



GST

GOODS & SERVICE TAX

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INTRODUCTION

- In a literal sense the 'Place of Supply' iterates location of supplier. But in GST law it is not the case of place of supplier.
- In GST regime we have a taxable event as 'Supply' which is different from the current tax taxable events as manufacture & sale for excise and VAT respectively. So in GST we can have supply in one or number of states, therefore it is imperative to identify 'place of supply ' to correctly determine whether IGST or CGST & SGST is payable.
- Any error in determining Place of Supply will lead to deposit of wrong tax by the tax payer.
- Provision to determine place of supply has been defined separately for goods and separately for the services.

MEANING AND SCOPE OF SUPPLY

[Section 3 of CGST Act, 2016]

Supply includes

In the course or furtherance of business and for a consideration [Section 3(1)(a)]

All forms of supply such as:

- Sale
- Barter
- Transfer
- Exchange
- License
- Rental
- Lease
- Disposal

Note: None of the aforesaid term has been defined in this Act.

Whether or not In the course or furtherance of business and for a consideration or not [Section 3(1)(b)]

- Importation of service

Supply without consideration [Section 3(1)(c)] read with Schedule I]

- Permanent transfer/disposal of business assets
- Temporary application of business assets to a private or non-business use
- Services put to a private or non-business use
- Assets retained after deregistration
- Supply of goods and/ or services by a taxable person to another taxable or non-taxable person in course or furtherance of business.

DEFINITIONS

Goods [Section 2(48) of CGST Act, 2016]

- **"goods"** means every kind of movable property other than actionable claim and money but includes securities, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under the contract of supply;
- **Explanation.-** For the purpose of this clause, the term 'moveable property' shall not include any intangible property.

Services [Section 2(88) of CGST Act, 2016]

- **services"** means anything other than goods;
- **Explanation:** Services include intangible property and actionable claim but does not include money.

DEFINITIONS

Section 2(80)

“recipient” of supply of goods and/or services means-

- (a) where a consideration is payable for the supply of goods and/or services, the person who is liable to pay that consideration,
- (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
- (c) where no consideration is payable for the supply of a service, the person to whom the service is rendered, and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply;

Explanation.- The expression “recipient” shall also include an agent acting as such on behalf of the recipient in relation to the goods and/or services supplied.

Section 2(92)

“supplier” in relation to any goods and/or services shall mean the person supplying the said goods and/or services and shall include an agent acting as such on behalf of such supplier in relation to the goods and/or services supplied;

DEFINITIONS

Section 2(64)

“Location of recipient of service” means

- (i) where a supply is received at a registered place of business, the location of such place of business.
- (ii) where a supply is received at a place other than the registered place of business, that is a fixed establishment elsewhere, the location of such fixed establishment.
- (iii) where a supply is received at more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the receipt of the supply and
- (iv) in absence of such places, the location of the usual place of residence of the recipient.

Section 2(65)

“Location of supplier of service” means:

- (i) where a supply is made from a place of business for which registration has been obtained, the location of such place of business.
- (ii) where a supply is made from a place other than the registered place of business namely a fixed establishment elsewhere, the location of such fixed establishment;
- (iii) where a supply is made from more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the provision of the supply; and
- (iv) in absence of such places, the location of the usual place of residence of the supplier

DEFINITIONS

Section 2(46)

“Fixed establishment” means a place (other than the place of business) which is characterized by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services, or to receive and use services for its own needs.

Section 2(75)

“Place of business” includes (a) a place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, provides or receives goods and/or services; or (b) a place where a taxable person maintains his books of account; or (c) a place where a taxable person is engaged in business through an agent.

Section 2(29)

“Continuous journey” means a journey for which a single or more than one ticket or invoice is issued at the same time, either by a single supplier of service or through an agent acting on behalf of more than one supplier of service, and which involves no stop over between any of the legs of the journey for which one or more separate tickets or invoices are issued.

TAXABLE PERSON [SECTION 9 OF CGST ACT, 2016]

Taxable person means:

- a **person** who carries on any business at any place in India (including J& K) or in respective state
- and
- is required to be registered under Schedule-III of the CGST Act, 2016 [Schedule III deals with liability to be registered]

EXCLUSION FROM TAXABLE PERSON [SECTION 9 OF CGST ACT, 2016]

Taxable person shall **not** include:

An Agriculturist- means a person who cultivates land personally, for the purpose of agriculture

A person specified under paragraph 1 of Schedule III shall **not** be considered as taxable person until his aggregate turnover in a financial year exceeds Rs. 20 Lakh (Rs. 10 lakh for NE + Hilly states)

CG, a SG or any local authority in respect of activities mentioned in **Schedule IV**.

Any person providing services as an employee to his employer

- In the course of his employment, **or**
- In relation to his employment, **or**
- By any other legal ties creating the relationship of employer and employee as regards working conditions, remunerations and employer's liability

Any person **exclusively** engaged in non-taxable supplies

Any person liable to pay tax under Reverse Charge receives services for personal[**non-business**] use below the limit which is to be prescribed

TO CONCLUDE...

In order to constitute a 'supply', the following elements are required to be satisfied-

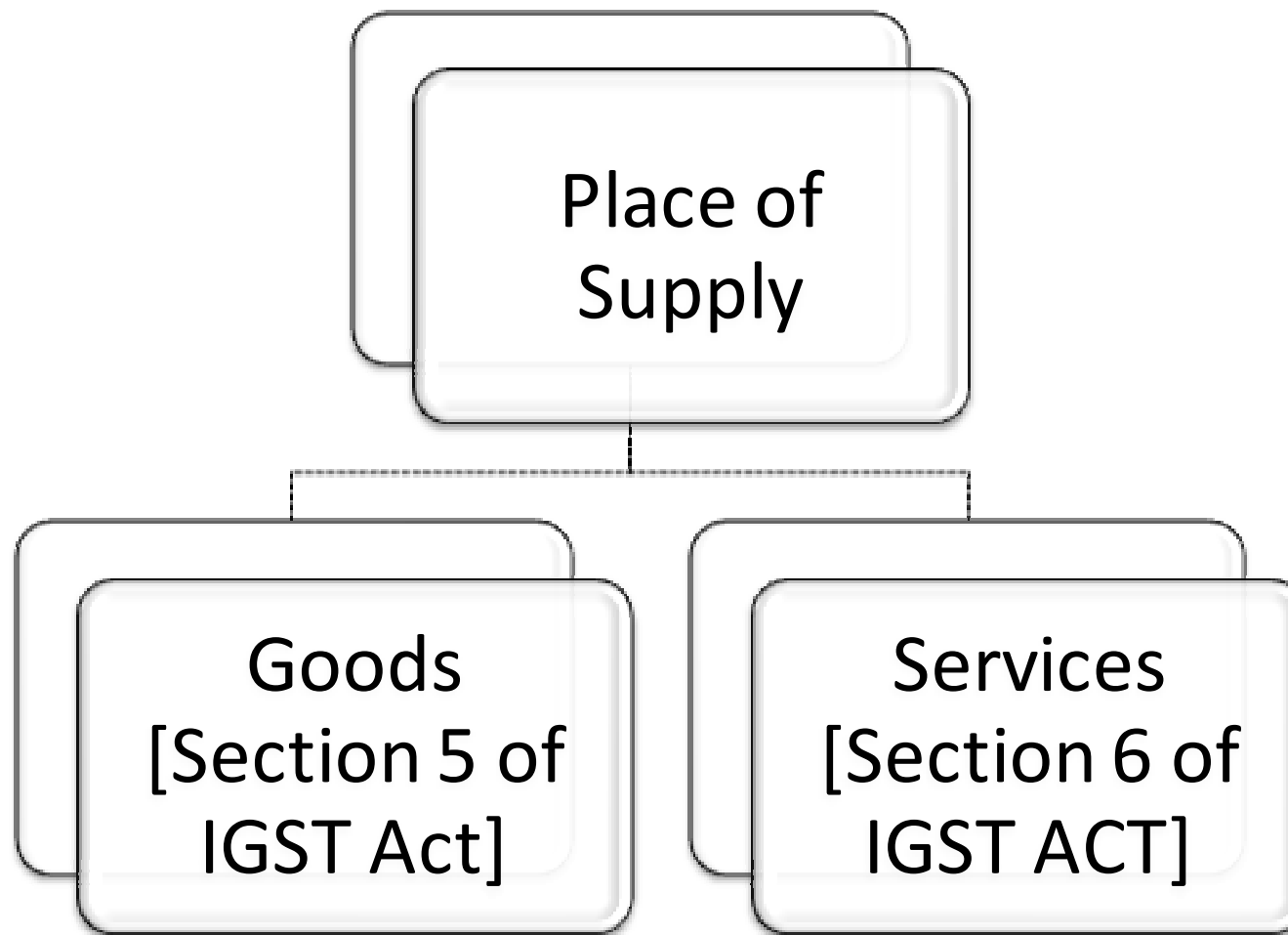
- Supply of goods and / or services
- Supply is for a consideration
- Supply is made in the course or furtherance of business
- Supply is made in the taxable territory
- Supply is a taxable supply, and
- Supply is made by a taxable person.

It is to be highlighted that in the ingredient of supply, supply made to another person is missing.

[Charging Section read with definition of supply]

PLACE OF SUPPLY





PLACE OF SUPPLY OF GOODS [SECTION 5]

Section 5(2)

Where the supply involves **movement of goods**, whether by the supplier or the recipient or by any other person, the **place of supply of goods shall be the location of the goods at the time at which the movement of goods terminates for delivery to the recipient.**

PARTICULARS	LOCATION OF SUPPLIER (LOCATION OF GOODS READY FOR SUPPLY)	TERMINATION OF MOVEMENT FOR DELIVERY	'PLACE OF SUPPLY'
Movement of goods by the supplier / recipient / or any other person	Orissa	West Bengal	West Bengal
	Orissa	Orissa	Orissa
	West Bengal	Assam	Assam

Section 5(2A)

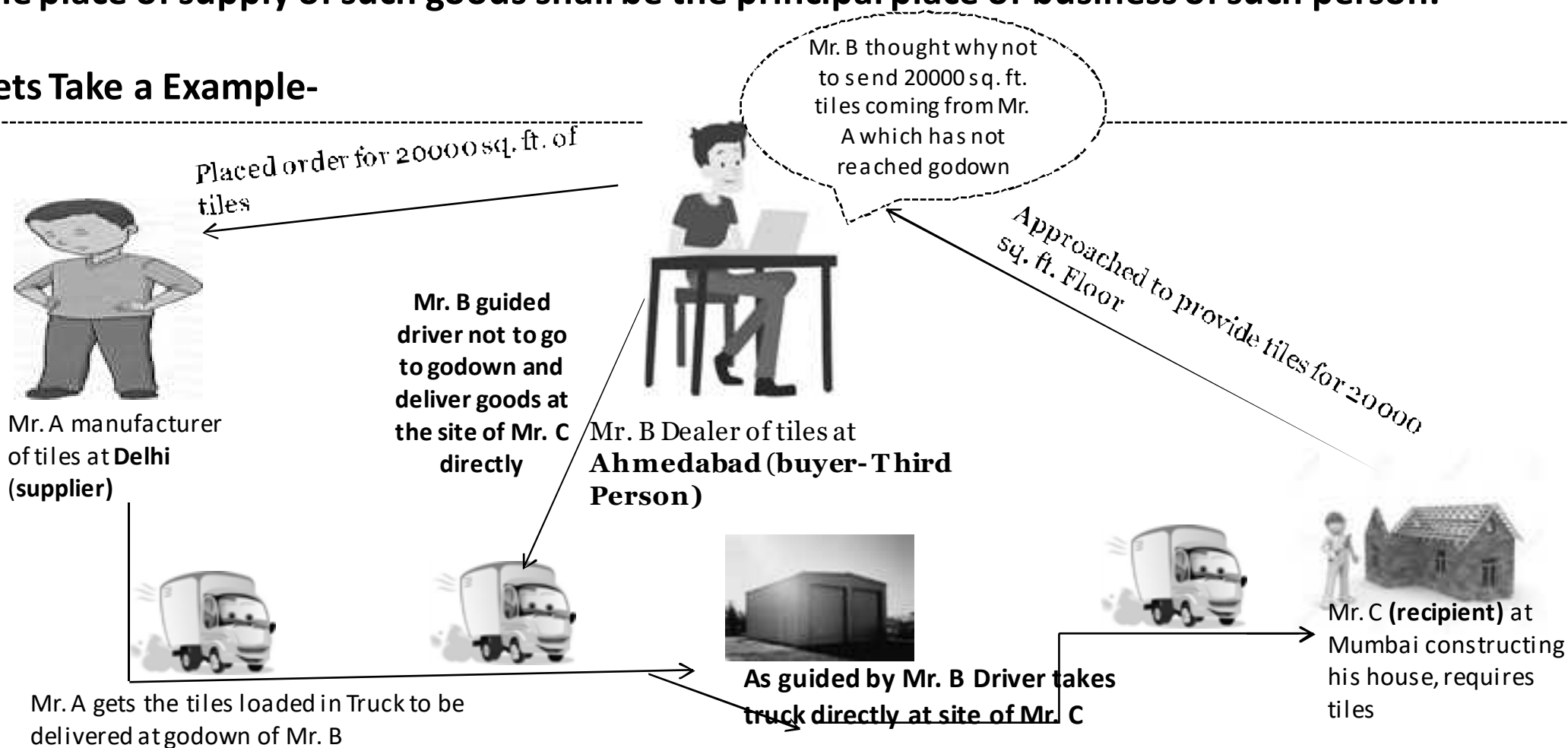
Where the **goods are delivered** by the supplier to a recipient or any other person, **on the direction of a third person**, whether acting as an **agent or otherwise**, **before or during movement of goods**, either by way of transfer of documents of title to the goods or otherwise, **it shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such person.**

- ❖ This situation can be visualized in the following manner i.e., there is
a **supplier**,
a **buyer** -not the recipient of goods (referred as '**third person**' in the sub-Sec 2A to Sec 5) &
the **recipient** who actually receives the goods on the directions of the buyer.
- ❖ In the above scenario, although the **recipient** (not being a buyer) **receives the goods on the direction of a third person** (being the buyer or his agent), the GST law subjects such transactions to tax either under the IGST or CGST / SGST laws by way of a fiction.
- ❖ This fiction envisages that the transaction of supply is completed at the instance of the third person directing the supplier to deliver the goods to the actual recipient of goods and determines the place of supply to be the principal place of business (as defined u/s 2(78) of the CGST/ SGST Act, 2016) of the said third person (buyer):
If the documents of title to the goods are transferred before the movement of goods to any person;
or
If the documents of title to the goods are transferred during movement of goods to any person

Section 5(2A)

Where the **goods are delivered** by the supplier to a recipient or any other person, **on the direction of a third person**, whether acting as an **agent or otherwise**, **before or during movement of goods**, either by way of transfer of documents of title to the goods or otherwise, **it shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such person.**

Lets Take a Example-



Example

Location of the supplier	Location of the third party (buyer)	Place of delivery of goods (recipient)	'Place of supply' *
Bangalore	Chennai	Hyderabad	Tamil Nadu
Bangalore	Chennai	Bangalore	Tamil Nadu
Bangalore	Chennai	Chennai	Tamil Nadu
Bangalore	Bangalore	Hyderabad	Karnataka

Section 5(3)

Where the supply does not involve movement of goods, whether by the supplier or the recipient, the place of supply shall be the location of such goods at the time of the delivery to the recipient.

For Example

Location of the supplier (regd. office of supplier)	Location of the recipient(regd. office of the customer)	Location of goods	‘Place of supply’
Delhi	Gujarat	Uttar Pradesh	Uttar Pradesh
Gujarat	Delhi	Bihar	Bihar

Section 5(4)

Where the **goods are assembled or installed at site**, the place of supply shall be the place of such installation or assembly.

For Example

Mr. A bought lift from XYZ Pvt. Ltd., New Delhi. Mr. A gets the lift installed at his house situated at Ghaziabad. Here place of supply shall be Ghaziabad.

Section 5(5)

Where the goods are supplied **on board a conveyance, such as a vessel, an aircraft, a train or a motor vehicle**, the place of supply shall be the location at which such goods are taken on board.

For Example

Indigo 6E-402 flies Delhi- Hyderabad-Delhi. Indigo takes food items to be served during flight from Mr. A at Delhi for the round trip. Place of supply for the food items supplied shall be Delhi.

Section 5(6)

Where the place of supply of goods cannot be determined in terms of sub-section (2), (3), (4) and (5), the same shall be determined by law made by the Parliament in accordance with the recommendation of the Council.

PLACE OF SUPPLY OF SERVICES [SECTION 6]

General Rule [Section 6(2) & (3)]

- Supply to Registered Person- Location of such person
- Supply to any other person- Location of recipient of services where the address is on record; and in other cases location of supplier of service

In Relation to Immovable property [Section 6(4)]

The place of supply of services-

- a. including services provided by **architects, interior decorators, surveyors, engineers and other related experts or estate agents**, any service provided by way of grant of rights to use immovable property or for carrying out or coordination of construction work, or
- b. **Lodging** accommodation by a hotel, inn, guest house, home stay, club or campsite, and including a house boat or any other vessel or
- c. Accommodation in any immovable property for organizing any marriage or reception or matters related therewith, official, social, cultural, religious or business function including services provided in relation to such function at such property. **[Mandap keeper Services]**
- d. Services ancillary to above (a), (b), & (c)
Place of supply of above services is **location at which the immovable property, boat or vessel is located or intended to be located.**

For Example: Mr. A of Chennai rents out a building in Chandigarh (India). The place of supply of service is Chandigarh.

For Example: Mr. B, director of PQ Ltd of India goes for a business tour to London and stayed in hotel there. As the hotel is located in London, the place of supply of service shall be London i.e. in non-taxable territory.

[Section 6(5)]

The place of supply of **Restaurant and catering, personal grooming, fitness, beauty treatment, health services including cosmetic and plastic surgery** shall be the location where the services are actually performed.

Example: Ms. A of Mumbai had a plastic surgery in Chennai. The place of supply of service shall be the location where the services are performed i.e. Chennai.

[Section 6(6)]

The place of supply of services in relation to training and performance appraisal shall be-
In case of registered person- location of such person.

Other than registered person- location where the services are actually performed.

Example

- i. ABC Ltd conducts a training to the employees of PQR Ltd, a company registered under GST, in Mumbai. The place of supply of service shall be the location of PQR Ltd, in Mumbai.
- ii. ABC Ltd conducts a training program in Chennai to Mr. B, a resident of Bangalore who is not registered under GST. The place of supply of service shall be the location where the services are actually performed i.e. Chennai.

[Section 6(7)]

The place of supply of services in relation to **admission to a cultural, artistic, sporting, scientific, educational, or entertainment event or amusement park** or any other place and services ancillary thereto shall be the place where the event is held or where park or other place is located.

Example

Entry to film award function in Dubai. The place of supply of service is the location of the event held i.e. Dubai.

[Section 6(8)]

The place of supply of services in relation to-

- a) **Organization of a cultural, sporting, educational, entertainment event etc.**
- b) Services **ancillary to Organization** of above events or assigning of sponsorship of any of the above events, shall be

If Supply to Registered Person- Then Location of such person

If Supply to any other person- Then Location where the event is actually held

Example:

Bangalore International Exhibition Centre (registered person) organizing event for Indian Electrical & Electronics Manufacturers' Association (IEEMA) New Delhi

- If IEEMA is registered person at New Delhi: place of supply of services shall be New Delhi.
IGST is payable in Bangalore; and
- If IEEMA is unregistered: place of supply of services shall be Bangalore. IGST is not applicable: CGST/SGST is applicable.

[Section 6(9)]

The place of supply of services by way of **transportation of goods, including by mail or courier to,**

- (a) a registered person, shall be the location of such person;
- (b) a person other than a registered person, shall be the location at which such goods are handed over for their transportation.

Example:

(i) A company located in Delhi which is registered under GST, engages a courier agency for transportation of the company documents to ABC Ltd located in Bangalore. The place of supply of service is the location of the registered person i.e. Delhi.

(ii) A consignment of garments should be delivered by Mr.A of Bangalore who is not registered under GST to Mr.B residing in Gurgaon. Mr.A hands over the consignment to a courier agency in Bangalore. The place of supply of service is the location at which the goods are handed over for their transportation i.e. Bangalore.

[Section 6(10)]

The place of supply of **passenger transportation** service to

- (a) a registered person, shall be the location of such person;
- (b) a person other than a registered person, shall be the place where the passenger embarks on the conveyance for a continuous journey:

Provided that where the right to passage is given for future use and the point of embarkation is not known at the time of issue of right to passage, the place of supply of such service shall be determined in the manner specified in sub-sections (2) or (3), as the case may be.

Explanation:- For the purposes of this sub-section, the return journey shall be treated as a separate journey even if the right to passage for onward and return journey is issued at the same time.

For Example:

- (i) A passenger Mr. A residing in Delhi, registered under GST, booked an air ticket from Mumbai to Kolkata and from Kolkata to Mumbai. In this case, a single ticket has been issued for the entire journey. The place of supply of service shall be Delhi i.e. location of Mr. A.
- (ii) A passenger residing in Delhi, not registered under GST, booked an air ticket from Mumbai to Kolkata and from Kolkata to Mumbai. In this case, a single ticket has been issued for the entire journey. The place of embarkation for M-K is Mumbai, hence the place of supply for M-K is Mumbai. . The place of embarkation for K-M is Kolkata, hence the place of supply for K-M is Kolkata.

[Section 6(11)]

The place of supply of **services on board a conveyance such as vessel, aircraft, train or motor vehicle**, shall be the location of the first scheduled point of departure of that conveyance for the journey.

Example

M/s Star Cruise Lines (registered in Cochin) is charging additional fees provides personalized services to passengers. The cruise is set for departure from Cochin port to Colombo. Place of supply of personalized services shall be Cochin. CGST/SGST payable in Cochin.

[Section 6(12)]

The place of supply of services of **telecommunication, including data transfer, broadcasting, DTH** shall be-

- If Services through fixed telecommunication line, leased circuits, internet based circuits, cable or dish antenna- Location of such fixed telecommunication line, leased circuits, internet based circuits, cable or dish antenna
- If Mobile/Internet connection on post paid basis- Location of billing address of recipient of services on records of supplier of services
- If Mobile/Internet connection on pre- payment basis through voucher or any other means paid- Location where pre-payment is received or voucher is sold
- ❖ If pre-paid service is availed or recharge is made through internet banking or other electronic mode- Location of recipient of services as per the records of the supplier of services

Example:

1. Mr. A located (unregistered in Ahmedabad) is receiving dish services from Tata Sky (registered in Bangalore) by installing dish antenna : Place of supply of service shall be Ahmedabad. IGST payable in Bangalore;
2. Mr. B (unregistered person) has furnished Chennai address while obtaining post-paid connection from Airtel (registered in Chennai). He has now shifted his place of residence to Bangalore. Airtel issues invoice indicating Chennai address: Place of supply of service shall be Chennai. IGST is not applicable: CGST/SGST is applicable;
3. If Mr. B has pre-paid mobile connection in the above example 2 and recharges the same by obtaining recharge voucher at Bangalore: Place of supply shall be Bangalore. IGST is applicable: CGST/SGST is not applicable;
4. In the above example 2, If Mr. B has pre-paid mobile connection and recharges his phone connection by making payment through net-banking to Mr. A: Place of supply shall be Chennai (location of recipient on record of service provider). IGST is not applicable: CGST/SGST is applicable;

[Section 6(13)]

The place of supply of **banking and other financial services including stock broking services** to any person shall be the location of the recipient of services on the records of the supplier of services:

Provided that if the service is not linked to the account of the recipient of services, the place of supply shall be location of the supplier of services.

Example

1. Mr. A (unregistered person) has furnished his residential address of Cochin at the time of opening SB account with Canara Bank Pune. He is receiving services of locker facility from Canara Bank at Pune, Place of supply of services shall be Cochin.
2. Mr. A of Cochin (unregistered person) during his business travel to Ahmedabad pays commission to Bank of India Ahmedabad for providing services in relation to obtaining demand draft, Place of supply shall be Ahmedabad.

[Section 6(14)]

The place of supply of **insurance services** shall:

- (a) to a registered person, be the location of such person;
- (b) to a person other than a registered person, be the location of the recipient of services on the records of the supplier of services.

Example:

1. Meru Cabs Gurgaon (registered person) having fleet of cars receives insurance services from the Oriental Insurance Co., (registered person in Mumbai): Place of supply shall be Gurgaon; IGST payable in Mumbai;
2. Ms. P located in Lucknow (unregistered person) receives insurance services from LIC of India (registered person in New Delhi): Place of supply shall be Lucknow. IGST payable in New Delhi;

[Section 6(15)]

The place of supply of advertisement services to the Central Government, a State Government, a statutory body or a local authority meant for identifiable States, shall be taken as located in each of such States and the value of such supplies specific to each State shall be in proportion to amount attributable to service provided by way of dissemination in the respective States as may be determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other reasonable basis as may be prescribed in this behalf

Example

Government of India promoting 'Skill India' in association with all the States, has appointed M/s XYZ Advertisement Private Limited (registered and located in New Delhi) for advertisement in different States:

Services provided in the State of New Delhi- IGST is not applicable, CGST/SGST applicable
Services provided in State other than New Delhi- IGST payable in New Delhi



TIME OF SUPPLY

TIME OF SUPPLY OF GOODS [SECTION 12 OF CGST ACT, 2016]

As per Section 12(2) of CGST ACT, time of supply of goods shall be **earliest** of the following –

Date of **removal**, where the goods are required to be removed.

Date of **availability of goods in the hands of recipient**, where goods are **not required to be removed**.

Date of **invoice**, issued by the supplier.

Date of **receipt of payment** by supplier.

Date of **receipt of goods in the books of account** of recipient.

For Example:

Case	Date of removal of goods	Date of issue of invoice	Date of receipt of payment	Date of receipt of goods in books of Recipient	Time of supply of goods
I	Feb 1	Feb 20	March 10	Feb 27	Feb 1
II	Feb 1	Feb 28	Jan 25	Feb 27	Jan 25
III	Feb 1	March 5	Part amount received on Jan 30 and balance amount on Feb 20	Feb 27	Jan 30 for part amount received and Feb 1 for balance amount

TIME OF SUPPLY-IN CASE OF CONTINUOUS SUPPLY OF GOODS

In case of successive statements of accounts or successive payments

Time of supply shall be date of expiry of the period to which successive statements of accounts or successive payments relate.

In case of no successive statements of accounts,
time of supply shall be earlier of

Date of issuance
invoice

Date of **receipt of payment**

Further, CG/SG on recommendation of council shall specify by notification, the supply of goods that shall be treated as continuous supply of goods.

For Example:

Case	Date of issue of invoice or any other document	Date of expiry of the period to which such successive statements of accounts relate	Date of receipt of payment	Time of supply of goods
If successive statements of accounts or successive payments are involved				
I	March 1	Feb 28	March 5	Feb 30
II	March 1	Feb 28	Feb 10	Feb 10
If there are no successive statements of account				
III	Feb 5		Jan 30	Jan 30
IV	Feb 28		Feb25	Feb 25

TIME OF SUPPLY OF GOODS SENT/TAKEN ON APPROVAL BASIS

If 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 time of supply shall be **earliest** of the time-

when it
becomes
known that the
supply has
taken place, or

6 months from
the date of
removal.

For Example:

Case	Date of removal of goods	Date of approval	Date of expiry of 6 months from the date of removal of goods	Time of supply of goods
I	March 3, 2018	April 20, 2018	Sept 2, 2018	April 20, 2018
II	March 3, 2018	-	Sept 2, 2018	Sept 2, 2018
III	March 3, 2018 (20 Units)	For 10 units approval received on March 30,2018 and for balance, approval received on Sept 20, 2019	Sept 2, 2018	For 10 units, March 30, 2018 and Sept 20, 2019 for balance 10 units

TIME OF SUPPLY OF SERVICES [SECTION 13]

As per Section 13(2) of CGST ACT, 2016,
the time of supply of **services** shall be –

(a) If the invoice is issued within prescribed period-

Date of issue of **invoice** or date of receipt of **payment**, whichever is **earlier**.

(b) If the invoice is **not** issued within prescribed period-

Date of **completion of provision of service** or date of receipt of **payment**, whichever is **earlier**.

In case (a) or (b) above **not** applicable-

The date on which **recipient shows the receipt of services in his books of account**.

Case	Particulars	Date of Completion of service	Date of Issue of Invoice	Date of receipt of payment	Date of entry in books of account of recipient	Time of Supply of Services
I	Invoice issued within the prescribed period	July 1	July 20	August 10	July 27	July 20
II		July 1	July 28	July 25	July 27	July 25
III	Invoice not issued within the prescribed period	July 1	August 5	July 25	July 27	July 1
IV		July 1	August 5	June 30	July 27	June 30
V		July 1	August 5	Part amount received on June 30 and balance amount on July 20	July 27	June 30 for part amount received and July 1, for balance amount

TIME OF SUPPLY-IN CASE OF CONTINUOUS SUPPLY OF SERVICES

Where the due date of **payment is ascertainable** from the contract:

Date on which **payment is liable to be made by the recipient of the service**, whether or not any invoice has been issued or any payment has been received.

Where the due date of **payment is not ascertainable** from the contract, time of supply shall be **earliest** of-

Issuance of invoice

Each such time when payment is received by supplier of service.

Where the payment is **linked to the completion** of an event:

The time of the **completion of that event.**

TIME OF SUPPLY-IN CASE OF CONTINUOUS SUPPLY OF SERVICES

Where the due date of **payment** is **ascertainable** from the contract:

Date on which **payment is liable to be made by the recipient of the service**, whether or not any invoice has been issued or any payment has been received.

Example:

XYZ has entered into an annual maintenance contract with PQR for supply of services on monthly basis and, it is agreed that the payment shall be made on 10th day of each month. In this case, the time of supply shall be the date on which payment is liable to be made by the recipient of service, whether or not an invoice has been issued or any payment has been received by the supplier of service i.e. 10th day of each month.

TIME OF SUPPLY-IN CASE OF CONTINUOUS SUPPLY OF SERVICES

Where the due date of **payment is not ascertainable** from the contract, time of supply shall be **earliest** of-

Issuance of invoice

Each such time when payment is received by supplier of service.

Example:

Cases	Date of Completion of service	Date of receipt of payment	Date of issue of Invoice	Time of Supply
I	June 30	July 15	July 01	July 01
II	June 30	July 01	July 15	July 01
III	June 30	June 25	July 01	June 25
IV	June 30	July 01	June 29	June 29

TIME OF SUPPLY-IN CASE OF CONTINUOUS SUPPLY OF SERVICES

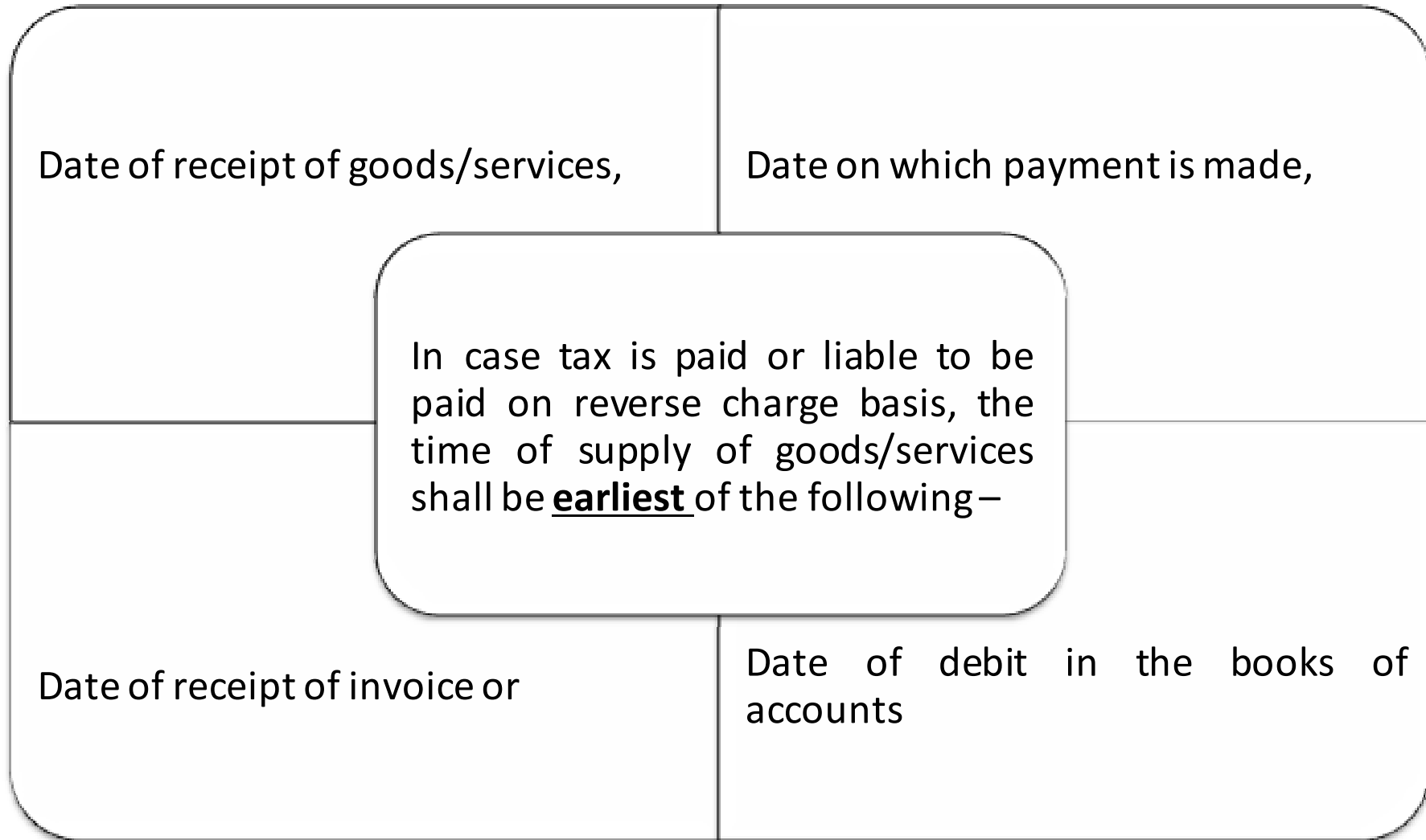
Where the payment is linked to the completion of an event:

The time of the completion of that event.

XYZ Ltd is a building contractor and has agreed to provide construction services. Further, it is agreed that at each stage like plinth, slab, plaster, etc., certain amount shall be payable as follows-

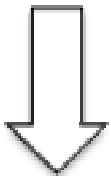
Insta llme nt	% of compl etion	Stage on which consideratio n payable	Date of completion of such event	Date of Invoice	Date of Payment	Time of Supply
I	20%	Signing of contract	01/07/2017	05/07/2017	06/07/2017	01/07/2017
II	40%	Construction upto plinth level	01/10/2017	10/10/2017	13/10/2017	01/10/2017
III	30%	Completion of finishing , plastering, etc.	05/12/2017	06/12/2017	07/12/2017	05/12/2017
IV	10%	Handing over of possession	15/03/2018	20/03/2018	25/03/2018	15/03/2018

TIME OF SUPPLY OF GOODS / SERVICES-IN CASE OF REVERSE CHARGE [SECTION 12(5)/13(5)]



TIME OF SUPPLY-IN CASE SUPPLY OF SERVICES CEASES BEFORE ITS COMPLETION

In a case where the supply of services ceases under a contract before the completion of supply:



such services shall be deemed to have been provided at the time when supply ceases

Example

M/s XYZ enters into a contract with M/s ABC for supply of professional services on 20/04/2018 for Rs. 10,000/-. M/s XYZ has provided services till 30/05/2018 and thereafter, ceases to supply services under a contract before the completion of the supply. In this scenario, time of supply shall be date when supply ceases i.e. 30/05/2018. Hence M/s XYZ is required to make payment of GST treating date when supply ceases as time of supply of services.

Case	Date of receipt of goods/services	Date of payment made	Date of receipt of invoice	Date of debit in books of Recipient	Time of supply of goods/services
I	July 1	August 10	July 20	July 27	July 1
II	July 1	June 25	July 28	July 27	June 25
III	August 5	July 25	July 5	July 27	July 5
V	July 1	Part payment made on June 30 and balance amount on July 20	August 5	July 27	June 30 for part payment made and July 1 for balance amount
VI	July 1	Payment is entered in the books on June 28 and debited in recipient's bank account on June 30	August 5	July 27	June 28 (i.e. when payment is entered in the books of the recipient)
VII	July 1	Payment is entered in the books on June 30 and debited in recipient's bank account on June 26	August 5	July 27	June 26 (i.e. when payment is debited in the recipient's bank account)

RESIDUAL PROVISION- SECTION 12(7)/13(7)

In a case it is not possible to determine the time of supply of goods / services under the provisions of sub-section (2), (3), (5) or (6) of Section 12 or 13, the time of supply shall be:

In case where a periodical return has to be filed, be the date on which such return is to be filed, or

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

TAX INVOICE, CREDIT AND DEBIT NOTES



TAX INVOICE [SECTION 23]

- ❖ RTP supplying taxable goods shall issue, at the time of supply, a “tax invoice” containing the particulars as prescribed. [Refer Rule 1]
- ❖ RTP supplying taxable services shall issue a “tax invoice” containing particulars as prescribed, in following time schedule:-

Supply of Services	Time limit
Normal	Within 30 days from the date of supply of services
Continuous Supply of Services	Within a period of 30 days from the date when each event specified in the contract, which requires the recipient to make any payment to the supplier of services, is completed
By banking company, financial institution or a non banking financial company	Within 45 days from the date of supply of services

- ❖ Tax invoice shall include-
 - Document issued by ISD
 - Supplementary Invoice issued by supplier
 - Revised Invoice issued by supplier

TAX INVOICE VS BILL OF SUPPLY

Supply of	Document to issue
Taxable Goods/Services	Tax Invoice
Non taxable Goods/ Services OR Taxable Goods by Composition Dealer u/s 8	Bill of Supply

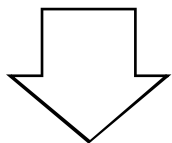
PRESCRIBED CONTENTS OF TAX INVOICE. [RULE 1]

- Name, address and GSTIN of the supplier
- A consecutive serial number unique for a financial year.
- Date, quantity(goods), value, discount, rate & amount of tax
- Name, address and GSTIN/ UIN, **if registered**, of the recipient
- Name and address of the recipient and the address of delivery, along with the name of State and its code, if **recipient is unregistered** and **taxable value of supply is Rs. 50K or more**
- HSN code of goods/ Accounting Code of services*
- Description of goods or services
- POS along with the name of State, in case of a supply in the course of inter-State trade or commerce
- Place of delivery where the same is different from the place of supply
- Whether the tax is payable on reverse charge
- The word “Revised Invoice” or “Supplementary Invoice”, where applicable along with the date and invoice number of the original invoice and
- Signature/digital signature of the supplier/authorized representative.

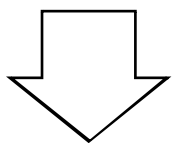
- In case of exports, invoice shall carry an endorsement “SUPPLY MEANT FOR EXPORT ON PAYMENT OF IGST” or “SUPPLY MEANT FOR EXPORT UNDER BOND WITHOUT PAYMENT OF IGST”.
- Further such invoice shall contain-
 - Name & Address of recipient
 - Address of delivery
 - Destination Country
 - Number & date of application for removal of goods for export (ARE-1)

MANNER OF ISSUING INVOICE.. [RULE 2]

Supply of
Goods



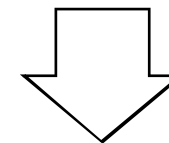
3 Copies



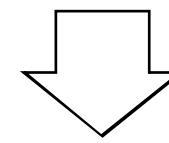
1. Recipient (Original)
2. Transporter (Duplicate)*
3. Supplier (Triplicate)

- ❖ The serial number of invoices issued during a tax period shall be furnished electronically through the Common Portal in FORM GSTR-1 [Outward Supplies]
- ❖ A registered taxable person may obtain an “**Invoice Reference Number**” from the Common Portal by uploading, on the said Portal, a tax invoice issued by him in FORM GST INV-1, and produce the same for verification by the proper officer as required under section 61 in lieu of the tax invoice.
- ❖ The Invoice Reference Number shall be valid for a period of 30 days from the date of uploading.

Supply of
Services



2 Copies



1. Recipient (Original)
2. Supplier (Duplicate)

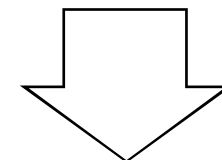
* Transporter need not carry with him duplicate copy if supplier has obtained Invoice Reference No.

PRESCRIBED CONTENTS OF BILL OF SUPPLY [RULE 3]

CONTENT

- (a) Name, address and GSTIN of the supplier
- (b) A consecutive serial number containing only alphabets and/or numerals, unique for a financial year
- (c) Date of its issue
- (d) Name, address and GSTIN/ Unique ID Number, if registered, of the recipient
- (e) HSN Code of goods or Accounting Code for services
- (f) Description of goods or services
- (g) Value of goods or services taking into account discount or abatement, if any and
- (h) Signature or digital signature of the supplier or his authorized representative:

RTP may not issue a bill of supply if the value of the goods or services supplied is less than Rs. 100 except where the recipient of the goods or services requires such bill



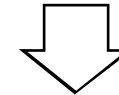
Consolidated bill of supply shall be prepared by the registered taxable person at the close of each day in respect of all such supplies where the bill of supply has not been issued

PREScribed CONTENTS OF SUPPLEMENTARY TAX INVOICE AND CREDIT OR DEBIT NOTES [RULE 4]

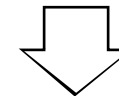
CONTENT

- (a) Name, address and GSTIN of the supplier
- (b) Nature of the document
- (c) A consecutive serial number containing only alphabets and/or numerals, unique for a financial year
- (d) Date of issue of the document
- (e) Name, address and GSTIN/ Unique ID Number, if registered, of the recipient
- (f) Name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is unregistered
- (g) Serial number and date of the corresponding tax invoice or bill of supply
- (h) Taxable value, rate of tax and amount of the tax credited or debited to the recipient; and
- (i) Signature or Digital signature of supplier/ authorized representative.

RTP may issue **revised tax invoice** in respect of taxable supplies effected during the period starting from the effective date of registration till the date of issuance of certificate of registration



RTP may issue a **consolidated revised tax invoice** in respect of all taxable supplies to unregistered recipient



In case of **inter-state supplies**, where the value of supply does not exceed Rs. 2,50,000/- , a **consolidated revised invoice may be issued separately** in respect of all unregistered recipients located in a state.

PRESCRIBED CONTENTS OF TAX INVOICE TO BE ISSUED BY ISD [RULE 5]

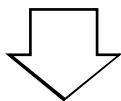
CONTENT

- (a) Name, address and GSTIN of the ISD
- (b) A consecutive serial number containing only alphabets and/or numerals, unique for a financial year
- (c) Date of its issue
- (d) Name, address and GSTIN of the supplier of services, the credit in respect of which is being distributed and the serial number and date of invoice issued by such supplier
- (e) Name, address and GSTIN of the recipient to whom the credit is distributed
- (f) Amount of the credit distributed and
- (g) Signature or digital signature of the supplier/ authorized representative

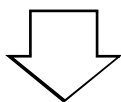
If ISD is an office of **Banking company/ Financial Institution/ NBFC**, then, tax invoice shall include any document in lieu thereof, by whatever name called, , **whether or not serially numbered**, but containing information as prescribed

TAX INVOICES IN OTHER CASES [RULE 5]

Supplier is Banking company/
Financial Institution/ NBFC



Supplier shall issue Tax invoice or any other document in lieu thereof, containing information as prescribed in Rule 1 [Tax invoice].



Exception: Serial number and Address of the recipient

Supplier is GTA

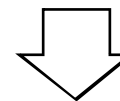


Supplier shall issue Tax invoice or any other document in lieu thereof, containing gross weight, name of consignor and consignee, Registration No. of vehicle, detail of goods transported, details of place of origin and destination, GSTIN of person liable to pay tax.

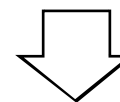


Other information as prescribed under Rule 1 [Tax Invoice].

Supplier is supplying passenger transportation services



Tax invoice shall include ticket in any form and containing information as prescribed in Rule 1 [Tax invoice].



Exception: Address of the recipient

COMMENTS

a) Recipient of good/services must have Tax Invoice in order to claim ITC.

b) Non issuance of Tax Invoice would attract following consequences:-

- Penalty of amount which is higher of Rs 10,000 or amount of tax (Section 66)
- Confiscation of goods u/s 70
- Confiscation of conveyance u/s 71

CREDIT NOTE [SECTION 24]

CREDIT NOTE	
When can be issued	<ol style="list-style-type: none"> 1. Taxable person <u>has issued tax invoice</u> for supply of good/services, however 2. Taxable value/tax charged in it is found to be in <u>excess of</u> taxable value/tax payable in respect of such supply
Time within which it can be issued	<p><u>Earliest of-</u></p> <ul style="list-style-type: none"> • 30th September following the end of the financial year in which supply has been made <p>OR</p> <ul style="list-style-type: none"> • Date of filing of relevant annual return
Condition	Taxable person has not passed on the incidence of tax and interest to any other person

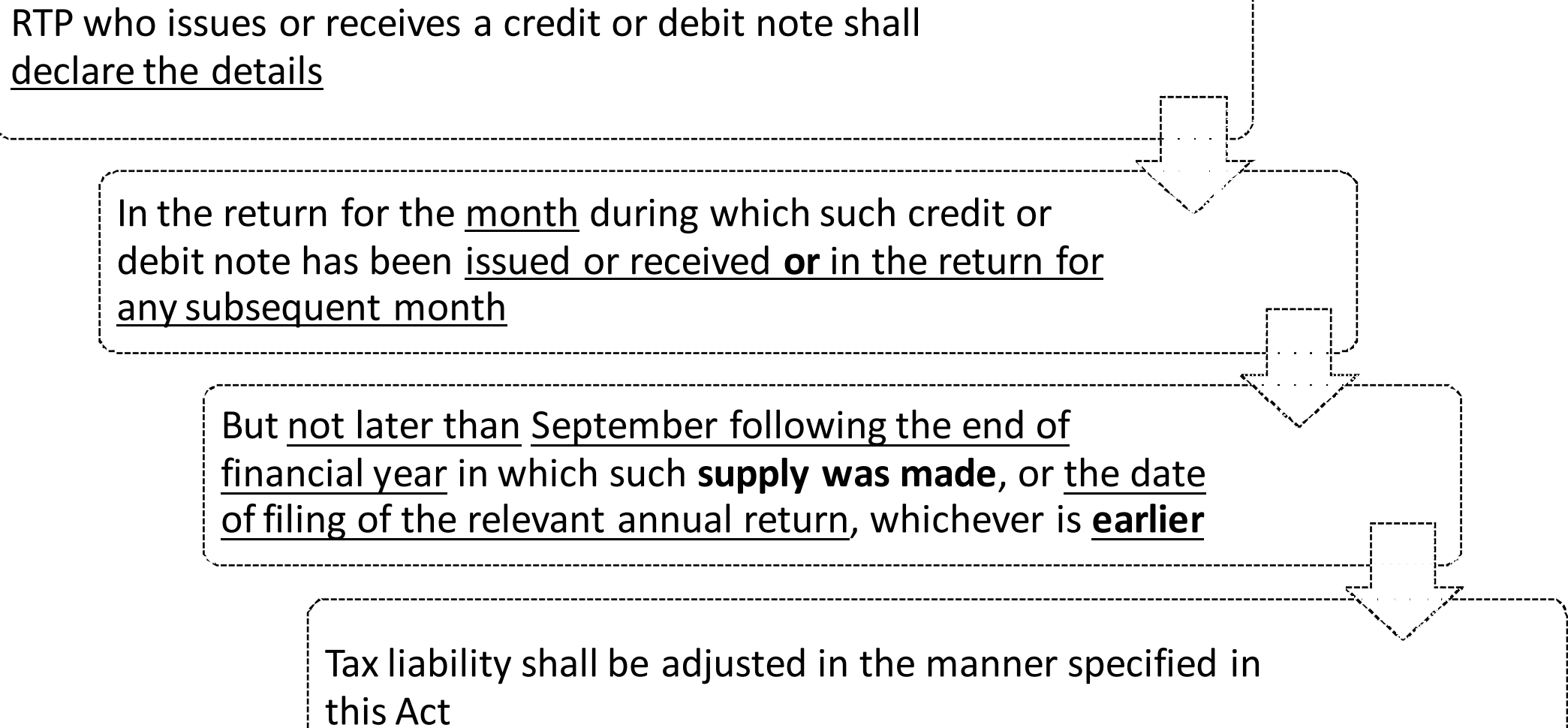
DEBIT NOTE [SECTION 24]

DEBIT NOTE	
When can be issued	<ol style="list-style-type: none">1. Taxable person <u>has issued tax invoice</u> for supply of good/services, however2. Taxable value/tax charged in it is found to be less than taxable value/tax payable in respect of such supply
Time within which it can be issued	<p><u>Earliest of-</u></p> <ul style="list-style-type: none">• 30th September following the end of the financial year in which supply has been made <p>OR</p> <ul style="list-style-type: none">• Date of filing of relevant annual return

CREDIT AND DEBIT NOTES

[SECTION 24(3)]

RTP who issues or receives a credit or debit note shall declare the details



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graph TD; A[RTP who issues or receives a credit or debit note shall declare the details] --> B[In the return for the month during which such credit or debit note has been issued or received or in the return for any subsequent month]; B --> C[But not later than September following the end of financial year in which such supply was made, or the date of filing of the relevant annual return, whichever is earlier]; C --> D[Tax liability shall be adjusted in the manner specified in this Act];
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In the return for the month during which such credit or debit note has been issued or received **or** in the return for any subsequent month

But not later than September following the end of financial year in which such **supply was made**, or the date of filing of the relevant annual return, whichever is **earlier**

Tax liability shall be adjusted in the manner specified in this Act

MATCHING OF CREDIT NOTES WITH REDUCTION IN ITC AND OUTPUT TAX LIABILITY [SECTION 29A]

1. Details of credit notes furnished by taxable person (supplier) in GSTR-1 [Outward Supply details] for a tax period shall be matched with /for:-
 - a) Corresponding reduction in claim of ITC by recipient in his valid return for same tax period or subsequent period.
 - b) Duplication of claims of reduction in Output Tax liability by supplier.
2. Claim of reduction in Output tax liability by supplier that matches with corresponding reduction of claim of ITC by recipient, shall finally be accepted and communicated to supplier.
3. Where reduction of Output tax liability in respect of outward supplies exceeds corresponding reduction in claim of ITC or corresponding credit note is not declared by recipient in his valid return, discrepancy shall be communicated to both parties. If the same is not rectified by recipient in his valid return for the month in which discrepancy is communicated, the same shall be added to output tax liability of supplier in his return for the month succeeding month in which discrepancy is communicated.

MATCHING OF CREDIT NOTES WITH REDUCTION IN ITC AND OUTPUT TAX LIABILITY [SECTION 29A]

4. However, supplier shall be eligible to reduce from his output tax liability, the amount added due to aforesaid mismatch, if the recipient declares the details of credit note in his valid return on or before due date of filing return for the month of September following end of financial year or actual date of relevant annual return, whichever is earlier.
5. Where the reduction in Output tax liability towards outward supplies exceeds corresponding reduction in claim of ITC on account of duplication of claims, the same shall be added to output tax liability of supplier in his return for the month in which discrepancy is communicated.

DEMONETIZATION AND GST



DEMONETIZATION AND GST

- ❖ Sale of stock to generate cash will reduce claim of ITC credit which can be carried forward under GST regime.
- ❖ Demonetization has prepared the mind of the people to do regular compliances, due to this, GST coming with heavy burden of compliances will not be a surprise to the people.

*Thank you for your
concentration!*

