



POWERING PROGRESS THROUGH PLASTICS

**The All India Plastics
Manufacturers' Association**

ESTABLISHED IN 1945



POWERING PROGRESS THROUGH PLASTICS

ISO 9001:2008 Certified
BMO Accreditation - Industry Associations

THE ALL INDIA PLASTICS MANUFACTURERS' ASSOCIATION

Presents

Seminar on

GST : Way Forward & Challenges

Friday, 2nd Dec, 2016 from 1.30 - 6.00 p.m

Hotel Courtyard by Marriott, J.B Nagar, Andheri(East), Mumbai

Partner



10 December, 2016

CA Rajiv Luthia

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*"Gaining knowledge,
is the first step to wisdom.
Sharing it,
is the first step to humanity."*

- Unknown

COVERAGE

- **TIME OF SUPPLY**
- **PLACE OF SUPPLY**
- **VALUATION**
- **BRANCH TRANSFER**
- **JOB WORK**

PRESENTED BY
CA RAJIV LUTHIA

10 December, 2016

CA Rajiv Luthia



TIME OF SUPPLY

Time of Supply of Goods

- Section 12....**Liability to pay CGST/SGST on goods shall arise at the time of supply.**
- Section 2(104)... **“time of supply of goods”** shall have the meaning as assigned to it in section 12.



Time of Supply of Goods:

NORMAL SUPPLY

EARLIEST of following dates



DATE OF
**REMOVAL OF
GOODS** WHERE
SUPPLY
INVOLVE
**MOVEMENT
OF GOODS**



DATE ON
WHICH **GOODS
ARE DELIVERED
OR MADE
AVAILABLE TO
THE RECIPIENT,**
WHERE SUPPLY
**DOES NOT
INVOLVE
MOVEMENT OF
GOODS**



DATE OF
ISSUE OF
INVOICE BY
SUPPLIER

DATE ON
WHICH
SUPPLIER
RECEIVES
PAYMENT

Time of Supply of Goods

– Explanation – 1

- Supply shall be deemed to be made to the extent it is covered by invoice or the payment.....Advance received against supply will become taxable...Deposit for supply???

– Explanation 2

- Date on which supplier receives payment means
 - **Earlier of**
 - » Date on which payment is entered in books of account
 - » Date of credit in bank account

- Where supplier of taxable goods receives an amount upto Rs. 1,000/- in excess of amount indicated in tax invoice, the time of supply to extent of such excess, at the option of supplier, be date of issue of invoice.⁷

Time of Supply of Goods



IN CASE OF REVERSE CHARGE MECHANISM

EARLIEST of following dates



DATE OF RECEIPT OF GOODS

10 December, 2016



DATE OF MAKING PAYMENT



DATE IMMEDIATELY FOLLOWING 30 DAYS FROM DATE OF ISSUE OF INVOICE

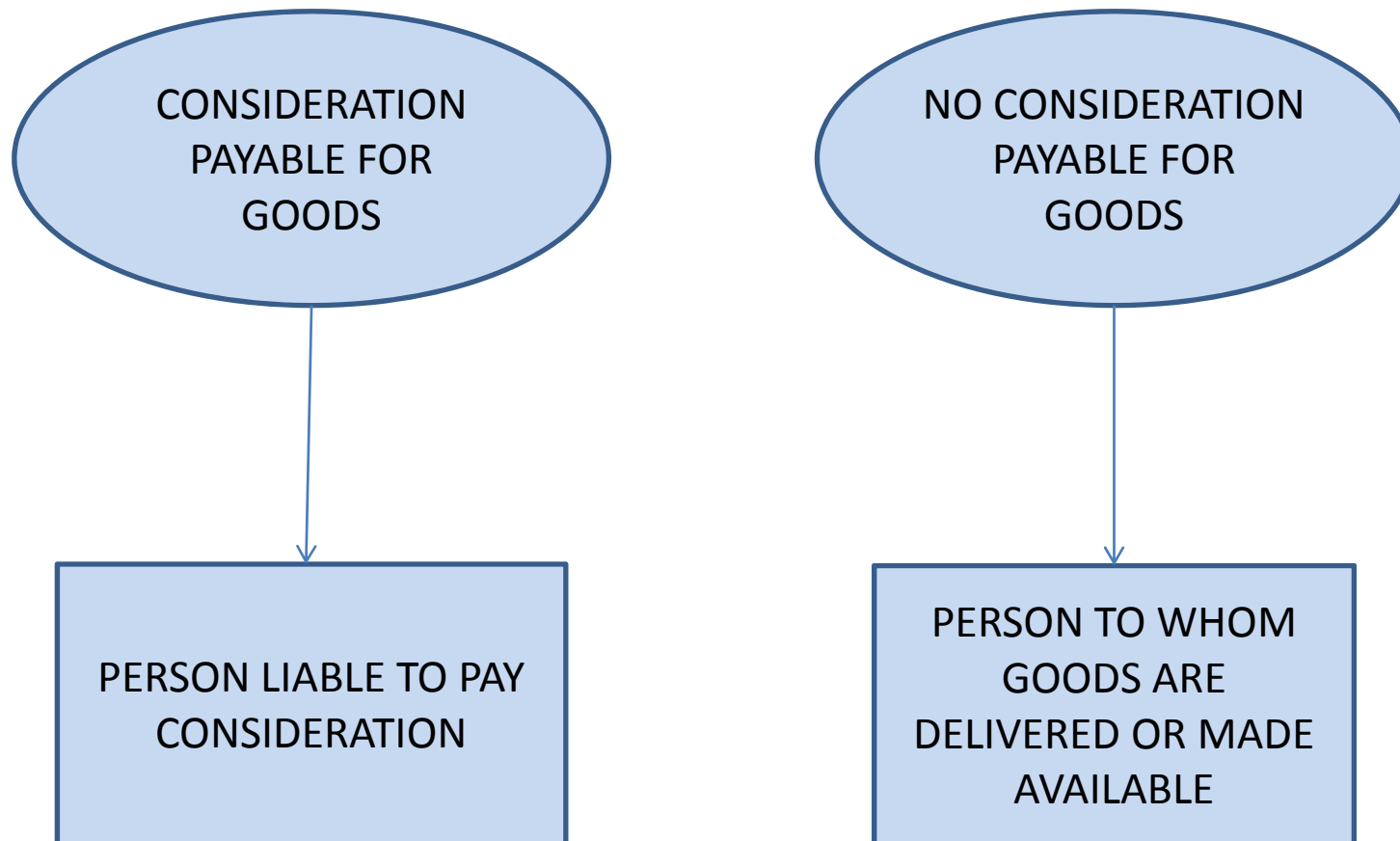
CA Rajiv Luthra



DATE OF ENTRY IN BOOKS OF ACCOUNT OF RECIPIENT, IF NOT POSSIBLE TO DETERMINE PRECEDING

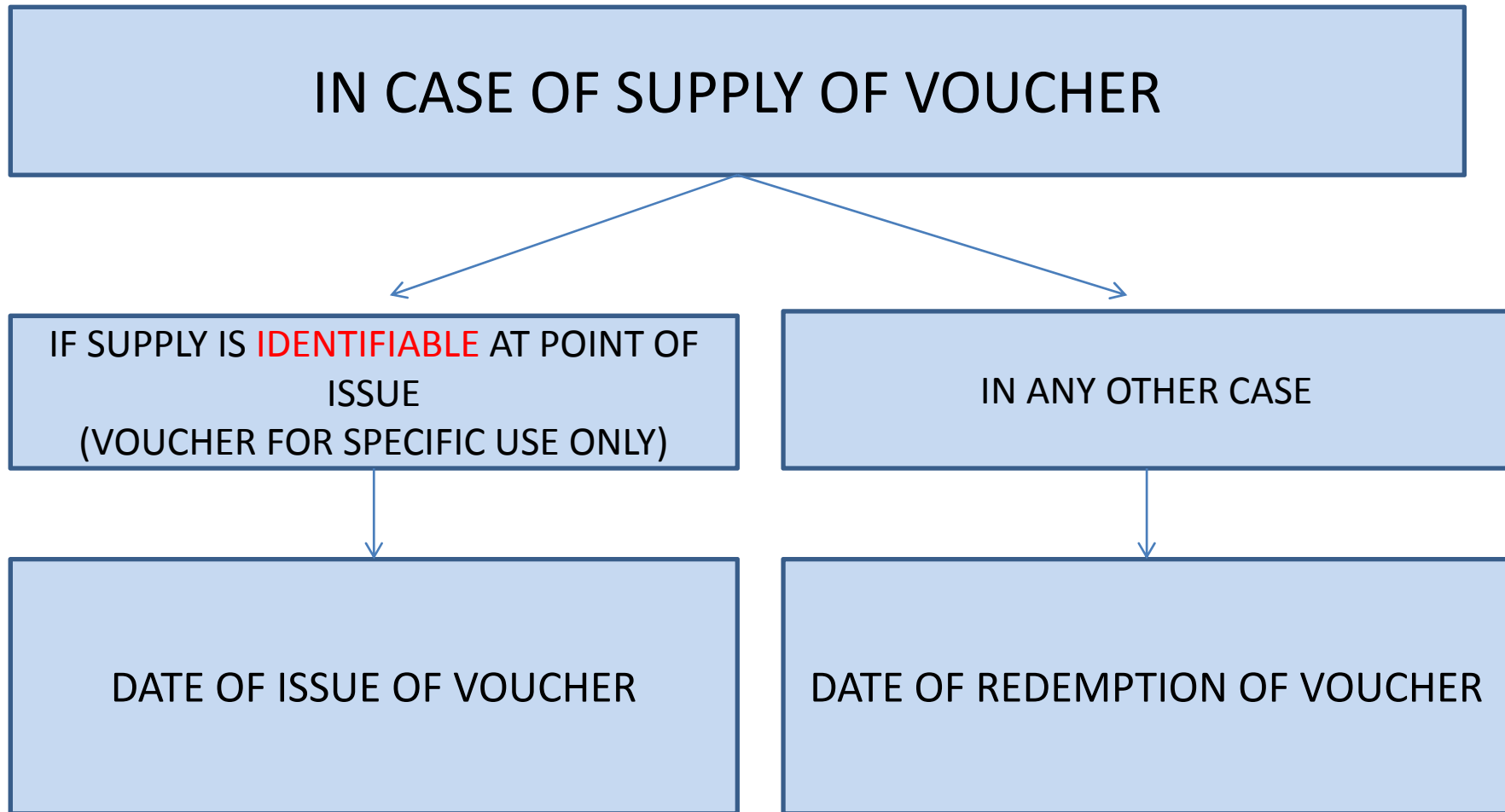
Time of Supply...recipient

- Section 2(81)... “RECIPIENT” MEANS



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

Time of Supply of Goods



Time of Supply of Goods

IN CASE NOT POSSIBLE TO DETERMINE TIME OF SUPPLY

PERIODICAL RETURN HAS TO BE FILED

DATE OF FILING RETURN

IN ANY OTHER CASE

DATE ON WHICH CGST/SGST IS PAID (PAYABLE???)

Time of Supply of Service

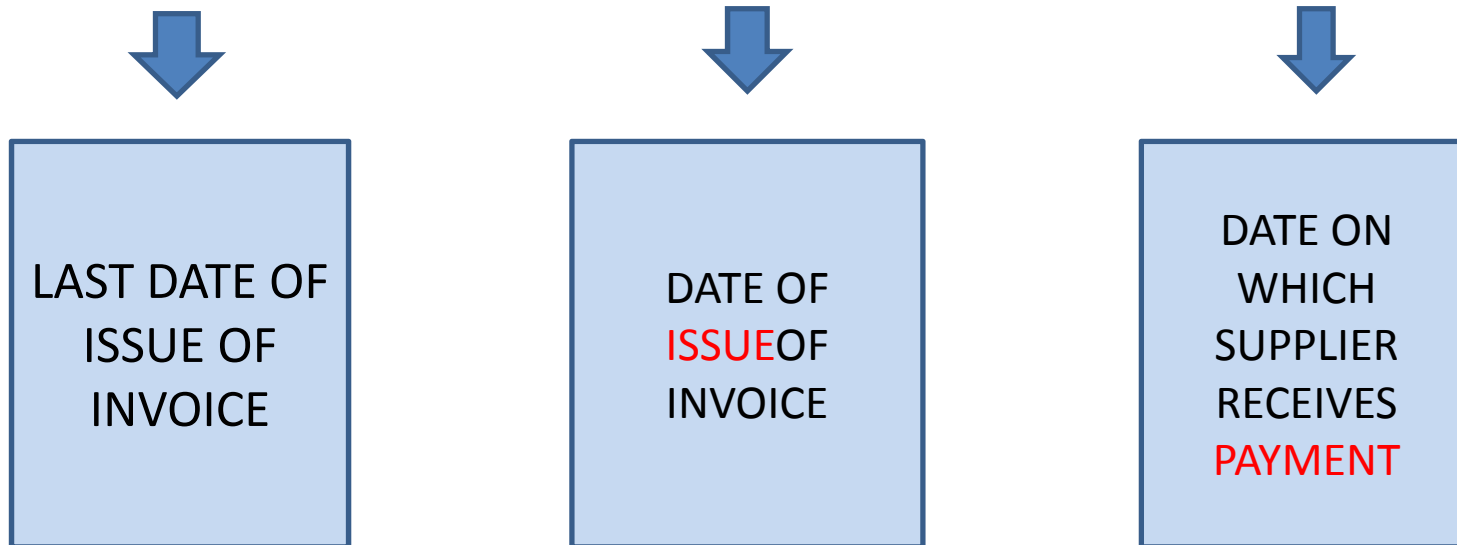
- Section 13....**Liability to pay CGST/SGST on Service shall arise at the time of supply.**
- Section 2(105)... **“time of supply of service”** shall have the meaning as assigned to it in section 13.



Time of Supply of Service:

NORMAL SUPPLY

EARLIEST of following dates



Time of Supply of Service

– Explanation – 1

- Supply shall be deemed to be made to the extent it is covered by invoice or the payment..... Advance received against supply will become taxable...Deposit?? -

– Explanation 2

- Date on which supplier receives payment means
 - **Earlier of**
 - » Date on which payment is entered in books of account
 - » Date of credit in bank account

- Where supplier of taxable service receives an amount upto Rs. 1,000/- in excess of amount indicated in tax invoice, the time of supply to extent of such excess, at the option of supplier, be date of issue of invoice.¹⁴

Time of Supply of Service



IN CASE OF REVERSE CHARGE MECHANISM

EARLIEST of following dates

↓

DATE ON WHICH PAYMENT MADE

10 December, 2016

↓

DATE IMMEDIATELY FOLLOWING 60 DAYS FROM DATE OF ISSUE OF INVOICE

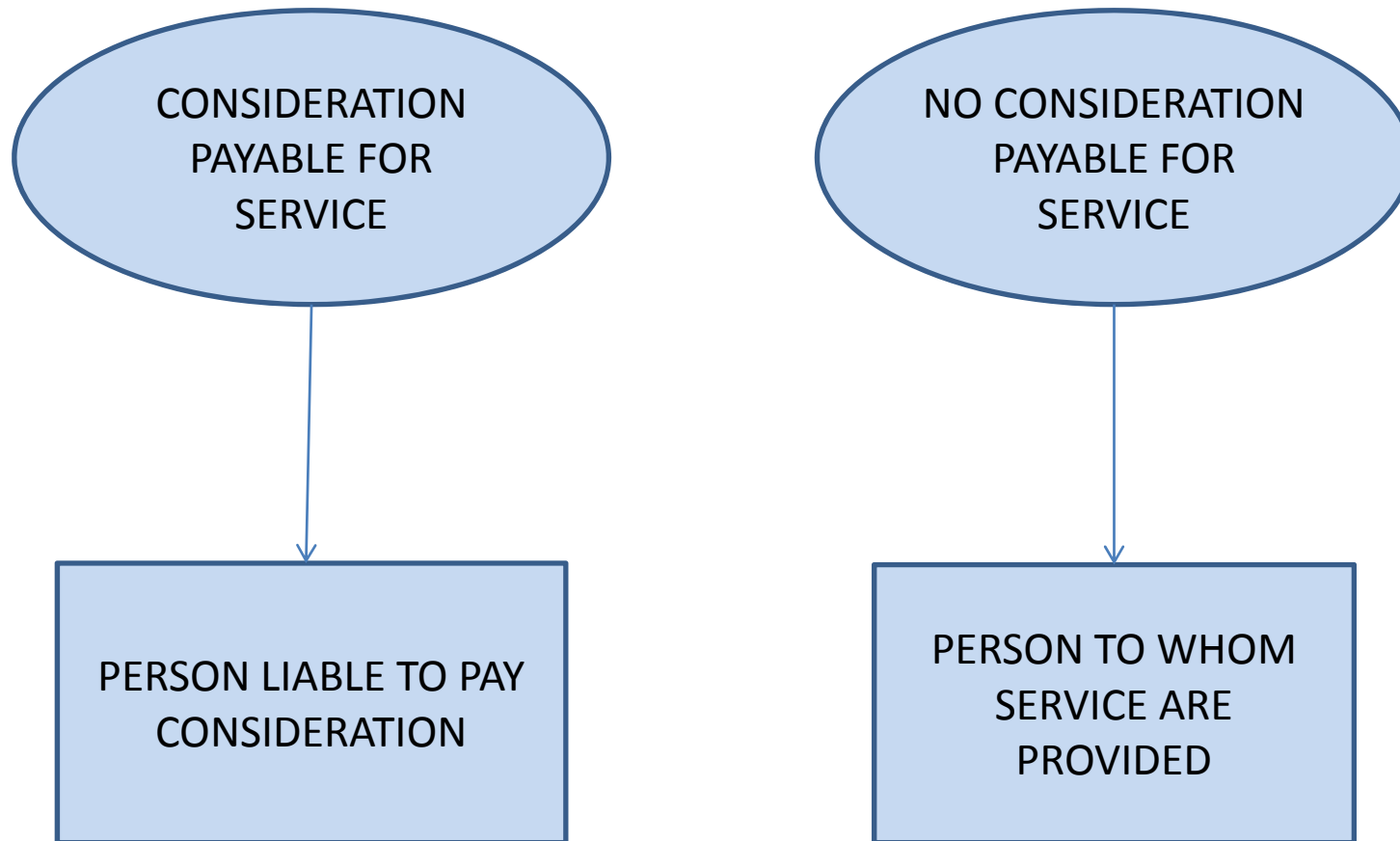
CA Rajiv Luthia

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DATE OF ENTRY IN BOOKS OF ACCOUNT OF RECIPIENT, IF NOT POSSIBLE TO DETERMINE THROUGH PRECEDING

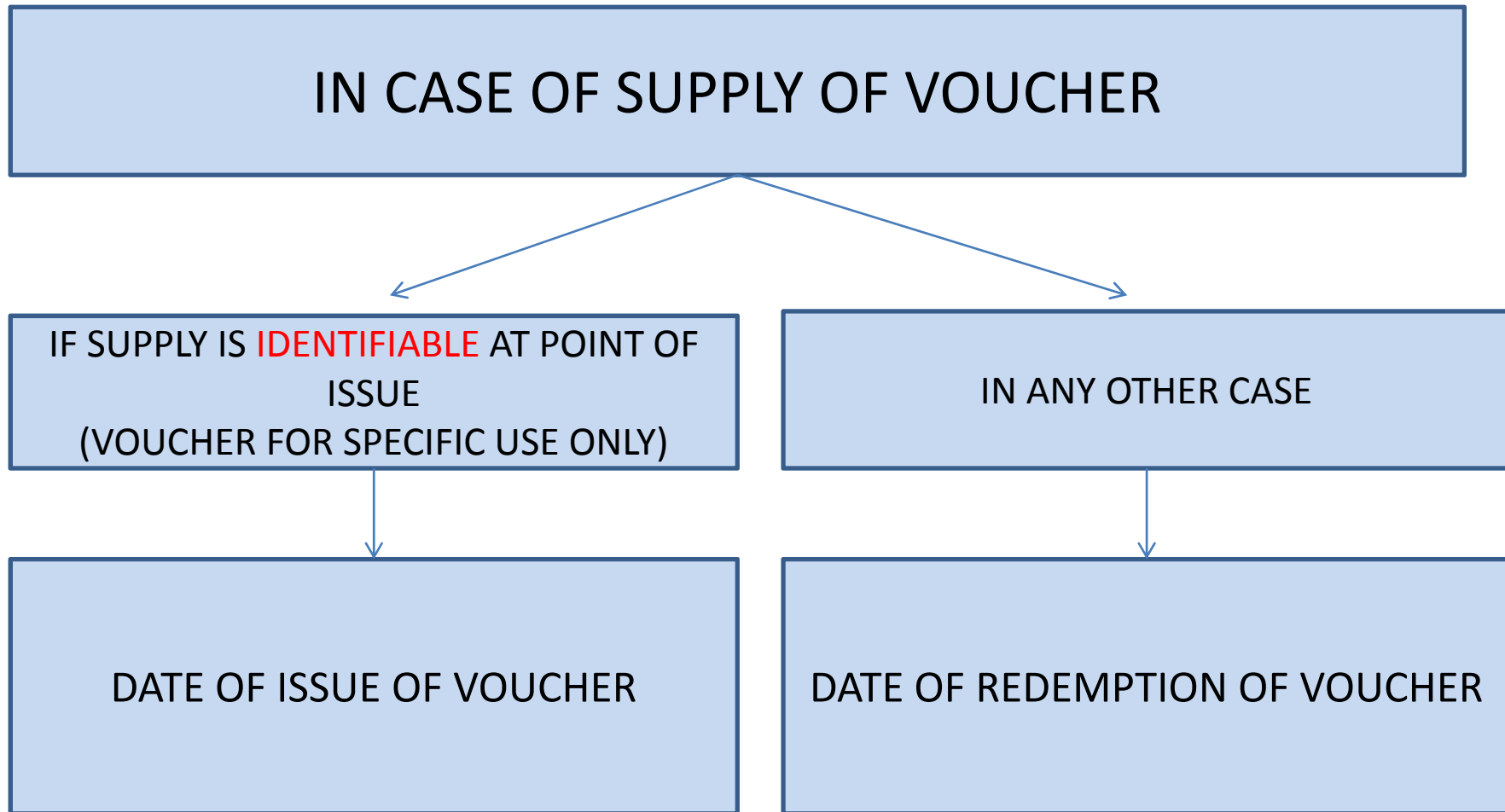
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Time of Supply of Service



Time of Supply of Goods

IN CASE NOT POSSIBLE TO DETERMINE TIME OF SUPPLY

PERIODICAL RETURN HAS TO BE FILED

DATE OF FILING RETURN

IN ANY OTHER CASE

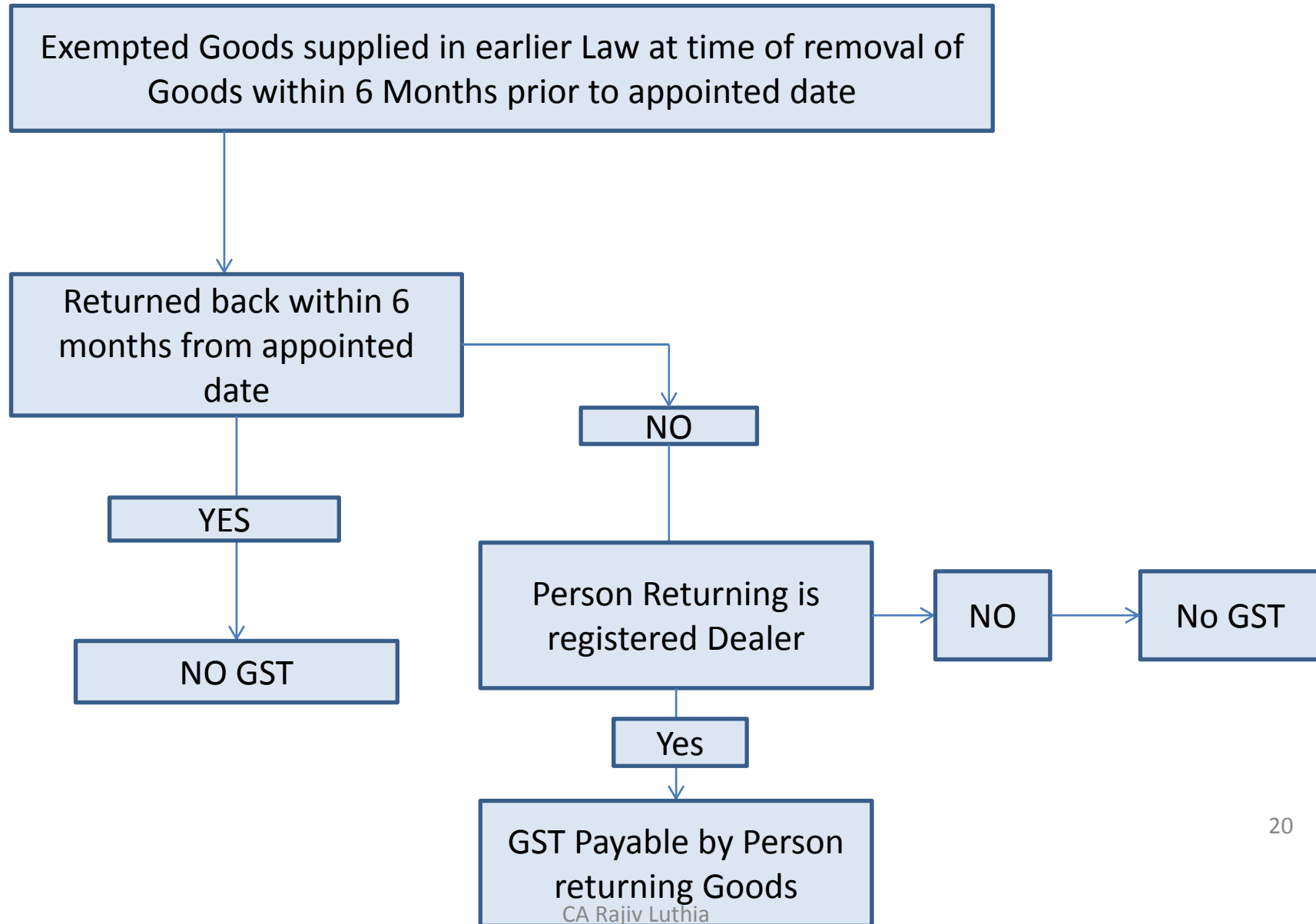
DATE ON WHICH CGST/SGST IS PAID (PAYABLE???)

Time of Supply when Change in Rate of Tax

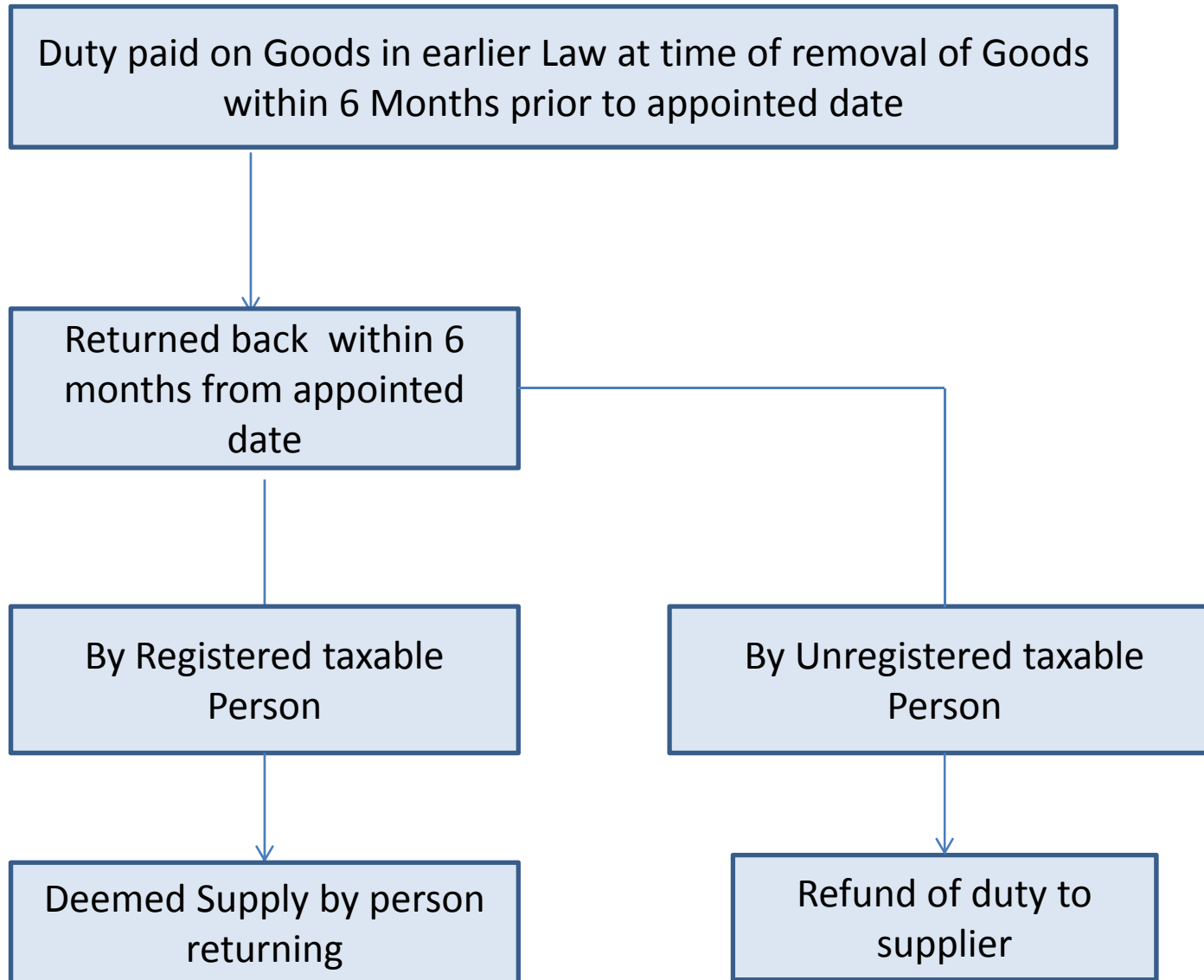
- Section 14...Determination of time of supply when there is a **change in rate of tax** in respect of **goods/service**

| Supply of Goods/service | Issuance of Invoice | Receipt of payment | Time of supply |
|-------------------------|---------------------|--------------------|----------------------------------------|
| Before | After | After | Earliest of invoice or date of receipt |
| Before | Before | After | Date of invoice |
| Before | After | Before | Date of receipt of payment |
| After | Before | After | Date of receipt of payment |
| After | Before | Before | Earliest of invoice or receipt |
| After | After | Before | Date of invoice |

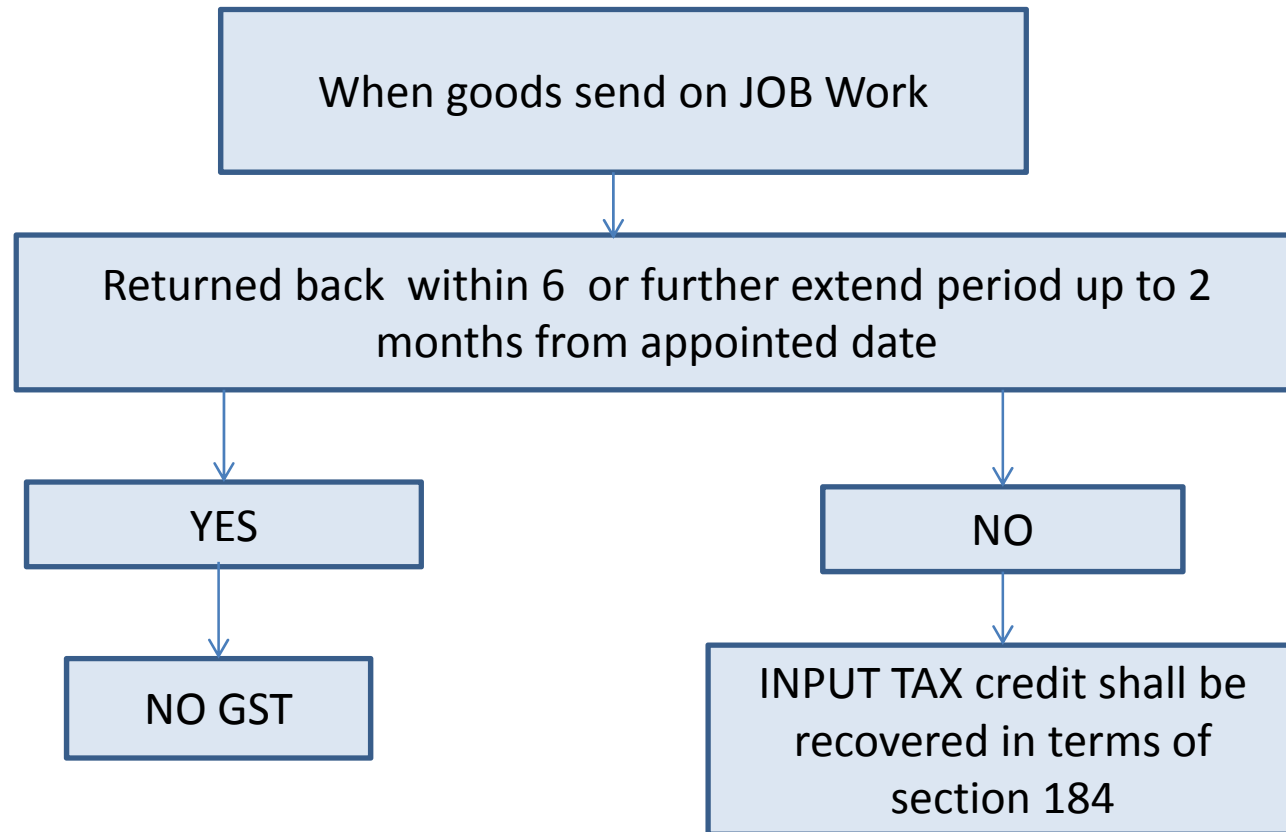
Transitional provisions... Section 173



Transitional provisions... Section 174

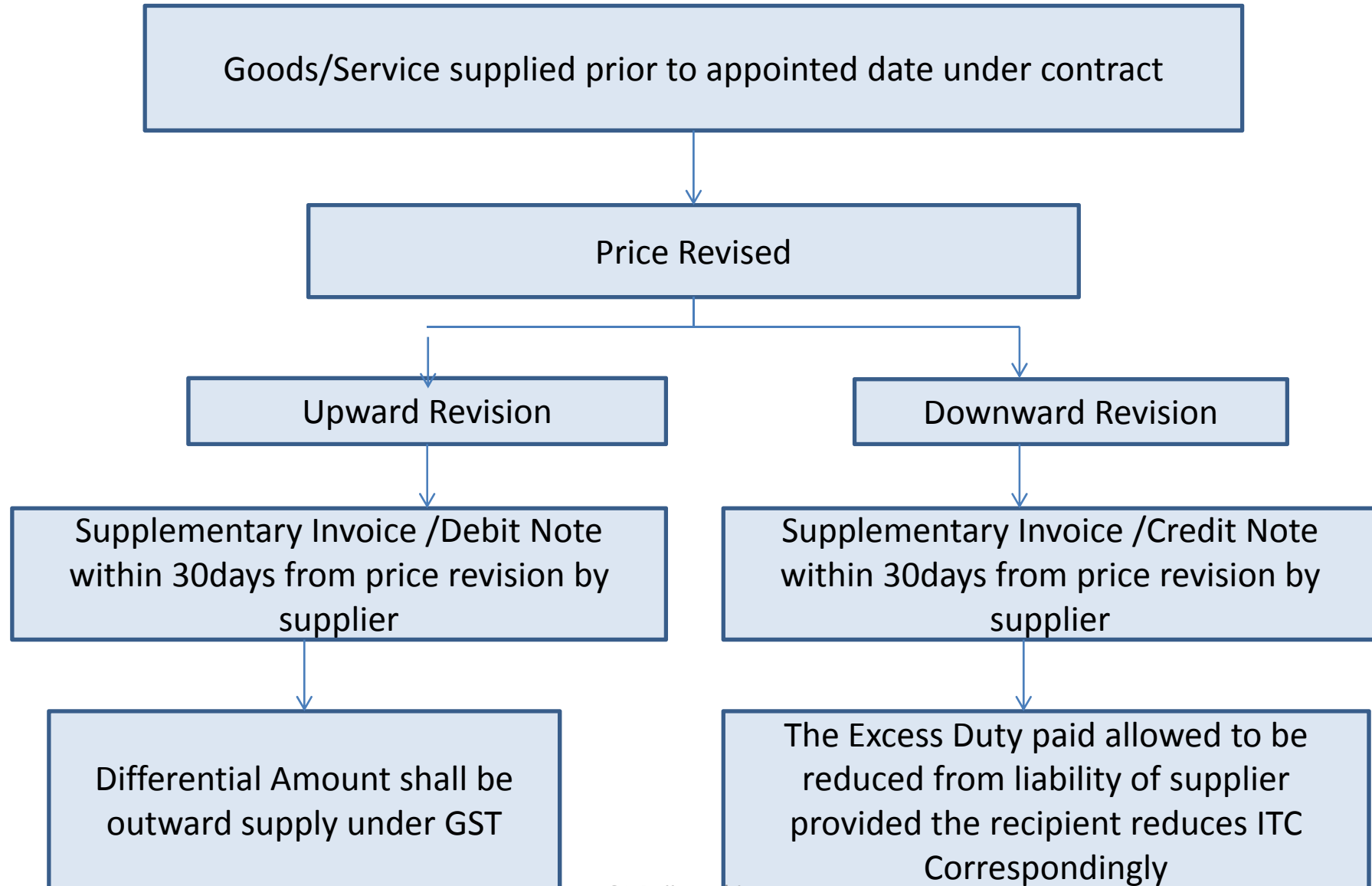


Transitional provisions... Section 174



- Similar Provision for
 - Semi-Finished Goods Sent on Job work & returned
 - Finished Goods Send for carrying certain process like testing

Transitional provisions... Section 178

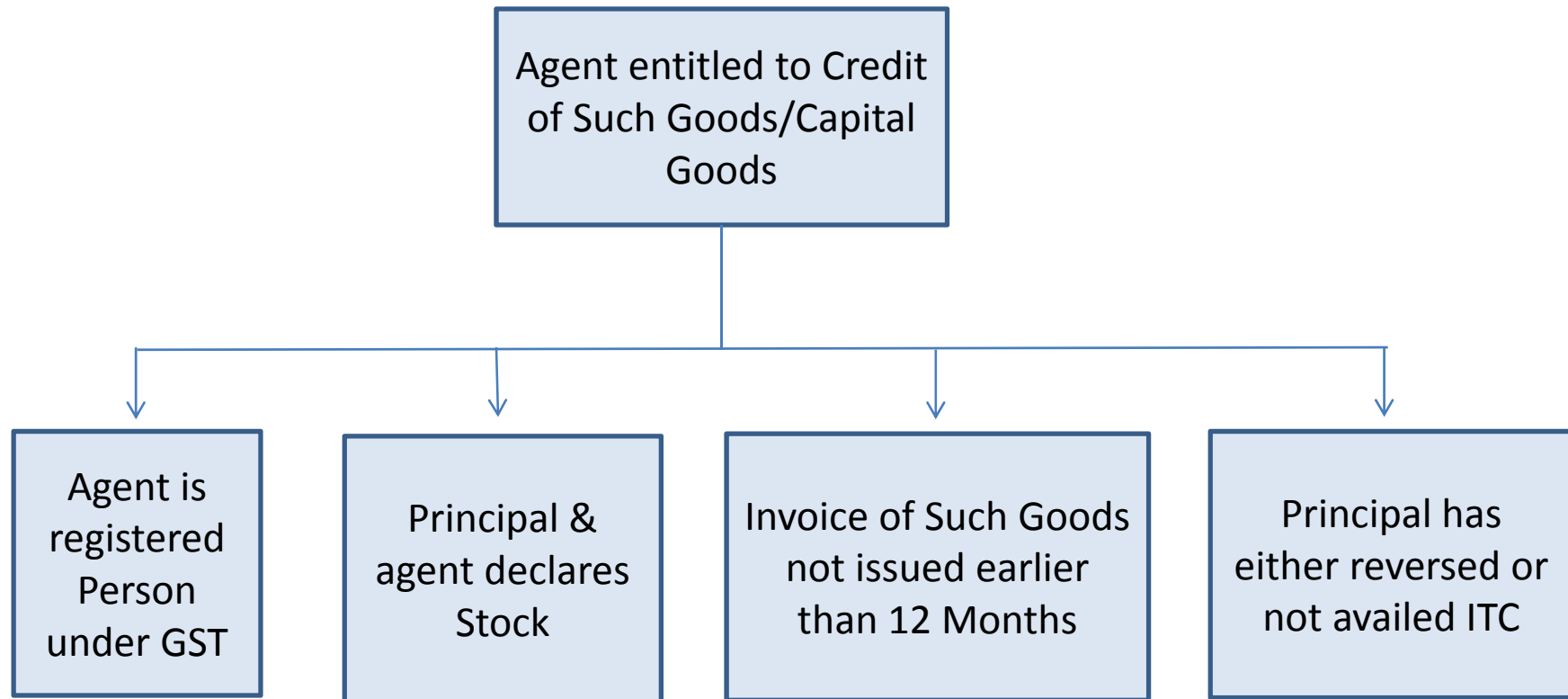


Section 189,195.. Taxability in certain Cases

- No tax is payable on supply of goods/ services made on or after the date on which GST comes into force if consideration for said supply has been received earlier and the duty/tax **payable thereon** has already been paid under the earlier law.
- **Goods Send on Approval**
 - Goods Send on approval not earlier than 6 months before appointment date, returned back within 6 months or extended period of 2 months after appointment date, **NO GST payable**
 - If returned after 6 months/ extended 2 months, Tax shall payable by both person returning the goods/Supplier under GST Law

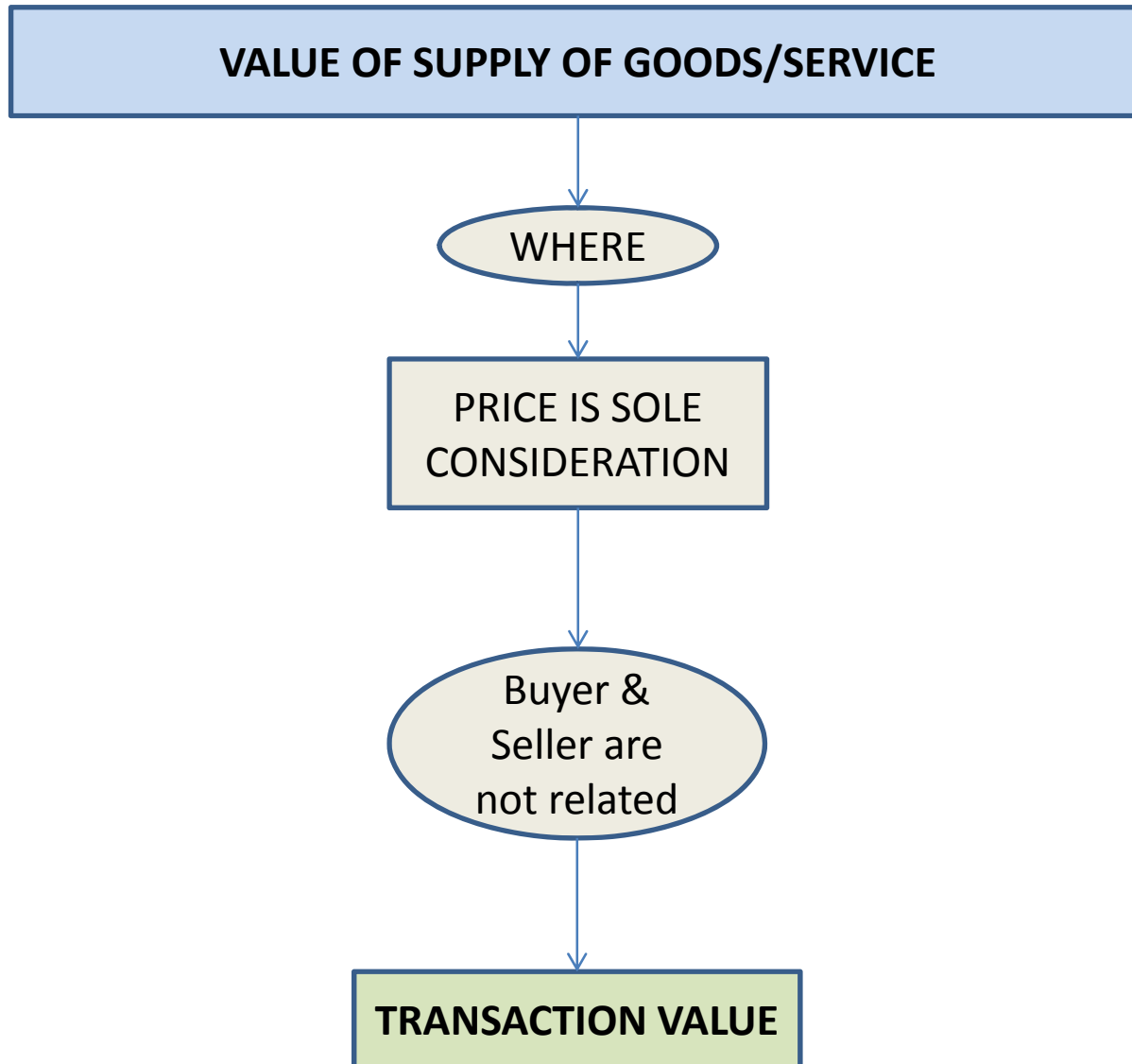
Section 192,193.. Tax on Goods/capital Goods lying with agent allowed as credit

- If Goods belongs to principal lying with agent on appointment date

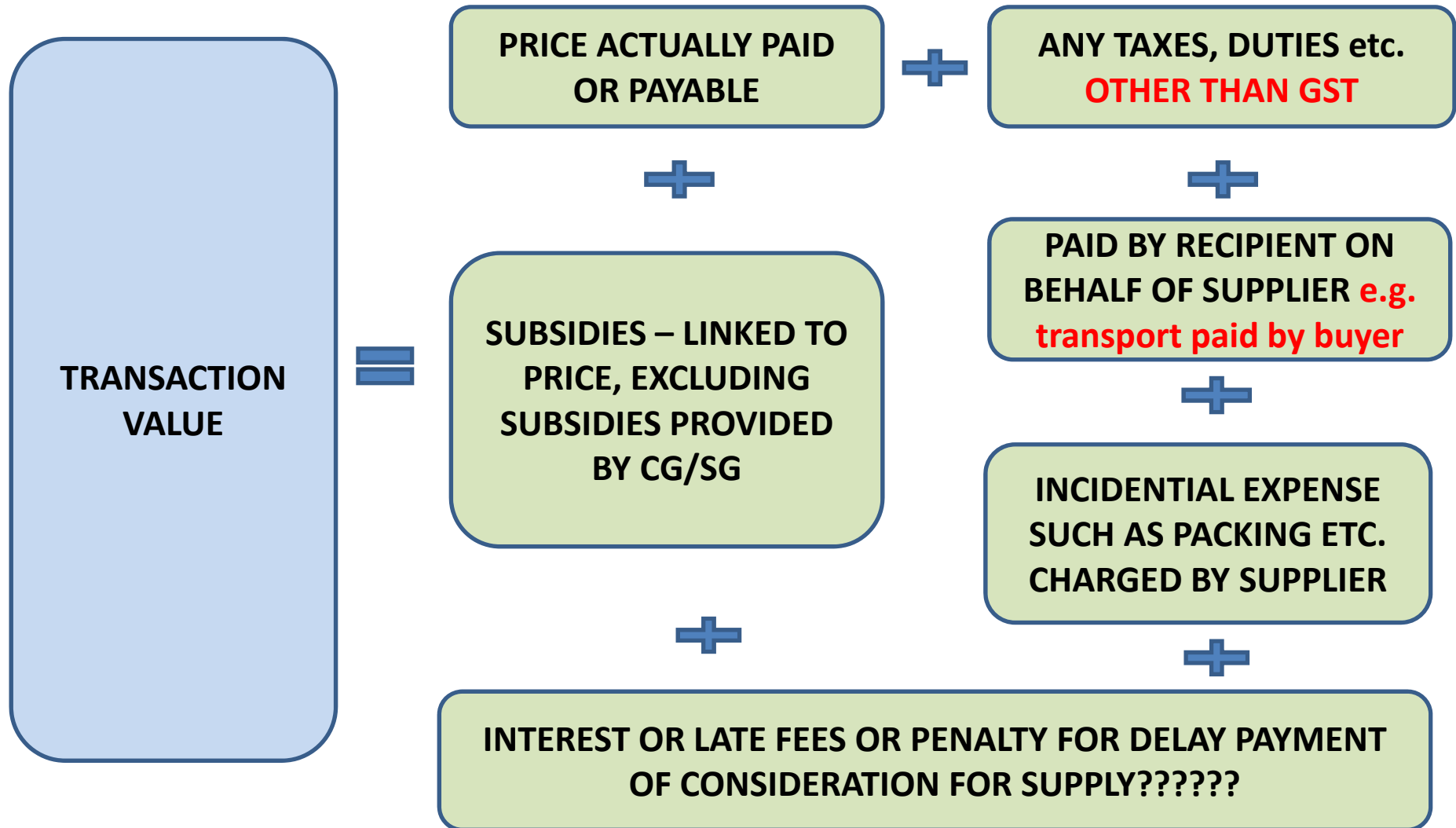


VALUATION

VALUATION – Section 15



TRANSACTION VALUE



TRANSACTION VALUE – OTHER ASPECT

- Trade Discount, quantity discount etc. given before or at time of supply should **not** be included in transaction value, however cash discount are to be **include in value**.
- Supply shall not include discount in terms of agreement entered before or at time of supply subject to
 - Recipient of Supply has reversed Input Credit corresponding to discount given
- Where Value of Supply cannot be determined herein above, the same shall be determined as per Manner prescribed.

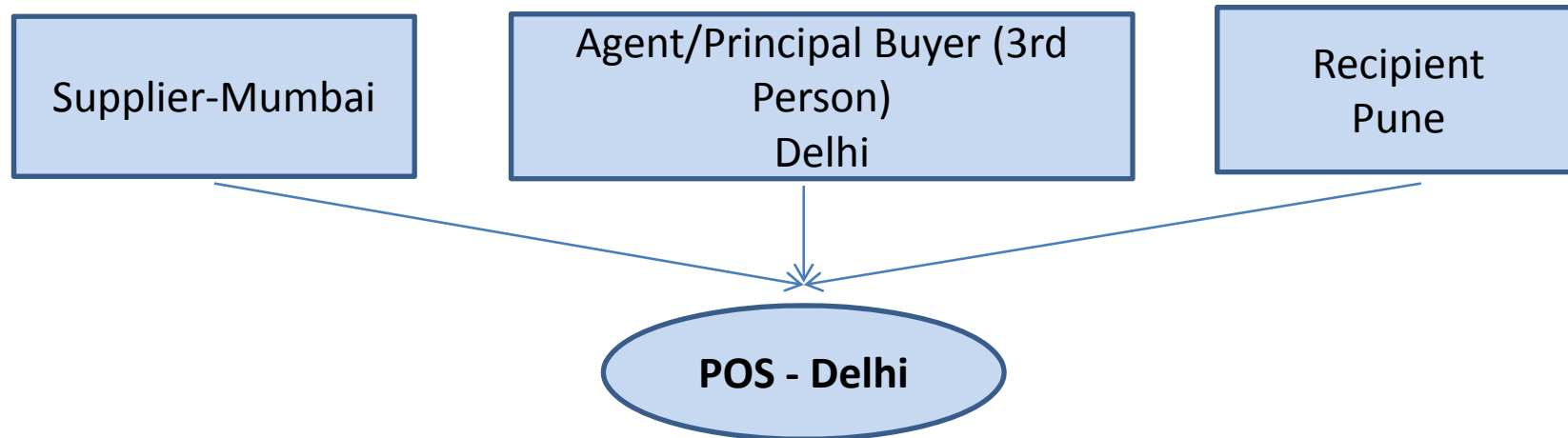
PLACE OF SUPPLY

Place of supply

- Section 8 of CGST/SGST Act.... Levy of GST on all **intra-state supplies**.
- Section 5 of IGST Act....Levy of GST on all **Inter-State supplies**.
- Section 3 of IGST Act....Principles for determining supply of goods/services in the course of inter-state trade of commerce
- Section 4 of IGST Act....Principles for determining supply of goods/services in the course of intra-state trade of commerce

Place of supply of goods (Section 7 of IGST Act)

- “POS” is location of goods at the time at which the movement of goods terminates for delivery to the recipient where supply involves movement of goods. **[7(2)]**
- Delivery of goods by supplier to recipient/any other person on direction of third person, **before or during movement of goods**, POS is **principal place of business of such third person**. **[7(3)]**



Place of supply of goods

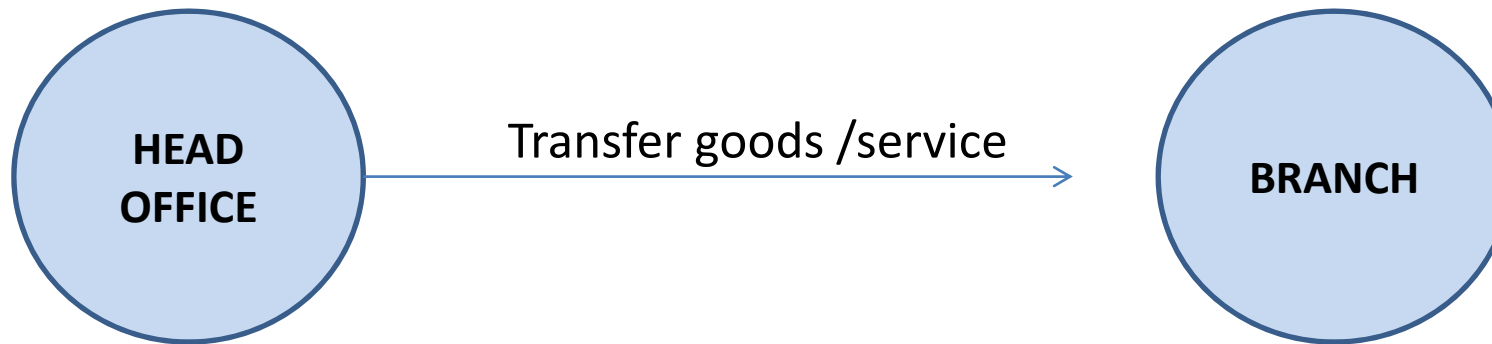
- POS is location of goods at the time of delivery to the recipient where supply does not involve movement of goods [7(4)]....Retail stores etc.
- Where goods are assembled/installed at site, POS is place of such installation/assembly [7(5)]....Assembly of plant, lift etc.
- In case of goods supplied on board a conveyance, POS is location at which such goods are taken on board. [7(6)]
- POS cannot be determined as above, CG shall prescribe the manner

Place of supply of goods (Section 8 of IGST Act)

- Goods imported into India – POS shall be location of Importer
- Goods Exported from India – POS shall be location outside India

BRANCH TRANSFER

BRANCH TRANSFER WITHIN SAME STATE



- Can Transfer of goods/service between HO & branch be considered as transaction between two taxable person & liable to GST?

BRANCH TRANSFER

- Schedule 1 prescribe transactions to be treated as supply without consideration
- Clause 2 of schedule 1 provide that:
 - Supply of goods or service between related person, or between distinct person, when made in course or furtherance of business shall be treated as supply
- As per section 10, person who is required to obtain more than one registration whether in one state or more, shall be treated as distinct taxable person
- Schedule V specifies that person making Inter-state taxable supply shall compulsory take registration

BRANCH TRANSFER

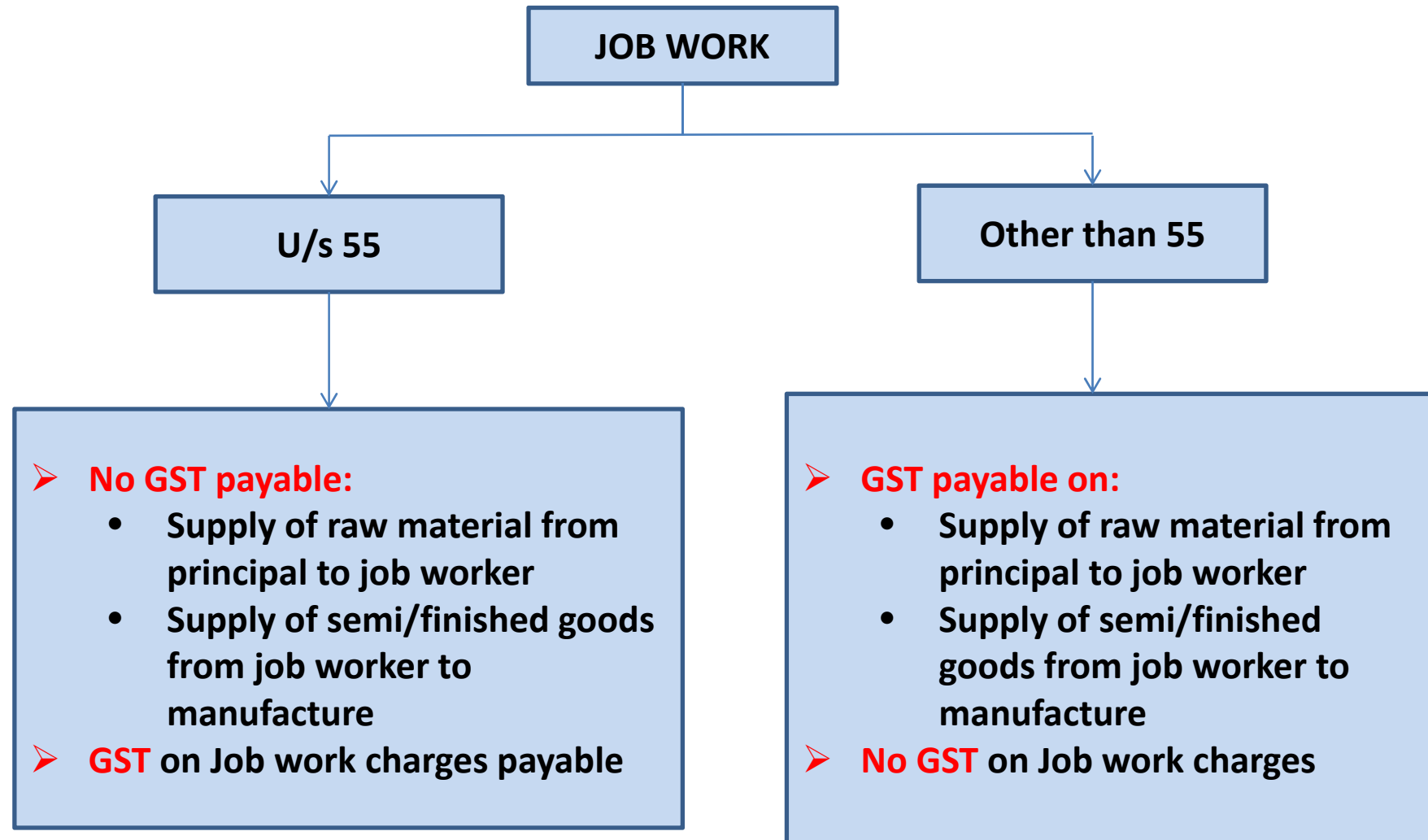
- Thus HO & branch as separate person based on registration & hence Inter-State transaction between HO & branch regarded as taxable supply liable to IGST.
- If H.O & branch of same person is located in same state and separate registration are obtained on both premises based on separate business verticals, then Branch transfer will become taxable.

JOB WORK

JOB WORK – section 2(61)

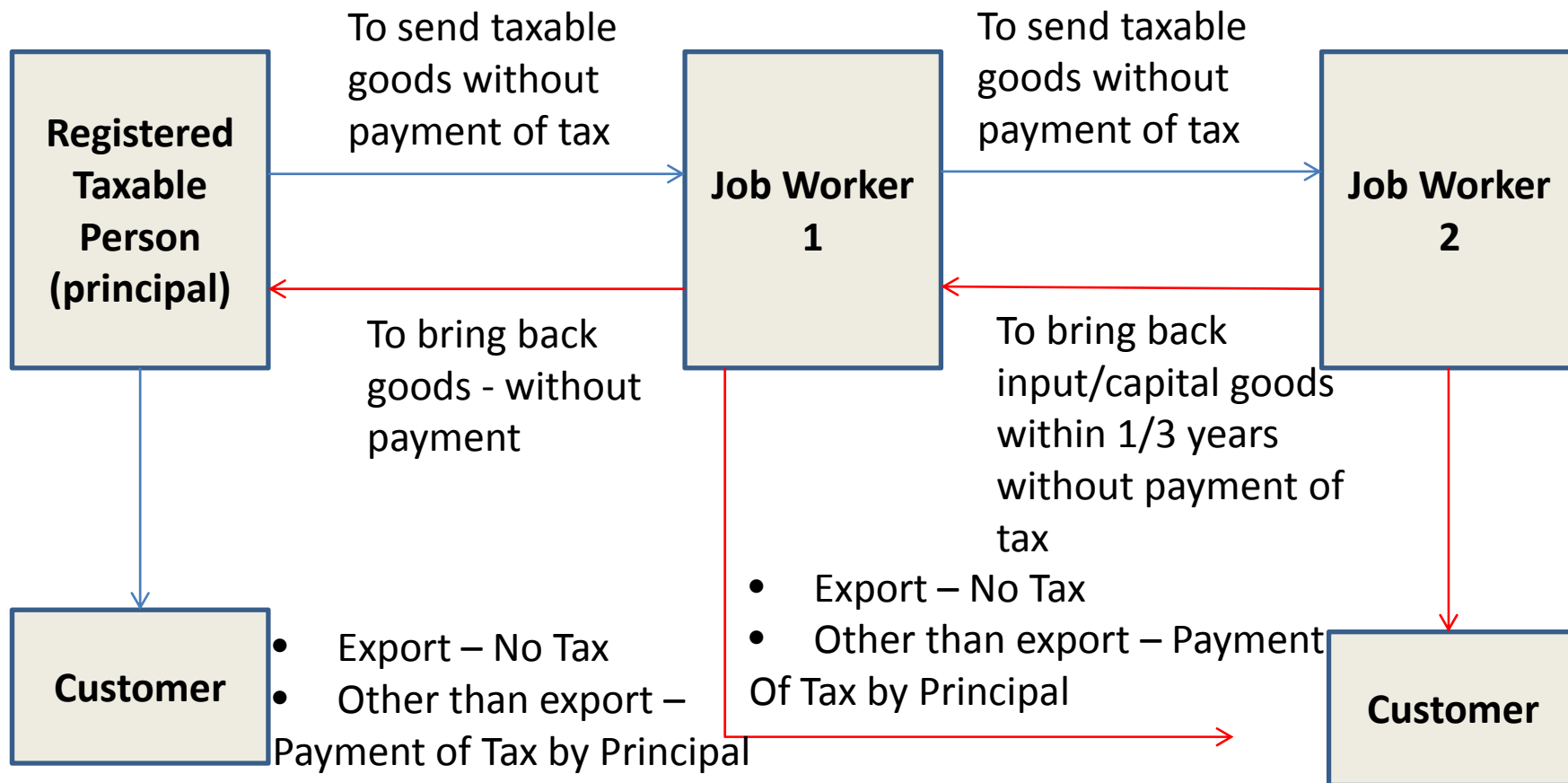
- Job work means
 - Undertaking any treatment or process by a person
 - on goods belonging to another registered taxable person
- Term “job worker” shall be construed accordingly

Taxation of Job work- section 55

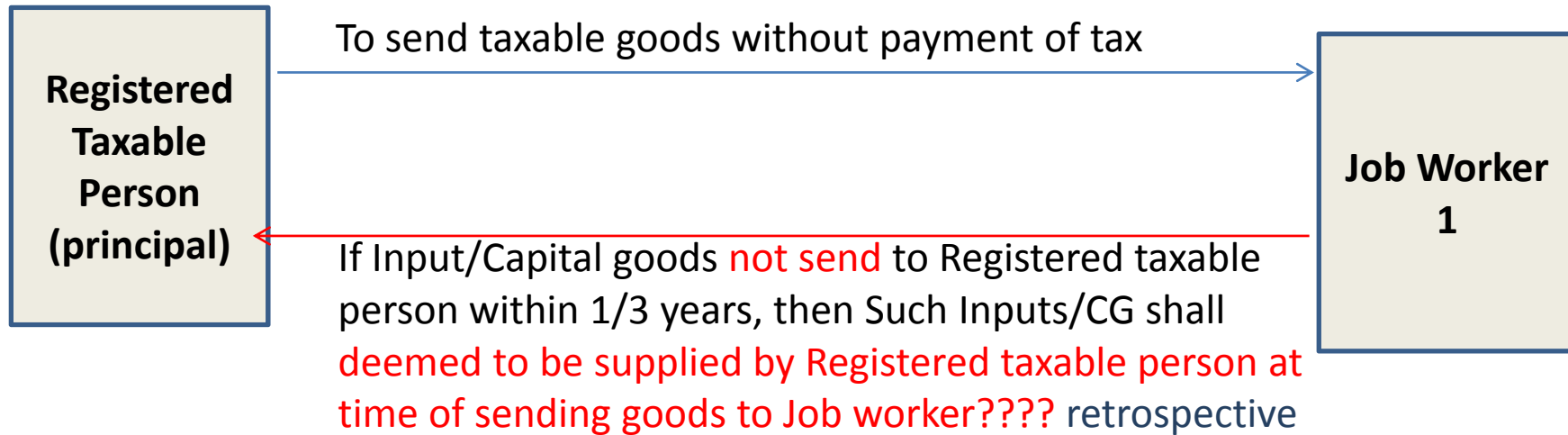


JOB WORK U/S 55-PROCEDURE FOR REMOVAL OF GOODS

- Register Taxable person under Intimation may send input/capital Goods without payment of Tax to job worker



JOB WORK U/S 55-PROCEDURE FOR REMOVAL OF GOODS



E.g.:

Register Taxable Person(RTP) send input to Job –worker – 1/04/2017

Job Worker send the Goods to RTP – 05/08/2018

Register Taxable Person to pay GST on 1/04/2017

JOB WORK U/S 55

- Principal is **responsible** for accountability of goods including payment of tax thereon
- Goods are permitted to be supplied from place of business of job worker provided:
 - Principal declares the place of business of job worker as his **‘additional place of business’** **Except job worker is registered u/s. 19**

JOB WORK U/S 55

- Supply of goods by a principal to a job-worker u/s 55 not to be treated as supply of goods
- Supply of goods (after completion of job work) by registered job-worker **[Schedule V]**
 - Shall be treated as the supply of goods by the “principal” (referred in section 55); and
 - Value of such goods shall not be included in the aggregate turnover of the registered job worker

WITH KNOWLEDGE..... WE KNOW THE WORDS,
BUT WITH EXPERIENCE..... WE KNOW THE MEANING



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