

UNIT – III

Main Provisions of GST

Levy and importance terms of levy of tax

- Levy definition and meaning A levy is a legal seizure of property which authorities such as the IRS, state treasury departments and banks use to satisfy a tax debt. It grants control over the debtor's bank accounts, personal property or rights, and can include an employee's wages.

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More about levies

The IRS usually follow four steps before they issue a levy:

- They assess tax which is owed and send a notice with a demand for payment, also known as a tax bill
- An individual neglects or refuses to pay the tax
- The IRS typically sends a final notice of intent to levy and the individual's right to a hearing at least 30 days before the levy
- Finally, the IRS sends advance notification of third party contact which notifies the debtor they might contact third parties regarding the determination or collection of the tax liability

Levies can include IRS property seizure of items such as a house or vehicle but can really be any property you own or may have an interest in. For example, retirement accounts and bank accounts are usually fair game. Sales proceeds typically go toward an individual's tax debts.

What Is a Levy?

A levy is the legal seizure of property to satisfy an outstanding debt. If you fail to pay your taxes, the Internal Revenue Service may respond by levying your tax return or property. Tax authorities can also levy other assets, such as bank accounts, rental income, or retirement accounts.

- Levies are the legal means by which a taxing authority or a bank can seize property for the payment of a debt.¹²
 - Properties that can be seized in a levy are both real—such as cash, cars, and houses—as well as intangible and held by someone else, like future wages.²

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- A levy is different from a lien because a levy takes the property to satisfy the tax debt, whereas a lien is a claim used as security for the tax debt.
- While private creditors need a court order to levy property, federal agencies like the IRS do not.
- A levy is distinct from a garnishment, where a court orders an employer to direct part of your salary to a creditor.

Tax Levy

The [Internal Revenue Code](#) (IRC) authorizes levies to collect delinquent tax payments to the federal government. However, certain procedures must be followed and requirements met before enforcing a levy. In the U.S., for example, the IRS must first assess the tax and send a Notice and Demand for Payment (a tax bill) to an individual owing federal taxes.¹⁴

If the individual still neglects or refuses to pay the tax, the IRS will send a Final Notice of Intent to Levy and Notice of Your Right to a Hearing (a levy notice). This is typically sent at least 30 days prior to the levy and can be given in person, dropped at the tax debtor's home or place of business, or mailed to the individual's last known address.¹

TIME AND VALUE OF SUPPLY:

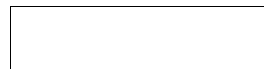
Time of supply related to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the date on which supplier receives such addition in value. For example, a supplier receives consideration in the month of

September instead of due date of July and for such delay he is eligible to receive an interest amount of Rs. 1000/- and the said amount is received on 15.12.17. The time of supply of such amount (Rs. 1000/-) will be 15.12.17.

Time, Place and Value of Supply

Updated on : Feb 17, 2022 - 01:10:12 PM

15 min read.



Under [GST](#), 3 types of taxes can be charged in the invoice. SGST and CGST in case of an intra-state transaction and IGST in case of an interstate transaction. But deciding whether a particular transaction is inter or intrastate is not an easy task.

Think about an online training where customers are sitting in different parts of the world.

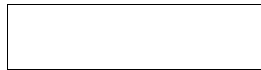
Say in case, hotel services, where the receiver may have an office in another state and may be visiting the hotel only temporarily, or where goods are sold on a train journey passing through different states.

To help address some of these situations, the IGST act lays down certain rules which define whether a transaction is inter or intrastate. These rules are called the place of supply rules.

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To help address some of these situations, the IGST act lays down certain rules which define whether a transaction is inter or intrastate. These rules are called the place of supply rules.

Why are time place and value of supply important?

- **Time of supply** means the point in time when goods/services are considered supplied'. When the seller knows the 'time', it helps him identify due date for payment of taxes.
- **Place of supply** is required for determining the right tax to be charged on the invoice, whether IGST or CGST/SGST will apply.
- **Value of supply** is important because GST is calculated on the value of the sale. If the value is calculated incorrectly, then the amount of GST charged is also incorrect

Time of Supply

Time of supply means the point in time when goods/services are considered supplied'. When the seller knows the 'time', it helps him identify due date for payment of taxes.

CGST/SGST or IGST must be paid at the time of supply. Goods and services have a separate basis to identify their time of supply. Let's understand them in detail.

Time of Supply of Goods

Time of supply of goods is earliest of:

1. Date of issue of invoice
2. Last date on which invoice should have been issued
3. Date of receipt of advance/ payment*.

For example:

Mr. X sold goods to Mr. Y worth Rs 1,00,000. The invoice was issued on 15th January. The payment was received on 31st January. The goods were supplied on 20th January.

*Note: GST is not applicable to advances under GST. GST in Advance is payable at the time of issue of the invoice. [Notification No. 66/2017 – Central Tax](#) issued on 15.11.2017

Let us analyze and arrive at the time of supply in this case.

Time of supply is earliest of –

1. Date of issue of invoice – **15th January**
2. Last date on which invoice should have been issued – 20th January.

Thus the time of supply is 15th January.

What will happen if, in the same example an advance of Rs 50,000 is received by Mr. X on 1st January?

The time of supply for the advance of Rs 50,000 will be 1st January (since the date of receipt of advance is before the invoice is issued). For the balance Rs 50,000, the time of supply will be 15th January.

Time of Supply for Services

Time of supply of services is earliest of:

1. Date of issue of invoice
2. Date of receipt of advance/ payment.
3. Date of provision of services (if invoice is not issued within prescribed period)

Let us understand this using an **example**:

Mr. A provides services worth Rs 20000 to Mr. B on 1st January. The invoice was issued on 20th January and the payment for the same was received on 1st February.

In the present case, we need to 1st check if the invoice was issued within the prescribed time. The prescribed time is 30 days from the date of supply i.e. 31st January. The invoice was issued on 20th January. This means that the invoice was issued within a prescribed time limit.

The time of supply will be earliest of –

1. Date of issue of invoice – **20th January**
2. Date of payment = 1st February

This means that the time of supply of services will be 20th January.

Time of Supply under Reverse Charge

In case of reverse charge the time of supply for service receiver is earliest of:

1. Date of payment*

2. 30 days from date of issue of invoice for goods (60 days for services)

**w.e.f. 15.11.2017 'Date of Payment' is not applicable for goods and applies only to services. [Notification No. 66/2017 – Central Tax](#)*

For example:

M/s ABC Pvt. Ltd undertook service of a director Mr. X worth Rs. 50,000 on 15th January.

The invoice was raised on 1st February. M/s ABC Pvt Ltd made the payment on 1st May.

The time of supply, in this case, will be earliest of –

1. Date of payment = 1st May

2. 60 days from date of date of invoice – **2nd April**

Thus, the time of supply of services is 2nd April.

Place of supply

It is very important to understand the term '[place of supply](#)' for determining the right tax to be charged on the invoice.

Here is an **example:**

Location of Service Receiver	Place of supply	Nature of Supply
Maharashtra	Maharashtra	Intra-state
Maharashtra	Kerala	Inter-state

Place of Supply of Goods

Usually, in case of goods, the place of supply is where the goods are delivered.

So, the place of supply of goods is the place where the ownership of goods changes.

What if there is no movement of goods. In this case, the place of supply is the location of goods at the time of delivery to the recipient.

For example: In case of sales in a supermarket, the place of supply is the supermarket itself.

Place of supply in cases where goods that are assembled and installed will be the location where the installation is done.

For **example**, A supplier located in Kolkata supplies machinery to the recipient in Delhi. The machinery is installed in the factory of the recipient in Kanpur. In this case, the place of supply of machinery will be Kanpur.

Place of Supply for Services

Generally, the place of supply of services is the location of the service recipient.

In cases where the services are provided to an unregistered dealer and their location is not available the location of service provider will be the place of provision of service.

Special provisions have been made to determine the place of supply for the following services:

- Services related to immovable property
- Restaurant services
- Admission to events
- Transportation of goods and passengers
- Telecom services
- Banking, Financial and Insurance services.

In case of services related to immovable property, the location of the property is the place of provision of services.

Example 1:

Mr. Anil from Delhi provides interior designing services to Mr. Ajay(Mumbai). The property is located in Ooty(Tamil Nadu).

In this case, place of supply will be the location of the immovable property i.e. Ooty, Tamil Nadu.

Example 2:

A registered taxpayer offers passenger transport services from Bangalore to Hampi. The passengers do not have GST registration. What will be the place of supply in this case?

The place of supply is the place from where the departure takes place i.e. Bangalore in this case.

Value of Supply of Goods or Services

Value of supply means the money that a seller would want to collect for the goods and services supplied.

The amount collected by the seller from the buyer is the [value of supply](#).

But where parties are related and a reasonable value may not be charged, or transaction may take place as a barter or exchange; the GST law prescribes that the value on which GST is charged must be its 'transactional value'. This is the value at which unrelated parties would transact in the normal course of business. It makes sure GST is charged and collected properly, even though the full value may not have been paid.

To generate GST compliant invoices and file GST Returns use our [ClearTax GST](#) software.

ALL ARTICLES

1.	<u>Exports Under GST – Deemed Exports, Forms for Refunds</u>
	When we talk of exports under GST, we have to understand the laws applicable to the import and export of both services and goods. Learn more..
2.	<u>Place of Supply for OIDAR</u>
	Place of Supply for OIDAR
3.	<u>Place of Supply of Imports – Explained</u>
	This will help you to determine the place of supply of imports and exports along with numerous examples.
4.	<u>Treatment of Advance Received under GST</u>
	If advance is received before issue of invoice taxpayer receiving advance must pay GST on advance received. Read further to understand how GST is calculated
5.	<u>Place of Supply of Banking and Financial Services</u>
	Here we will discuss the place of supply for banking and financial services from the point view of the customers and what they will be charged
6.	<u>Place of Supply of Telecommunication Services</u>
	Place of supply of mobile connection (postpaid) is recipient's address. Prepaid connections and other telecommunications will face a different treatment.
7.	<u>Place of Supply for Transportation Services</u>
	Place of supply for transportation services will discuss goods transport, passenger transport and the services supplied on board a conveyance.
8.	<u>Place of Supply for Specific Services</u>
	Place of supply for specific services will discuss the place of supply for performance-based services such as restaurant, training, events etc.
9.	<u>Place of Supply for Services of Immovable Property</u>
	Place of supply for services for immovable property have separate rules. Simply, place of supply will be the location of the property.
10.	<u>General Rules of Place of Supply of Services</u>
	Determination of place of supply for services is more complex than the place of supply of goods. Read place of supply of services along with examples.
11.	<u>Place of Supply of Goods</u>

	Place of supply of goods defines whether the transaction will be as intra-state or inter-state, and levy of SGST, CGST & IGST will be determined.
12.	Valuation of Supply Rule Under GST In Case of Pure Agent
	Read our analysis on valuation of supply rule in the case of services to a pure agent under the new Goods and Services Tax Law.
13.	Valuation Rule Under GST – Specific Businesses
	Here we will discuss the valuation of supplies from specific businesses notified under GST, which differ from the set rules. Read more to understand.
14.	Residual Method of Valuation of Supply Under GST
	If the value of supply of goods and/or services cannot be determined from the cost method of valuation, the residual method can be used. Read here understand.
15.	Valuation of Supply Rule Under GST – Cost Method
	Valuation rule for supply states, In case a supplier is not able to determine the value for GST in open market terms, he can refer to cost method. Read On
16.	Valuation of Supply – Principal to Agent and Vice Versa
	Any supply from a principal to an agent or vice versa is chargeable to GST. This rule will help determine the correct value of supply. Read more here
17.	Value of Supply of Goods or Services Between Related Person Under GST
	There are distinct rules for valuating supply of goods and services between related person under the GST Law. Read on for more details.
18.	Valuation of Supply Under GST – When Consideration Is Not Wholly In Money
	Under the GST Law, if the consideration of supply is partially in money and partially otherwise, GST valuation rule needs to be followed. Read more here
19.	Valuation Rule For Supply Under Goods and Services Tax
	GST Valuation Rules have recently been introduced. Every supply under the GST law has to be valued on the basis of these rules. Read here to know more.
20.	How to Determine Place Of Supply of Service Under GST
	Know the basics of place of supply in case of supply of services as per general provision guiding you to various pages on specific rules
21.	Valuation of Supply under GST Part II- What happens when you give discounts?

	How discounts will impact valuation of supply under GST. Which discounts will be allowed as deduction? Read to find out more.
22.	<u>Valuation of Supply under GST</u>
	One of the most important question is what is valuation of supply under GST? What will be included in the value of taxable supply on which GST is calculated?
23.	<u>Time of Supply of Services under GST Explained</u>
	Under GST the point of taxation ,ie., the liability to pay GST will arise at the time of supply as determined for goods and services.
24.	<u>Time of Supply of Goods under GST Explained</u>
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- Mixed supply is the sale of goods and services together, while composite supply is a single service rendered to a customer. Now under GST, composite supplies are subsumed in the definition of mixed supplies. This means that composite supplies will be taxed at the same rate as mixed supplies.

Mixed supply under GST refers to the situation where goods and services are provided at a time. Composite supply under GST refers to the situation where goods and services are provided separately.

The GST council has decided to levy a 5% tax on the composite supply of goods and services. This means that the composite supply will be taxed at 5%. The decision was taken after a lot of discussion about whether to classify it as a mixed supply or not.

The GST Council in its meeting held in November has finalized the following provisions for mixed and composite supplies:

1. A composite supply is a supply of goods or services consisting of two or more supplies that are packaged together for sale to the customer. The goods and services can be supplied together with or separately.

2. A mixed supply is a supply of goods or services where at least one of the supplies is zero-rated and at least one other is taxable. The goods and services can be supplied together with or separately. For example, if a company sells both taxable and zero-rated food items, it will have to charge GST on both types of items based on the [GST Registration Process](#) but cannot claim an input tax credit (ITC) on any part of the sale because all parts are taxable under GST.

Mixed Supply & Composite Supply under GST

The Supply of goods and services is broadly classified into two categories:

1. Mixed Supply
2. Composite Supply

1. Mixed Supply:

A mixed supply is a supply that includes both taxable and non-taxable goods. A mixed supply is subject to GST if the value of [taxable goods](#) exceeds the value of non-taxable goods.

Mixed supply is the sale of goods and services together, while composite supply is a single service rendered to a customer.

Now under GST, composite supplies are subsumed in the definition of mixed supplies. This means that composite supplies will be taxed at the same rate as mixed supplies.

Services or works that have been agreed to be done after supply of goods; – Services or works that have been agreed to be done concurrently with the provision of goods; – Services or works that are incidental to, necessary for, or complementary to those being supplied.

Find out the exact amount of GST to be paid before registering for GST using our [GST Calculator](#).

2. Composite Supply:

A composite supply is a single unitary transaction that includes both taxable and non-taxable supplies. [Composite supplies](#) are subject to GST if the total value of taxable supplies exceeds the total value of non-taxable supplies.

The GST Council has decided to levy a tax of 18% on all goods and services, which are currently taxed at different rates. This would mean that goods and services will be taxed at a uniform rate of 18%.

There is an exception to this rule. For example, if you purchase a product for ₹1,000 and the product consists of both goods and services, then you would be charged 18% GST on the total value of the product (₹1,000). However, if you purchase a service worth ₹500 from a company that is registered under GST with an 18% [tax rate](#) (composite supply), then you would only be charged 18% GST on the service worth ₹500 (composite supply).

- Scope of Supply means those supplies which shall be considered as Supplies for levy of GST. As per general rule, every transaction in the normal course of business is considered as Supply. Along with this, a small list is being provided where some transactions are excluded from the 'Supply'.

Definition of Supply under GST: Scope explained

Under GST, Supply is considered a taxable event for charging tax. The liability to pay tax arises at the 'time of supply of goods or services'. Thus, determining whether or not a transaction falls under the meaning of supply, is important to decide GST's applicability.

Concept Before GST

Under the erstwhile indirect tax regime, there was no concept of Supply. The stage at which indirect taxes were levied varied under different tax laws. The 'excise duty' was charged on goods manufactured when they were taken out of the factory. 'Service Tax' was levied based on certain rules known as the 'point of taxation' rules, for services rendered. A VAT would arise on the value of the sale of goods or provision of services. The present system has merged all taxes to maintain a single taxable event.

Latest Updates:

21st	December	2021
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Paragraph 7 under Schedule II has been removed and included within Section 7 as a new clause (aa). Accordingly, the supply of goods by any unincorporated association or body of persons to its members will be designated as supply.

1st	February	2021
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Section 7 of the CGST Act was amended to include a new clause under the definition of supply. Activities or transactions involving the supply of goods or services by any person, other than an individual, to its members or constituents or vice-versa, for cash, deferred payment or other valuable consideration. Earlier, this supply would have been considered as only supply of goods under schedule II. So, the scope is expanded now for levy.

What is supply under GST?

Supply includes sale, transfer, exchange, barter, license, rental, lease and disposal. If a person undertakes either of these transactions during the course or furtherance of business for consideration, it will be covered under the meaning of Supply under GST.

- E-Commerce has caused the supply chain to become more flexible and efficient. Businesses can now easily collect information on the needs and wants, sell online, reach a wide range of customers, and deliver the products quickly at a low cost. E-commerce has a dual function in supply chain management.
- E-commerce has had a significant impact on how businesses operate and has changed how supply chains are managed. There are several ways that e-commerce has influenced supply chain management. First, e-commerce has allowed businesses to sell their products to a larger audience.

From the procurement of raw materials to the delivery of a product to a customer, B2B supply chain management (SCM) includes all stages of commerce. Supply Chain Management and distribution of the right product to the right client at the right time includes manufacturing, warehousing, inventory tracking, order entry, and management. When it comes to eCommerce, SCM is also in charge of the platform's front-end, effectively linking the client and the supplier. A successful B2B eCommerce SCM should be built on a solid strategy and implement techniques that benefit both the company and its clients. Because eCommerce takes place between businesses, efficient SCM is essential in B2B eCommerce, where delivered goods might be further dispersed to customers, used to manufacture more products, and so on. One company's SCM system may be linked to another, resulting in dependencies.

In e-commerce, effective supply chain management entails optimization. This can mean a variety of things, including:

- Maintaining a stronger relationship with your suppliers
- Preparing for demand spikes or troughs ahead of time
- Business process automation
- Inventory management that is "smart."

Successful optimization entails mitigating your customers' known challenges, particularly when shopping online. If you can improve visibility across your supply chain and ensure correct data throughout your firm, your e-commerce plan will be a breeze. You can provide your customers with an online sales and revenue channel that maximizes transparency and communication if you have a well-managed supply chain and the necessary data (and thus, profitability and success). It will also help your company save money and generate more new revenue.

What is the role of e-commerce in supply chain management?



supply chain management

"The growth of e-commerce has impacted supply chain management in several ways. First, it has increased the demand for just-in-time delivery, putting pressure on suppliers to deliver products more quickly and efficiently.

Second, it has made it easier for consumers in comparison to shopping offline, leading to increased price competition among suppliers. And finally, it has created new opportunities for companies to reach consumers in new and innovative ways. Thanks to e-commerce, businesses can now sell products directly to consumers without going through traditional retail channels."

E-Commerce Directly Influences Supply Chain Management

In my opinion, e-commerce impacts supply chain management because it enables transportation companies to exchange documents electronically during the fulfillment process. Additionally, it enables shippers, freight forwarders, and trucking companies to streamline their document management processes without making significant financial or time investments. E-commerce enables businesses to lower overall costs, increase data accuracy, streamline supply chain services, shorten business cycles, and improve customer service. Technology, globalization, and e-commerce are increasingly entwined, and businesses are seizing the opportunity to improve their connectivity and transaction speed. Businesses can now communicate with customers instantly due to technological advancements by meeting their needs and understanding their shopping patterns.

E-Commerce has caused the supply chain to become more flexible and efficient.

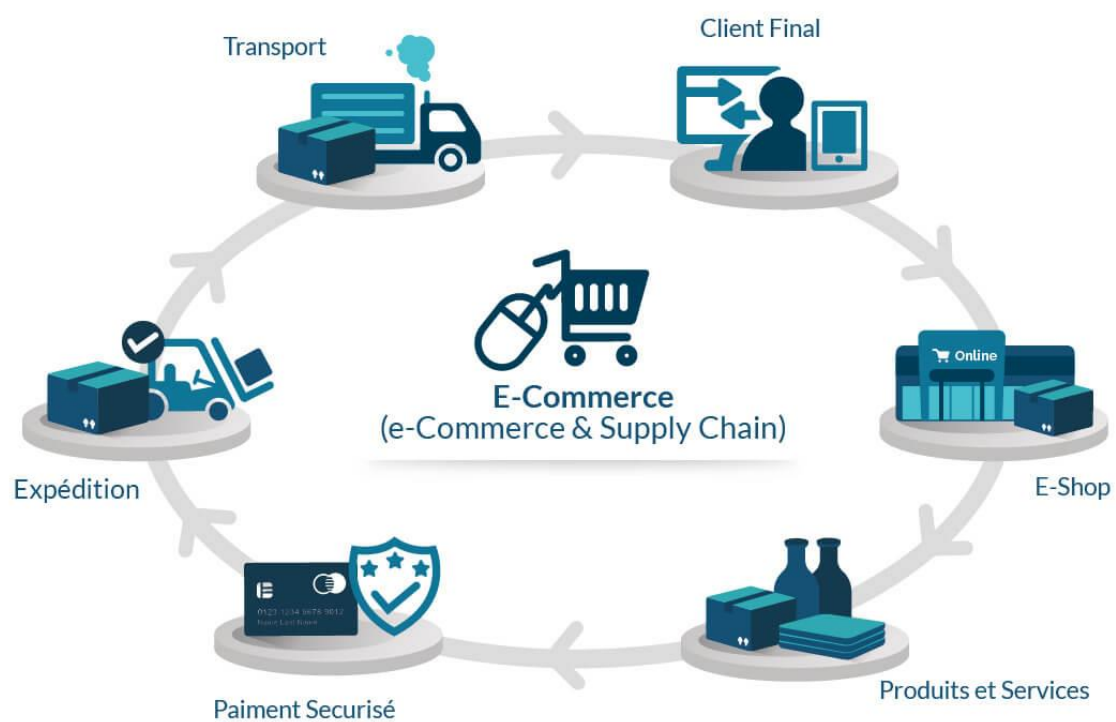
Businesses can now easily collect information on the needs and wants, sell online, reach a wide range of customers, and deliver the products quickly at a low cost.

E-commerce has a dual function in supply chain management.

When it comes to selling directly to customers, e-commerce may be used in various ways, including the retailer's website or via an online marketplace like Amazon or eBay. An additional advantage of adopting e-commerce platforms is that shoppers may get items and raw materials from producers, dealers, and distributors. Customers may buy directly from suppliers through their websites or via a program like Alibaba or AliExpress, just like merchants.

With dropshipping, businesses that utilize e-commerce for product purchases and sales may do away with their supply chain management. Instead, an order placed on the retailer's website is instantly placed with the manufacturer or distributor, who sends the item straight to the consumer when it has been received. In this arrangement, the retailer's responsibility is limited to taking payment from the client and paying the supplier in return for that payment.

Advantages of e-commerce in supply chain management



E-commerce has several advantages in supply chain management. First, it can provide real-time information about inventory levels and order status. This allows companies to make better decisions about when to produce or order products, reducing the risk of stockouts or overstocks.

E-commerce also makes it easier for companies to collaborate with their suppliers and customers. For example, a company can easily send requests for quotes to its suppliers or place orders with its customers. This helps to streamline the ordering process and reduces the need for paperwork.

Finally, e-commerce can help companies save money on transportation costs. Companies can save money on shipping costs by consolidating shipments and using shipping carriers that offer discounts for large orders. This can help to improve the overall profitability of a supply chain.

Contributes to cost reduction

E-commerce enables transportation businesses to exchange documents online during the fulfillment process. Additionally, it enables shippers, freight forwarders, and trucking companies to optimize their document management processes without making significant financial or time investments.

As a result, e-commerce enables businesses to lower overall costs, increase data integrity, streamline supply chain services, shorten business cycles, and improve customer experience.

Traditional Roles Have Seen a Shift

Also, e-commerce has significantly altered the conventional responsibilities of retailers, distribution centers, and transportation suppliers. Retail establishments also serve as product

fulfillment centers, picking, packing, and shipping online orders to customers, frequently on the same day.

Affects the demand patterns

Technology, globalization, and e-commerce are becoming increasingly entwined, and businesses are capitalizing on this convergence to improve their connectivity and transaction speed. Businesses may now engage with customers instantaneously due to technological improvements by meeting their requirements and analyzing their purchase behaviors.

Across-the-Board Visibility

I believe supply chain management increases network openness and aids in the oversight of all activities taking place across supply, production, warehousing, and distribution. This allows for better tracking and administration of all processes, from procurement to delivery of final goods to the end-user.

Cost-Cutting

result, their bond with the firm is strengthened, and client loyalty is earned. Furthermore, SCM aids companies in anticipating customer needs. It guarantees that the company is responsive to customer requests for products and services.

Preventing Delays

One of the most significant advantages of eCommerce is reducing delays in measures through correspondence. Because everyone, even consumers, is aware of the product's development, any shipment delays, strategic mistakes in development channels, and production line delays will be avoided.

Visibility

Everything that happens throughout each stage of the supply chain network, including production, warehousing, and delivery, is tracked by inventory management. This ensures greater visibility and effective administration of each function, from the beginning of a product's manufacture to its delivery to the end-user.

Stock Availability and Inventory Visibility

A good eCommerce SCM may assist expedite stock monitoring duties and assure resource availability before they become "out of stock." It can also "link" clients to inventories, providing transparency and the capacity to predict whether or not desired products are available. This may help clients feel empowered and create trust, essential to a business, particularly B2B eCommerce.

Customer Experience



When it comes to consumer empowerment and faith, a solid SCM system may make a massive difference in the customer experience on the eCommerce platform and a company's reputation. Happy consumers (those who had a fantastic browsing experience on the platform and received what they desired when asked for it) are more likely to submit positive evaluations. They may boost a company's reputation by fostering customer loyalty and attracting new clients. In an era where most potential consumers read reviews before buying a product or service, it's a no-brainer to invest in a sophisticated eCommerce Supply chain that can improve customer satisfaction.

Increased Profitability

Due to market saturation, several company industries, such as manufacturers and distributors, may not allow for large profit margins. A competent SCM system may assist in identifying problem areas within a company's operations that might result in increased expenses, delays, or errors, all of which hurt profitability. Solving these issues with an SCM system that provides improved SCM interactions, cost-effective operations, and optimum inventory availability may help a company boost profitability and go ahead of the competition.

Less Cost:

In most cases, starting an eCommerce business is far less expensive. The most significant advantage of doing business online is decreasing operating costs. The upkeep of physical businesses costs lots of money, as well as the price might vary a lot from one merchant to the next. Many of them may face additional charges such as leasing, repairs, interiors, stocks, etc. Commercial establishments can join for free and make a little profit on the items they sell.

Furthermore, popular social networking platforms such as Facebook and organic search are cost-effective ways to promote your brand. Because your eCommerce shop is online, your workers can work from anywhere, making it easier to find the right people for the job. You won't have to buy bulk goods if you outsource to the web, saving you a lot of money.

Reduced Overhead Expenses

Organizations can reduce overhead costs by putting aside slow inventory and replacing it with faster and more lucrative goods by making more precise projections. As a result, overhead is reduced, and efficiency is improved.

Better Income



Consider your consumers who don't work regular hours or are too preoccupied to visit a store to make a transaction. An online company store allows you to reach out to people who may have unusual work schedules or don't have the time to buy in person.

Enhanced productivity

Keeping realistic retail management is challenging. However, by combining all of the information gathered from all sections of your business, you will be able to create an improved retail network organization.

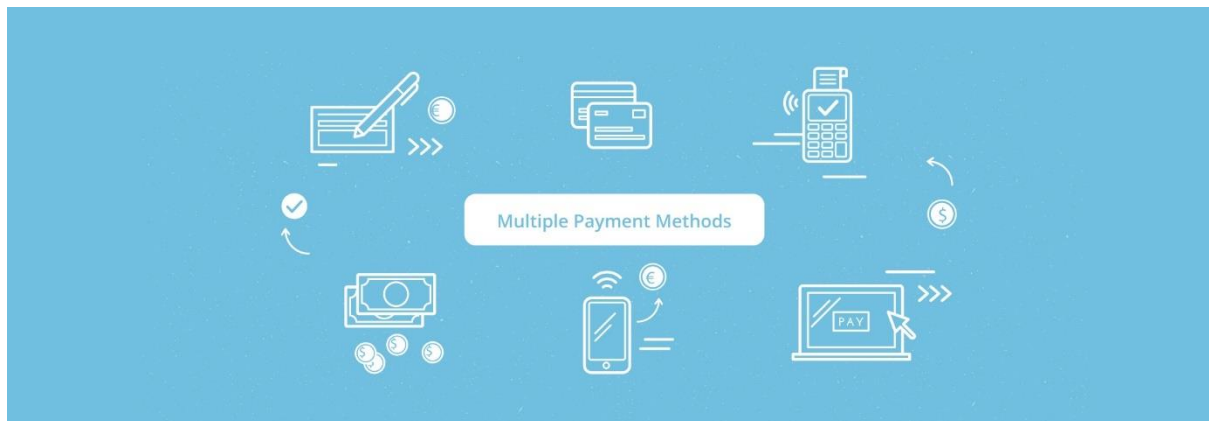
Lesser Marketing Cost

The cost of marketing in an internet business is substantially lower because the company uses email, automated texts, and other web-based publicizing channels, such as Facebook and Instagram. Furthermore, HR costs are cheap because most corporate processes are automated and managed online.

Financial transactions and decision-making

E-commerce, when combined with cutting-edge software, enables businesses to make better decisions, select the best partners, precisely forecast and respond to market and demand variations, and reduce inventory network disruptions. For example, it enables you to deal with trustworthy partners and increases revenue by expediting financial transactions.

Multiple Payment Methods



To meet the needs of many customers, the supplier must be able to accommodate their personal preferences. Customers are increasingly requesting personalized payment solutions for their orders. In e-commerce, vendors can accept various payment methods, including Paypal, cash on delivery (COD), credit card payment, net banking, Cryptocurrencies, and Installments using a loan or credit card, etc.

It is challenging to maintain practical retail management at all times. By bringing together all of the data gathered on the various aspects of your business, you will be able to create a more efficient store network organization.

Transparency in Product Information

Ecommerce makes it easy for customers to get a lot of information about what they want to buy. When compared to traditional stores, where the amount of product information available is often restricted to the availability of sales representatives, online stores can provide a considerably broader range of product information in the form of customer reviews and pricing comparisons. Customers become significantly better informed when making purchasing

selections due to this. However, in e-commerce, as opposed to traditional retail, this knowledge empowerment can result in considerably stricter competition. To sell their products profitably and stay in business, companies must offer more competitive prices and higher quality than their competitors.

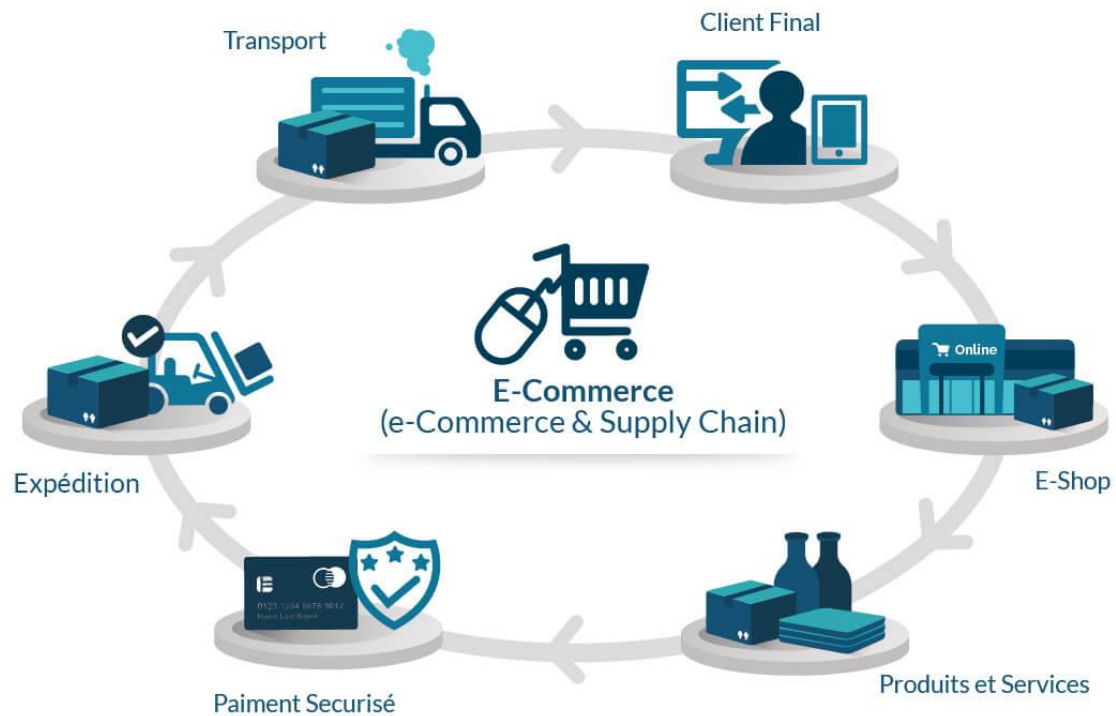
Availability of Products and Service Level

Customer happiness is critical to an e-commerce website's success. Customers will instantly turn to other e-commerce businesses if they cannot purchase the appropriate goods at the right moment. For e-commerce success, a service level of 95% of items is ideal. The danger of losing potential clients grows due to the sluggish delivery procedure, which can also have a bad influence on the company's reputation.

Convenient Display of Products

The cost of maintaining inventory is reduced by simplifying the supply chain. Ecommerce has made and exhibiting your products to customers much simpler and more accessible. Customers can see all of your products on one page rather than navigating from one floor to the next. They would no longer have to wait and go to several places to find the product they want. They may also simply check the best-selling products and choose from the available options. You can also use emails and advertisements to promote the most excellent products.

Role of E-Commerce in Supply Chain Management



According to my understanding, markets are becoming increasingly intertwined on a global scale, and the way customer demands are met is being redefined. As businesses large and small seek the lowest possible costs, raw materials, labor, and production can be sourced from diverse sources. However, manufacturing a product cheaply across the ocean is useless unless you have a way to deliver it to a customer who has placed an order. This is why supply chain management is critical to the e-commerce sector's growth. As manufacturing becomes more global, the coordination and control of a company's goods flow become even more critical to ensuring smooth and productive operations.

E-commerce, when combined with cutting-edge software, enables businesses to make better decisions, select the best partners, precisely forecast and respond to market and demand fluctuations, and reduce inventory network interruptions. For example, it allows you to work with trustworthy partners and increases revenue by streamlining financial transactions.

The Impact of Online Shopping on Supply Chains:

Volatility has been more widespread since the introduction of the internet and online buying. The internet can magnify trends, and e-commerce makes ordering anything from anywhere, at any time, extremely simple. Furthermore, search engine algorithms might significantly impact your brand's visibility.

The landscape has evolved substantially and continues to do so. When it comes to retail supply chains, Amazon has a shipping cost that is 20% lower than multichannel retailers. As a result, Amazon has a monopoly on eCommerce, whereas multichannel businesses may miss out on things consumers want to buy online.

Data Sharing is Creating Supply Chain Transparency:



Data sharing can reduce supply chain volatility for all nodes. Real-time data access allows your company to see the whole supply and demand picture. For example, you can view how much stock is on shelves and in stockrooms if you have access to retail data via POS systems and inventory apps. You can also check retail reports to see what's happening in your niche.

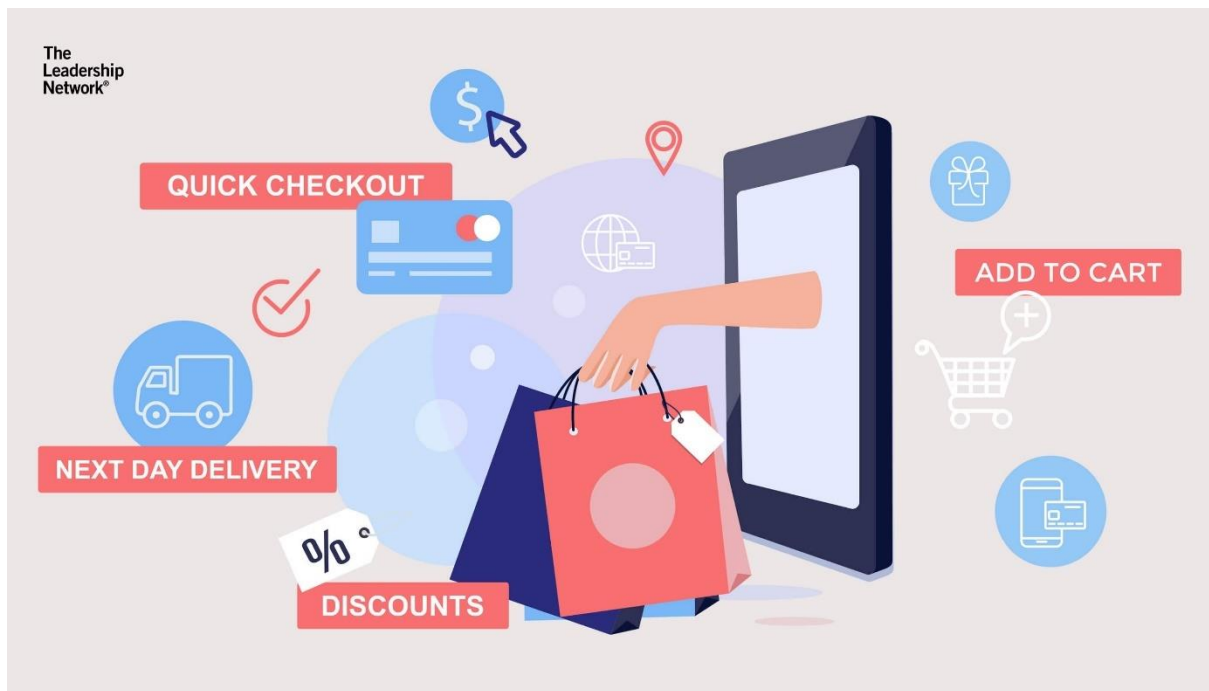
When customers volunteer their information through surveys, questionnaires, social media platforms, and cookies, your company can forecast product demand. In addition, analytics tools like Google Analytics help you analyze your audience from a demographic and geographic standpoint. As a result, you can identify where manufacturing, warehousing, and shipping are in the fulfillment process by utilizing supply chain management software. Then you can tell the customer when their order will come promptly.

The impact of automation on supply chain efficiency:

With access to data, brands require automation – the importance of automation on supply chain efficiency, and thus consumer satisfaction is practically impossible to overstate. With services like 1-Click checkout, Amazon was already on top of automation developments in 2011. The procedure of placing orders on Amazon's e-commerce platform was automated. Thanks to integrated supply chain management tools, Amazon's service received an American Customer Satisfaction Index score of 87 when combined with product suggestions and speedy shipment.

Amazon's market capitalization increased from \$100 billion in 2011 to \$1 trillion in 2020 due to increased automation and increased efficiency. However, automation isn't just for Amazon or other eCommerce behemoths. Any company that wishes to automate its supply chain can do so without difficulty. All you have to do is link an e-commerce store to your ERP software, including supply chain data and process automation.

Advantages Of E-Commerce in Supply Chain Management:



- Integrating an order management system with your eCommerce store, physical locations, and ERP. The end-to-end order management process is thus automated, working in tandem with each supply chain link to ensure customer satisfaction.
- The technique of automatically making and storing bundled things together is known as kits. You don't have to pay extra time putting the bundle together and mailing it out when buyers bundle things online and place an order.
- Automate billing: With online invoicing, your clients may pay online and receive all necessary payment documentation. Orders will flow faster through the supply chain with speedier invoice processing.

Monitoring Customer Happiness Via Reviews:

Customer reviews can be used to assess your company's reputation. When buyers are studying products and companies, they frequently make the following comparisons: prices, features of the products, product quality, and The reputation of the company. The last two can be

discovered through reviews, which are frequently the aspect that attracts buyers to your products...or repels them. If you want positive feedback, make sure the right product (of the right quality) is delivered on time.

Additional Logistics Space.

Because of the rise in SKUs, buffer stock, returned items, and individual picking, packaging, and shipping associated with e-commerce, e-commerce logistics require additional space. In addition, as your firm grows due to your digital marketing efforts, you might profit from partnering with a third-party logistics (3PL) provider and pick-and-pack warehouse services. By outsourcing the majority of your warehouse tasks, you can ensure that the operation is completed correctly and in an area with appropriate space at a lower total cost; also, you will be able to focus entirely on marketing and sales.

Retailers' and Service Providers' Relationships Have Changed.

Businesses earlier used to have greater control over their customers; however, the digital revolution and the rise of e-commerce have transformed the balance of power in this relationship. Consumers today have increased power to influence and guide how merchants and businesses function to suit their needs and desires. Same-day delivery via e-commerce is one option that has become almost mandatory for some firms to please the customer.

Improved

Customer

Relations

I believe in-time deliveries are ensured by effective supply chain management, which directly impacts customer interactions. SCM assists brands in keeping track of client needs. It ensures

that the company is responsive to changes in customer demand for products and services. Businesses can acquire direct feedback and requirements regarding their products through an eCommerce integrated supply chain.

Benefit - Stock Availability and Inventory Visibility:

A good eCommerce SCM can help streamline stock monitoring duties and ensure resource availability before they become "out of stock." It can also "link" clients to inventories, providing transparency and the capacity to predict whether or not a requested product will be available. This can help clients feel empowered and create trust, essential for any business, especially B2B eCommerce.

Network-wide Visibility

Supply chain management promotes transparency throughout the network and helps keep track of the status of all activities across the supply, manufacturing, warehousing, and distribution chains. This allows for more comprehensive tracking and administration of all operations, from the procurement of raw materials to the shipment of finished items to the end customer.

E-COMMERCE EXPANSION

How does e-Commerce Influences Supply Chain Management?



The e-commerce industry is constantly changing and evolving, which means that businesses must be able to adapt to keep up. One of the most important aspects of a business' operation is its supply chain management. For businesses to be successful, they need to have a well-functioning supply chain that can meet the needs of their customers. The role of e-commerce in supply chain management is constantly changing, and businesses need to be able to keep up with these changes.

E-commerce has had a significant impact on how businesses operate and has changed how supply chains are managed. There are several ways that e-commerce has influenced supply chain management. First, e-commerce has allowed businesses to sell their products to a larger audience. This has allowed businesses to reach new customers and expand their customer base. Additionally, e-commerce has allowed businesses to sell their products more quickly and easily. This has eliminated the need for businesses to have a physical store, reducing costs and allowing businesses to sell their products at a lower price.

E-commerce has also had an impact on the way that suppliers are chosen. Businesses can now choose from a larger pool of suppliers, which has led to increased competition. This has led to lower prices and improved quality. Additionally, businesses can now find new suppliers more quickly and easily. This has eliminated the need for businesses to spend a lot of time researching new suppliers.

- The GST exemption limit for organizations and people involved in the supply of services is INR 20 lakhs. Businesses and individuals delivering services in hilly and northeastern states can claim GST exemptions if their total sales are less than INR 10 lakhs.

Exempt supply under GST

Exempt supply under GST means supplies which not attract goods and service tax. In these supply no GST is charged. Input tax credit paid on these supplies will not be able for utilisation. These are the following three types of supply which are considered as exempt supply:-

- supplies which are chargeable to nil rate tax.
- supplies which are partially and wholly exempt from the charge of GST by the notifications which amended the section 11 of CGST and section 6 IGST.
- supplies which comes under the sec 2(78) of the Act. which covers the supplies which are not taxable under the Act like alcoholic liquor for human consumption.

GST exemption from registration

- Agriculturists
- Person who fall in the threshold exemption limit of turnover for supply of goods INR 40 lakhs and for supply of services INR 20 lakhs and for specified category INR 20 lakh and INR 10 lakh.
- Person who are making NIL Rated and exempt supply of goods and services such as fresh milk, honey, cheese, agriculture services etc.
- Person making activities which are not covered under the supply of goods and services such as funeral services , petroleum products etc.

- person making supplies those are covered under reverse charge such as tobacco leave, cashew nut(not shelled and peeled) etc.

Let's understand the exemptions in each instance –

GST exemption for businesses

Small and medium scale businesses can enjoy GST exemptions if their aggregate turnover is up to a specified limit. When the GST Act was launched, this limit was INR 20 lakhs for individuals and businesses and INR 10 lakhs for hilly states and North-eastern States of India. However, in the 32nd GST Council Meeting, which was held in January 2019, the limits have been changed. These limits are as follows –

- Businesses and individuals who are supplying goods can claim GST exemption if their aggregate turnover is less than INR 40 lakhs in a financial year.
- For hilly and north-eastern States of India, the limit has been revised to INR 20 lakhs.
- For businesses and individuals involved in the supply of services, the limit for claiming GST exemption is INR 20 lakhs
- In case of hilly and north-eastern States, if the aggregate turnover is up to INR 10 lakhs, businesses and individuals supplying services can claim GST exemptions.

Hilly and north-eastern States would include Arunachal Pradesh, Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Tripura, Nagaland, Sikkim, Meghalaya, Mizoram, Assam and Manipur.

Aggregate turnover, as per the GST Act, would include the aggregate value of all types of taxable supplies, inter-state supplies, exempt supplies and the goods and services which have been exported. The following, would, however, be deducted from the value of aggregate turnover –

- [CGST](#), [SGST](#) or [IGST](#) already paid by the investor
- Taxes which are payable on the basis of reverse charge mechanism
- Value of the inward supply of goods and services
- Value of non-taxable goods and services#

GST exemptions for goods

There is a list of goods which do not attract GST as recommended by the GST Council. The reasons for granting exemption on goods might include any of the following –

- In the interest of the public
- The exemption is as per the GST Council's recommendation
- The exemption is granted by the Government through a special order
- The exemption is allowed on specific goods through an official notification

Moreover, there are two types of GST exemptions on goods. These are as follows –

- **Absolute exemption** - under this type of exemption, the supply of specific types of goods would be exempted from GST without considering the details of the supplier or receiver and whether the good is supplied within or outside the State.
- **Conditional exemption** – under this type of exemption, supply of specific types of goods would be GST exempt subject to certain terms and conditions which have been specified under the GST Act or any amendment or notification.

Here is a list of some of the most common goods which are GST exempt –

Types of goods	Examples
Live animals	Asses, cows, sheep, goat, poultry, etc.
Meat	Fresh and frozen meat of sheep, cows, goats, pigs, horses,
Fish	Fresh or frozen fish
Natural products	Honey, fresh and pasteurized milk, cheese, eggs, etc.
Live trees and plants	Bulbs, roots, flowers, foliage, etc.
Vegetables	Tomatoes, potatoes, onions, etc.
Fruits	Bananas, grapes, apples, etc.

Dry fruits	Cashew nuts, walnuts, etc.
Tea, coffee and spices	Coffee beans, tea leaves, turmeric, ginger, etc.
Grains	Wheat, rice, oats, barley, etc.
Products of the milling industry	Flours of different types
Seeds	Flower seeds, oil seeds, cereal husks, etc.
Sugar	Sugar, jaggery, etc.
Water	Mineral water, tender coconut water, etc.
Baked goods	Bread, pizza base, puffed rice, etc.
Fossil fuels	Electrical energy
Drugs and pharmaceuticals	Human blood, contraceptives, etc.
Fertilizers	Goods and organic manure
Beauty products	Bindi, kajal, kumkum, etc.
Waste	Sewage sludge, municipal waste, etc.
Ornaments	Plastic and glass bangles bangles, etc.
Newsprint	Judicial stamp paper, envelopes, rupee notes, etc.
Printed items	Printed books, newspapers, maps, etc.
Fabrics	Raw silk, silkworm cocoon, khadi, etc.
Hand tools	Spade, hammer, etc.
Pottery	Earthen pots, clay lamps, etc.

GST Exemption on services

Just like specific goods, specific services are also GST exempt. There are three types of supply of services which would qualify for GST exemption. These include the following –

- Supplies which have a 0% tax rate
- Supplies which do not attract CGST or IGST due to the provisions stated in a notification which amends either Section 11 of CGST Act or Section 6 of IGST Act
- Supplies which are defined under Section 2(78) of the GST Act which are not taxable.

Since these types of supplies are GST exempt, any [Input Tax Credit](#) which is applicable on these supplies would not be available to utilise or set off the GST liability.

Moreover, even under supply of services, there can be two types of GST exemptions which are as follows –

- Absolute exemption wherein the service would be exempted from GST without any conditions
- Conditional exemption or partial exemption wherein exemption is granted based on a condition. This condition states that if the service is supplied intra-State or if the service is supplied by a registered person to an unregistered one, GST would be exempted if the total value of such supplies received by a registered person is not more than INR 5000/day.

Here is a list of some of the services which enjoy GST exemption –

Types of services	Examples
Agricultural services	Cultivation, supplying farm labour, harvesting, warehouse related activities, renting or leading agricultural machinery, services provided by a commission agent or the Agricultural Produce Marketing Committee or Board for buying or selling agriculture produce, etc.
Government services	Postal service, transportation of people or goods, services by a foreign diplomat in India, services offered by the Reserve Bank of India, services offered to diplomats, etc.

Transportation services	Transportation of goods by road, rail, water, etc., payment of toll, transportation of passengers by air, transportation of goods where the cost of transport is less than INR 1500, etc.
Judicial services	Services offered by arbitral tribunal, partnership firm of advocates, senior advocates to an individual or business entity whose aggregate turnover is up to INR 40 lakhs
Educational services	Transportation of faculty or students, mid-day meal scheme, examination services, services offered by IIMs, etc.
Medical services	Services offered by ambulance, charities, veterinary doctors, medical professionals, etc.
Organizational services	Services offered by exhibition organisers for international business exhibitions, tour operators for foreign tourists, etc.
Other services	Services offered by GSTN to the Central or State Government or Union Territories, admission fee payable to theatres, circuses, sports events, etc. which charge a fee up to INR 250

Though GST is applicable for all businesses and on the supply of goods and services, the above-mentioned exemptions are available. These exemptions reduce the GST burden and help in the socio-economic development of the country.

TAX INVOICE DEBIT AND CREDIT NOTE:

- Tax Invoice A registered person supplying taxable goods shall, before or at the time of – Removal of goods for supply to the recipient, where the supply involves movement of goods or Delivery of goods or making available thereof to the recipient in any other case Showing the description, quantity and value of goods, the tax charged thereon and such other particulars as may be prescribed. In case of services, before or within 30 days after the provision of services showing therein description, quantity, value of goods and tax charged thereon.

Tax invoice may not be issued for a value less than Rs. 200/- if it is issued to unregistered person. In such case a consolidated tax invoice may be issued for all such

supplies at the close of each day. Bill of Supply – for exempted supplies or supplies under Composition Scheme. Receipt Voucher – for receipt of advance payment Refund Voucher – for refund of advance payment Invoice – in case tax is payable on reverse charge basis Payment Voucher – at the time of making payment in case tax is payable on reverse charge basis. In case of continuous supply of goods, where successive statement of accounts or successive payments are involved, the invoice shall be issued before or at the time each such statement is issued or each such payment is received. Where the due date of payment is ascertainable from the contract, the invoice shall be issued on or before the due date of payment Where the due date of payment is not ascertainable from the contract the invoice shall be issued before or at the time when the supplier if service receives the payment Where the payment is linked to the completion of an event the invoice shall be issued on or before the date of completion of that event. In a case where the supply of services ceases under a contract before the completion of the supply, the invoice shall be issued at the time when the supply ceases and such invoice shall be issued to the extent of the supply made before such cessation. Where the goods are sent on approval for sale, the invoice shall be issued on or before – at the time goods are approved for sale or 6 months from the date of removal of goods, whichever is earlier.

For export of goods or services, tax invoice shall carry an endorsement – “Supply meant for Export on payment of IGST” Or “Supply meant for Export under Bond without payment of IGST” Manner of Issuing Invoice – For supply of Goods – Triplicate

Where any supply is made for a consideration, every person who is liable to pay for such supply shall prominently indicate in all documents relating to assessment, tax invoice and other like documents, the amount of tax which shall form part of the price at which such supply is made. Credit and Debit Note Credit Note shall be issued where – Taxable value or tax charged is found to exceed the actual taxable value or tax charged. Where goods are returned Goods or services found to be deficient 2. Such credit note shall be shown in the monthly return in which it has been issued but not later than –

September of next Financial Year or Date of furnishing of the relevant annual return Whichever is earlier Debit Note shall be issued where taxable value or tax charged in

tax invoice is found to be less than actual taxable value or tax charged. Debit note shall be shown in the monthly return in which it has been issued.

-

GST – Valuation and Input Tax Credit Valuation of Taxable Supply: The value of a taxable supply means the transaction value i.e. the arm's length price that is paid/payable for the supply of goods/services and price is the sole consideration for the supply.

Input Tax Credit (ITC): Definition, Properties, Examples

You will learn about **Input Tax Credit (ITC)** in this article. Input credit means that when you pay tax on output, you can deduct the tax you've already paid on inputs and pay the difference. When you buy a product/service from a registered dealer, you pay taxes on the purchase. On selling, you collect the tax.

You adjust the taxes paid at the time of purchase with the quantity of output tax (tax on sales), and balance liability of tax (tax on sales minus tax on purchase) has got to be paid to the government. This mechanism is named utilisation of input decrease. Continue reading to know more.

Calculation of Tax

Taxes are calculated on the value of purchasing products or services or both, at a specific percentage pronounced by the government. The percentage of taxes is subject to vary as per government decisions from time to time. Once the rate is given, the computation of tax is straightforward. It involves only simple concepts of percentage.

To calculate taxes, we need to know the following terms:

Dealer: A person who buys goods/services for resale.

Cost Price: The price at which a trader buys goods.

List Price: The price at which the article is marked. It is also known as marked price.

Discount: To sell out the old stock or for some other reason, shopkeepers offer a certain percentage of the list price as a discount. The discount is always calculated on the list price.

Selling Price: The price at which a trader sells his goods at a discount. It is also known as the sale price.

$$\text{Selling Price} = \text{Marked Price} - \text{Discount}$$

Goods and Service Tax (GST)

Before 1st July 2017, we had several indirect taxes such as VAT, excise, service tax, etc. From 1st July 2017, the government of India has eradicated all such indirect taxes and introduced a new tax called goods and service tax (GST).

GST is a consumption (for using goods/services) based tax that is levied when one buys/transfers goods or services or both. GST is to be levied at every point of sale/transfer of goods or services or both. It has replaced all former indirect taxes levied by central and state governments. Also, GST is applicable throughout India except in the state of Jammu and Kashmir.

Now, GST is the only (indirect) tax to be paid by individuals or organizations as all other indirect taxes that existed before GST are merged into it.

Below are some of the reasons to introduce GST:

1. To remove the disparity of taxes in different states and bring about uniformity in taxation rates on goods and services.
2. One nation, one tax was the aim of the government in implementing GST.
3. To remove the complexity of state taxes and central taxes.
4. To reduce tax evasion. GST is expected to bring buoyancy to the government revenue by extending the tax base.
5. To minimize the physical connection between the taxpayer and the tax authorities, reducing the taxpayer's difficulties.
6. To remove the multiplicity of taxes on some products, sales tax, service tax, etc., were charged simultaneously.
7. To avoid surging effect (double taxation), i.e., tax on tax. GST is levied only on value addition.

Every business person pays GST on his purchases and collects GST on the sale of his goods. The difference between the GST collected (on sale) and paid (on purchase) is deposited with the government.

Thus tax deposited with the government is:

== GST collected — GST paid

== GST on sale price — GST on the purchase price

== GST on (sale price — purchase price)

== GST on value addition

This ensures that only the value addition is taxed.

- **Types of GST**

- GST is a destination-based consumption tax. Hence, the consumption place decides who will collect the tax, i.e., state, central, or both governments. GST applies to every type of movement of goods/services.
- Below are the types of GST.
- **Central-GST (CGST):** The central government collects it for the intra-state transaction of goods and services. In the case of CGST, the beneficiary is the central government.
- **State-GST (SGST)/Union Territory GST (UGST):** It is collected by the state government/union territory for the intra-state/union territory transaction of goods and services. In the case of SGST, the beneficiary is the state government.
- **Integrated GST (IGST):** The tax levied by the central government for inter-state transactions, including imports of goods and services.
- **Input Tax Credit (ITC)**
 - An uninterrupted and seamless chain of input tax credit (ITC) is one of the products and services tax's key features. ITC may be a mechanism to avoid cascading of taxes. Cascading of taxes, in simple language, is the tax on tax. Under this taxation system, credit of taxes being levied by the central government isn't available as a set-off for payment of taxes levied by state governments and the other way around.
 - One among the foremost essential features of the GST system is that the whole supply chain would be subject to GST to be levied by Central and government concurrently. Because the tax charged by the Central or the State Governments would be a part of an equivalent tax regime, tax credit paid at every stage would be available as a set-off for tax payment at every subsequent stage.

- An input tax credit means that while paying tax on the sale (output) of goods and services, you can avail yourself of the tax you have already paid on the purchase (input) of the above goods/services and pay only the balance amount as tax.
- 1. Input tax includes CGST/SGST/IGST paid on input goods, input services, etc.
2. Only a registered person is entitled to take credit of the input tax charged on the supply of goods/services.
3. The credit of tax paid on every input used to supply taxable goods or services, or both, are allowed under CIST.
4. The input tax credit is not available for purchasing petroleum products, liquor, petrol, diesel, motor spirit, etc.
5. In exports of goods/services, GST is not payable, but the input tax credit is still available. Such transactions are called zero-rated transactions in GST.

- **Solved Examples- Input Tax Credit (ITC)**

- *Q.1. Let A, B, C and CC be three traders belonging to different states. Trader A sells some goods/services to trader B for ₹500, and trader B sells the same goods/services to trader C at a profit of ₹200. Calculate the tax liability of B if the rate of GST is 12%.*

Ans: It is a case of an inter-state transaction.
For trader A:

$$SP = ₹500$$

$$IGST = 12\% \text{ of } ₹500 = 12/100 \times ₹500 = ₹60$$

For trader B:

$$CP = ₹500$$

$$SP = ₹500 + ₹200 = ₹700$$

For trader C:

$$CP = ₹500 \text{ and profit of } ₹200$$

$$\text{Input-tax credit (ITC)} = \text{Tax on purchase of goods/services (input-tax)} = ₹60$$

$$\text{Output tax } 12\% \text{ of } ₹700 = 12/100 \times ₹700 = ₹84$$

$$\text{Therefore, the tax liability on trader B} = \text{output tax} - \text{ITC} = ₹84 - ₹60 = ₹24$$

- *Q.2. A product is sold from Kanpur (UP) to Banaras (UP) for ₹12,000 and then from Banaras to Ranchi (Jharkhand) at a profit of ₹4,000. If the rate*

of GST is 18%18%, find the net GST payable at Banaras.

Ans: When the product is sold from Kanpur to Banaras. It is an intra-state transaction.

For the dealer in Kanpur:

$$SP = ₹12,000 = ₹12,000$$

$$CGST = 9\% = 9\% \text{ of } ₹12,000 = 9100 \times ₹12000 = ₹1080 ₹12,000 = 9100 \times ₹12000 = ₹1080$$

$$SGST = 9\% = 9\% \text{ of } ₹12,000 = 9100 \times ₹12000 = ₹1080 ₹12,000 = 9100 \times ₹12000 = ₹1080$$

When the product is sold from Banaras to Ranchi, it is an inter-state transaction.

$$ITC = ₹1080 + ₹1080 = ₹2160 = ₹1080 + ₹1080 = ₹2160$$

$$CP = ₹12000 = ₹12000$$

$$\text{Profit} = ₹4000 = ₹4000$$

$$SP = ₹12000 + ₹4000 = ₹16000 = ₹12000 + ₹4000 = ₹16000$$

$$IGST = 18\% = 18\% \text{ of } ₹16000 = 18100 \times ₹16000 = ₹2880 ₹16000 = 18100 \times ₹16000 = ₹2880$$

$$\text{Therefore, net GST payable at Banaras} = \text{Output GST} - \text{ITC} = ₹2880 - ₹2160 = ₹720 = ₹2880 - ₹2160 = ₹720$$

- Q.3. An article is sold from Jaipur (Rajasthan) to Indore (MP) for ₹5,000₹5,000 and then from Indore to Bhopal (MP). If the tax rate under the GST system is 18%18% and the profit made by the dealer in Indore is ₹2,000₹2,000, find.

(i) Net GST payable by the dealer in Indore.

(ii) CP for the dealer in Bhopal. (Assume that the dealer in Bhopal is the end-user).

Ans: SP in Jaipur = ₹5000 = ₹5000

$$IGST = 18\% = 18\% \text{ of } ₹5000 = 18100 \times ₹5000 = ₹900 ₹5000 = 18100 \times ₹5000 = ₹900$$

$$CP \text{ in Indore} = ₹5000 = ₹5000 \text{ and profit} = ₹2000 = ₹2000$$

$$SP \text{ in Indore} = ₹5000 + ₹2000 = ₹7000 = ₹5000 + ₹2000 = ₹7000$$

$$CGST = 9\% = 9\% \text{ of } ₹7000 = 9100 \times ₹7000 = ₹630 ₹7000 = 9100 \times ₹7000 = ₹630$$

$$SGST = 9\% = 9\% \text{ of } ₹7000 = 9100 \times ₹7000 = ₹630 ₹7000 = 9100 \times ₹7000 = ₹630$$

$$\text{Therefore, net GST payable by the dealer in Indore} = \text{output GST} - \text{Input GST} = (₹630 + ₹630) - ₹900 = ₹360 = (₹630 + ₹630) - ₹900 = ₹360$$

$$CP \text{ for the dealer in Bhopal} = SP \text{ for the dealer in Indore} + GST = ₹7000 + (₹630 + ₹630) = ₹8260 = ₹7000 + (₹630 + ₹630) = ₹8260$$

- Q.4. Let A, BA, B and CC be three dealers in a GST chain. AA buys some goods/services for ₹2000 and sells it to BB at a profit of ₹500. BB, in turn, sells the same goods/services to CC at a profit of ₹1000. Taking the rate of GST as 18%, find:
 - (i) Input-tax payable by dealer AA.
 - (ii) Input-tax payable by dealer BB.

Ans:

For dealer AA: CP = ₹2000 i.e., purchase price = ₹2000

Input tax payable by dealer A = Tax on purchase
 $= 18\% \text{ of } ₹2000 = 18/100 \times ₹2000 = ₹360$

As profit = ₹500, SP = ₹2000 + ₹500 = ₹2500

For dealer BB:
 CP = ₹2500

Therefore, Input tax payable by dealer B = Tax on purchase
 $= 18\% \text{ of } ₹2500 = 18/100 \times ₹2500 = ₹450$

- Q.5. A dealer in Agra (UP) supplies goods/services (worth ₹1,000) to a dealer in Jhansi (JP). The dealer in Jhansi supply the same goods/services to a dealer in Mumbai at a profit of ₹600. Assuming that the dealer in Mumbai is the end-user of the product and the rate of GST is 12%, find:
 - (i) Input-tax for the dealer in Jhansi.
 - (ii) Output tax for the dealer in Jhansi.

Ans:

(i) As the goods/services are supplied from Agra to Jhansi, so it is a case of intra-state transaction

Given, SP for dealer in Agra = ₹1000

CGST = 6% of ₹1000

$= 6/100 \times ₹1000 = ₹60$ and,

SGST = 6% of

$= 6/100 \times ₹1000 = ₹60$

Therefore, output tax (GST) for the dealer in Agra
 $= ₹60 + ₹60 = ₹120$

\Rightarrow Input tax for the dealer in Jhansi = ₹120

(ii) CP for the dealer in Jhansi = ₹1000 and, profit = ₹600

Therefore, SP for the dealer in Jhansi = ₹1000 + ₹600 = ₹1600 = ₹1000 + ₹600 = ₹1600

Now, the goods/services are supplied from Jhansi to Mumbai, so it is a case of inter-state transaction

So, $IGST = 12\% = 12\% \text{ of } ₹1600 = ₹192$ $₹1600 = ₹192$

Therefore, output tax for the dealer in Jhansi = ₹192

Registration Procedure:

- Indirect Tax GST Registration Procedure | Procedure for GST Registration If same is found in order: The concerned officer will issue Certificate of Registration within 3 working days from the date of submission of application in Form GST REG-6 If same is not found in order: Then concerned officer within 3 working days from the date of submission of the application shall issue a notice seeking clarification, information or documents from the applicants.

Taxation- Indirect Tax GST Registration Procedure | Procedure for GST Registration

This particular article about the procedure of registration may help to in ascertainment of a practical approach for taking a **registration under GST Law**. I tried to covered detailed step by step procedural aspects of the registration under GST.

A person who becomes liable to tax than within 30 days from the date of becoming liable he has to apply immediately for the registration of GST in such a case effective date of registration will be the date of application for registration but person makes an application for registration after 30 days from the date he becomes liable to registration the date of grant of registration will be effective date of registration. A person has to follow the procedure mentioned as under to get the registration:

1. Every person liable to get registration and person seeking for voluntary registration shall before applying for registration mention his Permanent Account Number, Mobile Number and Email address, State or Union Territory for which persons want to get registered In Part A in Form GST REG-1 on GST common portal.
2. After Providing all the information as prescribed in point no. 1 and after due validation of mobile number and email address portal administration will send

verification code which is called OTP (One Time Password) on both mobile and email.

3. On entering OTP in a specified place on portal a Temporary Reference Number (TRN) will be generated. Intimation of the same will be sent to the registered mobile number and email address both.
4. Using TRN applicant shall be able to submit an application in Part B of application form along with the specified documents uploaded in soft copies of prescribed file size and format on GST common portal.
5. On receipt of such application, an acknowledgment in the prescribed form called Acknowledgement Reference Number (ARN) shall be issued to applicant electronically. A Casual Taxable Person (CTP) applying for registration gets a TRN for making an advance deposit of tax in electronic cash ledger and an acknowledgment is issued only after said payment.
6. The application shall be forwarded to concerned officer.
7. The concerned officer examines the application and documents uploaded.
8. If same is found in order: The concerned officer will issue Certificate of Registration within 3 working days from the date of submission of application in Form GST REG-6
9. If same is not found in order: Then concerned officer within 3 working days from the date of submission of the application shall issue a notice seeking clarification, information or documents from the applicants.
10. If applicant furnished information asked by the concerned officer within 7 working days from the date of receipt of the notice. In case if concerned officer satisfied with the further furnishing of the applicant than point no. 8 will be applicable.
11. If the proper officer will not satisfied than will reject the application for the reasons to be recorded in writing.

Information Required for the filing of GST Application : GST Registration Procedure

1. Valid Permanent Account Number.
2. Jurisdiction Details.
3. Valid Indian Mobile Number.
4. Valid Email Address.

5. Valid Bank Account Number from India with Indian Financial System Code which is generally called IFSC code.
6. At least a proof of establishment.
7. Details of other legal registrations are a concern or a person is already having.
8. At least once proprietor/ partner/ director/trustee/ Karta/ members with corresponding PAN and Address proofs belong to a residential
9. Detailed address of the place of business with specified address proof.
10. An authorized signatory who is resident of India with valid details including PAN.

Deemed registration.-

(1) The grant of registration or the Unique Identity Number under the Central Goods and Services Tax Act shall be deemed to be a grant of registration or the Unique Identity Number under this Act subject to the condition that the application for registration or the Unique Identity Number has not been rejected under this Act within the time specified in sub-section (10) of section 25.

(2) Notwithstanding anything contained in sub-section (10) of section 25, any rejection of application for registration or the Unique Identity Number under the Central Goods and Services Tax Act shall be deemed to be a rejection of application for registration under this Act.

<p>implified GST Series-Part 15- Contains Analysis of Section 26 to 30 of Central Goods and Services Tax Act, 2017. Section details are as follows- Section 26 – Deemed Registration, Section 27- Special provisions relating to casual taxable person and non-resident taxable person, Section 28-Amendment of Registration, Section 29- Cancellation or Suspension of registration and Section 30- Revocation of cancellation of registrationSection 26- Deemed Registration- (1) The grant of registration or the Unique Identity Number under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be a grant of registration or the Unique Identity Number under this Act subject to the condition that the application for registration or the Unique Identity Number has not been rejected under this Act within the time specified in sub-section (10) of section 25. (2) Notwithstanding anything contained in sub-section (10) of section 25, any rejection of application for registration or the Unique Identity Number under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act</p>
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shall be deemed to be a rejection of application for registration under this Act.

Analysis- There are linking provisions between the Central Goods and Services Tax and State/Union Territory Goods and Services Tax Act. Thus, if a supplier takes a registration under one Act it shall be deemed that the registration has also been obtained under the other Act and vice-versa. Even otherwise the registration must be taken on the common portal and is based on the PAN hence the registration will remain common across various Acts. If an application for registration has been rejected under State/Union Territory Goods and Services Tax Act then it shall be deemed that the same has been rejected under the Central Goods and Services Tax Act. **Section 27- Special provisions relating to casual taxable person and non-resident taxable person – (1)** The certificate of registration issued to a casual taxable person or a non-resident taxable person shall be valid for a period specified in the application for registration or ninety days from the effective date of registration, whichever is earlier and such person shall make taxable supplies only after the issuance of the certificate of registration: Provided that the proper officer may, on sufficient cause being shown by the said taxable person, extend the said period of ninety days by a further period not exceeding ninety days.

Accounts and Other Records

Every registered person is required to keep and maintain all records at his principal place of business.

Who must maintain accounts under GST?

It is the responsibility of the following persons to maintain specified records-

- The owner
- Operator of warehouse or godown or any other place used for storage of goods
- Every transporter

Every registered person whose turnover during a financial year exceeds the prescribed limit (2 crore) will get his accounts audited by a chartered accountant or a cost accountant.

What records must be maintained under GST?

Every registered person must maintain records of:

- Production or manufacture of goods
- Inward and outward supply of goods or services or both
- Stock of goods
- Input tax credit availed
- Output tax payable and paid and
- Other particulars as may be prescribed

Please read our article for a [list of records to be maintained under GST](#).

What are the accounts which must be maintained under GST?

In our article, we have listed the [various accounts to be maintained](#) that businesses need to keep under GST.

For example, under GST, a trader has to maintain the following a/cs (apart from accounts like purchase, sales, stock) –

- Input CGST a/c
- Output CGST a/c
- Input SGST a/c
- Output SGST a/c
- Input IGST a/c
- Output IGST a/c

- Electronic Cash Ledger (to be maintained on Government GST portal to pay GST)

Accounting entries under GST

In spite of initial transition challenges, GST will bring in clarity in many areas of business including [accounting and bookkeeping](#).

While the number of accounts is more apparently under GST, once you go through the [accounting entries](#) you will find it is much easier for record keeping. One of the biggest advantages a trader will have is that he can set off his input tax on service with his output tax on the sale.

Read our discussions on the accounting treatment of various transactions under GST answering queries on how to record and pass entries for the [inter-state sale of goods](#), how to record utilisation of [input tax credit](#) etc.

Electronic Cash and Credit Ledger

Every registered taxpayer will have 3 [ledgers under GST](#) which will be generated automatically at the time of registration and will be maintained electronically.

- Electronic Cash Ledger- This ledger will serve as an electronic wallet. The taxpayer will have to deposit money into his cash ledger (add money to the wallet). The money will be utilized to make the payment.
- Electronic Credit Ledger- The input tax credit on purchases will be reflected here under three categories i.e IGST, CGST & SGST. The taxpayer will be able to utilize the balance shown in this account **only for payment of tax (not for interest, penalty etc.)**
- E-Liability Ledger: This ledger will show the total tax liability of a taxpayer after netting off for the particular month. This ledger will be auto-populated.

Period for Retention of Accounts under GST

As per the GST Act, every registered taxable person must maintain the accounts books and records for at least 72 months (**6 years**). The period will be counted from the last date of filing of Annual Return for that year.

The last date of filing the Annual return is 31st December of the following year.

For example:

For the year 2017-2018, the due date of filing the annual return is 31.12.2018. The books & records of 2017-2018 must be maintained for 6 years, i.e., 31.12.2023

If the taxpayer is a part of any proceedings before any authority (First Appellate) or is under investigation then he must maintain the books for 1 year after the order of such proceedings/appeal has been passed.

Consequences of Not Maintaining Proper Records

If the taxpayer fails to maintain proper records in respect of goods/services, then the proper officer shall treat such unaccounted goods/services as if the taxpayer had supplied them. The officer will determine the tax liability on such unaccounted goods.

The taxable person will be required to pay the tax liability calculated along with [penalty](#).

RETENTION OF RECORDS :

- Section 35 and Section 36 of Central Goods and Services Tax Act, 2017 related to Maintaining Accounts and Other Records and Period of retention of accounts – Accounts And Records Section 35 of CGST Act 2017- Accounts and other records (1) Every registered person shall keep and maintain accounts and other records at his principal place of business, as mentioned in the registration certificate, a true and correct account of— (a) production or manufacture of goods; (b) inward and outward

supply of goods or services or both (c) stock of goods; (d) input tax credit availed;

(e) output tax payable and paid (f) such other particulars as may be prescribed:

Provided that where more than one place of business is specified in the registration certificate the accounts relating to each place of business shall be kept at such business places Provided further that the registered person may keep and maintain such accounts

and Other particulars in electronic form in such manner as may be prescribed. (2) Every

owner or operator of warehouse or godown or any other place used for storage of goods

and every transporter, irrespective of whether he is a registered or not, shall maintain

records of the consigner, consignee and other relevant details of the goods. (3) The

Commissioner may notify a class of taxable persons to maintain additional accounts or

documents for such purpose as may be specified (4) Where the Commissioner

considers that any class of taxable persons is not in a position to keep and maintain

accounts, he may for reasons to be recorded in writing, permit such class of taxable

persons to maintain accounts in such manner as may be prescribed (5) Every registered

person whose turnover during a financial year exceeds the prescribed limit shall get his

accounts audited by a chartered accountant or a cost accountant and shall submit a copy

of the audited annual accounts, the reconciliation statement and other documents.

Provided that this sub section shall not apply to any department of the Central

Government or a State Government or a local authority whose books of accounts are

subject to audit by the comptroller and Auditor General of India or an auditor appointed

for auditing the accounts of local authorities under any law for the time being in force

(Inserted by Central Goods And Services Tax (Amendment) Act 2018 Dated 30-08-

2018

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01-02-2019

Annual GST returns are filed once in a year by tax payer. The annual GST return is

filed periodically. Final return of GST has to be filed only by those registered taxable

people who have applied for cancellation of registration. That means final GST tax

return is filed once for all under such GST registration.

The provisions of Goods and Services Tax are such that they seem easy to talk about but their

practical follow up is difficult due to its wide concepts and unlimited interpretation of the

different provision, this again becomes cumbersome because of the unfamiliarity of the act,

interpretations under it and because this will be first audit session under this act. In this article

we are discussing some important points which will help you in filing of Annual Return under

GST Act which are prescribed in following notifications:- GST form No. Notification No. Date of Notification Amendment Notification Date of Amendment GSTR Form 9 & 9A 39/2018-CT 04/09/2018 74/2018-CT 31/12/2018 GSTR Form 9B NOT YET NOTIFIED. GSTR Form 9C 49/2018-CT 13/09/2018 NA NA While filing Annual Return following question come to our mind: 1. Who is required to file annual return? 2. What is Annual Return and its salient features? 3. What are the conditions of filing the same?

INFORMATION TECHNOLOGY IN GST

- The Information Technology Backbone behind the GST Implementation is the Goods and Services Tax Network, commonly referred to as GSTN. It's regarded as a backbone because it's with the help of this that all the GST functions are being handled on a single portal thus, serving as a gateway for around crores of taxpayers out there.

With the introduction of GST, the questions on how it's going to be implemented? how will the Government bring about a smooth transition to GST? and how will the compliance be achieved? were raised. Each of these questions were answered only by making use of one word that is Technology. It was identified that across multiple Tax Systems, Technology has been of great help for obtaining Tax Compliances. Same way for bringing about a GST Transformation, a right Tax Technology is all you need. In this context, the question that arises is that in what way has this Technology been used which has made GST a Technology-led Tax Reform?

The Information Technology Backbone behind the GST Implementation is the Goods and Services Tax Network, commonly referred to as GSTN. It's regarded as a backbone because it's with the help of this that all the GST functions are being handled on a single portal thus, serving as a gateway for around crores of taxpayers out there. Thus, all the businesses and taxpayers file their return, make payment of their Indirect Tax Liabilities by logging into www.gst.gov.in

Under GST, for Tax Payment and Filing of Return, a Tax- Payer is required to file a number of Return Forms, Upload Invoices on a Monthly and Quarterly Basis and Create Challans. In this context, it was identified that when looked at the Multi-National Corporations, mid-size and large sized firms this compliance undertaking is rather challenging as there is a high probability for them to have a large number of purchase and sale invoices and thus, putting in

the details of the purchase and sale of goods along with how much amount of tax has been paid and collected, the entire acceptance, modification, rejection process before uploading it on the GST Portal was found to be very tedious. Thus, in order to make this entire return preparation and filing process for taxpayers particularly the Multi-National Corporations, mid-size and large sized firms less burdensome, less manual and for them to be able to meet their compliance obligations periodically, some sort of automation was needed.

This led to the introduction of two Service Providers. They are the Goods and Service Suvidha Providers (GSPs) and the Application Service Providers (ASPs). With GSPs, the Multi-National Corporations and mid-size and large sized firms can file their tax returns straight to GSTN via it. This means that before the taxpayer had to access the GST website every now and then for getting access to different services like sometimes he would access the website for Return Filing or sometimes he would access the website for GST refund etc. Moreover, for each of these services and their fulfilment, he would have to file a number of forms within a certain time frame. So, for making this entire process less time-consuming and brief, GPS was found to be very useful as it served as a single stop shop for all GST related services.

The role of GSP is limited in nature. All that its required to do is serve as a secure access point for taxpayer's information to be communicated to the GSTN. As mentioned before, when it comes to filing returns, it might be difficult for the taxpayer to fulfil all the pre-requisites like data collection of inward and onward supplies, putting in that format which the GSTN requires, complying with the time-frame. So, therefore, for these reasons, taxpayers are made to interact with the GSTN indirectly via the GSP. So, all the taxpayer has to do is upload their information after which the GSP securely puts them on GSTN.

Now, this information that is put up by the taxpayer is nothing but raw information of the customer's purchases and sales. GST Returns cannot be filed just with this because as mentioned before, there is a certain format that is to be followed while filing for tax returns. This is where the Application Service Providers (ASPs) come into picture. ASPs main function is creation of a software with the help of which taxpayers can upload and get their information verified for GST Returns.

Hence, it can be said that it is the ASPs that prepare the taxpayer's monthly and annual Returns on the basis of the raw information provided by them. Once the same is prepared, ASPs file

the returns via the GSPs. Thus, ASPs are the ones that help in converting the sale and purchase information into a GST Returns Format by performing the following functions on behalf of the tax-payers

- ‘Helps in putting up the invoice data;
- Aids in uploading GSTR 1 return that has outward supply data;
- Helps in downloading data pertaining to inward supplies that is in the form of Draft GSTR 2;
- Ensures matching of purchase register with GSTR 2 draft; and
- Lastly, uploading the final GSTR 2 on the GST Portal so that the taxpayers then would be able to file for GSTR 3. [1]’

Therefore, while GSPs are a link between the tax payers and GSTN, ASPs are a link between the tax payers and GSPs. With the help of GSPs, the sale and purchase information that is converted into the GST Return Format is uploaded securely on GSTN and the ASPs are said to convert this raw information into a GST Return Format by filling in all the forms within the prescribed time frame.

As a result, what can be inferred from this is that Tax Compliance in India requires a lot of manual work as it includes filing of returns in a format as prescribed by the Tax Authority. Therefore, a need arose to make this entire compliance process less burdensome and less manual for the tax-payers. And this was achieved with the introduction of GSPs and ASPs which are said to make use of robust technology for performing its functions of providing smooth return filing digitally and in a user-friendly way and ensuring data security and integrity.

To understand how beneficial a GSP + ASP offering is, let’s look at some of the big 4 and their Automation Tool that were developed with an intention of making Tax Compliance less burdensome and manual.

GST AUDIT SPECIAL AUDIT:

The objective of audit of taxpayers is to measure the level of compliance of the taxpayer in the light of the provisions of the CGST Act, 2017 and the rules made there under. The activity of Audit by the department is to examine the records, returns and other documents maintained or furnished by the taxpayer in order to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of the CGST Act and rules made there-under. Principles of audit by the department in GST regime: The basic principles of audit are – (a) Conducting audit in a systematic and comprehensive manner; (b) Emphasis on the identified risk areas and scrutinizing the records maintained in the normal course of business; (c) Applying audit techniques on the basis of materiality i.e. degree of scrutiny and application of an audit tool depending upon the identified nature of risk factors; (d) Proper recording of all checks and findings made during the entire audit;

Ads

by

(e) Identifying the unexplored compliance verification parameters; (f) Educating the taxpayer for voluntary compliance. Rights and Benefit to the taxpayer in audit: The taxpayer should get an intimation atleast fifteen days in advance intimating the date of audit. All audit findings are discussed with taxpayer by the auditor. Preliminary findings of audit are conveyed to the taxpayer and his views/comments are taken on record. The taxpayer is conveyed in writing a choice to make the payment of tax short paid / not paid with waiver of show cause notice. The final audit findings are informed to the taxpayer within thirty days along with his rights and obligations and the reasons for such findings. The entire audit process is to be completed within a period of three months from the date of commencement. In case the audit cannot be completed, the period can be extended by further six months by the Commissioner of CGST. After the implementation of GST w.e.f. 1st July, 2017 the audit of Taxpayers in GST was kept on hold to allow the taxpayers to get accustomed with the new Tax regime and also to make sure that database of taxpayers is available with the Department. (a) CBIC had decided that GST audits should commence from 1st July, 2019. The audits are conducted by the officers posted in the Audit Commissionerates and these officers have been advised that the audits should be conducted in such a manner so as to cause least inconvenience to the taxpayer. There should not be any disruption in the conduct of business by the taxpayers. In view of the fact that some of the taxpayers may be new to the concept of audit by this department for the reason that they were earlier registered with State authorities, special care would be taken of such taxpayers and the audit officers have been advised to minimize the litigation in case of any bonafide mistake noticed during audit. (b) In case of smaller category of taxpayers, the field

formations have been advised not to visit the taxpayer's premises and conduct desk audit in the office based on documents/ information made available by the taxpayer. (c) Most of the digital information of the taxpayers already available with the department is made available to the auditors, so that they do not ask the taxpayer to provide the same.

Legal Provisions: (a) Section 2(13) of CGST Act, 2017 defines 'Audit' as "the examination of records, returns and other documents maintained or furnished by the registered person under this Act or Rules made there-under or under any other law for the time being in force to verify, inter alia, the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of this Act or rules made there-under". (b) As per Section 65 of the CGST Act, 2017 the officers are authorised by the Commissioner to conduct audit after prior intimation to the registered taxpayer, either at the business premises of the taxpayer or office. The audit needs to be completed within a period of three months from the date of commencement and can be extended for a further period of six months by the Commissioner.

Meaning of consumer welfare fund:- Consumer Welfare Fund was created to promote and protect the welfare of consumer, create consumer awareness and strengthen consumer movement in the country, particularly in rural areas. Amount of refund which is not payable to the applicant is credited to the Consumer Welfare Fund. The amount of refund is paid to the applicant in case where there is no unjust enrichment; i.e. the incidence of tax has not been passed by the supplier to the recipient as also in the circumstances where the principle of unjust enrichment is not applicable. Otherwise, the said amount is credited to the Consumer Welfare Fund. Amount to be credited to Consumer Welfare Fund Section 57 of the CGST Act stipulates that the Government shall constitute a Fund, to be called the Consumer Welfare Fund and there shall be credited to the Fund: Amount of refund determined by an order passed under section 54(5), any income from investment of the amount credited to the Fund; and such other monies received by it, Refund is normally credited to the Consumer Welfare Fund constituted by the Government except under following cases, where it shall be paid to the applicant: Refund of tax paid on zero-rated supplies of goods or services or both or on inputs or input services used in making such zero-rated supplies; Refund of unutilized input tax credit under subsection 54(3); Refund of tax paid on a supply which is not provided, either wholly or partially, and for which invoice has not been issued, or where a refund voucher has been issued; Refund of tax in pursuance of section 77; The tax and interest, if any, or any other amount paid by the

applicant, if he had not passed on the incidence of such tax and interest to any other person; or The tax or interest borne by such other class of applicants as the Government may, on the recommendations of the Council, by notification, specify Utilization of consumer welfare fund:- All sums credited to the Consumer Welfare Fund shall be utilized by the Government for the welfare of the consumers in such manner as may be prescribed The Government shall, by an order, constitute a Standing Committee who shall make recommendations for proper utilization of the money credited to the Consumer Welfare Fund for welfare of the consumers. The Central Consumer Protection Council and the Bureau of Indian Standards shall recommend to the GST Council, the broad guidelines for considering the projects or proposals for the purpose of incurring expenditure from the Consumer Welfare Fund. The Government or the authority specified by is required to maintain proper and separate account and other relevant records in relation to the Fund and prepare an annual statement of accounts in such form as may be prescribed in consultation with the Comptroller and Auditor-General of India. Person who may apply for grant from Consumer Welfare Fund Any agency or organization engaged in consumer welfare activities for a period of 3 years registered under the provisions of the Companies Act, 2013 or under any other law for the time being in force, including village or mandal or samiti level cooperatives of consumers especially Women, Scheduled Castes and Scheduled Tribes, or any industry as defined in the Industrial Disputes Act, 1947 recommended by the Bureau of Indian Standards to be engaged for a period of five years in viable and useful research activity which has made significant contribution in formulation of standard mark of the products of mass consumption.

The Central Government or the State Government may make an application for a grant from the Consumer Welfare Fund However, a consumer may make application for reimbursement of legal expenses incurred by him as a complainant in a consumer dispute, after its final adjudication Formation of standing committee The Government shall constitute a Standing Committee with a Chairman, a Vice-Chairman, a Member Secretary and such other members as it may deem fit. The Committee shall make recommendations for proper utilization of the money credited to the Consumer Welfare Fund for welfare of the consumers The Committee shall meet as and when necessary, but not less than once in three months. Any agency or organization engaged in consumer welfare activities for a period of three years registered under the Companies Act, 2013 Powers of the standing committee The Committee shall have powers - To require any applicant to produce before it, or before a duly authorized Officer of the Government such books, accounts, documents, instruments, or commodities in

custody and control of the applicant, as may be necessary for proper evaluation of the application. To require any applicant to allow entry and inspection of any premises, from which activities claimed to be for the welfare of consumers. To get the accounts of the applicants audited, for ensuring proper utilization of the grant; To require any applicant, in case of any default, or suppression of material information on his part, to refund in lump-sum, the sanctioned grant to the Committee, and to be subject to prosecution under the Act. To recover any sum due from any applicant in accordance with the provisions of the Act. To require any applicant, or class of applicants to submit a periodical report, indicating proper utilization of the grant. To reject an application placed before it on account of factual inconsistency, or inaccuracy in material particulars. To recommend minimum financial assistance, by way of grant to an applicant, having regard to his financial status, and importance and utility of nature of activity under pursuit, after ensuring that the financial assistance provided shall not be misutilised;

To identify beneficial and safe sectors, where investments out of Consumer Welfare Fund may be made and make recommendations, accordingly. To relax the conditions required for the period of engagement in consumer welfare activities of an applicant; To make guidelines for the management, administration and audit of the Consumer Welfare Fund. The Central Consumer Protection Council and the Bureau of Indian Standards shall recommend to the GST Council, the broad guidelines for considering the projects or proposals for the purpose of incurring expenditure from the Consumer Welfare Fund. Applicability of GST on Freelancers GST on Resident Welfare Association Impact of constitutional amendment in Article 370 on Income Tax & GST in Kashmir A walk through new GST forms Supreme Court on Powers to Arrest under GST Act Exemption from GST for Residential Welfare Association - An Update Registration under GST for works contract Mutual Fund - Meaning, Types, Risks, Returns & Taxation Dahi Handi of GST Annual Return and GST Audit Reversal of Input Tax Credit

Available	under	GST	Regime
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