



Empowering you to face the future with confidence.



GST – A LEAP FORWARD

THE POWER OF BEING UNDERSTOOD





RSM IN INDIA

- RSM India (comprising of RSM Astute Consulting Group and affiliates) is consistently ranked amongst India's top 6 tax, accounting and consulting groups [International Accounting Bulletin, August 2017]
- Nationwide presence through offices in 11 key cities across India
- Multi-disciplinary personnel strength of over 1,400
- International delivery capabilities

rsmindia.in

RSM AROUND THE GLOBE

- Sixth largest audit, tax and consulting network across the globe
- Annual combined fee income of US\$ 5.1 billion
- Combined staff of over 43,000 in over 800 offices across 120 countries
- RSM is the fifth largest audit, tax and consulting group in the USA

rsm.global



GST – A Leap Forward

Table of Contents

Sr. No.	Chapter	
Section I	Introduction	
1	Introduction	2
2	Chargeability	3
Section II	What businesses need to know about the GST law?	
3	Registration Requirements	9
4	Time of Supply	12
5	Place of Supply	15
6	Value of Supply	28
7	Input Tax Credit (including ISD)	33
8	Imports and RCM	43
9	Exports and SEZ Supplies	47
10	Job Work	49
Section III	Major changes and current issues under GST	
11	Documents and E-Way Bill	52
12	Returns, Payments and Refunds	65
13	Records and Audit related provisions	71
14	Anti-Profiteering Measure	74
Section IV	GST and Supply Chain	
15	GST Impact on Supply Chain	78
Section V	Litigation under the GST law	
16	Advance Ruling	84
17	Penalties and Interest	87
18	Litigation under GST	91
19	Case Laws	93



The implementation of GST with effect from 1 July 2017 covering almost 1 crore tax filers, (with an estimated annual tax collection of Rs. 10 lakh crores) has been undoubtedly the most prolific indirect tax reform in India.

The government has given many relaxations and extensions to assessees for the purpose of filing the returns. The challenges with the GSTN portal have also postponed invoice to invoice matching and the filing of Form GSTR – 2. Currently, many industry representations are still ongoing. Transitional credits, classification of goods and services, place of supply, inadmissible tax credits and applicability of reverse charge are expected to be a major area that would be subject to scrutiny by the department.

Most recently, e-way bills have been introduced and many states are also imposing e-way bill requirements for intra state transactions.

While businesses were initially only looking at compliances under the GST law, the time is now ripe for businesses to undertake radical redesigning of their business distribution models and organizational processes. As the GST law and compliance procedures get stabilized, the opportunities and challenges for businesses will now shift from compliance to optimization, from tax incidence to tax exposure management. In Financial Year 2018 – 19, companies will take critical steps, leaps as well as bounds to realign their supply chain, optimize their distribution and logistics network, streamline their ERP systems and look to emerge as winners in the hypercompetitive world. The opportunities are limitless and businesses need to start becoming proactive and look at GST as an enabler.

Admittedly, there have been challenges in obtaining refunds under the GST law. Various issues such as jurisdiction of the refund sanctioning officers, technical glitches, inadmissibility of claims and improper documentation have led to refunds being denied and this has severely impacted the working capital of the taxpayers. However, a series of proactive steps are being taken and it is being observed that in several cases, refund to the extent of 90% of the claims are being credited to the bank accounts of the exporters.

Thus, we can see that GST poses certain challenges as well as opportunities for the taxpayers. The teething challenges that companies faced in the initial years will streamline and companies will be able to leverage the GST law more proactively in the ensuing years.

2.1 Introduction

In this section, we give a short introduction about the various types of taxes levied and also discuss the taxable event under the GST law.

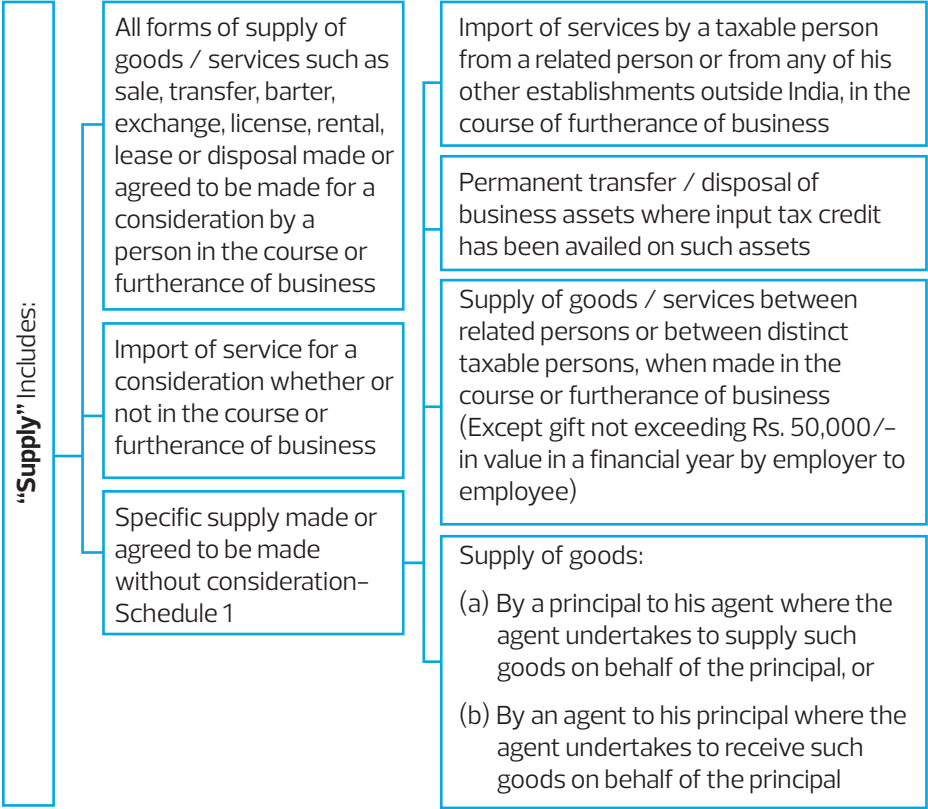
2.2 Taxable event under GST is 'supply' of goods or services or both

1. The taxable event under GST is 'Supply' of goods and services. The term 'Supply' is defined in an inclusive manner and includes any supply which is made in the course and furtherance of business. Unless something is specifically excluded from the meaning of 'Supply,' it would trigger tax incidence under the GST law.
2. In the GST law, it is important to ascertain that whether a transaction is intra state or inter-state. Such ascertainment would depend on the 'location of the supplier' and the 'place of supply'.
3. The term "location of supplier," in this context, refers to
 - where a supply is made from a place of business for which registration has been obtained, the location of such place of business;
 - where a supply is made from a place other than the place of business for which registration has been obtained, that is to say, a fixed establishment elsewhere, the location of such fixed establishment;
 - where a supply is made from more than one establishment, the location of the establishment most directly concerned with the provision of the supply;
 - in absence of such places, the location of the usual place of residence of the supplier.
4. The place of supply shall be determined in accordance with the IGST Act, 2017 and we have a separate section in our publication dealing with this aspect.
5. Where location of supplier and place of supply are in the same state, the transaction is an intra state transaction. An intra state transaction attracts two levies – Central GST (CGST), which is a central levy governed by Central

GSTlaw Act and State GST (SGST), which is governed by the respective state GST law.

- 6. Where transactions occur within a UT, in addition to CGST, a levy known as UT GST shall also be levied.
- 7. Any transaction which is not an intra state transaction is an inter–state transaction and attracts Integrated GST.

2.3 As the taxable event under GST is that of supply of Goods / Services or both, understanding the meaning of 'Supply' under GST law is very critical for analyzing taxability of GST in a transaction. The definition of Supply under GST laws is an inclusive definition, which is depicted below:



2.4 Supply of Goods, Supply of Services and Transactions which are not a ‘Supply’

Under the GST law, although there is a single taxable event – Supply, it is important to determine whether a transaction is supply of goods or supply of services since certain important aspects such as time of supply (when tax is to be paid), place of supply and eligibility of credit in certain cases, depends on such categorization of supplies. Transactions that are neither supply of goods nor supply of services are specified in Schedule III to the CGST Act, 2017. Some of the relevant transactions that are not a supply as per the said Schedule are:

- ***Services by an employee to the employer in the course of or in relation to his employment***
- ***Services by any court or Tribunal established under any law for the time being in force.***
- ***Sale of land and sale of building which is not under construction or for which the first occupation has already been made.***
- ***Actionable claims, other than lottery, betting and gambling.***

Following shall be deemed to be treated as supply of goods or services.

Supply of Goods	Supply of Services
(1) Transfer of title in goods. (2) An agreement in which transfer of title of property in goods will pass at a future date upon payment of full consideration. (3) Where goods forming part of the assets of a business are transferred or disposed of by or under the directions of the person carrying on the business so as no longer to form part of those assets, whether or not, for a consideration, such transfer or	(1) Transfer of right in goods or of undivided share in goods without transfer of title thereof. (2) Lease, tenancy, easement, license to occupy land. (3) Lease or letting out of the building including a commercial, industrial or residential complex for business or commerce, either wholly or partly. (4) Treatment or process being applied to another person's goods.

Supply of Goods	Supply of Services
<p>disposal.</p> <p>(4) Where any person ceases to be a taxable person, any goods forming part of the assets of any business carried on by him shall be deemed to be supplied by him in the course or furtherance of his business immediately before he ceases to be a taxable person, unless—</p> <p>a) The business is transferred as a going concern to another person; or</p> <p>b) The business is carried on by a personal representative who is deemed to be a taxable person</p> <p>(5) Supply of goods by any unincorporated association or body of persons to a member for cash, deferred payment or other valuable consideration.</p>	<p>(5) Where, by or under the direction of a person carrying on a business, goods held or used for the purposes of the business are put to any private use or are used, or made available to any person for use, for any purpose other than business, whether or not for a consideration, the usage or making available of such goods.</p> <p>(6) Renting of immovable property.</p> <p>(7) Construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or before its first occupation, whichever is earlier.</p> <p>(8) Temporary transfer or permitting the use or enjoyment of any intellectual property right.</p> <p>(9) Development, design, programming, customization, adaptation, up gradation, enhancement, implementation of information technology software.</p> <p>(10) Agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an</p>

Supply of Goods	Supply of Services
	<p>act.</p> <p>(11) Works contract (Works Contract means a contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any immovable property wherein transfer of property in goods (whether as goods or in some other form) is involved in execution of such contract).</p> <p>(12) Transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration.</p> <p>(13) Supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration.</p>

WHAT BUSINESSES NEED TO KNOW
ABOUT THE GST LAW?



3.1 General Provisions and Threshold Limit for Registration

- Every supplier shall be liable to be registered under each State GST Act or UTGST Act for the State or Union Territory, other than special category states, from where he makes a taxable supply, if his aggregate turnover in a financial year exceeds Rs. 20 lakhs. (Rs. 10 lakhs for certain Special Category States)
- Aggregate turnover means aggregate value of all taxable supplies (whether on his own account or behalf of principal), computed on all India basis having same Permanent Account Number (PAN). The aggregate turnover includes the following:



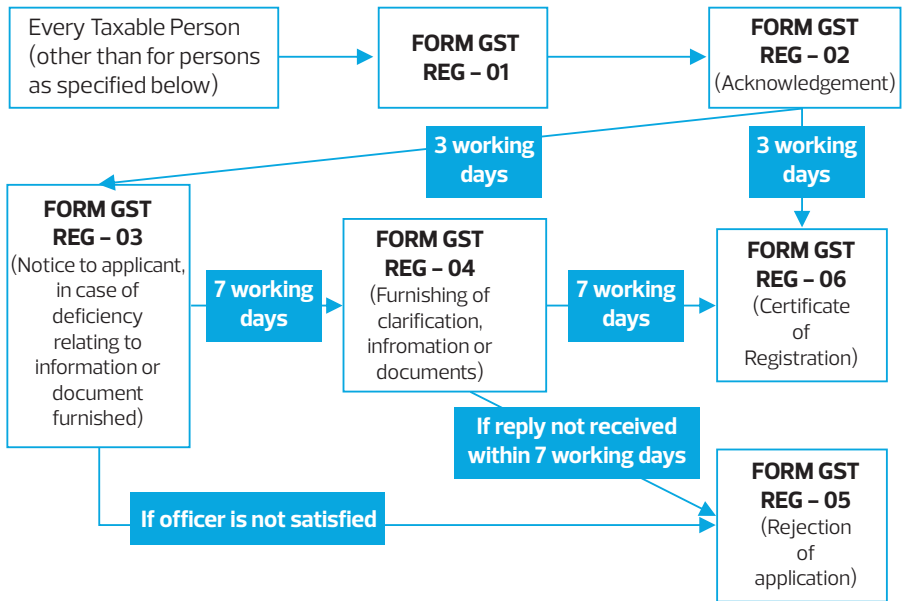
- A person who has once obtained GST registration will have to charge GST on outward supplies made, as applicable, irrespective of the turnover. There is no exemption related to turnover for registered taxpayers under GST regime.
- Person having multiple business verticals in a State have an option for obtaining separate registration for each business vertical.
- PAN based registration having 15-digit alphanumeric structure will be allotted to every assessee. In this, the first 2 digits shall be the State Code and this shall be followed by 10 digit PAN.
- Registration certificate and GSTIN has to be displayed at the principal/every additional place of registered person.

3.2 Time Limit for Registration

- Every supplier shall apply for registration in every such State or Union Territory in which he is so liable within 30 days from the date on which he becomes liable to registration.
- A person without GST registration can neither collect GST from recipient nor

claim any ITC.

3.3 Registration Process



3.4 Persons Not Liable for Registration under the GST Law

The following persons shall not be liable to be registered:


- Any person engaged exclusively in business of supplying goods / services that are not liable to tax or are wholly exempt from tax.
- An agriculturist, to the extent of supply of produce out of cultivation of land.
- Person who are making supplies where total tax is payable by recipient of supplies are exempt from registration under GST Act.
- Job workers engaged in making inter-State supply of services.
- Persons making inter-State supplies of taxable services and having an aggregate pan India turnover not exceeding Rs. 20 lakhs (10 lakhs in case of special category states) in a financial year.

3.5 **Mandatory Registration**

Following category of persons have to obtain mandatory registration irrespective of turnover:













Persons making any inter-state taxable supply of goods	Persons liable to pay under RCM	Input Service Distributor, whether or not separately registered
Casual Taxable persons making taxable supply	Non-Resident Taxable person making taxable supply	OIDAR from a place outside India to unregistered person in India
Persons who supply, through an e-commerce operator who is required to collect TCS	E-Commerce Operator	Categories of services the tax on which shall be paid by the e-commerce operator
Persons who are required to deduct TDS	Persons who supply on behalf of other registered taxable persons whether as an agent or otherwise	Such other person or class of persons as may be notified.

- 4.1** The liability to pay GST on the supply of goods / services shall arise at the time of supply of goods / services. For ascertaining time of supply, it is imperative to identify whether the supply is that of a good or that of a service. The time of supply to be determined is as given below:

Nature of supply	Time of Supply of Goods	Time of Supply of Services
General Rule	<p>Earliest of the following:</p> <div>  <div> <p>Date of issue of invoice</p> <p>The time limit within which invoice is required to be issued</p> </div> </div> <p>The time limit for issuing invoice is before or at time of :-</p> <ol style="list-style-type: none"> Removal of goods where supply involves movement of goods; or In other cases, at the time when goods are delivered. 	<div> <p>If invoice is issued within time limit</p> <p>Earliest of the following:</p> <ol style="list-style-type: none"> Date of issue of invoice; or Date of receipt of payment </div> <div> <p>If Invoice is not issued within time limit</p> <p>Earliest of the following:</p> <ol style="list-style-type: none"> Date of provision of service or Date of Receipt of payment <p>* The time limit for raising invoice is within 30 days from the date of supply of service.</p> </div>
	<p>"The date of receipt of payment" shall be the date on which the payment is entered in the books of account of the supplier or the date on which the payment is credited to his bank account, whichever is earlier.</p> <p>In case of amount received up to Rs. 1,000 in excess of amount indicated in the tax invoice, the time of supply to the extent of such excess amount shall, at the option of the said supplier will be the date of issue of invoice in respect of such excess amount.</p>	
Supply by vouchers	<ol style="list-style-type: none"> Date of issue of voucher, if supply is identifiable at that point; or The date of redemption of voucher, in all other cases. 	

Nature of supply	Time of Supply of Goods	Time of Supply of Services
Not possible to determine time of supply	i. Date on which return is to be filed. ii. Date on which the tax is paid.	
Addition in value of supply by way of interest, late fee or penalty	Date on which supplier receives such addition in value.	

4.2 Where there is change in effective rate of tax in respect of supply of goods / services, the time of supply shall be determined as follows:

Goods or Services have been supplied before the change of rate			Goods or Services have been supplied after the change of rate		
Particulars	Payment before change in rate	Payment After change in rate	Particulars	Payment before change in rate	Payment After change in rate
Issue of invoice before change in rate	Normal Rule		Issue of invoice before change in rate		
Issue of invoice after change in rate			Issue of invoice after change in rate		Normal Rule
 Date of invoice (old rate)  Date of receipt of payment (old rate)  Date of invoice or payment, whichever is earlier (new rate)			 Date of invoice (new rate)  Date of receipt of payment (new rate)  Date of invoice or payment, whichever is earlier (old rate)		

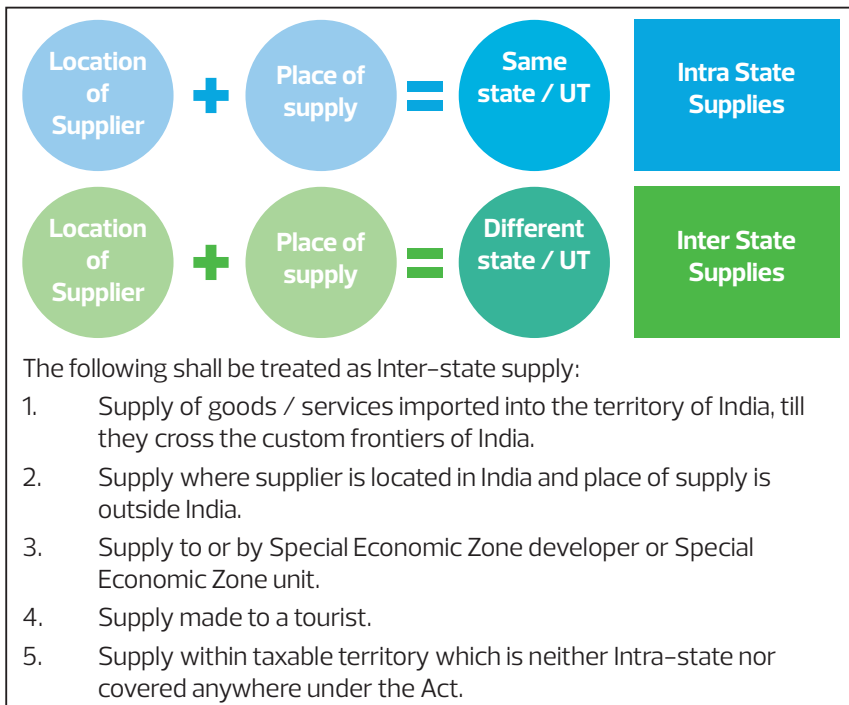
For the purposes of the above, the date of receipt of payment shall be the date of credit in the bank account when such credit in the bank account is after 4 working days from the date of change in the rate of tax.

4.3 Time Limit for Issuance of Invoice in Certain Cases

- In case supply of service ceases under contract before completion, invoice to be issued when supply ceases to the extent of supply made before such cessation.
- In case of goods sent or taken on approval for sale or return which are removed before the supply takes place, invoice must be issued before or at the time of supply or within 6 months from date of removal.
- The invoice to be issued within 45 days from the date of supply by the supplier who is an insurer or a banking company or a financial institution, including a non-banking finance company.

5.1 Importance of Place of Supply

- The Integrated Goods and Services Tax Act, 2017 (IGST Act) shall be applicable to the whole of India for levying Integrated Goods and Services Tax (IGST) **on the inter-state supply of any goods / services** at the rate to be specified in the schedule to the IGST Act.
- **Intra State Vs. Inter State**



- For chargeability under IGST Act, the following shall be treated as establishment of distinct persons:
 - i. an establishment of a person in India and any of his other establishments outside India, or
 - ii. an establishment of a person in a State and any of his other establishments outside that State, or

- iii. an establishment in a state or union territory and any other establishment being business vertical registered within state or union territory.

5.2 Place of Supply of Goods

The Place of Supply of Goods to be determined as follows:

Nature of supply	Deemed place of supply
Supply involving movement of goods	Location of goods at the time at which the movement of goods terminates for delivery to recipient
Goods delivered by supplier to recipient on direction of 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	The principal place of business of third person
Supply not involving movement of goods	Location of goods at time of delivery to recipient
Goods assembled or installed at site	Place of installation or assembly
Goods supplied on board a conveyance such as vessel, an aircraft, a train or motor vehicle	Location at which goods taken on board
Goods imported into India	Location of the Importer
Goods exported from India	Location outside India

5.3 Place of Supply of Services

- The rules for determining Place of Supply of Services have been divided in two parts:
 - (a) Where both the location of supplier and recipient is in India.
 - (b) Where either the location of supplier or recipient is outside India.

– **General Rule**

Place of Supply where both the location of supplier and recipient of service is in India	Place of Supply where either the location of supplier or the location of recipient of service is outside India
(a) In case of supply made to registered person – location of such person (b) In case of supply made to person other than registered person: (i) Address of recipient exists on record – Location of recipient (ii) Other cases – Location of supplier	(a) Location of recipient available in the ordinary course of business –Location of recipient (b) Other cases – Location of supplier

- Exception rules to general rule to determine the Place of Supply of Services are as follows:

Particulars	Deemed place of Supply in case of location of SP & SR is located in India	Deemed place of Supply in case location of either of SP or SR is located outside India
Related to immovable property or boat or vessel		
Place of Supply	(a) Immovable property or boat or vessel is located or intended to be located in India – Location where immovable property or boat or vessel is located or intended to be located (b) Other than above – Location of recipient	Place where immovable property is located or intended to be located.
Services covered	(a) Services directly relating to immovable property 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 co-ordination of construction work (b) services by way of lodging accommodation by a hotel, inn, guest house, homestay, club or campsite and including house boat or any other vessel (c) services by way of 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 (d) service ancillary to above services	Services supplied directly in relation to an immovable property, including services by experts and estate agents, supply of hotel accommodation by a hotel, inn, guest house, club or campsite, by whatever name called, grant of rights to use immovable property, services for carrying out or co-ordination of construction work, including architects or interior decorators

Particulars	Deemed place of Supply in case of location of SP & SR is located in India	Deemed place of Supply in case location of either of SP or SR is located outside India
Remarks	<p>(a) Where the immovable property or boat or vessel is located in more than state or union territory, value of service provided in each state to be ascertained separately, in proportion to value for services separately collected or determined as per terms of contract or agreement.as place of supply is in each such state.</p> <p>(b) In absence of contract/agreement on such other basis as may be prescribed in this behalf.</p>	<p>(a) Value of service provided in each state to be ascertained separately, in proportion to value for services separately collected or determined as per terms of contract or agreement as place of supply is in each such state.</p> <p>(b) In absence of contract/agreement on such other basis as may be prescribed in this behalf.</p> <p>(c) If services are supplied at more than one location, including a location in the taxable territory, place of supply shall be location in taxable territory.</p>
Performance based services		
Place of Supply	Places where services are actually performed	<p>(a) Places where services are actually performed</p> <p>(b) For services requiring physical availability of goods and provided from a remote location by way of electronic means – Location where goods are situated at the time of supply of service</p>
Services covered	Services provided by restaurant and catering services, personal grooming, fitness, beauty treatment, health service including cosmetic and plastic surgery	<p>(a) Services in respect of goods that are required to be made physically available by the recipient of service to the supplier of service, or to a person acting on behalf of the supplier of service in order to provide the service</p> <p>(b) Services supplied to an individual, represented either as the recipient of service or a person</p>

Particulars	Deemed place of Supply in case of location of SP & SR is located in India	Deemed place of Supply in case location of either of SP or SR is located outside India
		<p>acting on behalf of the recipient, which require the physical presence of the receiver or the person acting on behalf of the recipient, with the supplier for the supply of the service</p> <p>(c) Nothing shall apply in respect of goods imported into India for repairs and re-exported.</p>
Remarks		<p>(a) Value of service provided in each state / union territory to be ascertained separately, in proportion to value for services separately collected or determined as per terms of contract or agreement as place of supply is in each such state.</p> <p>(b) In absence of contract/agreement on such other basis as may be prescribed in this behalf</p> <p>(c) If services are supplied at more than one location, including a location in the taxable territory, place of supply shall be location in taxable territory</p>
Training and Performance Appraisal		
Place of Supply	<p>(a) Supplied to a registered person – location of recipient;</p> <p>(b) Other than above – location where services are actually performed.</p>	No exception rule

Particulars	Deemed place of Supply in case of location of SP & SR is located in India	Deemed place of Supply in case location of either of SP or SR is located outside India
Admission to events or amusement parks		
Place of Supply	Location where the event is actually held or where the park or such other place is located	Location where the event is actually held
Services covered	a) Services provided by way of admission to a cultural ,artistic, sporting, scientific, educational, entertainment event or amusement park b) Services or any place ancillary to point	Services supplied by way of admission to, or organization of, a cultural, artistic, sporting, scientific, educational, or entertainment event, or a celebration, conference, fair, exhibition, or similar events, and of services ancillary to such admission
Organization of event or services ancillary to the event		
Place of Supply	(a) If provided to a registered person , then location of such person (b) Other than above, (i) If event is held in India – location where the event is actually held (ii) if the event is held outside India, location of the recipient.	Location where the event is actually held
Services covered	(a) Service by organization of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of service in relation to a conference, fair, exhibition, celebration or similar event (b) Services ancillary to services in point (c) Services of assigning sponsorship for an event	Services supplied by way of organization of, a cultural, artistic, sporting, scientific, educational, or entertainment event, or a celebration, conference, fair, exhibition, or similar events, and of services ancillary to such admission

Particulars	Deemed place of Supply in case of location of SP & SR is located in India	Deemed place of Supply in case location of either of SP or SR is located outside India
Remarks	<p>(a) If service is provided in more than one state, value of service provided in each state to be ascertained separately, in proportion to value for services separately collected or determined as per terms of contract or agreement as place of supply is in each such state.</p> <p>(b) In absence of contract/agreement on such other basis as may be prescribed in this behalf</p>	<p>(a) Value of service provided in each state to be ascertained separately, in proportion to value for services separately collected or determined as per terms of contract or agreement as place of supply is in each such state.</p> <p>(b) In absence of contract/agreement on such other basis as may be prescribed in this behalf</p> <p>(c) If services are supplied at more than one location, including a location in the taxable territory, place of supply shall be location in taxable territory.</p>
Transportation of Goods		
Place of Supply	<p>(a) Transportation of goods including by mail or courier –</p> <p>(i) If provided to a registered person – Location of recipient</p> <p>(ii) Other than above – location where goods are handed over for transportation</p>	<p>(a) Transportation of goods other than by mail or courier – Destination of goods</p> <p>(b) Transportation of goods by mail or courier – No Exception Rule</p>
Passenger Transportation service		
Place of Supply	<p>Passenger Transportation service</p> <p>(a) Right of passage to be exercised in future and point of embarkation not known – No Exception Rule</p> <p>(b) Other than above –</p> <p>(i) Provided to a registered person – Location</p>	Location where the passenger embarks on the conveyance for a continuous journey

Particulars	Deemed place of Supply in case of location of SP & SR is located in India	Deemed place of Supply in case location of either of SP or SR is located outside India
	<p>of recipient</p> <p>(ii) Provided to an unregistered person – Location where the passenger embarks on the conveyance for a continuous journey</p>	
Remarks	Return journey shall be treated as a separate journey even if right of passage issued at the same time as right of passage for onward journey	
<p>"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 stopover between any of the legs of the journey for which one or more separate tickets or invoices are issued.</p> <p>The term "stopover" means a place where a passenger can disembark either to transfer to another conveyance or break his journey for a certain period in order to resume it at a later point of time</p>		
Services provided on board a conveyance including a vessel, an aircraft, a train or a motor vehicle		
Place of Supply	Location of first scheduled point of departure of that conveyance for that journey	First scheduled point of departure of that conveyance for the journey
Banking and other Financial Services		
Place of Supply	<p>(a) Banking and other financial services –</p> <p>(i) Location of recipient on records of supplier – Location of recipient</p> <p>(ii) Other than above – Location of supplier</p> <p>(b) Stock broking – Same as above</p>	<p>(a) Banking and other financial services</p> <p>(i) To account holders – Location of supplier of service</p> <p>(ii) Other than above – No Exception Rule</p> <p>(b) Stock broking – No Exception Rule</p>

Particulars	Deemed place of Supply in case of location of SP & SR is located in India	Deemed place of Supply in case location of either of SP or SR is located outside India
Remarks		Non-banking financial company means (a) a financial institution which is a company; (b) a non-banking institution which is a company and which has as its principal business receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of such institutions, as the Reserve Bank of India may, with the previous approval of the Central Government and by notification in the Official Gazette specify
Intermediary services		
Place of Supply	No exception Rule	Location of the supplier of service
Remarks	Intermediary means a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of a service (hereinafter called the 'main' service) or the supply of goods, between two or more persons, but does not include a person who supplies such goods or service or both or securities on his own account .	
Supply of insurance services		
Place of Supply	(a) Supplied to a registered person – Location of recipient; (b) Other than above – Location of recipient of service on records of supplier of service	No Exception Rule

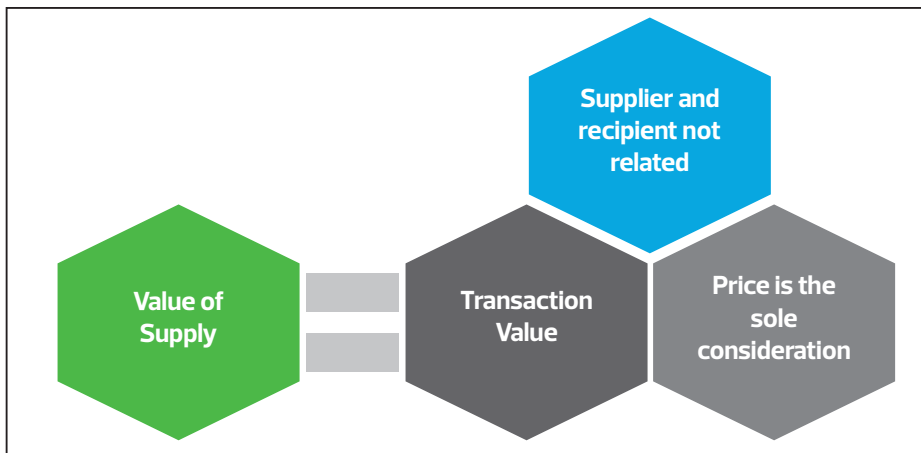
Particulars	Deemed place of Supply in case of location of SP & SR is located in India	Deemed place of Supply in case location of either of SP or SR is located outside India
Advertisement services to Government, Statutory Body or a Local Authority		
Place of Supply	<p>(a) Value of service provided in each state to be ascertained separately, as per terms of contract or agreement as place of supply is in each such state.</p> <p>(b) In absence of contract/agreement on such other basis as may be prescribed in this behalf</p>	No Exception Rule
Telecommunication services including data transfer, broadcasting, cable and direct to home television (D2H) services to any person		
Place of Supply	<p>(a) Services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna – Location where telecommunication line, leased circuit or cable connection or dish antenna is installed for receipt of services</p> <p>(b) In case of mobile connection for telecommunication and internet services provided on post-paid basis – Location of billing address of the recipient of services on record of the supplier of services</p> <p>(c) In cases where mobile connection for telecommunication, internet service and D2H are provided on pre-payment through a voucher or any other means</p> <p>(i) Sold through agent – Location of selling agent/ re-seller/ distributor of sim card/</p>	No Exception Rule

Particulars	Deemed place of Supply in case of location of SP & SR is located in India	Deemed place of Supply in case location of either of SP or SR is located outside India
	<p>recharge voucher as per record of supplier at the time of supply.</p> <p>(ii) Sold to final subscriber – Location where such pre-payment is received or such vouchers are sold</p> <p>(d) Pre-paid service availed or the recharge made through internet banking or other electronic mode of payment – Location of recipient of services on record of the supplier of services</p> <p>(e) In cases other than (a) to (d) –</p> <p>(i) Address of the recipient as per the records of the supplier of service is available – address of such recipient</p> <p>(ii) In other cases – Location of supplier of services</p>	
Remarks	<p>If leased circuit is installed in more than one state–</p> <p>(i) Value of service provided in each state to be ascertained separately, as per terms of contract or agreement as place of supply is in each such state.</p> <p>(ii) In absence of contract/agreement on such other basis as may be prescribed in this behalf</p>	
Vehicle Hiring Service		
Place of Supply	No exception Rule	Location of Supplier of service

Particulars	Deemed place of Supply in case of location of SP & SR is located in India	Deemed place of Supply in case location of either of SP or SR is located outside India
Remarks		Services consisting of hiring of means of transport up to a period of 1 month other than aircrafts and vessels, but including yachts

6.1 Introduction

Under GST, which is an ad valorem tax, it is important to determine the value of taxable supply. Valuation under GST is based on transaction value provided price is the sole transaction and the parties are unrelated. Valuation of supplies is important and warrants attention of our readers.



6.2 The value of supply includes & excludes the following:

The value of supply shall include:

1. Any taxes, duties, cess, fees and charges levied under any statute other than taxes under GST.
2. Any amount that supplier is liable to pay in relation to such supply but which has been incurred by the recipient of the supply and not included in the price actually paid or payable for the supply.
3. Incidental expenses, including commission and packing, charged by the supplier to the recipient and any amount charged for anything done by the supplier in respect of the supply at the time of, or before delivery of supply.
4. Interest or late fee or penalty for delayed payment of any consideration for any supply.
5. Subsidies directly linked to the price excluding subsidies provided by the Central / State Government. The subsidy received by supplier only to be included.

The value of supply shall exclude:

Any discount given, if such discount is recorded in invoice. However, where such discount is given after the supply is effected, such deduction of discount should be considered from the value only if:

- a. It is established in terms of agreement entered; and
- b. Input Tax Credit attributable to the discount has been reversed by recipient of the supply.

6.3 The CGST Rules, 2017 provides for valuation in the following nature of transactions:

Sr. No.	Particulars	Value of Supply
1.	Where consideration is not wholly in money	<div>a) Open Market value</div> <div>b) If open market value is not available: <i>Sum total of Consideration in money and any such further amount in money as equivalent to the consideration not in money if such amount is known at the time of supply</i></div> <div>c) If not determinable as per above, the value of supply of 'like kind and quality'</div> <div>d) If not determinable as per above, be the sum total of consideration in money and such further amount in money that is equivalent to consideration not in money as determined under Sr. No. 4 or 5, in that order.</div>
2.	Where supplies are made between distinct or related persons, other than through an agent	<div>a) Open Market value</div> <div>b) If open market value is not available, <i>the value of supply of goods or service or both of 'like kind and quality'</i></div> <div>c) If value is not determinable as per above, as determined under Sr. No. 4 or 5, in that order <i>Provided where goods are intended for further supply as such by recipient, value shall, at the option of supplier be 90% of price charged for supply of goods of like kind and quality by the recipient to his customer not being a related person.</i></div>

Sr. No.	Particulars	Value of Supply
		Provided further that 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 the goods or services.
3.	Where Supply of goods between the principal and his agent <i>(Provision does not apply when sale is to selling agent on principal to principal basis)</i>	<p>a) The open market value of the goods supplied or <i>At the option of the supplier (not less than 90% of the price charged for the supply of goods of kind and quality to his customer and customer not being a related person where the goods intended for further supply)</i></p> <p>b) If value is not determinable as per above, as determined under Sr. No. 4 or 5, in that order</p>
4.	Value of Supply based on cost	<p>Where value is not determinable as per above, then value shall be:</p> <p>110% of { Cost of Production or Manufacture; or Cost of acquisition of such goods; or Cost of provision of such services</p> <p>The supplier of service has an option to disregard this rule and apply residual method</p>
5.	Residual Method	Where value is not determinable as per above, then value shall be determined using reasonable means consistent with the principles and general provisions of valuation provisions.

6.4 Air Travel Agents

Value of Supply of services in relation to booking of air tickets by an air travel agent, shall be determined as under:

- Domestic Bookings : 5% of the Basic Fare
- International Bookings : 10% of the Basic Fare

'Basic Fare' means that part of air fare on which commission is normally paid to the air travel agent by the airline.

6.5 Insurer Carrying on Life Insurance Business

The value of services in case of services provided by the insurer carrying on life insurance business shall be determined as under:

- The Gross premium charged from a policy holder, reduced by the amount allocated for investment, or saving on behalf of the policy holder, if such amount is intimated to the policy holder at the time of supply of service; or
- In case of single premium annuity policies other than above, 10% of single premium charged from the policy holder; or
- In all other cases, 25% of the premium charged from the policy holder in the 1st first year and 12.5% of premium charged from policy holder in subsequent years.

Provided that such option shall not be available in cases where the entire premium paid by the policy holder is only towards the risk cover in life insurance.

6.6 Valuations in Case of Token, Voucher or Coupon

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 equal to the money value of the supply redeemable against such token, voucher, coupon, or stamp.

6.7 Value of Supply of Services in Case of Pure Agent

The expenditure or cost incurred by the supplier as a pure agent of the recipient of supply of service shall be excluded from the value of supply. This is subject to conditions laid out in CGST Rules, 2017.

6.8 Consideration of Rate of Exchange of Currency For Determination of Value

The rate of exchange for determination of value of taxable goods shall be the applicable rate of exchange as notified by the board under section 14 of the

Customs Act, 1962 for the date of time of supply of such goods in terms of section 12 of the Act.

The rate of exchange for determination of value of taxable services shall be the applicable rate of exchange determined as per the Generally Accepted Accounting Principal (GAAP) for the date of time of supply of such services in terms of section 13 of the Act.

6.9 Value of Supply Inclusive of Integrated Tax, Central Tax, State Tax, Union Territory Tax

Where the value of supply is inclusive of IGST tax or as the case may be, CGST, SGST, UTGST, the tax amount shall be determined in the following manner,

$$\text{Tax Amount} = \frac{\text{Value Inclusive of taxes} * \text{tax rate (in \%)} \text{ of IGST/CGST/SGST or UTGST}}{(100 + \text{sum of tax rates, as applicable, in \%})}$$

7.1 Introduction

Input tax credit is the mechanism under GST that seeks to avoid cascading effect of taxes. Under GST, there is a need to map different inward supplies and ascertain eligibility of availing input tax credit.

7.2 Availability of Input Tax Credit ('ITC')

- Every registered person shall be entitled to take credit of input tax admissible on any supplies which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.
- Input tax in relation to a registered person, means the Central tax, State tax, Integrated tax or Union territory tax charged on any supply of goods or services or both made to him and includes
 - a) The integrated goods and services tax charged on import of goods
 - b) The tax payable under the RCMbut does not include the tax paid under the composition levy.
- The inward supplies shall be classified either as Input, Capital Goods or Input Service which are defined as under:

Input	Capital Goods	Input Service
Means any goods other than capital goods used or intended to be used by supplier in course or furtherance of business.	Means goods, the value of which is capitalized in the books of accounts of the person claiming the ITC and which are used or intended to be used in the course or furtherance of business.	Means any service used or intended to be used by a supplier in the course or furtherance of business.

7.3 Non – admissible Credits

The ITC shall not be available in respect of the following inward supplies:

Motor vehicles and other conveyances except when they are used

- (a) For making the following taxable supplies:
 - (i) Further supply of such vehicles or conveyances; or
 - (ii) Transportation of passengers; or
 - (iii) Imparting training on driving, flying, navigating such vehicles or conveyances
- (b) For transportation of goods

Food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery except where such inward supply of a particular category is used by a registered person for making an outward taxable supply of the same category or as an element of taxable composite or mixed supply

Membership of a club, health and fitness Centre

Rent-a-cab, life insurance, health insurance except where

- a) the Government notifies the services which are obligatory for an employer to provide to its employees under any law for the time being in force; or
- b) such inward supply of a particular category is used by a registered person for making an outward taxable supply of the same category or as an element of taxable composite or mixed supply

Travel benefits extended to employees on vacation such as leave or home travel concession

- (A) Works contract services when supplied for construction of immovable property, other than plant and machinery, except where it is an input service for further supply of works contract service
- (B) Supply received by a taxable person for construction of an immovable property, other than plant and machinery, on his own account including when used in course or furtherance of business

The word "construction" includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalization, to the said immovable property.

'Plant and Machinery' means apparatus, equipment, machinery fixed to earth by foundation or structural support that are used for making outward supply and includes such foundation and structural supports but excludes

- land, building or any other civil structures;
- telecommunication towers; &
- pipelines laid outside the factory premises

Supply on which tax has been paid under composition scheme

Supply received by non-resident taxable person except on goods imported by him

Supply used for personal consumption

Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples

Any tax paid in accordance with

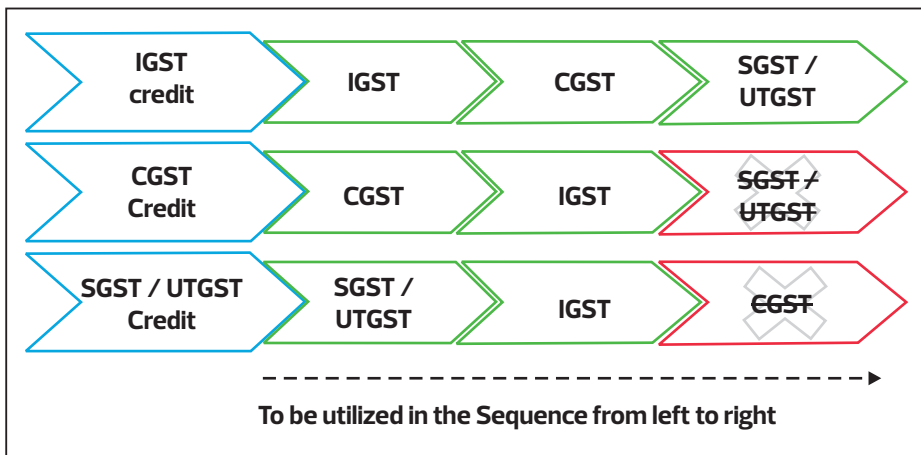
- Determination of tax not paid / short paid / erroneous refunded / ITC wrongly availed or utilized by reason of fraud / any willful misstatements / suppression of facts;
- Detention, seizure & release of goods & conveyances in transit;
- Confiscation of goods or conveyances and levy of penalty.

7.4 Conditions for Availing ITC

- ITC in respect of inward supply shall be eligible only if:
 - Taxpayer is in possession of tax invoice, debit note or such other tax paying document;

- The goods / services are received; (in respect of goods received in lots or installments, he is entitled to ITC upon receipt of last lot or installment.)
- The tax charged in respect of such supply been paid to the credit of appropriate government either by cash or utilization of ITC; (except in case of ITC availed on provisional basis)
- Taxpayer has filed the return.

7.5 Utilization of ITC for Making Payment Towards Output Tax



7.6 Tax Paying Document for Claiming ITC

- ITC can be availed on following documents:
 - A Tax invoice issued by the supplier, containing all the details as are required in tax invoice.
 - A Debit Note issued by the supplier, containing all the details as are required in debit note.
 - A Bill of Entry.
 - An invoice raised by recipient where supplies are received from

unregistered person, subject to payment of tax.

- Document issued by Input Service Distributor.

7.7 **Conditions for Making Payment to Inward Supplier**

- Where a recipient fails to pay to the supplier within a period of 180 days from the date of issue of invoice towards value of supply along with tax payable thereon, other than the supplies on which tax is payable on RCM, an amount equal to the ITC availed by the recipient shall be added to his output tax liability, along with interest for the period starting from date of availing ITC till the date when the amount is added to the output tax liability. The said condition is not applicable for cases where supplies are made without consideration.
- The credit on such inward supplies shall be eligible on making payment to inward supplier along with tax payable thereon.

7.8 **Depreciation and ITC cannot be availed together**

- No ITC shall be allowed of tax component on the cost of capital goods and plant & machinery of which registered person has claimed depreciation under the Income Tax Act, 1961.

7.9 **Time limit for Availing ITC**

- No ITC in respect of any invoice / debit note for supply after following period:
 - Filing return for the month of September following the end of F.Y. to which such invoice or invoice relating to such debit note pertains
 - OR
 - Filing of annual return.
- } Whichever is earlier

The said time limit is not applicable for re-avilment of any credit that has been reversed earlier.

A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier

7.10 Reversal of ITC

- The reversal of ITC on Input, Input Service & Capital Goods is required to be made in case of:

- Partial use of inputs for non-business.

The goods / services used by registered person partly for business and partly for other purposes the credit amount shall be restricted to input tax attributable to purposes of business.

- **Proportionate Reversal**

Goods / services used by registered person partly for effecting taxable supplies including zero-rated supplies and partly for:

- effecting exempted supplies; or
- Outward supplies where recipient is liable to pay tax;
- transactions in securities, sale of land & sale of building except under construction sale of flat.

the credit shall be restricted to such amount of ITC as attributable to taxable supplies including zero-rated supplies.

'Exempt supply' means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt and includes non-taxable supply.

7.11 **Banking Companies and NBFC**

- a. A banking company or a financial institution including a NBFC, engaged in supplying services by way of accepting deposits, extending loans or advances shall have the option to either comply with the provisions of proportionate reversal, or avail of, every month, an amount equal to 50% of the eligible ITC in that month.
- b. It is pertinent to note that unlike the previous regime where 50% reversal was to be done only for input and input services and 100% credit was available for eligible credits on capital goods, such taxpayers have to now reverse 50% of the credit on capital goods as well.
- c. Restriction of 50% shall not apply to the tax paid on supplies made by one registered person to another registered person having same PAN.
- d. Option once exercised shall not be withdrawn during the remaining part of the financial year.

7.12 **Availing ITC on Inputs / Capital Goods Held in Stock**

- The tax paid on Inputs held in stock or contained in semi-finished or finished goods ('Inputs in Stock') or on Capital Goods are eligible as ITC in the following circumstances:

Scenario	Inputs in Stock	Capital Goods	Conditions
New registration obtained within 30 days from the date when person becomes liable to register	Day immediately preceding the date on which he becomes liable to register	Not admissible	<ul style="list-style-type: none">- A taxable person shall not be entitled to take ITC in respect of any supply after expiry of 1 year from date of issue of tax invoice relating to such supply.

Scenario	Inputs in Stock	Capital Goods	Conditions
Voluntary Registration	Day immediately preceding the date of grant of registration	Not admissible	<ul style="list-style-type: none"> Electronic Declaration to be filed within 30 days from the date of his becoming eligible. Certificate from practicing CA/CWA if credit claims exceeds Rs.2 lakhs.
Exempt supply becomes taxable supply	ITC on inputs relating to exempt supplies Day immediately preceding the date from which supply becomes taxable	ITC on capital goods exclusively used for exempt supplies Day immediately preceding the date from which supply becomes taxable After reducing 5% per quarter of a year or part thereof from the date of invoice till the date supply becomes taxable	

7.13 Reversal of ITC on account of removal of capital goods or plant & machinery

- In case of supply of capital goods or plant and machinery, on which ITC is taken, the registered person shall pay an amount equal to ITC taken on the said capital goods or plant and machinery as reduced by 5% for every quarter or part thereof from the date of issue of invoice for such goods or tax on transaction value of such capital goods or plant & machinery, whichever is higher. However, refractory, bricks, moulds and dies, jigs and fixtures are supplied as scrap, the registered person may pay tax on the transaction value of such goods.

7.14 Input Service Distributor

Under the GST regime, it is important to devise a mechanism for cross charging certain common expenses and distributing them across multiple registered presences. One of the manner in which taxpayers having multiple registered presences across India can distribute their credits is the Input Service Distributor mechanism.

- 'Input Service Distributor' means an office of the supplier which receives tax invoices issued towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of Central tax, State tax, Integrated tax or Union territory tax paid on the said services to a supplier having the same PAN as that of the said office.
- Conditions for distribution of ITC by ISD:
 - ITC can be distributed to recipients against a document.
 - ITC distributed shall not exceed the amount of credit available for distribution.
 - The credit of tax paid on input services attributable to a recipient of credit shall be distributed only to that recipient.
 - ITC attributable to more than 1 recipient shall be distributed amongst such recipients to whom the input service is attributable on pro-rata basis of the turnover in a State or turnover in a Union territory of such recipient, during the relevant period, to the aggregate of the turnover of all such recipients to whom such input service is attributable and which are operational in the current year, during the relevant period.
 - ITC attributable to all recipients shall be distributed amongst such recipients to whom the input service is attributable on pro-rata basis of the turnover in a State or turnover in a Union territory of such recipient, during the relevant period, to the aggregate of the turnover of all recipients and which are operational in the current year, during the relevant period.

The "relevant period" shall be—

- i. If the recipients of credit have turnover in their States or Union territories in the financial year preceding the year during which credit is to be distributed, the said financial year; or

- ii. If some or all recipients of the credit do not have any turnover in their States or Union territories in the financial year preceding the year during which the credit is to be distributed, the last quarter for which details of such turnover of all the recipients are available, previous to the month during which credit is to be distributed.
- ISD shall separately distribute amount of ITC as eligible and ineligible.
- ITC on account of central tax and state tax shall be distributed as follows:
 - a. Recipient located in same state in which ISD is located, ITC shall be distributed as Central Tax and State Tax respectively;
 - b. Recipient is located in different state other than that of ISD, ITC shall be distributed as Integrated Tax.
- Any ITC required to be reduced on issuance of credit note shall be apportioned to each recipient in the same ratio in which ITC was distributed and the amount so distributed shall be reduced from the amount to be distributed in the month in which credit note is included in the return and shall be added to the output tax liability, if the amount of credit available is negative.
- Where the amount of credit to be reversed is short reversed, then such short amount shall be added to the output tax liability for a month not later than the month of September following the end of the financial year to which it belongs and the person shall be liable to pay interest for the period starting from 1st day of April of the succeeding financial year till the date of payment.

Under the GST regime, generally, the tax is to be paid by the supplier. However, the government has, by way of notification, specified categories of supply of goods / services on which tax shall be paid on reverse charge basis by recipient. The categories of supplies on which tax is to be discharged by recipient on reverse charge basis are as follows:

8.1 Imports of Goods / Services

Import of Goods means	Import of Services means
Bringing goods into India from a place outside India.	The supply of any service, where (a) the supplier of service is located outside India; (b) the recipient of service is located in India; and (c) the place of supply of service is in India.

- As far as import of goods is concerned, there would be no impact on levy of Basic Customs Duty (BCD), Social Welfare Surcharge, Anti-Dumping Duty, Safeguard Duty and the like.
- The IGST and compensation cess will be levied on import as may be applicable. Barring few commodities such as pan masala, certain petroleum products which attract levy of CVD, majority of imports would attract levy of IGST. Further, few products such as aerated waters, tobacco products, motor vehicles etc would also attract compensation cess, over and above IGST.

8.2 Reverse Charge on Goods

Government has notified the following categories of goods, on which tax shall be paid by the recipient under reverse charge:

Sr No	HSN Code	Description of Service	Supplier of Goods	Recipient of Supply
1	0801	Cashew nuts, not shelled or peeled	Agriculturist	Any registered person
2	1404 9010	Bidi wrapper Leaves (tendu)		
3	2401	Tobacco leaves		
4	5004 to 5006	Silk yarn	Any person who manufactures silk yarn from raw silk or silk worm cocoons for supply of silk yarn	
5		Supply of Lottery	State Government, Union Territory or any local authority	Lottery distributor or selling Agent

8.3 Reverse Charge on Services

Government has notified the following categories of services, on which tax shall be paid by the recipient under reverse charge:

Sr No	Nature of Services	Service Provider	Service Recipient
1	Import of service other than OIDAR services provided to non taxable online recipient	Person located in non taxable territory	Any person located in the taxable territory other than non-taxable online recipient

Sr No	Nature of Services	Service Provider	Service Recipient
2	Goods Transport Agency (GTA) in respect of transportation of goods by road	GTA	<ul style="list-style-type: none"> – Factory – Registered society – Co-operative society under any law – Registered person under CGST/SGST/UTGST Act – Body Corporate – Partnership firm – Casual taxable person
3	Legal services	An individual advocate including a senior advocate or firm of advocates	Any business entity.
4	Arbitral Tribunal	An Arbitral Tribunal	Any business entity.
5	Sponsorship Services	Any Person	Body corporate or partnership firm
6	Services by Government or local authority excluding: <ul style="list-style-type: none"> – Renting of immovable property – Postal service provided to a person other than government – Services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport – Transport of goods or passengers 	Government or local authority	Any business entity.

Sr No	Nature of Services	Service Provider	Service Recipient
7	Service provided by a director of a company or a body corporate to the said company or body corporate	A director of a Company or a body corporate	A company or a body corporate
8	Service provided by an insurance agent	An insurance agent (as per circular issued, corporate insurance agents are not covered under reverse charge)	Any person carrying on insurance business
9	Service provided by an recovery agent	A recovery agent	A banking / financial institution /nonbanking financial company
10	Transportation of goods by vessel from outside India up to customs station of clearance in India	A person located in non-taxable territory to a person located in non-taxable territory	Importer of goods
11	Transfer or permitting the use or enjoyment of a copyright relating to original literary, dramatic, musical or artistic works	Author or music composer, photographer, artist, etc.	Publisher, Music Company, Producer or the like, located in the taxable territory

8.4 Inward Supply from Unregistered Person

- The tax on supply of taxable goods / services, by an unregistered person to a registered person, shall be paid by recipient on reverse charge basis.
- Every registered person who is liable to pay tax under reverse charge shall issue a payment voucher at the time of making payment.
- Liability to pay tax on inward supply from an unregistered person has been deferred till 30th June, 2018 as per the recommendations made during 26th meeting of the GST Council held in New Delhi on 10 March 2018.

9.1 Export of Goods/Services

Export of Goods means	Export of Services means
Taking goods out of India to a place outside India.	<p>The supply of any service when</p> <p>(a) the supplier of service is located in India;</p> <p>(b) the recipient of service is located outside India;</p> <p>(c) the place of supply of service is outside India;</p> <p>(d) the payment for such service has been received by the supplier of service in convertible foreign exchange; and</p> <p>(e) the supplier of service and recipient of service are not merely establishments of a distinct person.</p>

- "Zero Rated supply" means any of the following supplies of goods/services or both, namely :-
 - a) Export of goods/services; or
 - b) Supply of goods/services to a SEZ developer /unit.
- A registered person making Zero rated supply in relation to IGST liability on such supply , may exercise any of the two options that have been specified:
 - Supply under bond / letter of undertaking (LUT), subject to such conditions, safeguards and procedures as may be prescribed, without payment of IGST and claim refund of unutilized input tax credit; or
 - Supply subject to such conditions as may be prescribed, on payment of IGST and claim refund of such tax paid in relation to the said supply.
- Supply made by a registered supplier to a merchant exporter (registered under Export Promotion Council or a Commodity Board) attracts a nominal GST rate of 0.1% subject to certain conditions. The conditions are specified

in notification no 40.2017–Central Tax (rate).

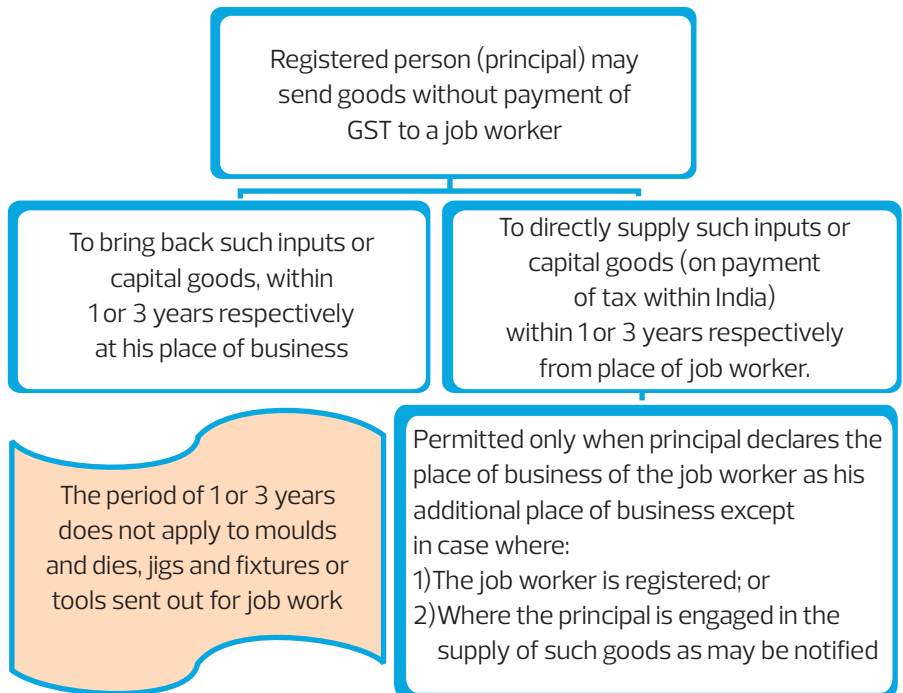
- With effect from Financial Year 2017 – 18, the online process for obtaining letter of undertaking has commenced on the GSTN portal. It must be emphasized that all taxpayers who have obtained a LUT for FY. 2017 – 18 will need to renew the same online. Renewal is not automatic. The online process may thereafter also require manual submission and representation before the authorities.

9.2 SEZ under GST

- In case of an entity having a unit in DTA as well as SEZ in same state, then both the units need to obtain separate registration.
- Supply made by SEZ unit /developer shall be treated as inter-state supply.
- Supply from SEZ unit/developer to DTA shall be considered as Import and Custom Duties including IGST shall be levied.
- Supply from SEZ unit/developer to outside India shall be treated as Export subject to fulfillment of certain conditions and shall be regarded as Zero Rated supply.
- Supply made from DTA unit to SEZ unit/developer shall be considered as a 'zero rated supply'. Import of Services by SEZ Unit/Developer for authorized operations is exempt. In a similar manner goods imported by SEZ unit/Developer shall also be exempted from payment of IGST.

10.1 **'Job Work'** means undertaking any treatment or process by a person on goods belonging to another registered person.

10.2 The Inputs / Capital Goods can be sent to the place of the job worker with following conditions:



- Even if the goods are sent directly to the premises of the job worker, the principal can take ITC on the goods. Time limit in case of goods sent directly to job worker premise will be counted from the date of receipt of goods by job worker.
- Intermediate products arising as a result of any treatment or process carried out on inputs sent to the job-worker shall also be considered as inputs for the purpose of this chapter. The responsibility for maintenance of proper accounts for inputs / capital goods shall lie with the principal.
- Waste and scrap generated during job work can be supplied from the place of

job worker after making payment of GST by job worker if he is registered. In all other cases, the liability to pay GST shall be on the principal.

- The movement of goods between principal and job worker, including where such goods are sent directly to job worker, has to be under the cover of the challans which also need to be incorporated in the monthly GST returns.
- If the inputs / capital goods are not brought back or supplied from the place of job worker within the stipulated time limit, it will be deemed that the inputs / capital goods sent to job worker were supplied by principal to job worker on the day when they were sent out. The challan itself will be deemed to be a tax invoice.
- Form GST ITC 04 must be submitted by the principal every quarter in respect of inputs and capital goods sent and received for job-work.
- Every manufacturer who sends goods to the job worker needs to send goods under a delivery challan. Details of all such challans issued during a quarter needs to be filed in Form GST ITC 04 before the 25th day of the month succeeding the last quarter.

MAJOR CHANGES AND CURRENT
ISSUES UNDER GST



11.1 Documents and Contents

Following are the different types of documents along with contents which a registered person requires to raise based upon the nature of transaction:

Document Type:	Tax Invoice
To be Issued by:	Registered person making taxable supply of goods/services or both
Contents	
<ul style="list-style-type: none"> - Name, address and GSTIN of the supplier - Consecutive Serial Number not exceeding 16 Characters - Date - Name, address and GSTIN or UIN of the recipient, if registered - If recipient is unregistered and value of taxable supply is Rs. 50,000 or more, then name, address, address of delivery, state and state code of the recipient - If recipient is unregistered and value of taxable supply is less than Rs. 50,000, then name, address, address of delivery, state and state code of the recipient, if recipient request that such details be recorded in the tax invoice 	<ul style="list-style-type: none"> - HSN Code - Description of goods/services - Quantity and unit or Unique Quantity code - Total Value - Taxable Value taking into account discount or abatement - Rate of tax - Amount of tax charged - Place of supply and State code, if inter state supply - Address of delivery, if different from place of supply - Amount of tax payable on reverse charge basis, if any - Signature (manually or digitally) of Supplier
Document Type:	Bill of Supply
To be Issued by:	Registered person supplying exempted goods/services or both or paying tax under composition scheme
Contents	
<ul style="list-style-type: none"> - Name, address and GSTIN of the supplier - Consecutive Serial Number not exceeding 16 Characters. - Date 	<ul style="list-style-type: none"> - HSN Code - Description of goods/services - Value of supply taking into account discount and abatement

– Name, address and GSTIN or UIN of the recipient, if registered		– Signature (manually or digitally) of Supplier	
Document Type:	Payment voucher		
To be Issued by:	A registered person shall issue payment voucher in all the cases where tax is paid under reverse charge mechanism at the time of making payment to the supplier.		
Contents			
– Name, address and GSTIN of the supplier – Consecutive Serial Number not exceeding 16 Characters – Date – Name, address and GSTIN or UIN of the recipient, if registered		– Description of goods/services – Amount paid – Amount of tax payable – Rate – Place of supply and State code – Signature (manually or digitally) of Supplier	
Document Type:	Receipt Voucher		
To be Issued by:	A registered person receiving advance payment shall issue receipt voucher		
Contents			
– Name, address and GSTIN of the supplier – Consecutive Serial Number not exceeding 16 Characters – Date – Name, address and GSTIN or UIN of the recipient, if registered		– Description of goods/services – Advance amount – Rate – Place of supply and State code – Whether tax is payable on reverse charge basis – Signature (manually or digitally) of Supplier	
Document Type:	Refund Voucher		
Issued By:	A registered person receives advance payment but no supply is made and no tax invoice is issued in respect of such advance payment, shall issue a refund voucher		
Contents			
– Name and address of the Supplier		– Number and date of receipt voucher – Description of goods	

<ul style="list-style-type: none"> - Consecutive Serial Number not exceeding 16 Characters - Date of issue - Name, address and GSTIN or UIN of the recipient, if registered 	<ul style="list-style-type: none"> - Amount of refund made - Rate - Amount of tax paid - Whether tax is payable under RCM - Signature (manually or digitally) of Supplier
Document Type: Revised Tax invoice and debit or credit note	
To be Issued by:	<ul style="list-style-type: none"> - A registered person shall issue a revised invoice in respect of invoice already issued during the period beginning with the effective date of registration till the date of issuance of certificate of registration - A registered person shall issue credit note, where invoice has been issued and <ul style="list-style-type: none"> • Taxable Value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply; or • Where good supplied are returned by the recipient; or • Where goods/services or both supplied are found to be deficient - A registered person shall issue debit note, where invoice has been issued and Taxable Value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply.
Contents	
<ul style="list-style-type: none"> - The word "Revised Invoice" wherever applicable, indicated prominently - Name ,address and GSTIN of the supplier - Nature of the document - Consecutive Serial Number not exceeding 16 Characters - Date of Issue - Name, address and GSTIN or UIN of the recipient, if registered 	<ul style="list-style-type: none"> - Name and address of delivery, State and State code, if unregistered, of the recipient - Serial Number and date of the corresponding tax invoice or the bill of supply as the case may be - Value of Taxable Supply, rate of tax and the amount of tax credited or as the case may be, debited to the recipient - Signature (manually or digitally) of supplier

Document Type:	Delivery Challan
To be Issued by:	Where goods are transported for the purposes of: <ul style="list-style-type: none"> a) supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known; b) transportation of goods for job work; c) transportation of goods for reasons other than by way of supply (Eg. Inter unit transfer); or d) such other supplies as may be notified by the Board
Contents	
<ul style="list-style-type: none"> - Date and number of the delivery challan - Name, address and GSTIN of the consigner, if registered - Name, address and GSTIN or UIN of the consignee, if registered - HSN code and description of goods 	<ul style="list-style-type: none"> - Quantity - Taxable value - Tax rate and Tax amount - Place of supply, in case of inter-State movement, and - Signature (manually or digitally).
Document Type:	Input Service Distributor (ISD) Invoice
To be Issued by:	ISD shall issue ISD invoice or credit note in order to distribute credit
Contents	
<ul style="list-style-type: none"> - Name, address and GSTIN of the Input Service Distributor - Consecutive Serial Number not exceeding 16 Characters - Date 	<ul style="list-style-type: none"> - Name, address and GSTIN of the recipient to whom the credit is distributed - Amount of the credit distributed - Signature (manually or digitally)
Document Type:	Invoice by registered person to ISD
To be Issued by:	Registered person having same PAN and state code as ISD shall issue an invoice to transfer credit of common input services to ISD
Contents	
<ul style="list-style-type: none"> - Name, address and GSTIN of registered person having same PAN and state code as ISD 	<ul style="list-style-type: none"> - Name, address and GSTIN of the supplier of common service and original invoice whose credit is to be transferred to ISD

<ul style="list-style-type: none"> - Consecutive Serial Number not exceeding 16 Characters - Date 	<ul style="list-style-type: none"> - Name, address and GSTIN of ISD - Amount of the credit to be transferred - Signature (manually or digitally)
---	---

- The content lists mentioned for each nature of document are requirements as per the GST Rules and person can include additional details as well in any suitable format.

11.2 Other Key Aspects

Tax Invoice

- A registered person procuring goods/services from unregistered person shall issue self invoice on the date of receipt of goods/services or both. Further, registered person may issue a consolidated invoice for aggregated value at the end of a month for supplies exceed Rs. 5,000 in a day from any or all the suppliers.
- In respect of Tax Invoice and Bill of Supply, the following points may be considered:
 - The number of HSN code for goods/services that a class of registered person shall be required to mention are as follows:

Sr. No.	Annual Turnover in the preceding F.Y.	Number of Digits of HSN
1	Upto Rs. 1.50 crore	Nil
2	more than Rs. 1.50 crore and upto Rs. 5 crore	2
3	more than Rs. 5 crore	4

- In case of export of goods/services, the invoice shall carry an endorsement "SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS ON PAYMENT OF INTEGRATED TAX" or "SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS

UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF INTEGRATED TAX" and shall also contain the name of country of destination.

- Manner of issuance of invoice:

In case of goods	In case of services
Invoice shall be prepared in Triplicate, in the following manner: a) The original for recipient b) Duplicate for transporter c) Triplicate for supplier	Invoice shall be prepared in duplicate, in the following manner: a) Original for recipient b) Duplicate for supplier

Receipt Voucher

- In case of advance receipt,
 - If the rate of tax is not determinable then the applicable tax rate shall be taken at 18%
 - If the nature of supply is not determinable then the supply shall be treated as inter-state supply.

Revised Invoice and Credit or Debit Notes

- A registered person may issue a consolidated revised invoice for all taxable supplies made to unregistered recipient during the period beginning with the effective date of registration till the date of issuance of certificate.
- In the case of inter state supplies where the value of a supply does not exceed 2.5 lakhs rupees, a consolidated revised invoice may be issued separately, in respect of all recipients located in a state and who are not registered.

Delivery Challan

- Delivery challan shall be issued in triplicate:
 - a) The original for consignee

- b) Duplicate for transporter
- c) Triplicate for consignor
- Where goods are being transported on delivery challan in lieu of invoice, the same shall be declared in e-way bill.
- Where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods, the supplier shall issue tax invoice after delivery of goods.
- Where the goods are being transported in a semi knocked down or completely knocked down condition:
 - (a) the supplier shall issue the complete invoice before dispatch of the first consignment;
 - (b) the supplier shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice;
 - (c) each consignment shall be accompanied by copies of the corresponding delivery challan along with a duly certified copy of the invoice; and
 - (d) the original copy of the invoice shall be sent along with the last consignment.

11.3 E-way Bill

- **Introduction**

Rule 138 of the Central Goods and Service Tax Rules, 2017 deals with the E-Way Bill which was earlier notified to come into effect from 1 February 2018 but later vide Notification No. 11/2018- Central Tax dated 2 February 2018 the Government has postponed the applicability of E-way bill till the time any further notification came into force.

In the meeting held on 10 March, 2018, the GST Council has recommended the introduction of e-way bill for inter-State movement of goods across the country from 1 April 2018. For intra-State movement of goods, e-way bill system will be introduced with effect from a date to be announced in a phased manner but not later than 01st June, 2018.

- **Applicability**

Every registered person causing movement of goods of consignment value exceeding Rs. 50,000 shall before commencement of such movement furnish the Information in Part A of Form GST EWB-01 in relation to:

- Supply
- For Reasons other than supply
- Due to inward supply from unregistered person

Further, on voluntarily basis a registered person or the transporter at his option generate and carry the E-Way Bill even if the value of consignment is less than Rs. 50,000.

The "consignment value" of goods shall be the value, determined in accordance with the provisions of CGST Act, 2017, (provisions of valuation) declared in an invoice, a bill of supply or a delivery challan, as the case may be, issued in respect of the said consignment and also includes the central tax, State or Union territory tax, integrated tax and cess charged, if any, in the document and shall exclude the value of exempt supply of goods where the invoice is issued in respect of both exempt and taxable supply of goods.

- **Mandatory requirement of E-way bill irrespective of consignment value**

In case of following movements of goods, E-Way Bill is mandatory irrespective of value of consignment–

- Where goods are sent by a principal located in one State to a job worker located in any other State, the E-Way Bill shall be generated by

the principal or the job worker, if registered, irrespective of the value of the consignment.

- Where handicraft goods are transported from one State to another by a person who has been exempted from the requirement of obtaining registration, the E-Way Bill shall be generated by the said person irrespective of the value of the consignment.

- **Generation of E-way bill**

- The Government has notified <https://ewaybill.nic.in> as common portal for generation of E-way bill.
- In regards to E-Way Bill the following forms are prescribed:

Forms	Description
EWB-01	E-way bill
EWB-02	Consolidated E-way bill
EWB-03	Verification report
EWB-04	Report of detention
INV-01	Generation of invoice reference number
ENR-01	Application for enrollment under section 35(2)- for unregistered person only

E-way bill form EWB-01 has two components:

- (1) Part A – Details of consignor, consignee and goods
- (2) Part B – Details of vehicle

Below table is showing the generation of E-way in different situations

Situation	Person furnishing Part-A and B details	Who generates E-way Bill	Form
Registered consignor or consignee (Conveyance owned or hired or by railway/ air/ vessel)	Registered consignor or consignee	Registered consignor or consignee	EWB-01

Situation	Person furnishing Part-A and B details	Who Generate E-way Bill	Form
When goods are being handed over to transporter (GTA) and the distance between the consignor and transporter is in excess of 50 kms	Registered consignor or consignee	Transporter	EWB-01
Goods moved from unregistered person to registered person and recipient is known at the time of commencement of movement	Compliance shall be done by recipient as if he is the supplier	Recipient/ Transporter of goods	EWB-01
Unregistered person either in own conveyance or hired one/ through transporter	Either unregistered person or the transporter at their option	Unregistered person or transporter	EWB-01

E-way bill can be generated in following modes-

1. Web- Online based
2. SMS- Through mobile
3. Android application- Through mobile app*
4. API- Site to site integration*
5. Bulk generation- Tool based*
6. Suvidha Provider- Third party based*

(*)At present not available

- **Validity of E-way bill**

E-Way Bill generated shall be valid for the period as mentioned below

Distance	Validity Period
Up to 100 km	One day
For every 100 km or part thereof thereafter	One additional Day
Upto 20 km	One day in case of Over Dimensional Cargo
For every 20 km or part thereof thereafter	One additional day in case of Over Dimensional Cargo

The expression "Over Dimensional Cargo" shall mean a cargo carried as a single indivisible unit and which exceeds the dimensional limits prescribed in rule 93 of the Central Motor Vehicle Rules, 1989, made under the Motor Vehicles Act, 1988.

- **Cancellation of E-way bill**

- In cases where goods are either not transported or are not transported as per the details furnished in the E-Way Bill, the E-Way Bill may be cancelled within 24 hours subject to the condition that it has not been verified in transit.
- If validity of E-Way Bill expires, the goods are not supposed to be moved. However under circumstances of '**exceptional nature**', the transporter may generate another E-Way Bill after updating details in Part –B. Also the Commissioner can extend the validity period of E-Way Bill for certain categories of goods as notified in the notification.
- The details of E-Way Bill shall be made available to the registered recipient online who shall communicate his acceptance or rejection of the consignment covered by the E-Way Bill. In case of no action has been taken within 72 hours, it shall be **deemed to be accepted**.

- **No E-way bill required**

- In case of goods as specified in annexure of Rule 138 of CGST Rule,

2017 such as Jewellery, goldsmiths, silversmiths ware, other articles (chapter 71), currency, used personal and household effects, etc.

- Where goods are transported by non-motorised conveyance.
- Where goods are transported from port /airport / air cargo complex / land customs station to inland container depot / container freight station for customs clearance.
- In case of transport of goods, other than de-oiled cake specified in Schedule appended to Notification No. 2/2017- Central Tax (Rate) dated 28 June 2018, as amended time to time. (Exempted goods)
- In case of transport of alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (Petrol), natural gas or aviation turbine fuel.
- In case of transport of goods being treated no supply under schedule III of Central GST Act, 2017.
- Where the goods are being transported upto a distance of twenty kilometers from the place of the business of the consignor to a weighbridge for weighment or from the weighbridge back to the place of the business of the said consignor subject to the condition that the movement of goods is accompanied by a delivery challan.
- Where the consignor of goods is the Central Government, Government of any State or a local authority for transport of goods by rail.
- Where empty cargo containers are being transported.

- **Other important points**

- Consignment value, for the purpose of E-way bill, must be computed inclusive of taxes to determine the threshold limit of Rs. 50,000.
- The generator of the E-Way Bill can cancel it within 24 hours.
- Validity of the E-Way Bill shall depend on the distance of the goods

being transported, the validity is one day upto 100 kms and for every 100 kms or part thereof it is one additional day. and shall starts from the time of first entry of Part B (Vehicle Details) and not from the time of generation of E-Way Bill.

- Movement of goods from place of consignor to place of transporter up to a distance of 50km (increased from 10 km) does not require filling of PART- B of e-way bill. They have to generate PART A of e-way bill.
- The person in-charge of conveyance shall carry copy of invoice/bill/challan and copy of E-Way Bill or E-Way Bill Number.
- In case E-Way Bill is not issued, wherever required, in accordance with the provisions contains in Rule – 138 of CGST Rules, 2017 then taxable person shall be liable to a penalty of Rs. 10,000 or tax sought to be evaded (whichever is higher).
- at present there is no requirement to generate e-way bill where an individual consignment value is less than Rs. 50,000, even if the transporter is carrying goods of more than Rs. 50,000 in a single conveyance as per the press release regarding e-way bill released on 10 March 2018.
- Value of exempted goods has been excluded from value of the consignment, for the purpose of e-way bill generation.
- Public conveyance has also been included as a mode of transport and the responsibility of generating e-way bill in case of movement of goods by public transport would be that of the consignor or consignee.
- Validity of one day will expire at midnight of the day immediately following the date of generation of e-way bill.
- In case of movement of goods by railways, airways and waterways, the e-way bill can be generated even after commencement of movement of goods.

12.1 Refunds

Under the GST regime, in recent times, obtaining refunds has been an area of concern for several businesses. Not obtaining refund can have severe impact on the working capital and cash flows of the companies and thus in this section we have analysed the provisions relating to obtaining refunds under GST Regime. This section does not cover refunds arising out of transition to GST as these refunds are generally governed by the provisions of the prior indirect tax laws.

Any person claiming refund of any tax and interest, if any, paid on such tax or any other amount paid by him, needs to make an application before the jurisdictional officer before the expiry of 2 years from the relevant date. Refund can be claimed in respect of the following options:

- **Refund of unutilized ITC**

Refund of unutilized ITC shall be allowed in respect of –

- Zero rated supply without payment of tax (under bond or letter of undertaking) except in case where export duty is payable;
- Where credit has been accumulated on account of rate of tax on inputs being higher than the rate of taxes on outputs

- **Refund in case of zero rated supply**

- The calculation of refund of ITC in respect of zero rated supply without payment of tax under bond or letter undertaking is as follows:

Refund Amount = (Turnover of zero rated supply of goods + Turnover of zero rated supply of services* Net ITC)

Adjusted Total Turnover

Refund Amount = Maximum Refund that is admissible

Net ITC = ITC availed on inputs and input services during the relevant period other than ITC availed for which refund is claimed

Turnover of Zero Rated Supply of Goods= value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking, other than the turnover of supplies in respect of which refund is

claimed under sub-rules (4A) or (4B) or both;

Turnover of zero-rated supply of services” means the value of zero-rated supply of services made without payment of tax under bond or letter of undertaking

Adjusted Total Turnover = turnover in a State or Union territory excluding the value of exempt supplies other than zero rated supplies and turnover of supplies in respect of which refund is claimed

- In case of zero rated supply, refund shall be granted on provisional basis i.e. refund of 90% of the total amount claimed within a period not exceeding seven days from the date of acknowledgment , subject to following conditions:
 - Person claiming refund has, during any period of 5 years immediately preceeding the tax period to which the claim of refund relates , not been prosecuted for any offence under the act or under existing law where the amount of tax evades exceeds Rs. 2.5 lakhs.
 - A person making zero rated supply also has an option of payment of IGST and thereafter claiming refund of IGST paid.
 - In case of export of goods, refund application shall be filed only after the export manifest or export report is provided by the Customs Authorities.
 - Refund of ITC is not allowed in case supplier avails drawback.
- **Refund in case of Inverted Duty Structure**
 - Inverted duty structure means situation where the tax on input

is more than tax on output.

- The calculation of refund of ITC in respect of Inverted Duty Structure shall be as per the manner specified below:

Maximum refund amount = {(Turnover of inverted rated supply of Goods and Services) x Net ITC ÷ Adjusted Total Turnover} – tax payable on such inverted rated supply of Goods and Services.

*No Refund if output tax is nil or Exempt

*No Refund in certain cases, even if ITC more than tax paid.

– **Refund to Casual Taxable Person / Non Resident Taxable person**

Casual Taxable Person or Non Resident Indian shall claim refund in the last return for the amount deposited in advance at the time of registration after adjustment of tax liability.

Doctrine of Unjust Enrichment in case of Refund of GST.

Unjust enrichment– A benefit obtained from another, not intended as a gift and not legally justifiable, for which the beneficiary must make restitution or recompose– *Indian Council for Enviro–Legal Action v. UOI (2011) 8 SCC 161*.

If the supplier of goods & services has recovered GST from recipient, it is clear that he has passed on the burden to the recipient and has already recovered GST from him, In such cases, refund of excess GST paid will amount to excess and undeserved profit to supplier of goods and services. It will not be equitable to refund the duty to him, as he will get double benefit– first from recipient of goods and services and again from the government

12.2 Relevant date for Refunds

Relevant date for calculating time limit for filing refund claim is as follows:

Situation	Relevant Date
Goods are exported by sea or air	Date on which the ship/aircraft in which such goods are loaded, leaves India
Goods are exported by land	Date on which such goods pass the frontier
Goods are exported by post	Date of dispatch of goods by the Post Office
Goods regarded as deemed export	Date on which the return relating to such deemed export is filed
Services exported and supply of services had been completed prior to the receipt of payment	Date of receipt of payment in convertible foreign exchange
Services exported, and payment received in advance prior to date of issue of invoice	Date of issue of invoice
Tax refundable as a consequence of judgment, decree, order or direction of the Appellate Authority, Appellate Tribunal or any court	Date of communication of such judgement, decree, order or direction
Unutilized input tax credit	End of FY in which such claim for refund arises
Tax paid on provisional basis	Date of adjustment of tax after the final assessment
For person, other than supplier	The date of receipt of goods/services by such person
In other cases	Date of payment of tax

12.3 Types of Refund

Types	Particular's
1. Export of Goods on payment of IGST	a) No separate application is required as shipping bill itself reported in GST return will be treated as application for refund. b) The system designated by the Customs shall process the claim for refund and an amount equal to the integrated tax paid in respect of such export shall be electronically credited to the bank account of the applicant.
2. Export of Goods to SEZ on payment of IGST or export of services (with payment or without payment)	a) The application for refund of integrated tax paid is required to be filed in FORM GST RFD-01A (Manual) by the supplier on the common portal. b) The said online application along with the necessary documents and declarations would need to be submitted to the tax authorities.
3. Refund of unutilized accumulated ITC due to Zero rated supply (supplies made to SEZ and Export of goods or services without payment of IGST made under bond/ LUT).	a) FORM GST RFD-01A needs to be filed electronically (online) on the common portal. b) The amount of credit claimed as refund would be debited from the electronic credit ledger and ARN (ARN- Acknowledgement Receipt Number) shall be generated on common portal. c) The said online application along with the necessary documents and declarations would need to be submitted to the tax authorities.

12.4 Other key provisions relating to Refunds

- No refund shall be granted for the amount less than Rs. 1,000
- If the amount of refund claim is less than Rs. 2 Lakhs, there is no need of furnishing documentary evidence instead a self-declaration based on the documentary and other evidence by the applicant certifying that he has not

passed on the incidence of such tax and interest is sufficient to claim refund.

- No refund, other than export, shall be allowed in case of Unjust Enrichment.
- Refund order shall be sanctioned within 60 days from the date of receipt of complete application. In case amount is not refunded within 60 days then interest shall be payable after the expiry of 60 days till the date of refund.
- If any person has defaulted in furnishing return or payment of tax, interest or penalty, the officer may withhold the payment of refund or may deduct such tax, interest or penalty which remains unpaid from the refund claim.
- The payment of the sanctioned refund amount in relation to CT / IT / Cess shall be made by the Central tax authority while payment of the sanctioned refund amount in relation to ST / UT would be made by the State tax/Union territory tax authority.
- The refund application for various taxes i.e. Central Tax (CT) / State Tax (ST) / Union Tax (UT) / Integrated Tax (IT)/ Cess can be filed with any one of the tax authorities.
- After the detailed scrutiny of refund application along with submitted documents, proper officer will make an refund order in Form RFD-06.

13.1 General Provisions

- Every registered person shall keep and maintain at his principal place of business the following true and correct accounts:
 - Production/manufacture of goods;
 - Inward and outward supplies;
 - Stock of goods;
 - ITC availed;
 - Details of output tax and
 - Such other particulars as may be prescribed.
- In case of additional place of business, accounts relating to such additional places shall be kept at each such additional place.
- The books of accounts or other records shall be retained for a period of 72 months from the last day of filing of the annual return.
- The Commissioner may notify a class of taxable persons to maintain additional accounts or documents.
- Every transporter and owner / operator (registered or not) of warehouse / godown or any other place used for storage of goods shall maintain records of consigner, consignee and other details of goods.
- Registered person who fails to record supplies other than goods lost/stolen/destroyed/written off/disposed of by way of gift/free sample, then in such cases the officers shall calculate tax payable on such supplies.
- Records pertaining to appeals, revision, proceedings or investigation shall be kept for a period of 1 year after final disposal.

13.2 Audit by Chartered Accountant / Cost Accountant

Every registered person whose turnover during a Financial Year exceeds Rs. 2 Crore shall get his accounts audited by a Chartered Accountant or a Cost Accountant on or before 31 December of following the end of the Financial Year and submit a copy of audited financial accounts, the reconciliation statement and other documents.

13.3 Audit by Tax Authorities

- The Commissioner or any officer authorized, by way of a general/specific order may undertake audit of any registered person. The registered person shall be informed not less than 15 working days prior to conduct of audit.
- The audit shall be completed within 3 months from the date of commencement of audit and may be extended by a further period of 6 months.
- The audit findings shall be communicated to the registered person within 30 days from completion of the audit.
- Assistant Commissioner with prior approval of Commissioner, may / can direct any registered person by notice in writing to get his accounts audited by a CA/CWA.

13.4 Special Audit

- During any inquiry, scrutiny, investigation, any officer not below the rank of Assistant Commissioner, having regard to the nature and complexity of the case and the interest of the Revenue, is of the opinion that the value has not been correctly declared or the credit availed is not within the normal limits, he may, with the prior approval of the Commissioner, direct such registered person by a communication in writing to get his records including books of account examined and audited by a CA or CWA as may be nominated by the Commissioner.
- The CA or CWA so nominated shall, within the period of 90 days, submit a

report of such audit duly signed and certified by him to the said Commissioner.

- The registered person shall be given an opportunity of being heard.
- The expenses of the examination and audit of records, including the remuneration of such chartered accountant or cost accountant, shall be determined and paid by the Commissioner and such determination shall be final.
- Where the special audit conducted results in detection of tax not paid or short paid or erroneously refunded, or input tax credit wrongly availed or utilised, the proper officer may initiate recovery of such dues.

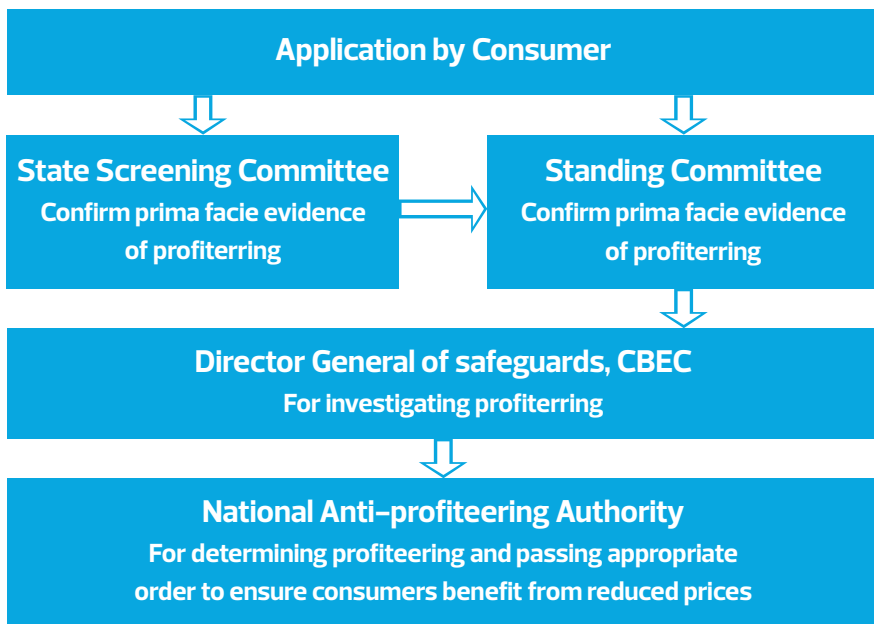
14.1 Anti-Profiteering Measure under GST

- The GST regime proposes to bring in a price control mechanism to ensure that ITC availed by any registered person or the reduction in price on account of any reduction in the tax rate under GST have actually resulted in a commensurate reduction in the price of the goods/services.
- Countries like Malaysia, New Zealand and Canada, have witnessed a significant increase in inflation for a short period post implementation of GST. GST being a multi-stage, consumption-based value added tax proposes to abolish the cascading effect which was prevalent in the previous tax structure. Such change provides room to improve profit margins at every stage of the value chain. Therefore anti-profiteering clause is proposed to ensure that the benefits of an efficient tax system are passed on to the consumers.
- The Government on recommendations of the Council, may propose to constitute an authority or entrust an existing authority to exercise powers and functions and impose penalty where it finds that the price has not been reduced on account of additional ITC or reduced tax rate under GST regime.
- The authority shall have the duty to:
 - determine whether any reduction in the rate of tax on any supply of goods or services or the benefit of input tax credit has been passed on to the recipient by way of commensurate reduction in prices;
 - identify the registered person who has not passed on the benefit of reduction in the rate of tax on supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices;
 - order:-
 - reduction in prices;
 - return to the recipient, an amount equivalent to the amount not

passed by way of commensurate reduction in prices along with interest at the rate of 18% from the date of collection of higher amount till the date of return of such amount; or recovery of amount not returned in case the eligible person does not claim refund return of the amount or is not identifiable, and depositing the same in the consumer welfare fund;

- imposition of penalty;
 - cancellation of registration
- The Authority shall cease to exist after expiry of 2 years from the date on which the Chairman of the Authority enters upon his office unless the Council recommends otherwise.
 - As per press release dated 15 June 2017, the builders and construction companies are expected to pass the benefit of lower tax burden under GST to buyers of property by way of reduced prices/installments. In under construction flats they should not ask customers to pay higher tax on installments to be received after imposition of GST.

Procedure to be followed by a Consumer to file an application against the seller for profiteering is tabulated on the next page.



Affected consumers may file an application, in the prescribed format, before the Standing Committee on Anti-profiteering (if the profiteering has all-India character) Or before the respective State Screening Committees (if the profiteering is of local nature).

14.2 Open Issues in Relation to Anti Profiteering

Under the GST law, the mechanism and extent to which the anti-profiteering guidelines shall be enforced is not yet prescribed. Clarity is awaited on how the benefit is to be passed on to consumers, i.e. whether the same is to be passed on by way of reduction of product and service prices, whether the same can be passed on by way of discounts or whether the benefit needs to be passed on at an organizational level. It is strongly suggested that companies may start planning and devise a mechanism for understanding the costing of its products and identify the manner in which the benefits, if any, may be passed on to the final consumers. It may also be prudent on the part of the taxpayers to identify whether upstream participants in the value chain have passed on the benefit of GST to them and taxpayers may have to negotiate with their vendors and relook at the agreements.



Due to the cascading effect of previous indirect tax regime, India's supply chain for the past so many years has been highly inefficient. The past reforms of the government almost exclusively focused on manufacturing and little was done to improve core aspects of supply chain such as procurement, logistics, warehousing network and removing market inefficiencies

GST is meant to simplify the goods movement across value chain for consumer as well as industrial products, through a smooth baton change at each stage from source to end customer. Supply chains for individual players as well as industry sectors will experience significant impact through the implementation of GST. The most important impact is removal of state boundaries for applicability of different taxes and levies. India has become a single market post GST implementation, through subsumed taxes & levies existent in the pre-GST era. This has resulted in opportunity to re-visit the entire supply chain – inbound as well as outbound and to explore opportunities for efficient and cost-effective supply chains.

15.1 Concept of Supply Chain

Supply chain is a very important aspect. To breakdown supply chain into simple terms, we have divided a company's supply chain into four pivotal aspects. These are:

1. **Procurement:** Procurement is an important function of the company's supply chain. A company's products are as good as the raw materials that they use. Procurement in simple terms refers to the decisions that companies make to identify and onboard vendors and also, the raw materials that companies use. Under GST, this aspect is expected to undergo a shift. Some of the opportunity areas under procurement that arise as a result of GST are:
 - a. Broad-basing and relooking at Sourcing Strategy & Supplier footprint: Selection of supplier based on merit, business requirement and cost, rather than tax considerations, increasing vendor pool due to access to vendors outside the state. One may also relook at make vs buy and import vs local decisions.

- b. Lean Concepts in Sourcing: Consolidation, primary / secondary logistics simplification, removal of un-necessary supplier warehouses located to avoid CST / other levies and elimination of stock transfer which were adding to hidden costs
- c. Outsourcing strategy: Availability of ITC on input services against liability arising out of supply of goods may result in organizations outsourcing certain non-critical aspects of business.
- d. Contracts Re-negotiations – Availing the benefits of GST input tax credits, subsumed taxes from vendor and the entire inbound value chain, ensure GST registration and receipt of input tax credits for all goods and services from the vendor. Ensuring vendor has passed on all the benefits.

2. Manufacturing: Manufacturing is the transformation of raw materials into finished products. Some key areas that may be considered under manufacturing leg of supply chain are

- a. Re-design of Manufacturing Footprint: Re-designing / consolidation of manufacturing based on customer needs than the taxation benefits
- b. Multi-stage manufacturing: Postponement / delay of certain manufacturing operations to cater to the customer needs rather than consolidated operations to avail tax benefits.
- c. Re-design of Manufacturing processes – such as sub-contracting, job-work operations etc.

3. Network design and optimization: In this context, network refers to the location of the warehouses and production and storage facilities (eg. Depots) of the company. Decision on location of warehouses is important as the company operating in India must be able to effectively meet the demands of its customers located in several states. Under the previous indirect tax regime, fiscal costs and area-based exemptions weighed in on a company's

decision to design its network in India. Many companies located their operations in states like Himachal Pradesh and Sikkim to take benefits of the exemptions enjoyed by these regions. Under GST, it is expected that these area-based exemptions would be minimized. Presently, with the implementation of GST, many state governments are in lieu of the area-based exemptions, announcing a scheme of budgetary support. This is done to ensure that businesses that were enjoying exemptions are not suddenly disrupted as a result of GST. The withdrawal of area-based exemptions and availability of input tax credit of IGST paid on inter-state procurement provide opportunities for companies to optimize their warehousing footprint. Companies may now look at employing a hub and spoke model of warehousing and are able to design warehousing networks that are responsive i.e. able to meet customer needs in a time bound and cost-effective manner. Companies can now locate warehouses on considerations such as service levels, logistics cost, customer concentration, cost of real estate etc. rather than looking at just the tax aspects. One may also look at leasing of warehouse space rather than ownership as the input tax paid on lease rentals may be available for set-off against the output tax liability of the states in which the warehouses are located.

- 4. Outbound logistics:** The last leg of the supply chain is the outbound logistics. Outbound logistics typically is concerned with the speed with which an organization delivers its products to the end customers. With the implementation of e-way bills, which is the new compliance under GST regime, there is an opportunity to enforce mechanism for tracking parcels and movement of goods. Data analytics on such movements and on parcel tracking may prove to be very valuable for companies and may bring about significant reduction in sales and distribution overheads, especially freight and transportation costs and at the same time improve customer responsiveness. Some key strategies that may be considered to improve outbound logistics are:
- a. Optimization of distribution infrastructure (numbers and location): To move away from state wise network, this design has other

advantages like primary logistics efficiency, warehousing operations efficiency, overall inventory reduction, etc.

- b. Re-definition of supply areas: Flow path would be designed based on the market / customer need as well as quality & cost of supply. This enables optimization of potential supply areas which were avoided because of regulatory limitations.
- c. Re-designing processes: Removal of stock transfer / return processes, which were of no value addition with efficient processes to avail business benefits, registration in operating states to avail GST benefits, etc.

15.2 Response to GST by different Organizations

We observed that business organizations have responded to this breakthrough tax transformation differently. While some organizations have played it conservative and safe, some others have taken some pro-active steps to gain pioneering advantages in leveraging the tax reform. We categorize them into three distinct types, as given below:

1. **Compliance:** The organizations , which have taken necessary steps before / after GST implementation to ensure compliance to the changes in law for self, vendors and distribution channel. They have changed their systems and processes, legal documentation, standards and procedures as per the requirement of GST. This enabled risk prevention from any additional liabilities against non-compliance. This may result in marginally negative impact on business, since some benefits may not be availed.
2. **Status-Quo:** These organizations not only complied to the GST laws and respective system and process & procedural changes but also ensured that there is nil or negligible impact on their business due to the change. They ensured that input tax credits, where applicable are availed, due registration of all channel partners and other preliminary steps to prevent any negative impact on their business due to GST.

3. **Being Proactive:** The power of GST implementation through out the value chain and the benefits of single market through out the country was realized by some players who took proactive steps to get the supply chain simplified and value chain losses reduced. These players proactively looked at GST to leverage business advantage through tax credits in the inbound value chain, re-visiting the inbound and manufacturing foot-print as well as re-designing the outbound supply chains. The guiding principle for designing the supply chain was not the regulatory framework, but markets, customer needs, product quality, raw material availability and quality & supply chain costs. These players would gain competitive advantage through positive impact on the business through their actions post GST implementation.



16.1 Object of Advance Ruling

Advance ruling plays a significant role in reducing future litigations by seeking decision from Authority of Advance Ruling (AAR) in advance at the time of doing transaction itself. Advance rulings may be a great mechanism to seek clarity on contentious issues but the process for obtaining advance rulings must be undertaken with caution. In this section, we attempt to analyse the provisions related to advance rulings under the GST regime.

16.2 Questions eligible for advance ruling

The questions on which the advance ruling can be sought from AAR shall be in respect of:

- a) Classification of any goods / services;
- b) Applicability of a notification;
- c) Determination of time and value of supply of goods / services;
- d) Admissibility of input tax credit of tax paid or deemed to have been paid;
- e) Determination of the liability to pay tax on any goods / services;
- f) Whether applicant is required to be registered;
- g) Whether any particular thing done by the applicant with respect to any goods / services amounts to or results in a supply of goods / services, within the meaning of that term.

16.3 Procedure for advance ruling

- An application in form GST ARA-1 along with a fee of Rs. 5,000 for obtaining advance ruling shall be made on common portal.
- The authority on receipt of application shall forward a copy of such application to the concerned officer and may call to furnish relevant records.
- The authority after examining the application and after hearing the applicant or his authorised representative may either admit or reject the application.

However, no application shall be rejected unless an opportunity of hearing has been given to applicant.

- Where an application is admitted, the authority after examining records made available and providing an opportunity of hearing to applicant shall pronounce its advance ruling.
- Where the members of AAR differ on any views in respect of any question on which advance ruling is sought, the matter to be referred to Appellate AAR.
- The AAR shall pronounce its advance ruling in writing within 90 days from the date of receipt of application.
- Where the department or applicant is aggrieved by the order of AAR, the appeal can be filed before appellate AAR within 30 days from the date of communication of order:
 - a) By the applicant in form GST ARA-2 along with fees of Rs. 10,000.
 - b) By the concerned officer or the jurisdictional officer in form GST ARA-3 without any fees.
- Where the members of the Appellate AAR also differ on any views in respect of any point, it shall be deemed that no advance ruling can be issued in respect of such question.
- The Appellate AAR shall pronounce its advance ruling in writing within 90 days from the date of filing of appeal.
- The AAR or Appellate AAR may amend any order passed by it, either if error is noticed by him or is brought to the notice by applicant or any member of authority.

16.4 Binding

The advance ruling pronounced by the AAR or Appellate AAR shall be binding only on the person who had sought the advance ruling.

16.5 Key Advance Ruling

In this section, we are analyzing some of the major advance rulings that have taken place in the GST regime. We feel these rulings may serve as a precursor of the intention of the legislature and may turn out to be landmark judgements in the GST regime.

Global Reach Education Services Pvt. Ltd.	
Background:	The applicant is promoting courses of foreign universities among prospective students and receiving consideration in the form of commission, based on performance in recruiting students, in convertible foreign exchange. Applicant, therefore, represents the University in the territory of India and acts as its recruitment agent.
Application:	The applicant seeks to determine whether the services provided by it can be categorized as an export of services.
Ruling:	Held that the said services are not an export of service and are liable to tax.

Switching Avo Electro Power Ltd.	
Background:	Applicant is a supplier of power solutions, including UPS, servo stabilizer, batteries etc.
Application:	More specifically, they want a ruling on supplies of battery along with UPS can be treated as Composite Supply within the meaning of Section 2(30) of the CGST Act, 2017.
Ruling:	Supply of battery with UPS was held to be a mixed supply.

Caltech Polymers Pvt. Ltd.	
Background:	The applicant is providing canteen services exclusively for their employees. They are incurring the canteen running expenses and are recovering the same from its employees without any profit margin.
Application:	Whether recovery of food expenses from employees for the canteen provided by company comes under the definition of outward supplies and are taxable under GST Act?
Ruling:	It is held that recovery of food expenses from the employees for the canteen services provided by company would be taxable as a supply of service under GST.

17.1 Interest

- Every person, who is liable to pay tax but fails to pay within prescribed period, shall pay interest at the rate of 18% p.a.
- Interest shall be calculated from the succeeding day on which tax was due till the day tax is actually paid to Government.
- A taxable person who makes
 - (a) an undue or excess claim of input tax credit or
 - (b) an undue or excess reduction in output tax liabilityshall pay interest at the rate of 24% p.a. on such excess or undue claim or reduction.

17.2 When penalties may be imposed

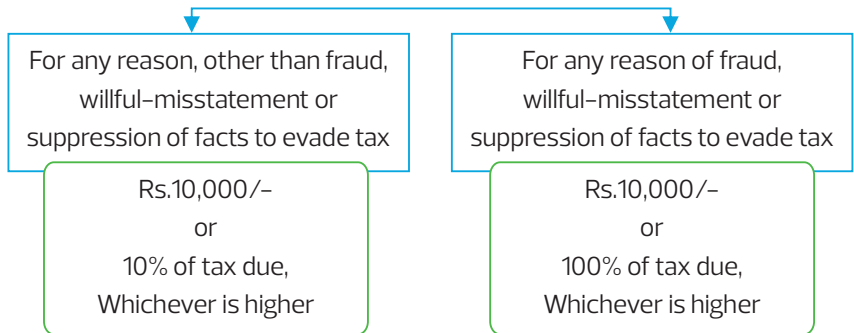
Following are the illustrative and not exhaustive list of contravention which attract penalty:

Sr. No.	Contraventions
1	Non-payment or short payment of tax
2	Wrong availment or utilization of input tax credit
3	Fails to keep or maintain books of accounts and other documents under GST law
4	Takes or utilise input tax credit without actual receipt of goods or services
5	Fraudulently obtains refund of tax
6	Liable for registration but fails to obtain registration
7	Transports any taxable goods without cover of document prescribed under GST law

17.3 Quantum of penalties

- Any registered person who has not paid or short paid tax or erroneously

refunded or wrongly availed or utilised input tax credit, shall be liable for following penalty–



- In case of following contraventions, person shall be liable for penalty of
 - (a) Rs.10,000/-
 - (b) An amount equal to tax evaded
 - (c) The tax not deducted under section 51 or short deducted or deducted but not paid to Government
 - (d) Tax not collected under section 52 or short collected or collected but not paid to the Government
 - (e) Input tax credit availed of or passed on or distributed irregularly
 - (f) Refund claimed fraudulently,
 whichever, is higher.

Sr. No.	Contraventions
1	Made supply without issue of any invoice or issues an incorrect or false invoice
2	Issues any invoice or bill without supply
3	Collects any tax but fails to pay the same to the Government beyond a period of 3 months from the due date of payment

Sr. No.	Contraventions
4	Collects any tax in contravention of the provisions of this Act but fails to pay to the Government beyond a period of 3 months from the due date of payment
5	Fails to deduct the tax under section 51 or short deducted or deducted but fails to pay to the Government
6	Fails to collect the tax under section 52 or short collected or collected but fails to pay to the Government
7	Takes or utilises input tax credit without actual receipt of goods or services or both
8	Fraudulently obtains refund of tax
9	Takes or distributes input tax credit in contravention of section 20, or the rules made thereunder
10	Falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information or return with an intention to evade payment of tax
11	Liable to be registered but fails to obtain registration
12	Furnishes any false information with regard to registration
13	Obstructs or prevents any officer in discharge of his duties under this Act
14	Transports any taxable goods without the cover of prescribed documents
15	Suppresses his turnover leading to evasion of tax
16	Fails to keep, maintain or retain books of account and other documents required under GST law
17	Fails to furnish information or documents called for by an officer or furnishes false information or documents during any proceedings
18	Supplies, transports or stores any goods which he has reasons to believe are liable to confiscation
19	Issues any invoice or document by using GSTIN of another person
20	Tampers with, or destroys any material evidence or document
21	Disposes off or tampers with any goods that have been detained, seized, or attached

- Where contraventions are of following nature then the quantum of penalty may extend to Rs. 25,000

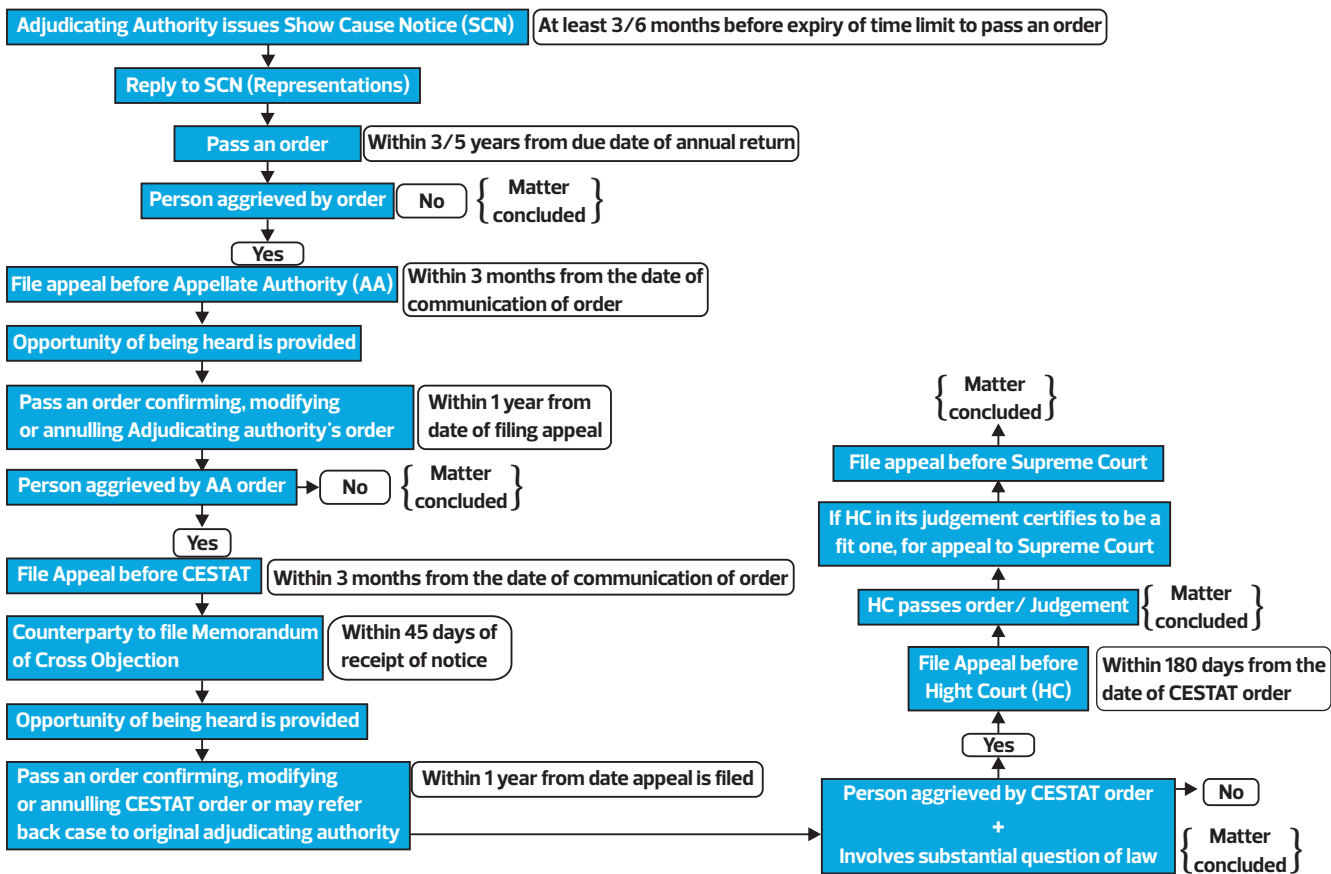
Sr. No.	Nature of contravention
1	A person who aids or abets any of the above mentioned contraventions
2	A person who acquires possession of, or concerns himself in transporting, removing, depositing, keeping, concealing, supplying, or purchasing of any goods which he knows or has reasons to believe are liable to confiscation.
3	A person who receives or is concerned with the supply of services which he knows or has reasons to believe are in contravention of provisions of GST law.
4	A person who fails to appear before the officer of central tax, when issued with a summon for appearance to give evidence or produce a document in an inquiry.
5	A person who fails to issue invoice or fails to account for an invoice in his books of account.

– **General penalty**

Where a person contravene any provisions of the GST law for which no separate penalty has been provided, he shall be liable for penalty which may extend to Rs. 25,000.

Tax law recognises that on any given set of facts and laws, there can be different opinions or viewpoints. Hence, it is likely that the taxpayer may not agree with the “adjudication order” so passed by the tax officer. It is equally possible that the Department may itself not be in agreement with the adjudication order in some cases. It is for this reason that the statute provides further channels of appeal, to both sides. The litigation procedure under GST Law has been depicted in the below chart:

The litigation procedure under GST law has been depicted in the flowchart on the next page.



Introduction

Since India is a common law country, much of the intention of the legislature needs to be analyzed from the pronouncements made by various judicial forums. As GST is an evolving law, in this section, we look at some selected significant judgements that would help to explain the intention of the government. The select significant judicial decisions in GST reported during the year are summarized and compiled in this edition of the publication.

Samaj Parivartana Samudaya Vs State of Karnataka	
Forum	Supreme Court
Brief Issue:	The entity purchased mineral sold by the State in an e-auction. The minerals were then leased to another entity. When the revenue sought to impose GST duty on the sale value of the mineral purchased in the e-auction, the issue arose as to who between the purchaser of the minerals and the lessee would pay the tax.
Outcome:	The buyer of the minerals is liable to pay GST directly to the lessee. The lessee would further be responsible for ensuring all compliances.

Uoi Vs Mohit Mineral Pvt. Ltd.	
Forum	Delhi High Court and Supreme Court
Brief Issue:	Petitioner had challenged the constitutional validity of Goods and Services Tax (Compensation to States) Act, 2017. Matter was taken before Delhi High Court, upheld in favour of assessee and thereafter appealed by Revenue.
Outcome:	High Court had observed that the additional levy on the stocks of coal on which Clean Energy Cess has already been paid in terms of Finance Act, 2010, assessee would not be requiring the appellant to make any further payment. However, tax payment on stocks of coal on which no Clean Energy Cess under the FA, 2010 was paid, would be subject to the result of this petition. Moreover, it was clarified clarified that the assessee would be entitled to a refund of amounts of Clean Energy Cess already paid. Impugned order has been stayed by the Supreme Court.

Abicor and Binzel Technoweld Pvt. Ltd. Vs Uoi

Forum	High Court
Brief Issue:	Returns filed by the electronic mode are not generated on the website of the Department, and thus were not accepted.
Outcome:	Even if the returns are forwarded belatedly, assessee cannot be refused for forwarding these returns after the prescribed period as the assessee is aware that he would be liable to pay tax liability and the component of interest and penalty may also be added due to such delay.

D. Pauls Travel & Tours Ltd. Vs Union of India

Forum	High Court
Brief Issue:	Petitioner submits that it is in the business of booking tours and hotel packages for customers and charge IGST from customers for bookings in hotels located outside Delhi. However, they are unable to avail input tax credit on the SGST charged by the hotels located outside Delhi since they are not registered in those States. Petitioner submits that as per the stand of the respondents, the petitioner and other assesses would have to be registered in all States and Union Territories to avail input credit of SGST which, according to them, is contrary to the purpose and objective of Goods and Services Tax. Different provisions are applicable in case of online bookings through web travel portals and they are able to avail the credit.
Outcome:	The respondents would examine and consider whether the matter should be placed before the GST Council.

Lupin Ltd Vs Uoi

Forum	High Court
Brief Issue:	Input Tax Credit (ITC) on pre-GST stock – stipulation in Section 140(3)(iv) of CGST Act restricting transitional credit up to 1 year. Petitioner is challenging the same.
Outcome:	It is open to the petitioner to claim whatever it wishes to and in the event the credit sought is denied, the respective entitlement of the parties shall be subject to the final decision.

Proactive Plast Pvt Ltd Vs State Of UP	
Forum	High Court
Brief Issue:	Petitioner is aggrieved by the seizure of his goods vide impugned order dated 20.01.2018 passed under Section 129(1) of the UP GST Act, 2017 – Petitioner submits that admittedly the seized goods were in transit from outside the State & therefore, Rule 138 of the Rules framed under the U.P.G.S.T. by a notification dated 21.07.2017 making E-Way bill mandatory would apply only in respect of goods in transit within the State of U.P. and not for goods brought from outside the State.
Outcome:	Even if the seizure is treated to be under Section 129(1) of the Central GST, as there was no provision of E-Way bill on the relevant date under the Central GST and, therefore, prima facie the seizure appears to be illegal.

Continental India Pvt Ltd and another Vs UoI	
Forum	High Court
Brief Issue:	Petitioner seeks a writ of mandamus directing the GST Council to make recommendations to the State Government to extend the time period for filing of GST TRAN-1 because their application was not entertained on the last date i.e. 27.12.2017 and they have filed complete application for the necessary transitional credit.
Outcome:	Respondents are directed to reopen the portal within two weeks. In the event they do not do so, they will entertain the application of the petitioner manually and pass orders on it after due verification of the credits as claimed by the petitioner. They will also ensure that the petitioner is allowed to pay its taxes on the regular electronic system also which is being maintained, for use of the credit likely to be considered. Petition stands disposed.

**Mumbai**

13th Floor, Bakhtawar
229, Nariman Point
Mumbai – 400 021

3rd Floor, A Wing,
Technopolis Knowledge Park
Mahakali Caves Road, Andheri (E)
Mumbai – 400 093

201, Shree Padmini
Teli Galli Junction
Andheri (E), Mumbai – 400 069

New Delhi – NCR

2nd Floor, Tower-B
B-37, Sector-1
Noida – 201 301

Chennai

Apex Towers, 2nd Floor, No.54
II Main Road, R. A. Puram
Chennai – 600 028

1A, Chamiers Apartments
62/121, Chamiers Road
R. A. Puram, Chennai – 600 028

Kolkata

A-6, 12th Floor
Chatterjee International Centre
33A, Jawaharlal Nehru Road
Kolkata – 700 071

Bengaluru

3rd Floor, B Wing
Jubilee Building, 45, Museum
Road, Bengaluru – 560 025

Surat

DTA-2, G-02 to G-05 Plot
Gujarat Hira Bourse
Ichhapore-2
Surat – 394 510

T-720, Belgium Tower
Opp. Linear Bus Stop
Ring Road, Surat – 395 002

B/604-605, Tirupati Plaza
Athwa Gate, Nanpura
Surat – 395 001

Hyderabad

217, Maruthi Corporate Point
Swapnalok Complex
92, Sarojini Devi Road
Secunderabad – 500 003

Ahmedabad

B-504, Narnarayan Complex
Navrangpura
Ahmedabad – 380 009

Pune

102, 1st Floor
Shree Residency
Baner Balewadi Road
Balewadi, Pune – 411 045

Gandhidham

Divyasarika, Plot No. 41
Ward 10-A, Gurukul
Gandhidham – 370 201

Jaipur

346, 3rd Floor
Ganpati Plaza, M.I. Road
Jaipur – 302 001

For further information please contact:

RSM Astute Consulting Pvt. Ltd.

13th Floor, Bakhtawar, 229, Nariman Point, Mumbai – 400 021.

T: (91-22) 6108 5555 / 6121 4444

F: (91-22) 2287 5771

E: emails@rsmindia.in

W: www.rsmindia.in

Offices: Mumbai, New Delhi-NCR, Chennai, Kolkata, Bengaluru, Surat, Hyderabad, Ahmedabad, Pune, Gandhidham and Jaipur.



facebook.com/RSMInIndia



twitter.com/RSM_India



linkedin.com/company/rsm-india

RSM Astute Consulting Pvt. Ltd. (including its affiliates) is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network.

Each member of the RSM network is an independent accounting and consulting firm, each of which practises in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London, EC4N6JJ.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

GST is a complex legislation and does have far reaching impacts on businesses, some of which are extremely challenging and disruptive. In this publication we have endeavoured to elucidate in a comprehensive manner the whole gamut of the GST Law in India and the recent developments in the field. Every effort has been made to ensure that the contents are accurate and current. Information in this publication is in no way intended to replace or supersede independent or other professional advice. This publication should not be relied upon for taking actions or decisions without appropriate professional advice and it may be noted that nothing contained in this publication should be regarded as our opinion and facts of each case will need to be analysed based on specific facts. While all reasonable care has been taken in preparation of this publication, we accept no responsibility for any liability arising from any statements or errors contained in this publication. This publication has been prepared based on information available in public domain. We have independently not verified the authenticity of this domain.