



**Prof.CA Karan Sheth**

📷 prof.ks

# GOODS & SERVICE TAX

Summary Book





# PREFACE

Dear students,

Now is not the end, its not even the beginning of the end, but perhaps the end of the beginning.

Beginning of an initiative where a student is striving to learn and teacher is striving to teach in his best possible manner.

An initiative where the teacher is not just trying to teach the subject but even assist the students to understand the rationale behind enacting the provision and its application in a sum thereby aiding the student to solve the problems in exam with ease.

I have firmly believed that I TEACH AS I LEARN and I LEARN AS I TEACH and which is why I still consider myself as a student of this subject.

Students, with this book I extend to you an opportunity to read INDIRECT TAX like you have never read before it as it consists the latest amendments, circulars and clarification issues by CBIC.

Friends this book has come into being after a lot of sleepless nights, hours of hardwork several missed dates and under utilizing my Netflix subscription. The only compensation I expect from you as student is to now “binge read” it to your way in securing an exemption.

So Let us both CATCH THE “BULL BY ITS HORNS” and make indirect tax a subject that has the onus to take the burden of helping you pass the Paper No. 4 - Taxation.

Heralding you to a bright and brilliant future.

In the spirit of GREAT LEARNING, here is some GREAT READING.



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# 1 INTRODUCTION

## SUMMARY

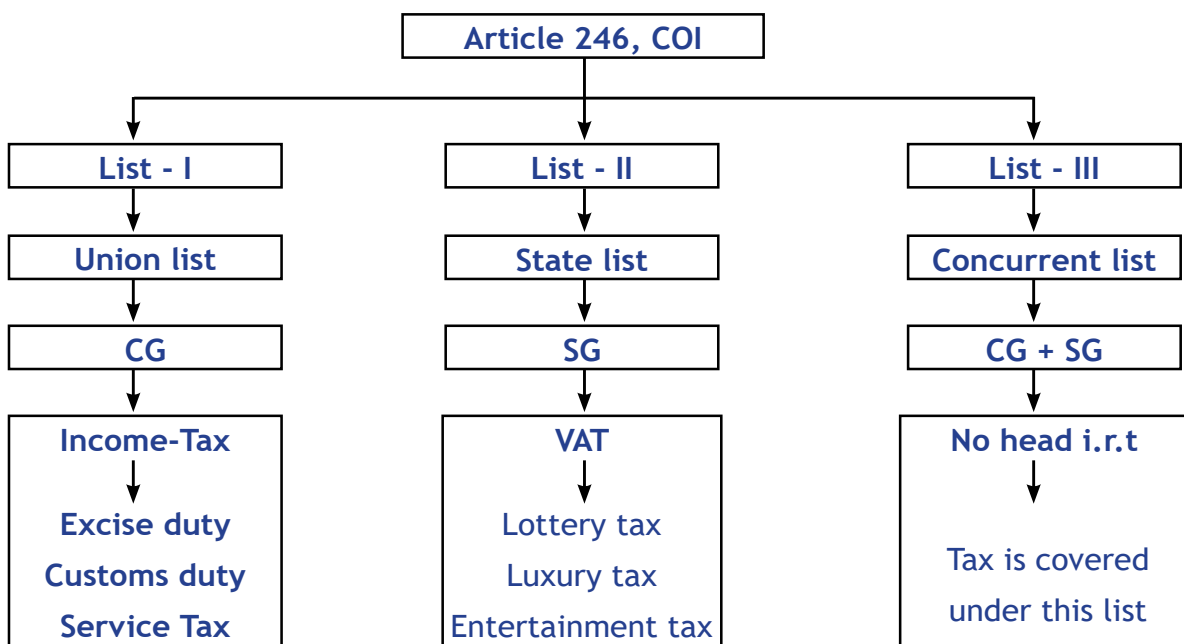
1. What is tax?

Ans. Tax is a fee charged by government on

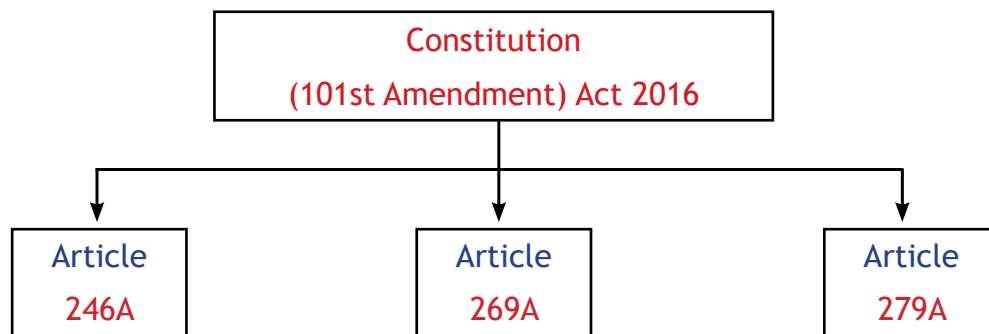
- Income - Income tax
- Goods - VAT / CST
- Services - service Tax



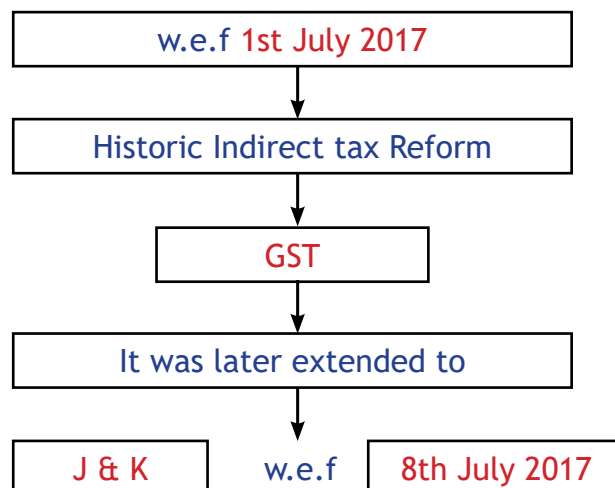
Levy	Borne	Levy	Borne
Ednovate	Ednovate	Ednovate	Students
		↓	
		(supplier)	
Cannot shift burden			Can shift burden
Progressive			Regressive



2000	PM set up a committee to design Goods & Service tax Model
2004	Kelkar Task Force strongly recommended to implement Nationalised GST
Budget 2006-07	FM Chidambaram announced that GST will be implement w.e.f 1/4/10
2014	NDA (24) tabled the Constitution [122nd Amendment ] Bill,2014 On the floor of Parliament
2016	By 2016 the above Bill was passed in 1. Loksabha 2. Rajyasabha 3. Had Received Ratification from more than 50% of the States 4. ∴ Prez gave assent to the bill which was finally enacted into



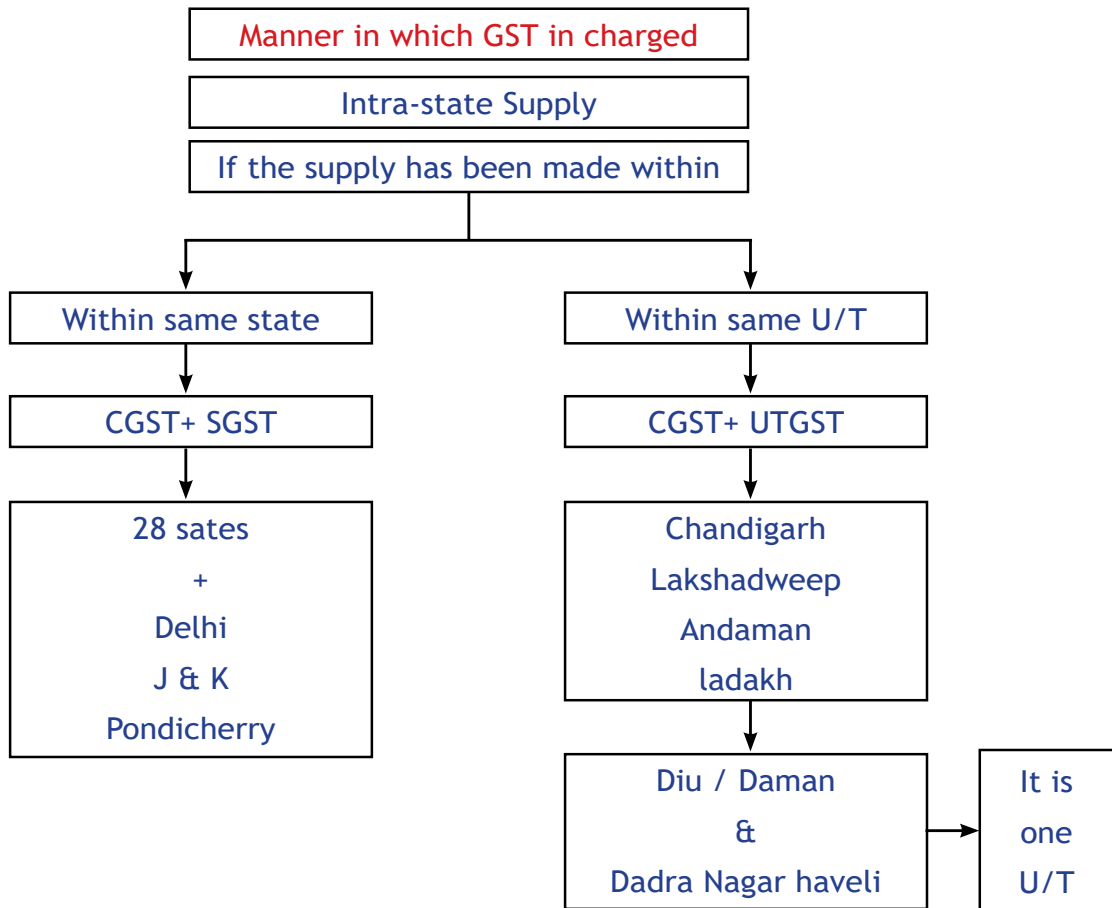
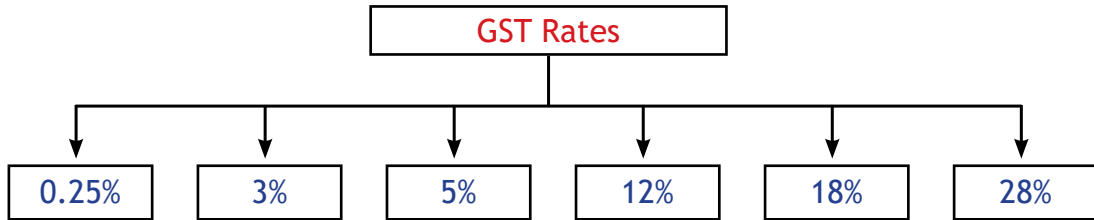
2017	Prez gave assent to all the GST related Bills that were finally enacted into CGST Act, 2017 UTGST Act ,2017 IGST Act , 2017 GST (Compensation to states) Act ,2017
By 30th June	All States had passed their respective

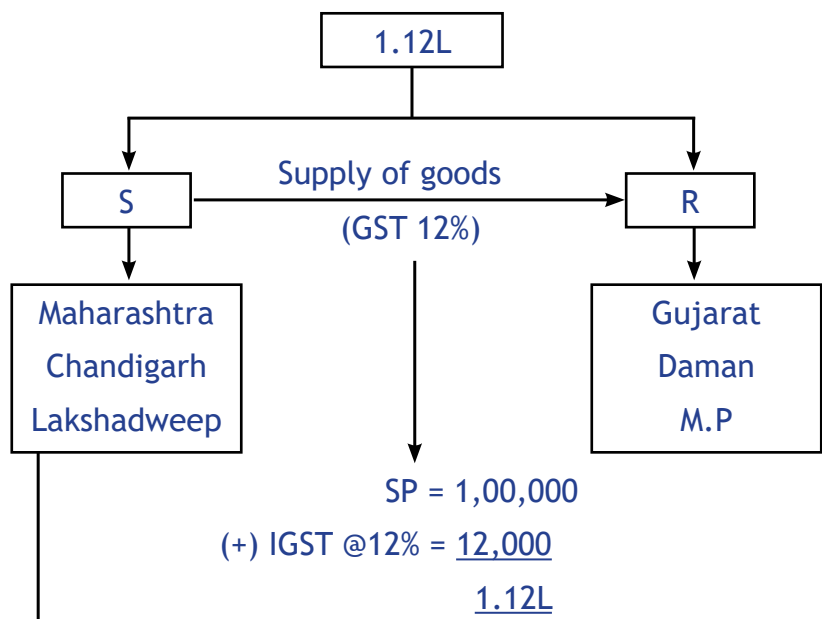
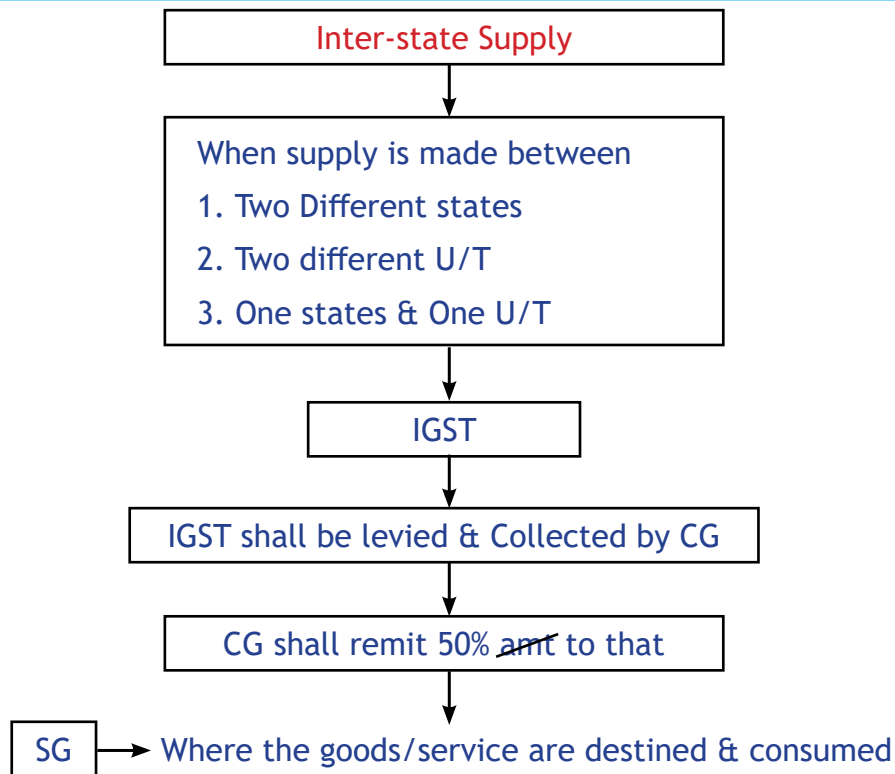




### Important Aspects of GST

1. GST function on Dual GST Model
2. GST is a Destination Based Tax
3. France was 1st country to Implement GST from 1954
- 4.





IGST = 12000 = (Central Government)  
Central government shall remit 6000 to that state where the goods/services are Destined

### Article 279A

- GST Council Comprises of
  - 1) Union Finance Minister - Chairperson
  - 2) Minister of State Finance - Member
  - 3) All State Finance Ministers
  
- Matters on which GST Council shall make recommendations
  - (a) the taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and services tax;
  - (b) the goods and services that may be subjected to, or exempted from the goods and services tax;
  - (c) model Goods and Services Tax Laws, principles of levy, apportionment of Goods and Services Tax levied on supplies in the course of inter-State trade or commerce under article 269A and the principles that govern the place of supply;
  - (d) the threshold limit of turnover below which goods and services may be exempted from goods and services tax;
  - (e) the rates including floor rates with bands of goods and services tax;
  - (f) any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster;

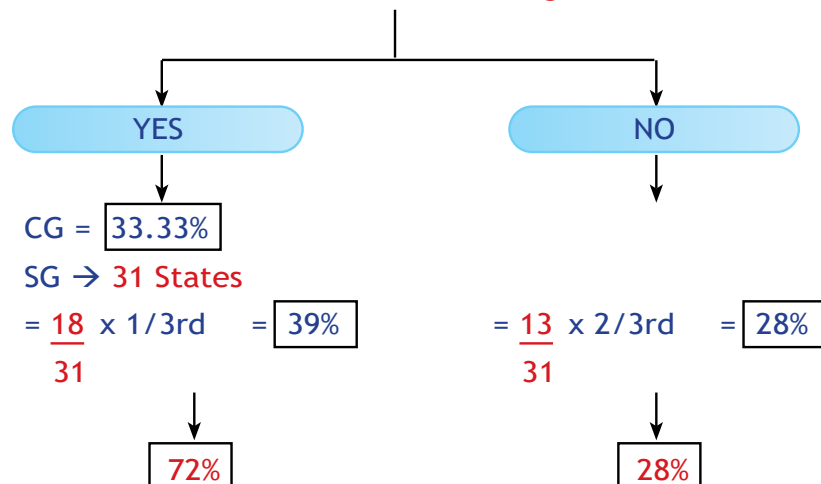
### Quorum

= 50% x Total no. of members of GST Council

Decision shall be taken only if there is a majority of not less than 3/4th of weighted votes of members present & voting



**Eg.** Issue : Should rate of 'Masks' be changed from 12% to 5%



**Conclusion**

Decision shall not be taken as majority of more than 75% is required for the same

**Legislative Framework**

**E.g.**

Taxes subsumed in GST	
CENTRAL TAXES	STATE TAXES
Excise Duty	VAT
Service Tax	Lottery Tax
CST	Entertainment tax (except levied by local body)
CVD	Luxury Tax
Special CVD	Entry Tax
	Tax on advertisement

Taxes not subsumed in GST
Basic custom duty
ED/VAT/CST on alcoholic liquor for human consumption
ED/VAT/CST on 5 petroleum products
Stamp duty
Property taxes
Tax on motor vehicles
Electricity duty

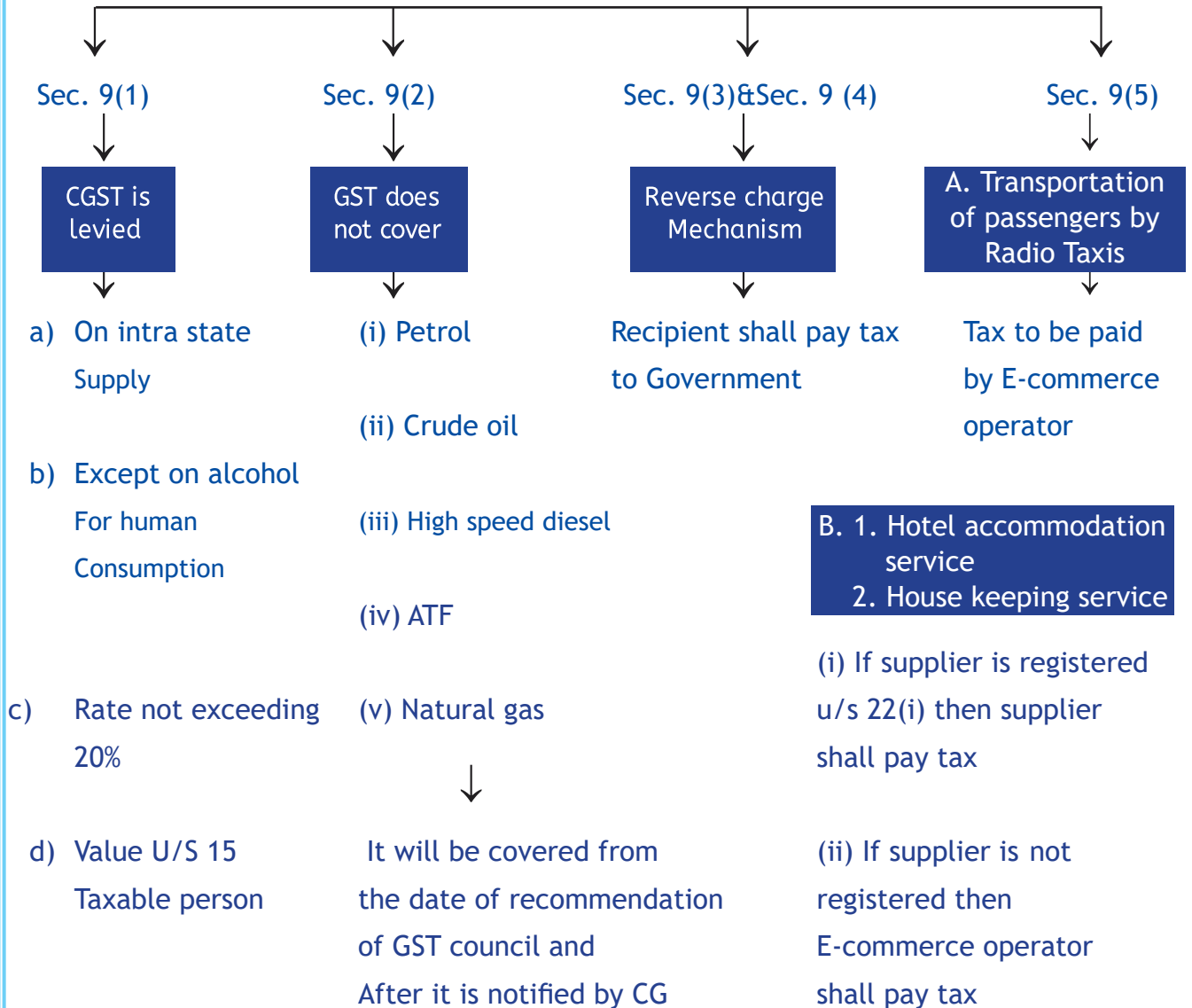
Tobacco	= Central Excise duty	(+)	GST
Opium, Indian Hemp, Narcotic Drugs	= State Excise duty	(+)	GST

# 2

## CGST ACT CHARGING SECTION

### SUMMARY

#### CHARGING SECTION (Section-9)



ECO has physical presence	ECO itself
ECO does not have physical presence	Representative of ECO
ECO doesn't have physical presence nor has representative	Person appointed by ECO



# 3

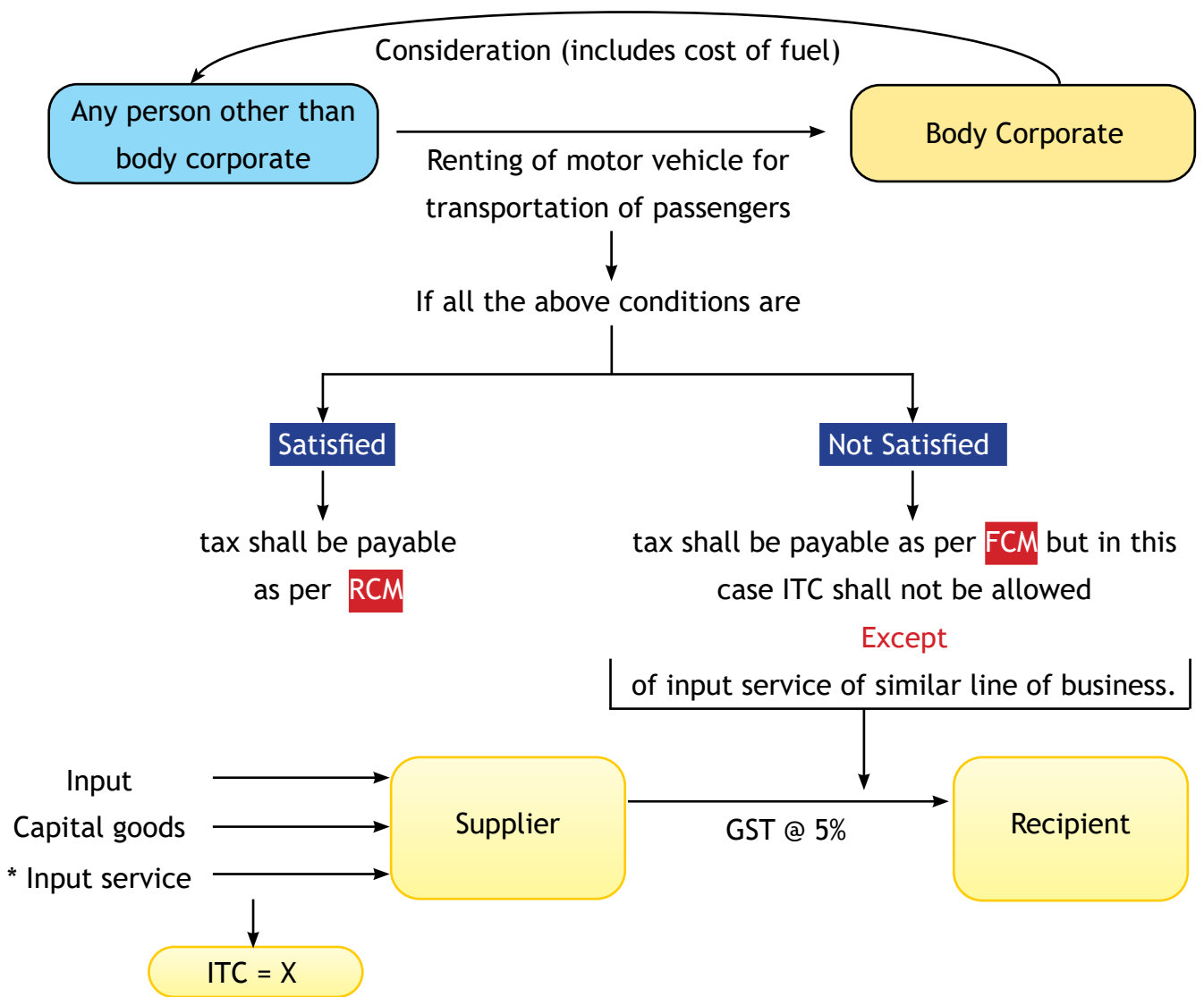
## REVERSE CHARGE MECHANISM

### SUMMARY

SUPPLIER	RECIPIENT	WHO SHALL PAY TAX?
1. Insurance agent	Insurance company	Insurance company
2. Recovery agent	Banking co., financial institution, NBFC	Banking co., financial institution, NBFC
3. Director	Body corporate	Body corporate
4. Music composer, photographer, artist (Transfer of copyright)	Producer, Music co.	Producer, Music co.
5. Author (Transfer of copyright)	Publisher	Publisher ( <b>Except</b> when Author pays under FCM)
6. Overseeing committee	RBI	RBI
8. DSA <u>other than</u> i) BC ii) P. firm/LLP	Bank/NBFC	Bank/NBFC
9. Business Facilitator	Banking company	Banking company
10. Agent of Business correspondent	Business Correspondent	Business Correspondent
11. Security services provided by person <u>other than</u> Body corporate	Registered person <b>Exception:</b> i) Solely a TDS deductor u/s 51 & ii) composition tax payer	Registered person
12. Individual advocate, including a senior adv firm of adv	Any business entity	Any business entity
13. Any person (Transfer TDR or FSI, including additional FSI)	Promoter	Promoter
14. Any person (long term lease)	Promoter	Promoter

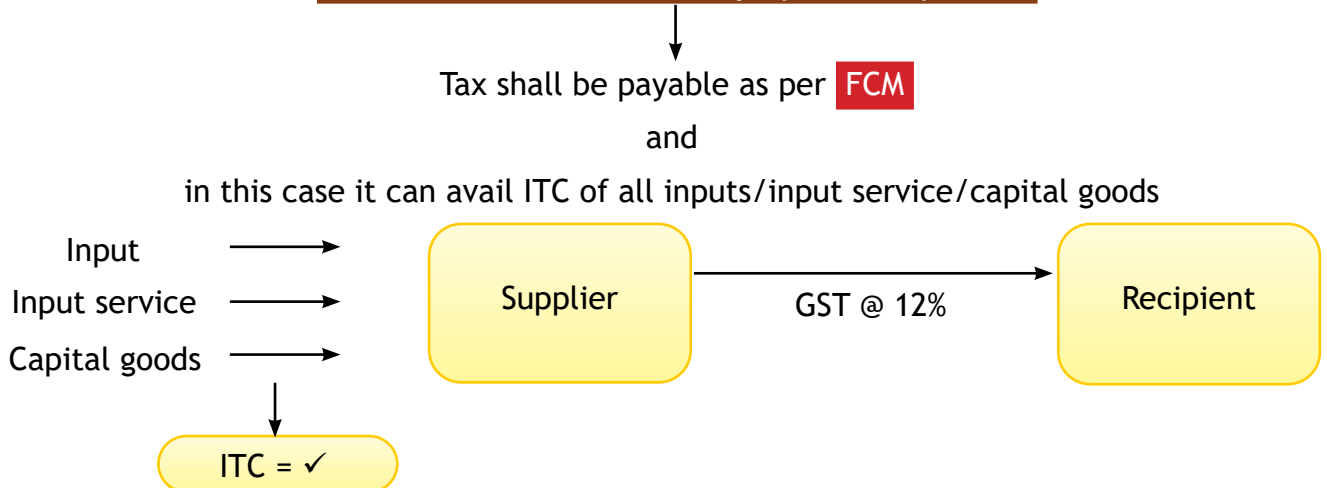
15. Renting of motor vehicle for transportation of passenger

**In case where GST is payable by 5%**



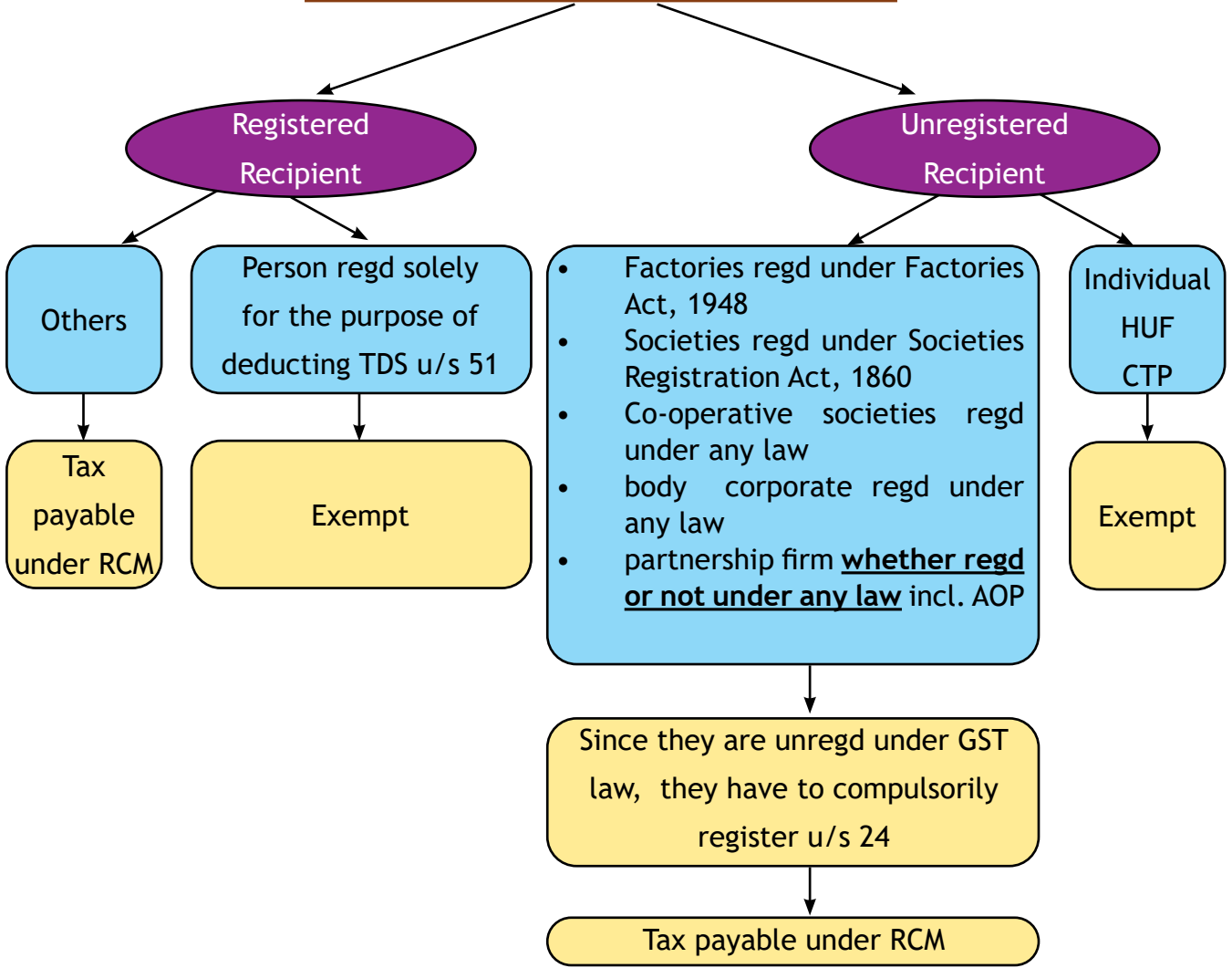
\* ITC on renting of motor vehicle service shall be allowed

**In case where GST is payable by 12%**

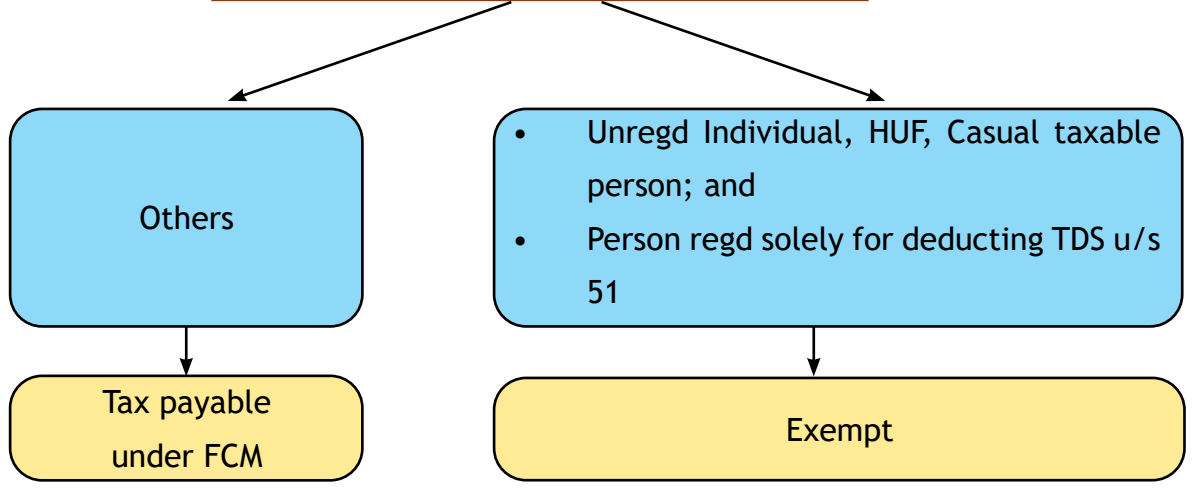




**In case where GTA opts. for GST @ 5%**



**In case where GTA opts for GST @ 12%**



16. Lender (Lending of securities)	Borrower	Borrower
17. CG/ SG/ LA/ UT (Renting of immovable property)	Registered person	Registered person
18. CG/SG/UT/LA	Business Entity	Business Entity

# 4

# SUPPLY

## SUMMARY

SUPPLY

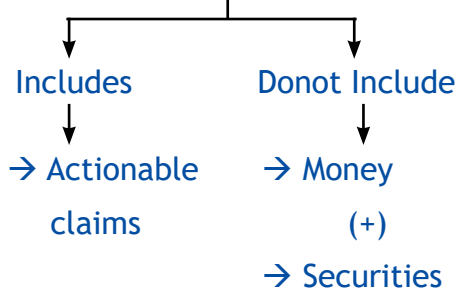


Sec.- 7 (1) (a)

- (i) Supply of goods and service  
(+)
- (ii) Made or agreed to be made for a consideration  
(+)
- (iii) In the course on furtherance of business

### Goods

#### Movable property



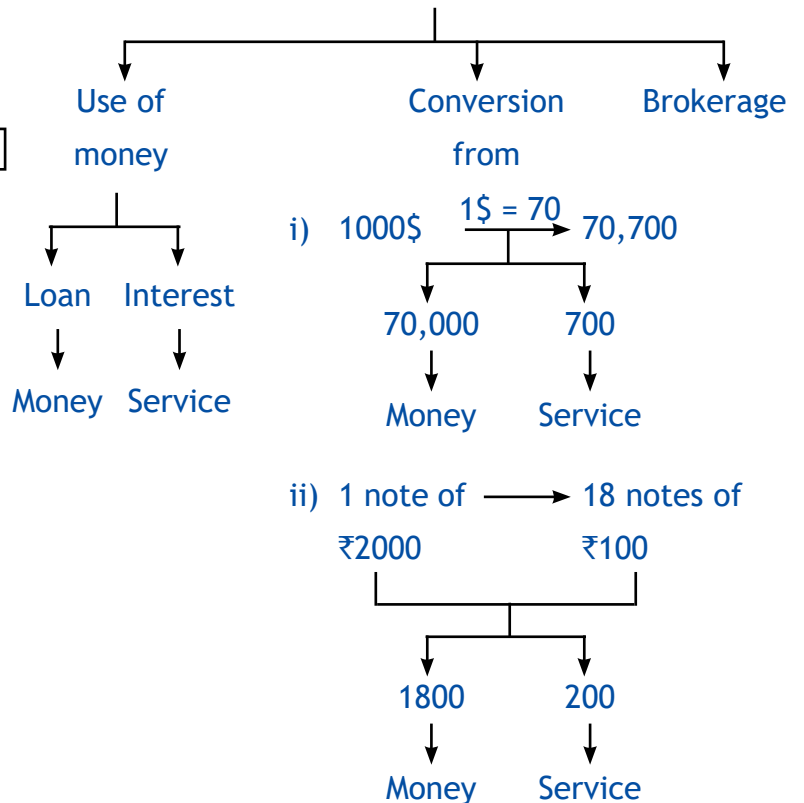
Note : PSLC = Goods = GST = ✓

### Service

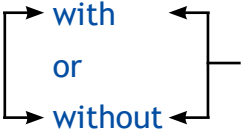
Anything other than

- Money
- Securities
- Goods

Includes = Seperate Consideration



**Business**

- Trade, Commerce, profession vocation 
- Whether or not there is frequency, volume, regularity
- If a Car dealer sells a car
- **In course of business, supply = ✓**
- If an actor uses his car for personal use & sells it
- **Not in the course of business, supply = ✗**

**Goods / Service without Consideration**

ie. Free Goods / Service



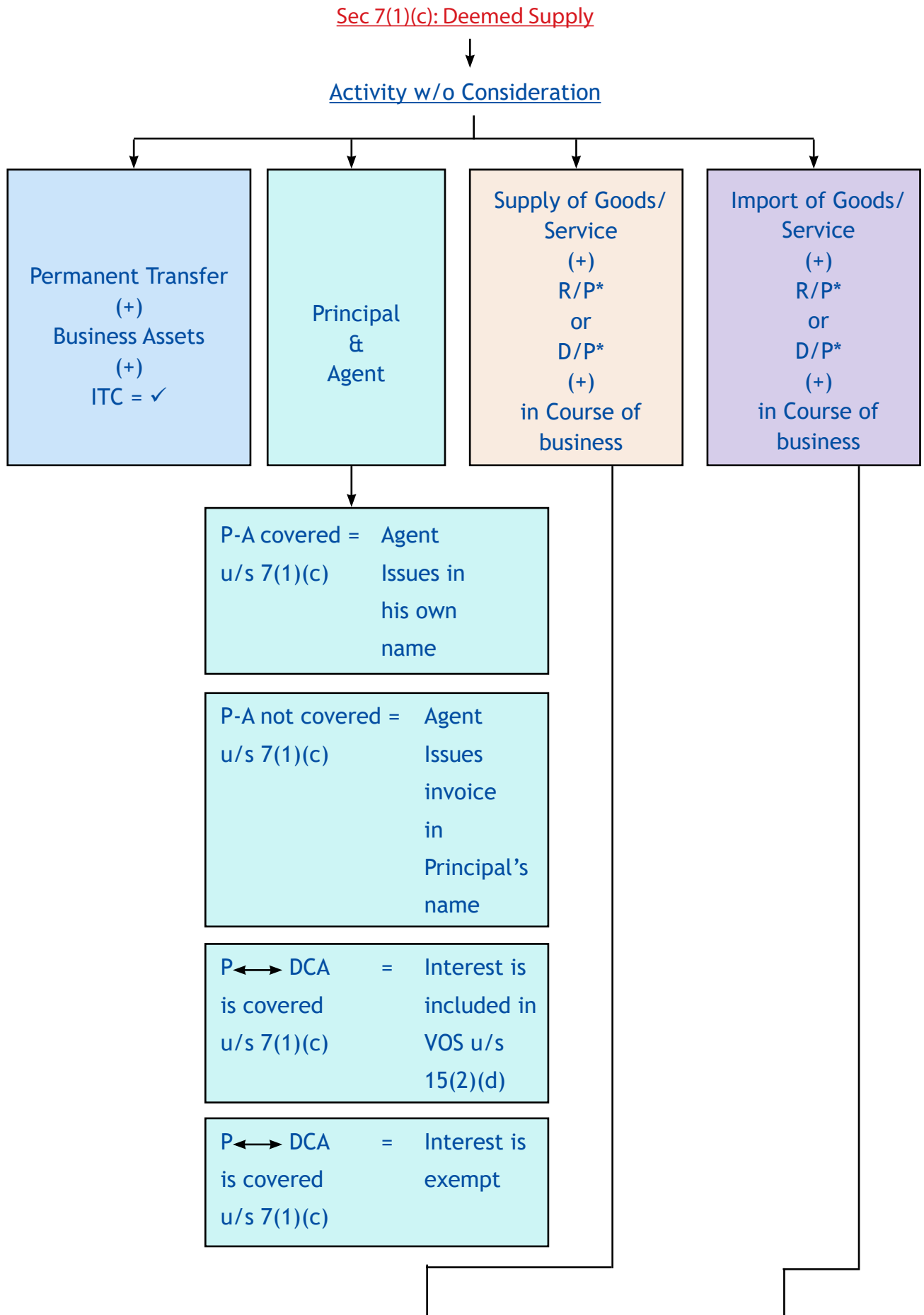
7(1)(a) → GST = N.A

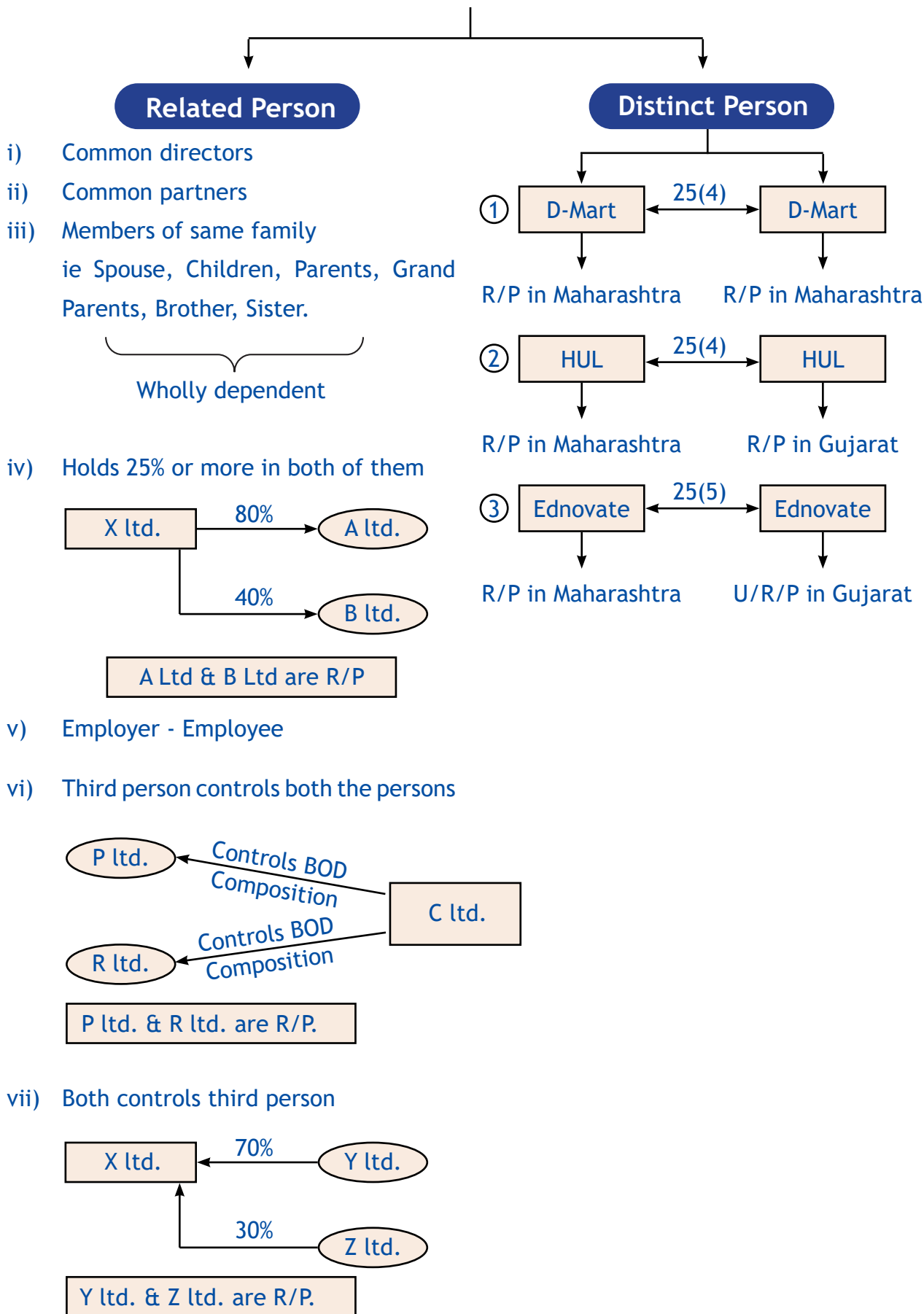
**Consideration without Goods / Service**

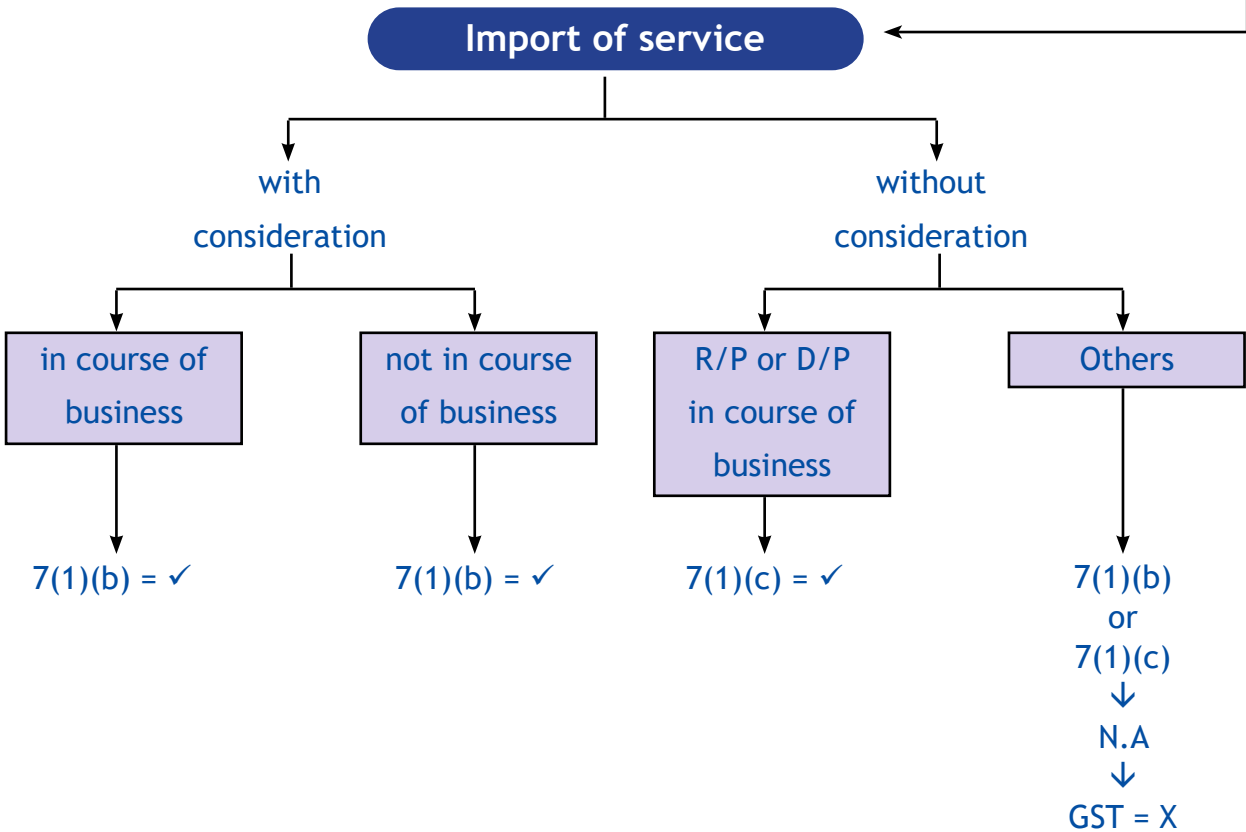
- ie. (i) Payment is in form for donation/gift (+)
  - (ii) To Charitable Trust (+)
  - (iii) Purpose = Philanthropic & Not Advertisement
- } GST = N.A

Sec - 7 (1) (b)

- (i) import of service (+)
- (ii) For a consideration (+)
- (iii) Whether or not in the course or furtherance of business





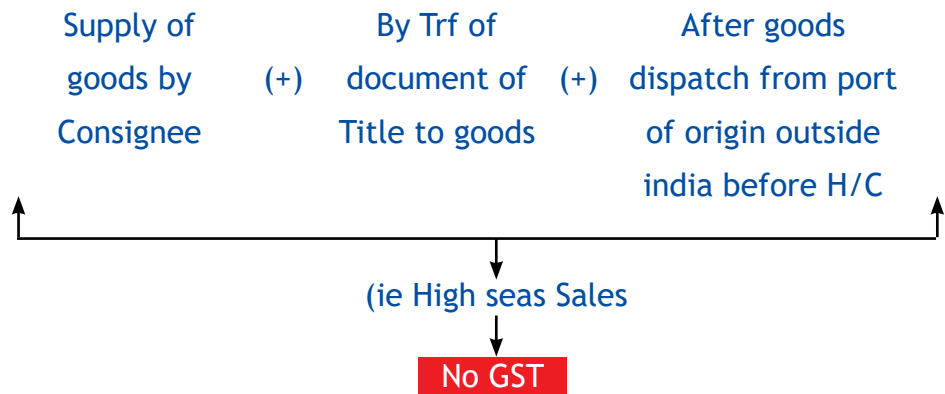
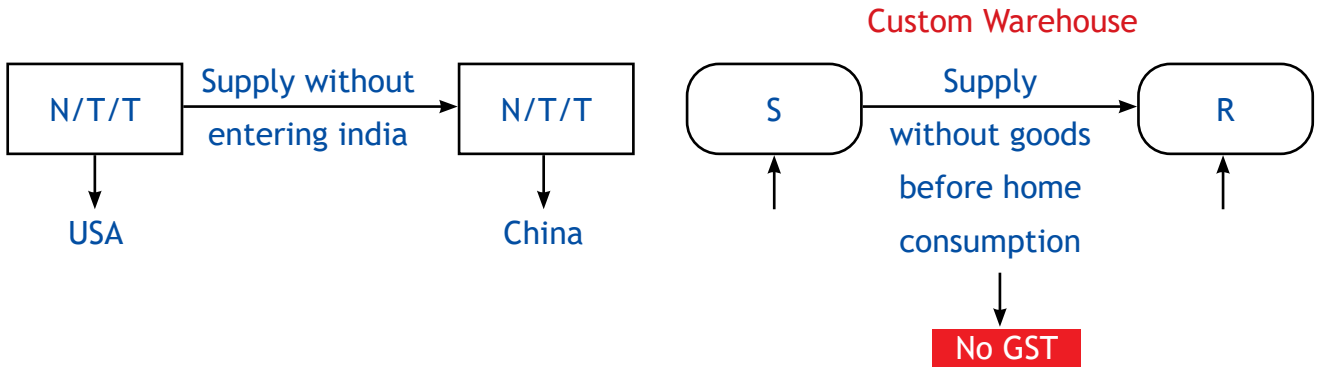
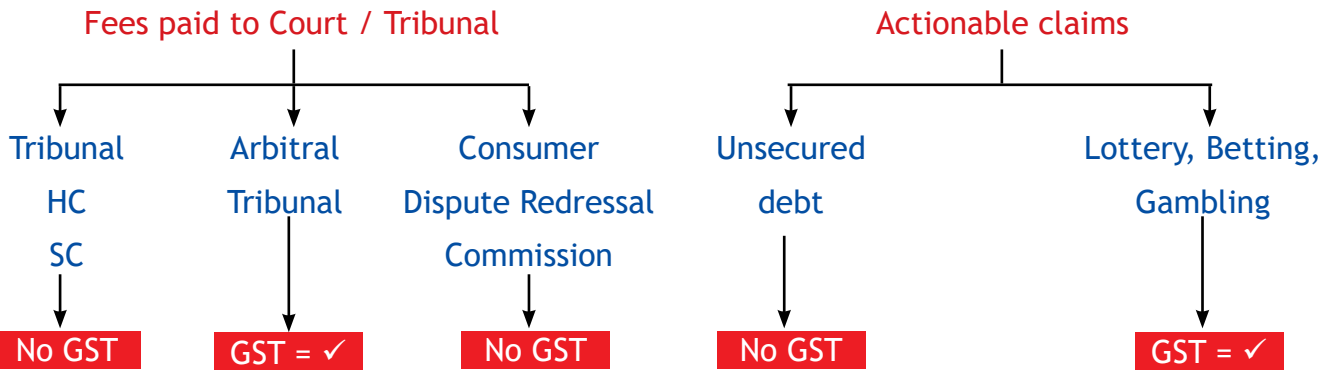
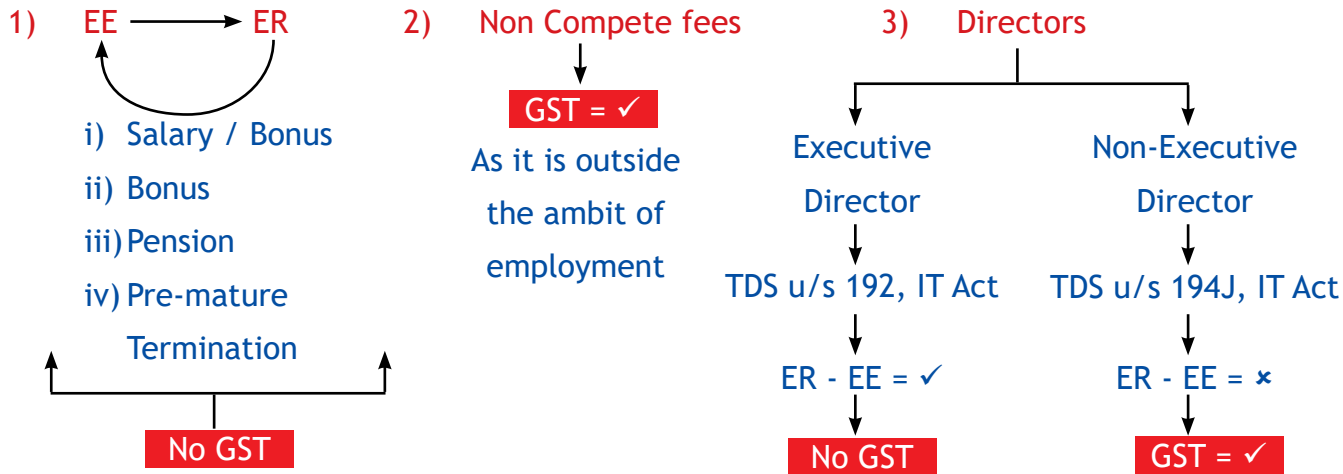


Section 7 (1A) - Schedule II - Determination of supply of goods or services

	CASES	SUPPLY OF GOODS OR SERVICES
1	Transfer of title in goods	Supply of goods
2	Transfer of right to use without transfer of title	Supply of service
3	Transfer of title in goods under an agreement where property pass at future date	Supply of goods
4	<ul style="list-style-type: none"> <li>• Lease, tenancy, license to occupy land</li> <li>• Lease/ letting out of building</li> </ul> Clarification: Transfer of Tenancy rights against tenancy premium	} Service
5	Treatment/ process on goods supplied by another person (ie Jobwork)	
6	Renting of immovable property	Service
7	IPR → Permanent = Goods → Temporary = Service	
8	ITS → Pre-packaged software = Goods → Design, development Upgrade = Service	
9	Refrain from doing an act, tolerate an act	Service
10	Work contract	Service
11	Supply of goods being food or any drink for human consumption (ie Restaurant, Catering)	Service
	Transfer of Business Assets	Goods forming part of business assets carried on by person who ceases to be a taxable person
13	If Entire Consideration is before CC or OC, w.i.e.	Services
	If Entire Consideration is after CC or OC, w.i.e.	Neither Goods Not Service
14	Supply of goods by an unincorporated association member	Goods



Section 7(2), Schedule III [ NEITHER SUPPLY OF GOODS NOR SUPPLY OF SERVICES]



Note:

1.

Functions performed by

- Members of Parliament
- Members of State Legislature
- Members of Municipalities or Local Authorities.

Duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or

Duties performed by any person as a Chairperson or a Member or a Director in body established by the Central Government or a State Government or local authority

E.g. - President of India,  
Vice President of India,  
Prime Minister of India,  
Chief Justice of India,  
Speaker of the Lok-Sabha,  
Chief Election Commissioner,  
Comptroller and Auditor  
General of India

E.g. Chairman or  
Director of IRDA,  
NHAI, SEBI

2. Funeral, burial, crematorium, mortuary

(+)

Transportation of deceased persons

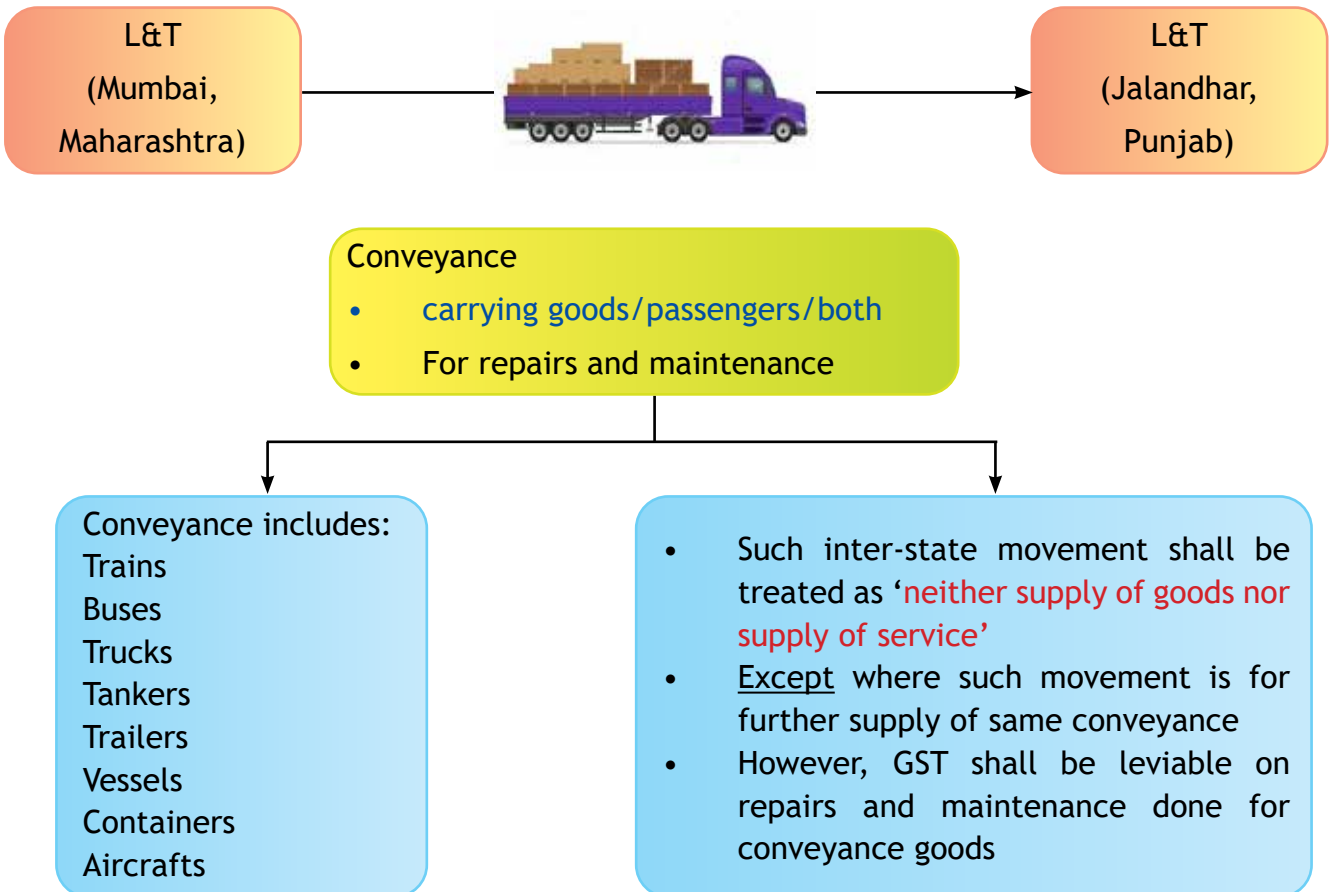
3. Sale of Land of Building

Except

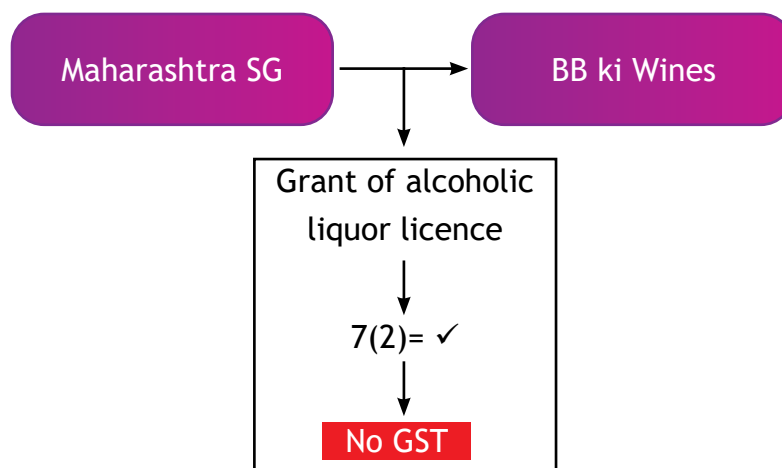
Para 5(b) of Schedule II

→ Services by way of any activity in relation to a function entrusted to a Panchayat under article 243G of the Constitution or to a Municipality under article 243W of the Constitution have been notified<sup>25</sup> for the said purpose.

→ Inter-State movement of various modes of conveyance

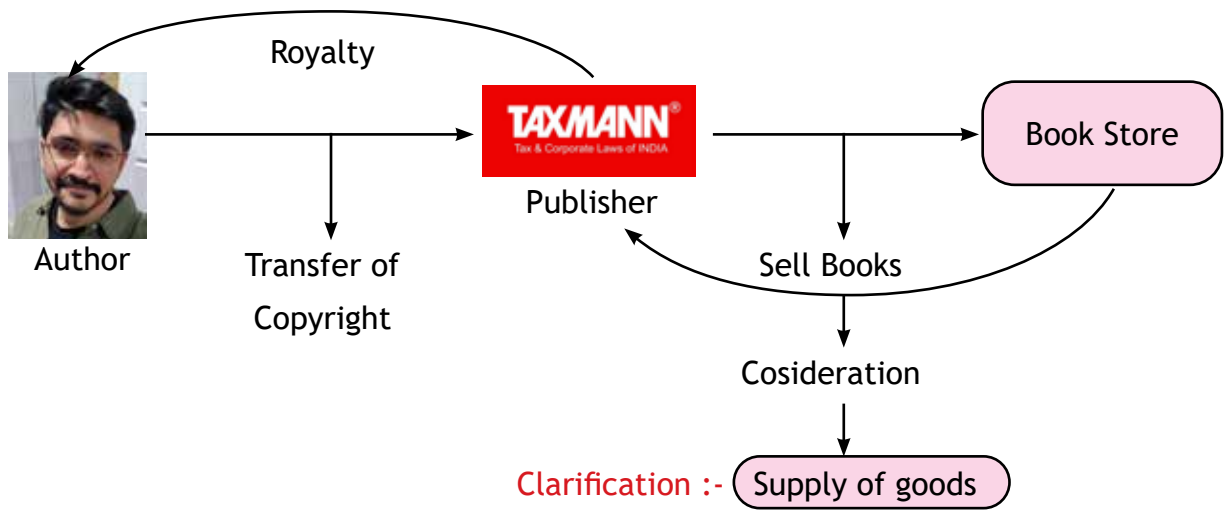


→ Service by way of grant of alcoholic liquor licence is neither a supply of goods nor a supply of service

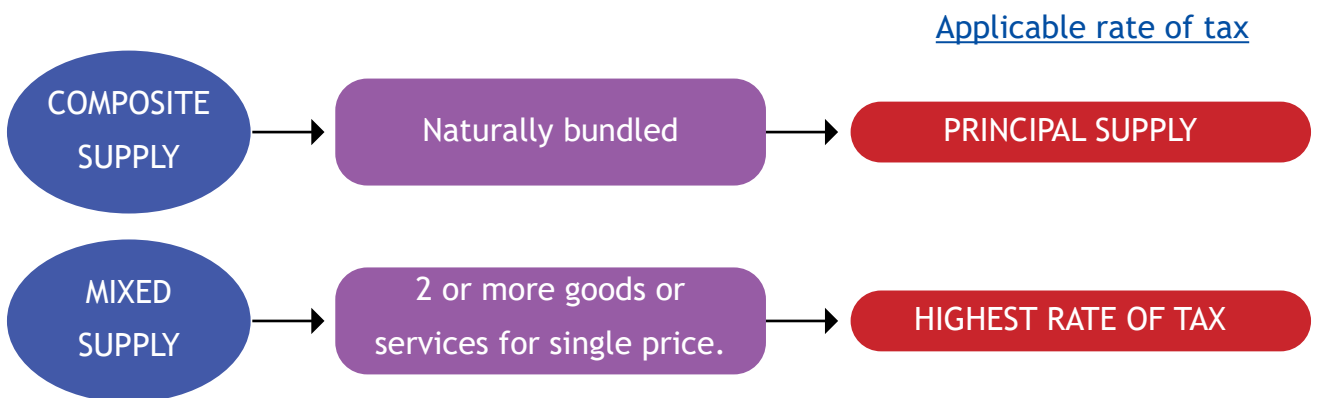


**Clarification**

\*The supply of books shall be treated as supply of goods as long as the supplier owns the books and has the legal rights to sell those books on his own account.\*

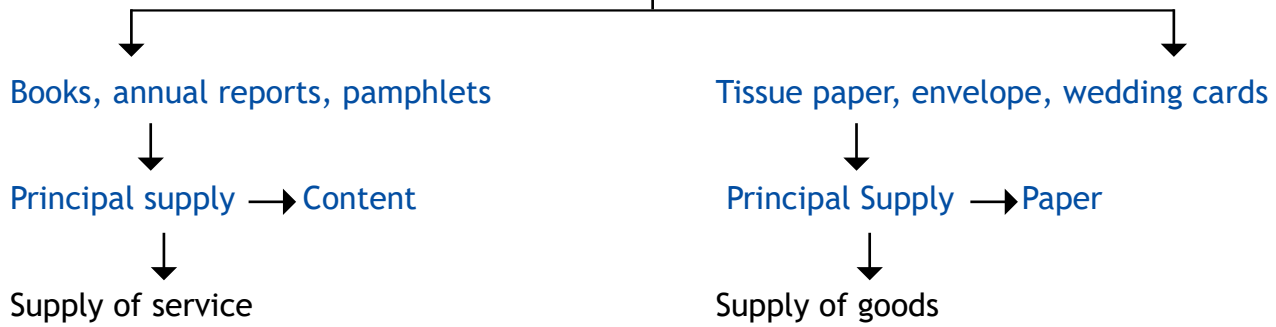


**SECTION-8**



Applicable rate of tax

**PRINTING CONTRACT**



# 5

## COMPOSITION SCHEME

### SUMMARY

In PFY, Aggregate T/o does not exceed 150 lakhs.

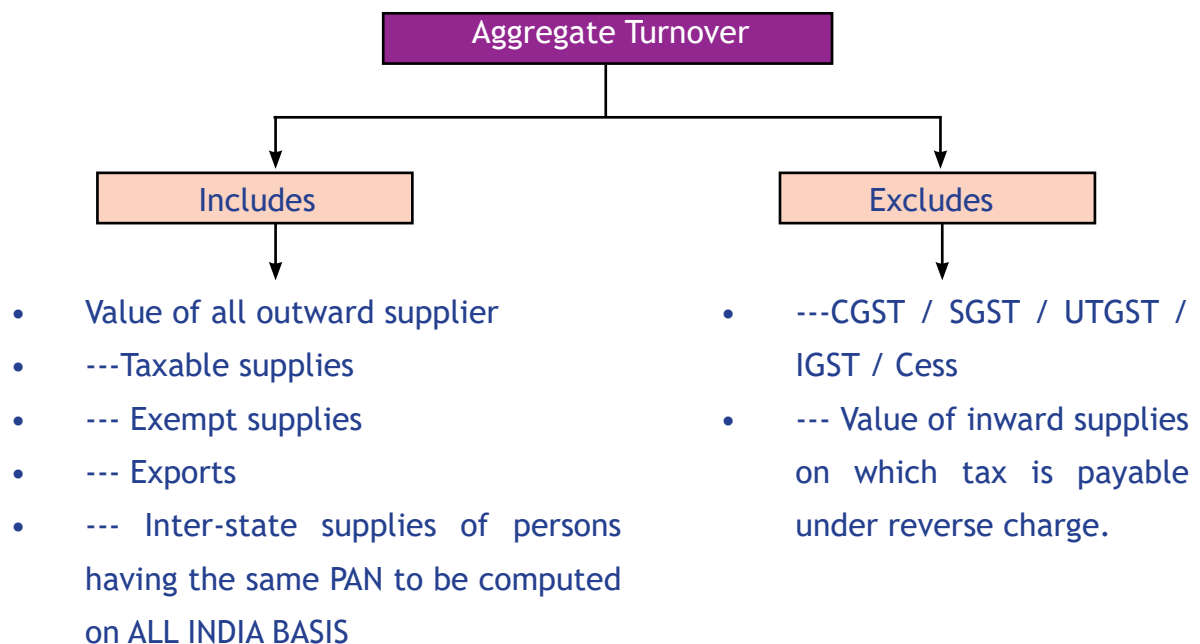
[All northeastern state - except Assam] + Uttarakhand - 75 lakhs



In CFY, he can opt to pay tax under composition scheme upto 150L/75L

Beyond that he shall start paying tax as per normal scheme.

Category	Manufacturers	Restaurant Services	Other suppliers (i.e., traders)
Rate of Tax	1% on all outward supplies	5% on all outward supplies	1% on <u>taxable</u> outward supplies



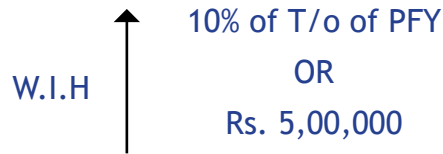
**Note 1:** in above outward supplies even supplies where tax is payable as per RCM is included.

**Note 2:** Exempt supply means supply of goods or service which attract NIL rate of tax. Exempt supply u/s 11, u/s 6 of IGST Act and includes non-taxable supplies like diesel, etc.

**Note 3:** Do not include interest on loans, advances, deposits.

CONDITIONS TO BE FULFILLED [Sec 10(2)]-[All these restriction are to be followed in CFY as Composition scheme shall be opted in CFY]

- Supply of service other than restaurant should not exceed:



- not supply goods & service that are not leviable to tax (ie Alcoholic liquor, Petroleum Products)
- not engaged in inter-state outward supplies of goods/service
- not engaged in goods supplied through e-commerce operator
- not a manufacturer of → 

Ice cream
Pan masala
Tobacco
Aerated waters
- NRTP & CTP Cannot opt for Composition Scheme
- If a registered person has more than one branch then all branches shall opt for compo scheme

SEC 10(4): Cannot collect tax & not entitled to claim ITC

SEC 10(5): Penalty u/s 73/74 shall apply to a person fraudulently paying tax under composition scheme.

### Other Important Points

1. Mention the words “composition taxable person, not eligible to collect tax on supplies” at the top of bill of supply & “composition taxable person” on every sign board at prominent place of business
2. Compo taxpayer shall pay tax as per RCM at normal rate of tax.
3. Interest/ discount amount is not to be taken in any calculation for the purpose of composition scheme be it PFY or CFY.

### NEW SCHEME FOR SERVICE PROVIDERS - 10(2A)

In PFY, If Aggregate T/o does not exceed 50 lakhs.



In CFY, can opt composition scheme upto Rs. 50 lakhs on first supplies of goods/ services or both.

### Rate

CGST @ 3%

SGST @ 3%

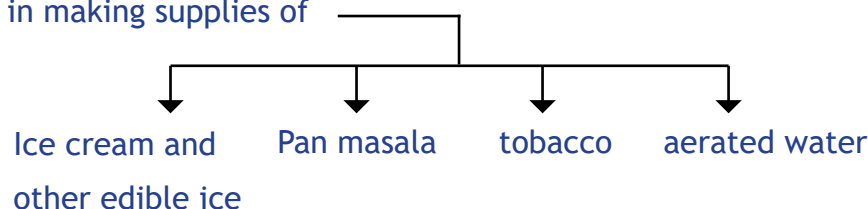
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6%

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### Conditions

- not engaged in making any supply which is not leviable to tax
- not engaged in making inter-state outward supply.
- neither a casual taxable person nor NRTP
- not engaged in making supply through e-commerce operator.
- not engaged in making supplies of



- shall not collect any tax from recipient
- not entitled to ITC
- shall issue Bill of Supply.
- Interest shall not be added in the computation of aggregate T/o.

First supplies of goods or services or both:

Include

For the purpose of determining eligibility → T/o from 1st April  
to  
Date when he becomes liable to register

For the purpose of determination of tax payable → Donot include  
T/o from 1st April  
to  
Date when he becomes liable to register

**Q.** M Ltd, a manufacturing concern furnishes you with the following information for Financial Year 2020-21.

It requires you to determine whether M Ltd is eligible for composition scheme in FY 21-22, if she is registered in Ahmedabad

(1) Intra State taxable supplies of Goods X (GST@5%, inclusive)	52,50,000
(2) Intra state Supplies of service which are chargeable to GST at Nil rate	17,00,000
(3) Inter State supplies of Goods Y which are taxable (GST@12%, exclusive)	10,00,000
4) Value of inward supplies on which tax payable under RCM (GST Rate 5.%)	4,00,000
5) Interest earned on loans	21,00,000
6) Outward supply where tax is payable as per RCM	48,00,000
7) Intra state Supplies of Petrol which are not leviable to GST	13,00,000
8) Taxable goods supplied to branch in Mumbai	5,00,000

Will your answer be different if M Ltd was a trader?

Ans: i) 143 L (50L + 17L + 10L + 48L + 18L + 5L)

ii) 143 L (50L + 17L + 10L + 48L + 18L + 5L)



**Q.** A Ltd. a manufacturing concern in Rajasthan has opted for composition scheme furnishes you with the following information for Financial Year 2019-20. A ltd aggregate turnover is PFY was 43lacs

It requires you to determine its composition tax liability and total tax liability. The break up of supplies are as follows –

Particulars	Rs.
(1) Intra State Supplies of Goods X chargeable @5% GST	5,80,000
(2) Intra State Supplies made which are which are chargeable to GST at Nil rate	2,00,000
(3) Intra State Supplies which are wholly exempt under section 11 of CGST Act, 2017	2,20,000
(4) Value of inward supplies on which tax payable under RCM (GST Rate 5%)	10,00,000
(5) Intra State Supplies of Goods Y Chargeable @18% GST	30,00,000
6) Interest earned on deposits	35,00,000

Will your answer be different if A ltd was a trader?

Ans.

Basu Ltd. is a manufacturer

Output tax liability

Intra-State taxable supplies = 5.80L

Nil Rated Supplies = 2L

Exempt Supplies = 2.2L

Intra-state taxable supplies of Goods-Y = 30L

Agg T/O = 40L

∴ Tax payable in cash (40L x 1%) = 40,000

①

Input tax liability

Input tax liability as per RCM in cash (10L x 5%) = 50,000

②

∴ Total tax liability payable in cash = 90,000

(① + ②)

(ii) When Basu Ltd. → Trader

Output tax liability

Intra-state taxable

(Goods - X) = 5.80L

Intra-state taxable

(Goods - Y) = 35.80L

Tax payable in cash

= 35,000

(35.80L x 1%)

②

Input tax liability

10L x 5%

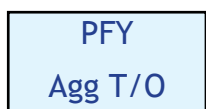
= 50,000

②

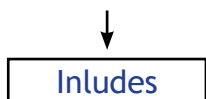
∴ Total tax liability

= 85800

(① + ②)



This is computed to check eligibility



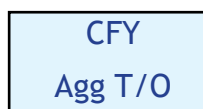
All Outward supplier

Including

- Interstate supplies
- Non-taxable supplies
- Supplies made through ECO where TCS u/s 52 is collected

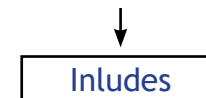


- GST
- Inward supplies where tax is payable as per RCM
- Interest / discount on loans, deposits



This is computed to derive taxability

This is computed to derive taxability



All outward supplies

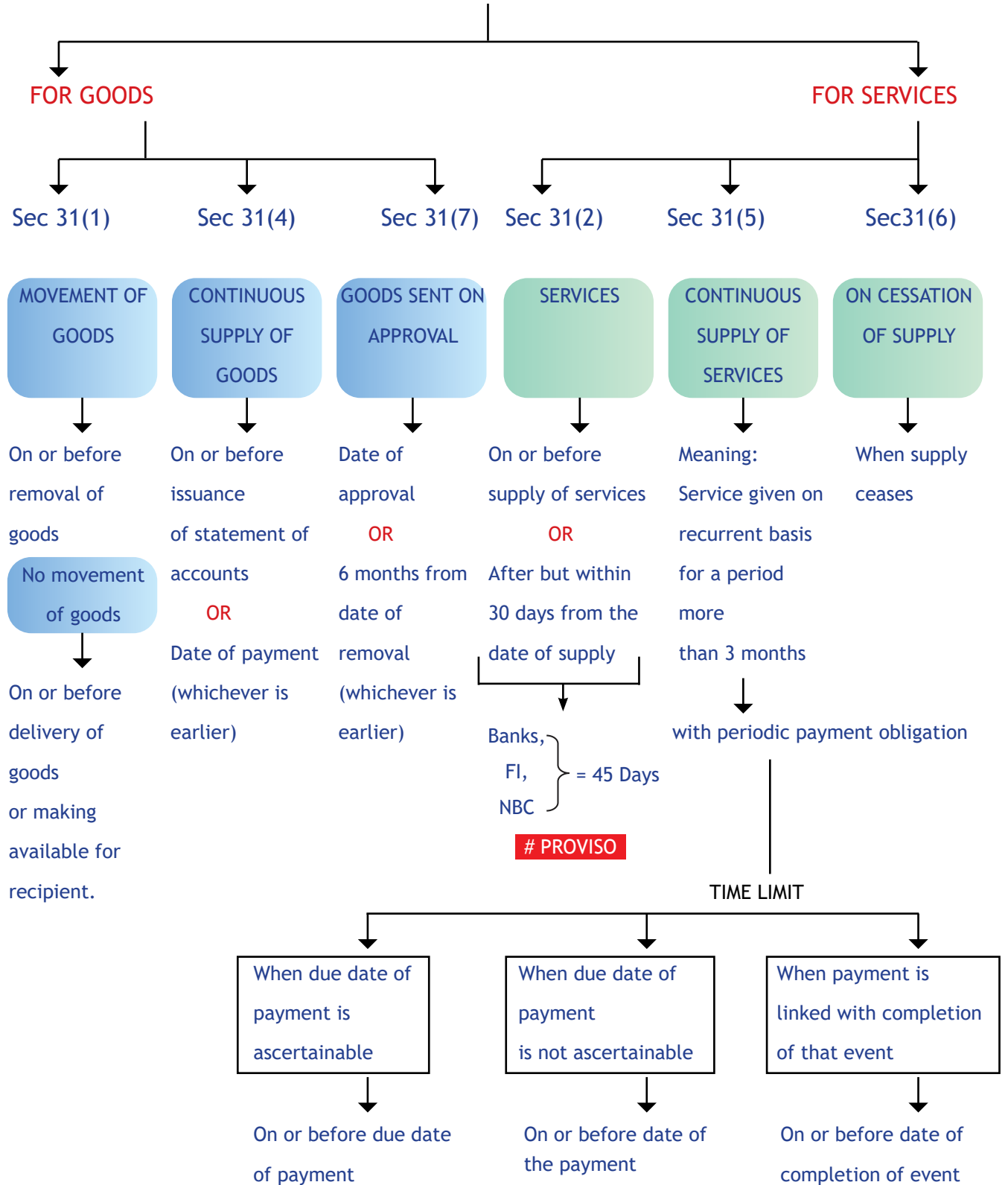


- Interstate outward supplies
- Non-taxable supplies
- Supplies made through ECO where TCS u/s 52 is collected
- Manufacturer of ice-cream, Tobacco, Panmasala, Aerated waters
- GST
- Inward
- Interest

# 6 TAX INVOICE, DEBIT NOTE AND CREDIT NOTE

## SUMMARY

### TIME LIMIT FOR ISSUING TAX INVOICE



**PROVISO to sec 31(2): #**

FI including Banks, FI (Incl. NBFC), Telecom Co., Insurance Co.  
 Making taxable supplies between **distinct person**



On or before :

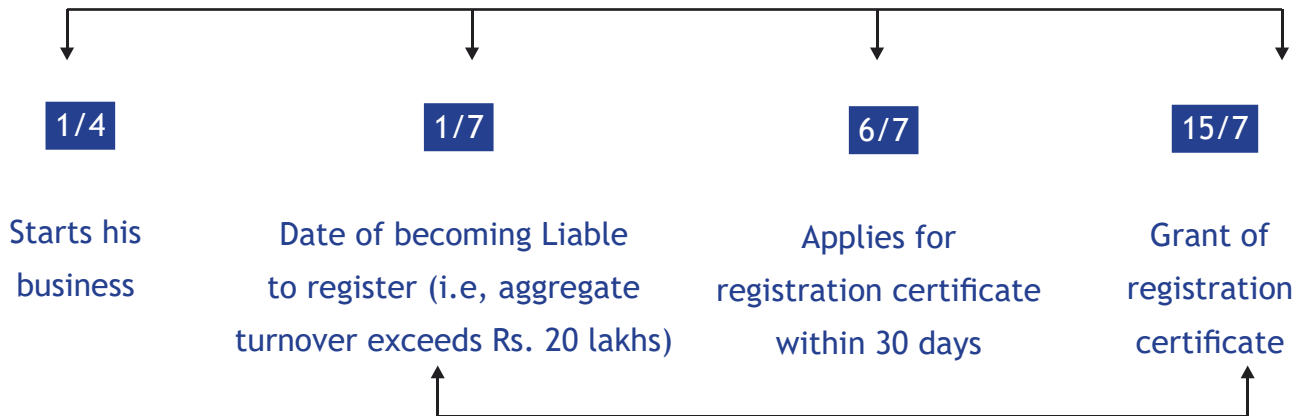
Date when supplier records supply of service in his BOA

**OR**

Expiry of quarter in which such supply was made

(Whichever is earlier)

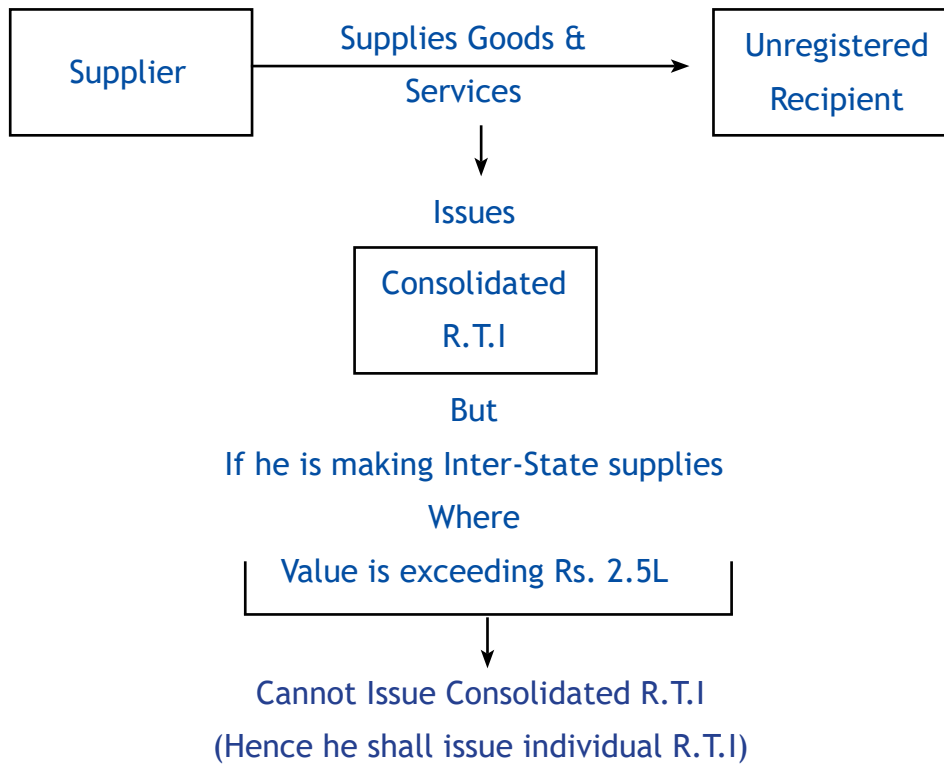
**Section 31(3)(a)- Revised Tax invoice**



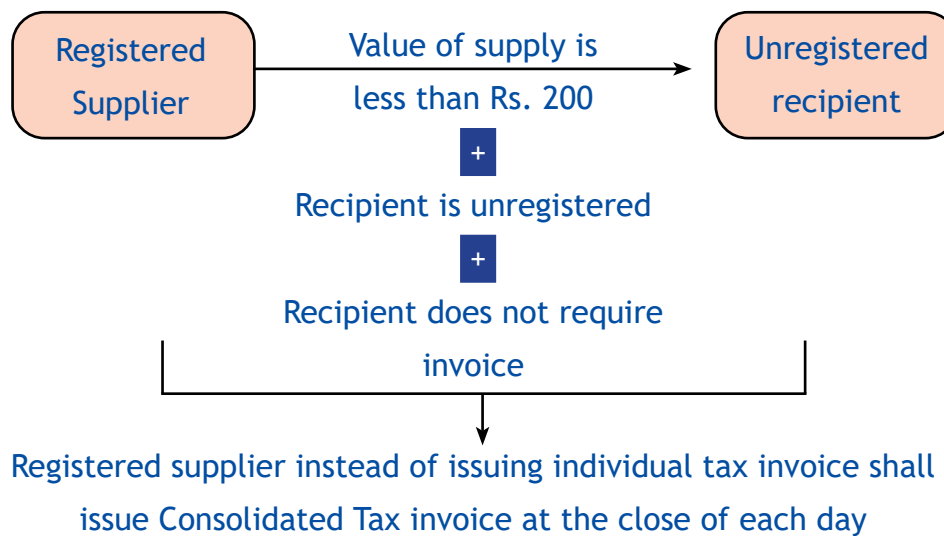
Registered person shall issue Revised Tax Invoice for all the taxable supplies that have been made from **effective Date of Registration** upto **Date of grant of registration certificate** within **1 month from date grant of registration certificate**

SITUATION	Effective date of registration
When a person applies for registration within 30 days from the date of becoming liable for registration	Date of becoming liable to register
When a person applied for registration after 30 days of becoming liable to register	Date of grant of registration certificate

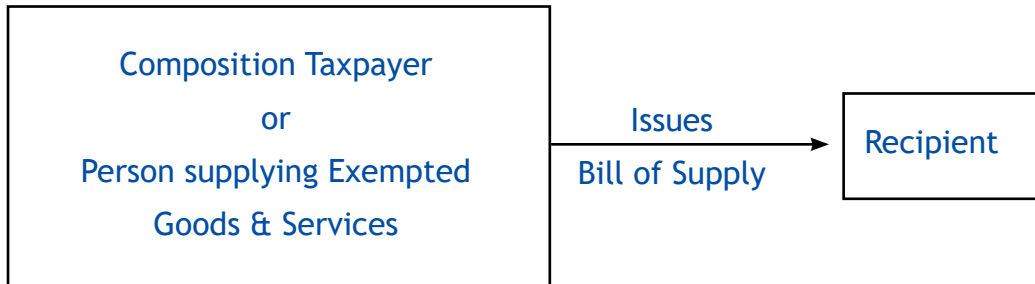
Note :



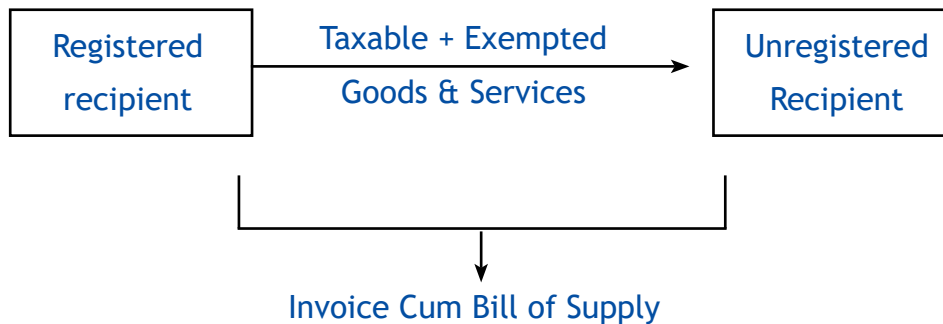
**Section 31(3)(b)- Consolidated tax invoice**



Section 31(3)(c)- Bill of supply



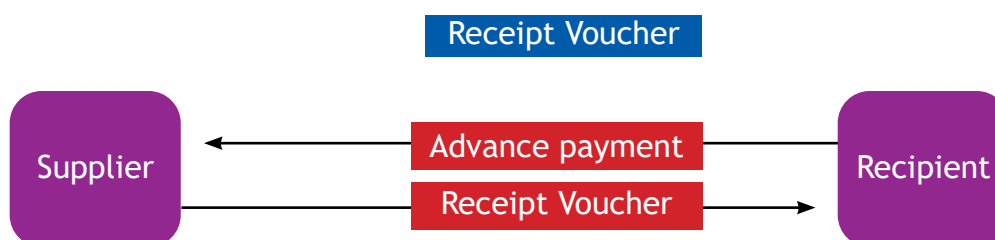
Rule 49:



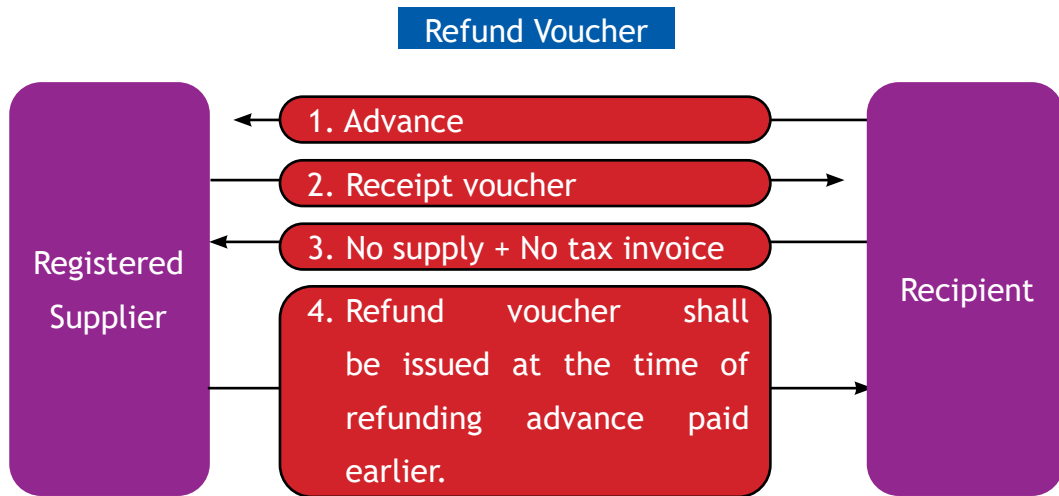
Note :



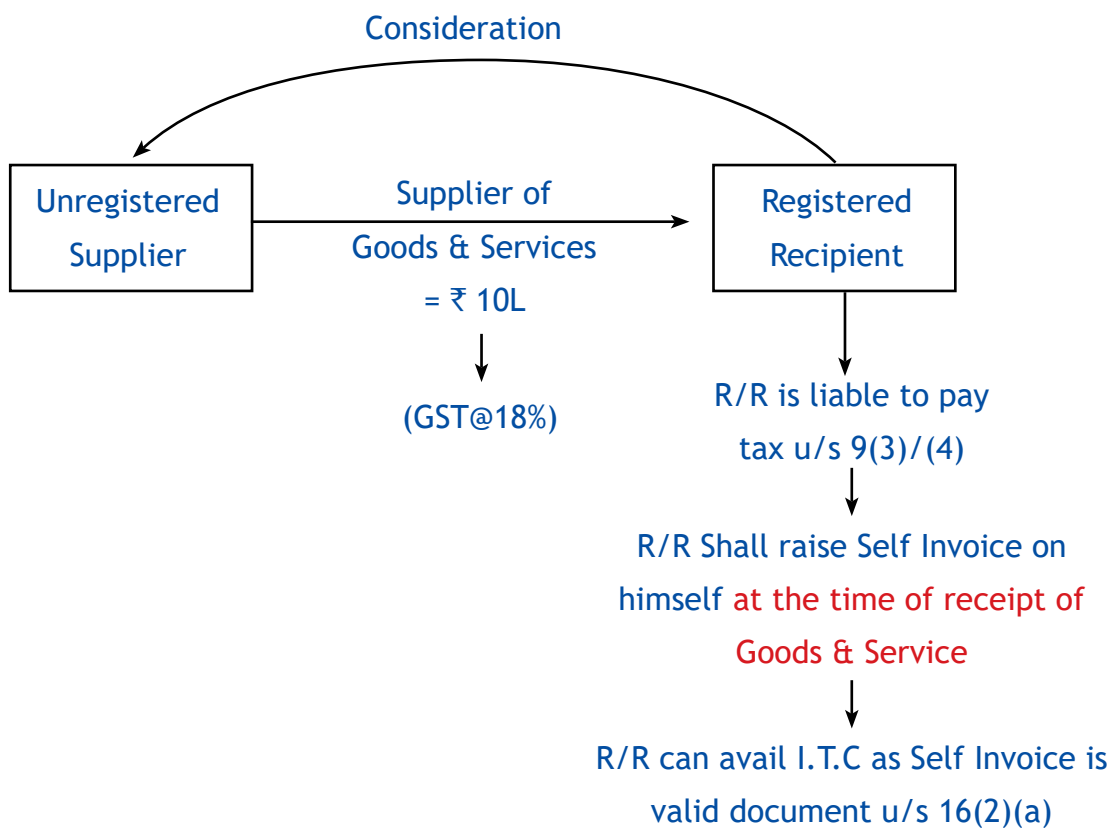
Section 31(3)(d)- Receipt Voucher



**Section 31(3)(e)- Refund voucher**



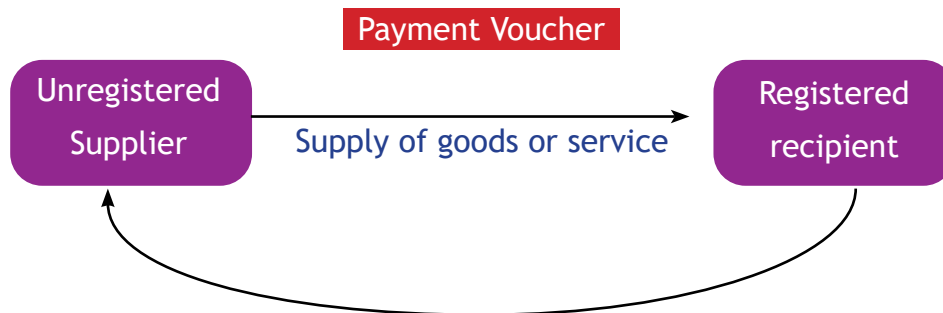
**Section 31(3)(f)- Self invoice**



**Note-** In case where supplier is a registered person, he shall issue tax invoice and hence in that case registered recipient shall not raise self-invoice as he is receiving tax invoice to avail ITC.

**Section 31(3)(g)- Payment voucher**

Where a registered recipient is liable to pay tax as per Sec. 9(3)/9(4), he shall issue payment voucher at the time of making payment to supplier.



Payment voucher shall be issued at the time of making payment

**Summarising Section 31(3)(f) and Section 31(3)(g)**

**Case I**

When supplier is unregistered and recipient is registered

- 1. Registered recipient shall raise self invoice at the time of receipt of goods/service
- 2. Payment voucher shall be issued by registered recipient at the time of making payment.

**Case-II**

When supplier is registered and recipient is also registered

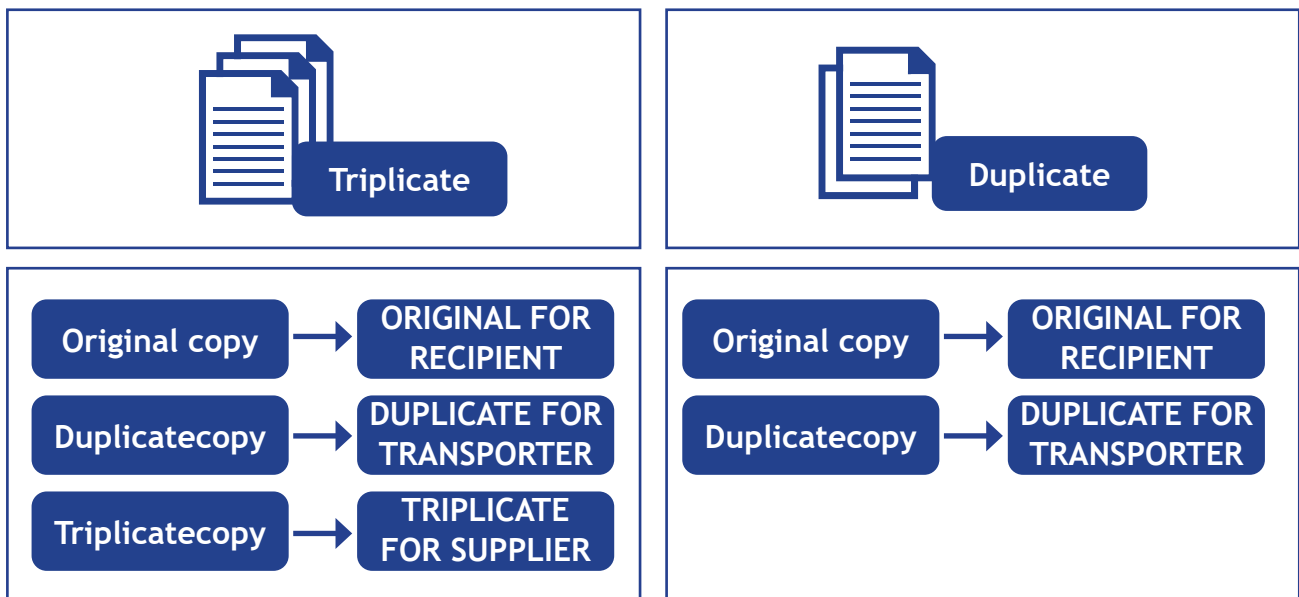
- 1. Registered recipient shall not raise self invoice because it's the registered supplier who has issued tax invoice to the recipient when goods or service are supplied
- 2. Payment voucher shall be issued by registered recipient at the time of making payment.



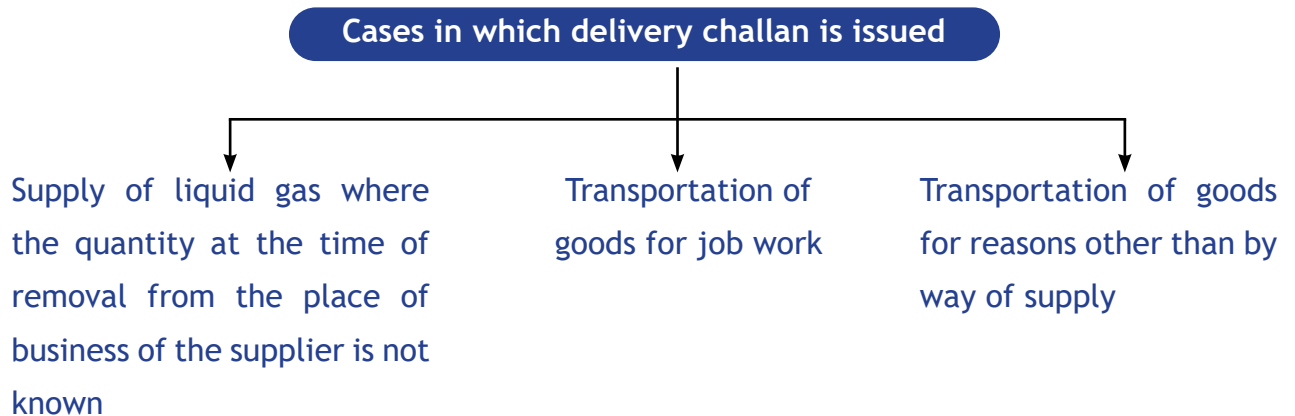
S.No.	Annual Turnover (AT) in the preceding FY	Number of Digits of HSN Code
1.	AT ≤ ₹ 5 crores	For B2B supply - 4 For B2C supply - 4 (optional)*
2.	AT > ₹ 5 crores	For B2B supply and B2C supply - 6

### Manner of issuing the invoice [Sections 31(1) & (2) read with rule 48]

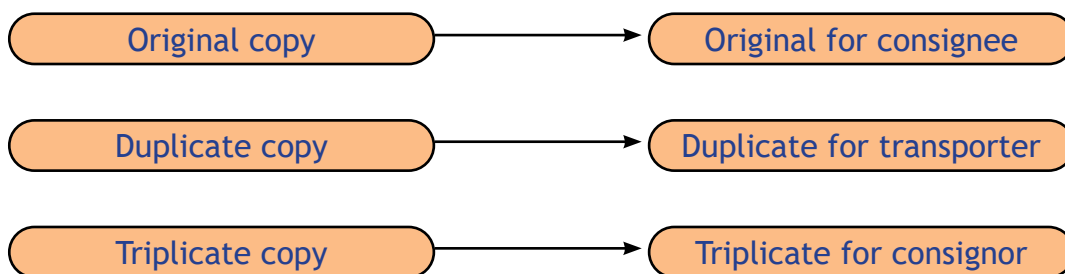
In case of taxable supply of goods	In case of taxable supply of services
Invoice shall be prepared in TRIPLICATE	Invoice shall be prepared in DUPLICATE



### Rule 55-Delivery challan



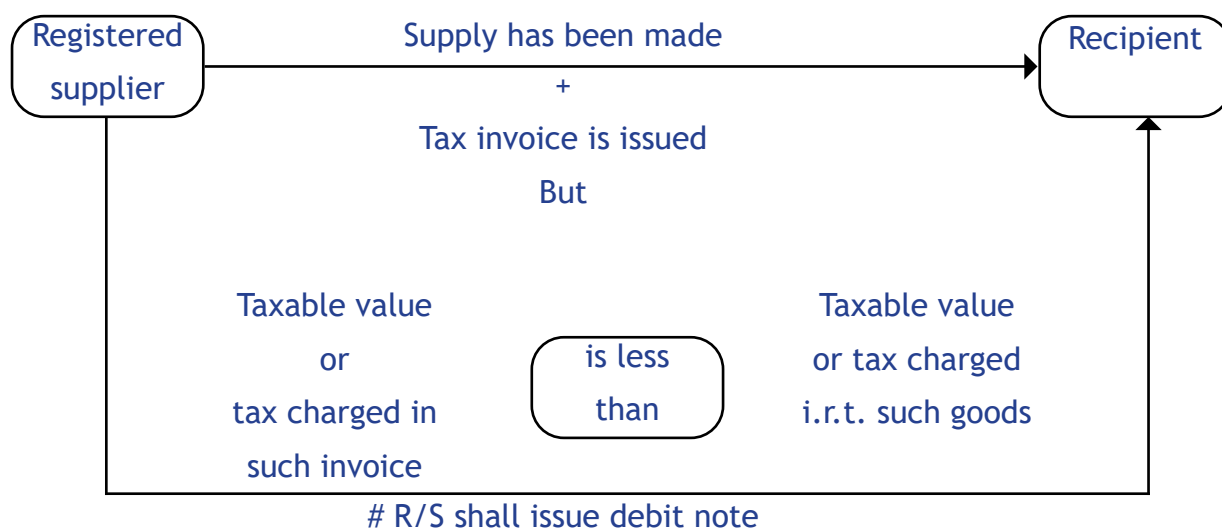
The delivery challan shall be prepared in TRIPLICATE, in case of supply of goods, in the following manner:



**Supplier permitted to issue document other than tax invoice**

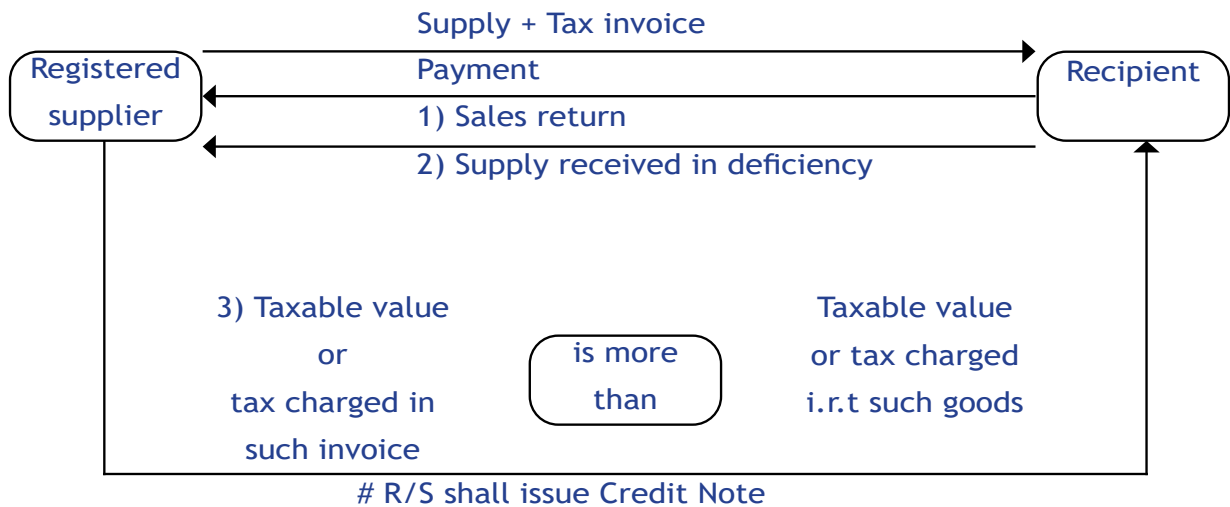
Situation	Type of Invoice
1. Supplier of passenger transport service	Tax Invoice shall include ticket in any form
2. Rule 46 : Insurer/ Banking company/ Financial institution, including NBFC	A Consolidated tax invoice/ any other document in lieu thereof, by whatever name called
3. Registered person supplying services by way of admission by exhibition of cinematograph film in multiplex screens.	Supplier is required to issue an Electronic ticket & Electronic ticket <u>Deemed</u> Tax Invoice

**DEBIT NOTE**  
SECTION 34(3)



### CREDIT NOTE

#### SECTION 34(1)

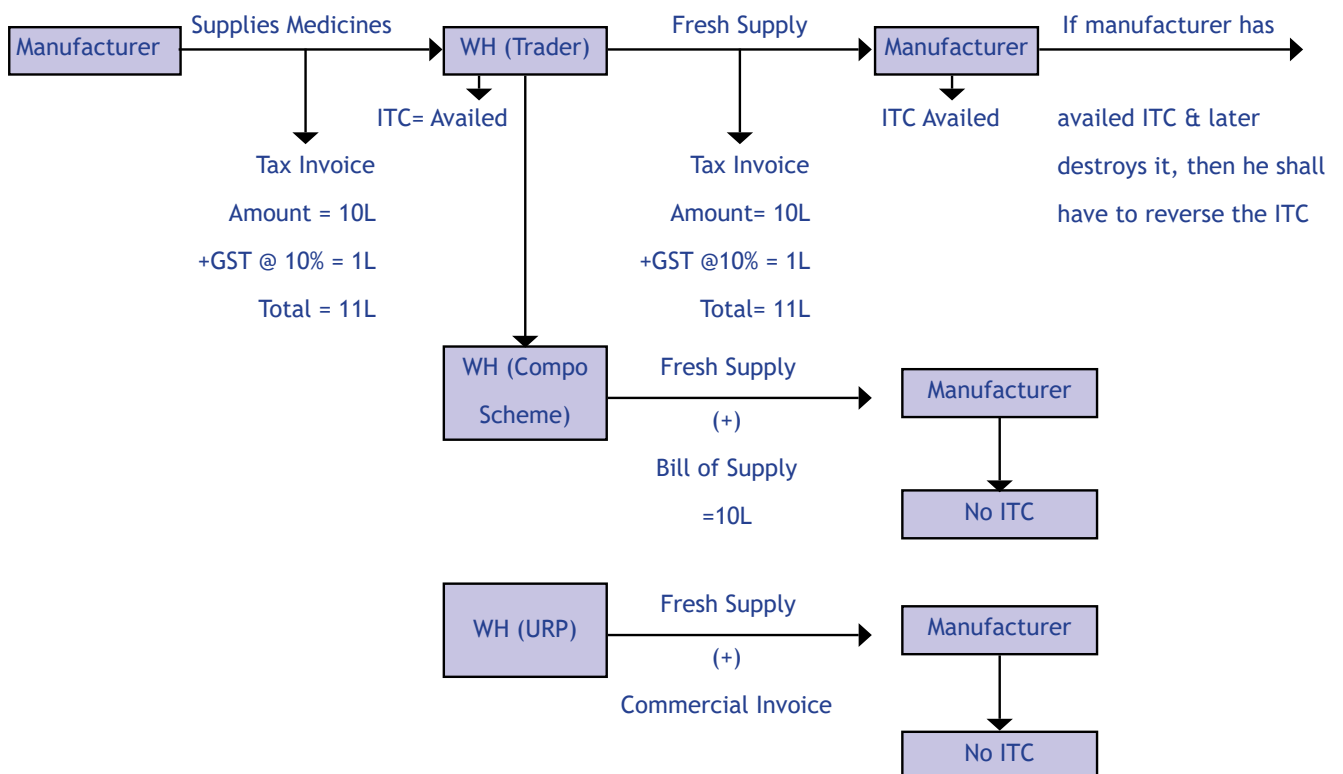


#### Time limit for declaration in the return:

Debit Note Sec 34(4)	Credit Note Sec 34(2)
In the month in which debit note has been issued.	Till September following the end of FY in which supply was made or date of furnishing AR, whichever is earlier

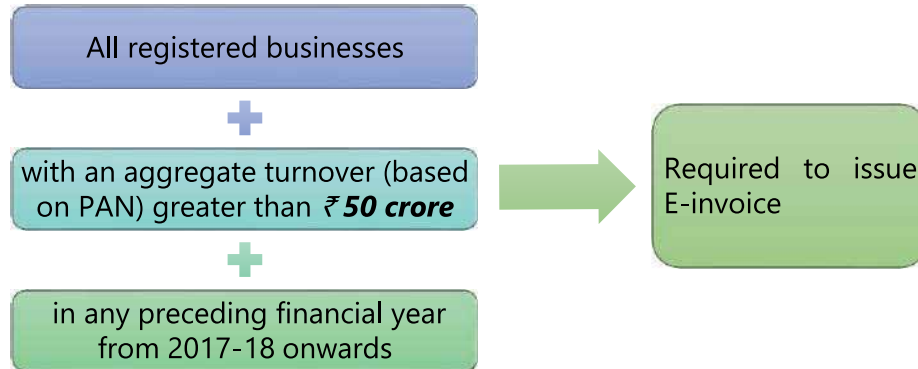
# R/S = Registered Supplier

#### Return of time expired goods:



## E-Invoicing

### A. Class of persons mandatorily required to issue e-invoice [Notified Taxpayers]



### B. Important terms

#### Invoice Registration Portal [IRP]

website
for uploading or reporting of invoices
by notified persons

#### Invoice Reference Number [IRN]

Unique reference number
generated and returned by IRP
on successful registration of e-invoice
GST invoice will be valid only with a valid IRN

### C. Advantages of e-invoicing

- Auto-reporting of invoices into GST return
- Auto-generation of e-way bill
- Substantial reduction in transcription errors
- Early payment
- Cost reduction
- Improved efficiency of business
- Reduction of tax evasion
- Elimination of fake invoices

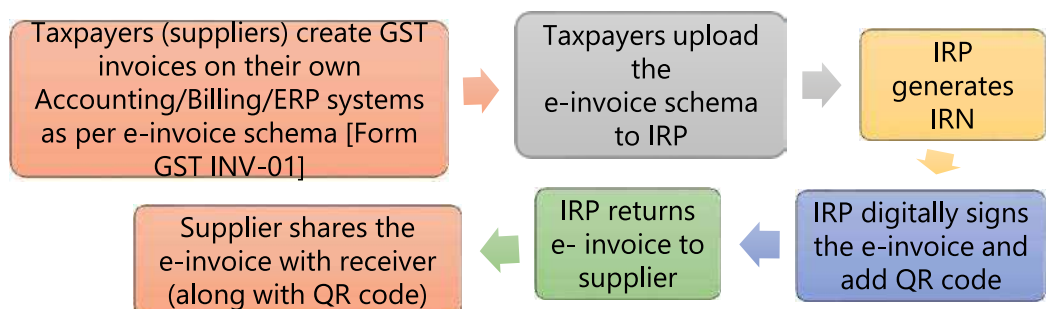
### D. No requirement of issuing invoice copies in triplicate/duplicate



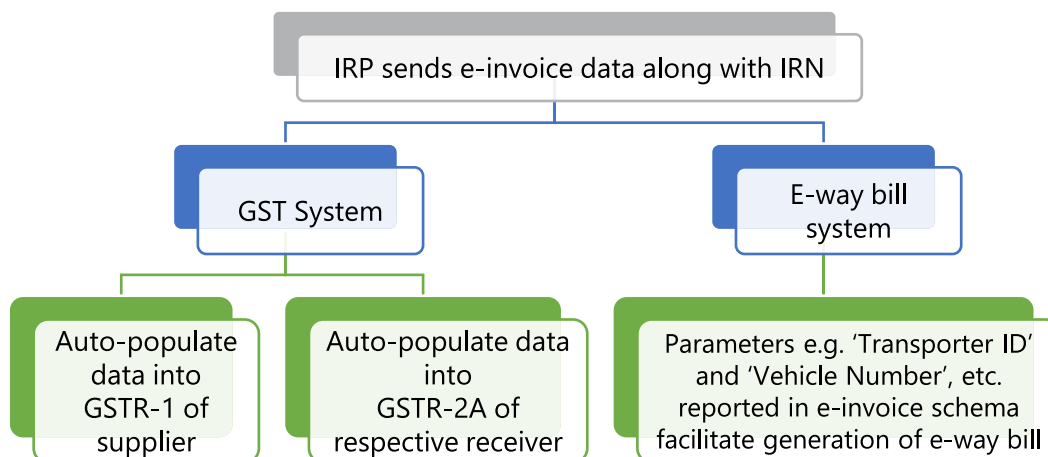
### F. Exemption from e-invoicing

- Special Economic Zone units
- Insurer/banking company/financial institution including NBFC
- GTA supplying services in relation to transportation of goods by road in a goods carriage
- Supplier of passenger transportation service
- Person supplying services by way of admission to exhibition of cinematograph films in multiplex screens
- Government department
- Local bodies

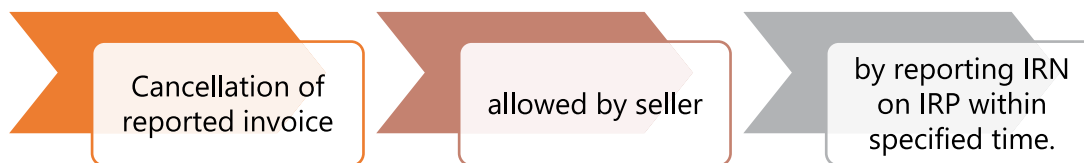
### G. Overall work flow of e-invoice



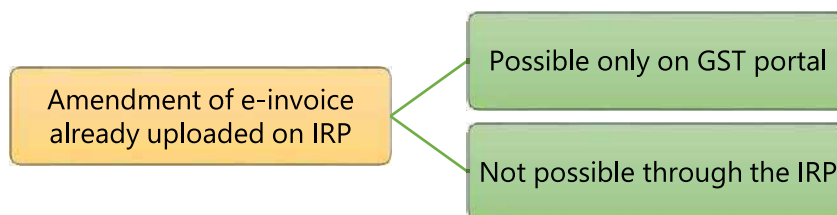
**E. Generation of e-way bill/populating relevant parts of GST return through e-invoicing data**



**F. Cancellation of reported invoice**



**G. Amendment of reported invoice**



# 06

## TIME OF SUPPLY

### Section - 12

(Time of supply i.r.t supply of goods)

Section 12(2) [normal charge]

TOS= Date of issue of invoice

OR

Last date of issue of invoice U/S 31

w.e.e

31(1)- Movement of goods

= Date of removal

31(1)- No movement of goods

= Date of delivery

31(7) - Goods sent on approval

- Date of approval

or

-6 months from removal

w.e.e

31(4) - Continuous supply of goods

- Date of issuance of statement

or

- Date of payment

w.e.e

### Section - 13

(Time of supply i.r.t. supply of service)

Section 13(2) [Normal charge]

When invoice is issued  
within 30 days from  
date of provision of  
services

When invoice is issued  
after 30 days from  
date of provision of  
services

TOS= DOI

OR

DOP

(w.e.e)

TOS= Date of prov.  
of service

OR

DOP

(w.e.e)

**Date of Payment**

Date of credit entry in Bank a/c

OR

Date of payment entry in books of supplier

(W.E.E.)

Section 12 (3) [Reverse charge]

Date of receipt of goods.  
 or  
 \* DOP  
 or  
31st day from DOI } w.e.e

w.e.e { \*DOP =  
 Date of debit in Bank A/c.  
 or  
 Date of payment Entry in  
 Bo A/c of Recipient.

Section 13(3) [Reverse Charge]

Date of receipt of goods.  
 or  
 \* DOP  
 or  
61st day from DOI } w.e.e

Section= 12(4) [Voucher]

- 1) When supply --identifiable  
 TOS=Date of issue of voucher
- 2) When supply - not identifiable  
 TOS= Date of redemption of voucher

**PROVISO to section 13(3):**

When supplier is outside India and recipient is in India and both are associated enterprise



TOS= Date of debit entry in the BOA of recipient  
 OR  
 Date of payment } w.e.e

Section 12(5) [Residual case]

When TOS cant be determined

u/s 12(2), 12(3), 12(4) then

- TOS = 1) If person files periodic return  
 -Date of filing return
- 2) Other case  
 = Date when tax is paid

SECTION 13(4),(5),(6)

Are mutatis mutandis to

Section 12(4),(5),(6)

Section 12(6) =

Interest / rate fees / Penalty for delayed payment of consideration

TOS = DOP

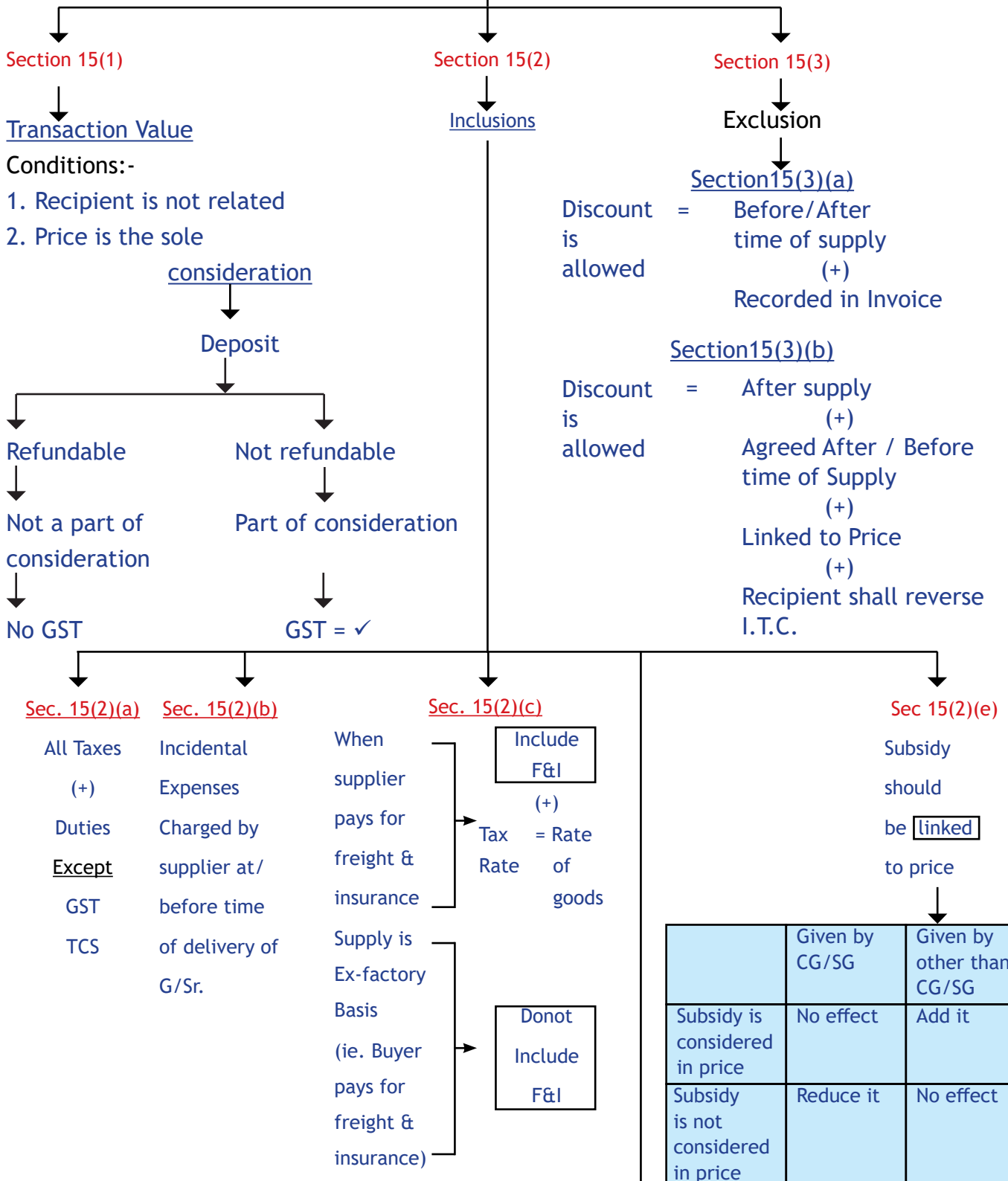


# 8

# VALUE OF SUPPLY

## SUMMARY

(Section- 15)



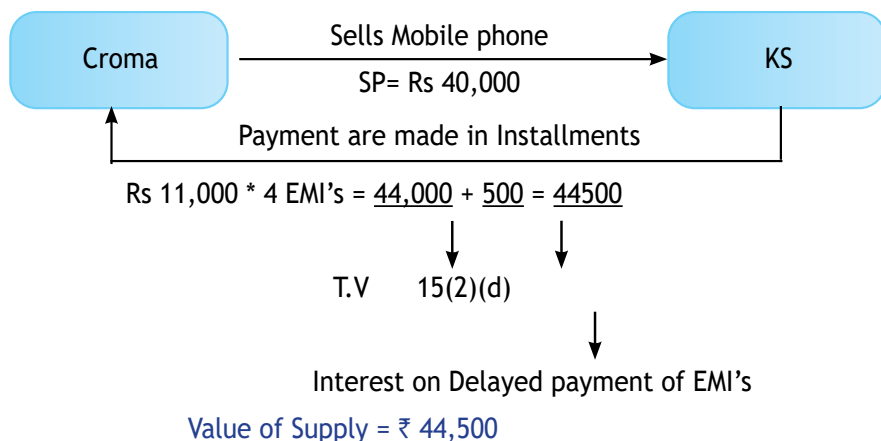


Sec. 15(2)(d)

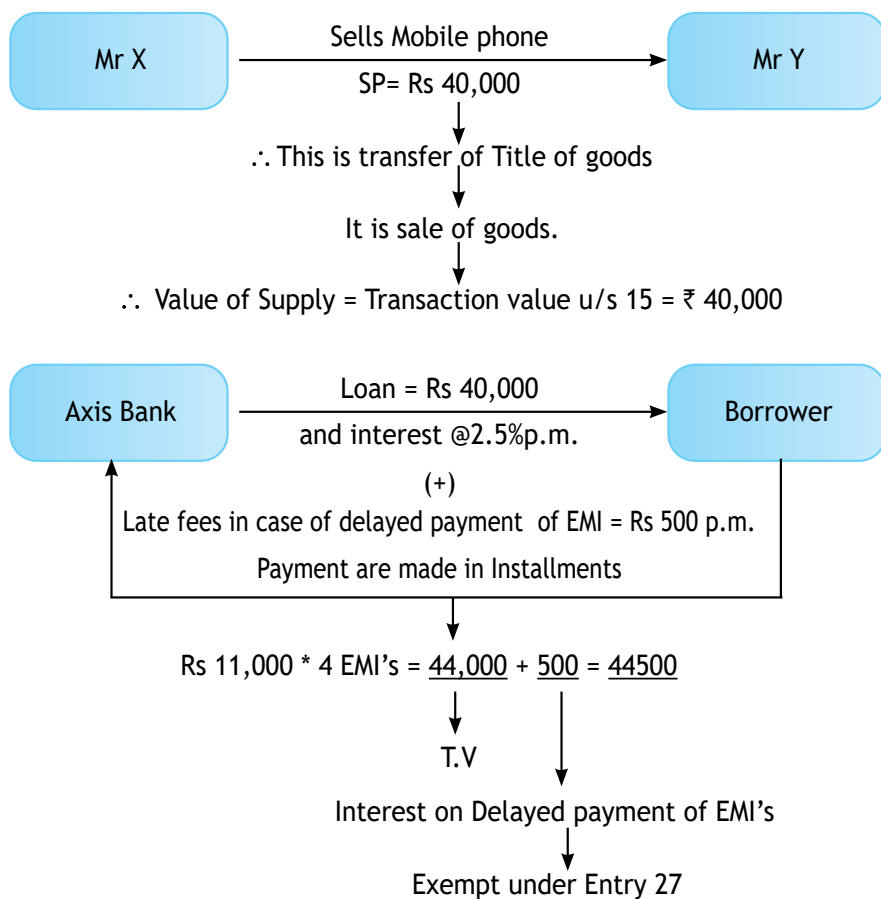
- i) Rate of tax on I/P/L fees = Rate of Tax of G / S
- ii) Calculate I/P/L Fees on inclusive basis only.

**iii) Clarification**

Applicability of GST on delayed payment charges in case of Late payment of EMIs.



Croma sells a mobile phone to KS. The cost of mobile phone is Rs. 40,000/- However, Croma gives KS an option to pay in installments, Rs. 11,000/- every month before 10th day of the following month, over next four months (Rs. 11,000/- × 4 = Rs. 44,000/-). As per the contract, if there is any delay in payment by KS beyond the scheduled date, KS would be liable to pay additional/ penal interest amounting to Rs. 500/- per month for the delay.



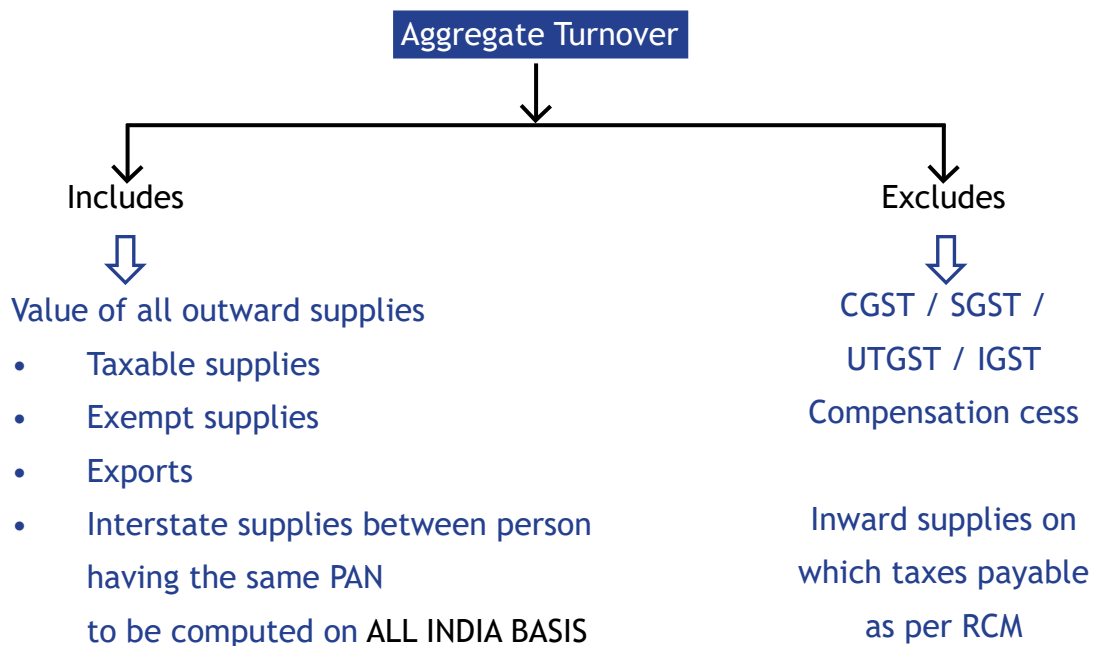
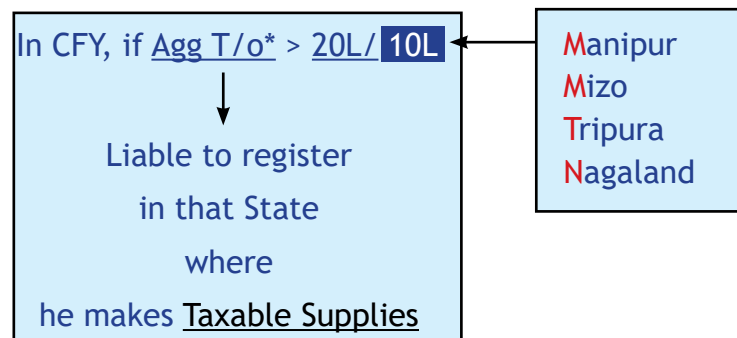
X sells a mobile phone to Y. The cost of mobile phone is Rs 40,000/-. Y has the option to avail a loan at interest of 2.5% per month for purchasing the mobile from M/s. Axis Bank The terms of the loan from M/s. Axis Bank allows Y a period of four months to repay the loan and an additional/ penal interest @ 1.25% per month for any delay in payment.

# 09

## REGISTRATION

### SUMMARY

#### PERSONS LIABLE FOR REGISTRATION [SEC 22]



Note 1: In above outward supplies even supplies where tax is payable as per RCM is included.

Note 2: Exempt supply means supply of goods or service which attract NIL rate of tax. Exempt supply u/s 11, u/s 6 of IGST Act and includes non-taxable supplies like petrol diesel, etc.

Note 3: Include interest earned loan, deposits, advances in the computation of aggregate turnover.

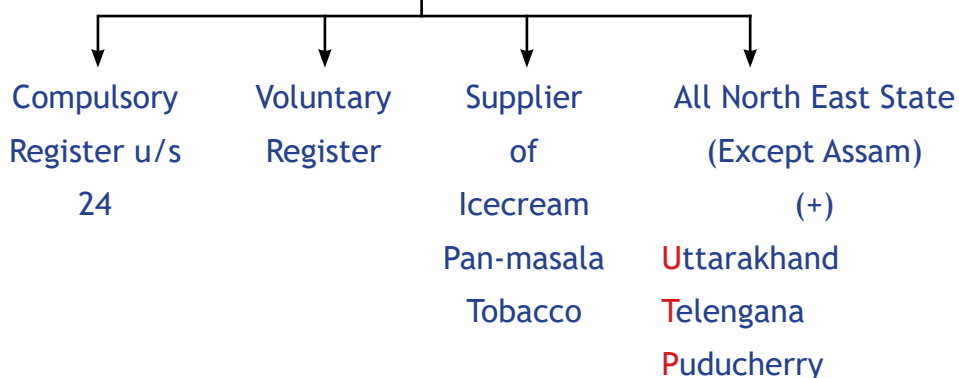
In CFY, if the person is exclusively supplying goods

&

Agg T/o > 40 Lacs

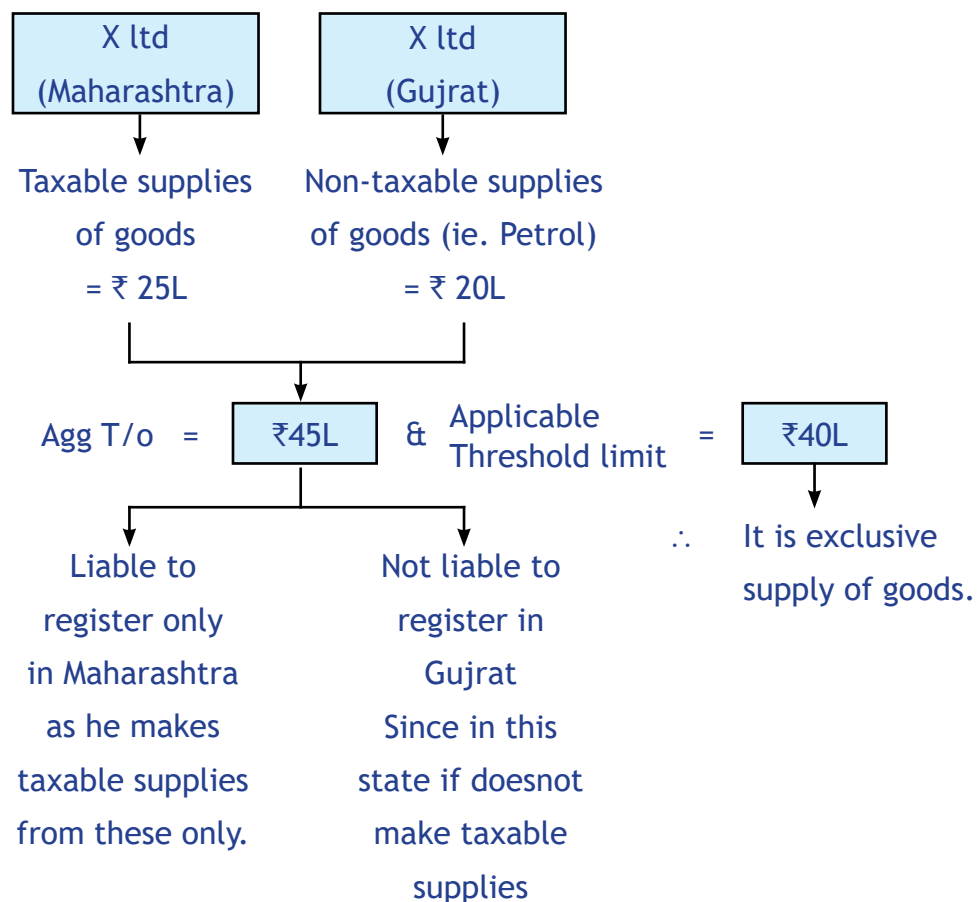
Liable to register = ✓

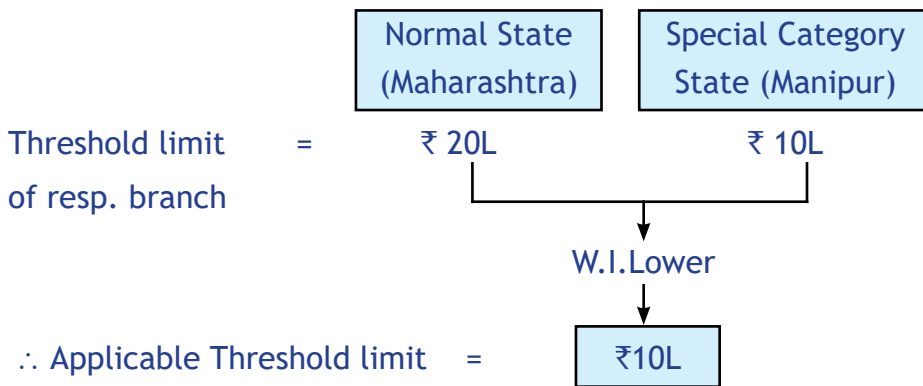
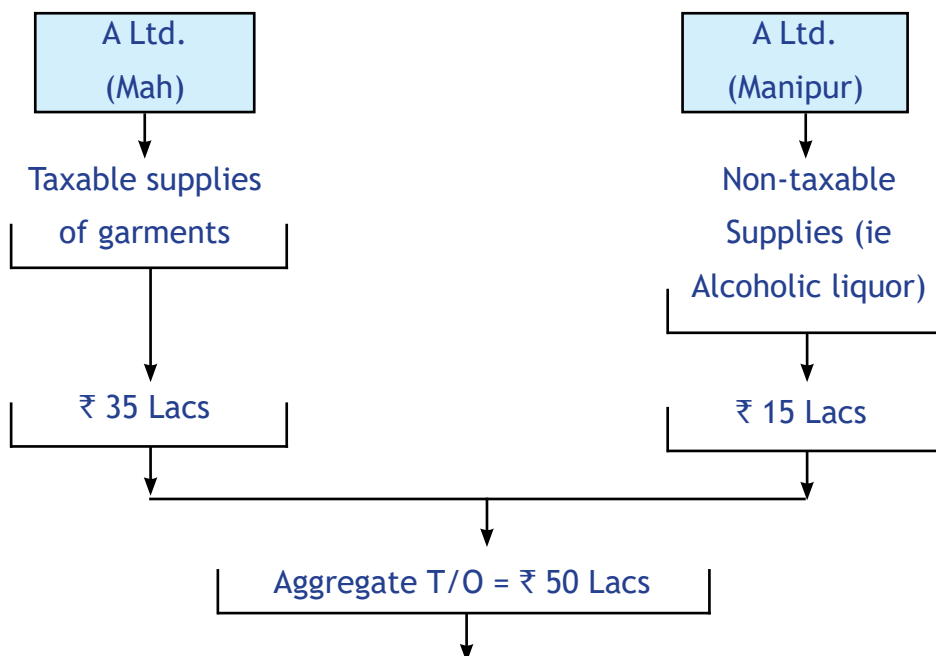
Exceptions



**Eg. 1**

Xltd. has two branches and it is exclusive supplier of goods.



**Eg. 2**

**Eg. 3**


In this case where in one state taxable supplies are made & another state non-taxable supplies are made & Both have separate threshold limits

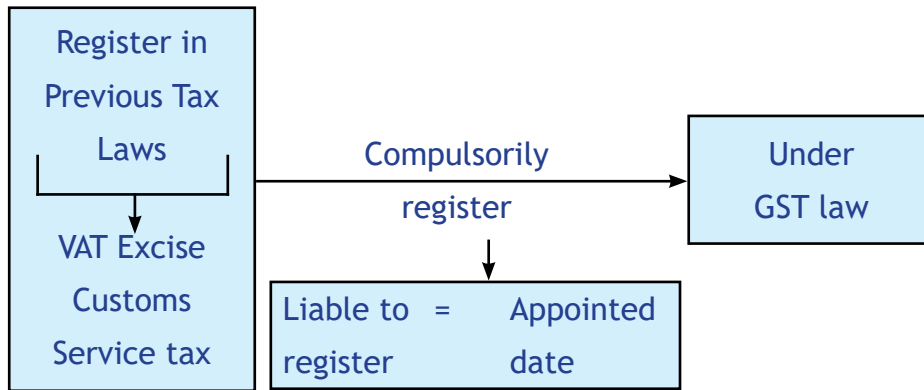
Then in this case instead of comparing both & taking the lower one

Mah = 40L	} W.I.L
Manipur = 10L	

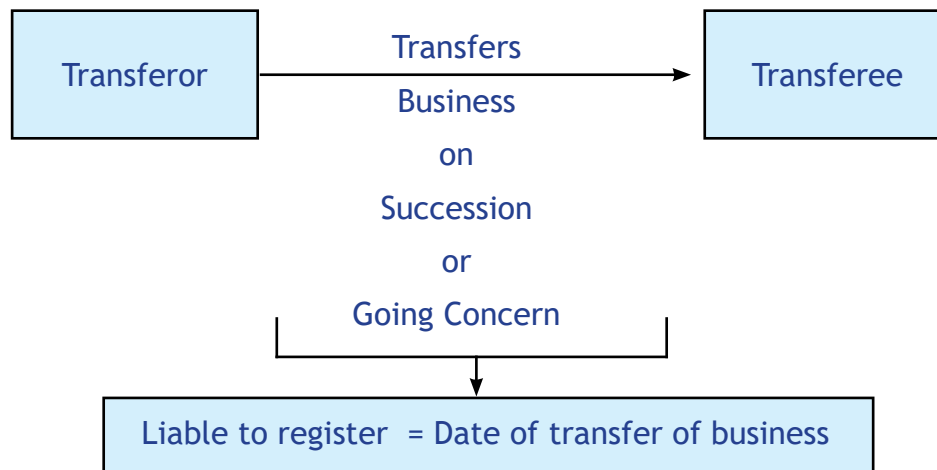
Only take the threshold limit of that State which makes taxable supplies (ie Mah) & hence applicable threshold limit is ₹ 40 Lacs

∴ A Ltd is liable to register only in Maharashtra state

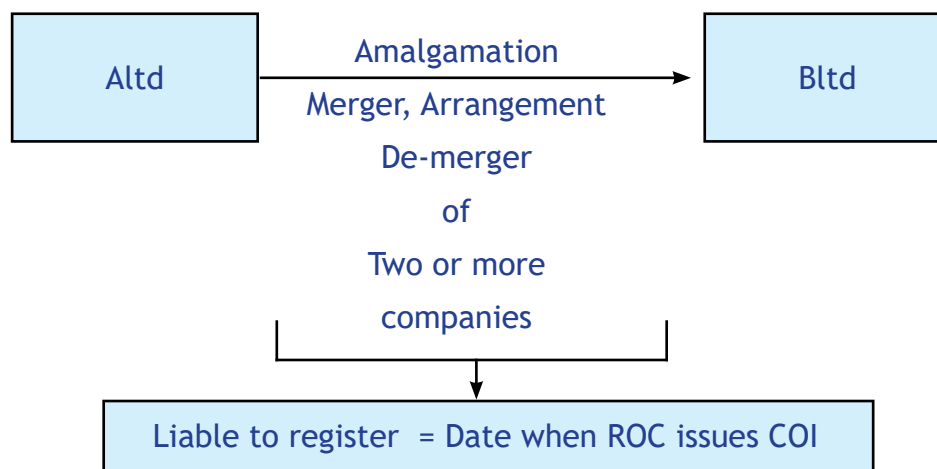
Section 22 (2)



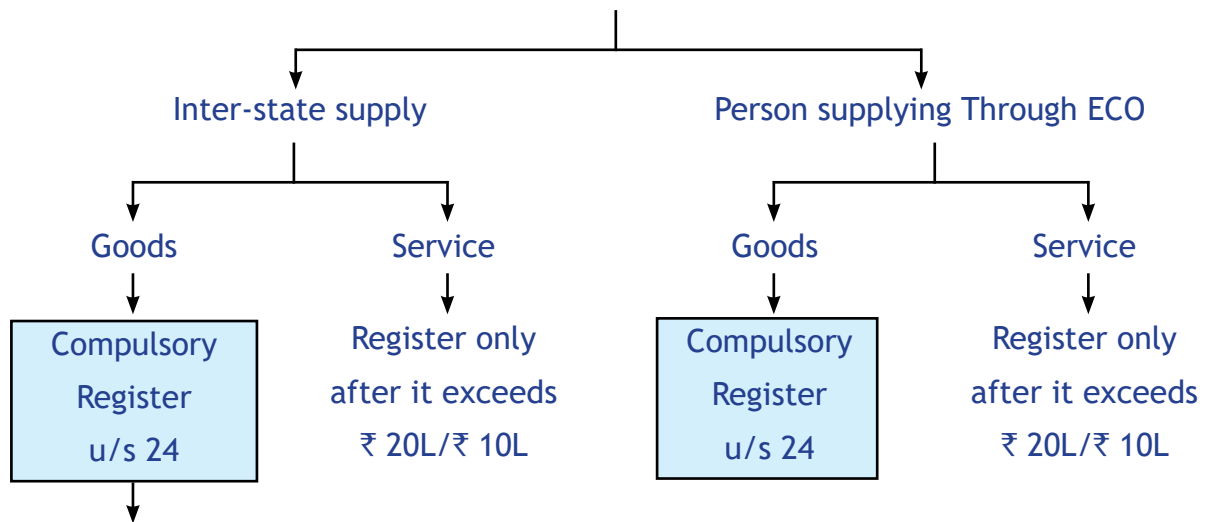
SECTION 22 (3)



SECTION 22 (4)



### Section 24 = Compulsory Registration



#### Except

Handicraft goods &  
 Goods made by craftsmen  
 predominantly by hand  
 exempt upto 20L/10L

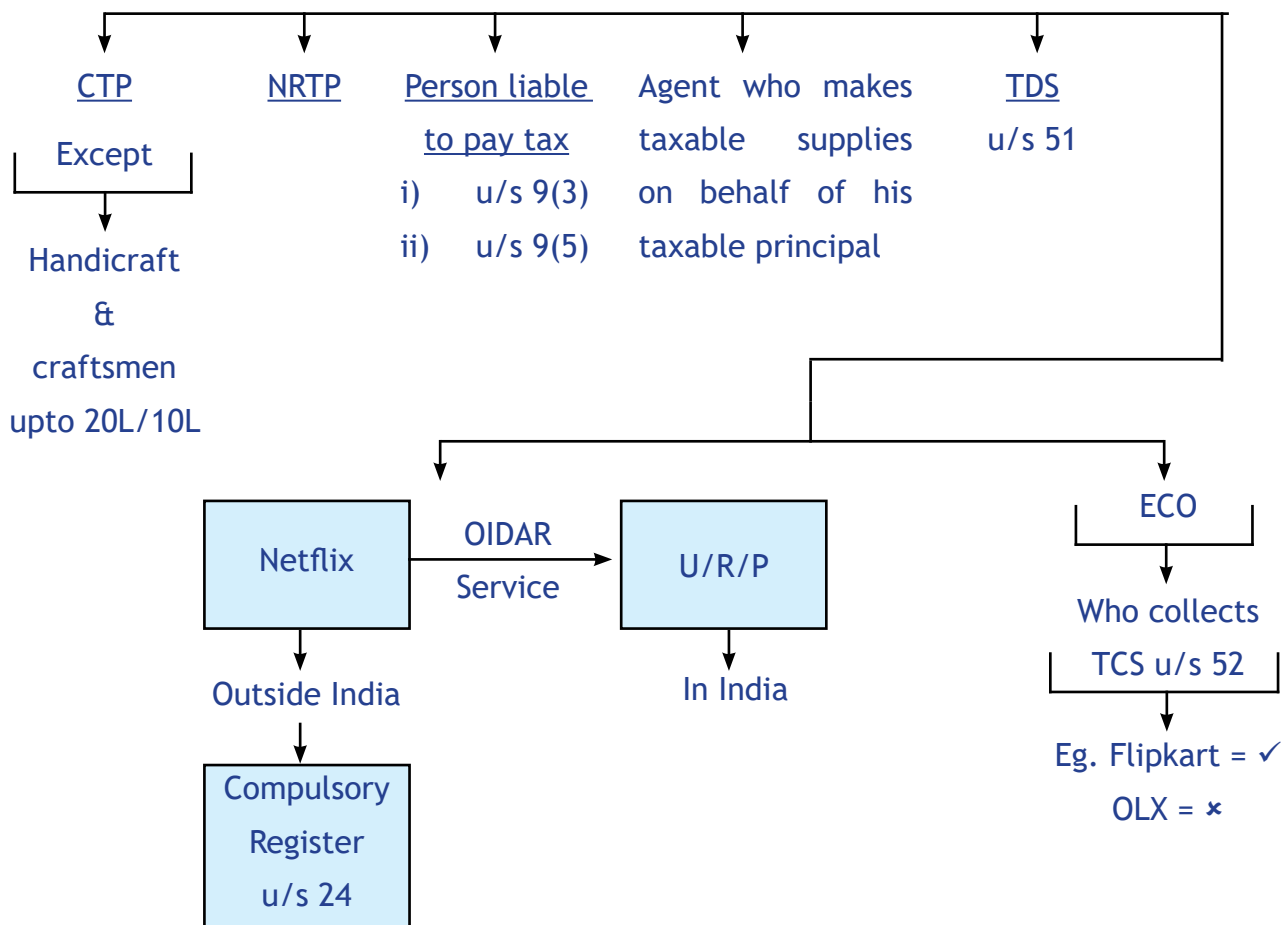
#### Conditions

- PAN = ✓
- Generates EWB = ✓

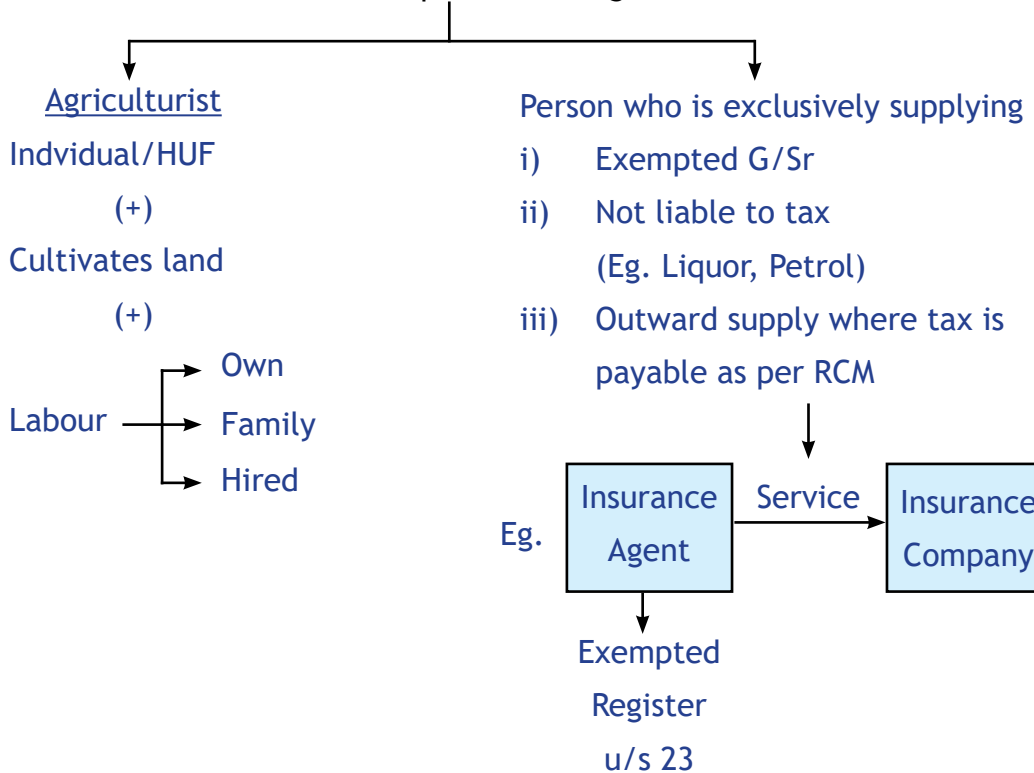
**Eg.**

Sr. No.	Supplier	Recipient	NOS	VOS	Is he liable to Register ?
1	Mr. A (Mumbai)	Mr. B (Surat)	Interstate Supply of Service	6L	No (As Compulsory Registration is not required)
2	Mr. X (Mumbai)	Mr. Y (Ahmedabad)	Interstate Supply of Service	25L	Yes (As he exceeds Rs. 20 Lacs)
3	Mr. B (Mumbai)	Mr. C (Delhi)	Interstate Supply of Bags	9L	Yes (As it is mandatory to register u/s 24)
4	Mr. P (Mumbai)	Mr. R (Kolkata)	Interstate Supply of Handicraft goods	15L	No (As they are exempted to compulsorily register u/s 24 upto 20L/ 10L)
5	Mr. R (Mumbai)	Mr. S (Chennai)	Interstate Supply of Handicraft goods	28L	Yes (In case of Interstate Supply of Handicraft goods, a person is exempted from registration only upto Rs. 20L/ 10L and once it crossed that limit it has to compulsorily register u/s 24)

Section 24 = Compulsory Registration



Section 23 = Exempted from Registration





## SEC. 25 - PROCEDURE FOR REGISTRATION

### PART I

Every person liable to get registered and person seeking voluntary registration shall, before applying for registration, declare his Permanent Account Number (PAN), mobile number, email address, State/UT in **Part A of FORM GST REG-01** on GST Common Portal.

PAN, mobile number & e-mail address are validated.

PAN validated online by Common Portal from CBDT database

Mobile number and email verified through one time password sent to it.

Temporary Reference Number (TRN) is generated and communicated to the applicant on the validated mobile number and e-mail address.

**While submitting the application, the applicant shall undergo authentication of Aadhaar number for grant of registration.** (discussed in detail afterwards)

**Part B** of application contains the details, such as, constitution of business, jurisdiction, option for composition, date of commencement of business, reason to obtain registration, address of PPOB and nature of activity carried out therein, details of APoB, **details of bank account(s)**, details of authorized signatory, etc.

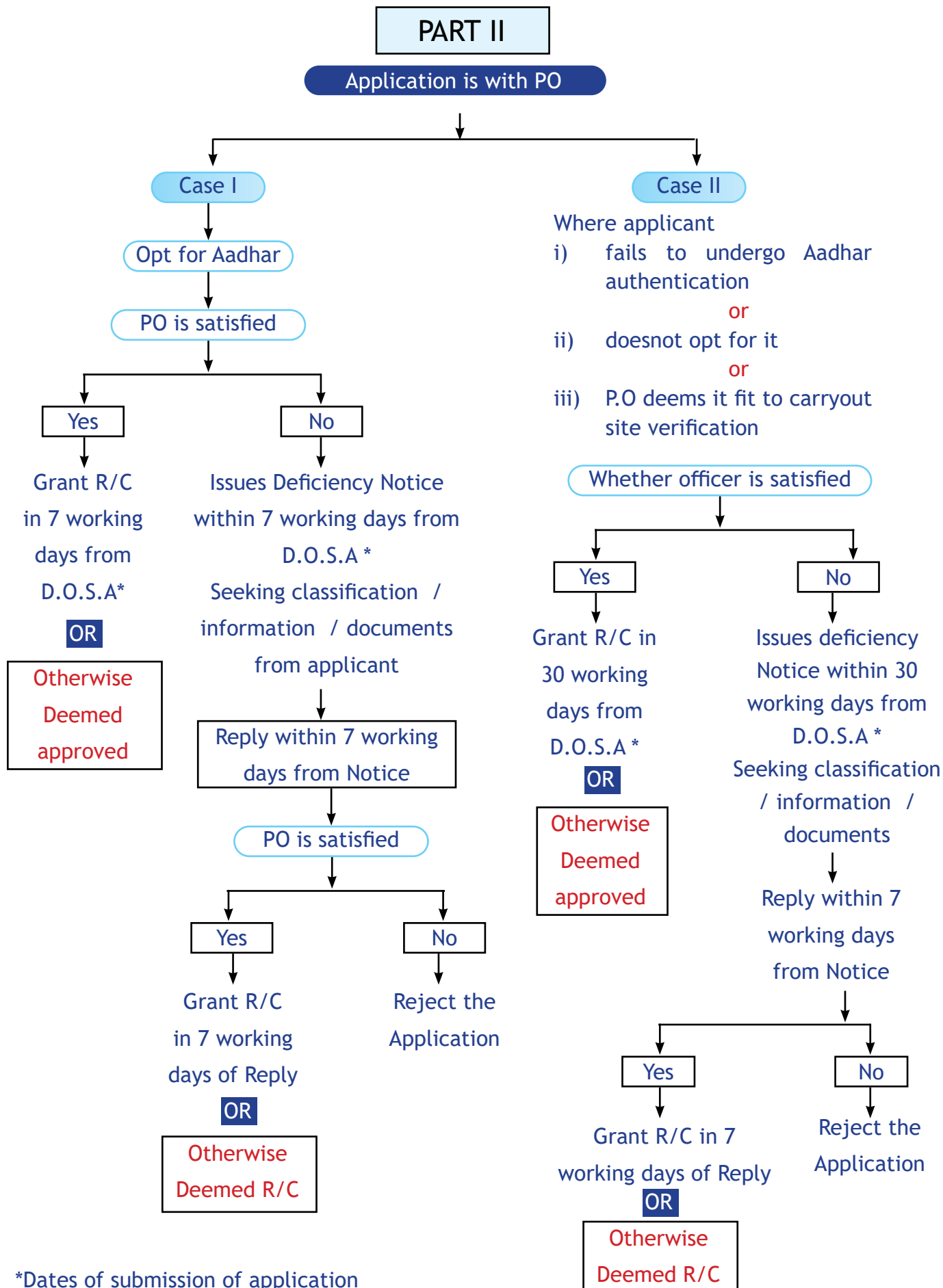
Using TRN, applicant shall electronically submit application in Part B of application form, along with specified documents at the Common Portal.

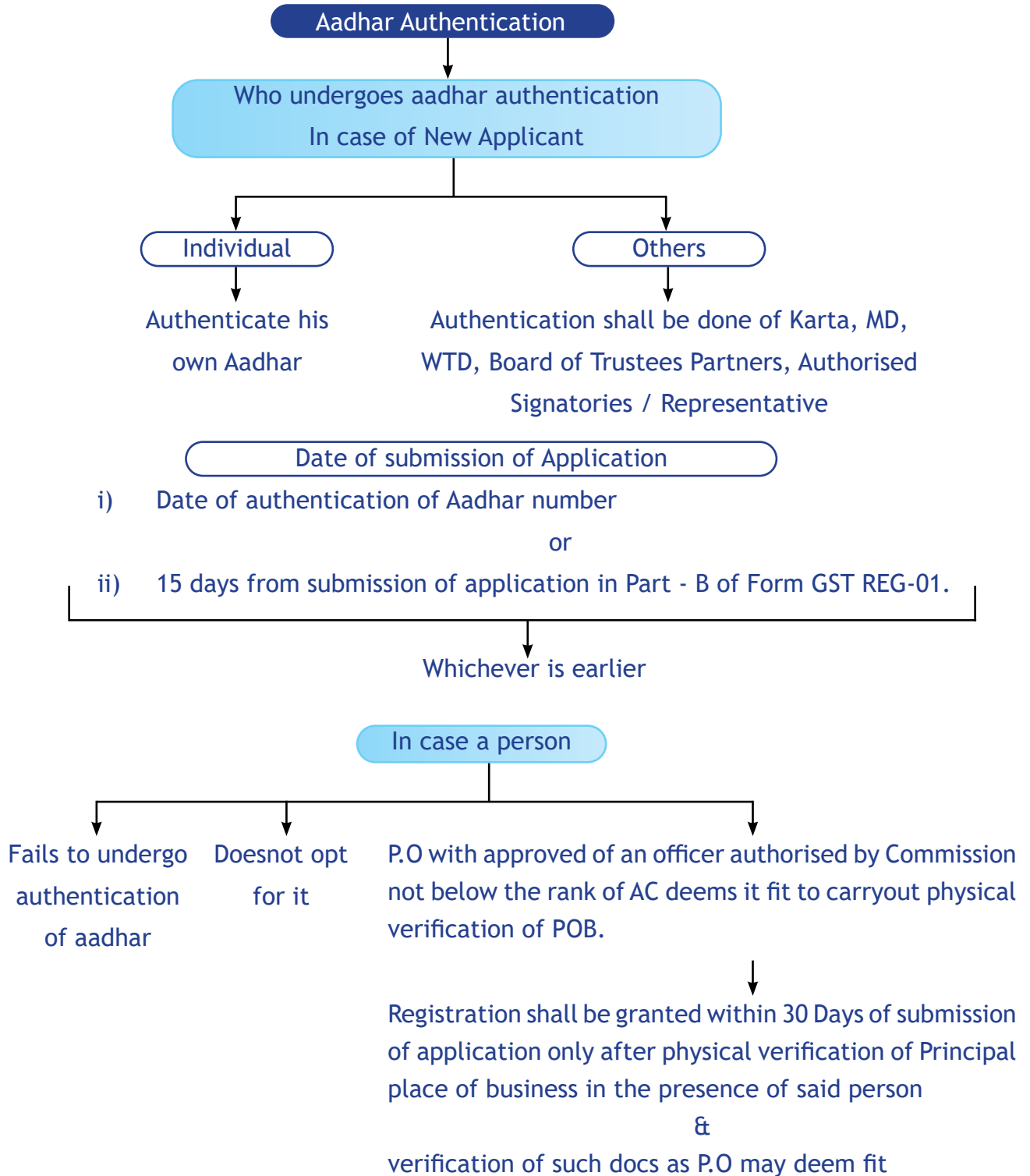
On receipt of such application, an acknowledgement in the prescribed form shall be issued to the applicant electronically. A **Causal Taxable Person (CTP)** applying for registration gets a TRN for making an advance deposit of tax in his electronic cash ledger and an acknowledgement is issued only after said deposit.\*

Application shall be forwarded to the Proper Officer.

The procedure after receipt of application by the Proper Officer is depicted in Part II.

\* Discussed in detail in subsequent paras.





Following person have been exempted from Aadhar authentication

- A person who is not a citizen of India
- Department or establishment of State Government or Central Government
- Local authority
- Statutory body
- Public Sector Undertaking
- A person applying for Unique Identity Number under section 25(9)

1.

Every person is liable to register → Within 30 Days from becoming liable to register



Except : - NRTP + CTP

They are liable to register atleast 5 days before commencement of business.

2.

Unit-1	Unit-2	ATO	Remarks	Separate Registration
Gujarat	Maharashtra	30 lakhs	Different business verticals	Mandatory Separate Registration
Gujarat	Maharashtra	30 lakhs	Not different business Verticals	Mandatory Separate Registration
Gujarat	Gujarat	25 lakhs	Different business Verticals	Separate Registration not required - Optionally, separate registration may be taken
Gujarat	Gujarat	35 lakhs	Not different business Verticals	Separate Registration not required Optionally, separate registration may be taken

**Separate registration for SEZ unit or SEZ developer:**

A person having unit in SEZ or an SEZ developer will make a separate application for registration as a business vertical distinct from his other units located outside SEZ.

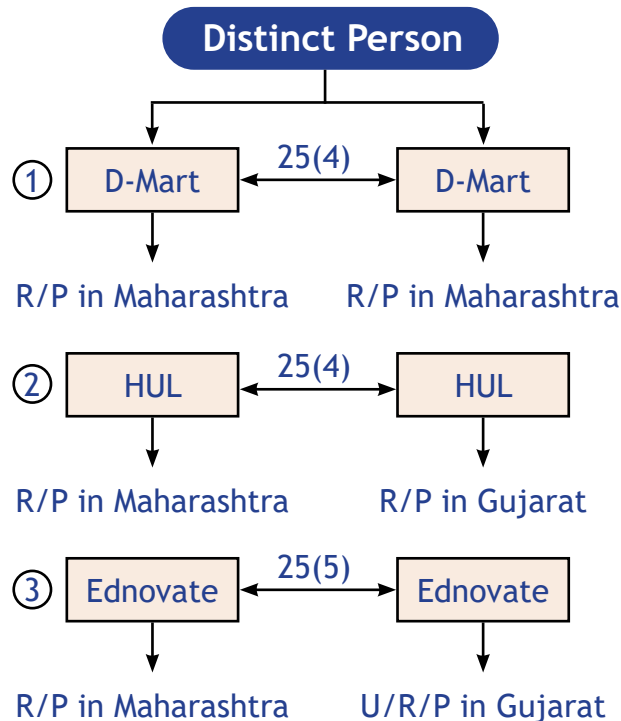
**Eg.**

Suvarna Industries is engaged in manufacturing activities in Uttar Pradesh. It has two manufacturing units in UP - one in SEZ and another outside SEZ. Under GST, separate registration of multiple units within state is not mandatory.

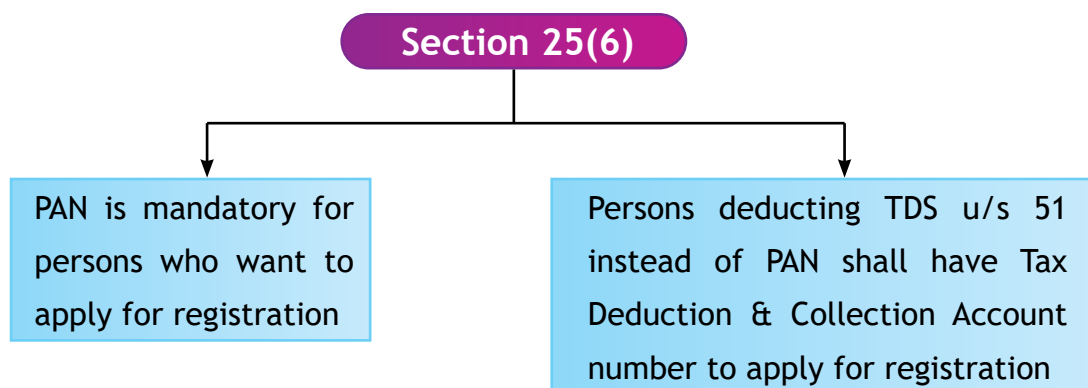
- However, since in this case, one of the two units of Suvarna Industries is located in SEZ, its separate registration is mandatory.
- SEZ units have to be registered separately. Non-SEZ units have to be registered separately.

3. A person may voluntarily apply for registration even if he is not liable to register

4.



5. PAN necessary for getting GST registration

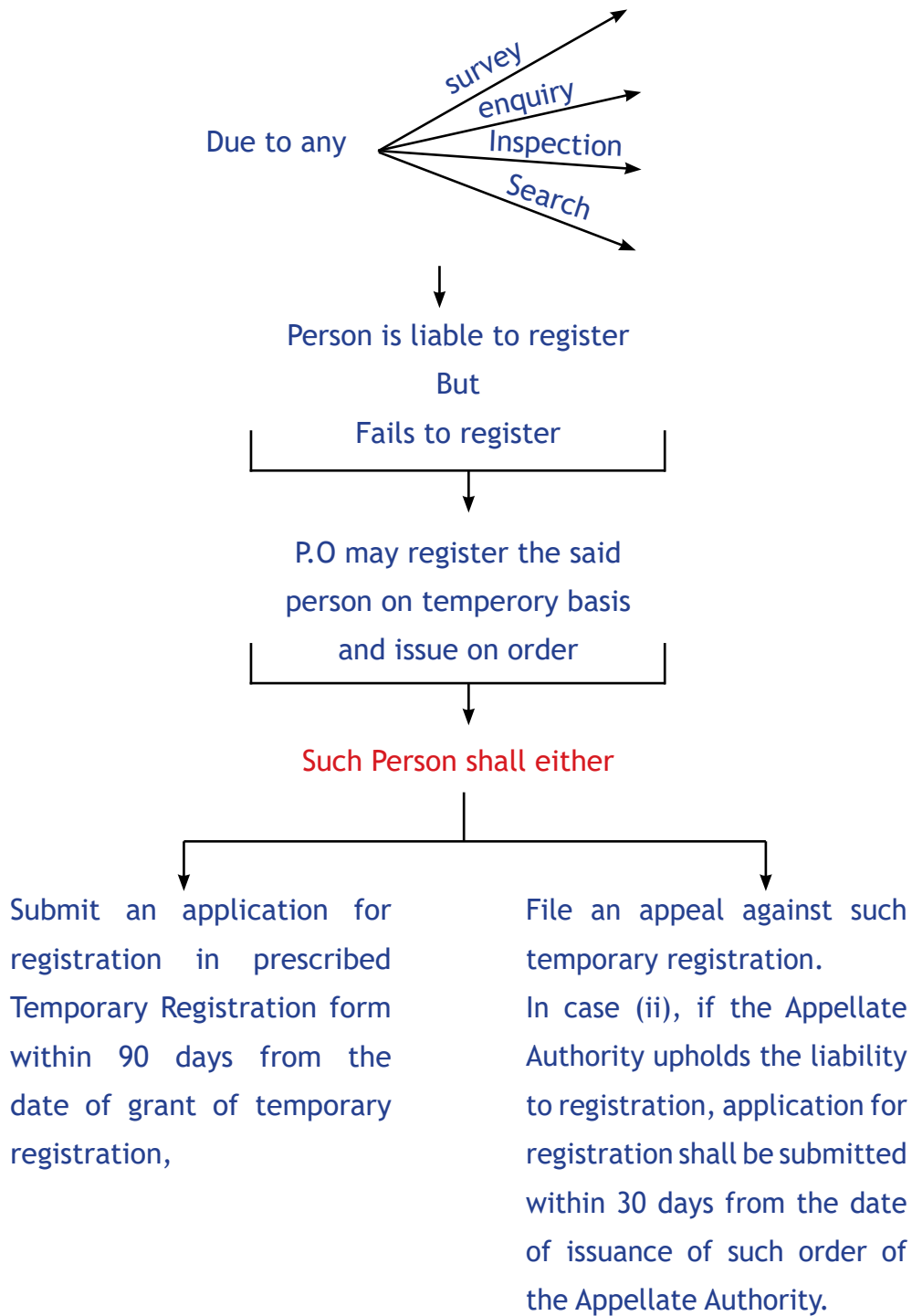


Except NRTP :

Since they are granted registration on the basis of prescribed documents

- Individual : Self Attested valid passport
- Business Entity: Tax Identification Number

6.



Sec. 25(9)

- i) Any specialized agency of UNO  
or
- ii) Any Multilateral Financial Institution  
or
- ii) Foreign Embassy / Consulate

Require UIN = ✓

To claim refund of taxes paid  
on notified supplies of goods /  
Services received by him

P.O Shall assign UIN after receiving recommendation from MEA ⇒ Within 3 days from D.O.S.A

**NRTP & CTP**

- Apply for registration atleast 5 days before commencement of business - Sec 25(1)
- Advance Tax shall be payable at the time of registration on the basis of Estimated Tax liability

[ ie output tax (-) ITC ]

- Validity of Registration Certificate shall be either → Period mentioned  
or  
90 Days  
W.I.E.

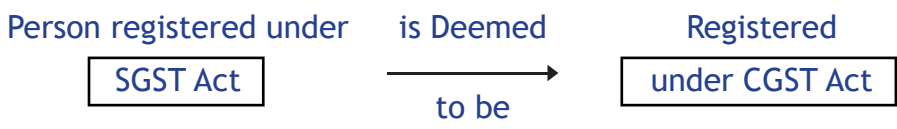
Extension can be sought once  
But  
Max = 90 Days

- Advance tax deposited in → E-Cash ledger

- CTP & NRTP ≠ Avail Composition Scheme

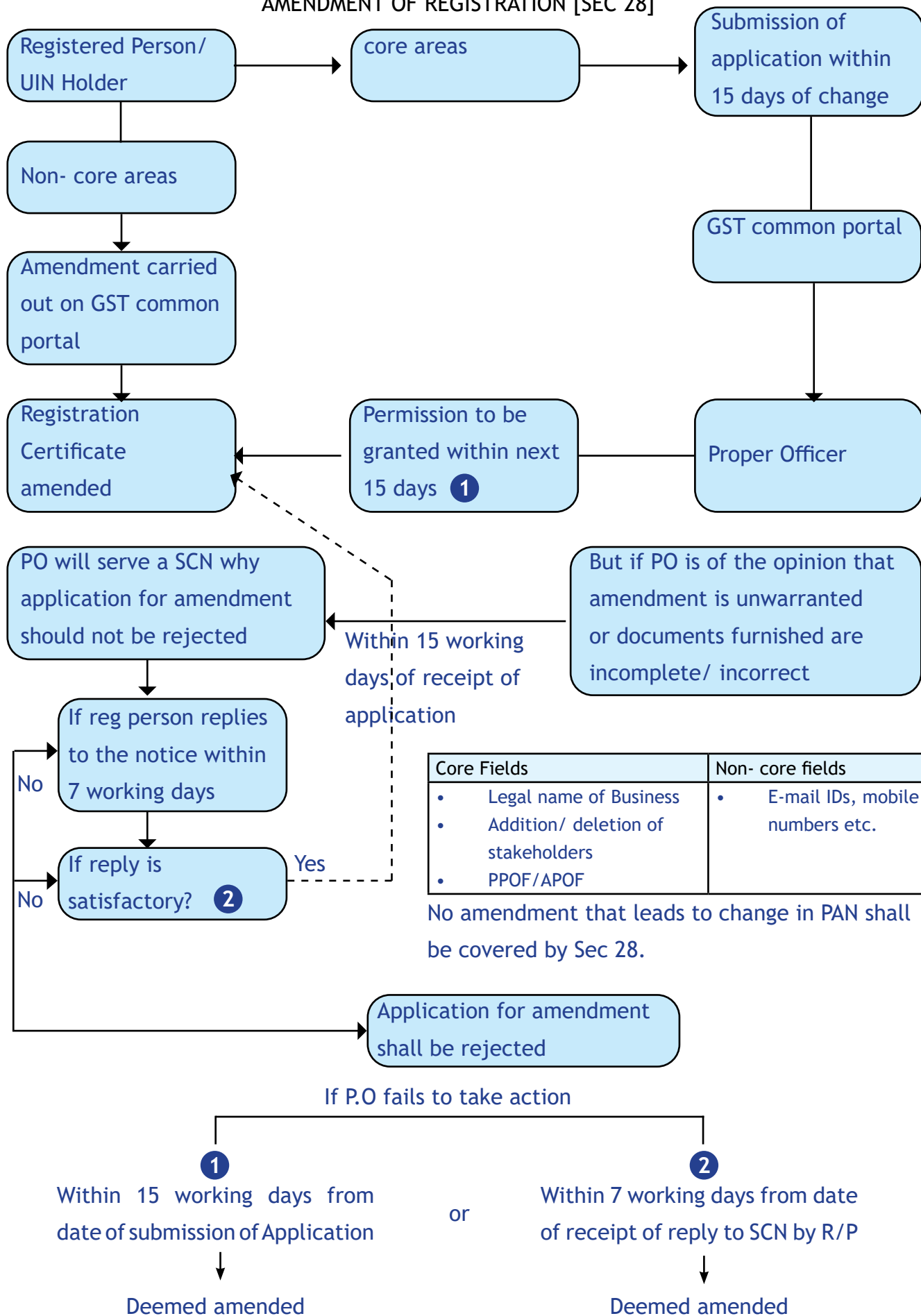
- CTP & NRTP = Compulsory Registration u/s 24

**SECTION 26 DEEMED REGISTRATION**





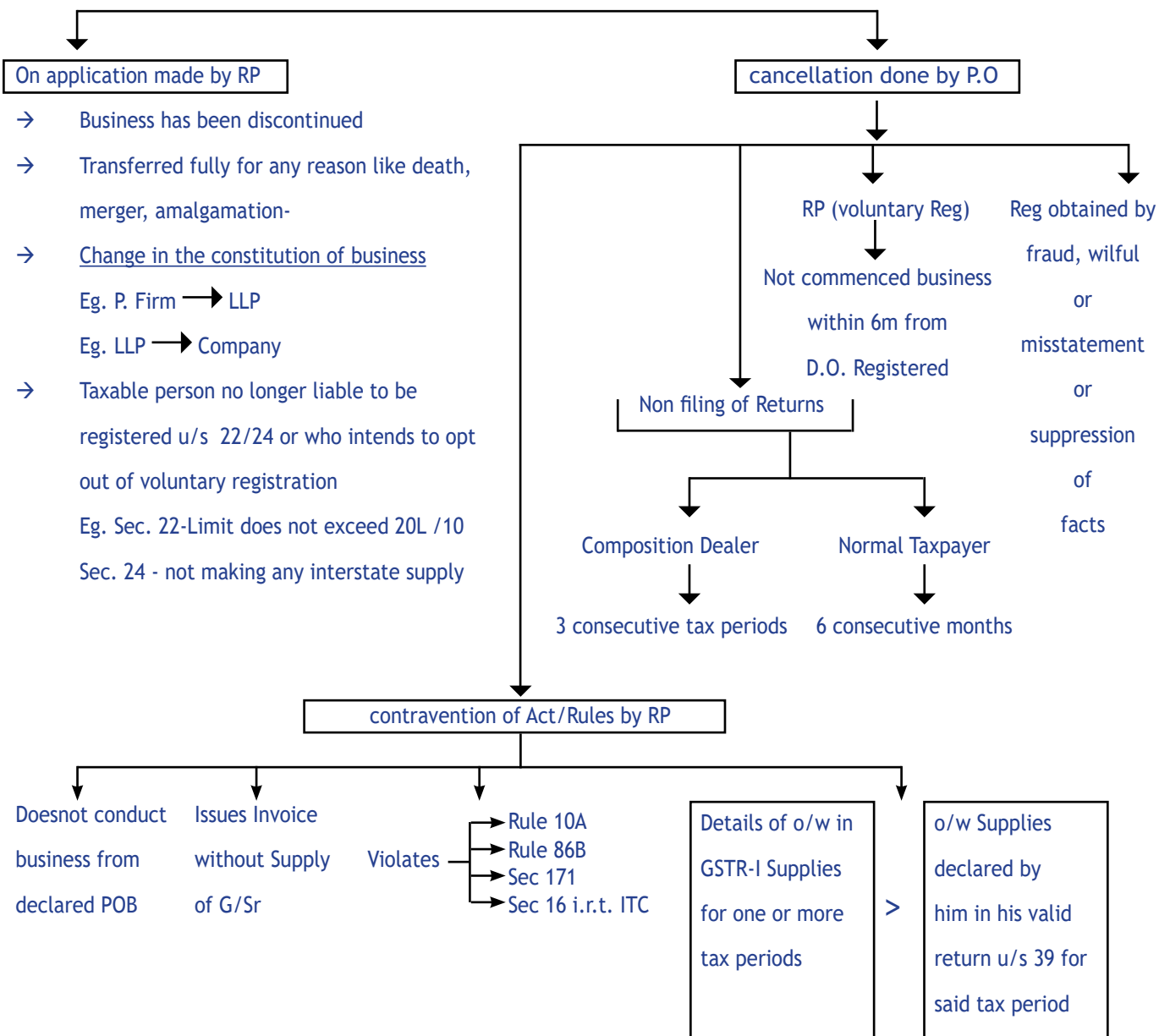
### AMENDMENT OF REGISTRATION [SEC 28]



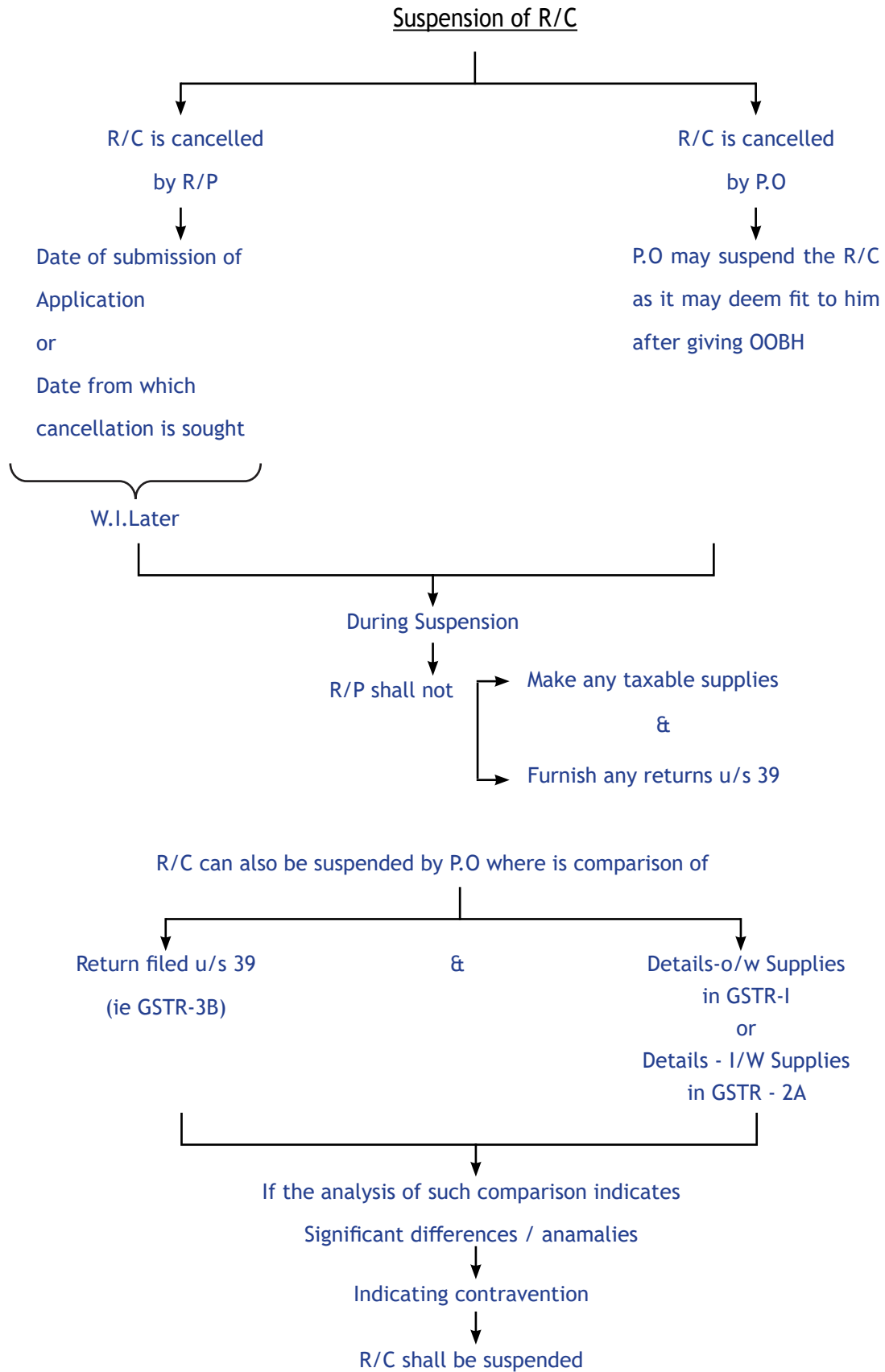
Core Fields	Non- core fields
<ul style="list-style-type: none"> <li>Legal name of Business</li> <li>Addition/ deletion of stakeholders</li> <li>PPOF/APOF</li> </ul>	<ul style="list-style-type: none"> <li>E-mail IDs, mobile numbers etc.</li> </ul>

No amendment that leads to change in PAN shall be covered by Sec 28.

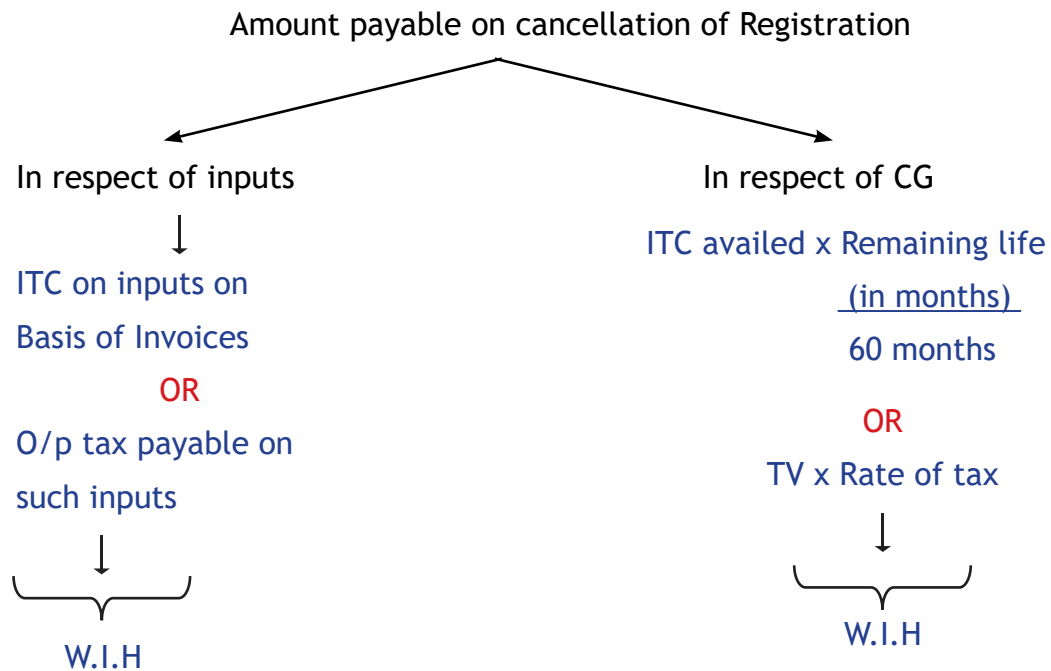
**CANCELLATION OF REGISTRATION BY PO**



# RP = Registered person

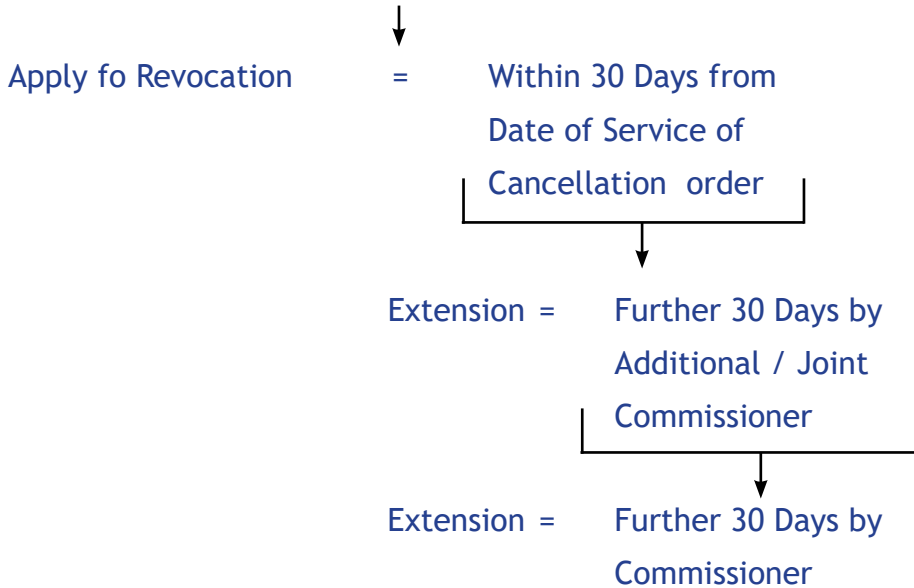


- Cancellation does not discharge liability of taxpayer for any period prior to date of cancellation (whether or not such tax & other dues are determined before or after the date of cancellation).

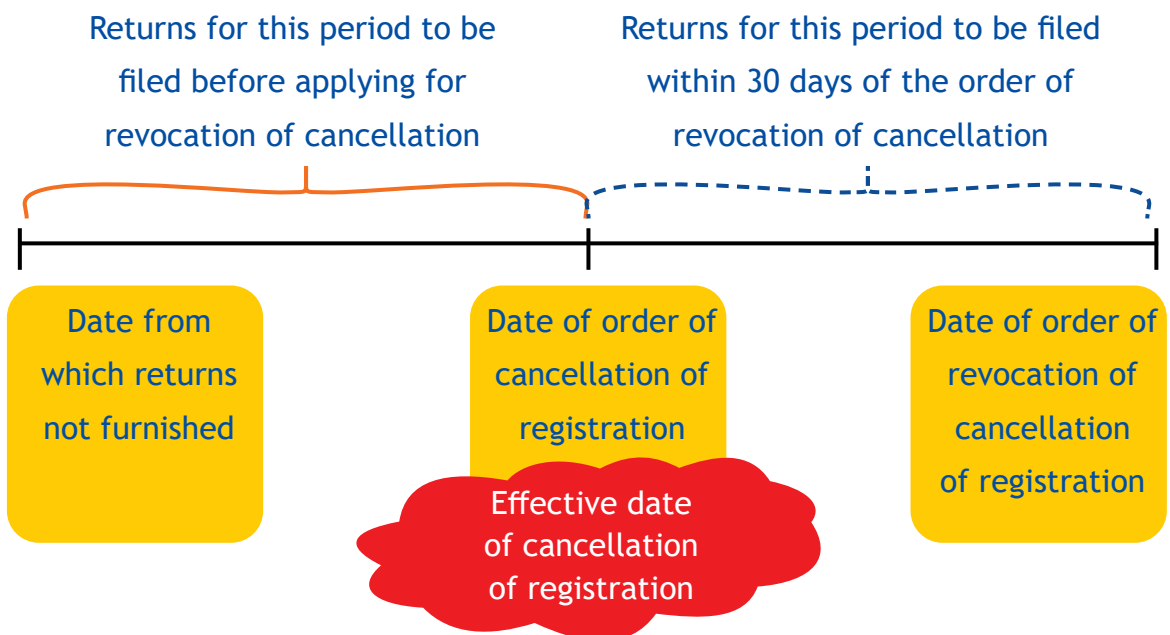


### Sec. 30 : Revocation of R/C

\* Person where R/C is cancelled by P.O.

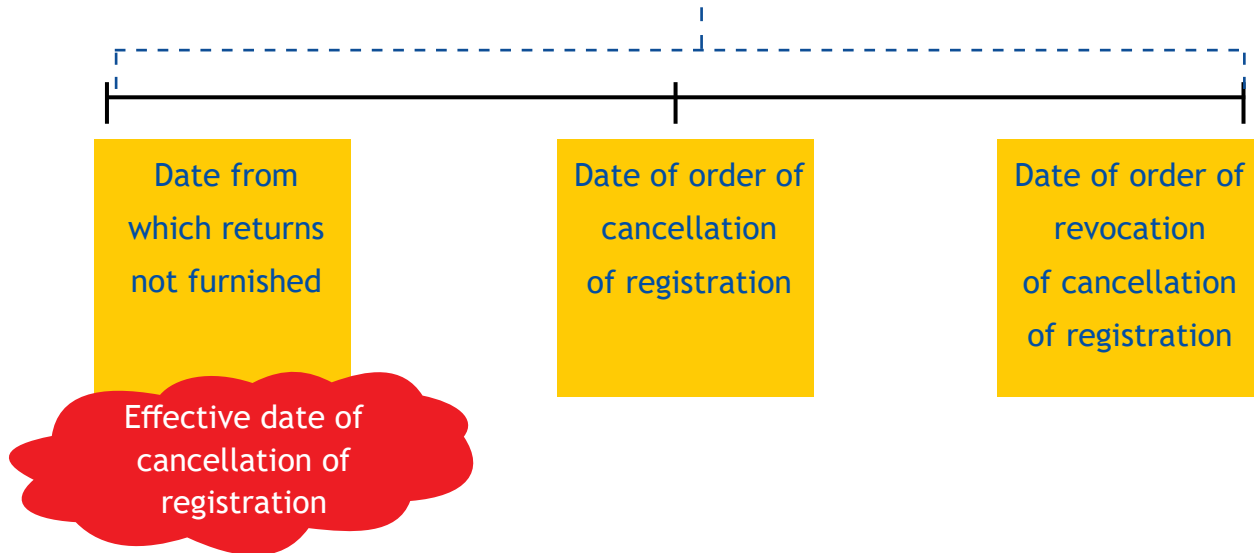


Case I : Prospective effect

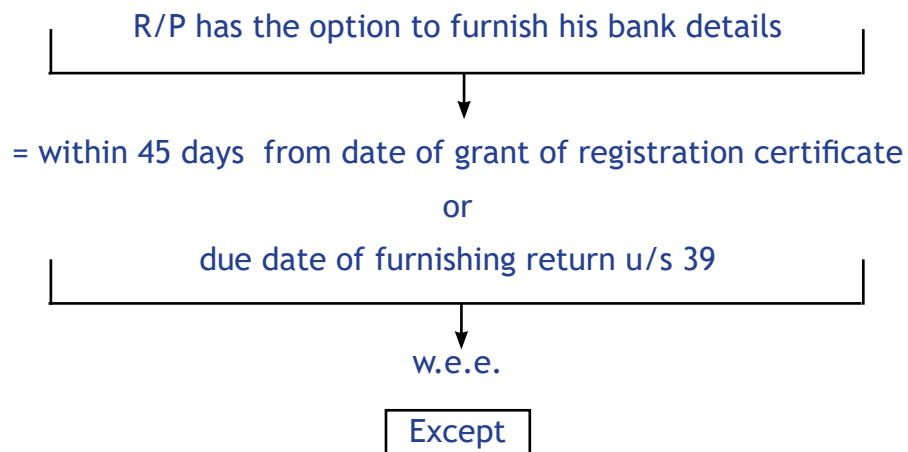


Case II Retrospective effect

Returns for this period to be filed within 30 days of the order of revocation of cancellation



**Rule 10A**



TDS/TCS deductor who continues to furnish it at the time of registration.

# 10

## PAYMENT OF TAX

### SUMMARY

#### E-ledgers

#### E-liability

1. self assessed output tax, penalty, late fees, interest of previous tax period
2. self assessed output tax, penalty, late fees, interest of current tax period
3. Tax & other dues demanded by PO u/s 73/74

#### E-Credit

1. E-credit ledger represents I.T.C
2. E- credit can be utilized only to pay off Output tax

#### E-cash

1. Can be utilized to pay off Output Tax, interest, late fees, Penalty
2. Money can be infused through:
  - a) NEFT/ RTGS
  - b) Debit/Credit card
  - c) Net banking by
  - d) Cash/cheque/DD upto Rs. 10,000. per tax period.

#### Exception

Non-applicability of Over the counter payment limit on deposits to be made by

Proper officer or any other officer authorised

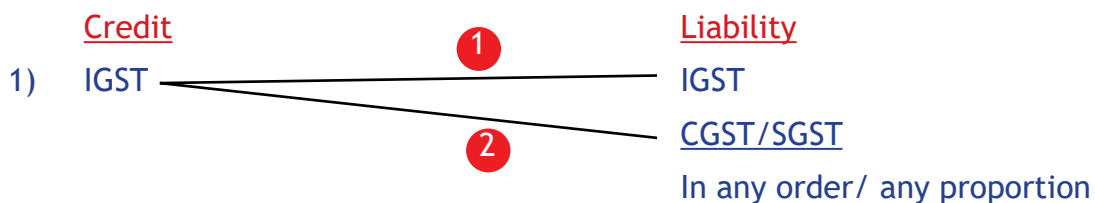
Government Departments

to recover outstanding dues including attachment proceedings or sale of moveable/ immoveable properties

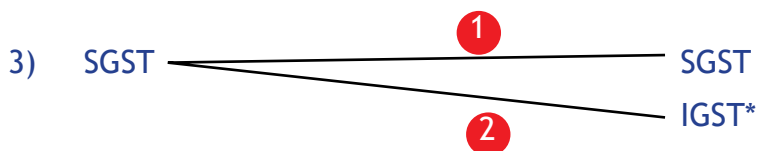
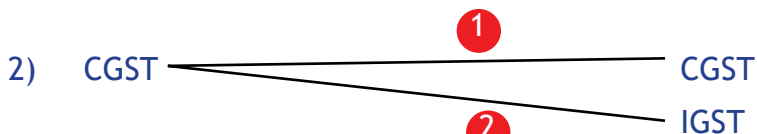
to collect the amount by way of cash/cheque/ demand draft during any investigation/ enforcement activity / any ad hoc deposit

Persons notified by Commissioner

**MANNER OF UTILIZATION OF I.T.C.:**



(first exhaust balance of IGST)



**Notes**

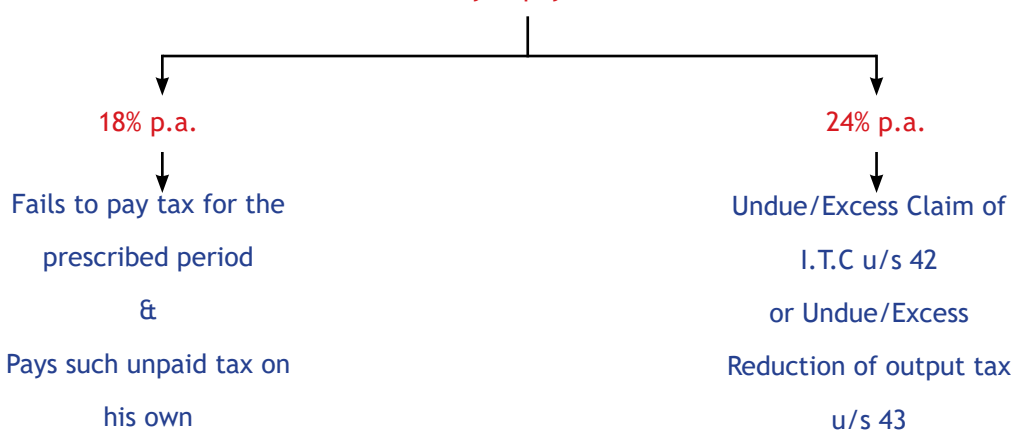
\* SGST credit can be utilized to pay off IGST liability only if CGST credit is over.

→ Credit of CGST cannot be utilized to pay liability of SGST

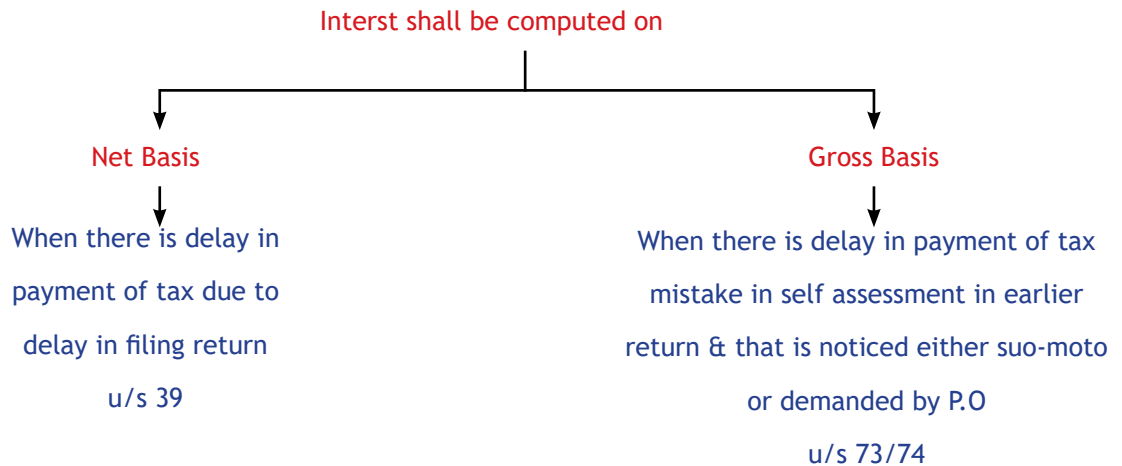
→ Credit of SGST cannot be utilized to pay liability of CGST

E-liability		E-credit		E-cash ledger	
DR.	CR.	DR.	CR.	Output tax	CR
O/P tax	E-credit	O/P tax	Balance	Interest	Any deposit
late fees	E- cash		↓	Fees	done by RTGS/
			Self assessed	penalty	NEFT/Net
penalty			I.T.C		Banking
interest					TDS/TCS

**Interest on delayed payment of tax**







GSTR-3B for Jan month 2020 on 20/02/20

Post filing of return, the R/P was served with a demand notice u/s 73 in the month of Nov 2020.

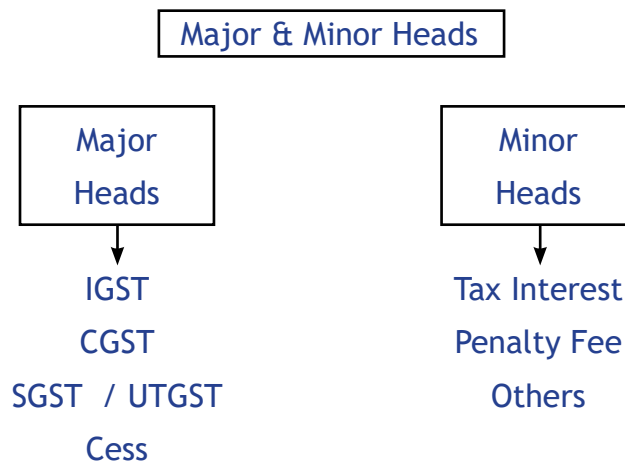
The demand notice stated that there is short payment of tax i.r.t Jan month 2020 to the extent of 1,00,000.

R/P accepted the tax liability & paid the same on 20/12/20

60,000 - through E-Credit Ledger

40,000 - through E-Cash Ledger

**Examine interest payable?**



**GST PMT - 09 Form** can be used to

- i) Transfer Erroneous deposits under any minor head of a major head to any other minor head of same or other major heads.
- ii) Transfer of any of amounts already lying unutilized under any of the minor heads in E-Cash ledger.

**Rule 86B**

In case where the value of Taxable supplies Exceeds ₹ 50 lacs

[Other than = zero-related + Exempt Supplies]

E-Credit Ledger can be used only to the Extent of

**99% of its output tax**

Eg. Outward supplies = ₹ 100 Lacs

(GST@18%, exclusive)

E-Credit ledger Bal = ₹ 20Lacs

Computation of tax liability

Output tax = 18Lacs

(-) ITC = (17.82 Lacs)

(99% x 18Lacs)

C/B = 18,000

ie ₹ 18,000 to be paid through Balance in E-Cash Ledger

**Cases where Rule 86B doesnot apply**

Where the said person/proprietor/ karta/managing director / any of its two partners, whole - time directors, members of Managing Committee of Associations or Board of Trustees, as the case may be, have paid more than ₹ 1 lakh as income tax in each of the last 2 financial years.

Where the registered person has received a refund of more than ₹ 1 lakh in the preceding FY on account of unutilised ITC in case of (i) zero rated supplies made without payment of tax or (ii) inverted duty structure.

Where the registered person has discharged his liability towards output tax through the electronic cash ledger for an amount which is in excess of 1% of the total output tax liability, applied cumulatively, upto the said month in the current financial year.

Where the registered person is:-

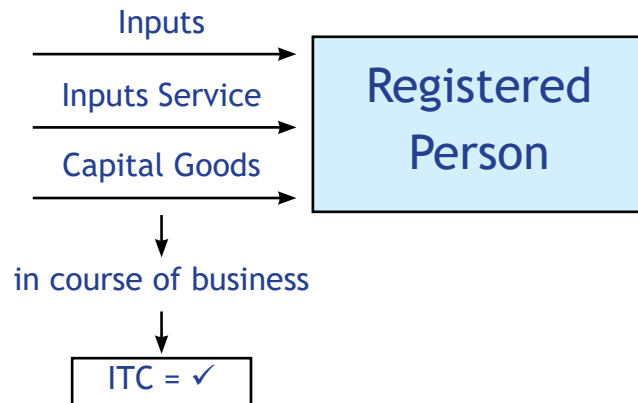
- Government Department
- Public Sector Undertaking
- Local authority
- Statutory body

# 11

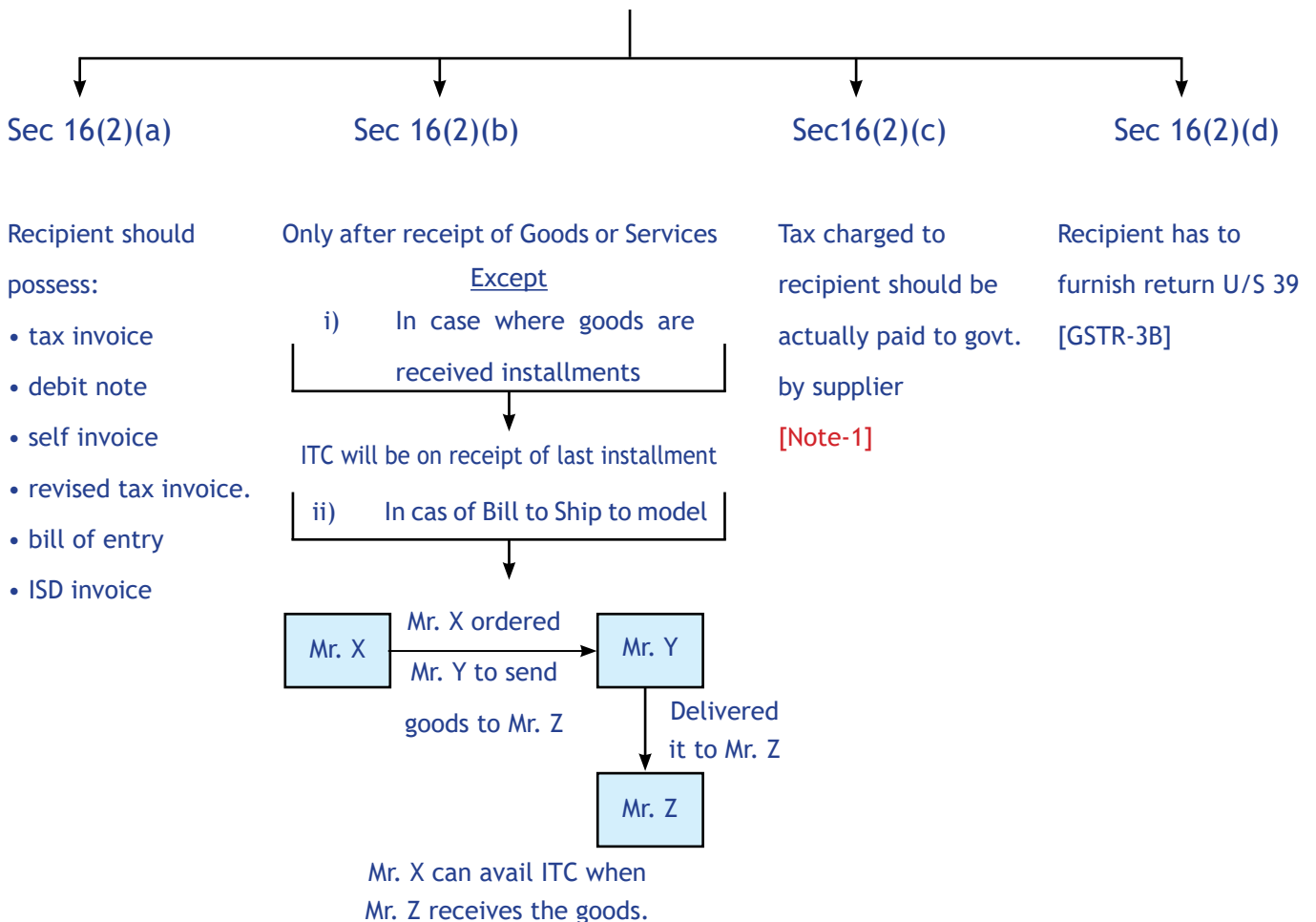
## INPUT TAX CREDIT

### SUMMARY

#### SECTION 16(1)



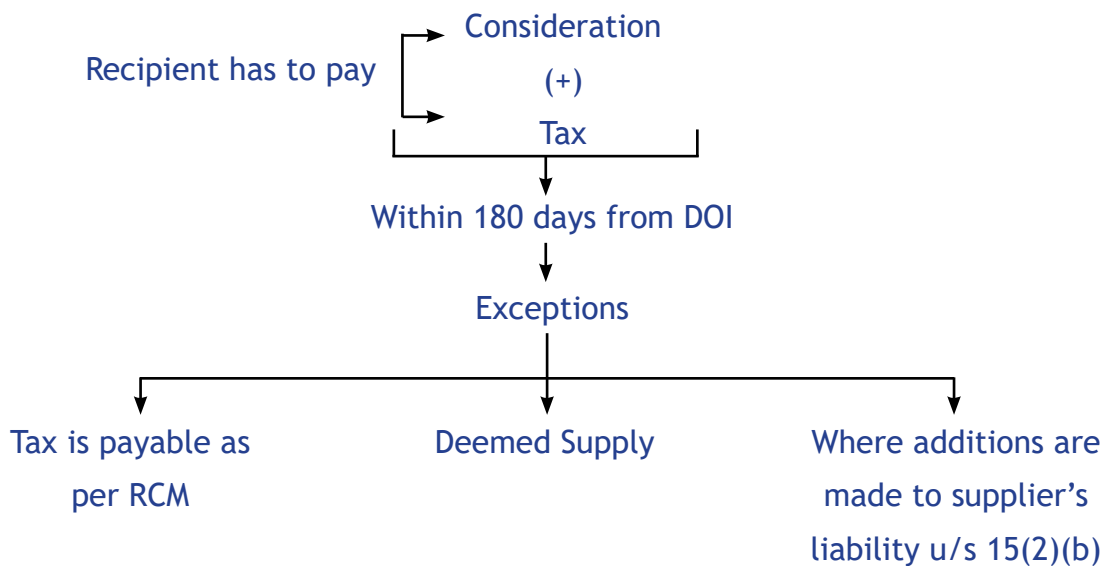
#### Sec 16(2) - Conditions for availing ITC



**NOTE 1:-**

ITC in respect of which debit notes or invoice have not been uploaded by supplier, shall not exceed 5% of eligible credit in respect of which invoice have been uploaded.

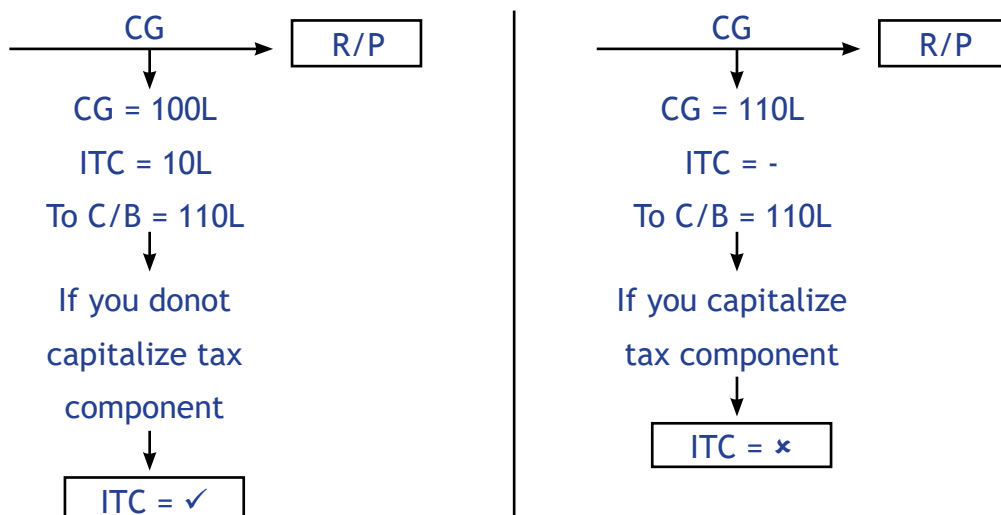
**NOTE 2:-**



**SECTION 16(3)**

Where regd person has claimed depn on tax component of cost of CG ,ITC=x

CG = 100L, GST paid = 10L, Life = 10 years.



**SECTION 16(4)-Time limit for availing ITC**

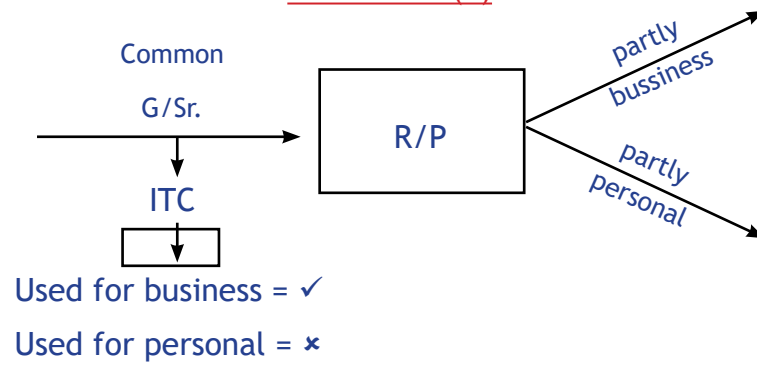
D/D of filing return u/s 39 for Sept month foll the FY in which invoice is raised

**OR**

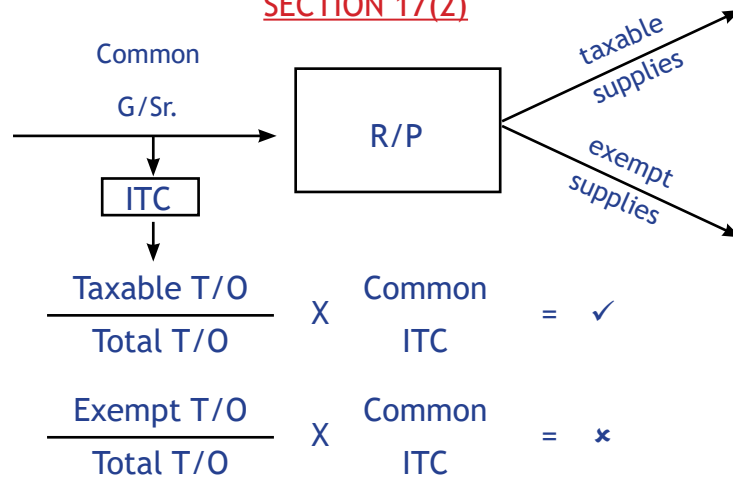
Actual date of filing annual return for relevant FY

Whichever is earlier

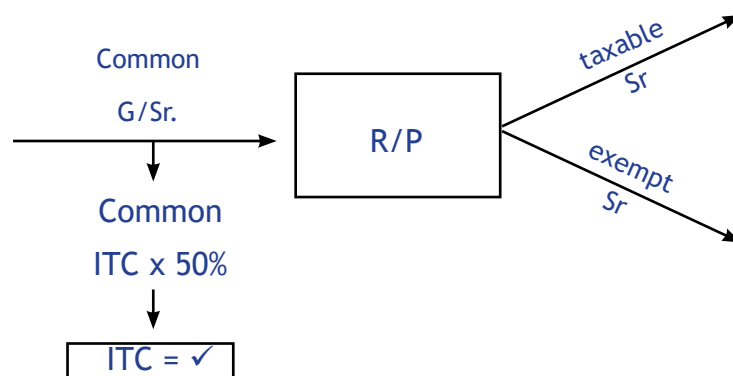
### SECTION 17(1)



### SECTION 17(2)

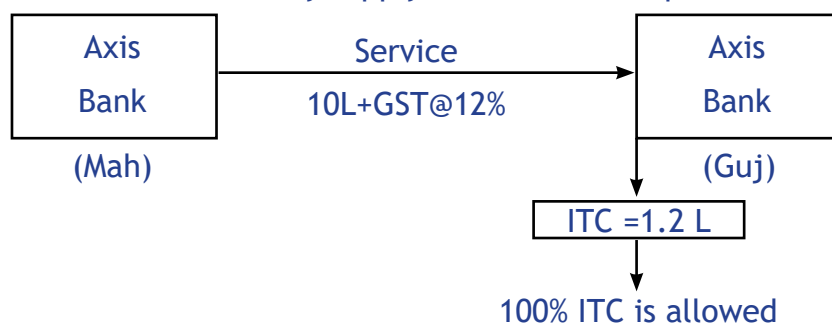


### SECTION 17(4) = Banks, FI (Incl. NBFC)



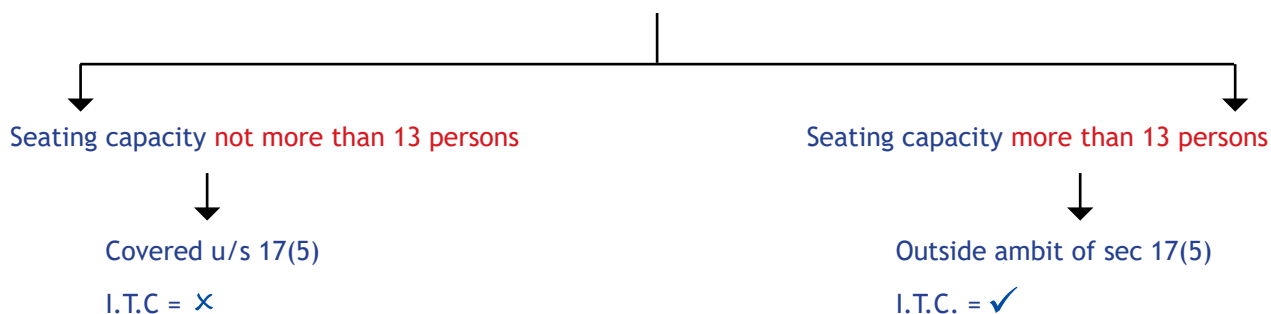
### Exception

When they supply G/Sr to distinct person



SECTION 17(5)

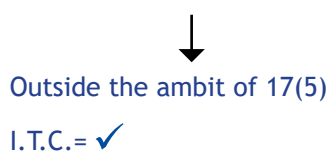
\* **Motor vehicles** for transportation of **persons**



**Except:-**

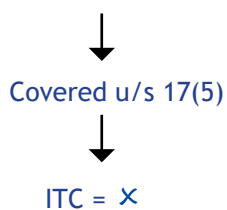
1. Further supply of motor vehicles
2. Transportation of passengers
3. Imparting motor vehicle skills

\* Motor Vehicle purchased for transportation of **goods**



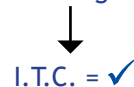
- \* Motor vehicles doesnot include :
- i) Trains
  - ii) Special purpose vehicles for being used in factory or any enclosed premises
  - iii) Two/three wheeler  
(+)  
Engine capacity upto 25 cc

In the case of purchase of **Vessel/Aircraft**



**Except:-**

- Further supply of vessel/aircraft.
- Transportation of passenger
- Imparting training of such vessel/aircraft.
- Transportation of goods



General Insurance

Repairs

Servicing charges

- i) Manufacturer of M+V+A
- ii) General Insurance Co.
- iii) Person who can avail ITC of M+V+A

ITC = ✓

Generally ITC is not allowed in the following cases, however some exceptions are as follows :-

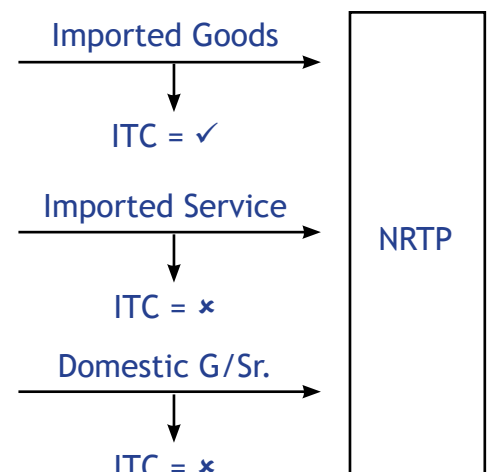
	Inward supply is used for making outward taxable supply	Obligatory under any law (in India)
ITC of food, beverages, outdoor catering, Beauty treatment, Health Services, Cosmetic & Plastic surgery	YES	YES
ITC on membership of health & fitness center	NA	YES
ITC on rental cabs, life/ insurance	YES	YES
ITC on travel benefits extended to employees on vacation	NA	YES
Works contract and construction on his own account (other than plant & machinery*)	YES	NA

\* Plants and machinery means Apparatus, equipment and machinery fixed to earth by foundation or structural support that are used for making outward supply or goods or services or both and includes such foundation and structural supports but excludes-

- i. Land, building or any other civil structures
- ii. Telecommunication towers; and
- iii. Pipelines laid outside the factory premises

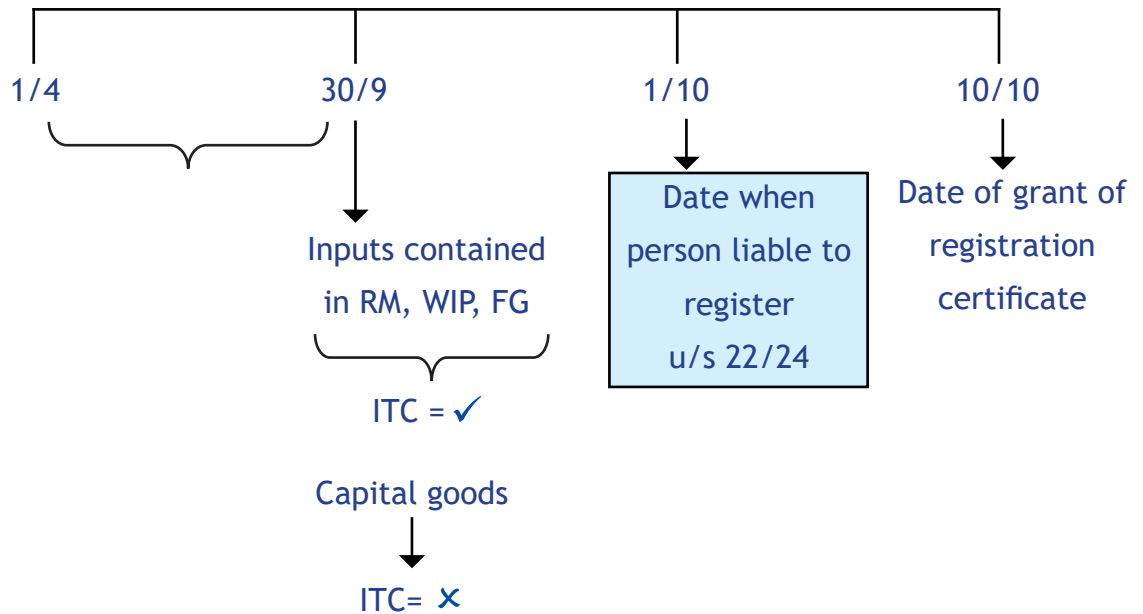
ITC not allowed when goods or services or both-

1. Purchased by a Composite Taxpayer
2. Used for personal consumption
3. Stolen destroyed, disposed of by way of gift or free sample.

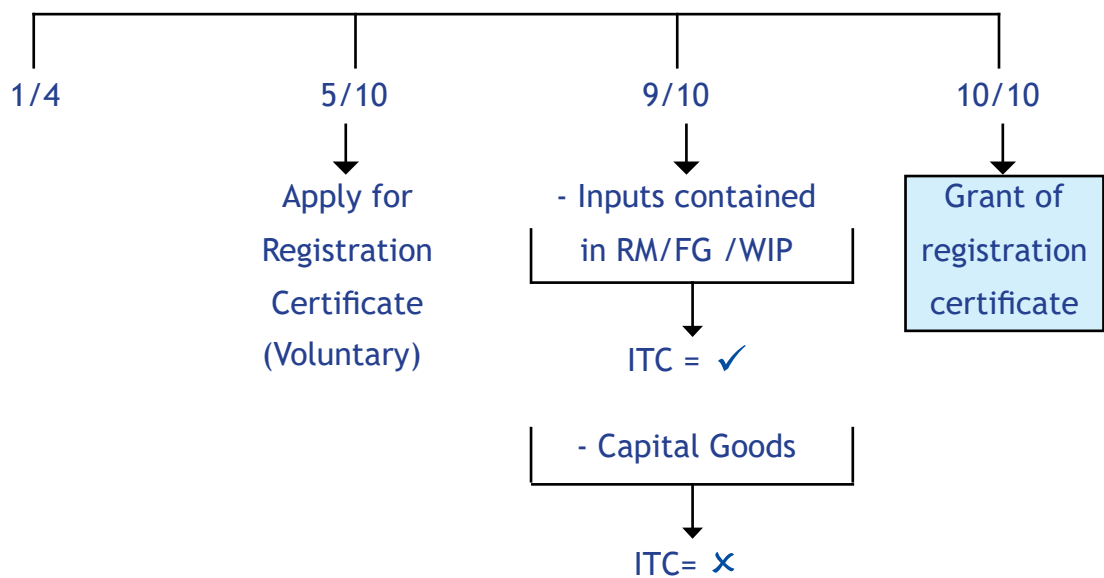


SPECIAL CASES FOR ITC (SEC- 18)

Section 18(1)(a): Availment of ITC for new registration

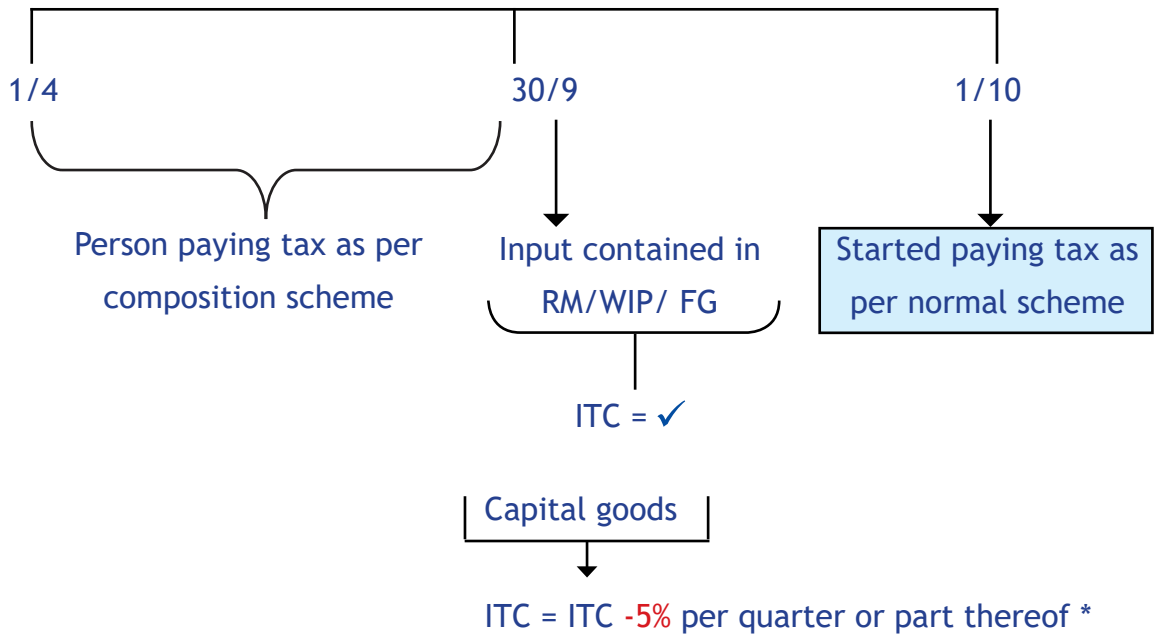


Section 18(1)(b) : Availment of ITC in case of voluntary registration

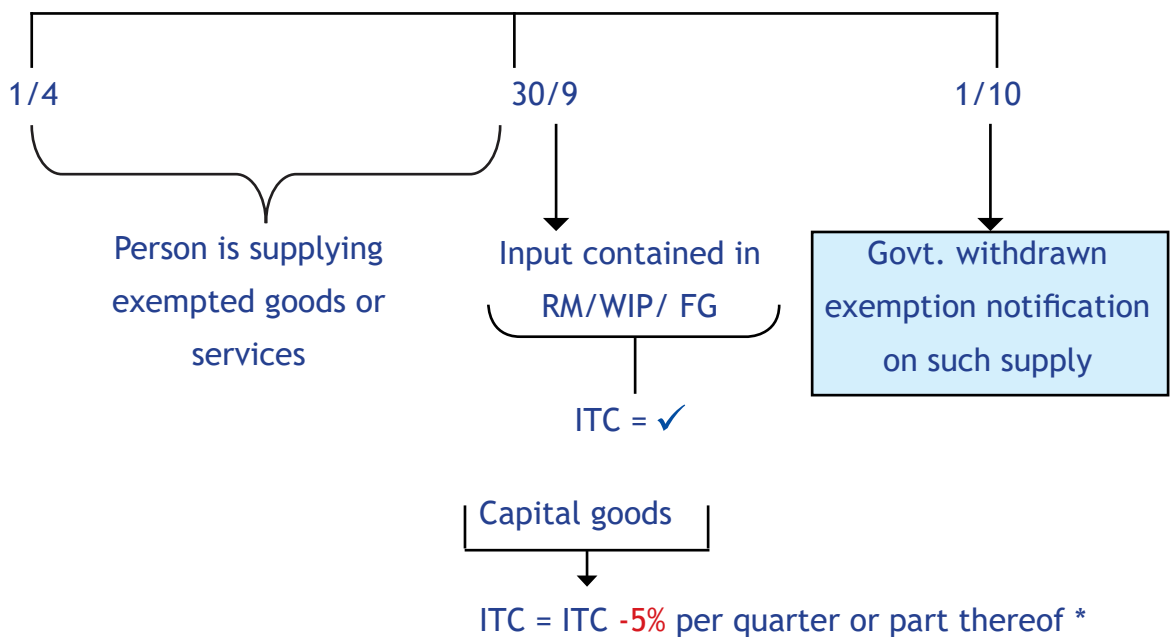




### Section 18(1)(c): ITC when composition scheme opted out



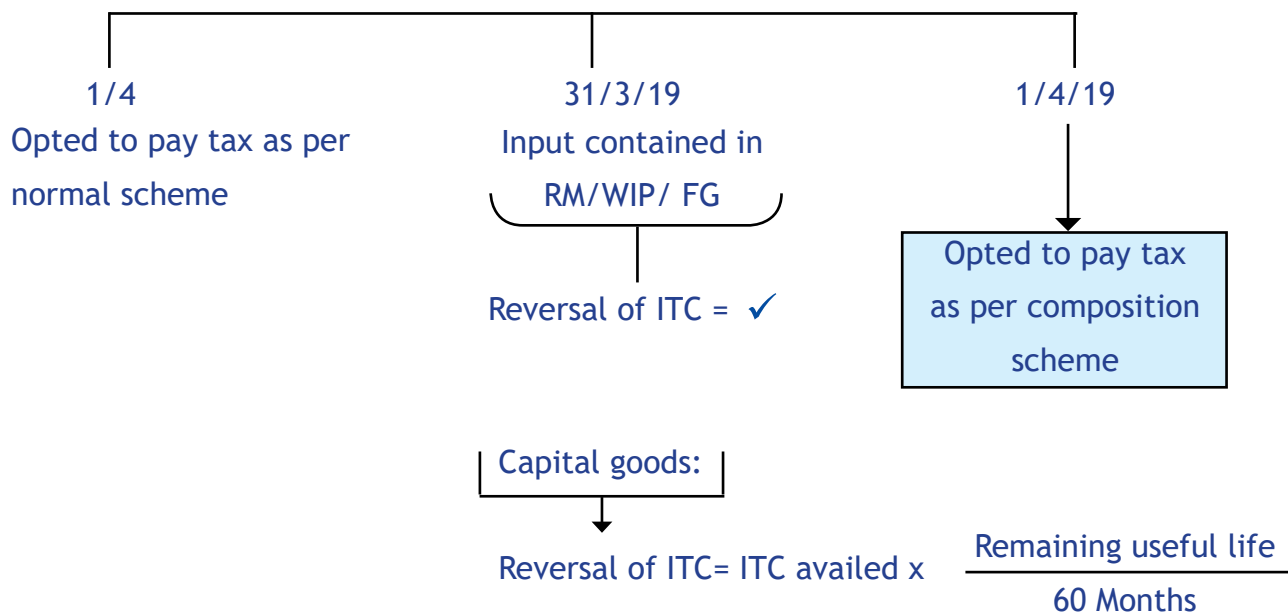
### Section 18(1)(d): ITC when exempt supply becomes taxable



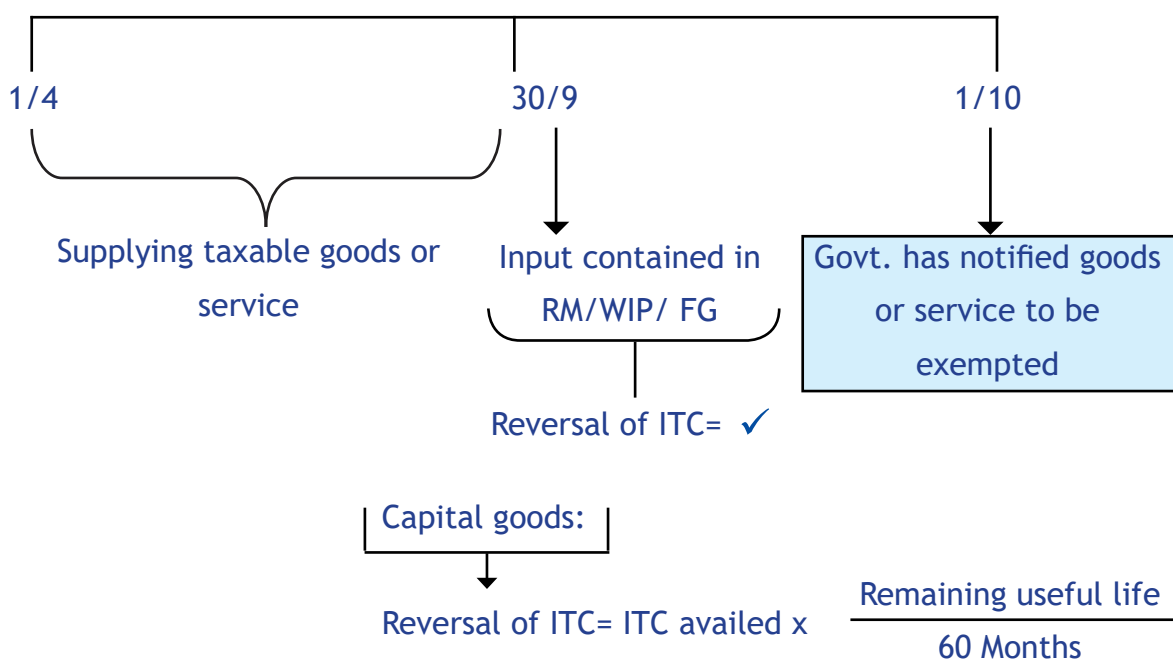
*Date of Invoice	=	xxx
Date of withdrawl of Exemption	=	xxx
person starts paying tax as per normal scheme	=	<u>xxxx</u>

SECTION 18(4): REVERSAL OF ITC

- 1) When a supplier who pays tax as per normal scheme opts to pay tax U/S 10 [composition scheme]



- 2) When a taxable goods or services supplied becomes exempted goods or services as exemption notification issued by govt.



### SECTION 18(6): SUPPLY OF CAPITAL GOODS

Reversal of ITC to the extent of = ITC availed = 5% per quarter or part thereof\*

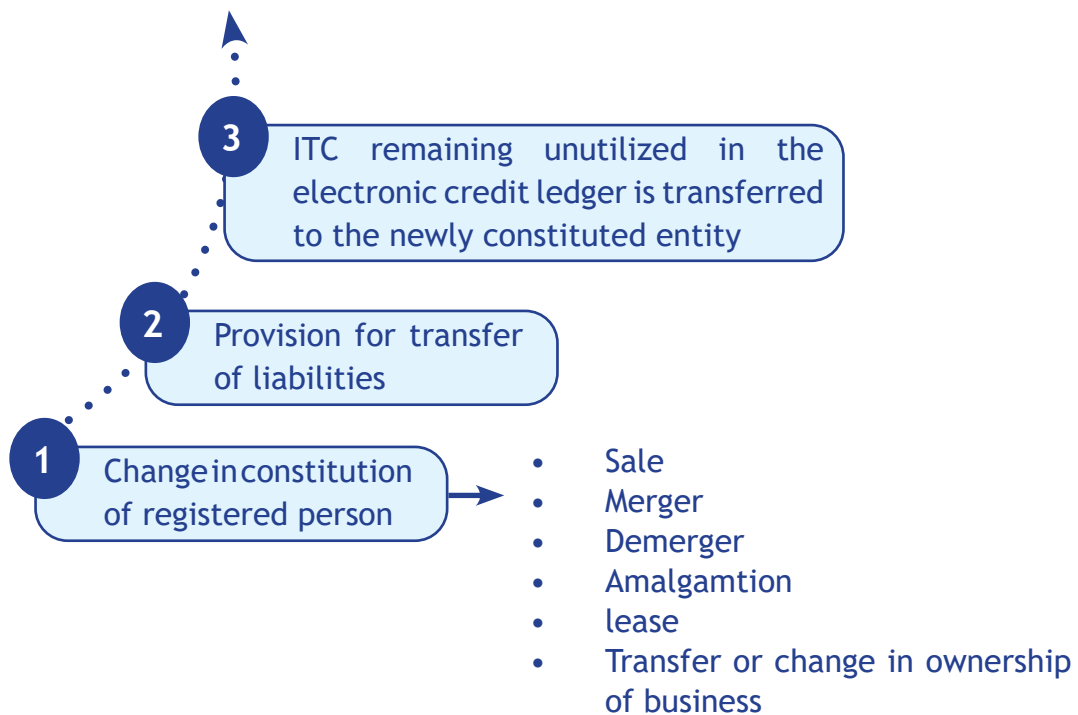
OR

Transaction value × rate of tax, [whichever is higher]

* Date of Invoice	=	xxx
Date when CG is sold	=	xxx

But in case of **moulds, dies, jigs. & fixtures** reversal of ITC = transaction value × rate of tax

### SECTION 18(3): ITC IN CASE OF TRANSFER OF BUSINESS



# 12

## E-WAYBILL

### SUMMARY

#### E-way bill

Electronic document generated on the GST portal that evidences movement of goods.

#### When an E-way bill is generated?

Whenever there is movement of goods of Consignment Value exceeding Rs.50,000 in respect to-

1. Supply
2. Reasons other than Supply
3. Due to inward supply from unregistered person.

#### Who causes movement of goods and generates E-way bill?

- 1 Supplier is registered and undertakes movement of goods- Supplier generates
- 2 Recipient is registered and undertakes movement of goods- Recipient generates
- 3 Unregistered supplier to registered recipient - deemed that Recipient generate
- 4 Unregistered supplier to unregistered recipient - Transporter or Consignor or Consignee generates.

#### Consignment Value

Consignment Value = Value of goods u/s 15 declared in Tax Invoice/ Delivery Challan/ Bill of Supply in respect of said Consignment.

Include :- CGST/ SGST/ IGST/ UTGST/ COMPENSATION CESS

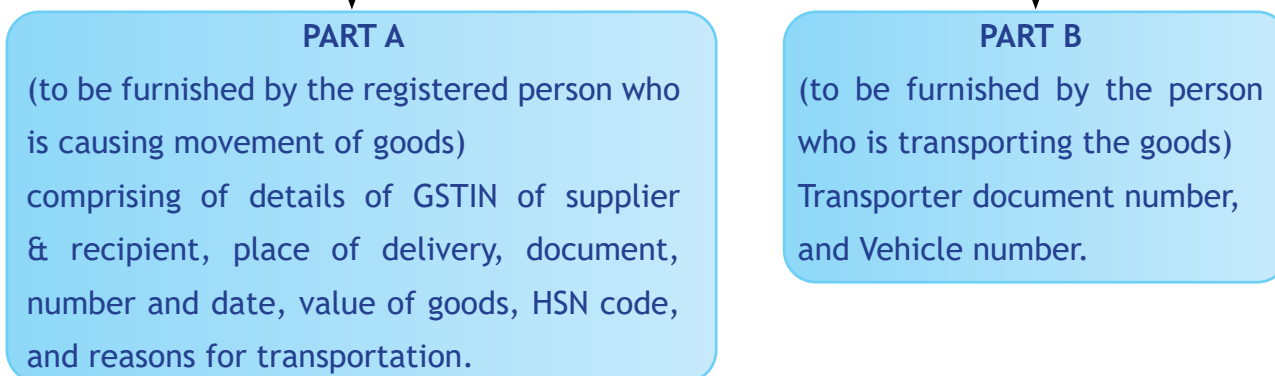
Donot Include : Exempt supplies when Invoice is issued for both Taxable & Exempt Supplies.

#### Mandatory E-way bill

The limit of Rs.50,000 is not applicable in case of -

1. Interstate transfer of goods by Principal to Jobworker, and
2. Interstate transfer of handicraft goods by a person exempted from obtaining registration,u/s 24 of CGST Act. Shall compulsorily generate e-way bill.

**Information to be furnished in e-way bill**

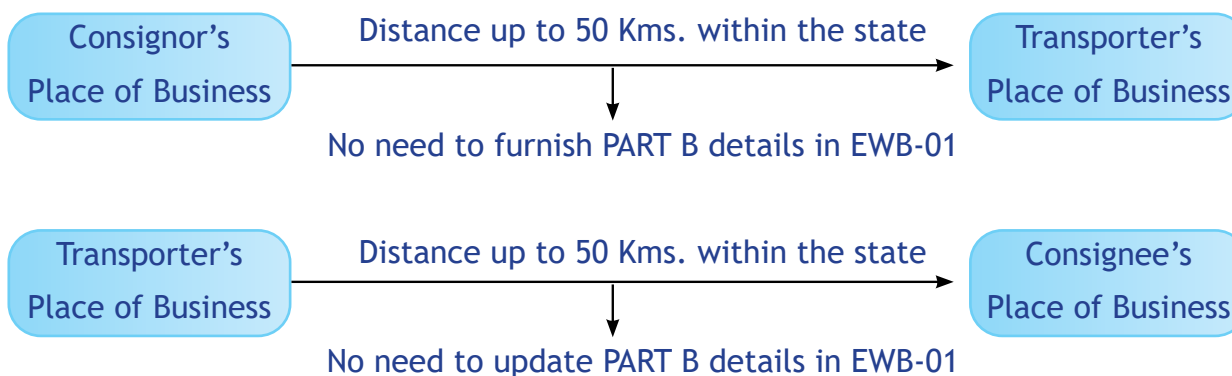


**UNIQUE E-way bill Number - UEN**

A unique E-way bill number shall be made available to Supplier, Recipient & Transporter on the Common Portal upon generation of E-way bill.

The UEN generated after PART A is filled shall remain valid for a period of 15 days for updating PART B.

**Part B not to be furnished or updated**



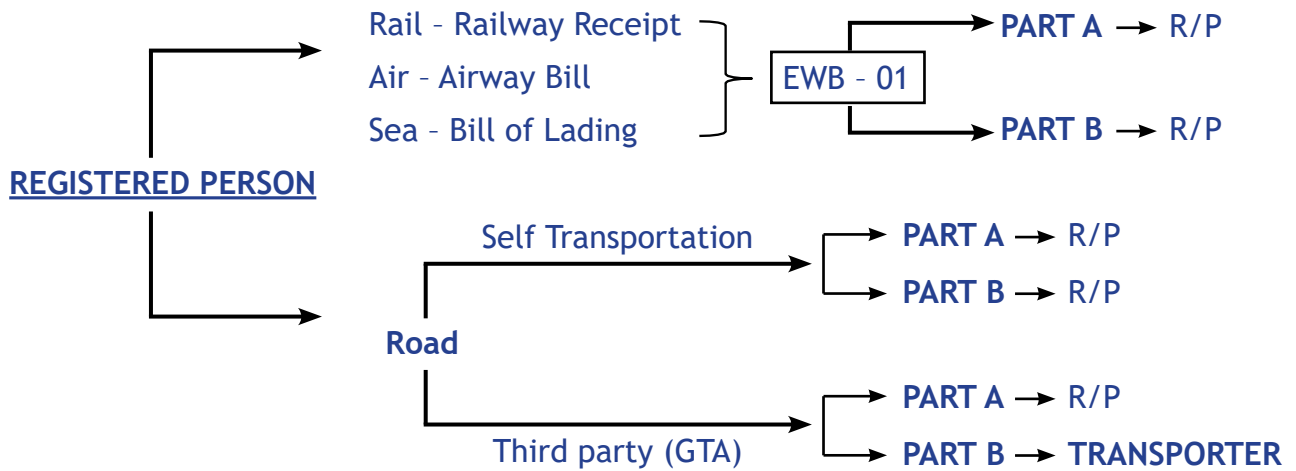
**ACCEPTANCE OF E-way Bill**

The Supplier/ Recipient can communicate their Acceptance or Rejection of Consignment covered by E-way bill.

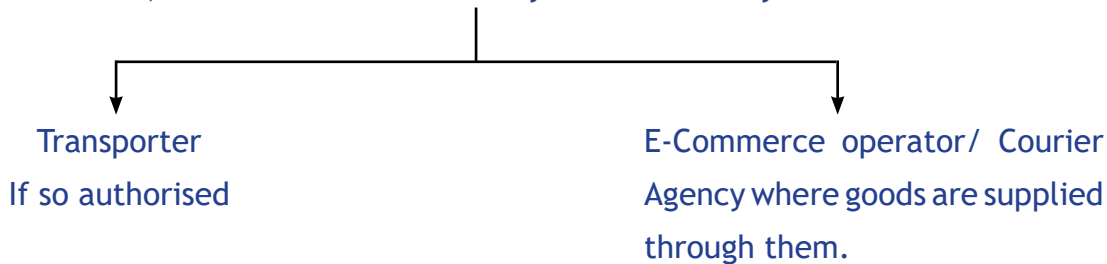
Time to Communicate = Time of Delivery of Goods  
OR  
72 hours of details being made available to him on common portal } w.e.e.

If NO COMMUNICATION = DEEMED ACCEPTED

### Who is mandatorily request to generate E-Way Bill?



→ However, information in PART A may be furnished by -



→ Goods transported by railways shall be delivered only on production of E-way bill.

### Validity period of e-way bill

MODE	No. of Kms.	VALIDITY
Over Dimensional Cargo(ODC) or Multimodal Shipment where one mode of Transport is Ship	20 Kms.	1 Day + Additional Day for part thereof thereafter
Others	200 Kms.	1 Day + Additional Day for part thereof thereafter

### 11. RELEVANT DATE

Date on which E-way Bill is generated and period of validity shall be conducted **from time at which the E-way Bill has been generated and Each Day shall be conducted as period expiry at midnight of day immediately following the date of generation of E-way Bill.**

**E.g.** E-way Bill is generated at -

Case 1 - 22:00 hrs. of 19th September →

~~1st Midnight = 19th-20th September~~  
 2nd Midnight = 20th-21st September

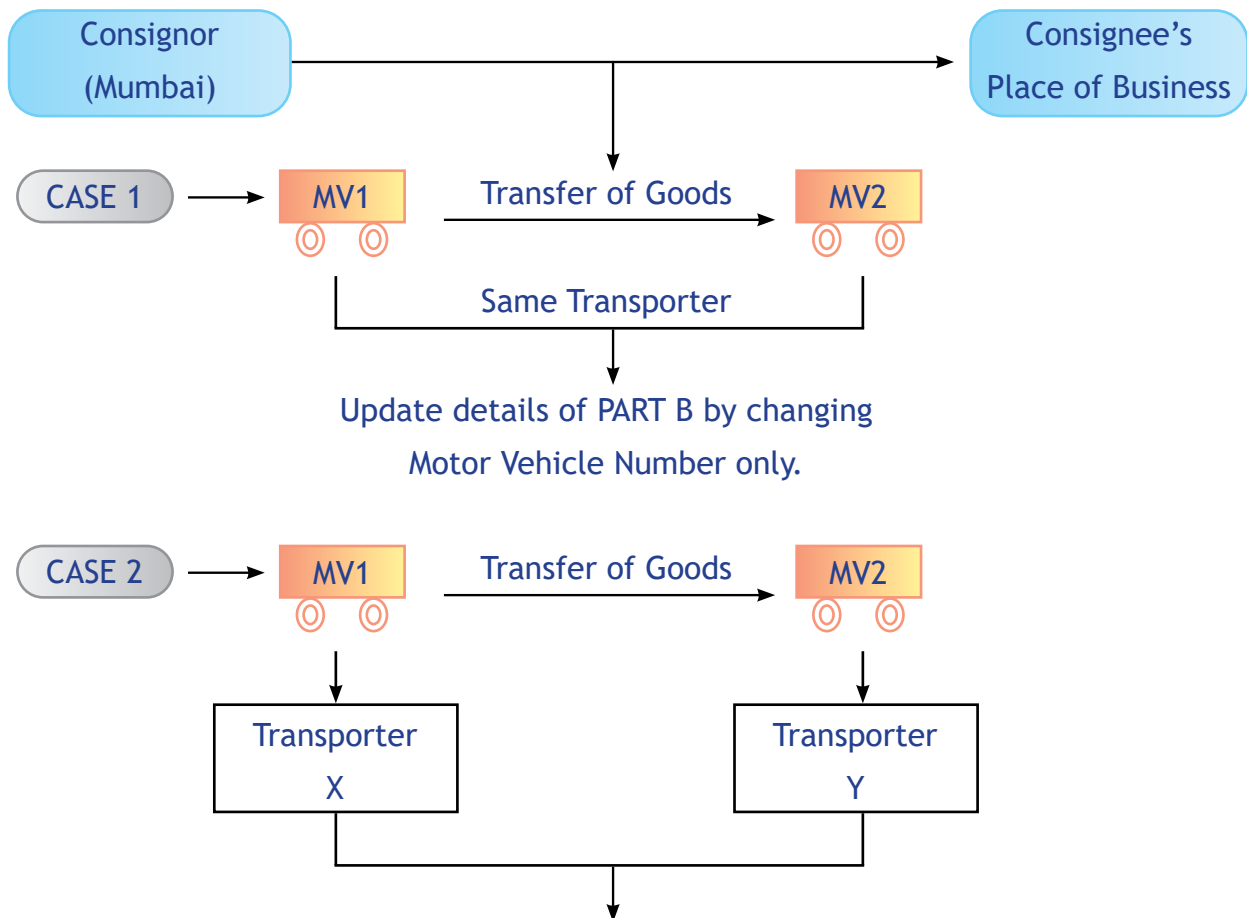
Case 2 - 00:30 hrs. of 10th March →

~~1st Midnight = 10th-11th March~~  
 2nd Midnight = 11th-12th March

**Q.** E-way Bill-

Generated	Vehicle	Distance	No. of days valid	Validity
22:00 hrs of 15th July	ODC	100Kms.	5 days [100/20]	<del>1<sup>st</sup> Midnight = 15<sup>th</sup>-16<sup>th</sup> July</del> 2 <sup>nd</sup> Midnight = 16 <sup>th</sup> -17 <sup>th</sup> July (+) 4 Days ↓ 17 <sup>th</sup> -18 <sup>th</sup> 18 <sup>th</sup> -19 <sup>th</sup> 19 <sup>th</sup> -20 <sup>th</sup> 20 <sup>th</sup> -21 <sup>st</sup> Valid till =
03:00 hrs. of 1st May	Other than ODC	350 Kms.	2 days [350/200]	<del>1<sup>st</sup> Midnight = 1<sup>st</sup>-2<sup>nd</sup> May</del> ↓ 2 <sup>nd</sup> -3 <sup>rd</sup> May (+) 1 Day ↓ 3 <sup>rd</sup> - 4 <sup>th</sup> Valid till =

### Transfer of goods from one conveyance to another



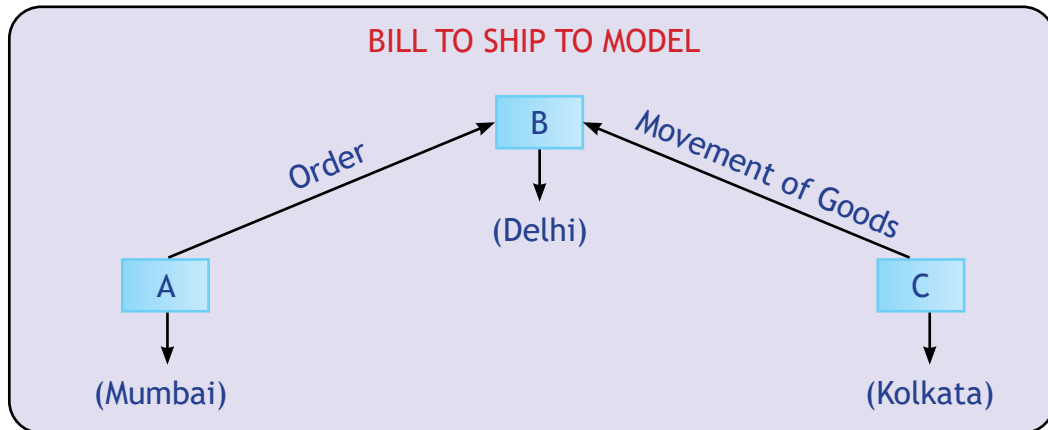
Since, there is another transporter, Consignor/ Recipient who generated PART A details may 'Assign' E-way Bill No. to **ANOTHER TRANSPORTER** for updating the information in PART B for further movement of consignment

However, once the details of the conveyance have been updated by the transporter in **Part B**, the consignor or recipient, as the case may be, who has furnished the information in **Part A** shall not be allowed to assign the e-way bill number to another transporter [Proviso to rule 138(5A)].



**Facility for uploading information regarding detention of vehicle [Rule 138D]**

Where a vehicle has been intercepted and detained for a period exceeding 30 minutes, the transporter may upload the said information in specified form on the common portal.



Since, the **movement of goods takes place only once**, hence only **one E-way Bill** shall be generated.



INVOICE 1 - Issued by B to A

INVOICE 2 - Issued by A to C

Hence, Either 'B' or 'A' can generate E-way Bill but only one E-way Bill shall be generated.

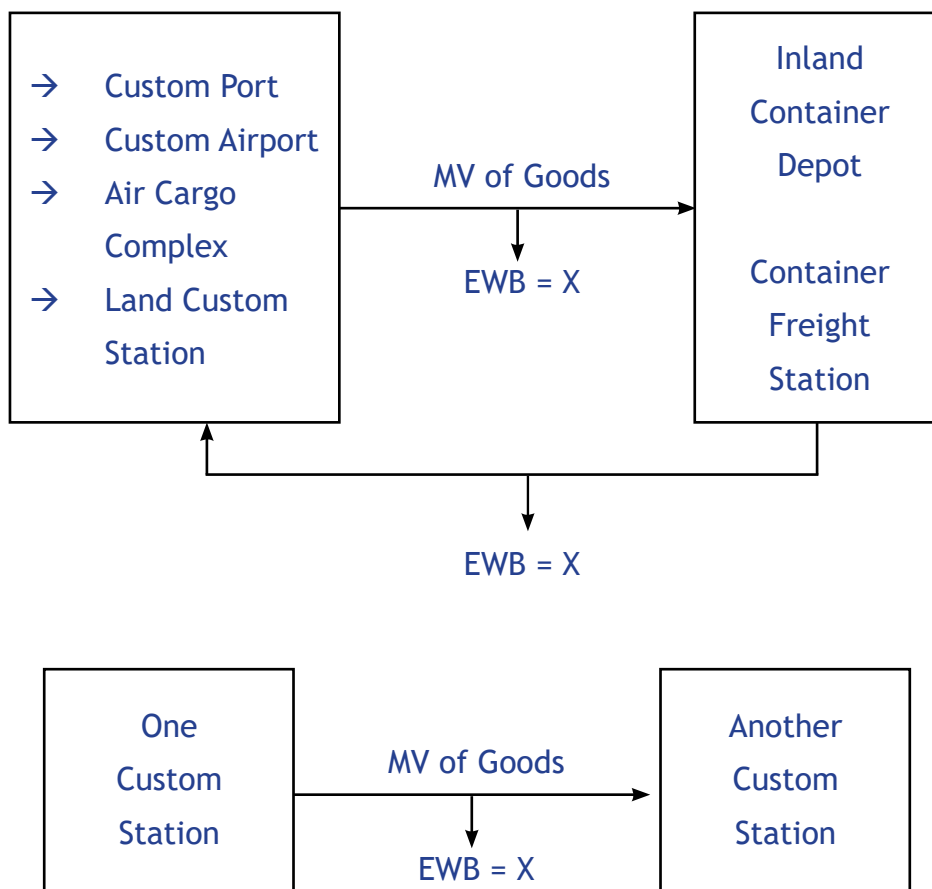
### 15. Cases where no E-way Bill is generated?

1. Where the goods being transported are the ones given below-

a)	Kerosene Oil sold under PDS.
b)	Jewellery, goldsmiths' and silversmiths' wares and other articles.
c)	Currency
d)	Used personal and household effects.

2. Where the goods are being transported by a non-mortised conveyance.

3.



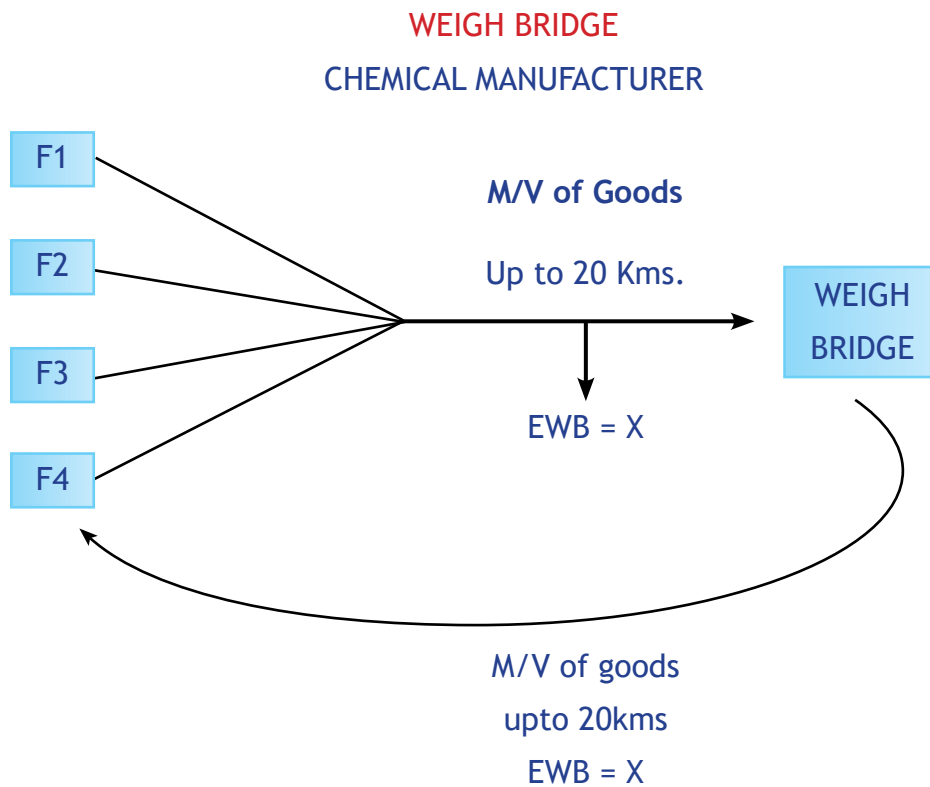
4. Where the goods being transported, are exempt from tax  
N/N 2/2017 & N/N 7/2017

5. Where the goods being transported are alcoholic liquor for human consumption petroleum crude, high speed diesel, motor spirit, natural gas or aviation turbine fuel.

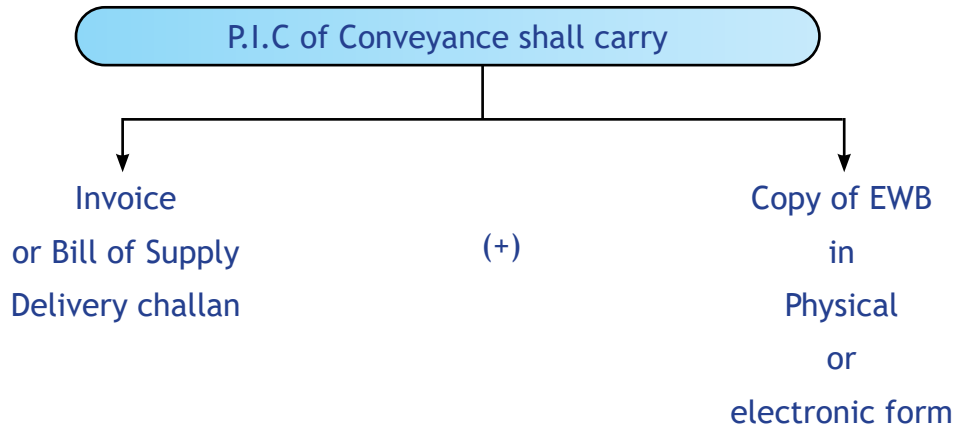
6. Where the supply of goods being transported is treated as no supply under Schedule III of the Act.

7. Where empty cargo containers are being transported.

8. Where goods are being transported up to a distance of 20 km from the place of the business of the consignor to a weighbridge for weight or from the weighbridge back to the place of the business of the said consignor subject to the condition that the movement of goods is accompanied by a delivery challan issued in accordance with Rule 55.

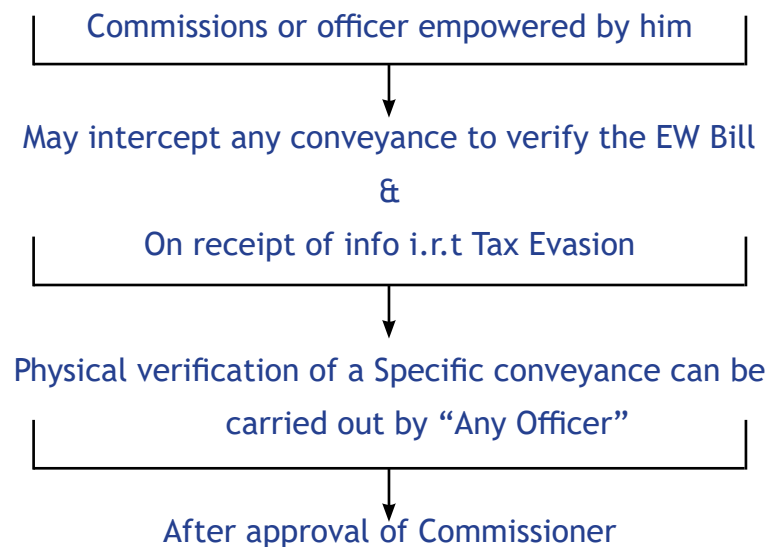


9. Where empty cylinders for packing of liquefied petroleum gas are being moved for reasons other than supply.

**Rule 138A**


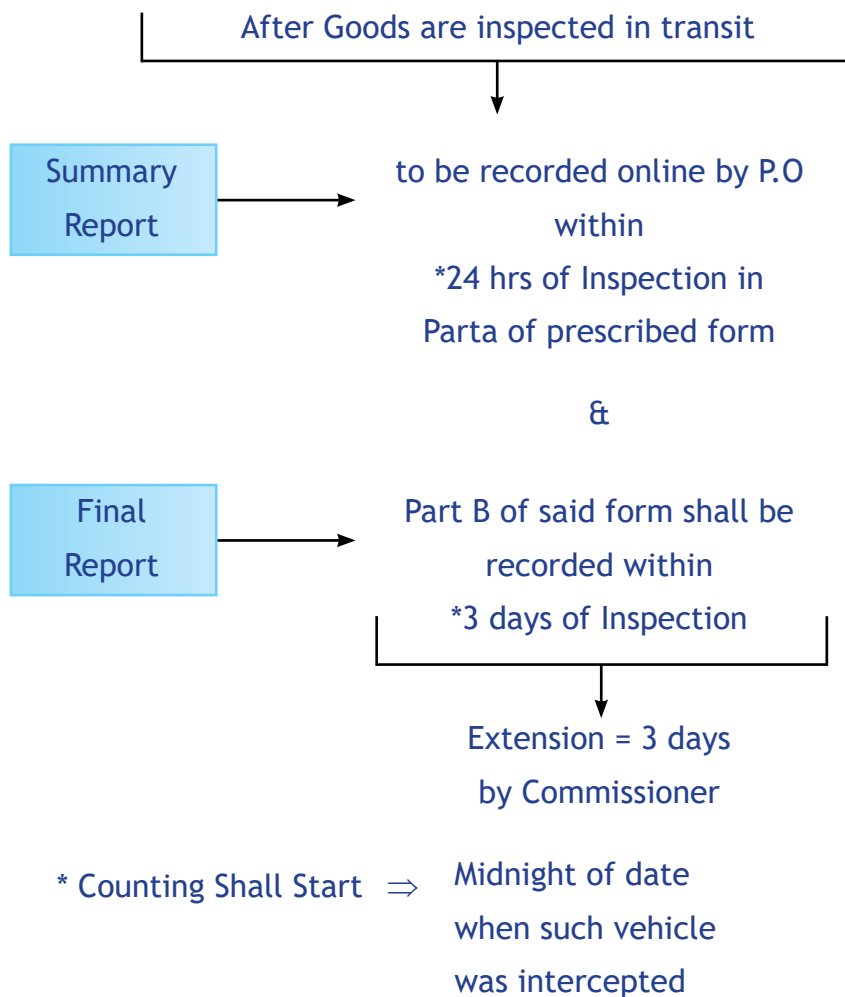
In case where E-Invoice is issued

QR Code embedded with IRN shall be produced instead of tax invoice to P.O

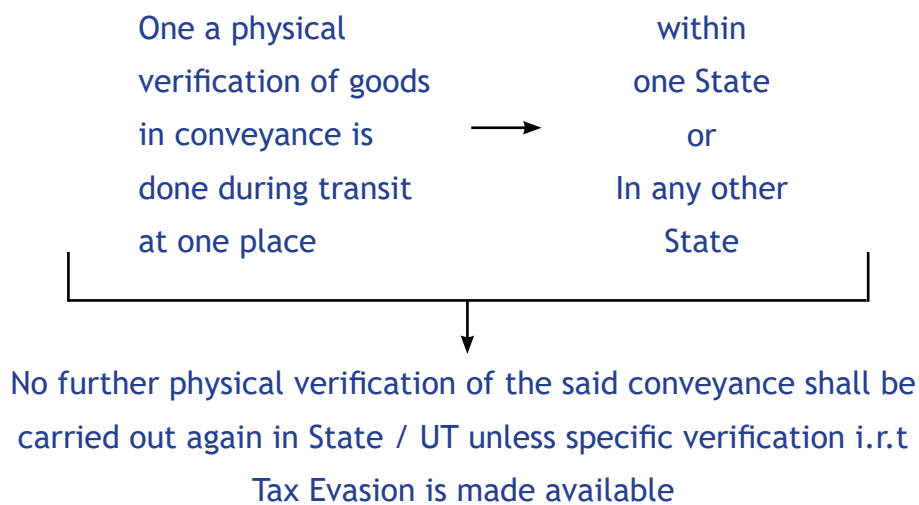
**Rule 138B**


Rule 138C

(1)



(2)



(3)

Only Such goods / Conveyances shall  
 be detained / confiscated.



Where there is violation

**E.g.**

No person (including a consignor, consignee, transporter, an e-commerce operator or a courier agency) shall not be allowed to furnish the information in Part A of Form GST EWB-01 in respect of following registered persons, whether as a supplier or a recipient:



A person paying tax under composition scheme<sup>8</sup> has not furnished the statement for payment of self-assessed tax for 2 consecutive quarters, or

A person paying tax under regular scheme has not furnished the returns for 2 Tax period, or

A person paying tax under regular scheme has not furnished GSTR 1 (Statement of outward supplies) for any 2 months or quarters, as the case may be.

Whose registration has been suspended under rule 21A pending the completion of proceedings for cancellation of registration.



On Sufficient Cause being shown commissioner shall allow furnishing Part A of Form GST EWB-01



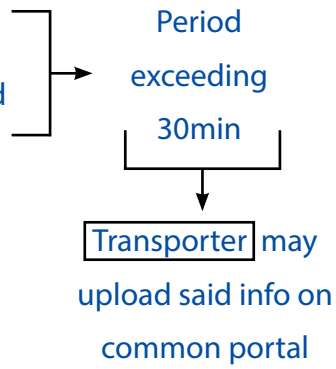
Amendment



E-way bill generation facility is blocked only in respect of any outward movement of goods of the registered person who is not eligible for e-way bill generation as per rule 138E. E-way bills can be generated in respect of inward supplies of said registered person.

**Rule 138D**

When vehicle is intercepted & detained



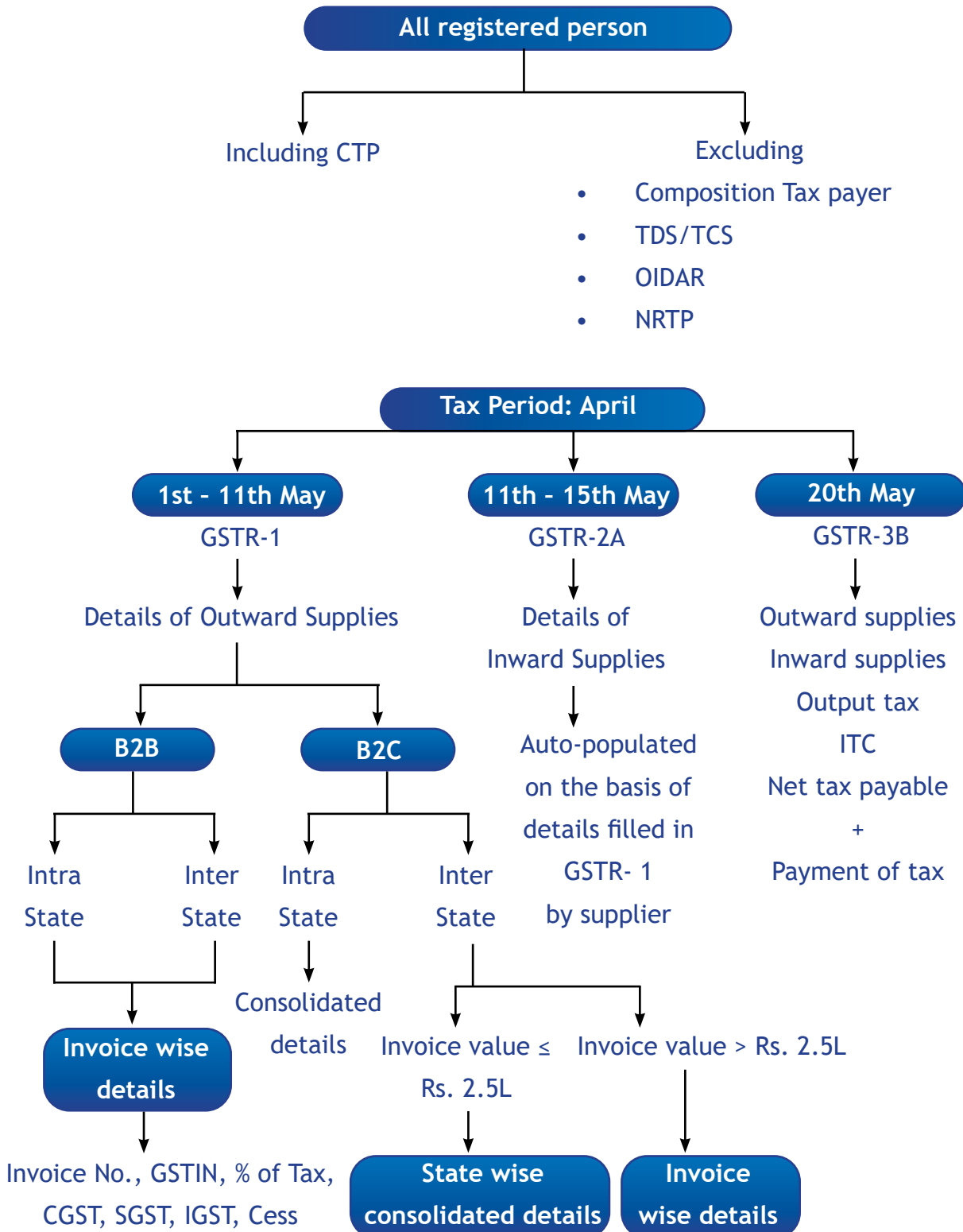
# 13

# RETURNS

## SUMMARY



Who will file Form GSTR-1 and Form GSTR-3B?





Considering the difficulties faced by trade and industry in filing of returns, the Government has introduced staggered filing of GSTR-3B returns as a temporary measure to de-stress the GST return filing system. The last date for filing of GSTR-3B for the taxpayers having annual turnover of ₹ 5 crore and above in the previous financial year would be 20th of the month. For the taxpayers having annual turnover below ₹ 5 crore in previous financial year, the due date for filing of GSTR-3B would be 22nd or 24th of the month depending upon the State or Union Territory in which they are registered. Presently, the staggered filing has been provided for tax periods till March 2021.

GSTR-3B can be submitted electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner. **Further, a Nil GSTR-3B can be filed through an SMS using the registered mobile number of the taxpayer.**

**Notes:**



If a tax payer's aggregate turnover does not exceed 1.5 crore in current FY or previous FY, then GSTR-1 can be filed on quarterly basis.

Due Date: 13th of month succeeding the end of the quarter

**E.g.** Mr. KS, whose aggregate turnover in PFY was Rs. 120 Lacs, has made supplies in quarter end of June 2020.

When shall he file GSTR-1?

**Ans:** Mr. KS shall file GSTR-1 by 13th July 2020.



**Nil Returns**

**Nil GSTR-1**

Filing of GSTR-1 is mandatory for all normal and casual taxpayers, even if there is no business activity in any particular tax period. For such tax period(s), a Nil GSTR-1 is required to be filed.

**A Nil GSTR-1 does not have any entry.** For example, a Nil GSTR-1 for a tax period cannot be filed, if the taxpayer has made any outward supply (including exempt, nil rated or non-GST supplies), or it has received supplies on which tax is payable under reverse charge or an amendment needs to be made to any of the supplies declared in an earlier return or any credit or debit notes is to be declared / amended etc.

**A Nil GSTR-1 can be filed through an SMS using the registered mobile number of the taxpayer. GSTR-1 submitted through SMS is verified by registered mobile number-based OTP facility.**

A taxpayer can file Nil GSTR-1, anytime from 1st of the month subsequent of the tax period onwards. For example, GSTR-1 for the calendar month of April, can be filed from 1st May onwards. GSTR-1 for the quarter of April to June can be filed from 1st July onwards.

 **Form GSTR-1 can be filed only after the tax period is over except -**

- in case of cancellation of registration certificate of a normal tax payer,
- closure of business by a casual taxable person

**E.g.** Cancellation of registration certificate = 6th April

File Form GSTR-1 on 10th April for the period 1st April till 6th April.

 **Nil GSTR-3B**

Filing of GSTR-3B is mandatory for all normal and casual taxpayers, even if there is no business activity in any particular tax period. For such tax period(s), a Nil GSTR-3B is required to be filed.

**A Nil GSTR-3B does not have any entry in any of its tables.** For example, a Nil GSTR-3B for a tax period cannot be filed, if the taxpayer has made any outward supply (including nil-rated, exempt or non-GST supplies) or has received any supplies which are taxable under reverse charge or it intends to take ITC etc.

**A Nil GSTR-3B can be filed through an SMS using the registered mobile number of the taxpayer. GSTR-3B submitted through SMS is verified by registered mobile number-based OTP facility.**

A taxpayer may file Nil Form GSTR-3B, anytime on or after the 1st of the subsequent month for which the return is being filed for.

 **Rectification of Errors**

Due date of rectification of error in **Form GSTR-1**

- Actual date of filing Annual Return
  - Or
  - **Actual date** of filing return for September month u/s 39 following the FY in which supplies are made
- } **whichever is earlier**

Due date of rectification of error in **Form GSTR-3B**

- Actual date of filing Annual Return  
Or
- **Due date** of filing return for September month following the FY in which supplies are made

} **whichever is earlier**

**E.g.**

1) Supplies have been made in FY 20-21.

Actual date of filing Annual Return = 24/12/21

Actual date of filing return for September month following the FY in which such supplies have been made = 20/11/21

What is the max time limit within which errors can be rectified?

**Ans.**

1) Max time limit to rectify errors in GSTR-1

Actual date of filing Annual Return = 24/12/21

Or

Actual date of filing return for = 20/11/21

September month u/s 39 following the FY in which supplies are made = 20/11/21

} **whichever is earlier**

2) Max time limit to rectify errors in GSTR-3B

Actual date of filing Annual Return = 24/12/21

Or

Actual date of filing return for = 20/10/21

September month u/s 39 following the FY in which supplies are made = 20/10/21

} **whichever is earlier**

### Composition Tax Payer

	Payment of Tax	Returns
Form No	GST CMP - 08	GSTR - 4
Due date	18th of month following the quarter	30th April of next FY
Example	Period	Due date
	April - June	18th July
	July - September	18th October
	October - December	18th January
	January - March	18th April
	Period	Due date
	FY 20-21	30th April 2021

- **Auto-population of inward supplies**

The inward supplies of a composition supplier received from registered persons filing GSTR-1 will be auto populated in **FORM GSTR-4A** for viewing.

- **Nil return**

Filing of GST CMP-08 is mandatory for all taxpayers who have opted to pay tax under composition scheme, even if there is no business activity in any particular tax period. For such tax period(s), a Nil GST CMP-08 is required to be filed.

A Nil GST CMP-08 does not have any entry in any of its tables. For example, a Nil GST CMP-08 for a tax period cannot be filed, if the taxpayer has made any outward supplies or has received any supplies which are taxable under reverse charge.

A Nil GST CMP-08 can be filed through an SMS using the registered mobile number of the taxpayer. A Nil GST CMP-08 submitted through SMS is verified by registered mobile number-based OTP facility.

**Non-Registered Taxable Person**

	Payment of Tax	Return
Form No	-	GSTR - 5
Due date	Advance tax at the time of applying Registration Certificate	20th of next month Or 7 days from expiry of Registration Certificate

} W.I.E.

**Example**

Mr. Trump, USA came to Mumbai and had no fixed establishment. He registered himself as NRTP.

He commenced business on 1/04/2018

His registration expired on 27/05/2018

Tax period	Due date
April	20th May or 3rd June, whichever is earlier = 20th May
May	20th June or 3rd June, whichever is earlier = 3rd June

**Final Return**

Who shall file = Normal tax payer whose Registration Certificate has been cancelled or surrendered

Form No = GSTR-10

Due date = Within 3 months from  
Date of cancellation  
Or  
Date of cancellation order

} **Whichever is later**

**E.g.**

Proper Officer cancelled registration certificate of Adani Ltd. by passing order on 1/4/20 which came with effect from 1/5/20.

What is the due date upto which Adani Ltd. shall file final return?

**Ans.**

Adani Ltd. shall file Final Return

Within 3 months from

Date of cancellation (i.e. 1/4/20)

Or

Date of cancellation order (i.e. 1/5/20)



Whichever is later

= 3 months from 1/5/20

= 1/8/20

### GSTR - 11 - Details of inward supplies of persons having UIN [Rule 82 of the CGST Rules]

**(a) When UIN is issued for claiming refund of taxes paid on inward supplies**

Such person shall furnish the details of those inward supplies of taxable goods and/or services on which refund of taxes has been claimed in Form GSTR-11, along with application for such refund claim.

**(b) When UIN is issued for purposes other than refund of taxes paid**

Such person shall furnish the details of inward supplies of taxable goods and/or services as may be required by the proper officer in Form **GSTR-11**.

### GSTR-5A - Return for persons providing OIDAR services [Rule 64 of the CGST Rules]

Every registered person providing OIDAR services from a place outside India to a person in India other than a registered person shall file return in **FORM GSTR-5A** by 20th day of the month succeeding the calendar month or part thereof.

### Annual Return

**Who shall file** = All registered person except

- 1) CTP
- 2) NRTP
- 3) ISD
- 4) TCS u/s 51  
TDS u/s 52
- 5) OIDAR outside India → U/R/P in India

**Form No:** GSTR - 9 = Normal Tax payer

GSTR - 9A = Composition Tax payer

**Due date:** 31st December of next FY

**Note:**

1. Every registered person whose Books of A/C are **subject to GST audit u/s 35(5)** shall also furnish **a copy of audited annual accounts & Certified Reconciliation statement** alongwith Annual Return.
2. **Reconciliation Statement** reonciles the value of supplies declared in the return furnished for the financial year with the audited annual financial statement and such other particulars, as may be prescribed.

**First Return**

All the outward supplies made from date of becoming liable to register upto the date of grant of registration certificate shall be filed in First Return.

**Example**

Date of becoming liable to register <b>26/04</b>	Date of grant of registration certificate <b>4/05</b>
Outward supplies b/w 26/04 and 4/05 to be filed in <b>Form GSTR-1 on 10th May</b> & Tax shall be paid in <b>Form GSTR-3B on 20th May</b>	

**Section 46**

**Notice to return defaulters [Section 46 read with rule 68 of the CGST Rules]**

A notice in prescribed form is issued, electronically, to a registered person who fails to furnish return under section 39 [Normal Return] or section 44 [Annual Return] or section 45 [Final Return] or section 52 [TCS Statement]. The notice requires the registered person to furnish the return within 15 days.

**Section 47**



**Late fees in case of delayed filing of Returns**

**In GST, Returns can never be revised, they shall always be rectified in next tax period.**

## QRMP Scheme

### What is QRMP ?

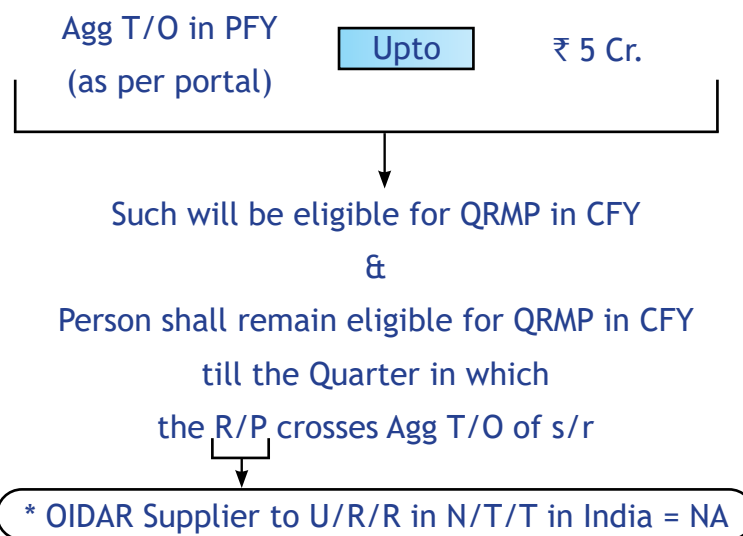
Filing of GSTR-3B on Quaterly Basis.

But

Payment of tax on monthly basis.

### Who is eligible ?

#### Conditions (a)



Eg.

 T/O in PFY (20-21) = 4 Cr.

	T/O	Comulative T/O	Scheme
Q1	1 Cr.	1 Cr.	QRMP
Q2	1 Cr.	2 Cr.	QRMP
Q3	upto Nov - 3 Cr. Dec = 1 Cr.	6 Cr.	QRMP
Q4	1 Cr.	7 Cr.	Monthly



Conditions (b)

Last Return which was due on the date of Exercising the option must be filed

**Eg.** Taxpayer is exercising the option of QRMP scheme  
on 27th July 2021.



He must have furnished return for the month of June on its Due date = 20th July.

When to exercise the option of QRMP Scheme?

Period = July to Sept  
When can he exercise option = 1st May to 31st July

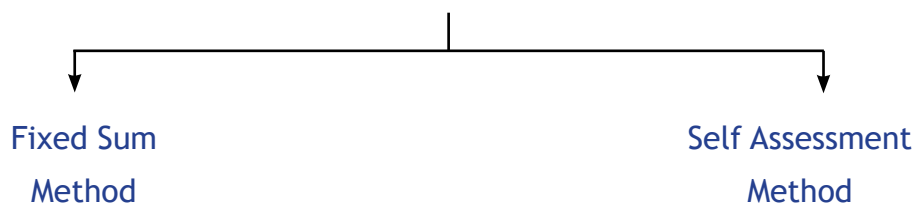
&

Once he exercises the option it shall  
continue to furnish return on quarterly basis  
for future tax periods

↓ unless

- 1) becomes ineligible for this scheme
- OR
- 2) opts for furnishing on monthly basis

Payment of Tax



Fixed Sum Method

- 1) If last Tax period was a Quarter



Tax paid in **Last Quarter** in cash

(ie Jan-March)

= 100

Tax to be paid in Each months of April - June

April

35



paid

on

25th

May

May

35



paid

on

25th

June

June

40



paid

on

25th

July

(110 - 70)



Final tax in  
Return for  
said Qtr

If Last Period was month



If tax paid in Last month was ₹ 50

A

50

(in 100%)

M

50

(in 100%)

J

Balance

Balance

Self Assessment Method

<u>A</u>	<u>M</u>	<u>J</u>
Cal	Cal	Cal
tax on	tax on	tax on
Actual	Actual	Actual
Basis	Basis	Basis

Note : No tax is required to be deposited in full Situations

- i) Where tax liability is Nil
- ii) Have already Sufficient Balance of ITC

	<u>A</u>	<u>M</u>	
Tax Liability	40	50	= 90
Balance in E-Cash or E-Credit Ledger	70	25	= 95

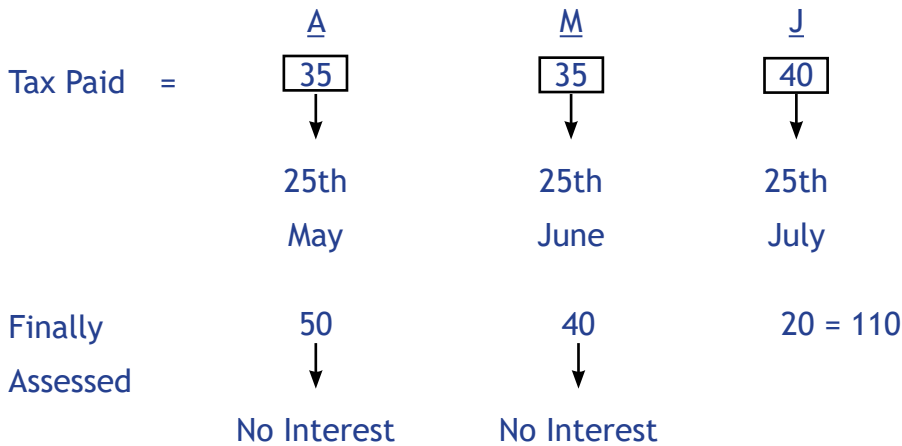
↓  
No need to  
deposit for  
April on the  
person already  
have sufficient  
Balance

↓  
No need to  
deposit as the  
person have  
sufficient  
cummulative  
Balance

Interest Calculation

→ Tax paid in cash in Prev Qtr. Jan-March = ₹ 100

→ Fixed Sum Method



Invoice Furnishing Facility

Taxpayers who opt for = QRMP Scheme

Furnish details of  
O/W supplies to R/P

in

&

GSTR-1

= 1st & 2nd  
months of a  
quarter

Last Quarter

Opting this facility → Optional

and

Hence, a person who doesnot opt for IFF

He shall upload all the invoices in GSTR-1 for all  
the '3 months' of Quarter