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CHARTERED ACCOUNTANTS

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GOODS AND SERVICE TAX

Discussion on –

Registration

Invoicing

Purchasing

Payment of Tax under Reverse Charge

Discussion Date – 27th July, 2017

Venue – IMT Industrial Association, Manesar

For Private Circulation Only

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REGISTRATIONS UNDER GST

1. Registration under GST is Compulsory in following cases:-

- a. For Inter State Supply;
- b. Casual Taxable Person
- c. Non Resident Taxable Person
- d. Person required to pay tax under Reverse Charge
- e. Person required to make TDS
- f. Persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise
- g. Input Service Distributor
- h. E-Commerce Operator
- i. Persons who supply goods or services or both, other than supplies specified U/s 9(5) (specified category of services the tax on which will be paid by E-com operator), through such E - com operator who is required to collect TCS
- j. Person providing OIDAR Services
- k. Where aggregate turnover exceeds Rs.20 Lakhs

2. Registration Not Required:-

- a. any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt
- b. an agriculturist, to the extent of supply of produce out of cultivation of land

3. Voluntary Registration

- This option is feasible if person is undertaking B2B transaction – so that Input Tax Credit can be passed on
- Once registered – no threshold limit benefit

4. Registration of Casual Taxable person or Non Resident Taxable Person:-

- Registration of a casual taxable person or non resident taxable person is valid for the period specified in application for registration or 90 days from effective date of registration, whichever is earlier;
- Taxable supplies can be made only after issuance of registration certificate
- Proper officer may extend the registration validity period for further maximum 90 days if sufficient cause
- Estimated Tax Liability is required to be deposited at the time of submission of registration application.

5. Composition Levy - Registration

- Person whose aggregate turnover in preceding financial year is upto Rs.75 lakhs (for special state it is Rs 50 Lakhs) can opt for this scheme;
- Registration as composition dealer in one state – to be registered as composition dealer in other states;
- On crossing the threshold limit, registration as normal taxable person;
- Restrictions imposed (one who cannot opt for composition) –
 - ✓ Engaged in supply of services (other than restaurant type service as specified)
 - ✓ Engaged in supply of goods which are not leviable to tax under GST
 - ✓ Engaged in making inter state outward supply
 - ✓ Engaged in making supply of goods through E-com operator who is required to make TCS
 - ✓ Engaged in manufacturing of goods as may be notified (ice cream, edible ice, Pan Masala, All goods related to tobacco (chapter no. 24)

6. Turnover Threshold Limit under GST for Registration:-

Compulsory Registration is required under GST if “Aggregate Turnover” in a Financial Year

- exceeds Rs.20 Lakhs from the State or UT (other than special category States), from where he makes a taxable supply of goods or services or both.
- In case of special category States, if it exceeds Rs.10 Lakhs

Aggregate Turnover :-

- aggregate turnover” means the aggregate value of all taxable supplies, exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same PAN, to be computed on all India basis but excludes Tax & Cess under GST
- It excludes the value of inward supplies on which tax is payable by a person on reverse charge basis
- shall include all supplies made by the taxable person, whether taxable or exempted & whether on his own account or made on behalf of all his principals;
- the supply of goods, after completion of job work, by a registered job worker shall be treated as the supply of goods by the principal referred to in section 143, and the value of such goods shall not be included in the aggregate turnover of the registered job worker.

Special Category States:-

Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Jammu & Kashmir, Himachal Pradesh, and Uttarakhand.

7. Amendment in Registration

- Any changes in registration has to be intimated within 15 days of such change
- Proper officer may accept or reject (rejection will be only after giving opportunity of being heard)
- Rejection of amendment application under CGST will be deemed to be rejection under SGST and vice versa

8. Cancellation of Registration

Registration will get cancelled in following cases –

- Transfer or discontinuation of business
- Change in constitution of business (PAN get changed)
- Registered taxable person contravened any provision of the act
- Composition supplier does not furnishes return for 03 consecutive tax period
- Registered person (other than composition supplier) does not furnishes return for 06 consecutive tax period
- In case of voluntary registration, if business not commenced within 06 months of date of registration
- Where registration has been obtained by way of Fraud, willful mis-statement or suppression of facts (registration can be cancelled retrospectively)

Application for revocation of cancellation of registration can be made within 30 days of service of cancellation order

9. General Points for Registration

- **Single GSTIN under all Act:** Three Act applicable on every person under GST – CGST Act, SGST Act / UTGST Act and IGST Act. Simultaneous registration will be given under all three acts.
- **PAN Based Registration:** The registration no will be alphanumeric consisting of PAN. The registration code is 15 digit unique GSTIN.
- **One State One Registration:** One state one registration (with exception more than one registration within one state for separate business verticals).
- **No Manual Registration:** The registration process will be completely online and all the necessary application and documents will be uploaded electronically on common portal.

- **Decoding GSTIN:** GSTIN is PAN based registration. PAN will be mandatory for taking registration under GST , except in case of Non Resident taxable Person and UN Agencies. It is a 15 digit registration number, whereby –
 - First 02 digits are “State Code”
 - Next 10 digits are “PAN”
 - Next 01 digit is “Business Vertical”
 - Next 01 digit is “Kept Blank”
 - Next 01 digit is “Check sum”
- **In Which state to get registered:** Registration is required to be taken in the state from where supplier makes a taxable supply of goods or services or both.
- **Provisional Registration to Existing Assessee:** Provisional Registration has been given to all the assessee registered under existing law (registered under law which existed prior to GST).
- **Surrender of Provisional Registration:** Where existing assessee is not liable for registration under GST, he may submit application in prescribed form for surrender / cancellation of Provisional Registration within the prescribed time.
- **Why to get Registered under GST**
 - Legally recognised as supplier of goods or services
 - More Business opportunity for registered supplier
 - No restriction on Inter State supply of goods or services or both
 - Authorized to collect taxes from the customer and pass on credit of taxes to paid to purchaser
 - Claim input tax credit of taxes paid

10. Time Limit for Obtaining Registration

- Every person who is liable to be registered shall apply for registration within 30 days from the date on which he becomes liable to registration.
- A Casual Taxable Person or a Non-Resident Taxable Person shall apply for registration at least five days prior to the commencement of business.

11. Penalty

- Assessee who is required to get registered under GST, fails to get registered within prescribed time limit, penalty of Rs.10,000/- or amount of tax evaded / non deducted / passed on, *whichever is higher*.

12. Display of registration certificate and GSTIN on the name board

- Display registration certificate in prominent location at his principal place of business and at every additional place or places of business.
- Display GSTIN on the name board at the entry of principal place of business and at every additional place or places of business.

13. Physical verification of business premises in certain cases

If proper officer is satisfied for requirement of physical verification of registered premises, he may get such verification done and the verification report along with other documents, including photographs, shall be uploaded on GST Portal within 15 days following the date of such verification.

14. Latest update on Registration (Notifications issued)

- a. N.No. 05/2017 – CT dt. 19/06/2017:-
Persons who are only engaged in making supplies of taxable goods or services or both, the total tax on which is liable to be paid on reverse charge basis by the recipient of such goods or services or both U/s 9(3) of the said Act as the category of persons exempted from obtaining registration under the aforesaid Act.

TAX INVOICE, CREDIT AND DEBIT NOTES

1. Type of Invoice

- Registered Taxable Person shall issue “**Tax Invoice**” for supply of goods or services or both.
- Composition dealers and Person supplying exempted goods or services shall issue a “**Bill of Supply**” instead of tax invoice
- A registered person is not necessarily required to issue a bill of supply or tax invoice if the value of the goods or services or both supplied is less than Rs.200/-, subject to following condition –
 - recipient is not a registered person
 - recipient does not require such invoice, and
 - he shall issue **consolidated** “Tax Invoice” / “Bill of Supply”, as the case may be, for such supplies at the close of each day in respect of all such supplies.

2. Revised Invoice

- A registered person may issue a revised invoice within one month from date of issuance of registration certificate
- Revised invoices may be issued against the invoice already issued during the period – starting from the effective date of registration till the date of issuance of certificate of registration
- He may issue a consolidated revised tax invoice in respect of all taxable supplies made to a recipient who is not registered during such period
- In case of interstate supplies, where value of supply does not exceed Rs.2,50,000/-, a consolidated revised invoice may be issued separately in respect of all recipients located in a State, Who are not registered
- word “Revised Invoice”, wherever applicable, shall be indicated prominently

3. Time Limit for Issuance of Invoice (Supply of Goods)

- Invoice shall be issued – before or at the time of –
 - a. **removal** of goods for supply to the recipient, where the supply involves movement of goods; or
 - b. **delivery** of goods or making available thereof to the recipient, in any other case
- In case of **continuous supply of goods** where successive statements of accounts / payments are involved, invoice shall be issued before or at the time of each such statements/ payment.

- In case of **goods sent on approval for sale or return basis** are removed before the supply takes place, the invoice shall be issued before or at the time of supply or 06 months from the date of removal, whichever is earlier

4. **Time Limit for Issuance of Invoice (Supply of Services)**

- Invoice can be issued before or after the provision (supply) of service
- It shall be issued within 30 days (45 days for insurer, banking company incl. NBFC) from date of supply of services
- In case of **continuous supply of services**
 - ✓ **Due date of Payment Ascertainable** – invoice shall be issued on or before the due date of payment
 - ✓ **Due date of Payment not Ascertainable** – invoice shall be issued before or at the time when the supplier receives the payment
 - ✓ **Payment linked to completion of an event** – invoice shall be issued on or before the date of completion of that event

5. **Content of Tax Invoice –**

- description, quantity, HSN/SAC code and value of goods / services, the tax charged thereon
- Name, address , GSTIN of supplier
- Name, address , GSTIN / UIN, if registered, of recipient. If recipient is unregistered and value of taxable supply is Rs.50,000 or more, address of delivery with name and code of state is also required to be mentioned
- Discount ,if any
- Invoice No & date,
- Place of supply, State name and code if inter state supply
- Whether tax payable under reverse charge
- Signature or digital signature
- where an invoice is required to be issued for reverse charge cases [sec. 31(3)(f)], a registered person may issue a consolidated invoice at the end of a month for supplies covered under reverse charge U/s 9(4), the aggregate value of such supplies exceeds Rs.5,000/- in a day from any or all the suppliers
- In case of export of goods or services, invoice shall carry an endorsement –
 - ✓ “Supply Meant For Export On Payment Of Integrated Tax” Or
 - ✓ “Supply Meant For Export Under Bond Or Letter Of Undertaking Without Payment Of Integrated Tax”,
as the case may be, and

Invoice shall contain the following details:

- ✓ name and address of the recipient;
- ✓ address of delivery; and
- ✓ name of the country of destination:

6. Content of Bill of Supply –

- Content is almost similar to that of tax invoice, subject to certain exception like
 - ✓ Tax amount not be mentioned (composition supplier can't charge tax from recipient)

7. Manner of Issuing Invoice –

- In case of supply of goods, the invoice shall be prepared in triplicate, in the following manner:-
 - a. the original copy marked as ORIGINAL FOR RECIPIENT;
 - b. the duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and
 - c. the triplicate copy being marked as TRIPLICATE FOR SUPPLIER.
- In case of supply of services, the invoice shall be prepared in duplicate, in the following manner:-
 - a. the original copy being marked as ORIGINAL FOR RECIPIENT; and
 - b. the duplicate copy being marked as DUPLICATE FOR SUPPLIER.
- Any invoice or debit note issued in pursuance of any tax payable in accordance with the provisions of section 74 or section 129 or section 130 (*payable in contravention of the provisions of this Act or the rules*) shall prominently contain the words “INPUT TAX CREDIT NOT ADMISSIBLE”.

8. Other Invoice / Document to be issued :-

- **Receipt Voucher** – For receipts of advances on supply of goods / services.
 - ✓ Where rate of tax is not determinable at the time of receipt of advance – tax shall be paid @ 18%
 - ✓ Where nature of supply is not determinable at the time of receipt of advance – it shall be treated as interstate supply
- **Invoice** – In case of RCM or if goods / services are received from an unregistered person, the registered taxable person shall issue an invoice.
- **Refund voucher** – Refund of advance received in case of no supply of goods / services
- **Payment Voucher** – In case of RCM or if goods / services are received from an unregistered person, Registered person to issue payment voucher at the time of making payment

9. Content of Receipt, Refund & Payment Voucher

Receipt Voucher	Refund Voucher	Payment Voucher
Name, address, GSTIN of supplier	Same	Same
Serial no. and date of issue	Same	Same
Name, address, GSTIN of receiver	Same	Same
Description of goods / service	Same	Same
Amount of advance	Amount of Refund made	Amount paid
Rate and amount of tax	Same	Same
Place of supply, State, Code	NA	Place of supply, State, Code
Whether tax paid under reverse charge	Same	NA
signature	Same	Same
	Receipt voucher No. & date	

10. Issuance of Debit Notes / Credit Notes

Credit Note

- Registered person (who has made supplies) to issue to Credit Note, where –
 - o Taxable value or tax charged in Tax Invoice **is more** than the amount payable; or
 - o Goods return by the recipient or services found to be deficient
- Credit note can be issued on or before 30th September following end of financial year of supply or date of annual return whichever is earlier
- Details of credit note issued shall be declared in return for the month during which it is issued
- Output tax liability of the supplier will be reduced only if the incidence of tax and interest on such supply has not been passed on to any other person.

Debit Note

- Registered person (who has made supplies) to issue to Debit Note, where –
 - o Taxable value or tax charged in Tax Invoice **is less** than the amount payable; or
- Credit note can be issued on or before 30th September following end of financial year of supply or date of annual return whichever is earlier
- Details of debit note issued shall be declared in return for the month during which it is issued
- For the purposes of this Act, the expression “debit note” shall include a supplementary invoice.

11. Tax Invoice by Input Service Distributor (ISD)

- Invoice / Credit Note issued by an ISD shall contain the following details:-
 - a. name, address and GSTIN of the ISD;
 - b. serial no and date of issue;
 - c. name, address and GSTIN of the recipient to whom the credit is distributed;
 - d. amount of the credit distributed; and
 - e. signature or digital signature of the ISD or his authorized representative

- Where the ISD is an office of a banking company or a financial institution, including NBFC, a tax invoice shall include any document in lieu thereof, by whatever name called, whether or not serially numbered but containing the information as prescribed above.

- Where the supplier of taxable service is an insurer or a banking company or a financial institution, including NBFC, the said supplier shall issue a tax invoice or any other document in lieu thereof, by whatever name called, whether issued or made available, physically or electronically whether or not serially numbered, and whether or not containing the address of the recipient of taxable service but containing other information as prescribed.

12. Tax Invoice by Goods Transport Agency

- Meaning of Goods Transport Agency – means any person who provides service in relation to transport of goods by road and issues consignment not by whatever name called.

In Service Tax Rules, 1994, Explanation to Rule 4B defines 'consignment note' to mean a document, issued by a goods transport agency against the receipt of goods for the purpose of transport of goods by road in a goods carriage, which is serially numbered, and contains the names of the consignor and consignee, registration number of the goods carriage in which the goods are transported, details of the goods transported, details of the place of origin and destination, person liable for paying service tax whether consignor, consignee or the goods transport agency

- Where GTA supplying services in relation to transportation of goods by road in a goods carriage, he shall issue a tax invoice or any other document in lieu thereof, by whatever name called.
- It shall contain –
 - a. Name , address & GSTIN of GTA
 - b. Serial no. & dt. Of issue
 - c. gross weight of the consignment,
 - d. name of the consignor and the consignee,
 - e. registration number of goods carriage in which the goods are transported,
 - f. details of goods transported,
 - g. details of place of origin and destination,

- h. GSTIN of the person liable for paying tax whether as consignor, consignee or goods transport agency,
- i. and shall contain other information as prescribed

13. Transportation of goods without issue of invoice

- Consigner may issue a ***delivery challan***, serially numbered not exceeding sixteen characters, in one or multiple series, in lieu of invoice at the time of removal of goods for transportation of following goods –
 - 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, or
 - d. Such other supplies as may be notified by the Board,
- The challan shall contain the following details :-
 - i. Date and number of the delivery challan,
 - ii. Name, address and GSTIN of the consigner, if registered,
 - iii. Name, address and GSTIN or UIN of the consignee, if registered,
 - iv. HSN code and description of goods,
 - v. Quantity (provisional, where the exact quantity being supplied is not known),
 - vi. Taxable value, tax rate and tax amount, where transportation is for supply to the consignee
 - vii. Place of supply, in case of inter-State movement, and
 - viii. Signature or digital signature of the supplier or his authorized representative
- The delivery challan shall be prepared in triplicate, in case of supply of goods, in the following manner:-
 - a. the original copy being marked as ORIGINAL FOR CONSIGNEE;
 - b. the duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and
 - c. the triplicate copy being marked as TRIPLICATE FOR CONSIGNOR.
- Where the goods are being transported in a semi knocked down or completely knocked down condition (*Semi assembled or completely unassembled*) –
 - 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.

14. Requirement of HSN Code to be mentioned on invoice

As per Notification No. 12/2017 – CT dated 28/06/2017, registered person is required to mention HSN code on tax invoice issued by him in following manner–

S. No.	Annual Turnover in the preceding Financial Year	Number of Digits of HSN Code
1	Upto rupees one crore fifty lakhs	NIL
2	more than rupees one crore fifty lakhs and upto rupees five crores	2
3	more than rupees five crores	4

PURCHASE OF GOODS & SERVICES IN GST

Important issues which required attention at the time of purchase of goods & services under GST regime

It is always preferable to **place a purchase order** to supplier for supply of goods or services.

Purchase order always plays an important role in minimizing differences / deviations in transactions between parties involved such as material ordered and material received specially in reference of quality, quantity, rate, HSN/SAC code etc.

In purchase order following points related to GST Compliance along with other terms & conditions should be mention clearly:-

- Complete name and address of own (recipient) organization with state code.
- Complete name and address of supplier organization with state code.
- Own (recipient) GSTIN
- GSTIN of Supplier
- Description of goods or service along with HSN/SAC
- Ordered Quantity & Rate
- Terms of transportation

As and when supply of goods or services received, details or purchase order should be matched with Invoice issued by the supplier and in case of any deviation action should be taken immediately to take credit of entitled GST paid/payable in invoice.

An organization may purchase goods & service from :-

- i) Supplier registered within Same State as Intra State Purchase,
- ii) Supplier registered in Other State as Inter State Purchase
- iii) Import from outside the country
- iv) Supplier not registered under GST vis-à-vis un-registered Person

A) In case of Goods or Services purchased from Registered Person

In this case supplier must be registered under GST either in same state where receiver of goods or services is registered or in any other state / UT.

In case of supplies received from registered person following things should be taken care of :-

- Invoice issued by the supplier of goods or services should be "TAX INVOICE".
- Name & Address along with GSTIN of supplier as well as receiver should be correct.
- Tax invoice should be serial numbered.
- Description of goods or services should be correct
- HSN/SAC should be correct.

- Calculation of IGST/CGST & SGST should be correct.
- Transportation details should be complete and correct
- Tax invoice should not be altered or tempered.
- Tax Invoice should be duly signed.
- Tax invoice should be in Original and also obtain Transporter copy in case goods received via transporter

To ensure about supplier details, enquiry facility is available on GST Portal, for this purpose visit at www.gst.gov.in and use “Track Provisional GST ID” tab.

Credit of respective GST will be available only after correct filling of GSTR-1 and there by payment of due tax and filing of GSTR – 3 by the supplier for respective month.

B) In case of Goods or Services purchased from Un-Registered Person

If a registered person purchases any goods or services or both from unregistered person, then the registered person required to pay tax on those goods or services or both on his behalf on reverse charge basis and all the provisions of the Act will apply to him as he is the person supplying such goods or Services.

So a registered person, who procures any goods/ services from an unregistered person, will have to pay tax on their receipt and then will have to claim ITC on the same subject to the certain other conditions of the Act.

A registered person receiving supply under reverse charge has to issue an invoice and payment voucher as per the provisions of GST Act.

A small relief has been provided through Notification No.8/2017-Central Tax (Rate) dated 28th June 2017, “where the Central Government exempts intra-State supplies of goods or services or both received by a registered person from any supplier, who is not registered, from the whole of the central tax leviable.

Provided that the said exemption shall not be applicable where aggregate value of such supplies of goods or service or both received by a registered person from any or all the suppliers, who is or are not registered, exceeds five thousand rupees in a day.”

C) In case of Goods or Services purchased from Outside the Country (Import)

Under the GST regime, the supply of goods, or of services, or both in the course of import into the territory of India shall be deemed to be supply of goods, or of services, or both in the course of inter-State trade or commerce for levy of integrated tax. So import of goods or services will be treated as deemed inter-State supplies and would be subject to Integrated tax (IGST).

C (i) Import of Goods:-

As per Sec (25) of Customs act, 1962 : “imported goods” means any goods brought into India from a place outside India but does not include goods which have been cleared for home consumption.

The import of goods has been defined in the IGST Act, 2017 as bringing goods into India from a place outside India.

All imports shall be deemed as inter-State supplies and accordingly integrated tax shall be levied in addition to the applicable Custom duties. The IGST Act, 2017 provides that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of the Customs Tariff Act, 1975 on the value as determined under the said Act at the point when duties of customs are levied on the said goods under the Customs Act, 1962.

The integrated tax on goods shall be in addition to the applicable Basic Customs Duty (BCD) which is levied as per the Customs Tariff Act.

In addition, GST compensation cess, may also be leviable on certain luxury and demerit goods under the Goods and Services Tax (Compensation to States) Cess Act, 2017.

For the purpose of Imports & Exports, HSN code at 8 digit level would continue under the GST regime.

Input tax credit of the integrated tax paid at the time of import shall be available to the importer and the same can be utilized by him as Input Tax credit for payment of taxes on his outward supplies.

The Basic Customs Duty (BCD), shall however, not be available as input tax credit.

The Input Tax Credit in respect of Compensation Cess on supply of goods and services leviable under Sec 8 shall be utilized only towards payments of said cess on supply and services leviable.

C (ii) Import of Services:-

Import of services for which consideration is paid or payable shall be taxable under the GST regime irrespective of the fact the whether such import is for business purposes or for the use of personal purposes.

And in case import of services without consideration by a taxable person from related person for the business purpose is taxable under the GST regime

Import of service is treated as inter-state supply so provision of IGST Act'2017 shall apply.

As per Notification No. 10/2017- Integrated Tax (Rate) dated 28/06/2017,

Where any services are supplied by a person located in non taxable territory to any person (other than non-taxable online recipient) located in taxable territory, Tax is required to be paid by the recipient of service.

It is important to note that, persons who are required to pay tax under reverse charge for notified goods or services or both are compulsorily required to obtain registration under GST.

PAYMENT OF GST – REVERSE CHARGE

1. Goods or Services or transactions covered under reverse charge

1. The Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, on which tax shall be paid on reverse charge basis by the recipient

In this reference Govt. has issued following notifications :-

- a. Notification No. 04/2017 – Central Tax (Rate) dt. 28/06/2017 for Goods
- b. Notification No. 13/2017 – Central Tax (Rate) dt. 28/06/2017 for Services
- c. Notification No. 04/2017 – Integrated Tax (Rate) dt. 28/06/2017 for Goods
- d. Notification No. 10/2017 – Integrated Tax (Rate) dt. 28/06/2017 for Services.

(Notifications under CGST & IGST are almost on same lines. Copy of notification issued under IGST is also provided at the end of this study material.)

2. Where supply of taxable goods or services or both is made by a Unregistered Person to a Registered Person, tax shall be paid by recipient on reverse charge basis.

All the provisions of Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both

In order to provide relief to certain extent to the registered person, Govt. had issued Notification No. 08/2017 *Central Tax (Rate) dated 28/06/2017*

*As per notification “Central Government exempts intra-State supplies of goods or services or both received by a registered person from any supplier, who is not registered, from the whole of the central tax leviable. **Provided that the said exemption shall not be applicable where aggregate value of such supplies of goods or service or both received by a registered person from any or all the suppliers, who is or are not registered, exceeds Rs. 5,000/- in a day.**”*

2. Time of Supply in case of Reverse Charge (Goods)

1. In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earliest of the following dates, namely :-
 - a. Date of the receipt of goods; or
 - b. Date of payment (as entered in the books or date when debited in bank account, whichever is earlier);or
 - c. Date immediately following 30 days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier
2. In case it is not possible to determine the time of supply as above, then it shall be the date of entry in the books of account of the recipient of supply.

Time of Supply in case of Reverse Charge (Services)

1. In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earliest of the following dates, namely :-
 - a. Date of payment (as entered in the books or date when debited in bank account, whichever is earlier);or
 - b. Date immediately following **60 days from the date of issue of invoice** or any other document, by whatever name called, in lieu thereof by the supplier
2. In case it is **not possible** to determine the time of supply as above, then it shall be the **date of entry in the books of account of the recipient of supply**.
3. In case of supply to associated enterprises, where supplier of service is located outside India, time of supply shall be the date of entry in books of accounts of recipient of date of payment, whichever is earlier.

3. Payment of Tax under Reverse Charge

Any tax payable under reverse charge is required to be paid (in cash) from Electronic Cash Ledger. Meaning thereby any input tax credit as may be available cannot be utilized for payment of tax under reverse charge.

[TO BE PUBLISHED IN PART II, SECTION 3, SUB-SECTION (i) OF THE GAZETTE OF INDIA, EXTRAORDINARY]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(Department of Revenue)

Notification No.4/2017-Integrated Tax (Rate)

New Delhi, the 28th June, 2017

G.S.R. (E).- In exercise of the powers conferred by sub-section (3) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby specifies the supply of goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table, made by the person as specified in the corresponding entry in column (4), in respect of which the integrated tax shall be paid on reverse charge basis by the recipient of the intra-state supply of such goods as specified in the corresponding entry in column (5) and all the provisions of the said Act shall apply to such recipient, namely:-

TABLE

S. No.	Tariff item, sub-heading, heading or Chapter	Description of supply of Goods	Supplier of goods	Recipient of supply
(1)	(2)	(3)	(4)	(5)
1.	0801	Cashew nuts, not shelled or peeled	Agriculturist	Any registered person
2.	1404 90 10	Bidi wrapper leaves (tendu)	Agriculturist	Any registered person
3.	2401	Tobacco leaves	Agriculturist	Any registered person
4.	5004 to 5006	Silk yarn	Any person who manufactures silk yarn from raw silk or silk worm cocoons for supply of silk yarn	Any registered person
5.	-	Supply of lottery.	State Government, Union Territory or any local authority	Lottery distributor or selling agent. <i>Explanation.-</i> For the purposes of this entry, lottery distributor or selling agent has the same meaning as assigned to it in clause (c) of Rule 2 of the Lotteries (Regulation) Rules, 2010, made under the provisions of sub section 1 of

				section 11 of the Lotteries (Regulations) Act, 1998 (17 of 1998).
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Explanation.—

(1) In this Table, “tariff item”, “sub-heading”, “heading” and “Chapter” shall mean respectively a tariff item, sub-heading, heading or chapter, as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F.No.354/117/2017-TRU]

(Mohit Tewari)
Under Secretary to the Government of India

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,
SECTION 3, SUB-SECTION (i)]

Government of India
Ministry of Finance
(Department of Revenue)

Notification No. 10/2017- Integrated Tax (Rate)

New Delhi, the 28th June, 2017

GSR.....(E).-In exercise of the powers conferred by sub-section (3) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government on the recommendations of the Council hereby notifies that on categories of supply of services mentioned in column (2) of the Table below, supplied by a person as specified in column (3) of the said Table, the whole of integrated tax leviable under section 5 of the said Integrated Goods and Services Tax Act, shall be paid on reverse charge basis by the recipient of the such services as specified in column (4) of the said Table:-

Table

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
(1)	(2)	(3)	(4)
1	Any service supplied by any person who is located in a non-taxable territory to any person other than non-taxable online recipient.	Any person located in a non-taxable territory	Any person located in the taxable territory other than non-taxable online recipient.
2	Supply of Services by a goods transport agency (GTA) in respect of transportation of goods by road to- (a) any factory registered under or governed by the Factories Act, 1948(63 of 1948);or (b) any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or (c) any co-operative society established by or under any law; or (d) any person registered under the	Goods Transport Agency (GTA)	(a) Any factory registered under or governed by the Factories Act, 1948(63 of 1948); or (b) any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or (c) any co-operative society established by or under any law; or (d) any person registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the

	<p>Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act; or</p> <p>(e) any body corporate established, by or under any law; or</p> <p>(f) any partnership firm whether registered or not under any law including association of persons; or</p> <p>(g) any casual taxable person.</p>		<p>State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act; or</p> <p>(e) any body corporate established, by or under any law; or</p> <p>(f) any partnership firm whether registered or not under any law including association of persons; or</p> <p>(g) any casual taxable person; located in the taxable territory.</p>
3	<p>Services supplied by an individual advocate including a senior advocate by way of representational services before any court, tribunal or authority, directly or indirectly, to any business entity located in the taxable territory, including where contract for provision of such service has been entered through another advocate or a firm of advocates, or by a firm of advocates, by way of legal services, to a business entity.</p>	<p>An individual advocate including a senior advocate or firm of advocates.</p>	<p>Any business entity located in the taxable territory.</p>
4	<p>Services supplied by an arbitral tribunal to a business entity.</p>	<p>An arbitral tribunal.</p>	<p>Any business entity located in the taxable territory.</p>
5	<p>Services provided by way of sponsorship to any body corporate or partnership firm.</p>	<p>Any person</p>	<p>Any body corporate or partnership firm located in the taxable territory.</p>
6	<p>Services supplied by the Central Government, State Government, Union territory or local authority to a business entity excluding, -</p> <p>(1) renting of immovable property, and</p> <p>(2) services specified below-</p> <p>(i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and</p>	<p>Central Government, State Government, Union territory or local authority</p>	<p>Any business entity located in the taxable territory.</p>

	agency services provided to a person other than Central Government, State Government or Union territory or local authority; (ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (iii) transport of goods or passengers.		
7	Services supplied by a director of a company or a body corporate to the said company or the body corporate.	A director of a company or a body corporate	The company or a body corporate located in the taxable territory.
8	Services supplied by an insurance agent to any person carrying on insurance business.	An insurance agent	Any person carrying on insurance business, located in the taxable territory.
9	Services supplied by a recovery agent to a banking company or a financial institution or a non-banking financial company.	A recovery agent	A banking company or a financial institution or a non-banking financial company, located in the taxable territory.
10	Services supplied by a person located in non- taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India.	A person located in non-taxable territory	Importer, as defined in clause (26) of section 2 of the Customs Act, 1962(52 of 1962), located in the taxable territory.
11	Supply of services by an author, music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original literary, dramatic, musical or artistic works to a publisher, music company, producer or the like.	Author or music composer, photographer, artist, or the like	Publisher, music company, producer or the like, located in the taxable territory.

Explanation.- For purpose of this notification,-

(a) The person who pays or is liable to pay freight for the transportation of goods by road in goods carriage, located in the taxable territory shall be treated as the person who receives the service for the purpose of this notification.

(b) “Body Corporate” has the same meaning as assigned to it in clause (11) of section 2 of the Companies Act, 2013.

(c) the business entity located in the taxable territory who is litigant, applicant or petitioner, as the case may be, shall be treated as the person who receives the legal services for the purpose of this notification.

(d) the words and expressions used and not defined in this notification but defined in the Central Goods and Services Tax Act, the Integrated Goods and Services Tax Act, and the Union Territory Goods and Services Tax Act shall have the same meanings as assigned to them in those Acts.

2. This notification shall come into force on the 1st day of July, 2017.

[F. No. 334/1/2017- TRU]

(Ruchi Bisht)

Under Secretary to the Government of India