GST Simplified

A GST awareness Initiative by

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Overview

Goods and Services Tax (GST) is a destination based tax on consumption of Goods & Services which subsume various indirect taxes, assembled under one canopy to reduce multiplicity of taxes & mitigate cascading effects. It will be levied at all stages right from manufacture up to final consumption with credit of taxes paid at previous stages available for setoff. In a nutshell, only value addition will be taxed.

The GST would replace following taxes :

1) Taxes currently levied & collected by Centre
    a) Central Excise duty
    b) Additional duty of excise
    c) Special Additional duty of Custom (SAD)
    d) Additional duty of Custom (CVD)
    e) Service tax
2) Taxes currently levied & collected by State
    a) State VAT
    b) Luxury tax
    c) Central Sales tax
    d) Entry tax
    e) Entertainment & amusement tax
    f) Purchase tax
    g) Tax on lotteries, betting & gambling

* Alcoholic liquor for human consumption has been kept outside the definition of GST , Article 366(12A) amended by 101st Constitution Amendment Act 2016 and five petroleum product i.e petroleum crude, petrol, diesel, ATF & natural gas has been temporarily kept outside the definition of GST. Furthermore, electricity & transaction in securities has also been kept out of GST.

In a Nutshell :

1. A dual tax (CGST & SGST) will be levied on the same taxable event by both the Central and the State Government.
2. The tree of GST has been divided into 3 branches: CGST, SGST/UTGST & IGST.
3. The taxable event under GST will be 'SUPPLY' of goods/services.
4. GST will be a destination base tax.

Why GST

1. **Eliminate dispute between goods and services**: To eliminate the dispute of whether a transaction is sale of goods or services (Example: sale of SIM Card , Software etc). GST is expected to eliminate all such disputes because all transactions shall be taxed at the same rate and no distinction is made between goods and services.

2. **Uniformity of tax rates and structures**: GST will ensure that indirect tax rates and structures are common across the country, thereby increasing certainty and ease of doing business. In other words, GST would make doing business in the country tax neutral, irrespective of the choice of place of doing business. It will eliminate unhealthy competitions between states.

3. **Removal of cascading**: A system of seamless tax-credits throughout the value- chain, and across boundaries of States, would ensure that there is minimal cascading of taxes. This would reduce hidden costs of doing business.

Objective of GST

2. Ensuring availability of input credit across the value chain
3. Simplification of tax administration and compliance.
4. Harmonization of tax base, laws, and administration procedures across the country.
5. Minimizing tax rate slabs to avoid classification issues.
6. Prevention of unhealthy competition among states.
7. Increasing the tax base and raising compliance.

Benefit of GST

A) For Common Man
   - i) Simpler tax system
   - ii) Reduction in prices of goods and services due to elimination of cascading effect
   - iii) Uniform prices throughout the country
   - iv) Transparency in taxation system (v) Increase in employment opportunities

B) For Business:
   - (i) Reduction in multiplicity of taxes
   - (ii) Reduction in several indirect tax compliances
   - (iii) Mitigation of cascading/double taxation
   - (iv) More efficient neutralization of taxes especially for exports
   - (v) Development of common national market
   - (iv) Simpler tax regime-fewer rates and exemptions

C) For Government:

(i) GST will make domestic product more competitive

(ii) Revenue gain for Centre and state due to widening of tax base , increase in trade volume & improved tax compliance.

(iii) A unified common national market to boost Foreign Investment and "Make in India" campaign

(iv) Boost to export/manufacturing activity, generation of more employment, leading to reduced poverty and increased GDP growth

(v) Improving the overall investment climate in the country which will benefit the development of states

(vi) Uniform SGST and IGST rates to reduce the incentive for tax evasion

RATE OF GST

Percentage of Total Items	Applicable Tax Rate Slab
7%	Exempt
14%	5%
17%	12%
43%	18%
19%	28%

GST RATES STRUCTURE

Tax Rates	Products	Remarks
0%	fresh meat, fish, chicken, egg, milk, butter milk, curd, natural honey, fresh fruits & vegetables, flour, besan , bread, Prasad, salt, bidi, sindoor, stamps, judicial papers, printed books, news paper, handlooms, cereal grain, jiggery, salt, kajal	Hotels and lodges with tariff below Rs 1,000 exempted, Rough precious & semi precious stone attract GST of 0.25%. Education , health care exempted
5%	Skimmed milk powder, package food items ,apparel below Rs.1000, branded paneer, frozen vegetables, coffee, tea, spices, pizza bread, rusk, sabudana, kerosene, medicines, stent,life boats, Insulin	Transport service (Rail/Air) and small restaurants will fall under this tax bracket

12%	Frozen meat product, butter, cheese, ghee, dry fruits in packaged form, animal fats, fruit juice, namkeen, bhujia, Aurvedic medicines, tooth powder, agarbatti, umbrella, sewing machine, mobile handset, apparel above Rs.1000/-, sports goods, spectacles	State run lotteries, Non AC hotels, business class air tickets, fertilizer, works contract will attract 12% GST.
18%	Most of the item will covered under this category such as mineral water, , ice cream, all biscuits , pasta, jam, cornflakes, , instant food mix, camera, speaker, monitor, printer (except multi function) , footwear above Rs.500, CCTV, transformer, OFC, FMCG	AC hotels that serve liquor, telecom services, IT services, branded garments and financial services will falls under this tax bracket, Room tariffs between Rs 2,500 and Rs 7,500, Restaurants inside five-star hotels
28%	Aerated water, shaving cream, shampoo, weighing machine, ATM, vacuum cleaner, AC, fridge, automobiles. Motor cycle, air craft & yatch for personal use.	Private-run lotteries authorised by the states, hotels with room tariffs above Rs 7,500, 5-star hotels, race club betting, cinema will attract tax 28 per cent tax slab under GST. Luxury car +15% Cess, Motor cycle above 350CC +15% Cess

* Source GST Council Meeting 18th May 2017.

Persons liable for registration (Sec 22)

- If turnover exceeds Rs 20 lakhs (10 lakhs if NE states)[including exempt supply & as agent]
- If already registered under current law
- Transferee/successor to get registered in case of transfer/succession of business by a GST registered person.

Persons NOT liable for registration (Sec 23)

- Agriculturist for supply out of agricultural land
- Person is supplying ONLY exempt goods and/or service

Compulsory registration (Sec 24)

In following situations registration under GST is mandatory irrespective of Turnover i.e 20/10 lakhs

- Person making ANY inter-state supply
- Casual taxable person making taxable supplies (no registration if exempt supplies)
- E-commerce operator (or his representative) paying GST in India
- Non-resident taxable person making taxable supplies (not if exempt supplies)
- Persons required to deduct TDS under GST u/s 51
- Agents etc. making supplies on behalf of someone
- Input service Distributors (ISD)
- Persons supplying THROUGH e-commerce operators
- OIDAR services supplier

  OIDAR Service Provider : Any entity providing OIDAR (Online Information & Data Base Access or Retrieval service is mandatorily required to obtained registration in India irrespective of the aggregate turnover criteria.

Registration Provision/ Procedure (Sec 25)

Time limit

A person should take a Registration, within thirty days from the date on which he becomes liable for registration, in such manner and subject to such conditions as is prescribed under the Registration Rules. A Casual Taxable person and a non-resident taxable person should however apply for registration at least 5 days prior to commencement of business.

Every person who is liable to take a Registration will have to get registered separately for each of the States where he has a business operation and is liable to pay GST in terms of Section 22(1) of the CGST/SGST Act.

In terms of Sec 25(2) a person having multiple business verticals in a State may obtain a separate registration for each business vertical,

In terms of Sec 25(3) a person, though not liable to be registered under Section 22 may get himself registered voluntarily, and all provisions of this Act, as are applicable to a registered taxable person, shall apply to such person.

As per Section 25(6) of the CGST/SGST Act every person shall have a Permanent Account Number issued under the Income Tax Act,1961(43 of 1961) in order to be eligible for grant of registration.

However as per the proviso to the aforesaid section 25(6), a person required to deduct tax under Section 51, may have, in lieu of a PAN, a Tax Deduction and Collection Account Number issued under the said Income Tax Act, in order to be eligible for grant of registration.

Also, as per Section 25(7) PAN is not mandatory for a nonresident taxable person who may be granted registration on the basis of any other document as maybe prescribed

Section 28: Amendment of registration
Section 29: Cancellation of Registration
Section 30: Revocation of Cancellation of Registration
Section 139: Migration of Existing Taxpayers by issuing GST registration Certificate

<u>Levy of & Exemption from Tax</u>

Article 246A of the Constitution, which was introduced by the Constitution (101st Amendment) Act, 2016 confers concurrent powers to both, Parliament and State Legislatures to make laws with respect to GST i. e. central tax (CGST) and state tax (SGST) or union territory tax (UTGST). However, clause 2 of Article 246A read with Article 269A provides exclusive power to the Parliament to legislate with respect to inter-State trade or commerce i.e. integrated tax (IGST).

Taxable event under GST

Taxable event under GST is supply of goods or services or both. CGST and SGST/ UTGST will be levied on intra-State supplies. IGST will be levied on inter-State supplies. Central Government or State Government, on the recommendations of the GST Council, can notify an activity to be the supply of goods and not supply of services or supply of services and not supply of goods or neither a supply of goods nor a supply of services.

Taxability of Supply made without consideration

Activities which are specified in Schedule I to the CGST Act / SGST Act such as

1) Permanent transfer/disposal of assets
2) Supply of Goods or service between related person or distinct person specified in Sec 10 when made in the course of or furtherance of business
3) Import of goods by a person from a related person
4) Supply of goods by principal to agent

Composite supply & mixed supply

Composite supply is a supply consisting of two or more taxable supplies of goods or services or both or any combination thereof, which are bundled in natural course and are supplied in conjunction with each other in the ordinary course of business and where one of which is a principal supply. For example, when a consumer buys a television set and he also gets warranty and a maintenance contract with the TV, this supply is a composite supply. In this example, supply of TV is the principal supply, warranty and maintenance service are ancillary.

Mixed supply is combination of more than one individual supplies of goods or services or any combination thereof made in conjunction with each other for a single price, which can ordinarily be supplied separately. For example, Domino Pizza selling Combo Pizza along with Coke, where Pizza and Coke can easily be priced and sold separately

Composite supply shall be treated as supply of the principal supply. Mixed supply would be treated as supply of that particular goods or services which attracts the highest rate of tax

Sec 9 : Levy & Collection under Reverse Charge

The liability to pay tax is on the recipient of supply of goods and services instead of the supplier of such goods or services in respect of notified categories of supply. Reverse charge applies to supplies of both goods and services,

In case of receipt of supply from an unregistered person, the registered person who is receiving goods or services shall be liable to pay tax under reverse charge mechanism.

Composition levy option (Sec 10)

If turnover in preceding financial year is upto 75 lakhs

1) Manufacture of Goods : 2% (1% CGST + 1% SGST)
2) Food/Restaurant Service : 5% (2.5% CGST + 2.5% SGST)
3) Goods Trader/ Agent :1% (0.5% CGST + 0.5% SGST)

* Turnover includes all supply including exempt supplies & export of Goods

* No Input tax credit will be eligible & recovery of GST from Customer is not possible.

A registered person under composition scheme is not permitted to collect tax. It means that a composition scheme supplier cannot issue a tax invoice.

Customer who buys goods from registered person who is under composition scheme is not eligible for composition input tax credit because a composition scheme supplier cannot issue a tax invoice.

If a taxable person has paid tax under the composition scheme though he was not eligible for the scheme then the person would be liable to penalty and the provisions of section 73 or 74 shall be applicable for determination of tax and penalty.

Conditions to be fulfilled to opt for Composition Scheme

- Not to make supply which are not liable to GST (Nil rated supply permitted)
- Not to make inter-state outward supply (inter-state inward supply permitted)
- Not to make supplies through e-commerce operator
- Not eligible for supply of notified goods (ice cream, tobacco, bidi)
- All GST registered persons under same PAN need to take composition scheme (This means composition not available for selective businesses or selective transactions)
- The person should not be “Casual Taxable Person” or “Non-resident taxable person”
- In case of migration/transition, no inter-state stock should be there.

Tax treatment of Goods Returned (Sec 36)

Where the goods supplied are returned by the recipient, the registered person (supplier of goods) may issue to the recipient a credit note containing the prescribed particulars. The details of the credit note shall be declared by the supplier in the returns for the month during which such credit note was issued but not later than September following the end of the year in which such supply was made or the date of filing of the relevant annual return, whichever is earlier. The details of the credit note shall be matched with the corresponding reduction in claim for input tax credit by the recipient in his valid return for the same tax period or any subsequent tax period and the claim for reduction in output tax liability by the supplier that matches with the corresponding reduction in claim for ITC by the recipient shall be finally accepted and communicated to both parties

Reverse charge

It means the liability to pay tax is on the recipient of supply of goods and services instead of the supplier of such goods or services in respect of notified categories of supply.

Reverse charge applies to supplies of both goods and services, as notified by the Government on the recommendations of the GST Council.

In case of receipt of supply from an unregistered person, the registered person who is receiving goods or services shall be liable to pay tax under reverse charge mechanism.

Payment of GST

In the GST regime, for any intra-state supply, taxes to be paid are the Central GST (CGST), going into the account of the Central Government) and the State/UT GST (SGST, going into the account of the concerned State Government). For any inter-state supply, tax to be paid is Integrated GST (IGST) which will have components of both CGST and SGST. In addition, certain categories of registered persons will be required to pay to the government account Tax Deducted at Source (TDS) and Tax Collected at Source (TCS). In addition, wherever applicable, Interest, Penalty, Fees and any other payment will also be required to be made.

Liability to Pay GST

In general, the supplier of goods or services is liable to pay GST. However, in specified cases like imports and other notified supplies, the liability may be cast on the recipient under the **reverse charge mechanism.** Further, in some notified cases of intra-state supply of services, the liability to pay GST may be cast on e-commerce operators through which such services are supplied. Also Government Departments making payments to vendors above a specified limit [2.5 lakh under one contract as per S.51(1)(d)] are required to deduct tax (TDS) and E-commerce operators are required to collect tax (TCS) on the net value [i.e. aggregate value of taxable supplies of goods and/or services but excluding such value of services on which the operator is made liable to pay GST under Section 9(5) of the CGST Act, 2017] of supplies made through them and deposit it with the Government**.**

Due date of payment of GST

1) **For normal tax payer : By 20th of following month**
2) **For Composition Tax payer : By 20th of month, ending the Qurter**

TDS/TCS provision under GST (Sec 51 & 52)

Govt & Govt undertakings and other notified entities making single payment to a supplier against a particular contract in excess of Rs.2.5 lakhs is required to deduct @1% of total payment made and remit it to appropriate GST account. TDS so deducted shall be remitted within 10th of following month.TDS certificate shall be issued within 5 days of deducting TDS failing which fees of Rs.100/day shall be payable, max Rs.5000/-

E-Commerce operator under Sec 52 shall deduct TCS@1% of net value of taxable supplies and remit within 10th of following month.

Accounts & Records keeping (Sec 36)

All account & records under GST shall be maintained at Principal place & Additional place of Business in electronic form & shall be authenticated by digital signature.

Records to be maintained

1) **Invoice**
2) **Bills of Supply**
3) **Credit & Debit Note**
4) **Deliveries Challan relating to Stocks, deliveries , Inward & outward supply**

Types of Returns

Return	Purpose	Due Dates
GSTR-1	Outward Supply of taxable goods/ services	10th of following month
GSTR-2	Inward supply of taxable goods/ services	15th of following month
GSTR-3	Monthly Return	20th of following month
GSTR-4	Qtrly Return-Composition Supplier	18th of Next month Qtr ending
GSTR-5	Non Resident Foreign Taxable person	20th of following month
GSTR-6	Input service Distributor	13th of month succeeding Qtr
GSTR-7	Authority deducting TDS at Source, Sec 51	10th of next month
GSTR-8	E-Commerce Operator	10th of next month
GSTR-9	Annual Return	31st Dec of next Financial year
GSTR-10	Final Return-Whose return surrender/cancelled	Within 3 months
GSTR-11	Inward supply having person with UIN & claiming refund	28th of the month following the month for which statement is filed.

- **All these returns are required to be filed digitally online.**

Anti profiteering measure (Sec 171)

Any reduction in rate of tax on any supply of goods or services or the benefit of input tax credit shall be passed on to the recipient by way of commensurate reduction in prices

Concept of e-Waybill

It is an electronic permit required to be presented for moving goods worth over Rs 50,000 within a state or between states.

The Goods and Services Tax Network (GSTN) will generate e-way bills that will be valid for one to 15 days, depending on the distance over which the goods are to be transported. One-day permit will be for a distance up to 100 km while a 15-day permit will allow more than 1,000-km transit. Once an e-way bill is generated by GSTN, the supplier, recipient and transporter concerned would be provided a unique e-way bill number that will serve as a permit

Time of Supply/ pint of Taxation under GST

For the purpose of paying tax liability, point of taxation is required to be ascertained.

Time of supply is nothing but, it is point of taxation

To find out that supplies have been made or not, we need to determine time of supply. Once time of supply occurred, a supplier is required to discharge his GST liability.
There are some general provision and some specific provision for determining time of supply. Time of supply is different for goods & services. If specific provision are applied to determine the time of supply then general provision are irrelevant.

To determine time of supply of Goods & Services, Four categories are provided as below:

a) Time of Supply of Goods & Services under Forward Charge.
b) Time of Supply of Goods & Services under Reverse Charge.
c) Time of Supply in case of Supply of Vouchers.
d) Residuary Clause.

Time of Supply of Goods & Services under Forward Charge:
In case of Goods, earliest of the following

b) Date of issue of invoice by the Supplier or last date by which he is required to issue invoice
c) Date on which the supplier receipt the payment

In case of Services, earliest of the following

a) Date of issue of invoice
b) Date of provision of service, if invoice not received
c) Date of receipt of payment

Some Important Points:

1. **Time of Issue of Invoice for Goods:**
   a) **If movement of goods involved** in supply than before or at the time of removal of goods.
   b) **If movement of goods not involved** in supply than before or at the time of delivery of goods or making available to the recipient.
   c) **If continuous supply of goods** For Example. Supply of Oil etc. than earliest of the following: -
   i) Time when each statement is issued. –
   ii) Time when each payment is received.
   d) **If goods sent for approval** than earliest of the following: -
   i)Time when it becomes known that supply is taken place. –
   ii) Six month from the date of removal.

2. Time of Issue of Invoice for Services:

i. **Before or after the provision of service** but within a period prescribed:

a) 30 days in all cases except for banking and financial institutions from the date of supply of services.

b) in case of banking and financial institutions 45 days from the date of supply of services

ii. **In case of continuous supply of services**:

a) Due date of payment can be identified from the contract : The invoice will be issued before or after the payment is to be made by the recipient but within 30 or 45 days of due date of payment.
b) Due date of payment is cannot be identified from the contract : The invoice shall be issued before or after each time when the supplier of service receives the payment but within 30 or 45 days of receipt of payment
c) Payment is linked to the completion of an event: The invoice shall be issued before or after the time of completion of that event but within 30 or 45 days of completion of event.
d) 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 service provide before stopping.

3. The supply shall be deemed to have been made to the extent it is covered by the invoice or, as the case may be, the payment.

   Date of Receipt of the payment by supplier: Payment is entered into the books of the account or credited in his bank account whichever is earlier.
4. Optional Time of supply: If amount up to Rs. 1,000 in excess of invoice amount is received then the supplier may take the time of supply is the date of invoice issued for such excess or advance received.
5. If invoice is not issued and date of payment or date of completion of provision of service are also not ascertainable, than the time of supply shall be the date on which the recipient shows the receipt of services in his books of accounts.

Time of Supply of Goods & Services under Reverse Charge

1) In case of Goods earliest of the following :

a) The date of receipt of the goods

b) Date of payment or

c) 30 days from the date of Invoice raised by the Supplier

2) in case of Services

a) for Associated enterprises earliest of the following

i) The date of entry in the books of recipient

ii) Date of Payment

b) for other than Associated enterprises earliest of the following

i) 60 days from the date of invoice issued by the supplier

ii) Date of Payment

Examples on Time of Supply/ Point of Taxation under GST

Question.1:

Mr. X, a manufacturer, sold goods to Mr. Y, wholesaler, and issued invoice for the sale on 01st August 2017. Determine the time of supply of goods in following situation:

a) Mr. X removes the goods for delivery to Mr. Y on 16th August 2017.
b) Mr. Y collects the goods from premises of Mr. X on 10th August 2017.
c) Mr. Y made full payment on 26th July 2017.
d) Mr. Y credited the payment in bank account of Mr. X on 28th July 2017 for 3/4th of goods, Mr. X recorded the same as receipts in his books on 3rd August 2017. The goods were dispatched on 5th August 2017 from the warehouse.

Answer 1:

a. 1st August 2017 is the time of supply of goods

i.e. Earlier of the following:

Date of Invoice - 1st August 2017 or

Date on which invoice is required to be issued - 16th August 2017.

b. 1st August 2017 is the time of supply of goods

i.e. Earlier of the following:

Date of Invoice - 1st August 2017 or

Date on which goods is delivered - 10th August 2017.

c. 26th July 2017 is the time of supply of goods

i.e. Earlier of the following: -

Date of Invoice - 1st August 2017 or

Date of Payment - 26th July 2017.

d. The time of supply of goods for 3/4th of the goods will be 28th July 2017 as the payment has been made prior to the date of invoice and the time of supply of goods will be 1st August 2017 for remaining 1/4th goods. The late recording of receipt in the books by Mr. X will have no impact.

Question.2:

Mr. A entered into a contract with Mr. B to supply of oil throughout the year. Mr. A issues monthly statement for the oil supplied to Mr. B. Now, determine the time of supply of goods in following cases:

a) Mr. B made payment for the month of July on 31st July 2017 and Mr. A issued statement for the month of July on 8th August 2017.
b) Mr. A issued statement for the month of August on 5th September 2017, the payment of which not received till 30th September 2017.

Answer.2:

a. 31st July 2017 will be the time of supply.
   Earliest of the following:
   Date of Invoice: 8th August 2017
   Last date on which invoice has to be issued: Date of payment or statement whichever is earlier i.e. 31st July 2017.

b. 5th September 2017 will be the time of supply.

   Earliest of the following:

   i) Date of Invoice: 5th September 2017.
   ii) Last date on which invoice has to be issued: Date of payment or statement whichever is earlier i.e. 5th September 2017.

Question .3: XYZ Consultancy services issued invoice for services rendered to Mr. A on 5th August 2017. Determine the time of supply in following cases:

a) The provisions of services were completed on 1st July 2017.
b) The provisions of services were completed on 15th July 2017.
c) Mr. A made the payment on 3rd August 2017, where provisions of services were remaining to be completed.
d) Mr. A made the payment on 15th August 2017, where provisions of services were remaining to be completed.

Answer.3:

a) 1st July 2017 will be the time of supply of services as invoice is not issued within the time frame of 30 days.
b) 5th August 2017 will be the time of supply of services as invoice is issued within the time frame.
c) 3rd August 2017 will be the time of supply of services as payment received before invoice date.
d) 5th August 2017 will be the time of supply of services as invoice is issued before the completion of provisions of services.

ABBREVIATION USED IN GST

Short Form	Full Form
GST	Goods & Service Tax
CGST	Central Goods & Service Tax
SGST	State Goods & Service Tax
UTGST	Union Territory Goods & Service Tax
ITC	Input Tax Credit
ISD	Input Service Distributors
OIDAR	Online Information & data base access or retrieval
CTP	Casual taxable person
NRTP	Non Resident Taxable Person
GSTN	Goods & Service Tax Network
CPIN	Common portal Identification Number (14 digit)
CIN	Challan Identification Number
E-FPB	Electronic Focal Point Branch
HSN	Harmonised System of Nomenclature.

FAQ

Sl No.	Questions	Replies
1	A taxable person's business is in many states. All supplies are below 10 Lakhs. He makes an Inter State supply from one state. Is he liable for registration?	He is liable to register if the aggregate turnover (all India) is more than 20 lacs or if he is engaged in inter-State supplies
2	Whether trader of country liquor is required to migrate to GST from VAT as liquor is out of GST law?	If the person is involved in 100% supply of goods which are not liable for GST, then no registration is required.
3	Whether civil contractor doing projects in various states requires separate registration for all states or a single registration at state of head office will suffice?	A supplier of service will have to register at the location from where he is supplying services.
4	Is an advocate providing interstate supply chargeable under Reverse Charge liable for registration?	Exemption from registration has been provided to such suppliers who are making only those supplies on which recipient is liable to discharge GST under RCM
5	When is registration in other state required? Will giving service from Chennai to other state require registration in other state?	If services are being provided from Chennai then registration is required to be taken only in Tamil Nadu and IGST to be paid on inter-state supplies.
6	Is separate registration required for trading and manufacturing by same entity in one state?	There will be only one registration per State for all activities.
7	A person from Gurgaon travels by Air India flight from Mumbai to Delhi and gets his travel insurance done in Mumbai. What will be the place of supply?	*The location of the recipient of services on the records of the supplier of insurance services shall be the place of supply. So Gurgaon shall be the place of supply. (provisoclause to section*

		6(14) of the IGST Act)

Sl No.	**Questions**	**Replies**
8	A person from Mumbai goes to Kullu-Manali and takes some services from ICICI Bank in Manali. What will be the place of supply?	*If the service is not linked to the account of person, place of supply shall be Kullu i.e. the location of the supplier of services. However if the service is linked to the account of the person, the place of supply shall be Mumbai, the location of recipient on the records of the supplier*
9	What will be the place of supply for mobile connection? Can it be the location of supplier?	*In case of postpaid connections, the place of supply shall be the location of billing address of the recipient of service.* *In case of pre-paid connections, the place of supply shall be the place where payment for such connection is received or such pre-paid vouchers are sold. However if the recharge is done through internet/e-payment, the location of recipient of service on record shall be the taken as the place of service*
10	What will be the place of supply of goods in respect of transport of goods by courier?	*In case the recipient is registered, the location of such person shall be the place of supply.* *However, if the recipient is not registered, the place of supply shall be the place where the goods are handed over for*

		transportation