



# GST

• GOODS AND SERVICES TAX •



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BY : CS SANJAY MALHOTRA

# GOODS AND SERVICE TAX



•Article 366(12A) defines GST as “**Any tax on supply of goods and services or both EXCEPT taxes on supply of alcoholic liquor for human consumption**”

# GOODS AND SERVICE TAX – How it Operates World Wide ???



# WHY ???? GOODS AND SERVICE TAX

- **Substitution of Multiple Tax structure with Single Tax structure.**

- **Remove Economic Distortions. Reduction in Transaction / Compliance cost. (Common Market across Nations)**

- **No Dual Taxation of Intangibles as Good & Services**



- **GST regime will have Lower Tax Rates and will broaden the Tax Base.**

create  
positive  
change

# Benefits of GST - To Whom????



- **Industry**
- **Public / Society**
- **Professionals**
- **Retailers**
- **All Service Providers**

- **Reduce Compliance Costs**
- **Broadening Tax Base.**
- **Reduce Tax Distortions.**
- **Increase in Employment.**
- **Increase in GDP by 2%**

# CONCEPT – PRESENT v/s PROPOSED

Service tax/Excise/Sales tax/  
Other taxes

GST

Present

Tax Regime

Proposed



MANUFACTURE

SUPPLY BASED



## Present Regime

MRP of "X" : Rs 300/- Abatement: 30%  
 CENVAT@12.5% : Rs 26.25  
 Effective Duty Rate: 8.75%

S.P	150
Add:CENVAT	<u>26.25</u>
Total	176.25

S.P	200
Add:CENVAT	<u>26.25</u>
Total	226.25

S.P	273.75
Add:CENVAT	<u>26.25</u>
Total	300.00

<u>Total Taxes</u>	<u>Effective Duty</u>
<b>Rs 26.25</b>	<b>8.75%</b>



## GST Regime

• GST @ 18%

S.P	150
Add: GST 18%	<u>27</u>
Total	177

C.P	177
Less: ITC	<u>27</u>
	150
Add: Margin	<u>50</u>
S.P	200
Add: GST 18%	<u>36</u>
Total	236/-

C.P	236
Less: ITC	<u>36</u>
	200
Add: Margin	<u>54</u>
S.P	254
Add: GST 18%	<u>46</u>
Total	300/-

<b>Rs 46</b>	<b>15.33%</b>
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• GST @ 12.5%

S.P	150
Add: GST 12.5%	<u>18.75</u>
Total	168.75

C.P	168.75
Less: ITC	<u>18.75</u>
	150
Add: Margin	<u>50</u>
S.P	200
Add: GST 12.5%	<u>25</u>
Total	225/-

C.P	225
Less: ITC	<u>25</u>
	200
Add: Margin	<u>67</u>
S.P	267
Add: GST 12.5%	<u>33</u>
Total	300/-

<b>Rs 33</b>	<b>11%</b>
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# Goods & Service Tax



## CGST

- Central Excise Duty.
- Countervailing Duty on Imports.
- Special Additional Duty of Customs.
- Service Tax.
- Surcharge, Education Cess & SHE Cess.
- Additional Excise Duty.



## SGST

- VAT
- Entry Tax
- Surcharges & Cesses.
- Tax on Lottery, Betting.
- Luxury /Amusements/ Entertainment Tax levied by Local Bodies
- Purchase Tax



## IGST

- CST / Excise / Service Tax...

### Out of GST

- Basic Custom Duty.
- Safeguard Duties.
- Taxes on Petroleum (temporary period)



# GST /VAT RATES WORLDWIDE

SR NO	COUNTRY	GST / VAT RATES
1	SINGAPORE	7%
2	CHINA	17%
3	INDONESIA	10%
4	PHILLIPINES	10%
5	TAIWAN	5%
6	U.K.	17.5%
7	AUSTRALIA	10%
8	GERMANY	16%
9	SOUTH KOREA	10%
10	SWITZERLAND	8%



# GST – Impact on Businesses

Commodity	Present Tax Rates			Proposed GST Rate (Lets say 20%)			Difference
	Excise Duty	VAT	Total	CGST	SGST	Total	
<b>CHEMICALS</b>	12.50%	6.05%	18.55%	10%	10%	20%	<b>1.45%</b>
<b>PHARMACEUTICALS</b>	12.50%	6.05%	18.55%	10%	10%	20%	<b>1.45%</b>
<b>SMALL PASSENGERS CARS</b>	12.50%	14.50%	27.00%	10%	10%	20%	<b>7.00%</b>
<b>MID SIZE CARS</b>	24%	12.50%	36.50%	20%	20%	40%	<b>3.50%</b>
<b>ENGINEERING GOODS</b>	12.50%	14.50%	27.00%	10%	10%	20%	<b>7.00%</b>

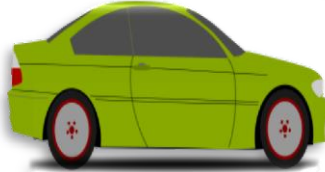
# GOODS & SERVICE TAX



Eating out



Phone Bills



High Segment cars

Needs Tax Rates  
Review or else Price  
Increase



Parcel/Courier



Phones

What will become  
**CHEAPER**



Furniture



Small Cars



Heater/Air cooler



Biscuits/cakes



Satellite TV



BY : CS SANJAY MALHOTRA  
Buying House

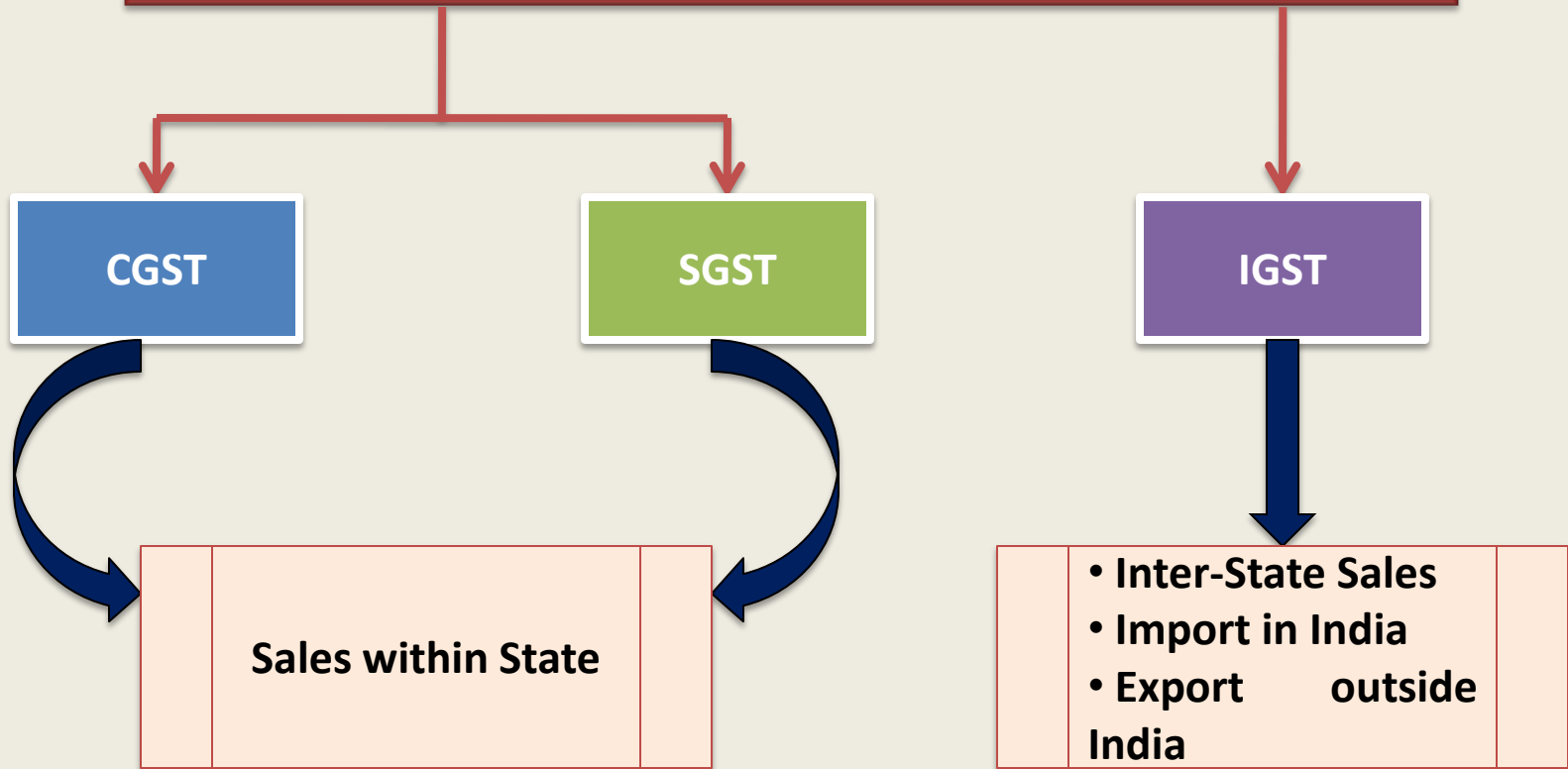


Batteries



Electronics  
like LED TV

# GST- Single Tax Structure



**G**  
GOODS

**S**  
SERVICE

**T**  
TAX

# Utilization of amount of ITC on account of IGST/CGST/SGST

Amount of ITC available on account of **IGST**

- **1<sup>st</sup>** utilized towards payment of **IGST**.
- Remaining may be utilized towards payment of **CGST & SGST**.

Amount of ITC available on account of **CGST**

- **1<sup>st</sup>** utilized towards payment of **CGST**.
- Remaining may be utilized towards payment of **IGST**.

Amount of ITC available on account of **SGST**

- **1<sup>st</sup>** utilized towards payment of **SGST**.
- Remaining may be utilized towards payment of **IGST**.

**STATE : PUNJAB**

**GST FLOW - WITHIN STATE MOVEMENT**

Cotton Price: Rs 100  
 CGST 10% : Rs 10  
 SGST 8% : Rs 8

INPUT TAX CREDIT  
 CGST Rs 15  
 SGST Rs 12  
 Rs 27/-

INPUT TAX CREDIT  
 CGST Rs 20  
 SGST Rs 16  
 Rs 36/-

INPUT TAX CREDIT  
 CGST Rs 25  
 SGST Rs 20  
 Rs 45/-

**TOTAL COST-  
 Rs 354/-**

**Yarn  
 Manufacturer "A"**

Yarn sale

**Garment  
 Manufacturer "B"**

Garment sale

**Wholesaler  
 "C"**

Garment sale

**Retailer  
 "D"**

**Consumer  
 "E"**

Garment sale

Tax Invoice-"A"

Sale Price:	150/-
CGST 10%	15
SGST 8%	12
<b>Total</b>	<b>177/-</b>

Tax Invoice-"B"

Sale Price:	200/-
CGST 10%	20
SGST 8%	16
<b>Total</b>	<b>236/-</b>

Tax Invoice-"C"

Sale Price:	250/-
CGST 10%	25
SGST 8%	20
<b>Total</b>	<b>295/-</b>

Tax Invoice-"D"

Sale Price:	300/-
CGST 10%	30
SGST 8%	24
<b>Total</b>	<b>354/-</b>

Tax Payments

<u>Payable</u>	(in Rs)
CGST	15
SGST	<u>12</u>
	<u>27/-</u>
Less: <u>Receivable</u>	
CGST	10
SGST	<u>8</u>
	<u>18/-</u>
<u>Net Payable</u>	<b>Rs 9</b>

Tax Payments

<u>Payable</u>	(in Rs)
CGST	20
SGST	<u>16</u>
	<u>36/-</u>
Less: <u>Receivable</u>	
CGST	15
SGST	<u>12</u>
	<u>27/-</u>
<u>Net Payable</u>	<b>Rs 9</b>

Tax Payments

<u>Payable</u>	(in Rs)
CGST	25
SGST	<u>20</u>
	<u>45/-</u>
Less: <u>Receivable</u>	
CGST	20
SGST	<u>16</u>
	<u>36/-</u>
<u>Net Payable</u>	<b>Rs 9</b>

Tax Payments

<u>Payable</u>	(in Rs)
CGST	30
SGST	<u>24</u>
	<u>54/-</u>
Less: <u>Receivable</u>	
CGST	25
SGST	<u>20</u>
	<u>45/-</u>
<u>Net Payable</u>	<b>Rs 9</b>

**STATE : PUNJAB**

**GST FLOW - INTER - STATE MOVEMENT**

Cotton Price: Rs 100  
 CGST 10% : Rs 10  
 SGST 8% : Rs 8

INPUT TAX CREDIT  
 IGST Rs 27

INPUT TAX CREDIT  
 IGST Rs 36

INPUT TAX CREDIT  
 IGST Rs 45

**Yarn  
 Manufacturer "A"**

Yarn sale

**Garment  
 Manufacturer "B"**

Garment sale

**Wholesaler  
 "C"**

Garment sale

**Retailer  
 "D"**

**Consumer  
 "E"**

**TOTAL COST-  
 Rs 354/-**

<b>Tax Invoice-"A"</b>	
Sale Price:	150/-
IGST 18%	27
<b>Total</b>	<b>177</b>

<b>Tax Invoice-"B"</b>	
Sale Price:	200/-
IGST 18%	36
<b>Total</b>	<b>236</b>

<b>Tax Invoice-"C"</b>	
Sale Price:	250/-
IGST 18%	45
<b>Total</b>	<b>295</b>

<b>Tax Invoice-"D"</b>	
Sale Price:	300/-
IGST 18%	54
<b>Total</b>	<b>354</b>

<b>Tax Payments</b>	
<u>Payable</u>	(in Rs)
IGST	27
Less: <u>Receivable</u>	
CGST	10
SGST	8
	<u>18/-</u>
<u>Net Payable</u>	<b>Rs 9</b>

<b>Tax Payments</b>	
<u>Payable</u>	(in Rs)
IGST	36
Less: <u>Receivable</u>	
IGST	27
<u>Net Payable</u>	<b>Rs 9</b>

<b>Tax Payments</b>	
<u>Payable</u>	(in Rs)
IGST	45
Less: <u>Receivable</u>	
IGST	36
<u>Net Payable</u>	<b>Rs 9</b>

<b>Tax Payments</b>	
<u>Payable</u>	(in Rs)
IGST	54
Less: <u>Receivable</u>	
IGST	45
<u>Net Payable</u>	<b>Rs 9</b>



# GST FLOW - INTER - STATE MOVEMENT

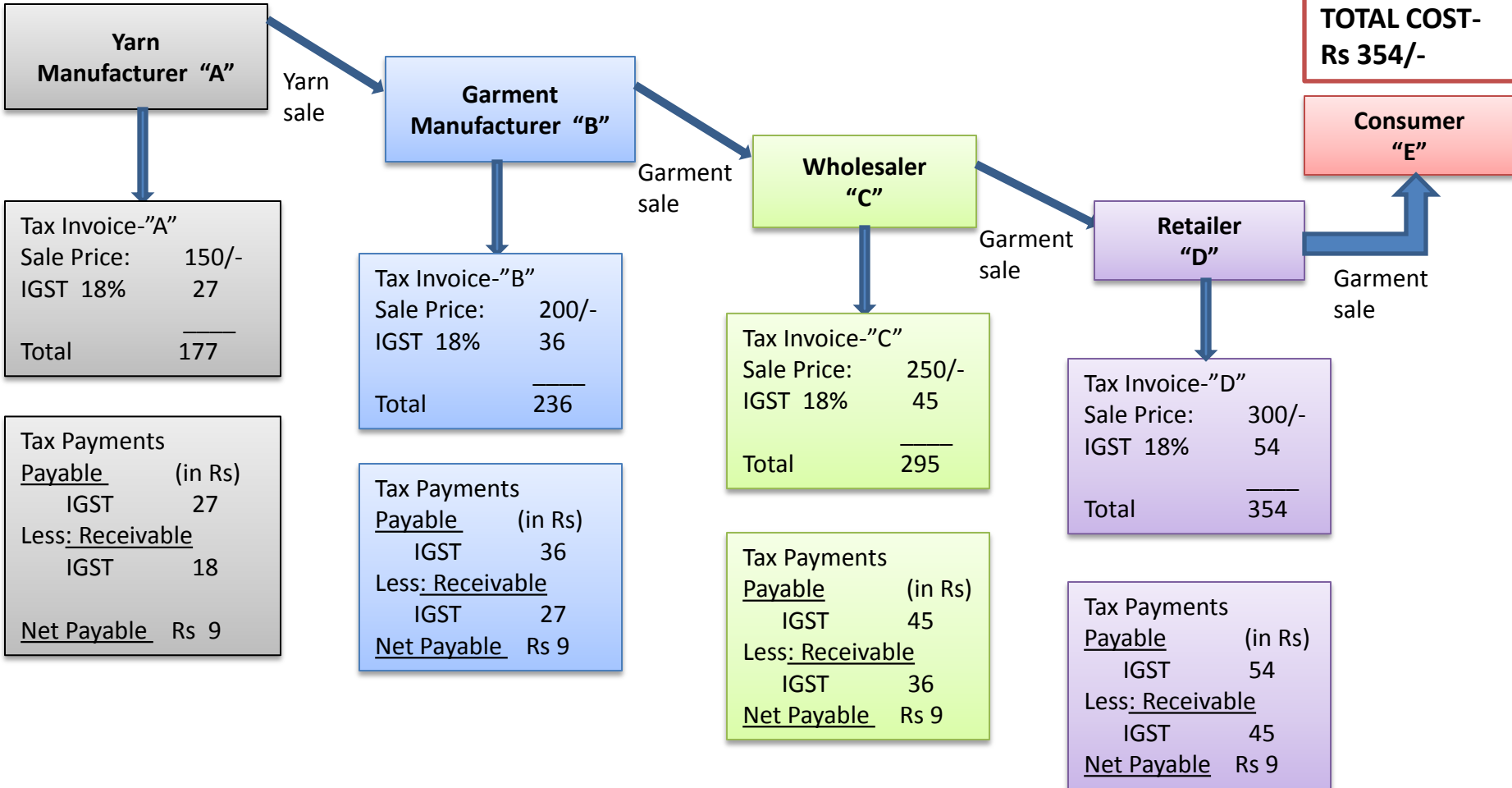
PURCHASING STATE : HARYANA

Cotton Price: Rs 100  
IGST 18% : Rs 18

INPUT TAX CREDIT  
IGST Rs 27

INPUT TAX CREDIT  
IGST Rs 36

INPUT TAX CREDIT  
IGST Rs 45



# GST FLOW

**PURCHASING STATE : PUNJAB**

Cotton Price: Rs 100  
CGST 10% : Rs 10  
SGST 8% : Rs 8

**Within State Supply**

Sale Price: 100/-  
CGST 10% 10  
SGST 8% 8  

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Total 118/-

**Inter-State Supply**

Sale Price: 100/-  
IGST 18% 18  

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Total 118/-

## Tax Payments

	PAYABLE	ITC	Net Payable
IGST	18	0	18
CGST	10	10	0
SGST	8	8	<u>0</u>
			18

**IGST**

# **GST**

**Transitional Provisions**

**Registration**

**Levy of , and exemption from tax**

**Tax Invoice**

**Tax Payment**

**Input tax credit**

**E-commerce**

**Job work**

**Time and value of supply**

**Assessment**

**Returns**

**Refunds**

**Audit**



# GST

Goods &  
Services  
Tax



# REGISTRATION

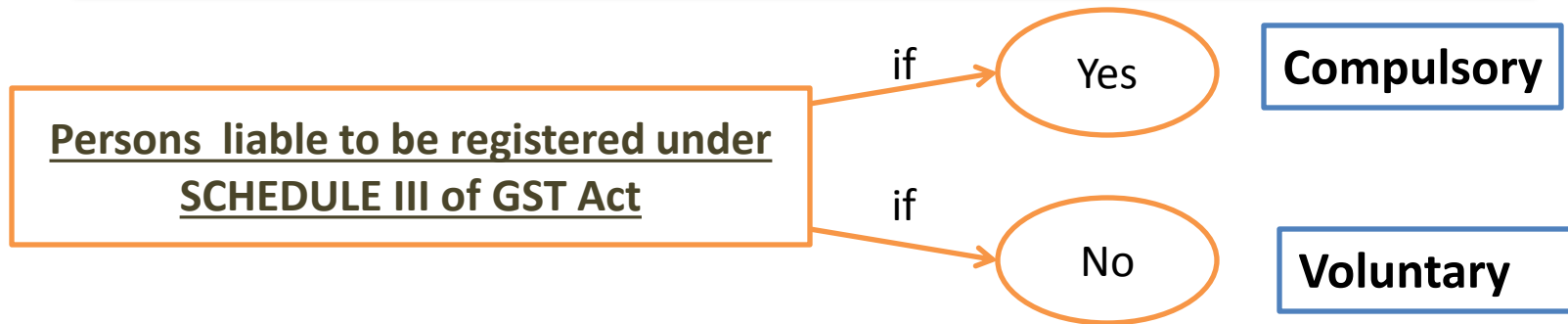
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# PROVISIONS FOR REGISTRATION

- ✓ COMPULSORY & VOLUNTARY REGISTRATION
- ✓ SPECIAL PROVISIONS
- ✓ AMENDMENT
- ✓ REGISTRATION PROCESS
- ✓ APPROVAL PROCESS
- ✓ CANCELLATION
- ✓ REVOCAION OF CANCELLATION
- ✓ SUMMARY



# Compulsory & Voluntary Registration (SECTION 19)



Time Limit to apply for Registration -- **30 days**  
(from the date on which he becomes liable for registration)



**PAN** is mandatory for  
Registration

In case of multiple business ,  
separate registration **may be**  
obtained.

Specialized agency of UNO  
, Multilateral financial  
Institution etc shall obtain  
**UNIQUE IDENTITY**  
**NUMBER(UIN)** for notified  
purposes



If eligible person fails to  
obtain registration, Proper  
officer may proceed to  
register such person himself.

# MIGRATION OF EXISTING TAXPAYERS TO GSTN DATABASE



- Existing Registrants either with states or with centre to be migrated to GSTIN.  
(Provisional Registration – Validity – 6 Months)



Registration Information

- Validation of existing registration information by GSTN



- Verification by authorities

- Verification/updation of migrated data by existing registrants within specified period



**Are you  
ready  
for  
GST?**

- Issuance of GSTIN by GSTN



# Registration of New Applicant

➤ **Online Application through common portal**



➤ **Application not submitted through Digital signature to be supported by sending a signed copy of summary form**

➤ **No application fee except advance tax in case of casual taxable persons**



➤ **Email & SMS based alerts to applicants**



➤ **Application can be filed through Facilitation centres and Tax Return preparers**

BY : CS SANJAY MALHOTRA



# APPROVAL PROCESS



- Online grant of Registration



- 3 Working days to respond  
(deemed approval after 3days)



- Log in ID and Temporary password  
communicated to tax payer



- Online Verification of certain  
details like PAN, CIN etc.



- Online communication of application  
to Jurisdictional Authorities



- Download Registration Certificate

# Special Provisions (SECTION 19A)



Registration  
Information

Casual Taxable Person

Non-Resident Taxable  
Person

- Certificate of registration shall be valid for **90 days**. (May be extended for further 90 days)
- Shall make an advance deposit of tax equal to est. Tax Liability.



## Documents to be filed for Registration :-



Constitution of  
business

Principal place  
of business

Bank Accounts

Authorised  
Signatory

# Amendment of Registration (SECTION 20)



**Inform the proper officer of any changes in information furnished initially or subsequently.**

**Proper officer may approve or reject amendment**

**Principle of natural justice** shall be followed while rejecting the request for amendment.

# Cancellation of Registration (SECTION 21)



Proper Officer may cancel the registration, **either on his own motion or on an application filed.**

Registration can also be cancelled in case of **contravention , fraud , not furnishing returns etc**



Cancellation **shall not affect the previous liability** of taxable person.

On cancellation , amount = **credit of Input tax or output tax (whichever is higher shall be debited in ledger.)**



# Revocation of Registration (SECTION 22)



- If cancellation by proper officer **on his own motion**.
- Application to be filed within **30 days** from the date of cancellation order.
- In case of rejection of application , principles of natural justice shall be followed.



# SUMMARY

SR NO.	PARTICULARS	TIME FRAME
1.	Time for applying registration	<b>Within 30 days</b>
2.	Time for approval by tax authorities	<b>Within 3 working days</b>
3.	Period of validity of certificate of registration for casual & non-resident taxable person.	<b>For 90 days</b> from effective date of registration (extension for period not exceeding 90 days)
4.	In case of person paying tax under Section 8 (Composition Levy), registration shall be cancelled if:-	Returns has not being furnished <b>for 3 consecutive tax period.</b> In other cases the time period is <b>6 months.</b>
5.	In case of voluntary registration, registration shall be cancelled if:-	Business has not commenced <b>within 6 months.</b>
6.	Time for applying for revocation of cancellation:-	<b>Within 30 days</b> from the date of service of cancellation order.







BY : CS SANJAY MALHOTRA

# INTRODUCTION

- Refund of tax
- Payment of refund
- Withheld of refund
- Important points
- Relevant date
- Interest on delayed refunds
- Consumer Welfare Fund
- Utilization of the Fund
- Situations where refund would arise
- Documents to be filed for refund
- Procedure
- Summary



# REFUND OF TAX (SECTION 38)



Any person claiming refund & interest of any tax, may make an application to proper officer **before expiry of 2 yrs.**

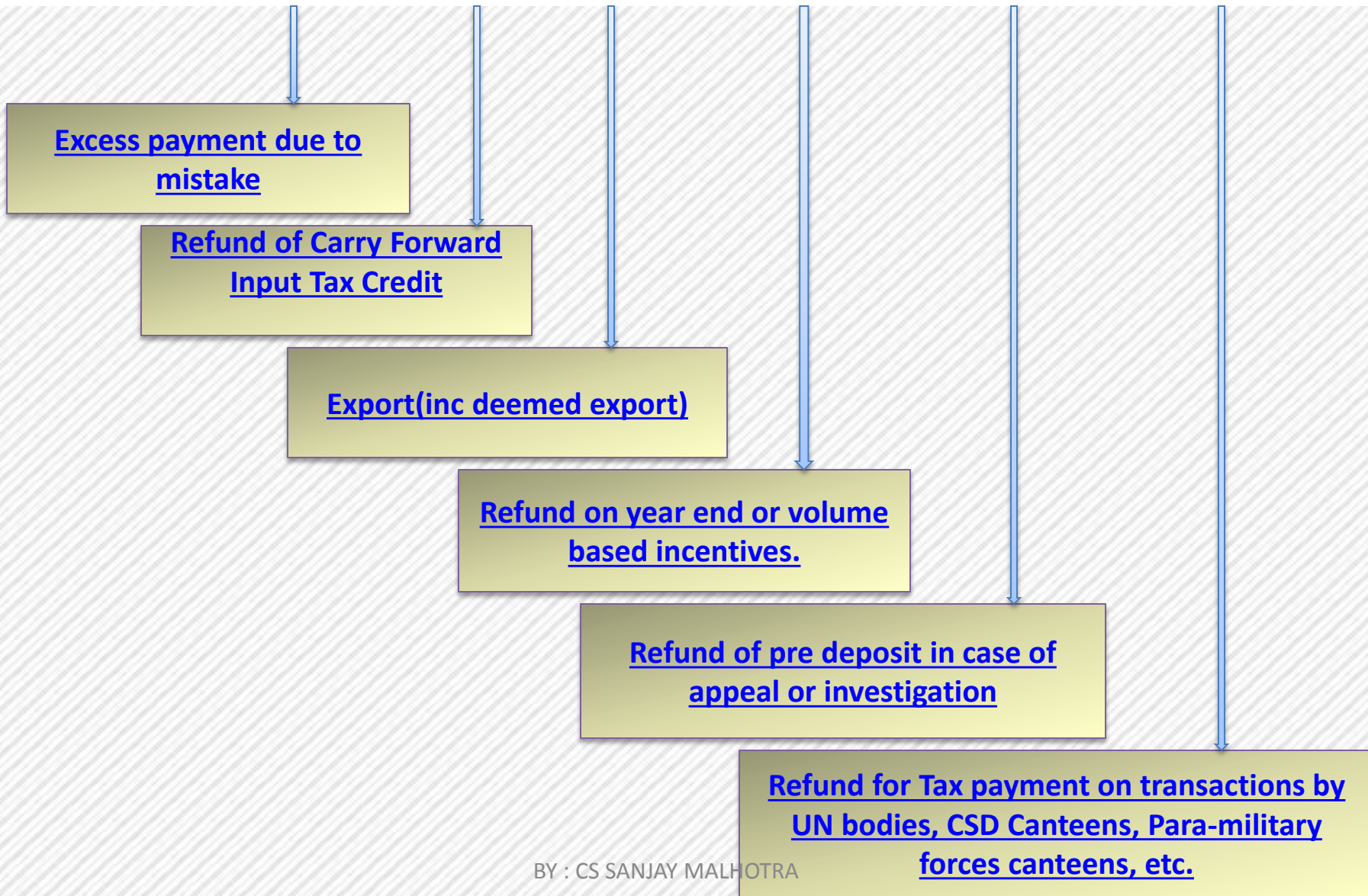
A taxable person may claim refund of any unutilized Input Tax credit **at the end of any tax period.**

Application shall be accompanied by necessary documentary evidences & amount so determined shall be credited to the Fund.

The proper officer shall issue order **within 90 days** from date of the receipt of application.

No refund shall be paid **if amount < 1000 Rs.**

# Situations where refund would arise:



## Excess payment of Tax due to mistake or Inadvertence :



Excess payment  
may be on a/c of

Wrong mention  
of tax a/c

Wrong mention  
of GSTIN

Wrong mention  
of nature of  
tax(CGST,SGST)

Verify the  
correctness of the  
taxpayer's claim and  
taxpayer can file a  
refund within the  
time period

Refund of excess  
amount of tax,  
either be  
automatically  
carried forward for  
adjustment against  
future tax liabilities  
or be refunded

# Export(including deemed export) of Goods/Services

Two options made available to the exporter in the proposed GST regime:

*a) Obtaining duty paid inputs & claiming refund of the same at the time of export of the finished goods without payment of duty.*

*b) Obtaining duty paid inputs, availing the ITC & exporting finished goods after payment of duty (after utilizing such input tax credit) & claiming the rebate of duty paid.*

• No Partial refund. Entire refund claim may be sanctioned within the time limit laid down in the GST Law.

• No Refund of ITC paid on inputs for manufacturing of Goods on which Custom Export Duty is leviable.



# Pre deposit in case of Appeal or Investigation



**GET YOUR  
REFUND!**

The refund of such amount may be handled as per the procedure :

1

- Separate mechanism for accounting.

2

- Amount of tax paid during investigation become non-leviable once it is finalized or adjudication order is issued.

3

- As the investigation is over ,the taxpayer can claim refund of amount that have been paid in excess during investigation subject to the issuance of SCN.

# Tax payment on transactions by UN bodies, CSD Canteens, Para-military forces canteens, etc.

*The following process for grant of refund is recommended:*

**Refund on purchases by UN Bodies may be granted from only one office .**

**UN Bodies will be assigned a UID no. & will file their purchase statements (without purchase invoices) along with their claim for refund.**

**While making supplies to such bodies, the suppliers must indicate the Unique ID on the invoices.**

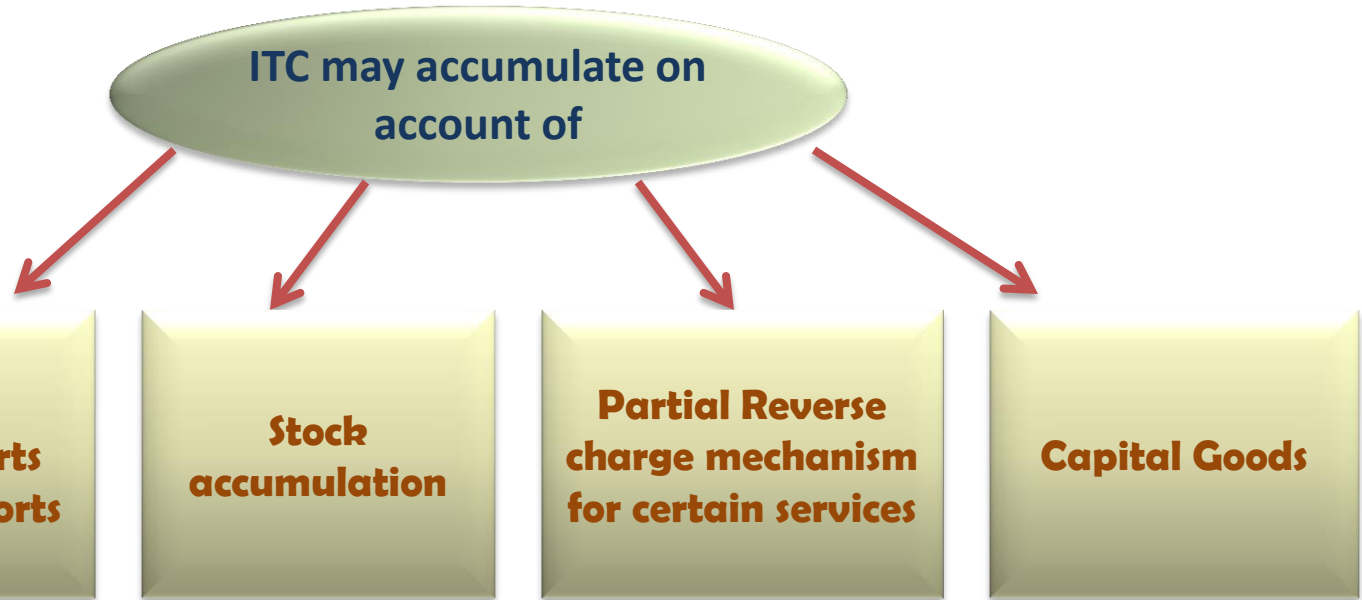
**Form of application for refund which may be used by such bodies is enclosed as Annexure-VII.**

**Same process for CSD canteen/CPMF canteen etc. No exemption in Tax but refund of Tax to be made.**





## Accumulation of Input tax credit



Cash refund may granted after due audit & sanctioned only after the ITC has been matched from purchase & sales statements filed along with monthly returns for Export.

GST Law may provide that refund of carried forward ITC may not be allowed and such amount would be carried forward to the next tax period.

## Refund on account of year end or volume based incentives

In such cases, the eligibility for ITC at the buyer's end and the O/P liability at the supplier's end will get reduced / adjusted on the basis of credit notes issued by the supplier and the corresponding debit notes issued by the buyers.



### NOTE

Refund would be granted after due verification including matching of credit and debit notes.

# PAYMENT OF REFUND



**Situations where refundable amount shall, instead of being credited to Fund, be paid to applicant :**

For goods & services or inputs used on such goods /services **exported out of India.**

Refund of **unutilized input tax credit**

If person had **not passed on the incidence** of such tax & interest to any other person

As the Central or State Govt. may specify, by **notification.**

A photograph showing wooden blocks spelling out "TAX REFUND" on a tax form. The form is a 1040, and there is a yellow paperclip on the left. The text "TAX REFUND" is written in black on the wooden blocks, which are arranged in two rows: "TAX" on top and "REFUND" below. The background is a blurred tax form with the number "1040" visible.

TAX REFUND

# WITHHELD OF REFUND

The taxable person who has defaulted in furnishing any return



TAX  
REFUND

The person who has defaulted in paying any tax, interest or penalty which has not been stayed by any court.

An order giving rise to refund is subject matter of any appeal or any other proceeding under this Act which is pending.

**Remember!**

If as a result of appeal or further proceeding, person become entitled to refund then he shall be entitled to interest as per section 39.

## Key points

No refund of unutilized input tax credit is allowed in cases :

- a) The goods exported out of India are subjected to export duty.

Any tax is not refunded within **3 months** from the date of receipt of application, interest shall be payable as specified.  
(Section 39)

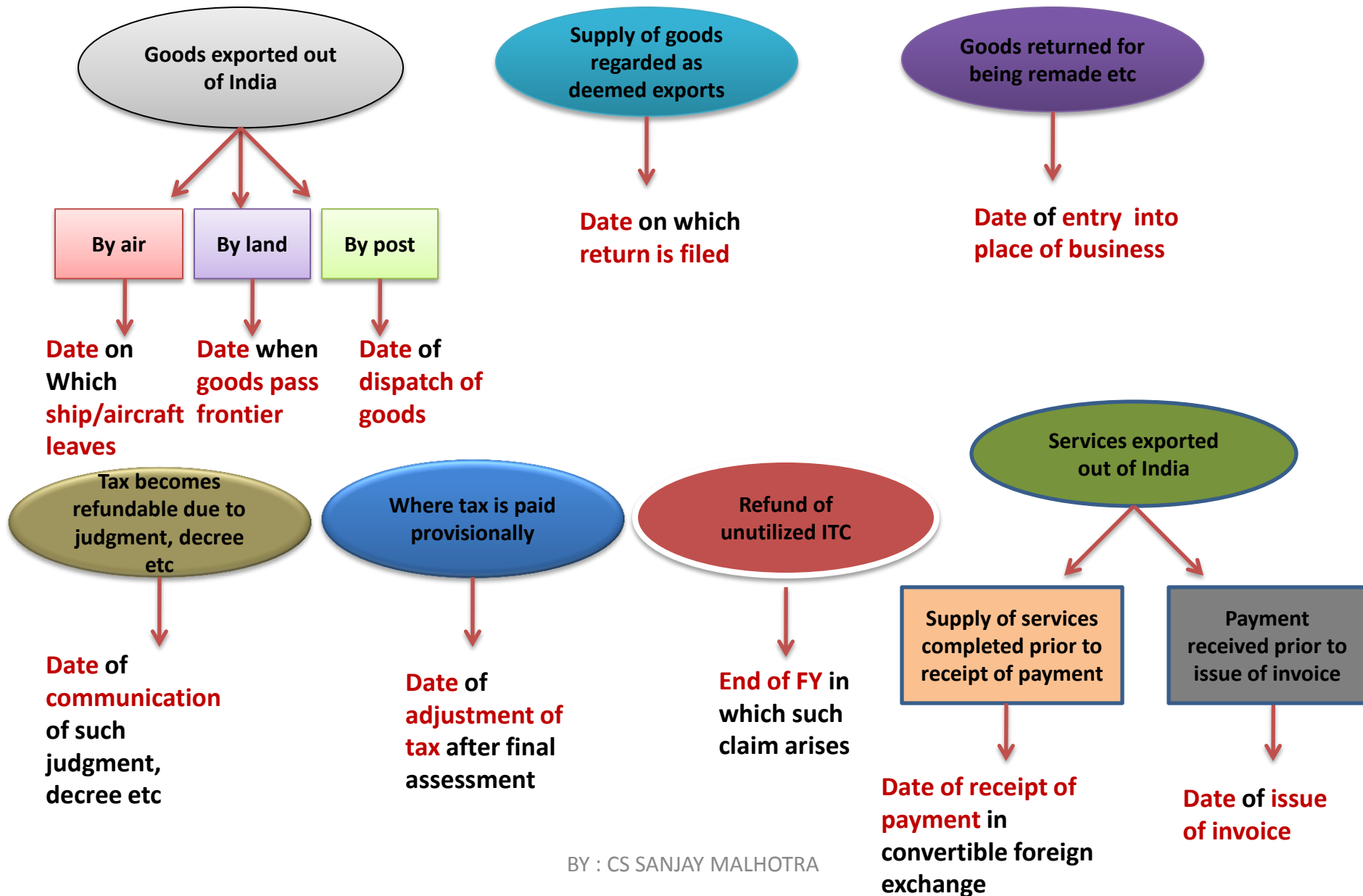
Where the amount claimed as refund is < 5 lac rupees, he may file a declaration instead of any documentary evidences.



- On account of export of goods /services, **80%** of amount so claimed (excluding ITC amount provisionally accepted) shall be refunded.

- **20%** may be refunded after due verification of documents.  
(Section 4A)

# “RELEVANT DATE”



# Interest (Section 39)



Time limit: The GST Law provide for a **time limit of 90 days** from the date of the system generated acknowledgment of refund application after which interest clause will start automatically.

Rate of interest: The Committee recommends that the rate of interest in case of refund may be around **6%**.

# Consumer Welfare Fund (Section 40)

The amount of tax referred to in sub-section (4),(4A) of Section 38 shall be credited to Fund.



Any income from investment & any other monies received by the Govt. shall be credited to the Fund.

# Utilization of the Fund (Section 41)

Any money credited to the Fund shall be utilized for the welfare of consumers.





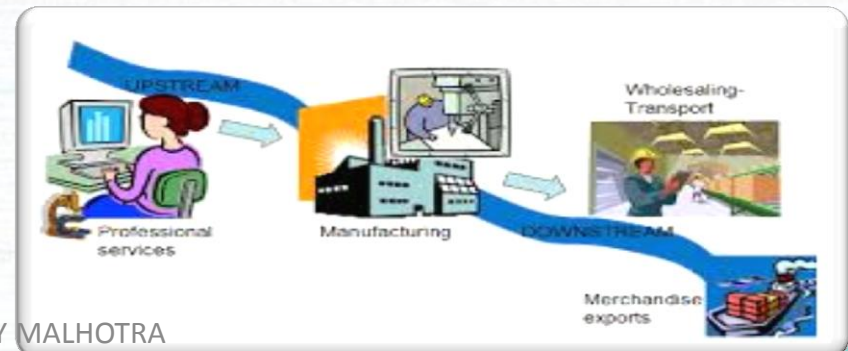
# Documents to be filed for refund :

## • Export of Goods:

- ❖ Shipping Bills, Export Invoice and Packing List are to be verified online.
- ❖ Mate Receipt and bill of Loading needed to be filed online with refund application.
- ❖ BRC to be filed within one year of export or in a prescribed period by RBI. To be submitted with application in case of advance payment.

## • Export of Services:

- ❖ Invoice
- ❖ BRC no. refund without filing of BRC.
- ❖ Cut-off date for filing of refund to be linked to receipt of BRC.
- ❖ No custom documents that can substantiate the occurrence of event of export as no shipping bill is required to be filed.



# Procedure :



**State Tax authorities shall deal with the SGST refund and Central Tax authorities shall deal with refund of CGST and IGST.**

**Applicant have option of filing refund application either through the GSTN portal or through the State / Central Tax portal.**

**On filing of the E- application, a receipt/ acknowledgement no. generated and communicated to applicant via SMS & email .**

# Procedure :

## Online refund:

The amount of refund can be transferred electronically through NEFT /RTGS/ECS.

## Process Review:

Every refund that is sanctioned need to go through a higher authority to ensure the correctness of decision of refund sanctioning authority.

## Pre-audit:

For refund amounts exceeding a pre-determined amount a provision for pre-audit of refund application.

## Show Cause Notice:

If refund is not found to be legal or correct for any reason, then jurisdictional authority should issue SCN to the applicant.

## Minimum Limit:

Amount in the range of Rs. 1000/- may be fixed below which refund shall not be granted.



## TIME PERIOD OF FILING REFUND :

<b>S NO</b>	<b>SITUATION OF REFUND</b>	<b>RELEVANT DATE</b>
<b>1.</b>	<b>On account of excess payment of GST due to mistake or inadvertence.</b>	<b>Date of payment of GST</b>
<b>2.</b>	<b>On account of Export of Goods</b>	<b>Date on which Custom Act gives an order for export known as "LET EXPORT ORDER".</b>
<b>3.</b>	<b>On account of Export of Services</b>	<b>Date of BRC</b>
<b>4.</b>	<b>In pursuance of an appellate authority's order in favor of the taxpayer.</b>	<b>Date of communication of the appellate authority's order</b>
<b>5.</b>	<b>On account of payment of GST during investigation, etc.</b>	<b>Date of communication of adjudication order</b>
<b>6.</b>	<b>On account of accumulated credit of GST</b>	<b>Date of providing of service</b>
<b>7.</b>	<b>For refund arising out of payment of GST on petroleum products, etc. to Embassies or UN bodies etc</b>	<b>Date of payment of GST</b>

# SUMMARY

SR NO.25	PARTICULARS	TIME FRAME
1.	Time for making application for claiming refund of any tax & Interest	<b>Before expiry of 2 years</b> from relevant date
2.	Time for issue of refund order by proper officer	<b>Within 90 days</b> from the date of receipt of application
3.	Time when interest on delayed refunds shall be payable	If refundable tax is not refunded <b>within 3 months</b> from receipt of application



# Remember...

No refund of unutilized tax credit **if goods exported are subjected to export duty**

Where **amount claimed < 5 lacs**, **simple declaration is required** instead of any other documents

Where any refund is due, **person defaulted in furnishing return, paying any tax, penalty etc. , if it will adversely affect the revenue, the payment shall be withhold.**

Proper officer shall refund **80% of total amount, excluding amount of ITC provisionally accepted & remaining 20% may be refunded after verification of documents**

No refund if the **amount is less than Rs. 1000**



# RETURNS



BY : CS SANJAY MAHOTRA



## Furnishing details of outward supplies (Section 25)

- Registered taxable person (exc. Input service distributor, person paying tax u/s 8/37) - furnish Electronically details of outward supply of goods/services affected **on or before 10<sup>th</sup> day of month succeeding the said tax period.**
- Any rectification of error /omission regarding details which have remained unmatched shall not be allowed **after filing of return for month of September following end of FY or filing of annual return.(w.e earlier)**

## Furnishing details of inward supplies (Section 26)

- Registered taxable person (exc. Input service distributor, person paying tax u/s 8/37) - furnish Electronically details of inward supply of taxable goods/services affected (inc. taxable supply under IGST, credit/debit notes received) **on or before 15<sup>th</sup> day of month succeeding the said tax period.**
- Any rectification of error /omission regarding details which have remained unmatched shall not be allowed **after filing of return for month of September following end of FY or filing of annual return.(w.e earlier)**



## RETURNS (Section 27)

- For every calendar month or part thereof, furnish electronically return **within 20 days after end of such month** (person paying tax u/s 8 shall furnish return for each quarter **within 18 days after end of such quarter**).
- Person, required to furnish return, shall be to credit of Govt. tax due not later than last date on which he is required to furnish return.
- Every taxable person require to deduct tax at source, shall furnish **return within 10 days after end of such month**.

## FIRST RETURN (Section 27A)

Every registered taxable person shall furnish return containing details of outward supplies u/s 25 & inward supplies u/s 26 **from the effective date of registration till end of month in which registration has been granted.**



## Annual Return (Section 30)

Every registered taxable person (exc. ISD, deductor u/s 37, casual & non-resident taxable person) shall furnish annual return for every FY electronically **on or before 31<sup>st</sup> day of December following end of such FY.**

## Final Return (Section 31)

Every registered taxable person who applies for cancellation of registration, shall furnish final return **within 3 months of date of cancellation or date of order (w.e later)**

### LEVY OF LATE FEE (Section 33) -

Late fee of Rs 100 for every day during which such failure continues subject **to maximum Rs 5000**. In case failure to furnish return u/s 30, the **maximum fee will be amt. calculated at quarter % of aggregate Turnover.**

BY : CS SANJAY MALHOTRA

**NOTE**



# Summary

SR NO.	PARTICULARS	TIME FRAME
1.	Furnishing details of outward supplies	On or before 10 <sup>th</sup> day of month succeeding the said tax period
2.	Furnishing details of inward supplies	On or before 15 <sup>th</sup> day of month succeeding the said tax period
3.	Returns for every calendar month or part thereof	Within 20 days after end of such month
4.	Person required to deduct tax at source shall furnish return	Within 10 days after end of month in which such deduction is made
5.	Person shall furnish first return	From the date on which he become liable to registration till end of month in which registration has been granted
6.	Annual return	On or before 31 <sup>st</sup> day of December following end of FY
7.	Final return	Within 3 months of date of cancellation or date of order (w.e is later)

Any rectification of error /omission regarding details which have remained unmatched shall not be allowed **after filing of return for month of September following end of FY or filing of annual return.(w.e earlier)** BY : CS SANJAY MALHOTRA



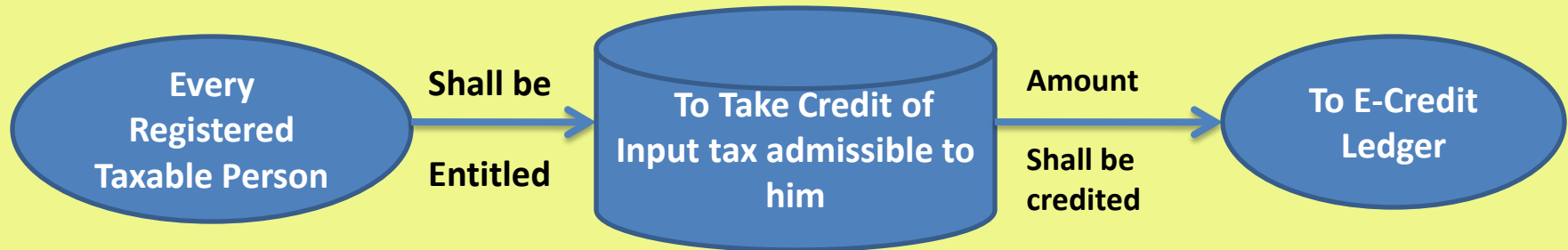
**INPUT**  
**TAX**  
**CREDIT**



# INTRODUCTION

- Manner of taking Input Tax Credit
- Important points for availing ITC
- Non-availability of ITC in certain cases
- Conditions for availing ITC
- Special cases
- ITC in respect of job work
- Manner/Conditions of distribution of credit by ISD
- Recovery of Credit
- Summary

## Manner of taking Input Tax Credit (Section 16)



Person voluntary registered shall be entitled to take credit of input tax in respect of inputs held in stock & contained in semi-finished or finished goods held in stock on immediately preceding day.



# Important Points for availing ITC



➤ Person who applied for registration **within 30 days** & the same has been granted, be entitled to take credit of Input Tax.

➤ Taxable person shall not be entitled to take ITC **after the expiry of 1 year from the date of issue of tax invoice.**

➤ Goods /Services used for partly for business & partly for other, **ITC can be availed of input tax attributable to purpose of business.**

➤ Goods/Services used partly for effecting taxable supplies & partly for non-taxable supplies.(Exc. Zero rated supplies), **ITC can be availed of input tax attributable to taxable supplies.(Inc. zero rated)**

➤ If there is change in constitution of taxable person, the said person shall be **allowed to transfer unutilized ITC to the transferred business.**

## ITC shall not be available in respect of following:

• **Motor vehicles** except used in business or for providing services like transportation of passengers/goods or imparting training.

• Goods acquired by principal, the **property which is not transferred**, used in construction of immovable property.

• Goods/services provided in relation to **food & beverages, outdoor catering, beauty treatment etc. extended to employee for their personal use**

• Goods/Services on which **tax has been paid under Section 8 (Composition Levy)**

• Goods/Services **acquired by principal in execution of works contract results in construction of immovable property.**

• Goods/Services used for **personal consumption**, to the extent they are consumed.







# Conditions for availaing ITC

Person must be **in possession of tax invoice, debit note or such other documents**, issued by registered supplier.

Person must have **received the goods/services**.

The tax charged must have been **actually paid** to the credit of appropriate Govt.

Person must have **furnished the return** under section 27.

A yellow rectangular sign with a red circular fastener at the top center. The word "Remember!" is written in bold black text.

**Remember!**

A green horizontal scroll with rounded ends and a shadow effect.

Where registered taxable person has claimed depreciation on tax component of cost of capital goods, **ITC shall not be allowed on said tax component.**

A purple horizontal scroll with rounded ends and a shadow effect.

A taxable person shall not be entitled to ITC in respect of any invoice for supply of goods/services **after filing of return u/s 27 for month of Sept. following end of FY.**

# Special Cases

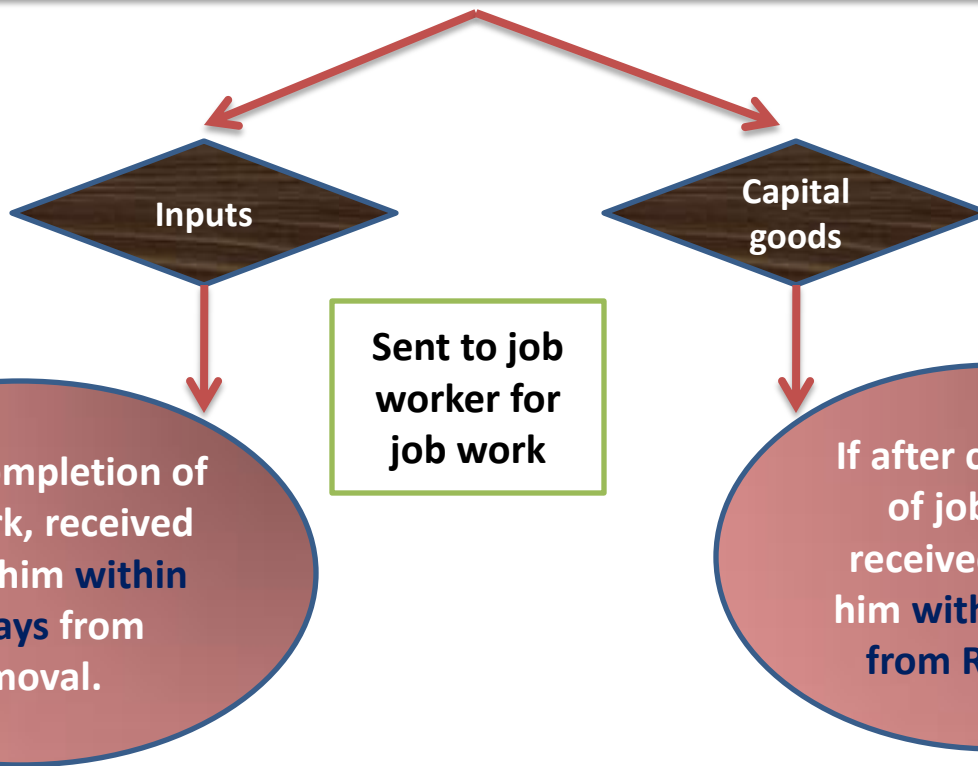


**If person switches for paying tax u/s 8 or goods/services become abs. exempt u/s 10, he shall pay amt. = credit of input tax. (by way of debit in E-Cash/Credit Ledger)**

**In case of supply of capital goods, the person shall pay amt. = ITC taken on said goods reduced by %age points as specified or tax on transaction value.(w.e. is higher)**

# Taking ITC in respect of inputs sent for job work Section (16A)

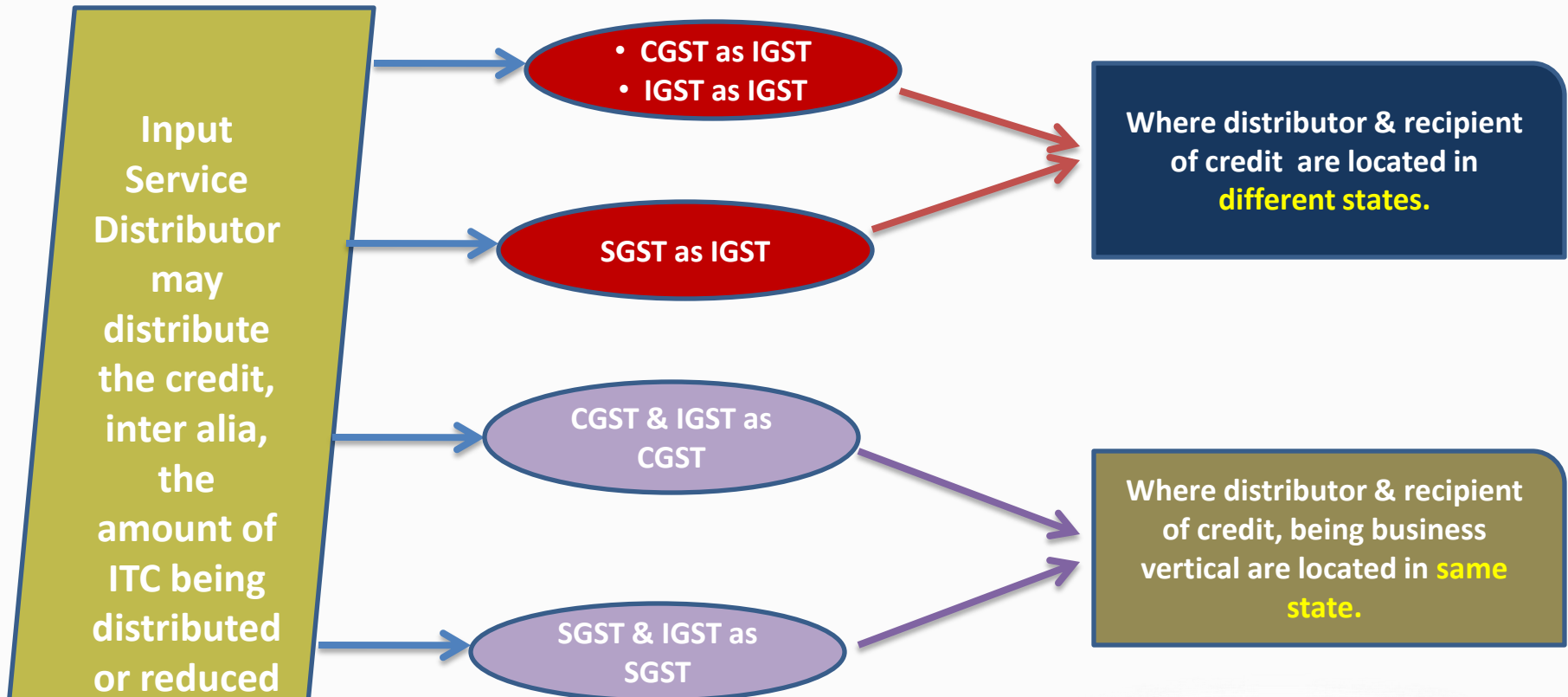
“Principal” shall subject to conditions, be entitled to take credit of input tax on :



If inputs/capital goods are not received back within time specified , Principal shall pay amount = ITC availed along with interest.

# Manner of distribution of credit by input service distributor

## Section (17)



# Manner of recovery of credit distributed in excess Section(18)



Where the credit distributed by input service distributor

Is in **excess of credit** available  
for distribution by him

In **contravention of provisions**  
contained in section 17

The excess credit so distributed shall be  
recovered along with interest &  
provisions of section 51 shall apply for  
affecting such recovery.

# Summary

SR NO.	PARTICULARS	TIME FRAME
1.	The time after which a taxable person shall not be entitled to ITC	<b>After the expiry of 1 year</b> from the date of issue of tax invoice.
2.	In case of inputs sent for job work, principal shall be entitled to ITC if the inputs received back	Within <b>180 days</b>
3.	In case of capital goods sent for job work, principal shall be entitled to ITC if the capital goods received back	Within <b>2 years</b>



# TIME & VALUE OF SUPPLY



BY : CS SANJAY MALHOTRA



## Time of Supply of Goods ( Section 12)

Date on which Goods are removed by supplier, if required to be removed

Date on which Goods are made available to recipient, if not required to be removed

Date on which supplier issues invoice

Date on which supplier receives the payment

Date on which recipient shows receipt of goods in books of account

Whichever is EARLIER



## Time of Supply of Services ( Section 13)

If invoice is issued  
within prescribed period

Date of issue of invoice

**Whichever is earlier**

Date of receipt of  
Payment

If invoice is not issued  
within prescribed period

Date of completion of  
provision of service

**Whichever is earlier**

Date of receipt of  
Payment

In case clause (a), (b) does not apply, date  
on which recipient shows the receipt of  
services in his books of account

BY : CS SANJAY MALHOTRA



## CONTINUOUS SUPPLY

GOODS

SERVICES

If successive statements of accounts/payments involved = **date of expiry of such period**

Where due date of payment is ascertainable = **date on which payment is liable to be made**

If no successive statements of account = **date of issue of invoice or date of receipt of payment (whichever is earlier)**

Where due date of payment is not ascertainable = **time when supplier receives payment or issues an invoice (whichever is earlier)**



# REVERSE CHARGE BASIS

GOODS

SERVICES

- a) Date of receipt of Goods/ Services or,
- b) Date on which payment is made or,
- c) Date of receipt of invoice or,
- d) Date of debit in books of accounts  
( **whichever is earlier** )

BY : CS SANJAY MALHOTRA



## OTHER CASES

If goods are removed before it is known whether a supply will take place

Time when it becomes known that supply has taken place or 6 months from date of removal (whichever is earlier)



Where supply of services ceases under contract before completion of supply

Time when the supply ceases

If it is not possible to determine time of supply of Goods/ services in manner specified above :-

- a) In case where periodical return has to be filed, date on which such return is to be filed.
- b) in any other case, date on which CGST/SGST is paid

# CHANGE IN RATE OF TAX IN RESPECT OF SUPPLY OF SERVICES(Section 14)

In case taxable service has been provided before change in effective rate of tax

Invoice issued & payment received **after** change = **date of issue of invoice or date of receipt of payment (whichever is earlier)**

Invoice issued **prior** & payment received **after** change = **date of issue of invoice**

Invoice issued **after** & payment received **before** change = **date of receipt of payment**

In case taxable service has been provided after change in effective rate of tax

Invoice issued & payment received **before** change = **date of issue of invoice or date of receipt of payment (whichever is earlier)**

Invoice issued **after** & payment received **before** change = **date of issue of invoice**

Invoice issued **prior** & payment received **after** change = **date of receipt of payment**

# VALUE OF TAXABLE SUPPLY (SECTION 15)

Value of supply  
of  
Goods/Service  
s in general  
cases

TRANSACTION  
VALUE

VALUE OF SUPPLY OF GOODS/SERVICES IN  
FOLLOWING SITUATIONS WHICH CANNOT BE  
VALUED ACCORDING TO TRANSACTION VALUE :

Valuation shall be  
determined :  
Comparison Method /  
Computed Value /  
Residual Value

- a) Consideration, whether paid or payable, is not money
- b) Supplier & recipient are related
- c) Doubt on truth or accuracy of transaction value
- d) Transactions undertaken by pure agent etc.
- e) Other supplies notified





# AUDIT

---

BY : CS SANJAY MALHOTRA



# Audit by tax authorities (Section 49)

Notice in advance , **not less than 15 working days** shall be given to taxable person prior to audit.

Commissioner of CGST/SGST(Or officer authorised) may undertake audit.

Audit shall be completed within **period of 3 months** (extension upto 6 months)

The taxable person shall provide all necessary facilities to verify and render all required assistance/ information.



On conclusion, shall inform the findings to taxable person & may initiate action under section 51, if required.



# Special Audit (Section 50)

The officer (not below the rank of deputy/assistant commissioner) can direct the records to be audited by CA/ Cost accountant

The CA/ cost accountant so nominated shall submit report **within 90days** (extension further upto 90days)

The taxable person shall be given an opportunity of being heard

If there is detection of tax not paid, proper officer may initiate action under section 51

# SUMMARY



AUDIT



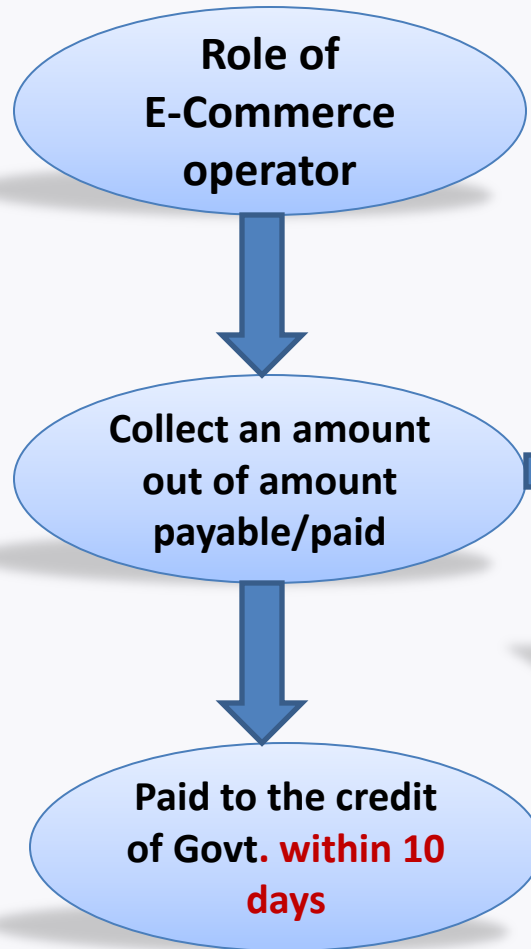
SR. NO.	PARTICULARS	TIME FRAME
1)	Period of notice to taxable person	Not less than <b>15working days</b>
2)	Time for completion of audit	Within a period of <b>3months</b> (can be extended for not exceeding 6months)
3)	In case of special audit, the time for submission of report by CA/ Cost accountant	<b>Within 90days</b>





BY : CS SANJAY MALHOTRA

# COLLECTION OF TAX AT SOURCE (SECTION 43C)



- **At the time of credit of amount to account of supplier or**
- **Payment of amount in cash or any other mode.(whichever is earlier)**



# Points to remember

**Operator shall furnish statement of all amount collected towards supplies.**

**The amount collected shall be deemed to be payment of tax & supplier shall claim credit.**

**Details of supply be matched with corresponding details in valid return .**

**Any discrepancy, not rectified shall be added to output liability of supplier.**

**Any authority by notice , require operator to furnish certain details.(If fails to furnish, operator liable to penalty upto Rs 25K)**



# SUMMARY



SR. NO.	PARTICULARS	TIME FRAME
1)	The time within which TCS collected shall be paid to the credit of appropriate Govt. by operator	<b>Within 10 days</b> after end of month in which collection is made
2)	Time to furnish a statement electronically, of all amounts collected towards outward supplies of goods/services affected through it	<b>Within 10 days</b> after end of such calendar month.
3)	Time within which operator to whom notice by any authority(not below rank of joint commissioner) has been served need to furnish information	<b>Within 5 working days</b> of date of service of notice.



# ASSESSMENT



BY : CS SANJAY MALHOTRA



# Provisional Assessment (Section 44A)

# Self Assessment (Section 44)



Registered taxable person shall **himself** assess the tax payable & furnish return.

If taxable person unable to determine the rate of tax, may request proper officer for tax payment on provisional basis.

Bond will be executed with such surety or security as proper officer may deem fit.

Proper officer shall pass final assessment order. Person shall pay the difference of amount of tax .

Taxable person shall be liable to pay interest, consequent to the order of final assessment.

If taxable person fails to furnish the return, proper officer may proceed to assess the tax liability to the best of his judgment & issue an assessment order.


**Assessment of unregistered persons**  
**(Section 47)**



If person fails to obtain registration, if liable to do so, proper officer may proceed to assess the tax liability & issue an assessment order

**Assessment of non-filers of returns.**  
**(Section 46)**

# Summary Assessment (Section 48)



What is  
summary  
assessment?

Proper officer may, on any evidence , with previous permission of (additional/joint commissioner), proceed to assess the liability of person & issue order.

When summary  
assessment is  
undertaken?

If he has sufficient ground to believe that any delay will adversely affect the interest of revenue.

When  
assessment  
order can be  
withdrawn?

On any application by taxable person or on his own motion, if additional /joint commissioner considers such order erroneous.



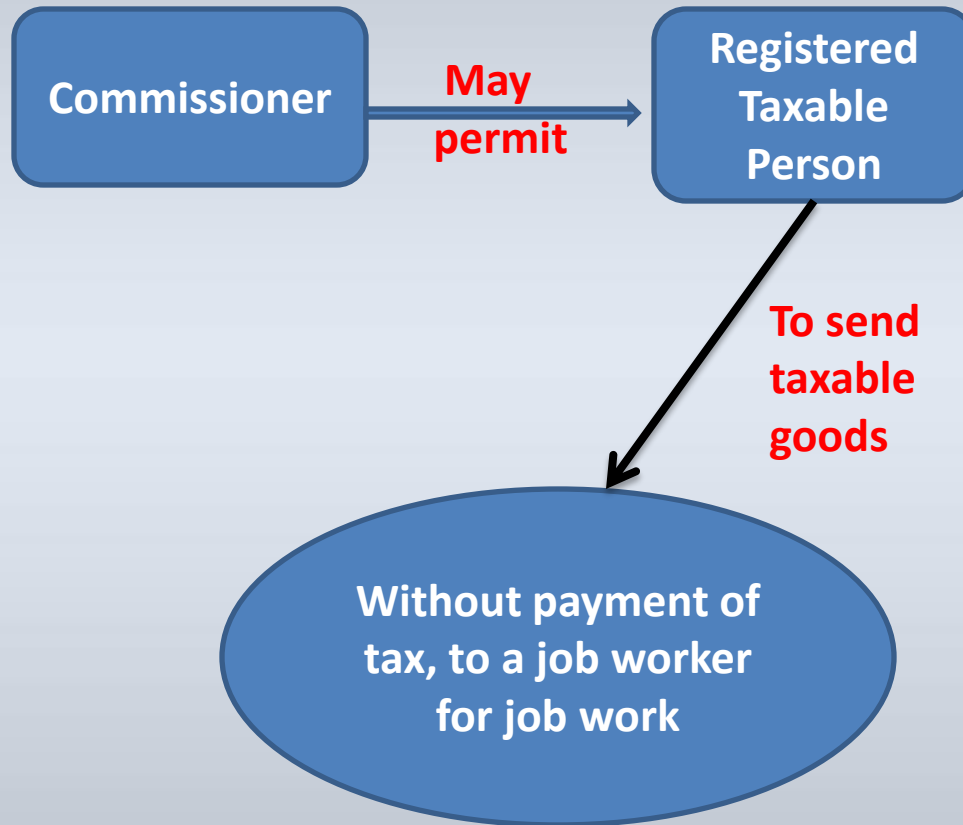
# SUMMARY

SR NO.	PARTICULARS	TIME FRAME
1.	Proper officer pass the final assessment order	Within period <b>not exceeding 6 months</b> from date of communication of provisional order.(extendable to further period of 6months)
2.	When proper officer may initiate action under scrutiny of returns	Within period of <b>30 days</b> of being informed of discrepancies.
3.	What time period shall be allowed before proceeding to assess the liability, in case of non filers of return	<b>15 days</b> from the date of service of notice.
4.	When assessment order, in case of non-filers of return shall be deemed to be withdrawn	If valid return is furnished <b>within 30 days</b>
5.	In case of unregistered person, assessment order shall be issued	<b>Within 5 years</b> from the due date of filing of annual return.
6.	When summary assessment in special cases can be withdrawn	On an application made <b>within 30 days</b>



BY : CS SANJAY MALHOTRA

# Special Procedure For Removal Of goods for certain purposes (Section 43A)





After completion of job work

Allow to

Bring back goods to his place of business (without tax) for supply within India or for export

OR

Supply goods direct from place of job worker (on payment of tax) within India or for export

The responsibility for accountability of goods shall lie with the "PRINCIPAL"



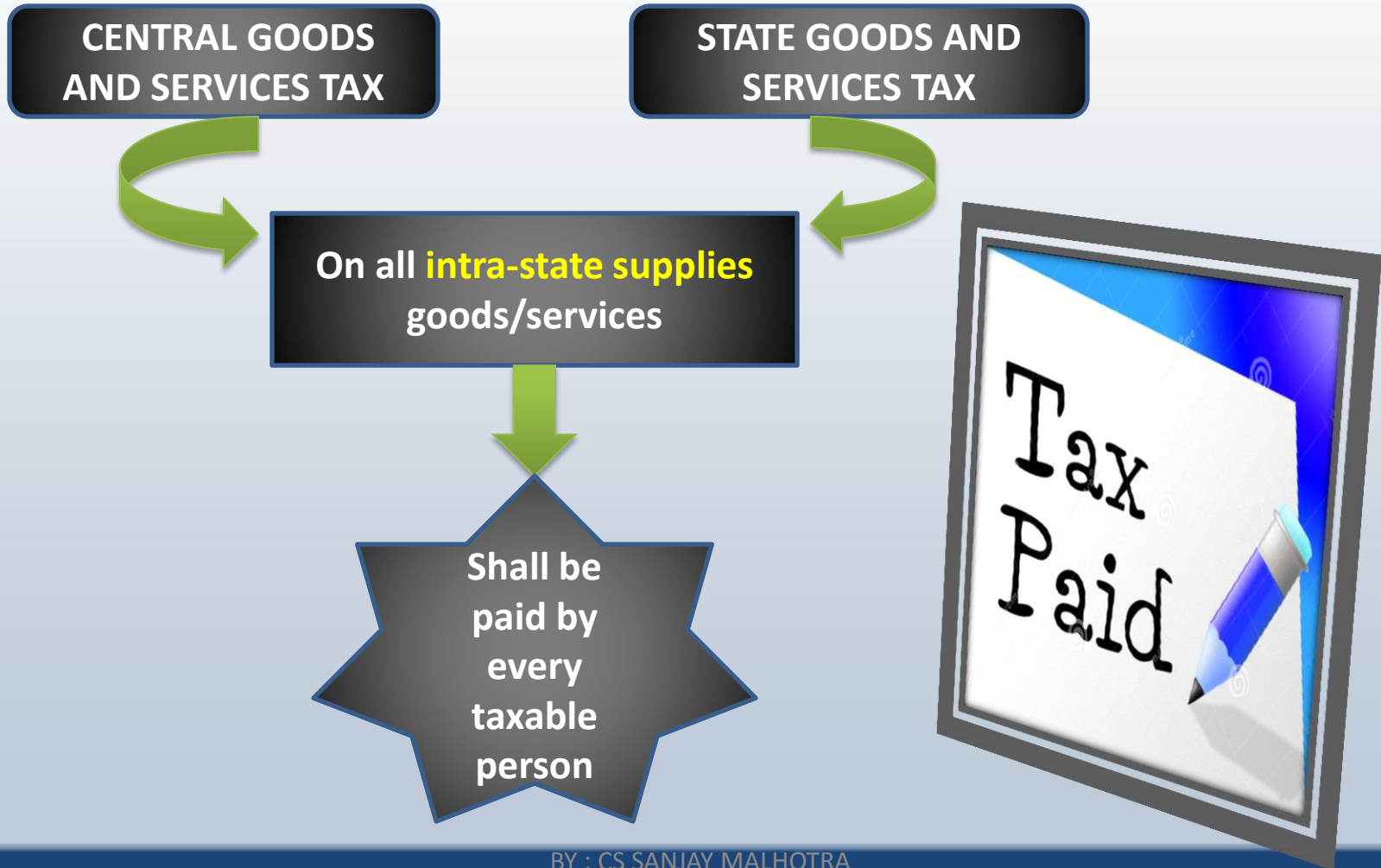
# LEVY OF AND EXEMPTION FROM TAX



BY : CS SANJAY MALHOTRA



# Levy and Collection of CGST/SGST (Section 7)



# Composition Levy (Section 8)

On the recommendation of council,  
Proper officer

may  
permit



A registered taxable person whose  
**aggregate turnover is max. Rs 50lacs.**

To  
pay

**Remember!**

- a) No permission in case of inter-state supplies
- b) Taxable person shall not be entitled to input tax credit.

In lieu of tax payable by him, an amount prescribed but **not less than 1% of turnover during year**

# TAXABLE PERSON (Section 9)

Person required to be registered under para 1 of Schedule III, shall be considered as taxable person if his aggregate turnover in FY exceeds Rs 10 Lac



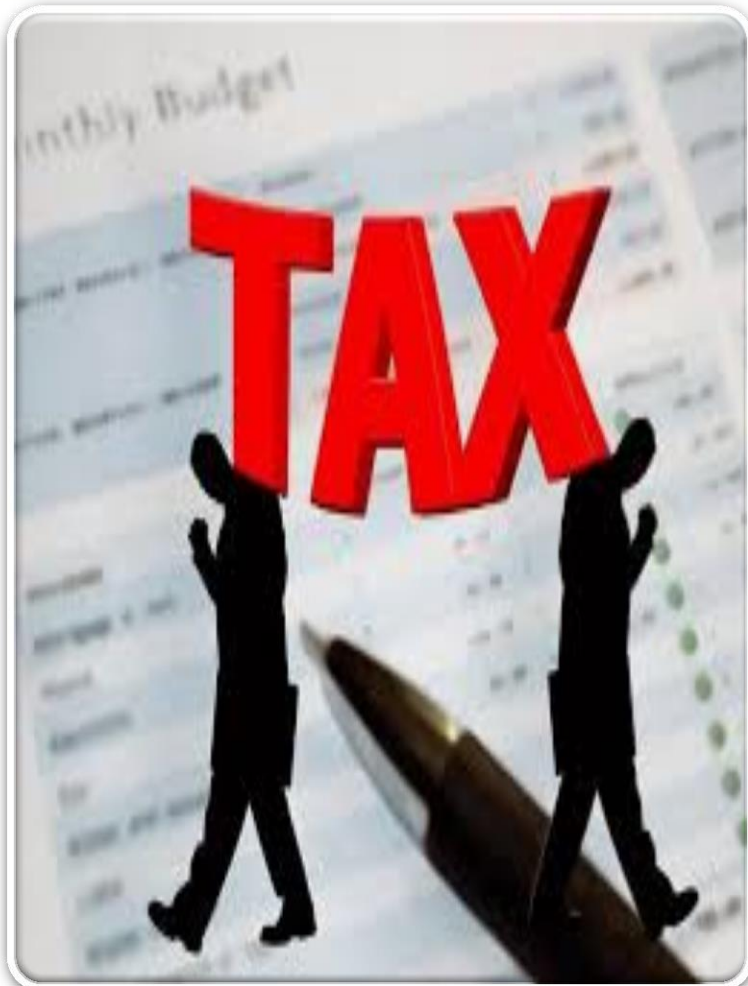
TAXABLE PERSON

Person required to be registered under para 1 of Schedule III, shall be considered as taxable person if his aggregate turnover in FY exceeds Rs 5 lac (if business is conducted in any NE states)

person who carries on any business at any place in India /State of \_\_\_\_\_ and who is registered or required to be registered under **Schedule III.**

Central/State Govt./Local Authority shall be regarded as taxable person in respect of activities in which they are engaged as public authorities.

# Persons not to be considered as taxable persons



Following persons **shall not be** considered as taxable persons for the purposes of this Act ---

- Any person who provides services as an **employee to his employer** in relation to his employment,
- Any person engaged in the business of **exclusively supplying goods and/or services that are not liable to tax.**
- Any person liable to pay tax under **Section 7 (3) receiving services for personal use.**

# Power to grant exemption from tax (Section 10)



Who can grant exemption & on what ground it can be granted?

If Central/State Govt. is satisfied , in public interest, it may (by order/notification) exempt(absolutely/conditionally)any goods/services as specified.

What is the reason of inserting an explanation to order?

Central/State Govt. , if considers necessary for clarifying the scope of any notification/order issued, insert an explanation within 1 year of such issue.

## Remission of tax on supplies found deficient in quantity (Section 11)

The Central or a State Government may, by rules made under this subsection, provide for remission of tax on such supplies which are found to be deficient in quantity due to any natural causes.



# SUMMARY



For composition levy, **aggregate turnover < Rs 50 Lakhs**, to pay not less than 1% of turnover.

Person to whom composition levy applies, **shall not be entitled to any ITC.**

Person shall be considered as taxable person, if his **aggregate turnover in FY > Rs 10 Lakh.**

Person shall be considered as taxable person, if his **aggregate turnover in FY > Rs 5 Lakh.**(if **person conducts his business in NE states**)

Person **providing services as an employee to his employer**, shall not be considered as taxable person.

Person engaged in business of **exclusively supplying exempted goods/services**, shall not be considered as taxable person.

Person liable to pay tax u/s 7(3) receiving services < \_\_\_ Rs in year for **personal use** ,shall not be considered as taxable person.

Power to grant exemption from tax either absolutely/conditionally lies with Central/State govt. , **If it is satisfied that it is necessary in public interest.**

# Tax Invoice, Credit & Debit Note





# Tax Invoice (Section 23)

Registered Taxable Person,  
supplying

Taxable goods &  
Services

Issue a tax invoice showing  
description, quantity , tax  
charged thereon & other  
particulars.

Registered taxable person  
supplying **non-taxable goods  
and/or services** or paying tax  
under the provisions of **section 8**  
shall issue, **BILL OF SUPPLY.**

Form 1040 Department of the Treasury—Internal Revenue Service  
U.S. Individual Income Tax Return  
For the year Jan. 1-Dec. 31, 2013, or other tax year

Label (See instructions on page 14.) Use the IRS label. Otherwise, please print or type.

Home address (number and street). If you have a P.O. box, see page 14.

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 14)  You must check this box if you are a child (with qualifying person). (See page 15.)  Spouse

Filing Status  
Check only one box.  
 Single  
 Married filing jointly (even if only one had income)  
 Married, separated, or divorced  
 Your spouse is a dependent  
 Spouse

Exemptions  
Total number of exemptions claimed

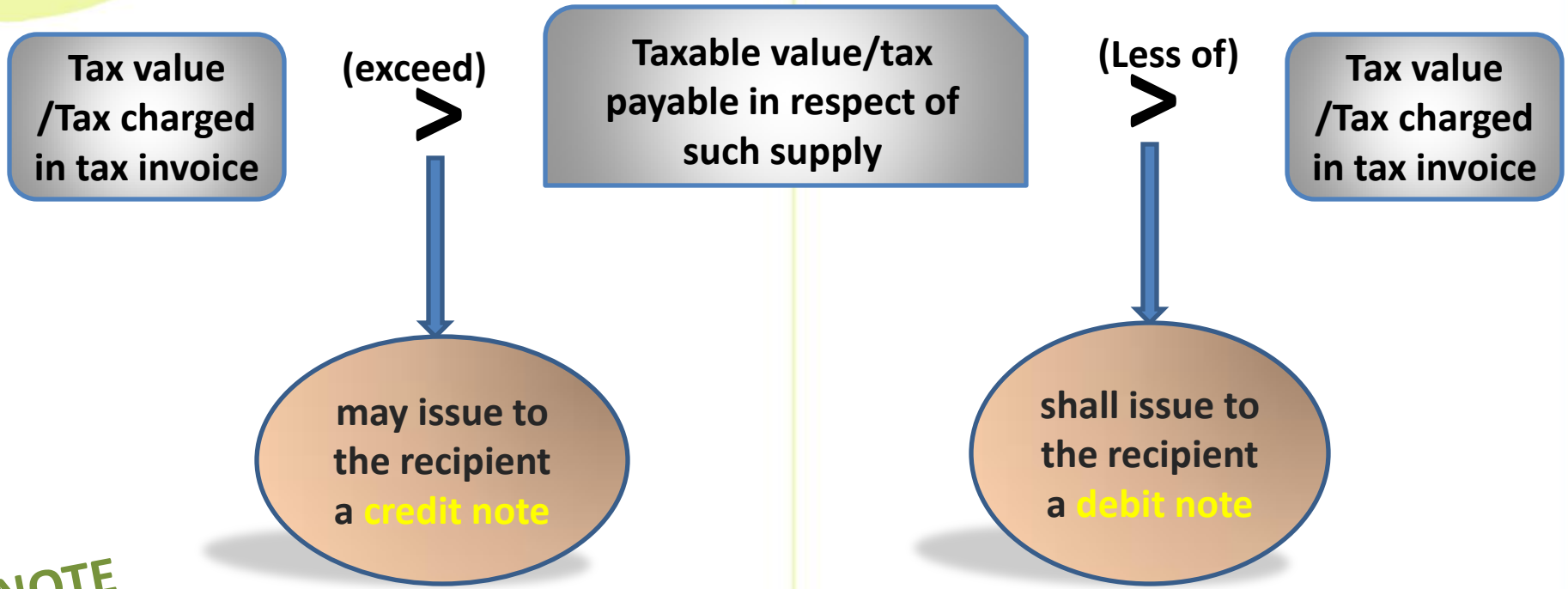
Income  
Attach Form(s) W-2 here. Also attach Forms and

9a Ordinary dividends (see page 21)  
b Qualified dividends, credits, or offsets of state and local income taxes (see page 22)  
10 Alimony received (see page 23)  
b Taxable amount (see page 24)

PAID

April 15

# Credit & Debit Notes (Section 24)



## NOTE

Any registered taxable person who issues or receives a credit or debit note, shall declare the details of such CR/DB note, in the return for the month during which such note has been issued or received.



Registered taxable person, shall issue at the time of supply, a **tax invoice showing description, quantity and value of Goods/services, tax charged etc.**

Registered taxable person, supplying non taxable Goods/services or paying tax u/s 8, shall issue a **bill of supply instead of tax invoice.**

## SUMMARY

If taxable value/tax charged in tax invoice  $>$  taxable value/payable, taxable person may issue **CREDIT NOTE** to recipient on or before 30<sup>th</sup> day of September following the end of FY or date of filing of annual return (whichever is earlier)

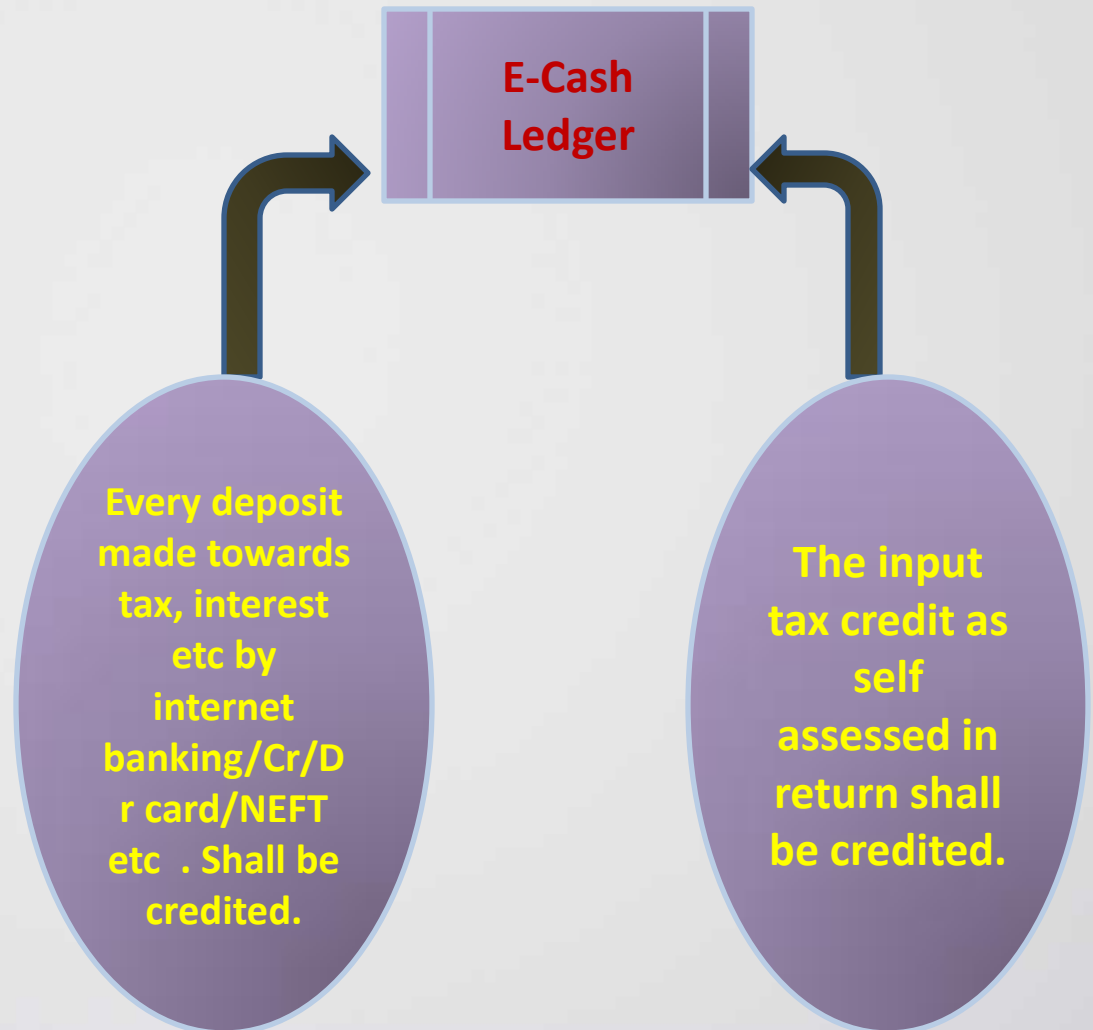
If taxable value/tax charged in tax invoice  $<$  taxable value/payable, taxable person may issue **DEBIT NOTE** to recipient on or before 30<sup>th</sup> day of September following the end of FY or date of filing of annual return (whichever is earlier)



# Payment Of Tax



# Payment of tax, interest, penalty & other amounts (Section 35)



# Utilization of amount in E-Cash Ledger

The amount may be used for making **any payment towards tax, interest, penalty, fees or any other amount payable.**



The amount available may be used for making any payment **towards tax payable under provisions of the Act or rules made thereunder.**

# Utilization of amount of ITC on account of IGST/CGST/SGST

Amount of ITC available on account of **IGST**

- **1<sup>st</sup>** utilized towards payment of **IGST**.
- Remaining may be utilized towards payment of **CGST & SGST**.

Amount of ITC available on account of **CGST**

- **1<sup>st</sup>** utilized towards payment of **CGST**.
- Remaining may be utilized towards payment of **IGST**.

Amount of ITC available on account of **SGST**

- **1<sup>st</sup>** utilized towards payment of **SGST**.
- Remaining may be utilized towards payment of **IGST**.

# Interest on delayed payment of tax (Section 36)

- Person who is liable to pay tax , who fails to pay, shall, on his own pay interest at rate which may be notified by the Central or a State Govt.

- Interest shall be calculated from the first day such tax was due to be paid.





# Tax deduction at source (Section 37)

Dept./Establishment of central/state govt.

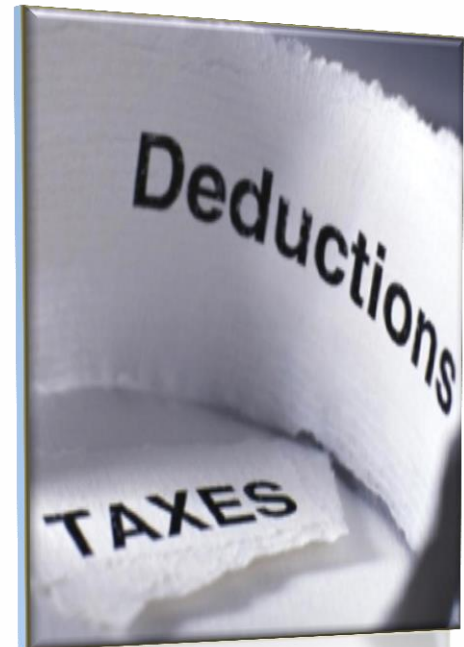
Local Authority

Govt. agencies

Such persons as may be notified

Deduct tax @ 1% from payment made or credited to the supplier.

If total value of supply > 10 lakh



**The amount deducted shall be paid the credit of appropriate govt. by deductor within 10 days after the end of month.**

**Deductor shall furnish to deductee a certificate mentioning contract value, amount deducted, date etc .  
(if deductor fails, he shall be liable for a late fee, sum of 100 Rs / day)**



**Deductee shall claim credit, in his E-Cash Ledger, of tax deducted & reflected in the return of deductor.**

**If any deductor fails to pay to credit of appropriate govt. , he shall be liable to pay interest in addition to the amount deducted.**

Every deposit made towards tax, interest, penalty, fess etc. by taxable person by internet banking, NEFT etc. shall be credited to e-cash ledger

The ITC as self assessed in return of taxable person shall be credited to e-cash ledger

Amount available in e-cash ledger may be used for making any payment towards tax, interest, penalty etc or towards tax payable under provisions of this Act

Interest on delayed payment of tax shall be calculated from the first day of such tax was due to be paid

## SUMMARY



Taxable person shall discharge his tax in following. Order :-

- a) Self assessed tax & other dues to return of **previous tax periods**
- b) Self assessed tax & other dues to return of **current tax periods**
- c) Any other amount payable

BY : CS SANJAY MALHOTRA

**igt**

INTEGRATED  
GOODS &  
SERVICE TAX



# Principles of goods/services in the course of inter-state trade or commerce

SECTION 3

Supply in the course of **inter-state** trade or commerce

Goods

Services

Means where location of supplier & place of supply are in **different states**

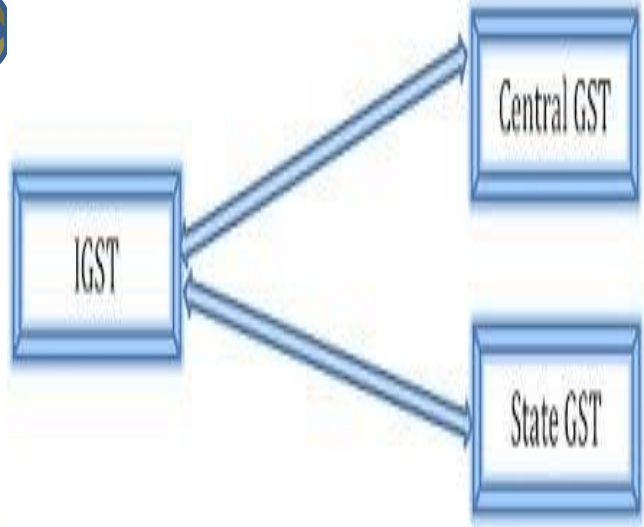
SECTION 3A

Supply in the course of **intra-state** trade or commerce

Goods

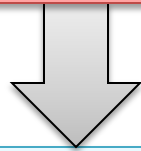
Services

Means where location of supplier & place of supply are in **same states**

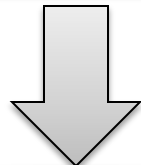


# Levy & Collection of Tax (Section 4)

**INTEGRATED GOODS &  
SERVICE TAX**



**Tax on all supplies of goods/Services made in  
course of inter-state shall be levied at the rate  
specified.**



**Shall be paid by every taxable  
person**



**TAX PAYABLE ON REVERSE  
CHARGE BASIS**



**Tax shall be paid by person  
receiving such  
Goods/Services.**

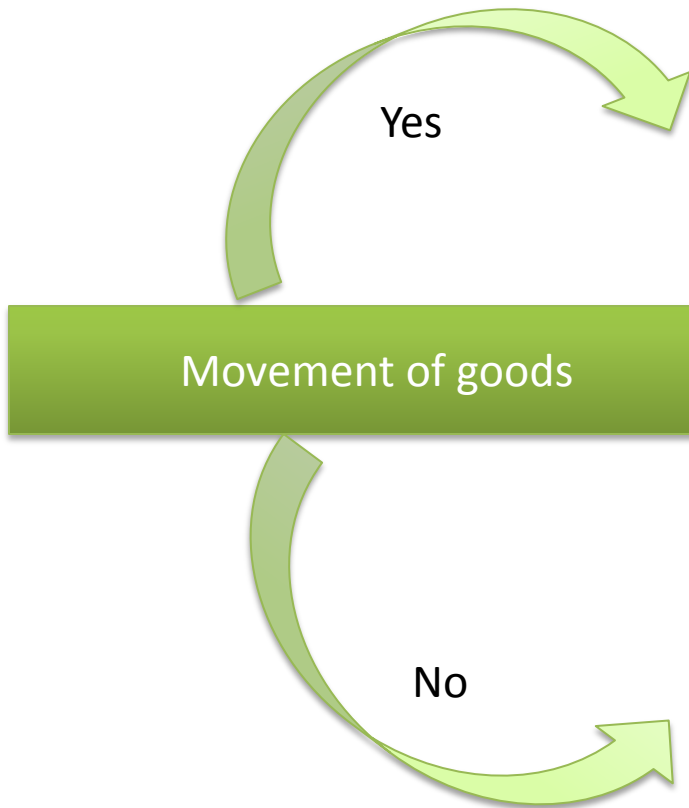
**EXEMPTED GOODS/SERVICES**



**No tax shall be payable by  
any taxable person**



# Place of supply of Goods (Section 5)



**Location** of goods at time at which **movement of goods terminates for delivery to recipient**

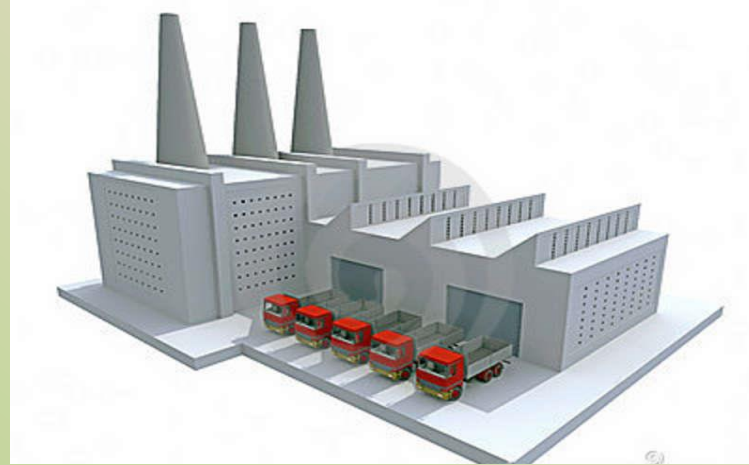


**Location** of such Goods **at the time of delivery to the recipient**





If Goods are delivered by supplier or any other person, on direction of third person



Location is place of business of such person

Goods are assembled or Installed at site



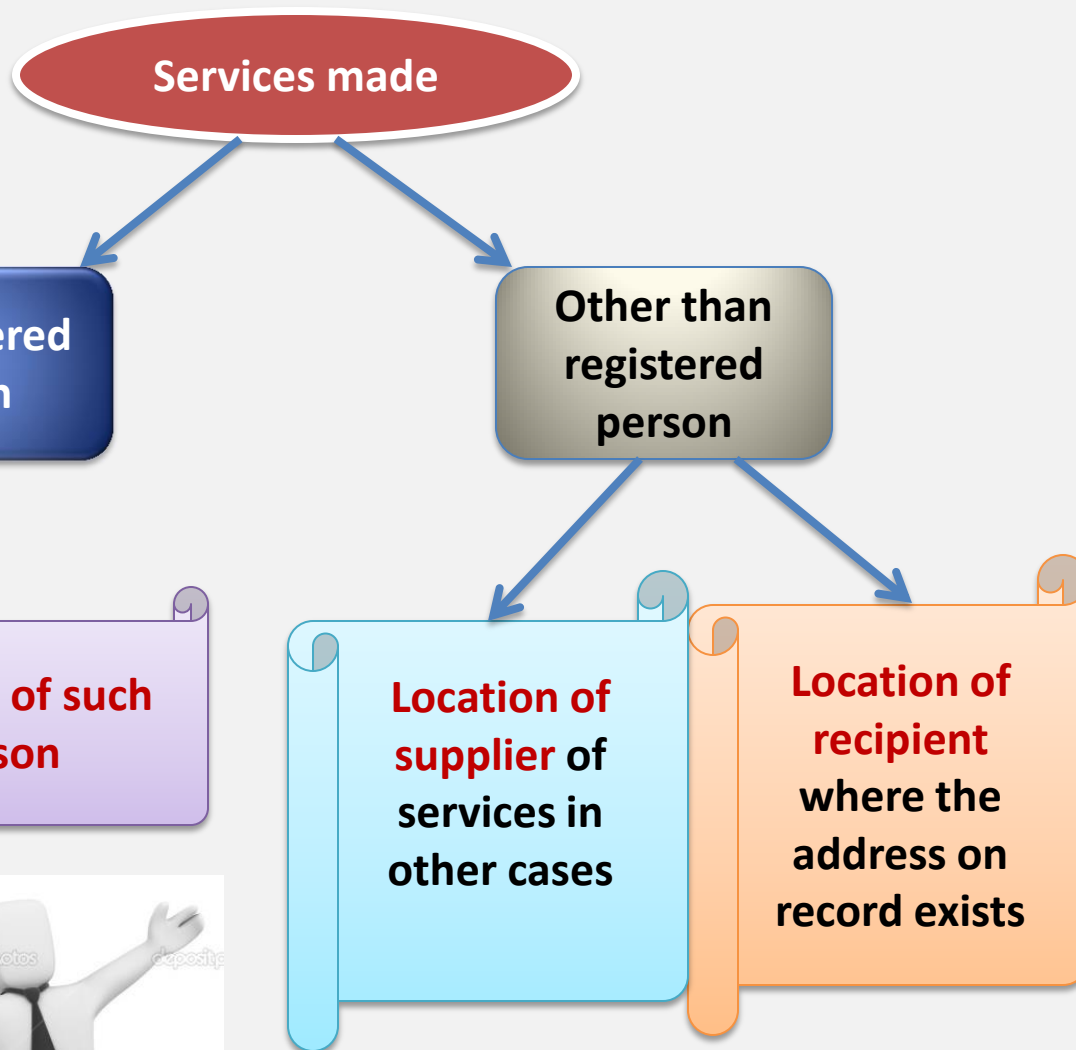
Place of such installation or assembly

If Goods are supplied on board a conveyance such as a vessel, aircraft etc.



Place of supply shall be location at which such goods are taken on board

# Place of supply of Services(Section 5)



Services provided by **architects, surveyors, lodging accommodations** etc. related to immovable property



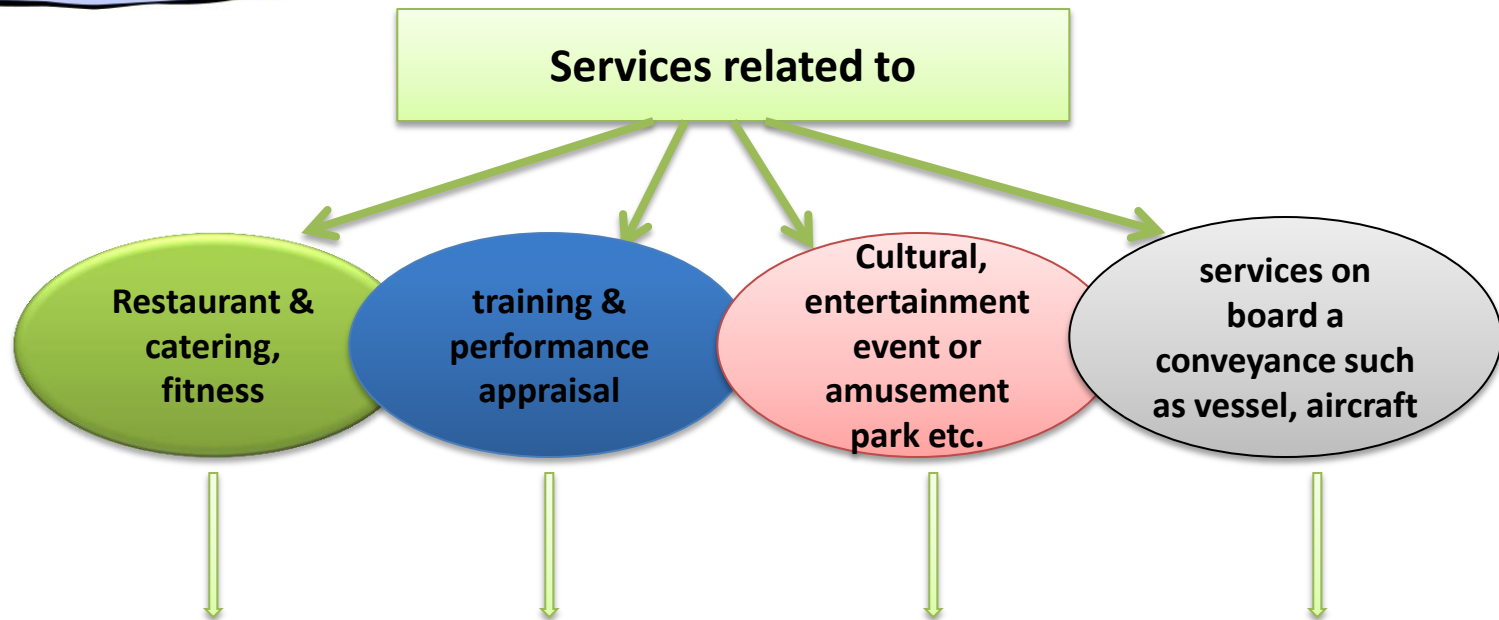
Location at which immovable property or boat or vessel is located



Services provided by way of **organization of cultural, scientific, sporting, educational** etc.



- To a registered person, shall be the **location of such person**
- To other person, shall be the place where **the event is actually held**



**Services related to**

**Restaurant & catering, fitness**

**training & performance appraisal**

**Cultural, entertainment event or amusement park etc.**

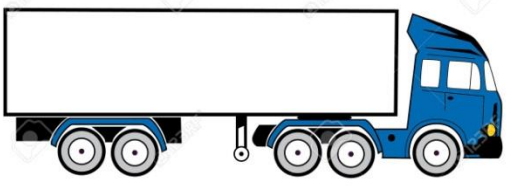
**services on board a conveyance such as vessel, aircraft**

**Where services are actually performed**

- **Location of such person** for registered person.
- For any other person, where **services are actually performed.**

**where event is actually held or where park or such place is located**

**location of the first scheduled point of departure of that conveyance**



Supply of services

Transportation of goods, Inc. mail or courier

Passenger transportation services

Registered Person

Any other person

Registered Person

Any other person

Location of such person

Location at which such goods are handed over for transportation

Location of such person

where passenger embarks on conveyance for continuous journey



# Supply of telecommunication services including data transfer, broadcasting, cable & direct to home television services to any person shall-

**Location** where such **connection** is installed for receipt of services



Telecommunication line, cable etc

**Location** of **billing address** of recipient of services



Internet services provided on post-paid basis

**Location** where such **pre-payment** is received



Mobile connection on pre-paid basis



**Location** of the **recipient** of services

- **Location** of such person for registered person.
- For any other person, **location** of recipient of service



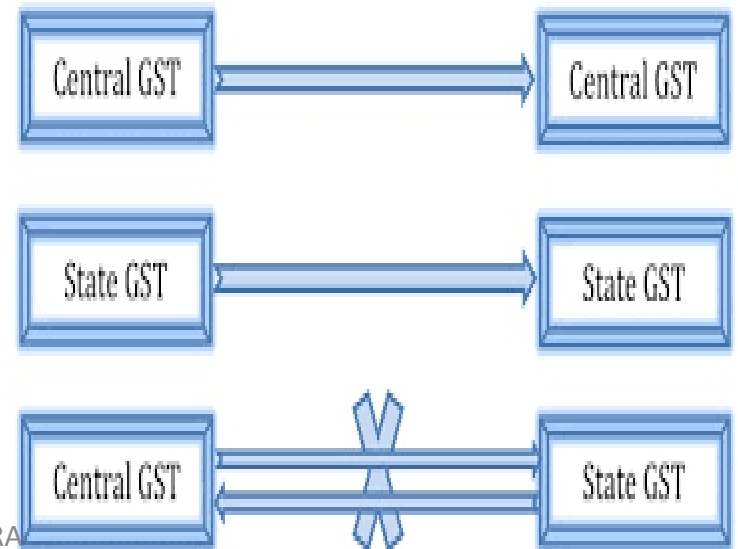
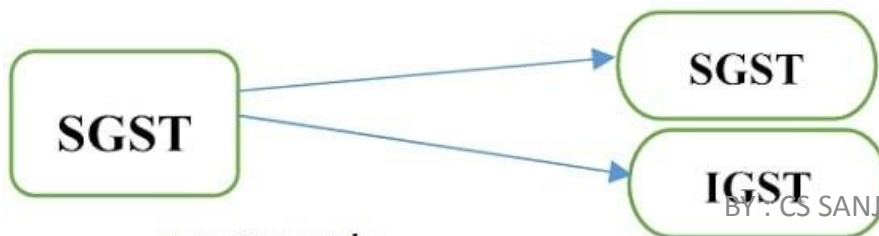
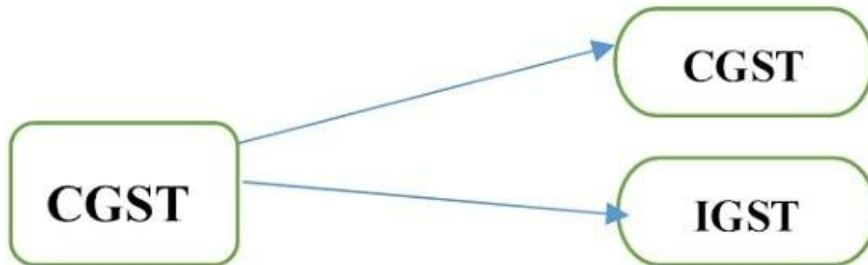
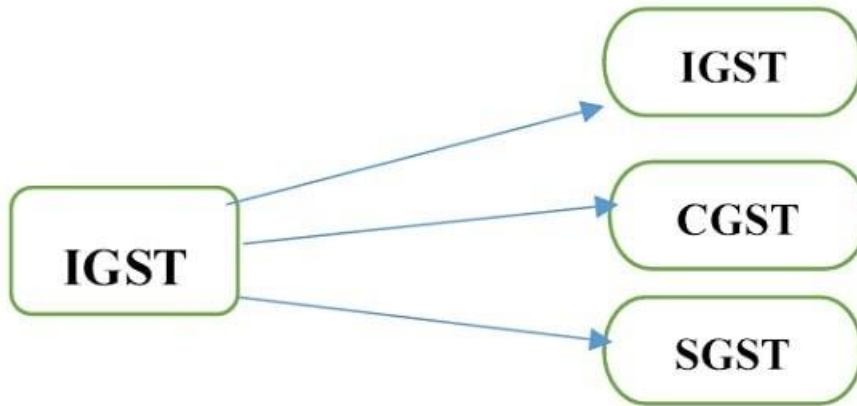
Shall be taken as **located** in each of such **states**

# Summary on utilization of amount of ITC



Input Tax credit of

Output Liability of



# Transitional Provisions



BY : CS SANJAY MALHOTRA



**Semi –finished goods removed for carrying out certain processes & returned on or after the appointed day.**

**Finished goods removed for carrying out certain processes & returned on or after the appointed day.**

## Transitional Provisions

**Amount of CENVAT credit carried forward in a return to be allowed as ITC.**

**Unavailed cenvat credit on capital goods, not carried forward in a return, to be allowed in certain situations.**

**Credit of eligible duties & taxes in respect of inputs held in stock to be allowed.**

**Credit of eligible duties & taxes on inputs held in stock to be allowed to a taxable person switching over from composition scheme.**

**Amount payable in the event of a taxable person switching over to composition scheme.**

**Exempted goods returned to the place of business on or after the appointed day.**

**Duty paid goods returned to the place of business on or after the appointed day.**

**Inputs removed for job work & returned on or after the appointed day.**

**Issue of supplementary invoices, debit or credit notes where price is revised in pursuance of a contract.**

**Pending refund claims to be disposed of under earlier law.**

**Claim of cenvat credit to be disposed of under the earlier law.**

**Finalization of proceedings relating to output duty liability.**

**Treatment of amount recovered or refunded in pursuance of assessment or adjudication proceedings.**

**Treatment of amount recovered or refunded in pursuant to revision of returns.**

**Treatment of long term construction/works contracts.**

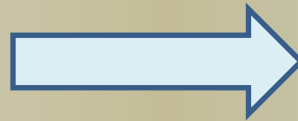
**Progressive or periodic supply of goods or services.**

**Treatment of retention payments.**

**Credit distribution of service tax by ISD.**

## AMOUNT OF CENVAT CREDIT CARRIED FORWARD IN A RETURN TO BE ALLOWED AS INPUT TAX CREDIT

A Registered Taxable Person



Shall be Entitled to credit of amount of CENVAT credit (CGST Law) and VAT (SGST Law) forward in return under earlier law by him.



The amount shall be recovered as an arrear of Tax if said amount is found to be recoverable as a result of any proceeding instituted against such person under earlier Law.

**UNAVAILED CENVAT CREDIT ON CAPITAL GOODS, NOT CARRIED FORWARD IN A RETURN TO BE ALLOWED IN CERTAIN SITUATIONS**

**Credit of unavailed CENVAT Credit in respect of Capital Goods in E-Credit Ledger, not carried forward in return shall be allowed.**



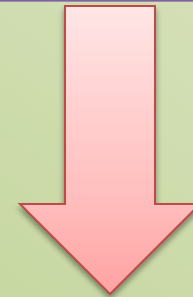
**The amount shall be recovered as an arrear of Tax if said amount is found to be recoverable as a result of any proceeding instituted against such person under earlier Law.**

# Credit of eligible duties & Taxes in respect of inputs held in stock to be allowed

A Registered Taxable person, not liable to registration in earlier law or was manufacturing exempted Goods.



But which are liable to Tax under this Act



Shall be entitled to take, in his E- credit Ledger



Credit of eligible duties & taxes in respect of Inputs held in stock & inputs contained in semi finished/finished Goods held in stock on appointed day

# Conditions for availing Credit



**Receipt of Inputs and/or Goods under earlier Law**

**Possession of invoice and/or other prescribed documents.**

**Invoices or other documents were issued not earlier than 12 months immediately preceding appointed day**

**Taxable person is eligible for input tax credit under this Act**

**Inputs/ Goods are used or intended to be used for making taxable supplies.**

# Tax Credit available on Switching over from Composition scheme

Registered taxable person

Paying tax under composition scheme

To avail Credit of eligible duties & taxes in respect of inputs held in stock & inputs contained in semi-finished/ finished Goods held in stock on appointed date.



# AMOUNT PAYABLE IN THE EVENT OF TAXABLE PERSON SWITCHING OVER TO COMPOSITION SCHEME

Taxable person has carried forward the amount of eligible Credit in return or on account of VAT in return furnished under Earlier law.



Composition  
scheme under  
Section 8

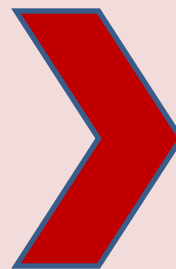


Debit of Amount equal to Credit of input tax in respect of inputs held in stock & inputs contained in Semi-Finished Goods/Finished Goods held in stock on day immediately preceding date of switch over to be made in E- CENVAT / Cash Ledger.

## EXEMPTED GOODS RETURNED TO THE PLACE OF BUSINESS ON OR AFTER APPOINTED DAY



Goods on which duty had been Exempt under earlier law at Time of Removal or at Time of Sale thereof, not being earlier than **6 Months prior to appointed day** are returned to any place of business



**No Tax shall be payable** if such Goods are returned within a period of 6 Months from appointed day & such Goods are identifiable to satisfaction of proper officer.



# DUTY PAID GOODS RETURNED TO THE PLACE OF BUSINESS ON OR AFTER APPOINTED DAY



**No Tax** shall be payable thereon if such goods are returned within period of 6 Months from appointed day & such Goods are identifiable to satisfaction of proper officer

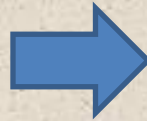
Duty Paid Goods are at time of removal not being earlier than 6 months, returned to any place of business or to supplier



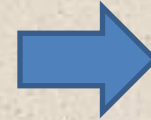
# INPUTS REMOVED FOR JOB WORK AND RETURNED ON OR AFTER APPOINTED DAY



Where any  
inputs received



**In a Factory or  
at a place Of  
business,  
removed or  
dispatched as  
such or after  
processing**



**After completion  
are returned to said  
place, No Tax shall  
be payable if inputs  
are returned within  
6 months**



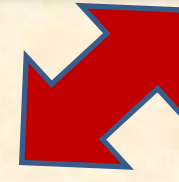
# Semi-Finished Goods removed for Job work & returned on or after Appointed day

**Where any Semi-Finished Goods**

**No Tax** shall be payable if Goods after process returned to said place **within 6 Months** from Appointed day,



**Had been removed or dispatched to any other premises for Manufacturing process**



**Semifinished Goods**

BY ICS SANJAY MALHOTRA



BY ICS SANJAY MALHOTRA

# Finished Goods removed for carrying out certain processes & returned on or after appointed day



**Excisable Goods  
manufactured in factory,  
for carrying out process  
not amounting to  
manufacture, removed  
or despatched without  
payment of duty, to any  
premises**



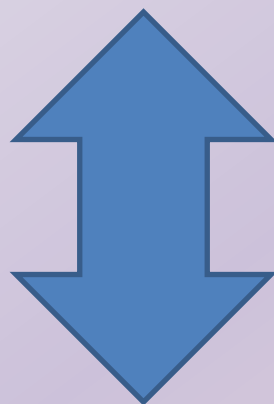
**No Tax shall be payable if said  
goods are returned within 6  
Months from the Appointed  
day**

BY : CS SANJAY MALHOTRA



# ISSUE OF SUPPLEMENTARY INVOICES, DEBIT/CREDIT NOTES WHERE PRICE IS REVISED IN PURSUANCE OF CONTRACT

- In pursuance of contract, if price of any Goods/Services is revised upwards or downwards



- The taxable person who removed such goods may issue supplementary invoice or debit note (In case of upwards) or credit note (In case of downwards), within 30 days of such Price Revision & Tax to be paid under GST Act as considered outward supply in GST.



# PENDING REFUND CLAIMS TO BE DISPOSED OF UNDER EARLIER LAW



**Every claim of refund filed by person before appointed day, shall be disposed in accordance with provisions of earlier law and may amount eventually accruing shall be refunded in cash**



**Every proceeding of appeal, revision, review or reference relating to :**



**Claim for  
CENVAT Credit  
under earlier  
Law**

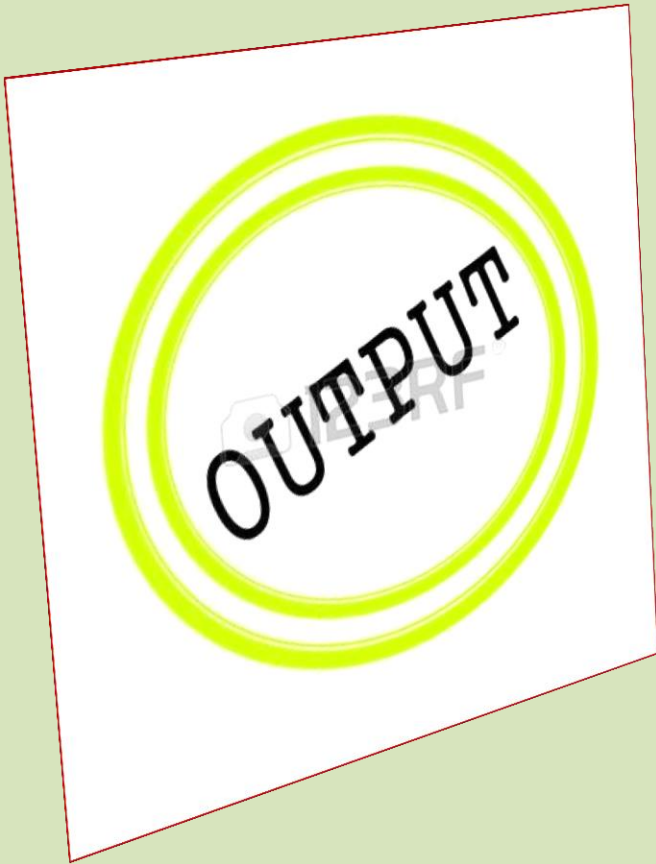
**Disposed in accordance  
with provisions of earlier  
Law and if any amount  
shall be refunded in cash**

**Recovery of  
CENVAT Credit  
under earlier  
Law**

**Disposed in accordance  
with provisions of earlier  
Law and if any amount  
shall be recovered as an  
arrear of Tax and shall  
not be admissible as ITC.**



❑ Every proceeding of Appeal, Revision, Review or reference relating to any output duty liability initiated before appointed day shall be disposed of in accordance with provisions of earlier Law



❑ If any amount becomes recoverable shall be recovered as an Arrear of tax or if admissible shall be refunded in cash



**PENALTY!**



- In pursuance of an assessment or adjudication proceedings instituted, any amount of tax, interest, fine or penalty becomes recoverable, same shall be recovered as an Arrear of Tax & amount shall be admissible as ITC
- If Refundable, same shall be Refundable in Cash under earlier Law



# Treatment of Amount Recovered or Refunded pursuant to Revision of Returns



Any return revised

if amount is found to be **Recoverable**

if amount is found to be **Refundable**

Shall be recovered as an arrear of tax & that amount shall be admissible as ITC

Shall be refunded in cash in accordance with the provisions



## Treatment of long term construction/works contracts

Goods/Services  
supplied on or  
after appointed  
day

Entered prior to  
→  
the appointed day

Shall be **liable to  
pay tax as per GST**

## Progressive or periodic supply of goods or services

**No TAX shall be  
payable** on supply of  
goods/service **made  
on or after the  
appointed day**

- If consideration has been received prior to the appointed day
- The duty or tax payable has already been paid



Thank You

By:  **SANJAY MALHOTRA**

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Member Taxation Committee- FICCI Chandigarh,  
Member GST Core Group Committee (ICSI)  
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