



LEGAL ALERT

NO GST ON ADVANCE RECEIVED FOR SUPPLY OF GOODS

Through **Notification No. 40/2017 - Central Tax** dated 13th October, 2017 and **Notification No. 66/2017 - Central Tax** dated 15th November, 2017, the Government of India has passed a great relief to supplier of goods by exempting all taxpayers from payment of tax on advances received in case of supply of goods.

Synopsis of the said Notifications

- Does not apply to Composition Dealers
- Does not apply to Suppliers of Service
- Notification No. 40/2017 - Central Tax applies to goods supplier having turnover less than 1.5 Crore Rupees from 13th October 2017
- Notification No. 66/2017 - Central Tax applies to all supplier of goods from 15th November 2017

SPCM's Comments

- Even though the notifications do not explicitly exempt non-payment of tax as per Section 12(2)(b), the subject as given on the CBEC Website states the objective of the said notifications and accordingly the burden of payment of tax is shifted from advances to issue of invoice.

DISCLAIMER: This alert contains general information which is provided on an "as is" basis without warranties of any kind, express or implied and is not intended to address any particular situation. The information contained herein may not be comprehensive and should not be construed as specific advice or opinion. This alert should not be substituted for any professional advice or service, and it should not be acted or relied upon or used as a basis for any decision or action that may affect you or your business. It is also expressly clarified that this alert is not intended to be a form of solicitation or invitation or advertisement to create any adviser-client relationship.

Whilst every effort has been made to ensure the accuracy of the information contained in this alert, the same cannot be guaranteed. We accept no liability or responsibility to any person for any loss or damage incurred by relying on the information contained in this alert.

STRICTLY FOR PRIVATE CIRCULATION BY INVITATION



S P C M & ASSOCIATES

Chartered Accountants

CTS NO. 6616, Plot No 491, 5th Floor, Center Point, Mitra Mandal Chowk,
Next to Balasaheb Thackrey Hospital, Parvati, Pune - 411 009.
Landline No - 020 67447171 | www.spcm.in | accounts@spcm.in

