

Point of Taxation Rules, 2011

Question 1

Determine the Point of Taxation in each of following independent cases in accordance with Point of Taxation Rules, 2011:

S. No.	Date of completion of service	Time[Date] of Invoice	Date on which payment received
1.	10.04. 2012	05.05.2012	20.05.2012
2.	10.04. 2012	05.05.2012	25.04.2012
3.	10.04. 2012	05.05.2012	25.04.2012 (Part) and 20.05.2012 (remaining)
4.	10.04. 2012	05.05.2012	06.04.2012(Part) and 09.04.2012 (remaining)
5.	10.04. 2012	05.05.2012	06.04.2012(Part) and 01.05.2012 (remaining)
6.	10.04. 2012	16.05.2012	20.05.2012
7.	10.04. 2012	16.05.2012	05.04.2012(Part) and 14.05.2012 (remaining)

Answer

Before giving the answer to above practical problem, it will be worthwhile to have a quick look at the provisions of Rule 3 of Point of Taxation Rules which are given below in Tabular Format for easy recap:

Relevant Clause and Rule	Time of Issue of Invoice	Point of Taxation Unless Otherwise Specified
Clause (a) of Rule 3	Within the time period specified in Rule 4A of the Service Tax Rules, 1994 i.e. thirty days (or forty five days for banks and financial institutions) from the date of completion of the service	Time of issuance of invoice

3.2 Indirect Tax Laws

Relevant Clause and Rule	Time of Issue of Invoice	Point of Taxation Unless Otherwise Specified
	According to substituted proviso to Rule 3(a) with effect from 01.04.2012 if invoice is Not issued within [i.e. After] thirty days (or forty five days for banks and financial institutions)from the date of completion of the service	Date of Completion of provision of service
Clause (b) of Rule 3	If, service provider receives any payment before time specified in clause (a) above i.e. before the issuance of invoice	Time [Date] of Payment to the extent it is received.

Note in respect of receipt of advance: According to Explanation appended to this Rule 3 wherever any advance by whatever name known is received by the service provider towards the provision of taxable service, the Point of Taxation shall be the Date of Receipt of each such advance

Point of Taxation in each of above cases has been given in following table:

S. No.	Date of Completion of service	Time [Date] of Invoice, Bill or Challan as the case may be	Date on which payment received	Point of Taxation	Remarks
1.	10.04. 2012	5.05.2012	20.05.2012	5.05.2012	Invoice issued within 30 days and before receipt of payment.
2.	10.04.2012	5.05.2012	25.04.2012	25.04.2012	Invoice issued within 30 days but payment received before invoice.
3.	10.04. 2012	5.05.2012	Part payment on 25.04.2012 remaining on 20.05.2012	25.04.2012 for the part payment and 5.05.2012 for the remaining amount	Invoice issued within 30 days. Part payment received before invoice and remaining payment after invoice.

S. No.	Date of Completion of service	Time [Date] of Invoice, Bill or Challan as the case may be	Date on which payment received	Point of Taxation	Remarks
4.	10.04. 2012	5.05.2012	Part payment on 6.04.2012 and remaining on 09.04.2012	06.04.2012 and 09.04.2012 for the respective amount	Invoice issued within 30 days. However, the advance has been received in two installments before the date of completion of service. Thus, date of receipt of each such advance shall be treated as point of taxation.
5.	10.04. 2012	5.05.2012	Part payment on 06.04.2012 and remaining on 1.05.2012	06.04.2012 and 1.05.2012 for the respective amount	Invoice issued within 30 days. Part payment [in the form of advance] received before issue of invoice and remaining payment received before issuance of Invoice.
6.	10.04. 2012	16.05.2012	20.05.2012	10.04.2012	Invoice not issued within 30 days and payment received after completion of service. Thus, Point of Taxation is Date of completion of service.
7.	10.04. 2012	16.05.2012	Part payment on 05.04.2012 and remaining	05.04.2012 and 10.04.2012	Invoice not issued within 30 days. Part payment

3.4 Indirect Tax Laws

S. No.	Date of Completion of service	Time [Date] of Invoice, Bill or Challan as the case may be	Date on which payment received	Point of Taxation	Remarks
			on 14.05.2012	for respective amounts	received as advance before completion of service and remaining payment received after completion of

Question 2

A service becomes taxable with effect from **01.07.2012**. Determine in each of the following independent cases whether service tax is leviable in accordance with Point of Taxation Rules, 2011?

Case	Date of Issuance of Invoice	Date of receipt of payment
I	25.06.2012 for ₹ 1,00,000	26.06.2012 for ₹ 1,00,000
II	25.06.2012 for ₹ 1,00,000	26.06.2012 for ₹ 60,000
III	25.06.2012 for ₹ 60,000	26.06.2012 for ₹ 1,00,000
IV	24..06.2012 for 1,00,000	20.06.2012 for ₹ 1,00,000
V	03.07.2012 for ₹ 1,00,000	30.06.2012 for ₹ 1,00,000
VI	24.07.2012 for ₹ 1,00,000	20.06.202 for ₹ 1,00,000

Answer

According to substituted Rule 5 of Point of Taxation Rules, 2011 with effect from 01.04.2012 where a service is taxed for the **first time**, then Point of Taxation will be determined in the following manner:

Relevant Rule of POT Rules, 2011	Time of Issue of Invoice	Time of receipt of payment	Position of Taxability
Rule 5(a)	Before the date such service becomes taxable for the first time	Before the date such service becomes taxable for the first time	Not-Taxable to the extent of issue of invoice and receipt of payment against such invoice.

Rule 5(b)	Issue of invoice within fourteen days of the date when the service is taxed for the first time.	Before the date such service becomes taxable for the first time	Not Taxable if the payment has been received before the service become taxable and invoice has been issued within fourteen days of the date when the service is taxed for the first time.
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In the light of above provisions of Rule 5 of POT Rules, 2011 the position of taxability in each of cases given in the question will be as under:

Date of Issuance of Invoice	Date of receipt of payment	Position of Taxability		
25.06.2012 for ₹ 1,00,000	26.06.2012 for ₹ 1,00,000	Not-Taxable to the extent of issue of invoice and receipt of payment against such invoice before such service becomes taxable i.e. entire amount of ₹1,00,000 in this case.		
25.06.2012 for ₹ 1,00,000	26.06.2012 for ₹ 60,000	Not-taxable to the extent of ₹60,000 because against the invoice of ₹1,00,000 only part payment to the extent of ₹60,000 has been received before such service becomes taxable for the first time. In other words, ₹40,000 received after such service become taxable [i.e. after 01.07.2012] will be subject to service tax.		
25.06.2012 for ₹ 60,000	26.06.2012 for ₹ 1,00,000	Not-taxable to the extent of ₹60,000 because of Rule 5(a) of this Rule i.e. to the extent of issue of invoice and receipt of payment against such invoice before such service becomes taxable. The taxability of remaining ₹40,000/- will be determined in the following manner :		
		Time of Issuance of Invoice	Time of Receipt of Payment	Position of Taxability
		If invoice for ₹ 40,000 is issued within 14 days [i.e. latest by 14.07.2012 in the	Before the date such service becomes	Not Taxable because the situation will be squarely

3.6 Indirect Tax Laws

Date of Issuance of Invoice	Date of receipt of payment	Position of Taxability		
		present case] from the date such service becomes taxable.	taxable for the first time	covered by Rule 5(a).
		If invoice for ₹ 40,000/- is not issued within 14 days [i.e. after 14.07.2012 in the present case] from the date such service becomes taxable.	Before the date such service becomes taxable for the first time	Taxable because neither the requirement of Rule 5(a) nor Rule 5(b) is met.
24.06.2012 for ₹ 1,00,000	20.06.2012 for ₹ 1,00,000	Not Taxable as the payment has been received before the service became taxable and invoice has also been issued before such service became taxable.		
03.07.2012 for ₹ 1,00,000	30.06.2012 for ₹ 1,00,000	No Tax shall be payable because payment has been received before the service becomes taxable and invoice has been issued within 14 days of the date when the service is taxed for the first time.		
24.07.2012 for ₹ 1,00,000	20.06.2012 for ₹ 1,00,000	Taxable because essential requirement of issue of invoice within 14 days of the date when service is taxed for the first time is not met.		

Question 3

Renu Ltd. enters into a contract with XYZ Ltd. for construction of a new building primarily for the purpose of commerce or industry for a total consideration of ₹150 lakhs on 02.07.2012. The relevant details are given as under:

Stage	Date [Expected]	Date of issuance of invoice	Date of Payment	Amount of Payment(₹)
Initial/Booking	02.07.2012	02.07.2012	02.07.2012	15 lakhs
50% completion of building [after getting certificate from the stipulated Chartered Engineer]	15.03.2013	22.03.2013	29.03.2013	60 lakhs
75% completion of building [after getting	20.06.2013	24.07.2013	25.07.2013	35 lakhs

certificate from the stipulated Chartered Engineer]				
100% completion of building [after getting certificate from the stipulated Chartered Engineer]	30.09.2013	21.10.2013	20.10.2013	40 lakhs

Answer

According to Rule 2(c) of Point of Taxation Rules, 2011 “**continuous supply of service**” means any service which is provided or to be provided continuously or on recurrent basis, under a contract, for a period exceeding three months with the obligation for payment periodically or from time to time, or where the Central Government, by a notification in the Official Gazette, prescribes provision of a particular service to be a continuous supply of service, whether or not subject to any condition.

Since in the present case Construction Services to be provided by Renu Ltd. under a contract with XYZ Ltd. for a period exceed three months with the obligation for payment periodically, the aforesaid services fall within the ambit of term “**continuous supply of service**” as defined above. The Point of Taxation in case of Continuous Supply of Services is determined in accordance with provisions of Rule 3 of POT Rules, 2011 with effect from 01.04.2012 which are given in the following table for instant reference of students:

Time of Issue of Invoice	Point of Taxation	Deemed date of completion of provision of service
Within thirty days (or forty five days for banks and financial institutions) from the date of completion of the provision of service	Earlier of the following two dates: (i) Date of Invoice for the service provided or agreed to be provided; or (ii) Date of payment to the extent it is received.	According to Proviso (i) to clause (a) and (b) of Rule 3 of POT Rules, 2011 where the provision of the whole or part of the service is determined periodically on the completion of an event in terms of a contract, which requires the service receiver to make any payment to service provider, the date of completion of each such event as specified in the contract shall be deemed to be date of completion of provision of service.
After thirty days (or forty five days for banks and other	Earlier of the following two dates:	

3.8 Indirect Tax Laws

Time of Issue of Invoice	Point of Taxation	Deemed date of completion of provision of service
financial institutions) from the date of completion of the provision of service	(i) Date of completion of the provision of the service or (ii) Date of Payment to the extent it is received.	

Note in respect of receipt of advance: According to Explanation appended to this Rule 3 wherever any advance by whatever name known is received by the service provider towards the provision of taxable service, the Point of Taxation shall be the Date of Receipt of each such advance

Therefore, according to Rule 3 of Point of Taxation Rules, 2011 in respect of each of the above stage of completion Point of Taxation will be determined as under

Stage of Completion	Deemed date of completion of provision of service as per proviso (i) to clause (a) and clause (b) of Rule 3 of POT Rules, 2011	Point of Taxation	Reason/Remarks
Initial/ Booking	02.07.2012	02.07.2012	Date of issuance of invoice as well as Date of Payment is same i.e. 02.07.2012.
50%	15.03.2013	22.03.2013	Since invoice has been issued on 22.03.2013 i.e. within thirty days from the date of completion of provision of service [which is 15.03.2013], comparison has been made between Date of issuance of Invoice [22.03.2013] and Date of Payment [29.03.2013]. Accordingly, Point of Taxation will be 22.03.2013.

75%	20.06.2013	20.06.2013	Since invoice has been issued on 24.07.2013 i.e. after thirty days from the date of completion of provision of service [which is 20.06.2013], comparison has been made between Date of Completion of Provision of Service [20.06.2013] and Date of Payment [25.07.2013]. Accordingly, Point of Taxation will be 20.06.2013
100%	30.09.2013	20.10.2013	Since invoice has been issued on 21.10.2013 i.e. within thirty days from the date of completion of provision of service [which is 30.09.2013], comparison has been made between Date of issuance of Invoice[21.10.2013] and Date of Payment [20.10.2013]. Accordingly, Point of Taxation will be 20.10.2013

Question 4

Manoj Ltd. imports Business Support Services from Green Ltd. of USA on 13.07.2012. The relevant invoice for \$ 1,20,000 is raised by Green Ltd. 18.08.2012. Manoj Ltd. makes the aforementioned payment as per following table:

CASE I	22.11.2012
CASE II	27.05.2013

Answer

According to Rule 7 of POT Rules, 2011 with effect from 01.04.2012 notwithstanding anything contained in these rules, the point of taxation in respect of persons required to pay tax as recipients of service under the rules made in respect of services notified under section 68(2) of the Act, shall be the date on which payment is made. However, proviso to foregoing Rule 7 provides that where the payment is not made within a period of six months of the date of invoice, the point of taxation shall be determined as if this rule does not exist.

Since in the present case Manoj Ltd. imports services from USA, it is required to pay tax as recipient of service under section 68(2) of the Act. Therefore, Point of Taxation in each of above two cases will be as under:

CASE	Point of Taxation	Detailed Reason/Remark
CASE I	Date of payment i.e. 22.11.2012	Since the importing company i.e. Manoj Ltd makes the payment within the six months from the date of invoice, provisions of Rule 7 of POT Rules, 2011 become

3.10 Indirect Tax Laws

		applicable. Accordingly, date on which payment is made will be considered as Point of Taxation.
CASE II	Date of completion of service i.e. 13.07.2012	As Manoj Ltd. does not make the payment within six months from the date of invoice, provisions of Rule 7 of POT Rules, 2011 will not apply. Point of Taxation will be determined in the absence of this rule. In simple words, Point of Taxation will be determined on the basis of Rule 3. Since in the present case invoice has NOT been issued within thirty days from the date of completion of provision of service, earlier of the following two dates will be point of taxation: (i) Date of completion of provision of service; or (ii) Date of payment to the extent it is made in the present situation. Since in the present case Date of completion of provision of service [13.07.2012] precedes the date of payment [27.05.2013], date of completion of provision of service [i.e. 13.07.2012] will be point of taxation.

Question 5

Gupta & Gupta Ltd. is located in India and holding 60% shares of Vasu Ltd., a U.K. based company. The latter company [Vasu Ltd.] provides Business Auxiliary Services to former company [Gupta & Gupta Ltd.] The other relevant details are given in the following table:

Agreed Consideration	£ 2,00,000/-
Date on which services are provided by Vasu Ltd.	16.07.2012
Date on which invoice is sent by Vasu Ltd.	19.07.2012
Date of debit in the books of account of Gupta & Gupta Ltd.	31.07.2012
Date on which payment is made by Gupta & Gupta Ltd.	23.10.2012

Determine Point of Taxation for Gupta & Gupta Ltd.

Answer

First of all, it is worth highlighting that by virtue of its aforementioned shares in Vasu Ltd., Gupta & Gupta Ltd. becomes the **holding company** of Vasu Ltd as per section 4 of Companies Act, 1956. Resultantly, both Gupta & Gupta Ltd. and Vasu Ltd. will fall within the ambit of the term “**associated enterprises**” as per section 92A of Income Tax Act, 1961. As a result, second proviso to Rule 7 of Point of Taxation Rules, 2011 becomes applicable in the present case. Thus, Point of Taxation will be determined in the following manner:

Earlier of the following two dates:

Date of debit in the books of account of person receiving the service [which is Gupta & Gupta Ltd. in the present case]	31.07.2012
Date of making the payment [by Gupta & Gupta Ltd. in the present case]	23.10.2012

Thus, Point of Taxation will be 31.07.2012.

Question 6

Kirti Ltd is the owner of a coal-mine in Bihar. It obtained a patent from the concerned competent authorities in relation of foregoing coal-mine in February, 2011. Further, the company has entered into an agreement with ABC Ltd in **April, 2011** for allowing the latter party to extract coals for the next three years. The consideration payable by ABC Ltd. for using the coal-mine has been fixed @ ₹1000 per tonne. The quantum of coal extracted by ABC Ltd and other relevant details are given in the following table:

Relevant Year	Relevant Output (in Tonnes]	Consideration for using the coal-mine @ ₹1000/- per tonne	Date Issuance of Invoice	Date of Receipt of Payment
2011-12	2,000	20,00,000	05.07.2012	26.08.2012
2012-13	3,000	30,00,000	13.04.2013	03.04.2013
2013-14	4,000	40,00,000	11.04.2014	20.07.2014

Answer

It is pertinent to clarify here that in the present question Kirti Ltd. is the service provider and ABC Ltd. is the service recipient. Since whole amount of the consideration for the provision of patent is not ascertainable at the time when service was performed and subsequently the use of these services by a person other than the provider gives right to any payment of consideration, both the conditions specified in Rule 8 of POT Rules, 2011 get satisfied. The Point of Taxation of Kirti Ltd. for the various Financial Years has been exhibited in the following table:

Point of Taxation For Various Financial Years As Per Rule 8

Earlier of the following two:

- (i) Date of Issuance of Invoice;
- (ii) Date of receipt of payment.

It is worth highlighting that Point of Taxation is to be determined in the above manner **each time** on the occurrence of earlier of the above two events.

3.12 Indirect Tax Laws

Point of Taxation	Reason/Remarks
05.07.2012	Date of Issuance of Invoice[05.07.2012] falls before Date of Payment[26.08.2012]
03.04.2013	Date of Payment [03.04.2013]precedes Date of Issuance of Invoice[13.04.2013]
11.04.2014	Date of Issuance of Invoice[11.04.2014]falls before Date of Payment[20.07.2014]

Question 7

HMV Ltd. is having the copyright of classic songs of Late Kishore Kumar recorded in a Compact Disk [CD]. The company gave the aforementioned copyright to Super Cassettes Industries Ltd. [hereinafter abbreviated as "SCI Ltd."] on 20.04.2011. The consideration payable by SCI Ltd. to HMV Ltd. for acquiring the foregoing copyright has been fixed @ ₹10/- per CD sold by it [SCI Ltd.]. The No. of CDs Sold by SCI Ltd. during different financial years as well as other relevant details is given in the following table:

Relevant Year	No. of CDs sold	Consideration Payable @ ₹10- per CD sold [₹.]	Date of Issuance of Invoice by HMV Ltd.	Date of Receipt of Payment from SCI Ltd.
2011-12	4,00,000	40,00,000	29.07.2012	16.08.2012
2012-13	6,00,000	60,00,000	03.06.2013	23.05.2013
2013-14	7,00,000	70,00,000	16.06.2014	16.06.2014

Answer

Point of Taxation for different financial years will be determined in the following manner:

Point of Taxation	Reason/Remarks
29.07.2012	Date of Issuance of Invoice[29.07.2012] falls before Date of Payment [16.08.2012]
23.05.2013	Date of Payment [23.05.2013]precedes Date of Issuance of Invoice[03.06.2013]
16.06.2014	Date of Issuance of Invoice [16.06.2014] as well as Date of Receipt of Payment [16.06.2014] is same.

Question 8

Raj Jaggi is the author and copyright-owner in relation of a book on the subject of Central Excise. He enters into an agreement with ABC Publishers on 15.07.2012. As a result of

foregoing agreement Raj Jaggi transfers the copyright to said publishers for a lump sum consideration of ₹10,00,000/-. The other relevant details are as under:

Relevant Date	Particulars
15.07.2012	Issue of invoice by Raj Jaggi
27.11.2012	Receipt of lump sum consideration of ₹10,00,000/-

Determine Point of Taxation in the above case.

Answer

In the above case Point of Taxation will be determined as under:

The first important thing is that although the above-mentioned contract is in relation of copyrights, provisions of Rule 8 of Point of Taxation Rules, 2011 will not apply. The reason is that one of the essential requirements of Rule 8 is not getting satisfied in this case. According to prescribed requirement the whole amount of consideration for the provision of service should not be ascertainable at the time when service was performed [i.e. when the agreement is entered into between the concerned parties]. Since in the present case the whole amount of consideration of ₹10,00,000/- has been ascertained at the time of entering into agreement itself, one of the essential requirements of Rule 8 does not get satisfied. Resultantly, Rule 8 becomes inapplicable in the present case. Contrarily, Point of Taxation will be determined in accordance with Rule 3 of Point of Taxation Rules, 2011 in the following manner:

Since invoice has been issued within thirty days from the **date of completion of provision of service** [which in the present case is the date of entering into agreement], earlier of the following dates will be the Point of Taxation:

Date of invoice	15.07.2012
Date of payment	27.11.2012

Thus, Point of Taxation is 15.07.2012.

Question 9

How the point of taxation will be determined if the date of invoice or the date of payment or both are not available?

Answer

According to Rule 8A of POT Rules, 2011 with effect from 01.04.2012 if the date of invoice or the date of payment or both are not available, Central Excise Officer, may require the concerned person to produce such accounts, documents or other evidence as he may deem necessary. Central Excise Officer may after taking into consideration such material and the effective rate of tax prevalent at different points of time, shall by an order in writing determine the point of taxation to the best of his judgment. However, before making such order, he is required to give an opportunity of being heard to the concerned person in accordance with principle of natural justice.

3.14 Indirect Tax Laws

Question 10

Nikhil Ltd., a famous builder and developer entered into an agreement with Mr. Sumit in May, 2012 for constructing four flats for him for an agreed consideration of ₹2,60,00,000/-. Mr. Sumit made payment in instalments as per following details:

Date of Receipt of Payment	Amount of Payment	Date of Invoice issued by Nikhil Ltd.
19.05.2012	₹ 30,00,000/-	10.05.2012
22.06.2012	₹40,00,000/-	10.06.2012
27.07.2012	₹50,00,000/-	10.07.2012
24.08.2012	₹80,00,000/-	10.08.2012
21.09.2012	₹60,00,000/-	10.09.2012

Nikhil Ltd. obtained completion certificate from the competent authority in respect of four flats on 08.09.2012. Whether services provided by Nikhil Ltd. to Mr. Sumit are subject to Service Tax?

Answer

The definition of term 'Residential Complex' has been changed with effect from 01.07.2012. Whereas upto 30.06.2012, "residential complex" means any complex comprising of a building or buildings, having more than twelve residential units under the section 65(91a). However, with effect from 01.07.2012 according to clause (zc) of Notification No. 25/2012 dated 20.06.2012, "residential complex" means any complex comprising of a building or buildings, having more than one single residential unit.

Rule 5 of Point of Taxation Rules, 2011 becomes applicable in the present context. According to foregoing Rule 5 where a service is taxed for the first time then –

- (a) No tax shall be payable to the extent the invoice has been issued and the payment received against such invoice before such service became taxable;
- (b) No tax shall be payable if the payment has been received before service becomes taxable and invoice has been within **fourteen days** of the date when the service is taxed for the first time.

Therefore, in the present case, invoice has already been issued by Nikhil Ltd., case (a) of Rule 5 of Point of Taxation Rules, 2011 will become applicable. Therefore, no Service Tax shall be payable to the extent of ₹70,00,000/- for which invoice has been issued and the payment received prior to 01.07.2012.

Question 11

Service Tax was chargeable at the rate of 10.30% up to 31.03.2012. However, with effect from 01.04.2012, the rate of service tax has been increased to 12.36%. Determine the point of

taxation as well as consequent Applicable Rate of Service Tax in each of the following independent cases.

Case	Time[Date] of Provision of Service	Time[Date] of Issue of Invoice	Time[Date] of Receipt of Payment
I	28.03.2012	02.04.2012	08.04.2012
II	28.03.2012	29.03.2012	08.04.2012
III	28.03.2012	04.04.2012	30.03.2012
IV	03.04.2012	31.03.2012	06.04.2012
V	03.04.2012	29.03.2012	30.03.2012
VI	03.04.2012	07.04.2012	31.03.2012

Answer

Whenever there is change in effective rate of tax, point of taxation is to be determined in accordance with Rule 4 of Point of Taxation Rules, 2011. According to aforesaid Rule 4, notwithstanding anything contained in Rule 3, the Point of Taxation in cases where there is a change in effective rate of tax in respect of a service shall be determined in the following manner:

S. No.	Time[Date] of Provision of Taxable Service	Time[Date] of Issue of Invoice	Time[Date] of Receipt of Payment	Point of Taxation
(a)	Before the change in effective rate of tax	(i) After the change in effective rate of tax	After the change in effective rate of tax	Earlier of following two dates: (A) Date of issuance of invoice; or (B) Date of payment of invoice
		(ii) Prior to change in effective rate of tax	After the change in effective rate of tax	Date of issuance of invoice
		(iii) After the change in effective rate of tax	Prior to the change in effective rate of tax	Date of payment
(b)	After the change in effective rate of tax	(i) Prior to change in effective rate of tax	After the change in effective rate of tax	Date of Payment

3.16 Indirect Tax Laws

		(ii) Prior to change in effective rate of tax	Prior to change in effective rate of tax	Earlier of the following two dates: (A) Date of receipt of payment; or (B) Date of issuance of invoice
		(iii) After the change in effective rate of tax	Prior to change in effective rate of tax	Date of issuance of invoice

Alternatively, students may learn the above table in the following manner:

Case	Time [Date] of Provision of Service	Time [Date] of Issue of Invoice]	Time [Date] of Receipt of Payment	Point Taxation of	Applicable Rate of Tax
I	Before	After	After	Earlier of Date of Issuance of Invoice or Receipt of Payment	New i.e. after the change in effective rate of tax
II	Before	Before	After	Date of Issuance of Invoice	Old i.e. before the change in effective rate of tax
III	Before	After	Before	Date of Receipt of Payment	Old i.e. before the change in effective rate of tax
IV	After	Before	After	Date of Receipt of Payment	New i.e. after the change in effective rate of tax
V	After	Before	Before	Earlier of Date of Issuance of Invoice or	Old i.e. before the change in effective rate

Case	Time [Date] of Provision of Service	Time [Date] of Issue of Invoice]	Time [Date] of Receipt of Payment	Point Taxation of	Applicable Rate of Tax
				Receipt Payment of	of tax
VI	After	After	Before	Date Insurance Invoice of	New i.e. after the change in effective rate of tax

Still, the students can learn the above table in the following shorter way:

- The OLD rate will be applied if out of the following three factors , **any two** factors belong to “**BEFORE**” category:
 - Date of provision of taxable service
 - Date of issuance of invoice
 - Date of receipt of payment.
- Similarly, the NEW rate will be applied if out of the following three factors, **any two** factors belong to “**AFTER**” category:
 - Date of provision of taxable service
 - Date of issuance of invoice
 - Date of receipt of payment.

In the light of above-mentioned Rule 4 of POT Rules, 2011, the point of taxation as well as applicable rate of tax in the present case will be determined as under:

Case	Time[Date] of Provision of Service	Time[Date] of Issue of Invoice]	Time[Date] of Receipt of Payment	Point of Taxation of	Applicable Rate of Tax
I	28.03.2012	02.04.2012	08.04.2012	02.04.2012, being earlier of Date of Issuance of Invoice [i.e. 02.04.2012] or Receipt of Payment [08.04.2012.]	12.36%

3.18 Indirect Tax Laws

Case	Time[Date] of Provision of Service	Time[Date of Issue of Invoice]	Time[Date] of Receipt Payment	Point of Taxation	Applicable Rate of Tax
II	28.03.2012	29.03.2012	08.04.2012	29.03.2012, being Date of Issuance of Invoice	10.30%
III	28.03.2012	04.04.2012	30.03.2012	30.03.2012, being Date of Receipt of Payment	10.30%
IV	03.04.2012	31.03.2012	06.04.2012	06.04.2012, being Date of Receipt of Payment	12.36%
V	03.04.2012	29.03.2012	30.03.2012	29.03.2012, being Earlier of Date of Issuance of Invoice [29.03.2012] or Receipt of Payment 30.03.2012]	10.30%
VI	03.04.2012	07.04.2012	31.03.2012	07.04.2012, being Date of Insurance of Invoice	12.36%