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Issues covered

GST leviable
for co-
operatives

GST and
interest

Banks and
invoice

When to issue
an invoice

SAC Codes

Transaction
wise invoice!!

Place of supply
and banks

ITC - 50%
scheme vs.
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Distributor

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turnover for
"Pat pedhis"

Branch Vs
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Employee
transactions

LEVY AND MEANING OF SUPPLY



Supply

Includes

- All forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal
made or agreed to be made
for a consideration
by a person
in the course or furtherance of business
- Import of services for a consideration whether or not in the course or furtherance of business
- The activities specified in Schedule I, made or agreed to be made without a consideration
- The activities to be treated as supply of goods or supply of services as referred to in Schedule II.

Excludes

- The activities specified in Schedule III
- Notified goods and services

“person” includes—

- (a) *an individual;*
- (b) *a Hindu Undivided Family;*
- (c) *a company;*
- (d) *a firm;*
- (e) *a Limited Liability Partnership;*
- (f) ***an association of persons or a body of individuals, whether incorporated or not, in India or outside India;***
- (g) *any corporation established by or under any Central Act, State Act or Provincial Act or a Government company as defined in clause (45) of section 2 of the Companies Act, 2013*
- (h) *any body corporate incorporated by or under the laws of a country outside India*
- (i) ***a co-operative society registered under any law relating to co-operative societies;***
- (j)
- (k).....
- (l) ***society as defined under the Societies Registration Act, 1860;***
- (m) *trust*
- (n)

“business” includes-

(a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;

(b)

(c)

(d)

(e) provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members;

(f) admission, for a consideration, of persons to any premises;

(g).....

(h).....

(i).....

Whether GST leviable on Interest??

“services” means anything other than **goods, money and securities** But includes **activities relating to the use of money** or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged;

Profit on Sale of Investments/Securities

“goods” means every kind of **movable property other than money and securities** but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply;

Exemption

Services by way of:

- (a) extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services);
- (b) inter se sale or purchase of foreign currency amongst banks or authorised dealers of foreign exchange or amongst banks and such dealers.

Other Exemptions..

Services by an acquiring bank, to any person in relation to settlement of an amount upto two thousand rupees in a single transaction transacted through credit card, debit card, charge card or other payment card service.

Explanation.— For the purposes of this entry, “acquiring bank” means any banking company, financial institution including non-banking financial company or any other person, who makes the payment to any person who accepts such card.

Services by the following persons in respective capacities -

- (a) business facilitator or a business correspondent to a banking company with respect to accounts in its rural area branch;
- (b) any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in entry (a); or
- (c) business facilitator or a business correspondent to an insurance company in a rural area.

Services by the Reserve Bank of India.

Taxability of Services...

Taxable

- DD and other commission
- Loan processing fees
- ATM charges
- **Credit card interest**
- Prepayment charges
- Locker rent
- Foreign exchange charges
- Letter of credit charges
- Guarantee commission
- Entry fees / Membership fees

Exempt

- Interest
- Profit on sale of investments
- Dividend
- Penal interest

TAX INVOICE, CREDIT AND DEBIT NOTES

TAX INVOICE

Name of the bank
Address
GSTIN

Name of customer
Address - May or may not
GSTIN

Invoice No. - may not be serially no.

Invoice date:

Sr No	Description	SAC Code	Amount

Total value	10,000/-
Less: Discount	500
Taxable value	9500

Place of supply	Tax	Rate	Amount	Add: Tax	1710
	IGST			Total amount	11210
Tax payable on reverse charge basis	SGST	9%	855	Signature of supplier	
	CGST	9%	855		

TAX INVOICE

Name of Bank / ISD
Address
GSTIN

May not
be serially
numbered

Invoice No.

Invoice date:

	Tax	Rate	Amount	
Name of customer Address GSTIN	IGST			
	SGST	9%	855	
	CGST	9%	855	
Total amount			11210	Signature of supplier

Time limit for issue of invoice

Particulars	Situation	Time limit
In case of supply of services	Banking company or Financial/Non-financial institutions	Before or within 45 days from date of supply of service
	Other cases	Before or within 30 days from date of supply of service
	Supply between distinct persons in case of insurance or banking company or financial institution including NBFC or telecom operator or class of supplier as notified by government	When such supplier records the same in his books of account or before the expiry of the quarter during which the supply was made.

SAC classification

Heading No. 9971	Financial and related services
Group 99711	Financial services (except investment banking, insurance services and pension services)
Group 99712	Investment banking services
Group 99715	Services auxiliary to financial services (other than to insurance and pensions)
Group 99717	Services of holding financial assets

Heading no. 9982	Legal and accounting services
Group 99821	Legal services
Heading no. 9985	Support services
Group 99859	Other support services
998591	Credit reporting & rating services
Heading No.9997	Other services
Group 99979	Other miscellaneous services
999791	Services involving commercial use or exploitation of any event
999792	Agreeing to do an act
999793	Agreeing to refrain from doing an act
999794	Agreeing to tolerate an act

Bank charges of Rs 25 are levied at time of each NEFT by bank and there are 250 such transactions by business house in a month.

Can bank issue one invoice for a month or separate invoices for each transaction ?



PLACE OF SUPPLY



Place of supply of service (Where supplier and recipient are in India)

Service

- Banking and other financial services including Stock Broking

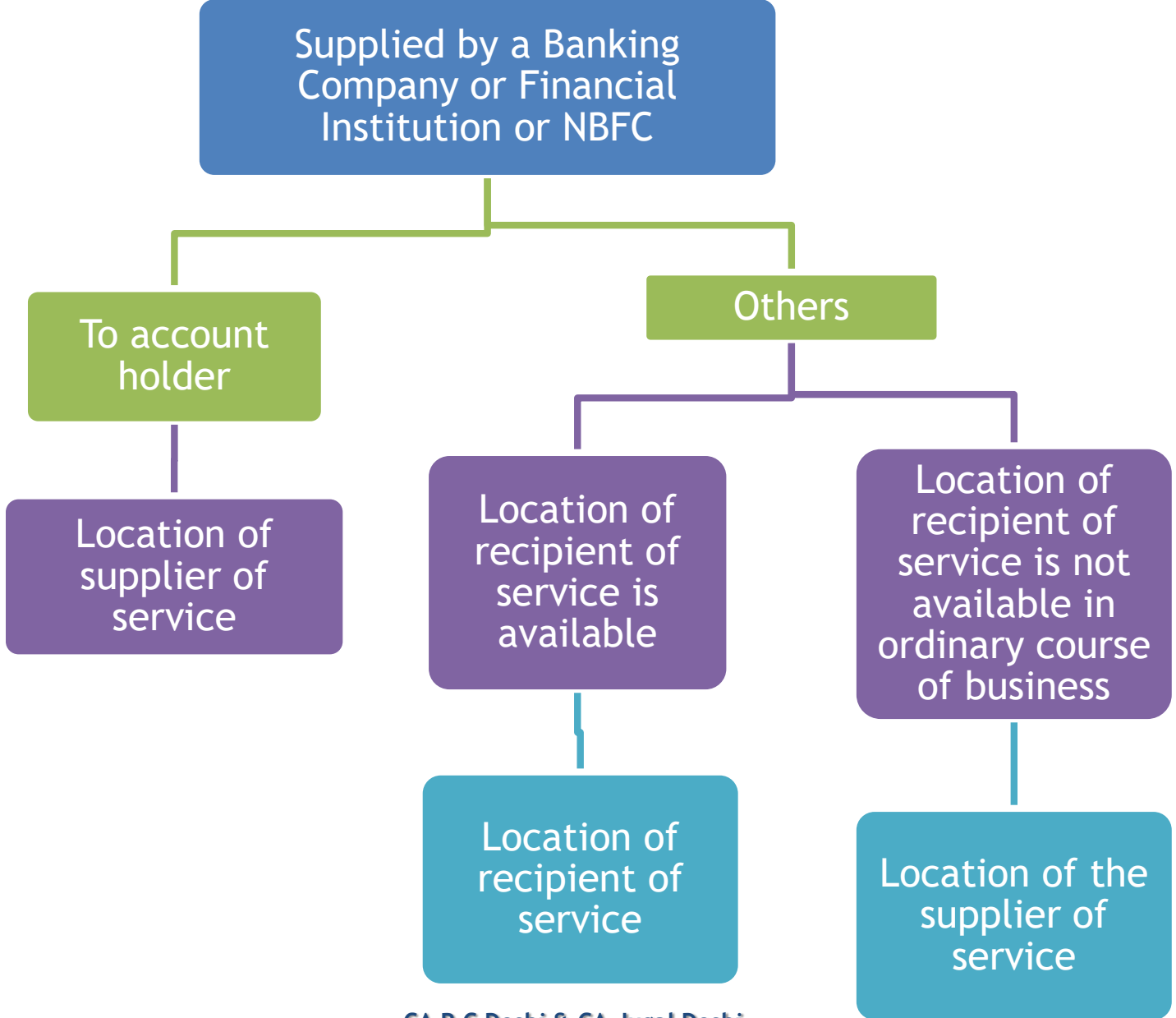
Default Rule

- Location of the recipient of services on the records of the supplier of service

If not available

- Location of the supplier of the service

Place of supply of service (Where supplier or recipient are outside India)



Multiple location of the recipient of services on the records of the supplier of service

Which address to consider??



INPUT TAX CREDIT



Options for banks / Financial institutions for availing ITC on capital goods

- A banking company or a financial institution including a non-banking financial company, engaged in supply of engaged in supplying services by way of accepting deposits, extending loans or advances, shall have the option to avail of, every month, an amount equal to 50% of the **eligible input tax credit** on inputs, capital goods and input services in that month.
- The option once exercised shall not be withdrawn during the remaining part of the financial year.
- The restriction of 50% will not apply to the tax paid on supplies made by one registered person to another registered person having the same PAN.
- The registered person shall not avail the credit of tax paid on inputs and input services that are used for non-business purposes and blocked credits.
- The details shall be furnished of remaining 50% of input tax credit admissible to the company in **FORM GSTR-2**.

Sr. No	Particulars	Deemed 50%	Normal Mechanism
A	Blocked credits (Foods and Beverages, Rent a Cab etc)	Nil	Nil
B	Non-business use	Nil	Nil
C	Supplies in distinct persons	100%	100%
D	Inward supplies directly relating to taxable outward supplies (e.g. - ATM operation charges, ATM audit fees, Credit Card services charges)	50%	100%
E	Inward supplies directly relating to exempt outward supplies (e.g. - Asset management services; GST on commission/charges on purchase or sale of securities)	50%	Nil
F	Inward supplies used commonly (e.g. - Rent, Professional Fees)	50%	Retention = Aggregate value of exempt supply / (Divided by) Aggregate value of taxable supply + exempt supply

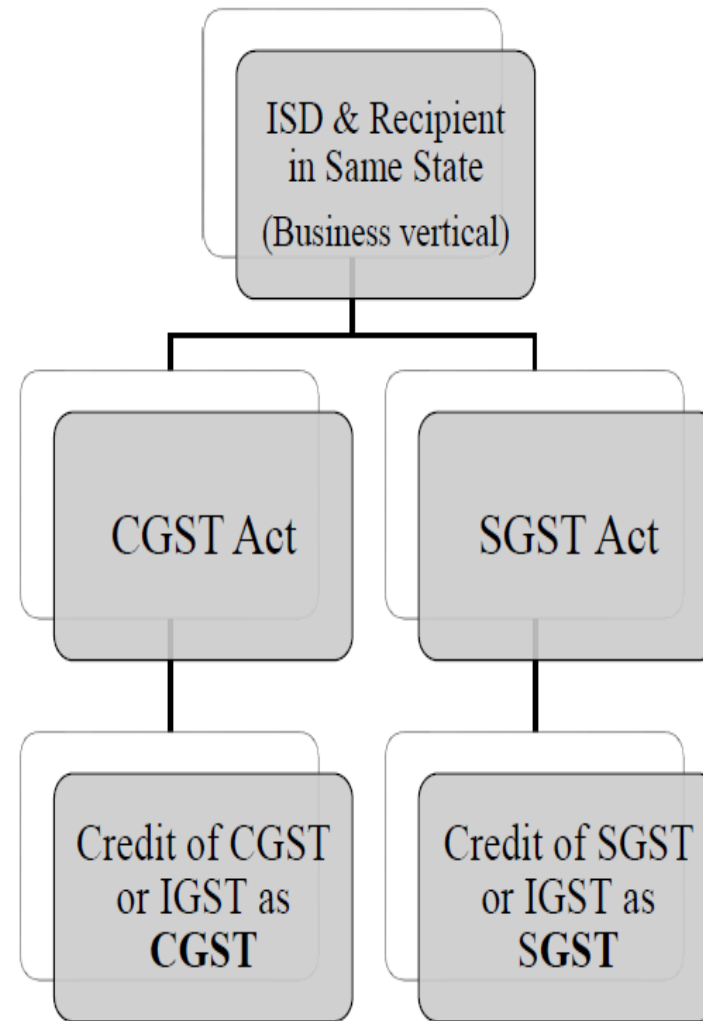
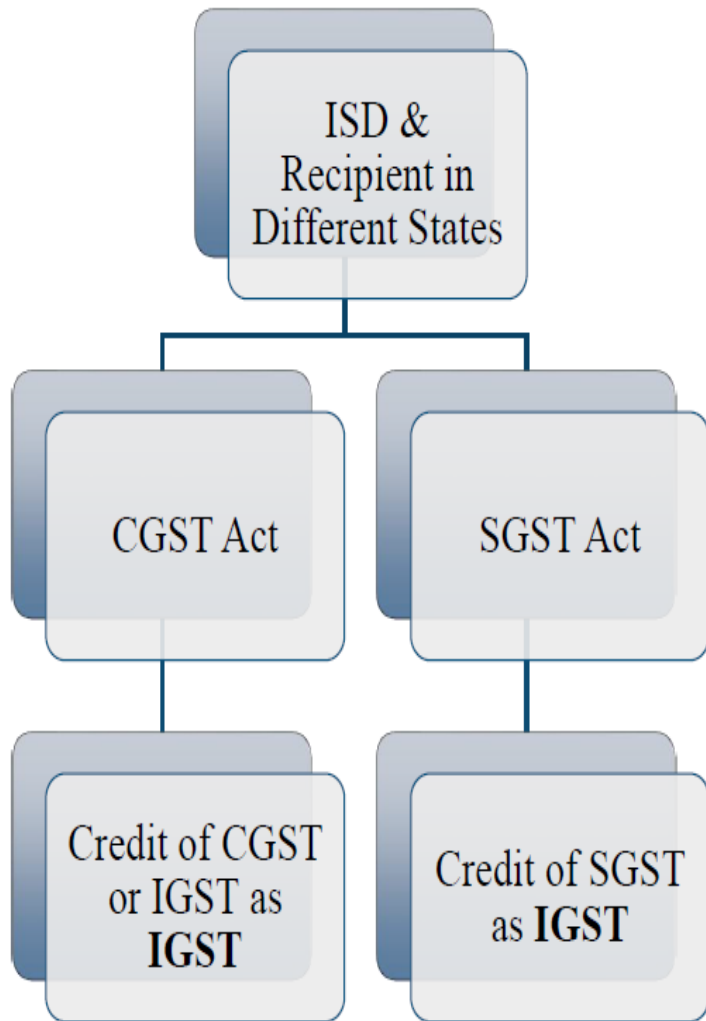
INPUT SERVICE DISTRIBUTOR



Input service distributor means

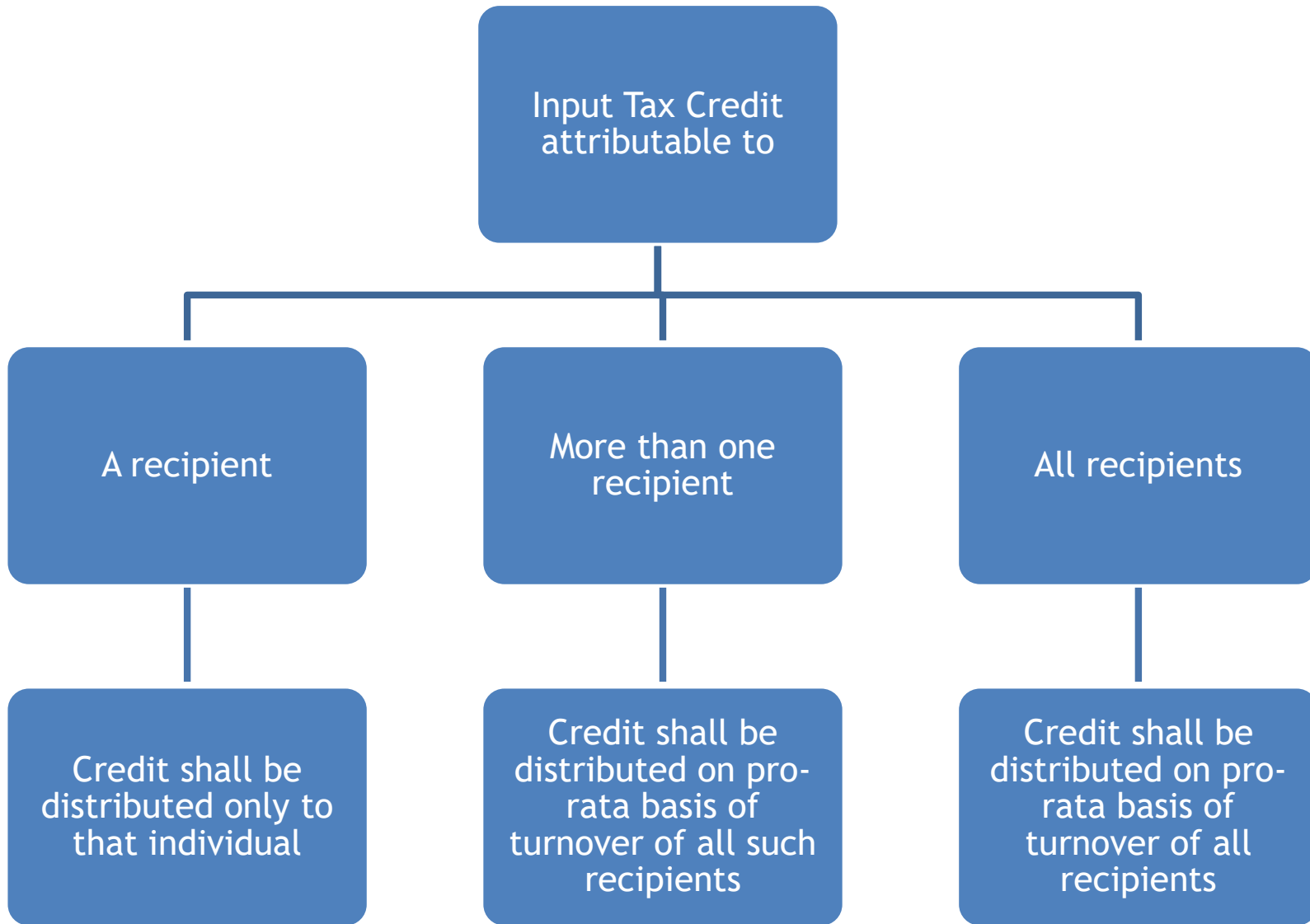
Input Service Distributor means an office of the supplier of goods or services or both which receives tax invoices issued towards the **receipt of input services** and issues a prescribed document for the purposes of distributing the credit of CGST, SGST, IGST or UTGST paid on the said services to a supplier of taxable goods or services or both having the same PAN as that of the said office.

Input service distributor



Distribution of credit

- The credit can be distributed to the recipients of credit against a document containing such details as may be prescribed.
- The amount of the credit distributed shall not exceed the amount of credit available for distribution;
- The Input Service Distributor shall, separately distribute the amount in-eligible as input tax credit (Blocked Credit) and the amount eligible as input tax credit;
- The input tax credit on account of central tax, State tax, Union territory tax and integrated tax shall be distributed separately



REGISTRATION



Applicability -

Special category states	Aggregate turnover in a financial year exceeds Rs 10 lakh
Others	Aggregate turnover in a financial year exceeds Rs 20 lakh

Special category states include the following states:

1. Arunachal Pradesh
2. Assam
3. Jammu & Kashmir
4. Manipur
5. Meghalaya
6. Mizoram
7. Nagaland
8. Sikkim
9. Tripura
10. Himachal Pradesh
11. Uttarakhand

“Aggregate Turnover”

Include

- All Taxable supplies
- Exempt supplies
- Export of goods and services
- Interstate supply of goods between person having same PAN
- Supplies made on account of all principals

Interest

Exclude

- Inward supplies on which tax paid on reverse charge basis
- CGST / SGST / IGST / UGST
- Supply of goods, after completion of job-work, by a registered job worker shall be treated as the supply of goods by the principal

Persons not liable for registration

- Agriculturist to the extent of supply of produce out of cultivation of land.
- Any person engaged exclusively in business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under CGST or IGST.
- The Government may exempt a specific category of persons from obtaining registration by a notification.

Separate registration for multiple business verticals within a state

Where a person who has obtained or is required to obtain registration in a State or Union territory in respect of an establishment, has an establishment in another State or Union territory, then such establishments shall be treated as establishments of **distinct persons** for the purposes of this Act.

One State - One GST Registration

Multiple business verticals - Option to avail separate GST Registration

“Business Vertical” means a distinguishable component of an enterprise that is engaged in the supply of individual goods or services or a group of related goods or services which is subject to risks and returns that are different from those of the other business verticals.

Whether each branch can form a separate business vertical ??





Whether Members will be related party ?

Related parties include

- Officers or directors of one another's businesses.
- Legally recognised partners in business.
- Employer and employee.
- Directly or Indirectly owns, controls or holds 25% or more of the outstanding voting stock or shares of both of them.
- One of them directly or indirectly controls the other.
- Both of them are directly or indirectly controlled by a third person.
- Together they directly or indirectly control a third person.
- Members of same family.
- Persons who are associated in the business of one another in that one is the sole agent or sole distributor or sole concessionaire.

Note: Person includes legal person.

Employer - Employee

- Concession in processing fees
- Less bank charges
- Lower rate of interest = Though exempt - Will impact if 50% scheme not opted for





**Are you
ready
for
GST?**

THANK YOU

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