



Central India  
CA Students Association  
Indore Branch of  
CIRC of ICAI

► Volume - 02 ► July - 2017

सद्विद्या

## FROM THE DESK OF THE CHAIRMAN - CICASA

GST SPECIAL EDITION

Dear Students and my friends,

"A good decision is based on knowledge and not on numbers." - Plato,

And hence, keeping in mind the power of knowledge, we at CICASA Indore brought to you a bundle of knowledge through our National Convention "UTKRISHTATA- LET THE KNOWLEDGE ECHO". The best part about this National Conference was that, it can only be hosted in five cities in all the five Regions, all over India, in a year. The Central region consists of seven states, and out of those seven states, Indore was chosen as the only city to conduct the National Conference this year! It is a great honor for our City and our team that we received such a great opportunity of conducting this National Conference, among all the seven states in our region. This also meant that we had an added responsibility to host a grand event, and we did accomplish it.

My dear friends, it was because of all your contribution and hard work that Utkrishtata was such a grand event and a resounding success. You participated in huge numbers as audiences and we hope that we were able to repay you in terms of knowledge and memories for the trust and faith you showed in us.

On 1st July, 2017, as we celebrated our 69th CA Day, there was an advent of change. A historic change called GST. We must welcome this change and not fear from it. Robin Sharma said "The fears we don't face, become our limits" and keeping that in mind, CICASA Indore has put in a continuous effort to make sure of the regular conduction of such GST related events for an in-depth knowledge like GST Classrooms. While most of the GST seminars are held in view to keep the demands of the Chartered Accountant students and members, seminars and workshops were also held to help the traders and the accountants understand and tackle GST.

Such efforts of knowledge building shall always be expected from us and we hope that you will continue to make these events successful with your enthusiastic participation as volunteers and audience.

On this platform I would like to congratulate Ms. Palak Agrawal and Mr. Harshit Jain for securing AIRs and all other students who cleared the CA Final Exams in the May 2017 attempt. For those who were unsuccessful in the same, I would like to quote Winston Churchill when he said that "Success is not final, Failure is not fatal; It is the courage to continue that counts." All the best!

CA. PANKAJ G. SHAH

## Editorial Team's Message



Meet  
Vadalía



Surbhi  
Dhundale



Mrinal  
Garg

Warm greetings Namaste everyone

First of all, a big thank you for such a great participation in the making of our newsletter, And for your enthusiastic participation in all our CICASA events.

We are feeling really very excited in telling you that this is a special edition on GST as this is the month when GST is born and that too on the CA Foundation Day, which was celebrated with a 3 day grand event with GST Classes for Accountants, Traders and Businessmen along with health check-up, blood donation and lastly the trekking and plantation drive.

Any job we undertake, we should excel at that. So as to facilitate such Excellence, CICASA Indore brought to you the biggest event of the year. On 22nd and 23rd July, CICASA Indore hosted the National Conference for CA Students – "UTKRISHTATA – Let the Knowledge Echo". UTKRISHTATA means EXCELLENCE. At UTKRISHTATA, students got a chance to listen to the most famous and spellbinding speakers of the nation on technical topics like GST, Benami Act, Demonetization, ICDS, Insolvency and Bankruptcy Code, RERA, Auditing, Ind-AS etc. and other motivational sessions. The spellbinding success of Utkrishtata resonated all over India and together with your help and support, Indore Branch of CICASA curated another great event and added one more STAR on the collar of Indore branch.

We sign off by quoting Joel Osteen:

"Make up your mind that no matter what comes your way, no matter how difficult, no matter how unfair, you will do more than simply survive, you will thrive inspite of it."



# TIME OF SUPPLY

Lets first understand what is covered under the meaning of SUPPLY in the Acts.

Scope of supply is defined under section 7 of The CGST Act 2017, according to which SUPPLY includes:

a. All forms of supply of *goods or services or both*, made or agreed to be made for a consideration and in the course or furtherance of business such as:

Sale      Transfer      Barter      Exchange  
License   Rental      Lease      Disposal

b. Import of service, for a consideration *whether or not* in the course or furtherance of business,

c. Activities specified in Schedule-I, *made or agreed to be made without a consideration*,

d. Activities treated as supply of goods /service as referred to in Schedule-II.

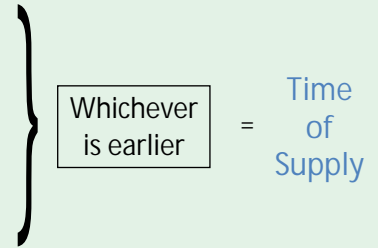
And Excludes activities specified in Schedule-III & activities undertaken by CG, SG, or any Local Authority in which they are engaged as public authorities.

Now, what is the significance of *Time of supply* under GST?

The answer to this question lies under sub-section (1) of section 12 & 13, which says that "The liability to pay tax on goods & services (respectively) shall arise at the *Time of Supply*", which implies that *Time of supply* defines at what time the liability to pay tax is incurred, like under excise law the liability to pay tax arose at the time of Manufacture.

As per sub-section (2) of section 12 & 13 "The *Time of supply* for goods and services (respectively) shall be the earlier of:

- INVOICE
  - o Actual date of issue of invoice by the supplier
  - o Due date for issue of invoice by the supplier\*
- PAYMENT
  - o Date on which payment is entered in the books of supplier
  - o Date on which payment is credited to the supplier's bank a/c



The Due date of invoice in the case of supply of GOODS is defined u/s 31(1), which shall be, In Case the

- Supply involves movement: Time of removal of goods for supply;
- Sale is on approval basis: Earlier of time at which it becomes known that the supply has taken place OR 6 months from date of removal;
- Other cases: Delivery of goods/ making available to the recipient; or
- Notified categories of supplies: Time to be specified by Rules.

The Due date of invoice in the case of supply of SERVICES is defined u/s 31(2), Which shall be

- Before or after the provision of service, but within 30 days from the supply.
- Notified categories of supplies: Any other prescribed document shall be deemed to be the tax invoice.

As per section 31(6) The Due date of issue of invoice in case where the supply of services ceases under a contract before the completion of supply, such services shall be deemed to have been provided at the time when such supply ceases AND invoice shall be issued at the time when the supply ceases and to the extent of supply made before such cessation.



Due date of issue of Invoice in case of Continuous Supply of goods & service:

	Continuous supply of Goods	Continuous supply of Services
Definition	Section 2(32) "Continuous supply of goods" means a supply of goods which is: <ul style="list-style-type: none"> <li>- provided, or agreed to be provided, continuously or on recurrent basis,-</li> </ul>	Section 2(33) "Continuous supply of services" means a supply of services which is: <ul style="list-style-type: none"> <li>- provided, or agreed to be provided, continuously or on recurrent basis,</li> </ul>

	- under a contract, whether or not by means of wire, cable, pipeline or other conduit, - and for which the supplier invoices the recipient on a regular or periodic basis - and includes supply of such goods as may be specified by the Government.	- under a contract, for a period exceeding three months with periodic payment obligations - and includes supply of such service as the Government may specify.
Due date of issue of Invoice	Section 31(4) In case where Successive statements of accounts are involved – Before or at the time of issue of each such statement; And In case of Successive Payments–Before or at the time when each such payment is received.	Section 31(5) In case where the due date of payment is as ascertainable from the contract - On or Before the due date of payment; Where the due date of payment is not ascertainable from the contract - Before or at the time when the supplier of service receives the payment; Where the payment is linked to the completion of an event - On or before the completion of that event.

- Date of issue of voucher – If supply (i.e. what goods/services are covered under the Voucher) is identifiable at the point of issue of voucher OR
- Date of redemption of voucher – in all other cases.

▶ Section 12(5) & 13(5) Where it is not possible to determine the Time of supply under any of the circumstances discussed above, it shall be determined as:

- Due date for filing of such return – If periodical return has to be filed, OR
- Date on which such tax is paid – Other cases

▶ As per section 12(6) & 13(6) The Time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or delayed payment of any consideration shall be the date on which the supplier receives such addition in value.



*Thank You ...*

*Have an Awesome Day Today...  
By Learning something everyday...*

- ▶ Time of supply of goods and services under Reverse Charge, as per sub section 3 of section 12 & 13 (respectively), shall be earlier of:
  - Date on which payment is entered in the books of recipient
  - Date on which payment is debited to the recipient's bank a/c
  - 31<sup>st</sup> day (in case of goods) and 61<sup>st</sup> day (in case of services) from the date of issue of invoice by supplier. {This factor is not relevant in case of services from a supplier being an associated enterprise outside India}
  - Where it is not possible to determine time of supply in the above 3 cases: Date of entry in the books of account of the recipient of supply.
- ▶ Time of supply, in case of supply of Vouchers by the supplier of goods or/ & services, as per sub section 4 of section 12 & 13 (respectively), shall be:

# Return Filing Under GST

When GST was planned to be introduced by the Hon'ble Finance Minister Mr. Arun Jaitley and his team, we were told that compliance will be made easy. Taxpayers will enjoy ease in doing business. And then, the very first model GST Law drafted by them stated that a normal taxpayer will have to file 37 returns for a financial year. Let us understand how the returns will be filed in the GST Regime:



Prakhar Jain  
CRO 0479404

## Salient Features of Returns under GST Regime:

1. All returns are to be filed online. Even Nil returns have to be filed.
2. A common return is to be filed for CGST, SGST/UTGST, IGST and other cesses.
3. The return is to be filed by the registered person himself or through an authorised person or a GST Practitioner.
4. Returns cannot be revised once filed. Errors/Omissions can be rectified in the returns filed for subsequent periods.
5. Details are required to be filled in GSTR-1). The other two monthly returns (GSTR-2 and GSTR-3) will be auto-populated and only acceptance/rejection or modification of details will be needed therein.
6. Filing of returns will have an important impact on the GST Compliance Rating of the assessee. Hence, returns should be filed in a timely and judicious manner.
7. Provision for cancellation of registration for non filing of returns for 3 consecutive tax periods for compounding dealer or 6 months for other taxable person.
8. In B2B transactions-Invoice level – GSTIN, Invoice No. & date, Value, Description, rate of tax and amount of Tax.

Under GST, a registered person will have to file following returns:-

	Return Type	Frequency	Details in returns	Date of filling of return
Normal Tax Payer	GSTR 1	Monthly	Details of outward supplies	10 <sup>th</sup> day of next month
	GSTR 2	Monthly	Details of inward supplies received	15 <sup>th</sup> day of next month
	GSTR 3	Monthly	Details of inward and outward supplies, ITC availed, tax payable & paid	20 <sup>th</sup> day of next month
	GSTR 9/ 9-B	Annual	Reconciliation Statement, Audit Report	31 <sup>st</sup> Dec of following F.Y.
Other Tax Payers	GSTR 4	Quarterly	Compounding Taxpayers	18 <sup>th</sup> day of next month
	GSTR 5	Monthly	Non-resident taxable person	20 <sup>th</sup> day of next month
	GSTR 6	Monthly	Input Service Distributor	13 <sup>th</sup> day of next month
	GSTR 7	Monthly	Tax Deduction at Source	10 <sup>th</sup> day of next month
	GSTR 8	Monthly	Tax Collected at Source	10 <sup>th</sup> day of next month
	GSTR 9A	Annual	Annual Return by Compounding Tax Payer	31 <sup>st</sup> Dec. of following F.Y.

Note : GST council has given some relief in due dates of filling of return for July & August month. An additional GSTR 3B is to be filed for July & August on 20<sup>th</sup> August & 20<sup>th</sup> Sept. Respectively. Let us discuss some important returns:

### GSTR-1

In form GSTR-1, the assessee will have to file details of all the outward supplies of Goods and/or Services in the month.

Invoice wise details will be required In GSTR-1 return, if:

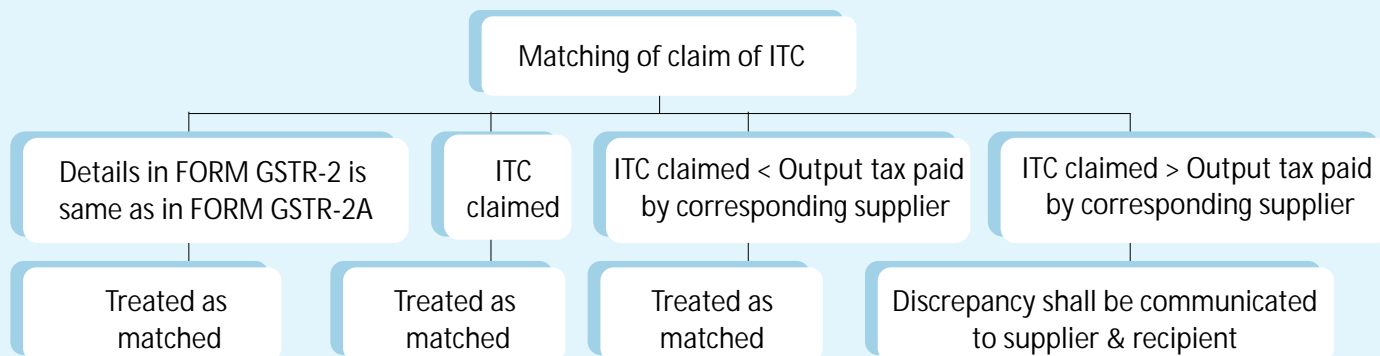
Status of receiver	Supply	Amt. of Invoice	Remarks
Registered	Inter/ Intra state	Any Amount	Invoice wise details to be given irrespective of amount of invoice
Unregistered	Inter State	>2.50 lacs	Invoice wise details only if invoice value is more than 2.5 lac and supply is out of state



Other details of supplies to Unregistered dealers to be declared in the return as a sum total of supplies made - rate & state-wise. GSTR-2

GSTR-2 is to be filed by the assessee on the basis of the GSTR-2A auto-populated. The assessee will have to accept/reject/modify the GSTR-2A. If the said data is accepted by both the parties, then the transactions will form part of GSTR-2.

Details of payment of tax under reverse charge are also to be given in GSTR-2.



Late Fee for Non Filing / Late filing of GST Returns:

Frequency of Return	Nature of Assessee	Min penalty	Maximum Penalty
Monthly/Quarterly	Normal/Compounding/ TDS/TCS/ ISD etc.	Rs. 100 per day of default	5000/-
Annual Return	Normal Tax payer	Rs. 100 per day	0.25% of Turnover in state/UT

## PLACE OF SUPPLY



Pravneet Sethi  
CRO-0553398



Unveiling of the GST law has created a buzz for a new term 'supply'. It is just like the taxable event for levy in case of Central excise, Service tax and Customs. Supply includes all forms of supply of goods and services, import of services and supply made or agreed to be made without a consideration.

Place of supply of Goods and Services is covered under the IGST Act, 2017. GST is a destination based tax i.e. Consumption Tax, which means tax will be levied where goods and services are consumed and will accrue to that state. IGST is levied for interstate transactions whereas CGST and SGST for intra state transactions. Specific Exclusions from Intra-state Supply are:

- Supplies to/by a SEZ developer / SEZ unit
  - Import of goods till they cross custom frontiers of India.
- To determine the place of supply, basically the emphasis is required to be laid upon:
- Location of the recipient / supplier of goods and services
- As per Section 10, Place of supply of Goods will be:
- Location of goods when movement terminates.
  - Principal Place of business of the supplier.
  - Location of goods at the time of delivery to recipient.
  - Place of installation or Assembly.
  - Location at which goods are taken on Board.
  - In case of imported goods, location of importer.

- In case of exported goods, location outside India.
- And As per Section 13, Place of supply of Services will be:
- Location where services are actually performed.
  - In case of service related to immovable property, location of such immovable property.
  - Place where the event is actually held.
  - Location of supplier in case of Banking services.
  - Destination of goods in case of transportation.
  - Location of Recipient of online information and database access.
  - Residuary – Location of recipient if available in ordinary course otherwise location of supplier.
  - Place of effective use and enjoyment of a service.



# Imports Under



Samiksha Agrawal  
CRO 0530786

- A) Introduction : 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.
- B) Levy of Tax : 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 de-merit goods under the Goods and Services Tax (Compensation to States) Cess Act, 2017.

The Customs Tariff Act, 1975 has accordingly been amended to provide for levy of integrated tax and the compensation cess on imported goods. Accordingly, goods which are imported into India shall, in addition to the Basic Customs duty, be liable to integrated tax at such rate as is leviable under the IGST Act, 2017 on a similar article on its supply in India. Further, the value of the goods for the purpose of levying integrated tax shall be, assessable value plus Customs Duty levied under the Act, and any other duty chargeable on the said goods under any law for the time being in force as an addition to, and in the same manner as, a duty of customs. The value of the imported article for the purpose of levying cess shall be, assessable value plus Basic Customs Duty levied under the Act, and any sum chargeable on the goods under any law for the time being, in force as an addition to, and in the same manner as, a duty of customs. The integrated tax paid shall not be added to the value for the purpose of calculating cess.

Let's take an example: Suppose the assessable value of an article imported into India is Rs. 100/-. Basic Customs Duty is 10% ad-valorem. Integrated tax rate is 18%–

Assessable Value	BCD	Value for purpose of levying integrated tax	Integrated Tax (18% of Rs 110)	Total taxes
100	10	110	19.8	29.8

On the top of it, in case the goods are also leviable to cess under the Goods and Services Tax (Compensation to States) Cess Act, 2017 the same will be collected on the value taken for levying integrated tax.

- C) Input tax Credit of Integrated Tax : The definition of "input tax" in relation to a registered person also includes the integrated tax charged on import of goods. Thus, 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 integrated tax shall, in essence, be a pass-through to that extent. The Basic Customs Duty (BCD), shall however, not be available as input tax credit. HSN (Harmonised System of Nomenclature) code would be used for the purpose of classification of goods under the GST regime.



As per section 11 of the IGST Act, 2017 the place of supply of goods, imported into India shall be the location of the importer. Thus, if an importer, say is located in Rajasthan, the state tax component of the integrated tax shall accrue to the State of Rajasthan.

- D) Import of service : Import of services has specifically been defined under IGST Act, 2017 and refers to supply of any service where the supplier is located outside India, the recipient is located in India, and the place of supply of service is in India. As per the provisions contained in Section 7(1)(b) of the CGST Act, 2017, import of services under consideration of whether or not in the course or furtherance of business, shall be considered as a supply. Thus, in general, imports of services without consideration shall not be considered as supply.



In view of the provisions contained in Section 14 of the IGST Act, 2017, import of free services from Google and Facebook by all of us, without any consideration, are not considered as supply. Import (Downloading) of a song for consideration for personal use would be a service, even though the same are not in the course or furtherance of business. Import of some services by an Indian branch from their parent company, in the course or furtherance of business, even if without consideration, will be a supply. Import of services can be considered as supply based on whether there is consideration or not and whether the service is supplied in the course or furtherance of business. The same has been explained in the table below-

Nature of Service	Consideration	Business Test
Import of services	Necessarily Required	Not required
Import of services by a taxable person from a related person or from a distinct person	Not required	Necessarily Required

## GLIMPSES OF CICASA ACTIVITIES





