction value on which GST would be levied?*





# Illustrations

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- *Illustration 7: 'I Co' an Indian company is in the business of software development. It pays USD 1 million to 'F Co' a German company for licensing of software product owned by 'F Co'. As 'F Co' doesn't agree for any WHT, 'I Co' grosses up the payment and pays WHT of USD 0.1 Mio. Should 'I Co' include the WHT tax to transaction value for paying GST on reverse charge?*



# Illustrations

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- **Illustration 8:** Mr. & Ms. Mehta purchase 10 gift vouchers for Rs. 500 each from Crossword, and 5 vouchers from Four Fountains Spa costing Rs. 1,000 each, and gives them as return gifts to children and their parents for their son's birthday party. The vouchers from Four Fountains Spa had a special offer for couples – services for both persons at the price chargeable to one.
- Ans. The value of the supply would be the money value of the goods redeemable against the voucher. Thus, in case of vouchers from Crossword, the value would be Rs. 5,000 (i.e., Rs. 500 \* 10) and the value of vouchers in case of Four Fountains Spa would be Rs. 10,000 (i.e., Rs. 1,000 \* 2 \* 5).



# E-Way Bills

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- E-Way Bill Rules notified vide Rule 138 through Notification no. 27/2017 dated August 08, 2017.
- Date of implementation notified vide Notification 74/2017 dated 29<sup>th</sup> December, 2017
- E- Way Bill is applicable for movement of goods of consignment value exceeding 50,000:-
  - In relation to Supply
  - For reasons other than supply
  - Due to Inward Supply from Unregistered Person



# E-Way Bills

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- E-Way Bill also applicable to movement caused by registered person of consignment value exceeding Rs. 50,000 through motorized conveyance for :
  - Branch transfer movement
  - Job Work
  - Goods sent for repair or approval
  - Purchase return
  - Door to door movement



# E-Way Bills

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- Where two registered person and recipient undertakes to collect the goods from the supplier through his conveyance - E Way bill generated by supplier.
- Goods transported for less than 10 km within the State or Union territory from place of business of transporter finally to place of business of the consignee and vice versa - the details of conveyance may not be updated
- Validity:
  - For distance upto 100 km – One day
  - Every 100 km or part thereof thereafter – One additional day



# E-Way Bills

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- E- Way Bill is not applicable to
  - Movement of goods between two unregistered persons
  - Where Consignment value of goods is lesser than Rs. 50,000
  - Transportation of goods by a non motorized
  - Goods for personal use
  - House hold effects
  - Jewellery and Jewellery articles
  - Exempted Goods
  - Transportation of goods from port, airport, air cargo complex and land customs station to ICD/ CFS for clearance by Customs



# E-Way Bills

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- Pilot project being run in Karnataka
- Trial launch of the system from 16<sup>th</sup> January, 2018
- Mandatory to be followed for inter state movement from 1<sup>st</sup> February

# Thank You