

30TH DECEMBER, 2016

GST - LEVY, COMPOSITION, EXEMPTION & TIME OF SUPPLY



-WIRC OF ICAI

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30/12/2016

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INTRODUCTION

- Introduction of Goods and Services Tax (**GST**) will be a significant step in the field of indirect tax reforms in India. **GST** is proposed to be a comprehensive indirect tax levy on Supply of Goods & Services (i.e. Manufacture, Sale and Provision of goods & services etc...) at the national level.
- It would be a destination based consumption tax levied at multiple stages of supply of goods and services & will replace major indirect taxes levied on goods and services by the Indian Central and State governments.
- Multiplicity of Taxes, Double Taxation, Cascading effect & lack of Transparency & Uniformity in various procedures under Indirect Tax law across different states are some of the compelling reasons for Introduction of GST.



OVERVIEW

**POWER TO GRANT
EXEMPTION FROM
TAX
(SECTION 11)**

**COMPOSITION
LEVY
(SECTION 9)**

**TIME OF SUPPLY
(SECTION 12 & 13)**



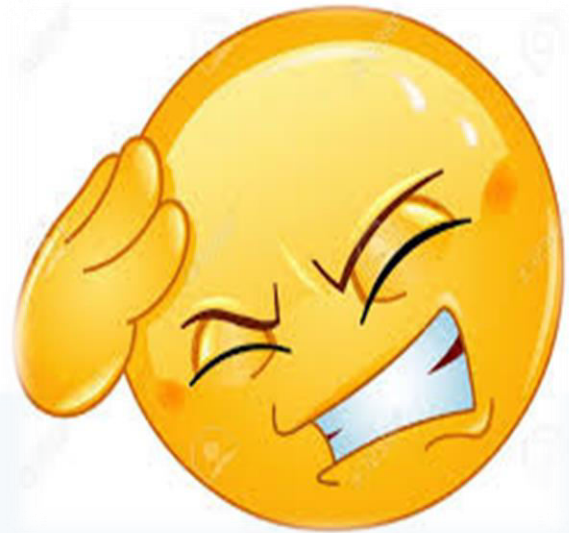
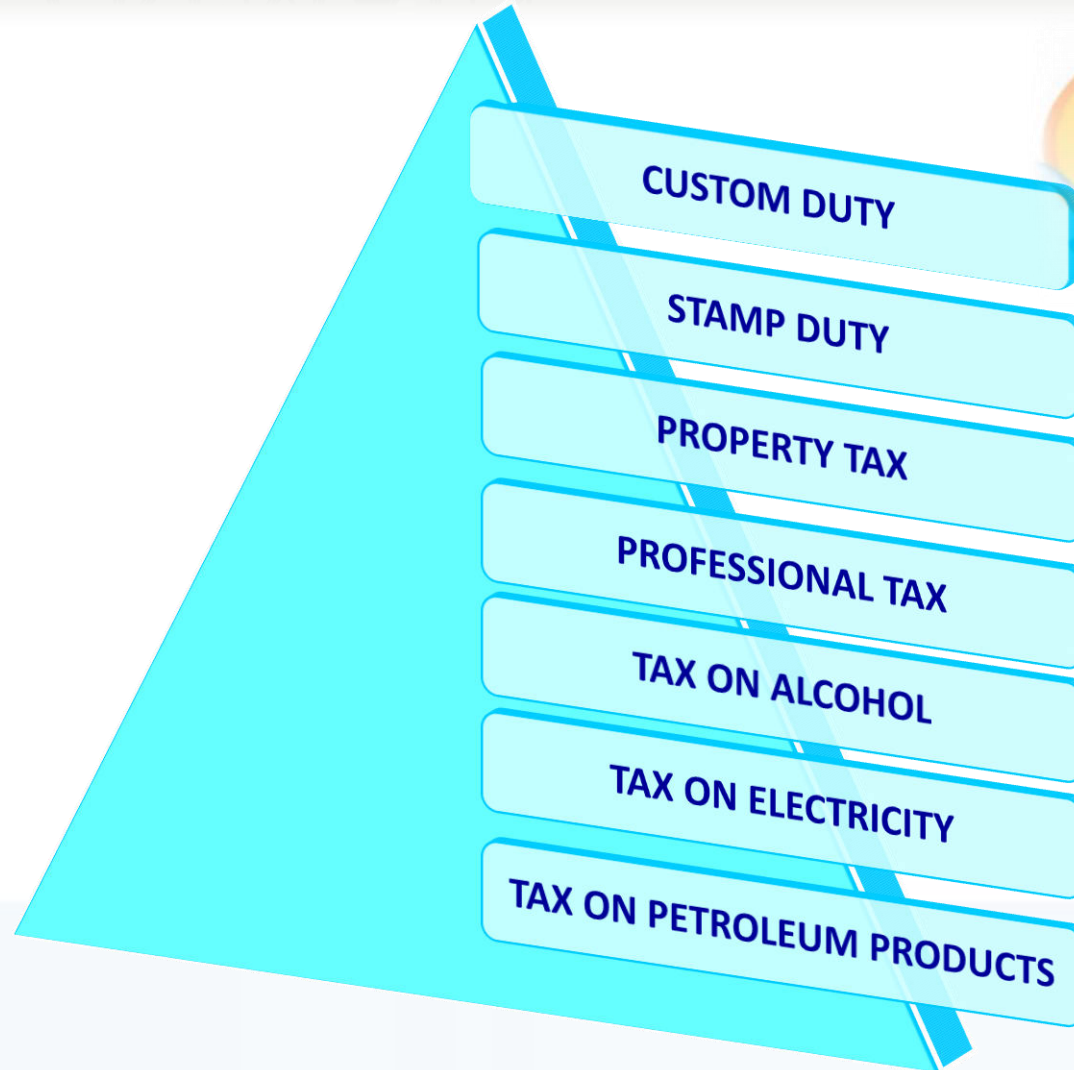
**LEVY &
COLLECTION OF
CGST/SGST/IGST
(SECTION 8 & 5)**

**RELATED
TRANSITIONAL
PROVISIONS
(SECTION 187,
188, 189)**

PRESENT TAX LEVY-INDIRECT TAX



TAXES TO REMAIN



30/12/2016

SIMILARITIES & DIFFERENCES VIS-À-VIS GST & PRESENT LAW

Similarities :

- (1) Broadly based on Technique of VAT (i.e. manner in which current VAT, Excise & Service Tax) i.e.

Tax to be paid = Output Tax Collection – Input Tax Credit

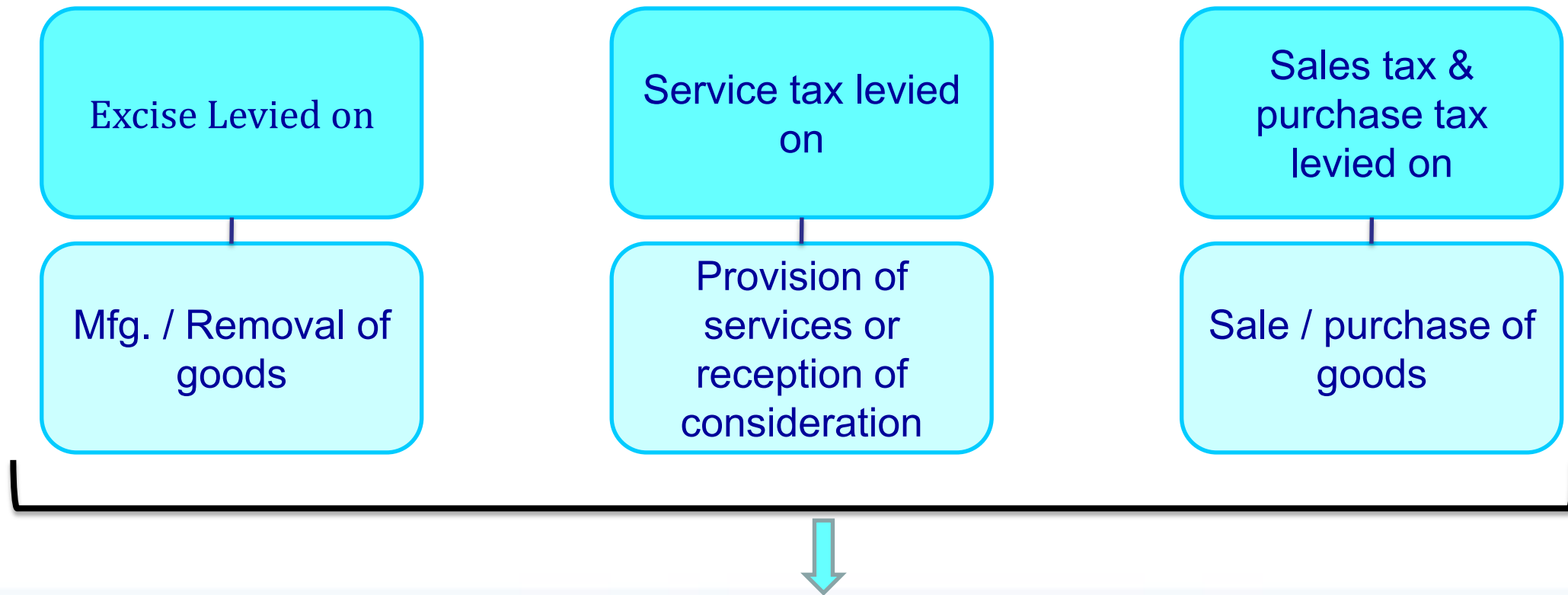
- (2) GST like current Indirect Taxes = Collected by supplier & tax incidence to be borne by recipient.

Differences :

- (1) Earlier Law = Required 2 distinct persons for tax leviability
In GST = Now even Branch Transfer may be liable for GST.

SIMILARITIES & DIFFERENCES VIS-À-VIS GST & PRESENT LAW

(2) Taxable Event for IDT Levy



**In GST, Taxable Event = Supply of Goods / Services
(based on Time & Place of supply)**

LEVY & COLLECTION OF CGST & SGST & IGST

Section 8: Levy & Collection Of Central/State Goods and Service tax (CGST/SGST):

- (1) CGST/SGST shall be levied on all the **Intra-state supplies** of **goods** and/or **services** on **value** determined under section 15 at such rates as may be Notified by CG/SG but not exceeding 14%.

Section 5: Levy & Collection Of Integrated Goods and Service tax (IGST):

- (1) IGST shall be levied on all the **Inter-State supplies** of **goods** and/or **services** on the **value** determined under section 15 of CGST Act, 2016 at such rates as may be notified by CG but not exceeding 28%.



LEVY & COLLECTION OF CGST & SGST



Imp Terms :

- ❖ Intra-state - Sec. 4 of IGST
- ❖ Inter-State – Sec 3 of IGST
- ❖ Supply – Sec. 3 of CGST/SGST
- ❖ Goods – Sec. 2 (49) of CGST/SGST
- ❖ Services – Sec. 2(92) of CGST /SGST
- ❖ Value – Sec. 15 of CGST/SGST



LEVY & COLLECTION OF CGST & SGST



(2) CGST/SGST shall be paid by every **taxable person**.

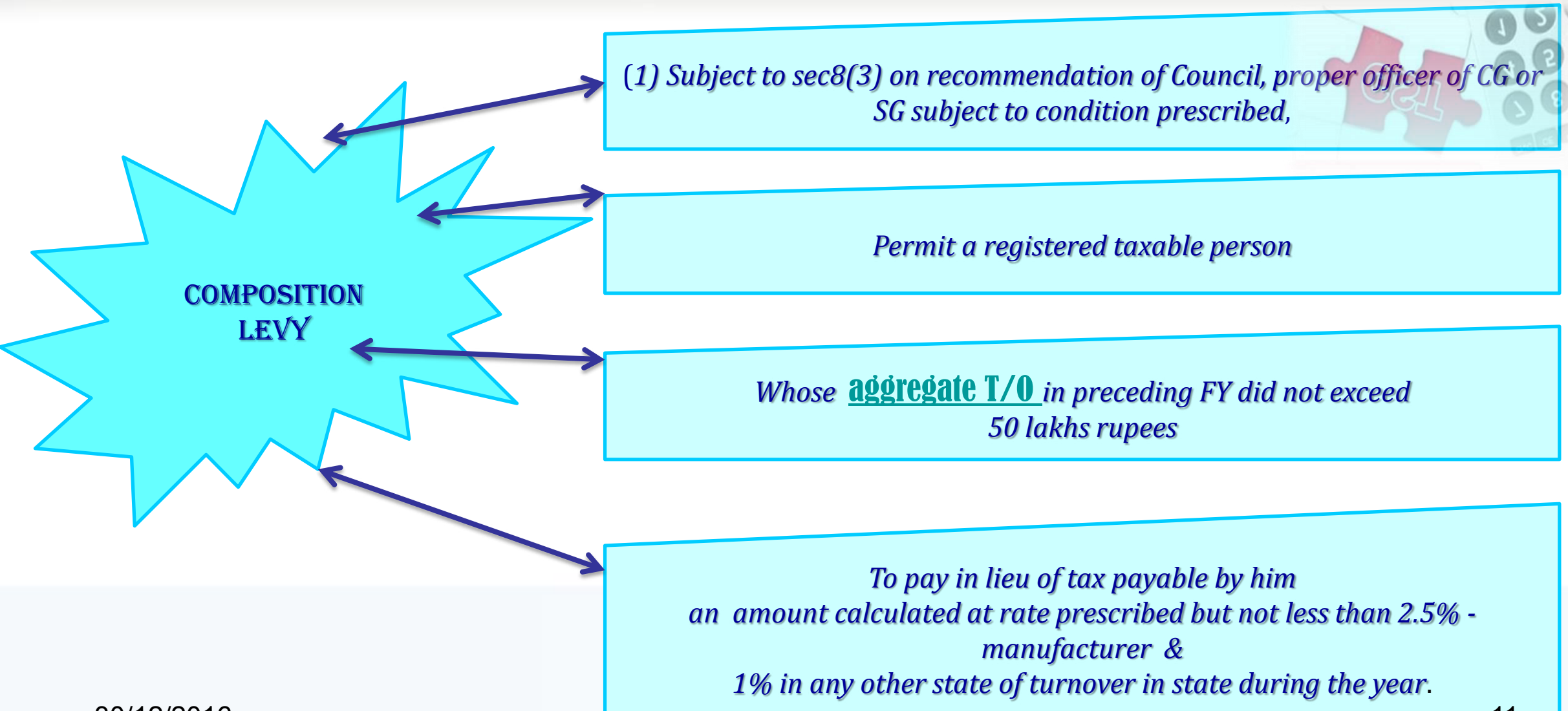
(3) CG & SG may specify categories of supply of goods & services on which tax shall be paid by the **recipient** of such goods & services under reverse charge mechanism .

(4) CG & SG may specify categories of service the tax on which shall be paid by the **electronic commerce operator (ECO)** if services are supplied through it:

PROVIDED where ECO does not have physical presence in taxable territory any representative (for any purpose in taxable territory) of such ECO shall be liable to pay the tax.

PROVIDED FURTHER where ECO does not have a physical presence & also a representative in said territory, then such ECO shall appoint a person for the purpose of paying tax & such person shall be liable to pay the tax.

SECTION 9-COMPOSITION LEVY



SECTION 9-COMPOSITION LEVY



PROVIDED that no such permission shall be granted to taxable person-

- (a) Engaged in Supply of Services or
- (b) Who makes any supply of goods not leviable to tax under GST or
- (c) Who makes any inter-state outward supplies of goods; or
- (d) Who makes supply through electronic commerce operator who is required to collect tax at source U/S 56;
- (e) Who is a manufacturer of such goods as may be notified on recommendation of council .



SECTION 9-COMPOSITION LEVY



PROVIDED FURTHER no permission shall be granted to taxable person unless all registered taxable persons, having same PAN as held by taxable person also opt to pay tax under the provisions of this sub-section.

- (2) The permission granted to registered taxable person under sub-section (1) shall stand withdrawn from the day on which his aggregate T/O during FY exceeds 50 lakh rupees.
- (3) A taxable person to whom the provisions of sub-section (1) apply shall not collect any tax from recipient on supplies made by him nor shall he be entitled to any credit of input tax.
- (4) If the proper officer has reasons to believe that a taxable person was not eligible to pay tax under sub-section (1), such person shall in addition to any tax that may be payable by him under other provisions of this act, be liable to penalty and provisions of sec 66 or 67, as case may be, shall apply mutatis mutandis for determination of tax & penalty.

EXEMPTIONS/EXCLUSIONS UNDER GST

SCHEDULE V – PT 2

Following persons shall not be liable to registration:

- (1) Any person engaged exclusively in business of supplying goods / services not liable to tax or wholly exempt from tax.
- (2) An agriculturist, for the purpose of agriculture.



ACTIVITIES / TRANSACTIONS NEITHER GOODS NOR SERVICES

EXEMPTIONS UNDER SCHEDULE III

1) Services by an employee in the course of or in relation to his employment.

2) Services by any court / tribunal established under any law for the time being in force.

3) By a foreign diplomatic mission located in India.

ACTIVITIES / TRANSACTIONS NEITHER GOODS NOR SERVICES

EXEMPTIONS UNDER SCHEDULE III

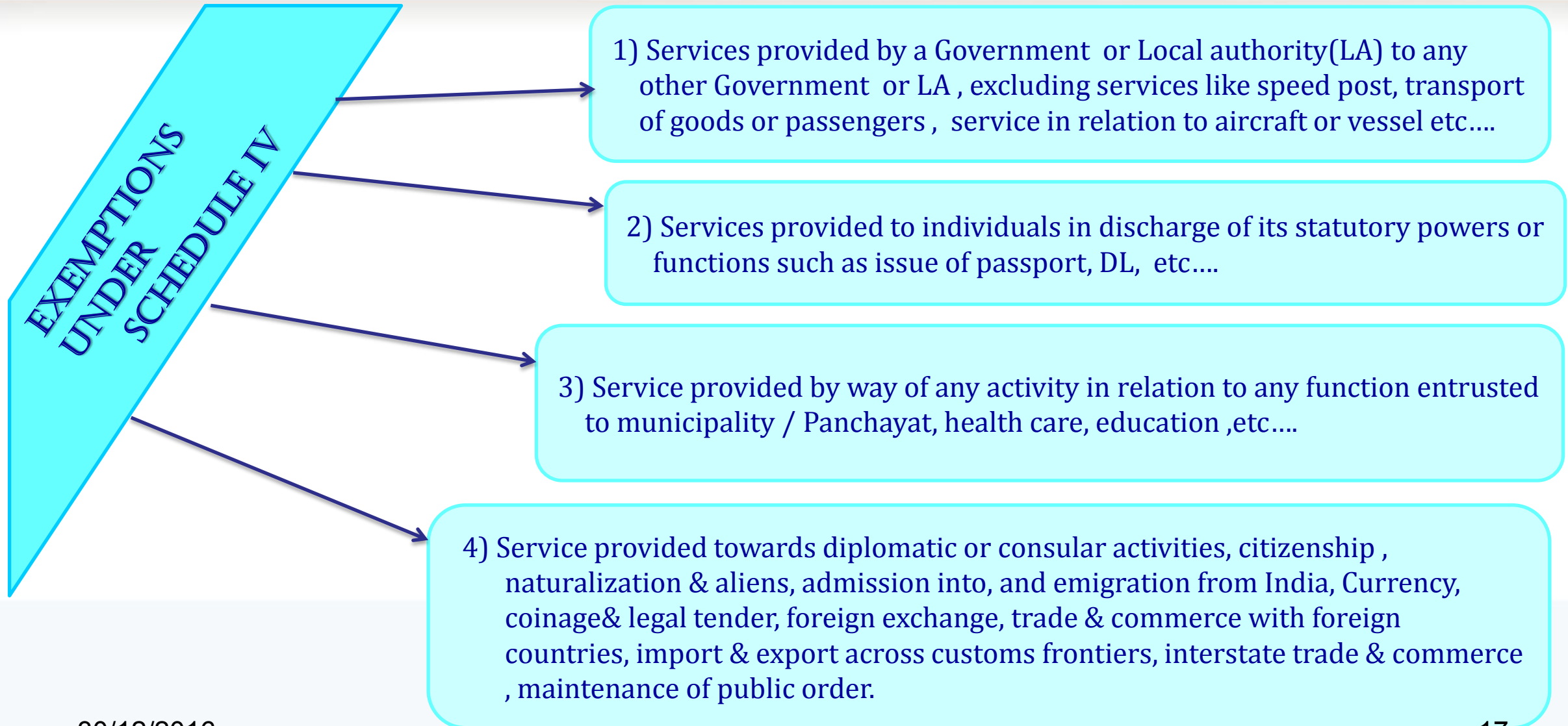
4) Services of funeral , burial, crematorium or mortuary including transportation of the deceased.

5) (a) The functions performed by the members of parliament, members of state legislature, members of panchayats, members of Municipalities or other local authorities;

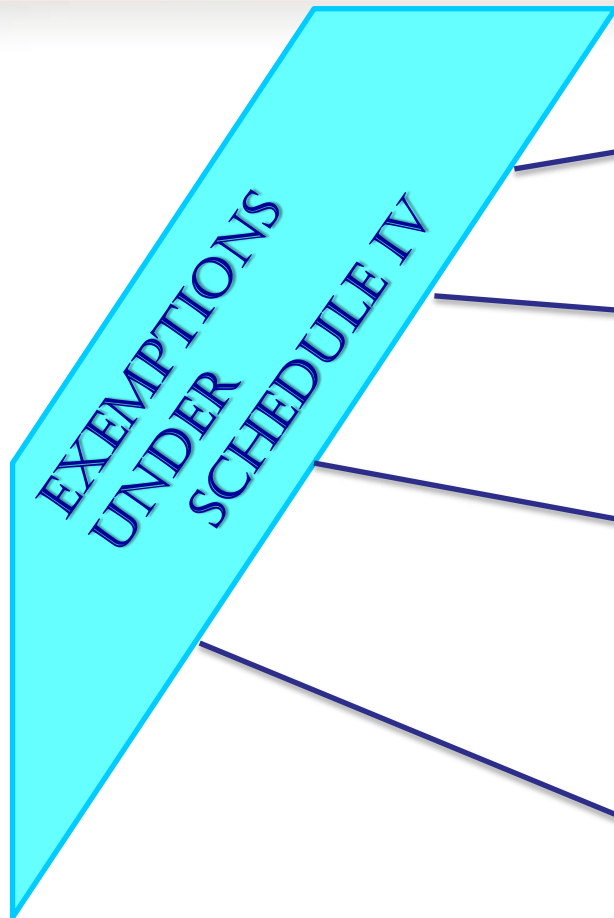
(b) Duties performed by any person who holds any post in pursuance of provisions of constitution in that capacity; or

(c) Duties performed by any person as chairperson/member/director in body established be CG/SG/local authority & who is not deemed as an employee before commencement of this clause.

SCHEDULE IV- ACTIVITIES/TRANSACTION PROVIDED BY CG/SG OR ANY LOCAL AUTHORITY



SCHEDULE IV - ACTIVITIES/TRANSACTION PROVIDED BY CG/SG OR ANY LOCAL AUTHORITY



5) Service provided by government or LA in course of discharging any liability on account of any tax levied by such government or authority.

6) Services provided by a government or LA by way of:
i. Tolerating non-performance of contract for which consideration in form of fines etc..is payable.
ii. assignment of right to use any natural resources.

7) Services provided by government by way of deputing officers after office hours or on holidays for inspection or container stuffing / such other duties in relation to import or export of cargo on payment of Merchant Overtime Charges.

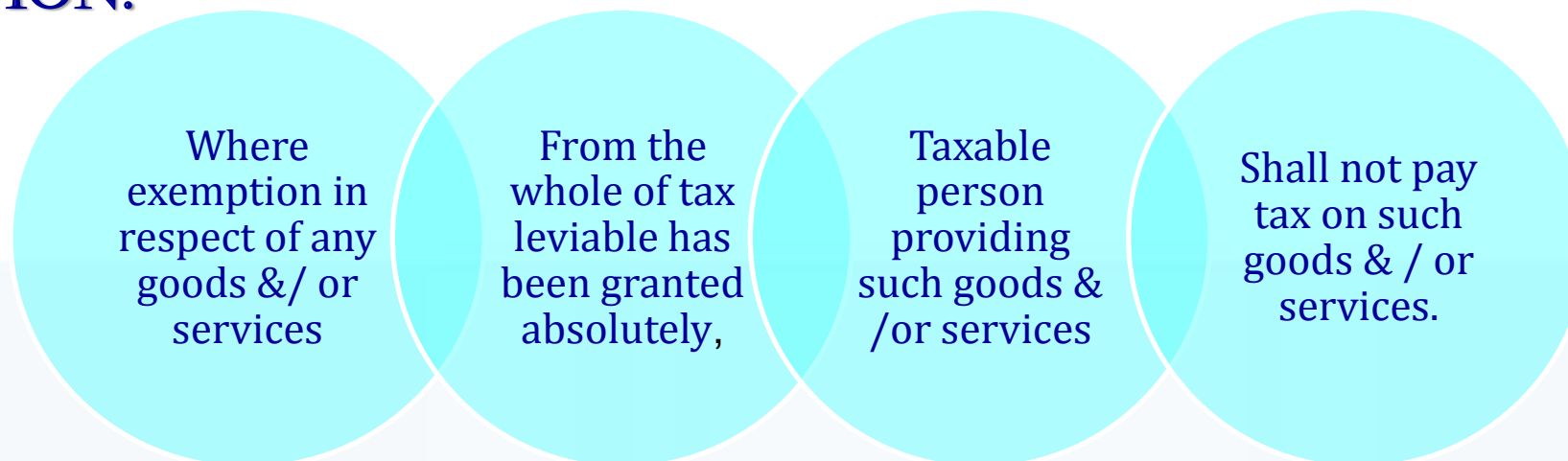
8) Services provided by government or local authority by way of:
i. Registration required under any law for the time being in force; or
ii. Testing, calibration , safety check or certification relating to protection or safety of workers , consumers or public at large , required under any law for the time being in force.

POWER TO GRANT EXEMPTION FROM TAX

SECTION 11: POWER TO GRANT EXEMPTION FROM TAX.

If the CG / SG is satisfied that is necessary in the public interest so to do , it may , on recommendation of Council , by notification exempt generally either absolutely or subject to such conditions, goods & or services of any specified description from the whole or any part of the tax leviable thereon with effect from date of issue of notification or any date subsequent thereto as may be specified in said notification.

EXPLANATION:



POWER TO GRANT EXEMPTION FROM TAX

- (2) If the CG/ SG is satisfied that it is necessary in the public interest to do so , it may on the recommendation of the council, by special order in each case exempt from payment of tax under circumstances of exceptional nature to be stated in such order, any goods & or services on which tax is leviable.
- (3) The CG / SG may , if it considers necessary for the purpose of clarifying the scope / applicability of any notification issued U/S 11(1) or order issued U/S 11(2) , insert an explanation in such notification/ order as the case may be by notification any time within 1 year of issue of notification U/s 11 (1) or order U/ S 11(2) , & every such explanation shall have effect as if it had always been the part of the first such notification / order, as the case may be.



POWER TO GRANT EXEMPTION FROM TAX

4) Every notification issued U/S 11(1) or 11(3) & every order issued under 11(2) shall:

- (a) unless otherwise provided, come into force on the date of its issue by the CG /SG for publication in the official gazette or from any date subsequent to the date of its issue as may be specified therein; and
- (b) be made available on the official website of the department of CG / SG.



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TIME OF SUPPLY (TOS) OF GOODS

SECTION 12 – TIME OF SUPPLY OF GOODS :

(1) The liability to pay CGST/ SGST on the goods shall arise at the time of supply as determined in terms of the provision of this section.

(2) The time of supply of goods shall be earlier of the following:

(a) Date of Issue of Invoice or last date on which he is required u/s 28 to issue invoice w.r.t. supply

OR

(b) Date of receipt of payment by supplier w.r.t. supply

TAX TO BE PAID IN CASE OF FORWARD CHARGE- 12(2)

Proviso – Where Supplier receives amt upto Rs. 1,000/- > amt indicated in Tax Invoice, **the TOS to the extent of such excess shall, at the option of the said supplier, be the dt. of issue of Invoice.**

Expln 1 – For the purpose of clause (a) & (b), supply shall be deemed to have been made to the extent it is covered by the invoice or as the case may be the payment.

Expln 2 - For Clause (b) - Date of receipt of payment by supplier =

1) Dt on which Payment is entered in BOA or

2) Dt on which Payment is credited to his bank A/c

Whichever is Earlier.

TAX TO BE PAID IN CASE OF FORWARD CHARGE- 12(2)

ILLUSTRATION: 1

ABC supplies goods to XYZ amounting Rs. 1,00,000/- and issues an invoice dated 27.11.2016 but the payment of same is made on 02.12.2016.

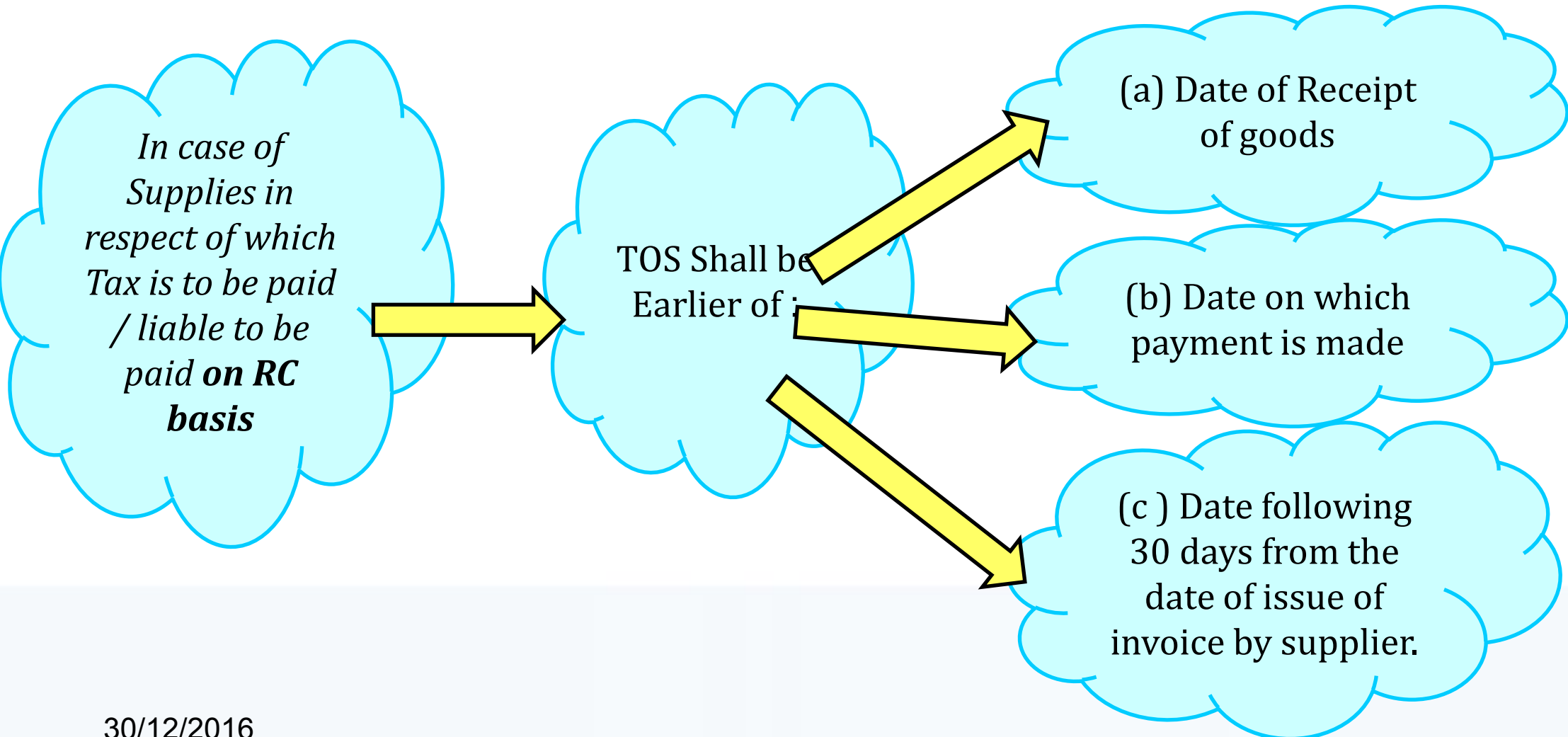
Now, time of supply, as per above, is 27.11.2016

ILLUSTRATION: 2

Mr. Ram raises Invoice for supply of goods to Mr. Shyam amt. Rs. 1,00,000/- on 14.11.2016 for goods delivered to him on 05.11.2016 but the Payment of the same is made on 28.10.2016.

Now, time of supply of goods is 28.10.2016.

TOS OF GOODS – REVERSE CHARGE (RC) – 12(3)



TAX TO BE PAID IN CASE OF REVERSE CHARGE

Proviso – Where not possible to determine TOS under (a), (b) or (c) above then TOS shall be **Date of Entry in books of account of the recipient of supply.**

Explanation – For Clause (b) - Dt on which Payment is made =

1) Dt on which Payment is entered in BOA of Recipient or

2) Dt on which Payment is debited in his bank A/c

Whichever is Earlier.

TAX TO BE PAID IN CASE OF REVERSE CHARGE MECHANISM

ILLUSTRATION

Mr. Ram supplies some goods to Mr. Shyam. These goods are covered under reverse charge mechanism. Date of invoice is 01.12.2017. Date of payment is 15.01.2018. Date of receipt of goods is 02.01.2018. Now, time of supply is earlier of –

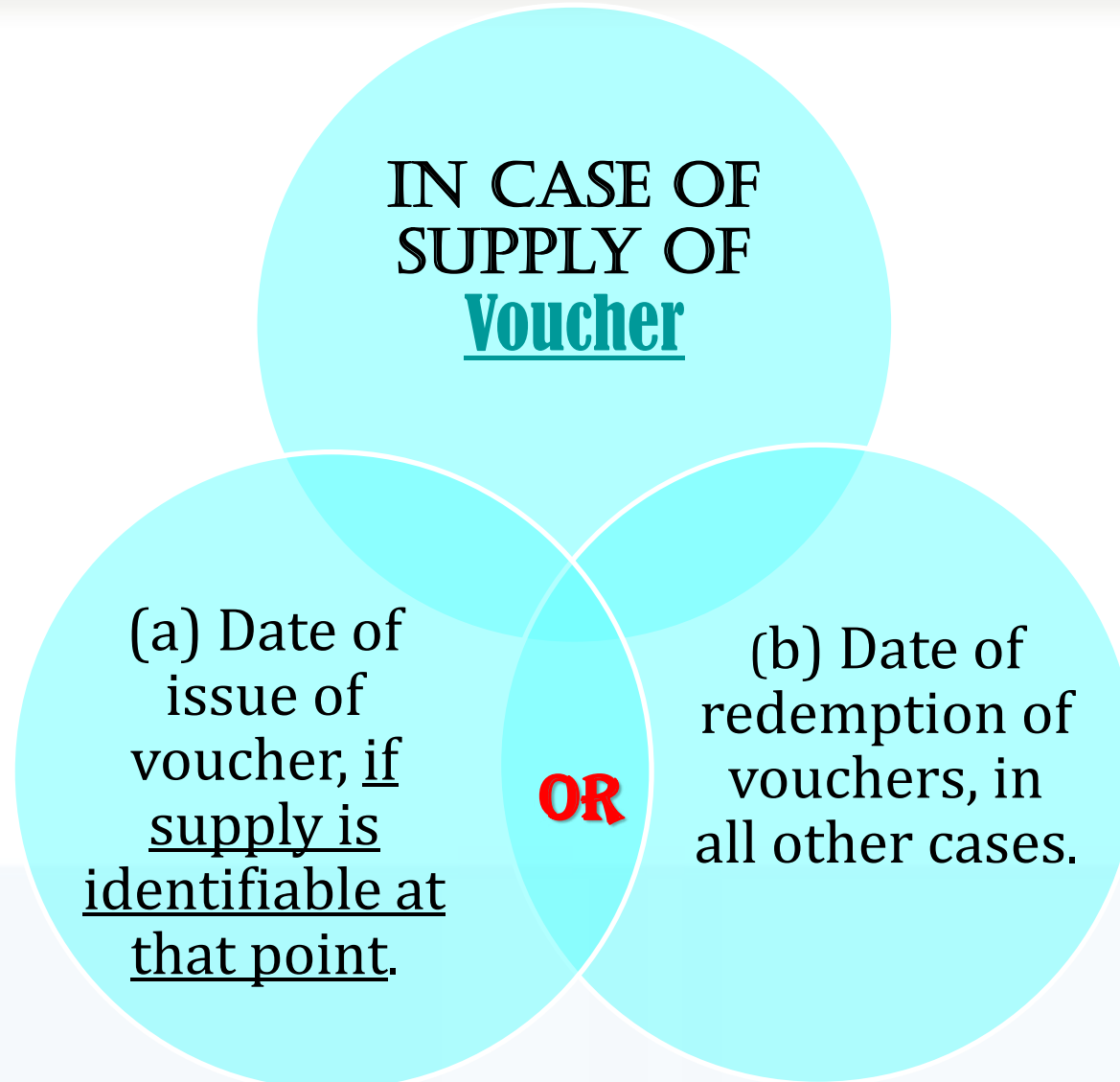
Date of receipt – 02.01.2018

Date of payment – 15.01.2018

30 days from invoice – 31.12.2017

As per above details, time of supply is 01.01.2018 i.e. date immediately following 30 days from the date of issue of invoice by supplier.

TOS - IN CASE OF SUPPLY OF VOUCHERS - 12(4)



TIME OF SUPPLY OF GOODS - RESIDUARY CLAUSE

IF NOT POSSIBLE TO
DETERMINE TIME OF SUPPLY
AS PER 2, 3 OR 4

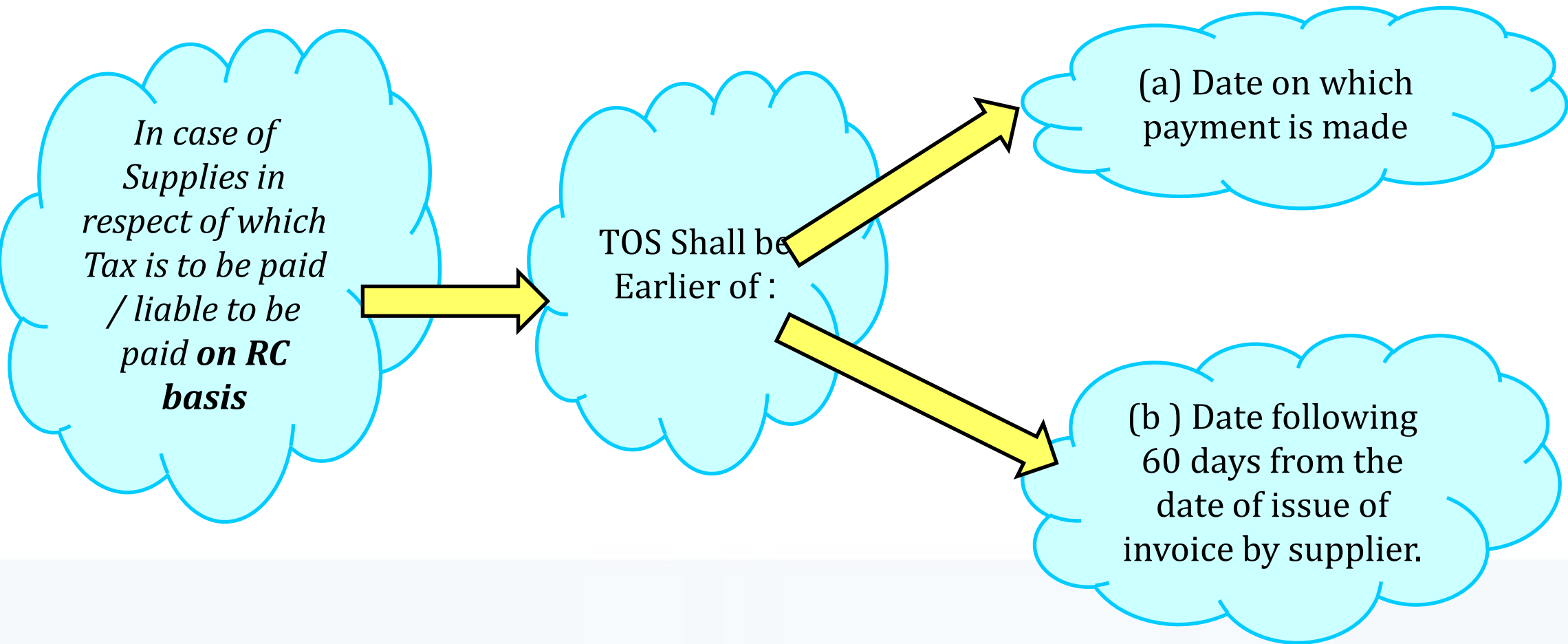
Where Periodic Return has to be filed, be the date on which return is to be filed.

OR

In Any other case, be the date on which CGST / SGST is paid



TOS OF SERVICES – REVERSE CHARGE (RC) – 13(3)



TIME OF SUPPLY OF SERVICES

Proviso – Where not possible to determine TOS under (a) or (b) above then TOS shall be **Date of Entry in books of account of the recipient of supply.**

PROVIDED FURTHER that in case of ‘*associated enterprises’ supplier of service is located outside India , TOS shall be :-

- 1) Date of entry in the books of recipient of supply
OR
- 2) Date of payment,
Whichever is earlier.

* Section 2(13) states that associated enterprise shall have the meaning assigned to it in section 92A of the Income Tax Act, 1961



TIME OF SUPPLY OF SERVICES

Explanation – For Clause (a) - Dt on which Payment is made =

1) Dt on which Payment is entered in BOA of Recipient or

2) Dt on which Payment is debited in his bank A/c

Whichever is Earlier.



CHANGE IN RESPECT OF TAX IN RESPECT OF GOODS / SERVICES

SECTION 14- CHANGE IN RATE OF TAX IN RESPECT OF SUPPLY OF GOODS / SERVICES.

Notwithstanding anything contained in sec 12 or 13 , time of supply in cases where there is change in rate of tax in respect of goods/ services , shall be determined in following manner:-

CHANGE IN RESPECT OF TAX IN RESPECT OF GOODS / SERVICES

Section 14(a) & 14(b) are here as follows:-

PARTICULARS	ISSUE OF INVOICE (IOI)	RECEIPT OF PAYMENT (ROP)	TIME OF SUPPLY
Goods & services have been supplied before the change in Tax	After	After	Whichever is Earlier
	Before	After	Date of IOI
	After	Before	Date of ROP
Goods & Services have been supplied after the change in Tax	Before	Before	Whichever is Earlier
	Before	After	Date of ROP
	After	Before	Date of IOI

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CHANGE IN RESPECT OF TAX IN RESPECT OF GOODS / SERVICES

PROVIDED that the date of receipt of payment shall be the date of credit in the bank account when such credit in the bank account is after 4 working days from the date of change in the rate of tax.

EXPLANATION :-

For the purpose of this section , “ *the date of receipt of payment*” shall be :

Date on which the payment is entered in the books of accounts of the supplier

OR

Date on which payment is credited to his bank account,

whichever is earlier

THE INTEGRATED GOODS & SERVICE TAX ACT, 2016

SECTION 17- APPLICATION OF CERTAIN PROVISIONS OF THE CGST ACT, 2016

The provisions relating to Registration, Valuation, Time of Supply of Goods / Services, Change in rate of tax, ITC, Returns, Refunds, Interest, Penalties etc.... shall apply , so far as may be in relation to the levy of tax under this Act , as they apply in relation to levy of tax under the CGST Act , 2016



TRANSITIONAL PROVISIONS

SECTION 187 – PROGRESSIVE OR PERIODIC SUPPLY OF GOODS/ SERVICES

In respect of **CGST**

Notwithstanding anything contained in sec 12 & 13, no tax shall be payable on the supply of goods and/or services made on or after the appointed day where the consideration , whether in full or in part , for the said supply has been received prior to the appointed day & the duty of tax payable thereon has already been paid under earlier law.

In respect of **SGST**

Notwithstanding anything contained in sec 12 & 13 , no tax shall be payable on the supply of goods and / or services made on or after the appointed day for the said supply has been received prior to the appointed day and the duty or tax payable thereon has already been paid under earlier law.

TRANSITIONAL PROVISIONS

SECTION 188 – TAXABILITY OF SUPPLY OF SERVICES IN CERTAIN CASES

CGST & SGST Law:

Notwithstanding anything contained in sec 13 or 14, the tax in respect of the taxable services shall be payable under the earlier law to the extent the point of taxation in respect of such services arose before the appointed day.

EXPLANATION:

Where the portion of the supply of services is not covered by this section , such portion shall be liable to tax under this Act.

TRANSITIONAL PROVISIONS

SECTION 189- TAXABILITY OF SUPPLY OF GOODS IN CERTAIN CASES

CGST & SGST Law:

Notwithstanding anything contained in sec 12 or 14 , the tax in respect of the taxable goods shall be payable under the earlier law to the extent of the point of taxation in respect of such goods arose before the appointed day .

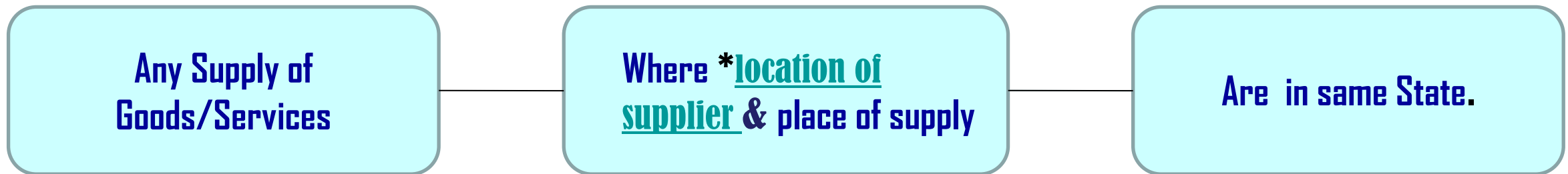
EXPLANATION:

Where the portion of the supply of goods is not covered by this section , such portion shall be liable to tax under this Act.

DEFINITIONS & EXPLNATIONS OF SOME IMP. TERMS

SEC. 4 of IGST: Supplies of goods and/or services in the course of intra- state trade or commerce

Intra-State supply (subject to sec. 7 & 9) means :



(* Location of Recipient of Supply is not important.)

Provided that –

1) *Intra-state supply of GOODS shall not include -*

i) Supply of goods to or by a SEZ Developer / SEZ Unit.

ii) Supply of Goods brought into India in course of Import till they cross custom frontiers

2) *Intra-state supply of SERVICES shall not include Supply of service to or by a SEZ Developer / SEZ Unit.*

INTER-STATE SUPPLY

SEC. 3 of IGST : Supplies of goods and/or services in the course of inter- state trade or commerce

(1) & (2) Inter-State supply (subject to sec. 7 & 9) means :



(* Location of Recipient of Supply is not important.)

INTER-STATE SUPPLY

Deemed to be supply in the course of Inter-State trade or commerce :

- (3) Supply of goods in the course of import into the territory of India till they cross the customs frontiers of India
- (4) Supply of Services in the course of import into the territory of India
- (5) Supply of goods and/ or services , when the supplier is located in India & the place of supply is outside India .
- (6) Supply of goods and / or services to or by a SEZ developer or an SEZ unit
- (7) Any supply of goods and / or services in the taxable territory, not being an intra-state supply & not covered elsewhere in this section



LOCATION OF SUPPLIER OF SERVICES



Sec. 2 (18) of IGST - Location of the Supplier of Services :

a. Where supply is made from Place of business for which registration has been obtained - POB.

b. Where supply is from say a Fixed establishment (i.e. place other than POB for which Reg. is obtained) - FE

c. Where supply is made from more than 1 establishment whether POB or FE - Location most directly concerned with provision of supply;

d. In absence of such places - Location of usual place of residence of supplier.

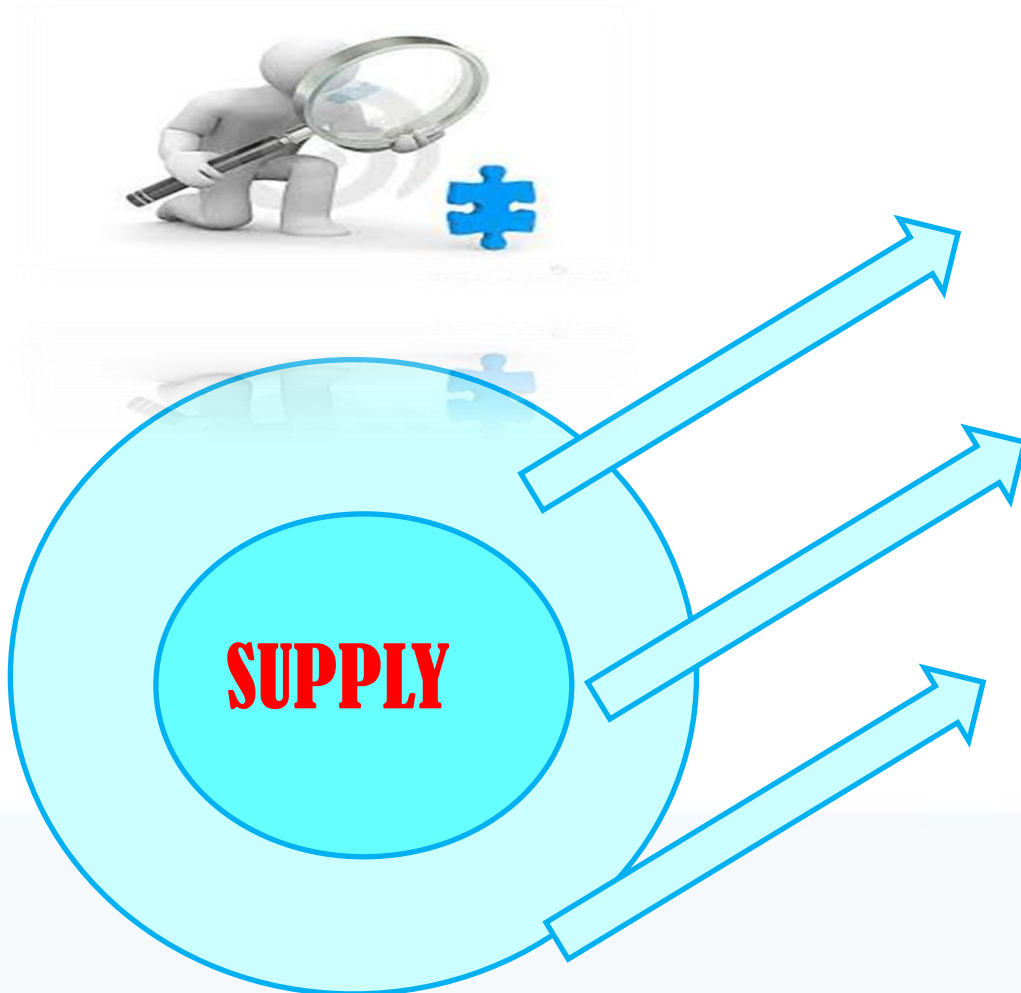
LOCATION

OF

SUPPLIER

30/12/2016

MEANING & SCOPE OF SUPPLY :-



SEC. 3 (1) – SUPPLY INCLUDES :

- (a) All forms of supply of goods &/or Services such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for consideration by a person or in course or furtherance of business
- (b) Importation of services for consideration whether or not in course or furtherance of business,
- c) Supply specified in Schedule I made or agreed to be made without consideration

So importation of services W/o consideration & for Personal use not liable for GST - Sec. 3(1)(b) r.w. Schedule I- Pt. 4.

SUPPLY :-

- (2) Schedule II , in respect of matters mentioned , shall apply for determining what is , or is to be treated as supply of goods/ services.
- (3) Following shall neither be treated as supply of goods / services :
- (a) Activities / transactions specified in Schedule III; or
 - (b) Activities/ Transactions undertaken by CG/ SG or any local authority in which they are engaged as public authorities as specified in Schedule IV,



SUPPLY :-

4) CG/ SG may further specify, by notification the transactions that are to be treated as-

- (a) A supply of goods & not as supply of services; or
- (b) A supply of services & not as supply of goods ; or
- (c) Neither a supply of goods nor services.



5) The tax liability on a composite / mixed supply shall be determined in the following manner-

- (a) A **composite supply** comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply;
- (b) A **mixed supply** comprising two or more supplies shall be treated as supply of that particular supply which attracts the highest rate of tax.

CONSIDERATION :-

SECTION 2(28) – CONSIDERATION



In relation to the supply of goods / services includes:

- (a) Any payment made or to be made , whether in money or otherwise, in respect of, in response to , or for the inducement of , the supply of goods/ services , whether by the recipient or by any other person but shall not include any subsidy given by the CG / SG;
- (b) The monetary value of any act/ forbearance , whether or not voluntary , in respect of , in response to , or for the inducement of , the supply of goods/ services , whether by the recipient or by any other person but shall not include any subsidy given by the CG / SG:

PROVIDED that deposit whether refundable or not, given in respect of supply of goods/services shall not be considered as payment made for supply unless the supplier applies deposit as consideration for supply.

BUSINESS



**BUSINESS u/s
2(17)**

(a) Any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not is for pecuniary benefit.

(b) Any activity / transactions in connection with or incidental or ancillary to (a) above

(c) Any activity / transaction in nature of (a) above, whether or not there is volume , frequency, continuity or regularity of such transaction

(d) Supply/acquisition of goods including capital assets & services in connection with commencement/closure of business.



**BUSINESS u/s
2(17)**

(e) Provision by club, association, society , or any such body(for subscription/consideration) of facilities/benefits to is members, as case may be

(f) Admission, for consideration, of persons to any premises and

**(g) Services supplied by person as the holder of an office which has been accepted by him in the course /furtherance of his trade or profession or vocation
Eg :-Office bearers of any association say WIRC of ICAI – New
Business ??**

(h) Services provided by race club by way of totalisator / licence to book maker in such club

EXPLANATION

Any activity / transaction undertaken by CG ,SG, or any local authority in which they are engaged as public authorities shall be deemed to be business.

Eg :

ABC Ltd. manufactured some goods for charity .

Whether Business ? – 2(17) (a)

Whether it is Supply ? – If no ITC claimed & No Consideration – Sec 3(1) (a) r.w. Schedule I
- If ITC Claimed – Schedule I pt. 1



SCHEDULE I – MATTERS TO BE TREATED AS SUPPLY EVEN IF MADE WITHOUT CONSIDERATION

SCHEDULE I

1. Permanent transfer / disposal of business assets where ITC has been availed.

2. Supply of goods/services between related parties/distinct persons as specified in sec 10 , made in course or furtherance of business.

3. Supply of goods-

(a) By a principal to his agent where agent supply such goods on behalf of his principal, or

(b) By an agent to his principal where agent to receive such goods on behalf of principal

4. Importation of services by taxable person from a related person or from any other establishment outside India, in course or furtherance of business.

COMPOSITE SUPPLY

SECTION 2 (27) –COMPOSITE SUPPLY

MEANING:

It means a supply made by taxable person to recipient comprising two or more supplies of goods/services or combination thereof, which are naturally bundled and supplied in conjunction with each other in ordinary course of business, one of which is **principal supply**.

ILLUSTRATION:

Where goods are packed and transported with insurance , the supply of goods, packing materials , transport & insurance is composite supply and supply of goods is the principal supply.



PRINCIPAL SUPPLY

SEC 2 (78) : PRINCIPAL SUPPLY

It means the supply of goods/services which constitutes the predominant element of a composite supply & to which any other supply forming part of that composite supply is ancillary & does not constitute, for the recipient an aim in itself, but a means for better enjoyment of the principal supply.



MIXED SUPPLY

SECTION 2 (66): MIXED SUPPLY

It means two or more individual supplies of goods / services or combination made in conjunction with each other by taxable person for single price ,where such supply does not constitute a composite supply.

ILLUSTRATION:

A Supply of package consisting of sweets, chocolates , cakes, etc. when supplied for single price is Mixed supply. Each of these items can be supplied separately & is not dependent on any other.



If items are supplied separately \neq Mixed Supply.



GOODS

GOODS

SEC 2(49) : GOODS

It means every kind of movable property **other than money & securities** but includes actionable claim, growing crops, grass & things attached to or forming part of the land which are agreed to be served before supply under a contract of supply.

GST
Goods &
Services
Tax



SERVICES

SERVICES

SEC 2 (92) : SERVICES MEANS ANYTHING OTHER THAN GOODS.



SERVICES

INCLUDE TRANSACTIONS IN MONEY

But does not include money and securities.

30/12/2016

DOES NOT INCLUDE TRANSACTION IN MONEY, OTHER THAN

Activity relating to use of money or its conversion in cash by any other mode, from one form, currency, denomination to another for which consideration is chrgd.

VALUE OF TAXABLE SUPPLY

Section 15: Value of taxable Supply:

- (1) The value of supply of goods and / or services shall be the **transaction value** , that is the price actually paid / payable on supply of goods and/ or services where supplier & recipient of supplier are not related & price is the sole consideration for the supply.



VALUE OF TAXABLE SUPPLY



15 (2) VALUE OF SUPPLY SHALL INCLUDE:

1. Taxes, duties , fees , cesses & chrgs levied under any statute other than CGST/SGST if charged separately by supplier.

2. Any amount that supplier is liable to pay but incurred by recipient & not included in price paid or payable.

3. Incidental expenses such as commission and packaging, including any amt charged for anything done by supplier at time or before delivery.

4. Interest or late fee or penalty for delayed payment of consideration.

5. Subsidies directly linked to price excluding that provided by CG & SG.

EXPLANATION :- The amount of subsidy shall be included in the value of supply of supplier who receives the subsidy.

VALUE OF TAXABLE SUPPLY

15(3) The value of supply shall not include any discount that is given:

(a) Before or at the time of the supply , provided such discount has been duly recorded in the invoice issued in respect of such supply ; and

(b) after the supply has been affected , provided :

(i) Such discount is established in terms of an agreement entered into or before time of supply & specifically linked to relevant invoices ; and

(ii) Input tax credit has been reversed by recipient of supply as attributable to the discount on basis of document issued by supplier.



VALUE OF TAXABLE SUPPLY

- 15(4) Where the value of the supply of goods/ services cannot be determined under section 15(1) , the same shall be determined in manner as may be prescribed.
- 15(5) Notwithstanding anything contained in sub-section (1) or sub-section (4) , the value of such supplies as may be notified by the CG / SG in his behalf on recommendation of council shall be determined as may be prescribed.





SECTION 10 : TAXABLE PERSON

- (1) It means a person who is registered / liable to be registered under Schedule V of GST Act, 2016.
- (2) A person who has obtained or is required to obtain more than one registration, whether in one state or more than one state, shall, in respect of each such registration, be treated as distinct persons for purpose of this Act.
- (3) An establishment of a person who has obtained or is required to obtain registration in a state, and any of his other establishments in another state shall be treated as establishment of distinct persons for the purpose of this Act.



PERSON: SEC. 2 (73)

Person Includes :

(a) An individual;	(h) Any body corporate incorporated by or under any laws of a country outside India
(b) A Hindu Undivided Family;	(i) A Co-Operative Society registered under any law relating to cooperative societies;
(c) A Firm;	(j) A local Authority;
(d) A Company	(k) Government;
(e) An association of persons/body of individuals, whether incorporated or not, in India or outside India.	(l) Society as defined under the Societies Registration act , 1860,
(f) A Limited Liability Partnership	(m) Trust;
(g) Any corporation established by or under any central, state or provincial Act or a Government company as defined in sec 2(45) of the companies Act,2013	(n) Every artificial juridical person, not falling within any of the preceding sub- clauses.



SCHEDULE V-PERSON LIABLE TO BE REGISTERED.



IN CASE OF OTHER THAN SPECIAL CATEGORY STATES:

1. Every supplier shall be liable to be registered under this Act in the State from where he makes a taxable supply of goods and/ or services if his aggregate turnover in a financial year exceeds 20 lakh rupees:

PROVIDED that where such person makes taxable supplies of goods and/ or services from any of the *states specified in sub -clause (g) of clause (4) of Article 279A of the constitution , he shall be liable to be registered if his aggregate turnover in FY exceeds 10 lakh rupees.

* STATES-

Arunachal Pradesh , Assam , Manipur , Sikkim , Meghalaya, Nagaland, Tripura
, Uttarakhand , Manipur, J&K, Mizoram, Himachal Pradesh

SCHEDULE V-PERSON LIABLE TO BE REGISTERED.



IN CASE OF SPECIAL CATEGORY STATES:

2. Every supplier shall be liable to be registered under this Act in the State from where he makes a taxable supply of goods and/or services if his aggregate T/O in a FY exceeds 10 lakh rupees :

EXPLANATION 1- The aggregate T/O shall include all supplies made by the taxable person , whether on his own account or made on behalf of all his principals.

EXPLANATION 2-

The supply of goods, after completion of job-work , by a registered job-worker shall be treated as the supply of goods by the “principal” referred to in section 55, and the value of such goods shall not be included in the aggregate T/O of the registered job worker.

SCHEDULE V-PERSON LIABLE TO BE REGISTERED.



3. Subject to the provision of paragraph 1, every person who, on the day immediately preceding the appointed day, is registered or holds a license under an earlier law, shall be liable to be registered under this Act w.e.f. the appointed day.
4. Where a business carried on by a taxable person registered under this Act is transferred, whether on account of succession or otherwise, to another person as a going concern, the transferee, or the successor, as the case may be, shall be liable to be registered with effect from the date of such transfer or succession.



SCHEDULE V-PERSON LIABLE TO BE REGISTERED.



5. Notwithstanding anything contained in para 1 & 3, in a case of transfer pursuant to sanction of scheme or arrangement for amalgamation or as the case may be, de-merger of two or more companies by an order of High Court, the transferee shall be liable to be registered w.e.f. the date on which the registrar of companies issue a certificate of incorporation giving effect to such order of the High Court.

6. Notwithstanding anything contained in paragraph 1 & 3, the following categories of persons shall be required to be registered under this Act:

(i) Persons making any inter-State taxable supply, irrespective of the threshold specified under paragraph 1



RECIPIENT

SECTION 2(81) - Recipient of supply of goods and / or services -

(a) Where a consideration is payable for the supply of goods and / or services , the person who is liable to pay the consideration ,

(c) Where no consideration is payable for the supply of service, the person to whom the service is rendered, & any reference to a person to whom a supply is made shall be construed as a reference to recipient of the supply;

(b) Where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available, and

Explanation :- The Expression "recipient" shall also include an agent, acting on behalf of recipient.

DEFINITION

Electronic Commerce

Section 2(41): defines electronic commerce as

It means supply of goods and / or services including digital products over digital or electronic network.



Electronic Commerce operator

Section 2 (42) defines electronic commerce operator as:

It means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce

SECTION 2 (6)-AGGREGATE TURNOVER

INCLUDES

- Taxable supplies.
- +
- Exempt supplies
- +
- Export of goods and/or services,
- +
- Interstate supplies of a person having same PAN, on all India basis.

EXCLUDES

- Taxes , if any charged under CGST Act, SGST Act and IGST Act.
- Value of inward supplies on which tax is payable on reverse charge basis U/S 8(3),
- Value of inward supplies.

30/12/2016

SECTION 28- TAX INVOICE

28 (1) A Registered Taxable Person Supplying Taxable goods shall **before** or **at the time of**:

(a) Removal of goods for Supply to Recipient, where the supply involves movement of goods

OR

(b) Delivery of goods or making available thereof to the recipient, in any other case.

- Issue a tax invoice showing the description, quantity & value of goods, the tax charged thereon & such other particulars as may be prescribed :

Provided – CG/SG may by notification, specify categories of Goods & /or Services in respect of which the Tax Invoice shall be issued within such time.

SECTION 28- TAX INVOICE



(2) A Registered taxable person supplying taxable service shall **before** or **after the provision of service** but within the period prescribed in this behalf, issue a taxable invoice showing description , value , the tax payable thereon & such other particulars as may be prescribed.

Provided, CG/SG may specify categories of services in respect of which any other document issued in relation to the supply shall be deemed to be a Tax Invoice subject to conditions prescribed.

(3) Notwithstanding any thing contained in Sub-Sections (1) & (2) :

(a) A Registered taxable person may , within **1 month** from ***date of issuance of certificate of registration*** & in such manner as may be prescribed , issue revise invoice against invoice already issued during period starting from the effective date of registration till date of issuance of Certificate of Registration.

SECTION 28- TAX INVOICE



- (b) A Registered Taxable Person supplying Exempted goods and/or Services or paying tax under provisions of Section 9 shall issue instead of Tax Invoice , Bill of Supply containing such Particulars & in such manner as may be prescribed.
(If Amt. < Rs. 100 – supplier may not issue, unless reqd. by recipient)
- (c) A Registered Taxable person shall on Receipt of Advance Payment w.r.t any supply of goods or services by him , issue a receipt voucher or any other document , including therein such particulars as maybe prescribed ,evidencing receipt of such payment
- (d) A Registered taxable person who is liable to pay tax under sub – section (3) of section 8 shall issue an invoice in respect of goods/ services received by him on the date of receipt of goods / services from a person who is not registered under the act.
- (4) In case of continuous Supply of goods, where successive statements of accounts or successive payments are involved, the invoice shall be issued before or at the time each such statements is issued or, as the case may be, each such payment is received.

SECTION 28- TAX INVOICE



(5) In case of continuous supply of services,

- (a) Where the due date of payment is ascertainable from the contract , the invoice shall be issued before or after the payment is liable to be made by the recipient but within a period prescribed in this behalf whether or not any payment has been received by the supplier of service;
- (b) Where the due date of payment is not ascertainable from the contract, the invoice shall be issued before or after each such time when the supplier of service receives the payment but within a period prescribed in this behalf.
- (c) Where the payment is linked to the completion of an event , the invoice shall be issued before or after the time of completion of that event but within a period prescribed in this behalf.

SECTION 28- TAX INVOICE



- (6) In a case where the supply of services ceases under a contract before the completion of the supply , the invoice shall be issued at that time when the supply ceases & such invoice shall be issued to the extent of the supply effected before such cessation.
- (7) For the purpose of sub section (4) & (5) , the CG/ SG may on the recommendation of the council , specify, by notification , the supply of goods/ services that shall be treated as continuous supply of goods/ services.
- (8) Notwithstanding anything contained in sub-section (1) , where the goods (being sent or taken on approval or sale or return or similar terms) are removed before it is known whether a supply will take place, the invoice shall be issued before or at the time when it becomes known that the supply has taken place or 6 months from the date of removal whichever is earlier.

SECTION 28- TAX INVOICE



EXPLANATION:-

The Expression “ tax invoice” shall be deemed to include a document issued by an Input Service Distributor U/S 21 , and shall also include any revised invoice issued by the supplier in respect of a supply made earlier.

TIME OF SUPPLY OF GOODS

FREE COUPONS

FREE COUPONS

Voucher can be said to be a small printed piece of paper/Email with a code no. etc... that entitles the holder to a discount, or that may be exchanged for goods or services or entry to any premises etc..... Voucher may be called as – coupon, pass etc.



A large, stylized handwritten signature in black ink, appearing to read 'Krunal J. Davda', is centered at the top of the page. The signature is highly fluid and cursive, with large loops and flourishes.

❖ CA. Krunal J. Davda (B Com, FCA)

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