



# DRONACHARTERED

Activate Windows

## HANDWRITTEN GST CHARTS

Activate Windows

### REVISE FULL CHAPTER IN 7 MINUTES



CA DHEER MODI  
+91 8655690064



# LIMITS

10 lacs	<b>G</b>	<ul style="list-style-type: none"> <li>Manipur</li> <li>Mizoram</li> <li>Nagaland</li> <li>Tripura</li> </ul>
20 lacs	<b>G</b>	<ul style="list-style-type: none"> <li>Arunachal Pradesh</li> <li>Meghalaya</li> <li>Sikkim</li> <li>Uttarakhand</li> <li>Telangana</li> <li>Puducherry</li> </ul>
20 lacs	<b>S</b>	<ul style="list-style-type: none"> <li>Jammu &amp; Kashmir</li> <li>Assam</li> </ul>
40* lacs	<b>G</b>	<ul style="list-style-type: none"> <li>Himachal Pradesh</li> <li>All other states</li> </ul>

## AGGREGATE TURNOVER

INCLUDES	EXCLUDES
<ul style="list-style-type: none"> <li>Taxable supplies</li> <li>Exempt supplies</li> <li>Supplies of Scope of GST</li> <li>Interstate supply same PAN</li> <li>Exports</li> </ul>	<ul style="list-style-type: none"> <li>CGST / IGST / SGST</li> <li>Supplies of reverse charge</li> <li>Compensation cess</li> </ul>

## NOT LIABLE TO REGISTER

- \* Exclusively making supply
  - Wholly exempt from tax
  - Produce out of cultivation of land.
  - Reverse charge applicable
  - Interstate supply of notified handicraft goods.
  - Rated supply

- \* Only if exclusively supplies goods Scheme NA to
- Person who requires compulsory registration **uls 24**
  - Person making supply of Icecream, Tobacco, Pan Masala

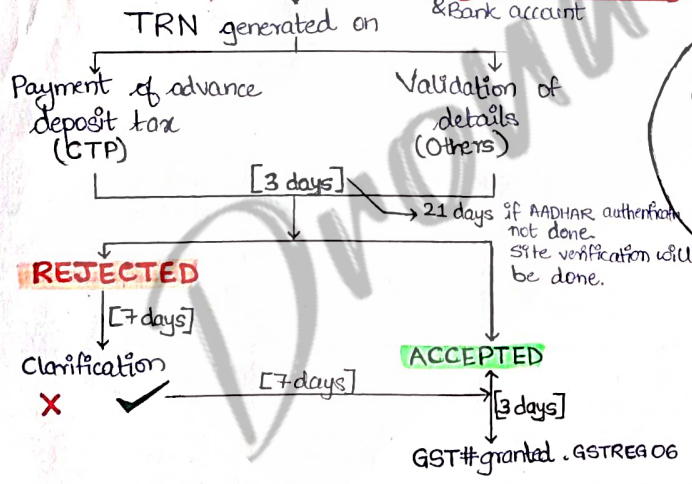
- Person making INTERSTATE supply of TAXABLE GOODS. Unless notified handicraft goods [20 lacs]
- CTP unless supply of notified handicraft goods [20 lacs / 10 lacs]
- N RTP
- Person paying tax under reverse charge mechanism.
- ECO required to collect tax at source. **uls 52**
- Person required to deduct tax **uls 51**
- Agents raising invoice in own name
- Input Service Distributor
- Unit in SEZ area. Separate registration for 2 units in same state if 1 of them is SEZ
- Person supplying ODA services to unregistered person.

# PROCEDURE

## REGISTRATION

**WHEN?**  
 CTP & N RTP → At least **5 days** prior to commencement of biz  
 Others → **30 days** from when liable to register

**HOW?** [Other than N RTP, Person TDS **uls 51**, TCS **uls 52**]  
 [Includes CTP]  
 Apply in form GST REG 01. Declare PAN, Mobile # & **AADHAR VALIDATION** & Bank account



## CANCELLATION

Not filed return for consecutive **6m**

Registration obtained by means of **FRAUD**

By **Officer**

Voluntarily registered person **DOES NOT** commence biz within **6m**

**DOES NOT** conduct biz from declared place of biz during registration

Issues bill / invoice without supply of Goods / Services

- \* Aadhar validation **not** compulsory for non citizens of India.
- \* CTP: Occasionally supply goods from a state where he is not registered
- N RTP: No fixed place of biz in India but occasionally supply goods.
- Both have to make advance deposit of estimated tax liability in ECL
- VALIDITY: 90 + 90 days

Not filed return for 3 consecutive tax periods → Composition scheme

## Amount payable on cancellation **HIGHER**

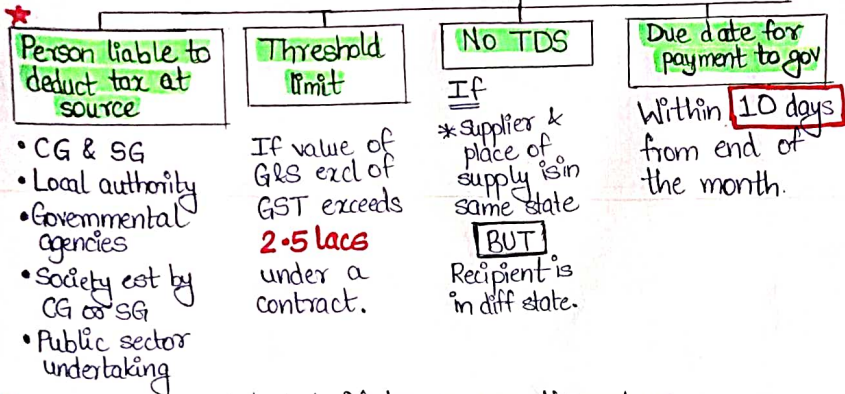
- ITC of stock / goods / Capital goods
- Output tax payable on such goods

- \* If application submitted within 30 days **Effective date** Date when liable after 30 days Date of grant of registration
- \* Bank account to be furnished within 45 days of registration.



**TDS @ 2%** [Does not incl. tax amt]

**TCS @ 1%**



- Collected by ECO — **Who?**
- Supplier sells goods through portal of ECO & payment is received by ECO — **When?**
- Remit to gov within 10 days — **Due date** from end of the month
- File statement within 10 days from month end — **Monthly statement**
- Before 31st Dec following end of FY — **Annual statement**

- \* No TDS to be deducted if txn among themselves.
- \* Deductee can claim credit of tax deducted in E cash ledger.
- \* Deductor to furnish certificate to deductee within 5 days of prnt.

Chapter 14

IMPORT & EXPORT

**IMPORT**

**EXPORT**

Goods travel beyond 200 miles from baseline

**What is import of service?**

- In India → Location of recipient → Place of supply
- Os India → Location of supplier

Os India & to SEZ are **zero rated**

✓ Credit of inputs

⊗ If part of an export service is outsourced i.e subcontracted, full value of supply is export. Pay IGST on portion of service subcontracted [IMPORT]

⊗ Nepal & Bhutan allowed to make payment in INR.

**OIDAR SERVICES**

→ Service whos delivery is mediated by IT over internet

& → Service is automated

Supplier pays to gov      Recipient pays to gov

→ CHARGE	↶ CHARGE
Supplier os India & recipient is in India (Registered) X	Supplier os India & recipient is in India (Unregistered) ✓
Supplier & Recipient both in India.	

**What is export of service?**

- In India → Location of supplier
- Os India → Location of recipient → Place of supply.

**DEEMED EXPORTS** [Only goods]

↳ Manufactured in India, but do not leave India

- Supply of goods against advance authorisation
- Supply of capital goods by a registered person against EPCG
- Supply of goods to EOU
- Supply of gold by a bank or PSU.

Tax will be levied, then refunded to supplier / recipient.

**IMPORT OF GOODS**

↳ Once cleared for home consumption

- Supply of warehoused goods before being cleared for home consumption X supply
- Value of supply of warehoused goods

**HIGHER**

\* Sale value

\* Value as per bond bill of entry + Basic custom duty.

**Supplies to SEZ**

Option 1 → Sign LOU. Dont pay GST

Option 2 → Dont sign LOU. Pay GST. Claim refund

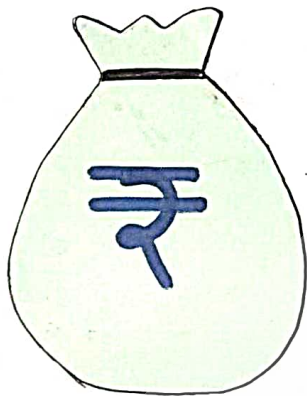


or 90% of SP (Agent)

PRICE IS SOLE CONSIDERATION	PREFERENCE FOR CALCULATION	RULE 27 PRICE IS NOT SOLE CONSIDERATION G & S	Rule 28 BETWEEN DISTING OR RELATED PERSON G & S	Rule 29 PRINCIPAL & AGENT G
* All taxes other than GST form part of taxable value. * Interest / Late fee / penalty included in value when received. * Subsidy received from CG/SG will be <b>subtracted</b> from value of supply if included. Else ignore. * Discount allowed as deduction <b>ONLY</b> if possibility existed at time of supply & shown in invoice.	Open market value	1	1	1 or 90% SP of agent
	Cash + MV of kind	2	X	X
	Value of like kind & quality supply	3	2	X
	Cost x 110% Rule 30	4	3	2
	Residual method	5	4	3

If recipient allowed to take full ITC, VOS = Invoice value

## LOTTERY



### HIGHER

Run by State Government:  $100 / \frac{128}{128} \times \text{Face value}$   
 $100 / \frac{128}{128} \times \text{Official gazette price}$

Run by lottery authorised by State Government:  $100 / 128 \times \text{Face value}$   
 $100 / 128 \times \text{Official gazette price}$

## LIFE INSURANCE

POLICY TYPE	TAXABLE VALUE
1 Dual benefit - Risk coverage & Investment	Gross Premium - Amt allocated for investment
2 Single premium annuity policy	10% of single premium
3 Other cases	2.5% of premium of first year 12.5% of premium of next years
4 Policy with only risk	100% Premium.

\* Life micro insurance product with maximum cover of ₹ 2,00,000 is EXEMPT

## BUY SELL FOREX ₹ \$ £

### OPTION 1 Rule 32(2)(a)

	Indian currency involved	INR not involved
RBI reference rate given ✓	Difference b/w B/S rate & RBI rate	1% of [Lower of foreign currency converted to INR using RBI rate]
RBI reference rate N/A ✗	1% of INR provided had	—

### OPTION 2\* Rule 32(2)(b)

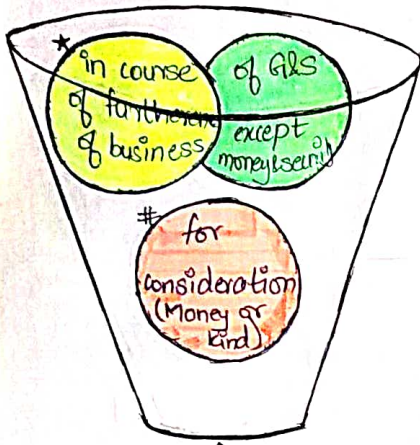
Currency exchanged for (₹)	Value of Supply
Upto 1,00,000	Higher 1% of currency converted INR 250
1 lac - 10 lac	1,000 + 0.5% (Amount above 1L)
Above 10 lac	Lower 5,500 + 0.1% (Amt above 10L) 60,000

\* If opted, can NOT withdraw in same FY

## MISC

- ⊗ Betting, gambling, horse racing is 100% of bet
- ⊗ Air travel ticket by travel agent  
DOMESTIC 5% of basic fare  
INTERNATIONAL 10%
- ⊗ Purchase of 2nd hand goods by dealer  
VOS = Purchase price less from sale price  
ie Margin  
Should NOT claim ITC on purchase
- ⊗ Goods repossessed from defaulting borrower  
• DB = Registered ⇒ Original supply value  
• DB ≠ Registered ⇒ Original purchase price of DB  
- 5% per quarter or part.  
Date of purchase & disposal.  
Mar, Jun, Sept, Dec
- ⊗ PURE AGENT  
Incurs additional expenditure to supply main service/Good. Reimburse on actuals. Markup ✗  
Such expenditure → ✗ supply





SUPPLY SHOULD BE

\* **EXCEPTION:** Import of services for consideration whether or not in the course or furtherance of business.

# **EXCEPTION:** ACTIVITIES WITHOUT CONSIDERATION - Deemed Supply

1. Permanent transfer/disposal of business asset [provided ITC was availed on such asset.]
2. Supply between related persons or distinct persons [Provided it is in course of business]

a) Gifts by employer to employee - Deemed supply if value of gifts greater than ₹50,000 in FY.

b) Perquisites by employer to employee  
Services such as membership of club, gym, housing provided free of charge to employees **NOT** subject to GST

**3. Principal - Agent**

Deemed supply only if principal supplies **GOODS** to agent and agent further supplies the goods in own name (in India)

OR

Agent procures goods on behalf of principal and invoices in name of agent.

ie. Service provider should be dependent except spouse/children

4. Importation of service of related person located outside India without CONSIDERATION in course or furtherance of business

**RELATED PERSON**

- Employer - Employee
- 3rd party owns  $\geq 25\%$  voting share of both.
- Members of same family
- Legally recognised partners.

**DISTINCT PERSON**

- Different registrations of same person in
  - i) Same state & ii) Diff state
- **X** Same registration in same state.

\* Import of service = Supply if

- Either received in course of biz + related person
- OR
- Received for consideration

**NEGATIVE LIST SCH III**

Neither supply of goods nor services

Services by employee to employer  
Includes amount paid for premature termination of contract  
**Excludes** amount paid for NOT joining a competing biz.

Services by court or tribunal  
Includes consumer dispute redressal commission.

Services of MP, PM, speaker, CAG etc

Crematorium, Burial, funeral service Includes transportation

Sale of LAND & BUILDING

Actionable claims other than lottery Betting Gambling

Out & Out supplies Buy and sell goods without entering India.

Supply of warehouse goods before clearance for home consumption

**COMPOSITE**

**MIXED**

Naturally bundled

Not naturally bundled

One of which is **principal**

Supply with highest

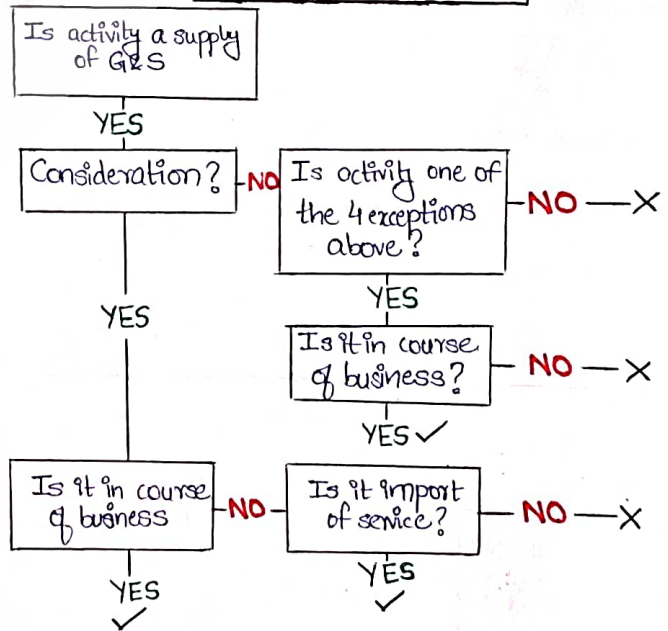
TAX RATE ←

TAX RATE ←

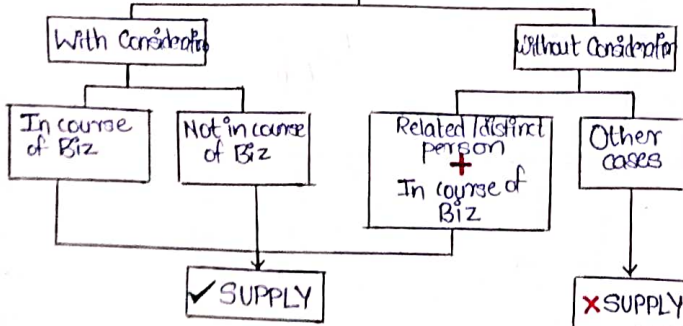
Supplied in conjunction with each other.

Can be supplied independently

**SUMMARY**



**IMPORT OF SERVICES**





	GOODS	SERVICES
<b>FORWARD</b> → [For payment, earlier of] • Job bank mai credit hua of supplier • Entered pmt in books by supplier recd	• Date of issue of invoice • Date when invoice ought to be issued • Receipt // of // day // // // // // // // // // // // // // // // //	<b>CASE 1:</b> Invoice raised ✓ timeline * Date of invoice * Date of receipt of payment. <b>CASE 2:</b> Invoice raised X timeline * Date of provision of service * Date of receipt of payment.
<b>REVERSE</b> ← [For payment, earlier of] • Job bank se katta of recipient • Recipient entered pmt in books	• Payment made / Entry in books by recipient • 31 st day from invoice date • Date when goods received	* Payment made / Entry in books by recipient * 61st day from issue of invoice
	* <u>VOUCHERS</u> → Date of issue of vouchers [If supply identifiable] Date of redemption of vouchers [Supply X identifiable] * <u>Interest / late fees / Penalty</u> → When such amount is received	

## CHANGE IN TAX RATE

Priority	2	1	1
SUPPLY	INVOICE DATE	RECEIPT OF PMT	
BEFORE	BEFORE	AFTER	
BEFORE	AFTER	BEFORE	
BEFORE	AFTER*	AFTER*	
AFTER	AFTER	BEFORE	
AFTER	BEFORE	AFTER	
AFTER	BEFORE*	BEFORE*	

- Majority wins.
  - If any 2 events before change = OLD RATE
  - If any 2 events after change = NEW RATE
- \* Date of receipt of payment →
- Supplier  
 Recipient entered receipt in books  
**E** - Date of credit in bank a/c  
**A** - If credit in bank a/c is after 4 days from Δ tax rate, then pmt date is credit date  
**R** -  
**L** -  
**I** -  
**E** -
- \* For goods, ignore receipt of payment.

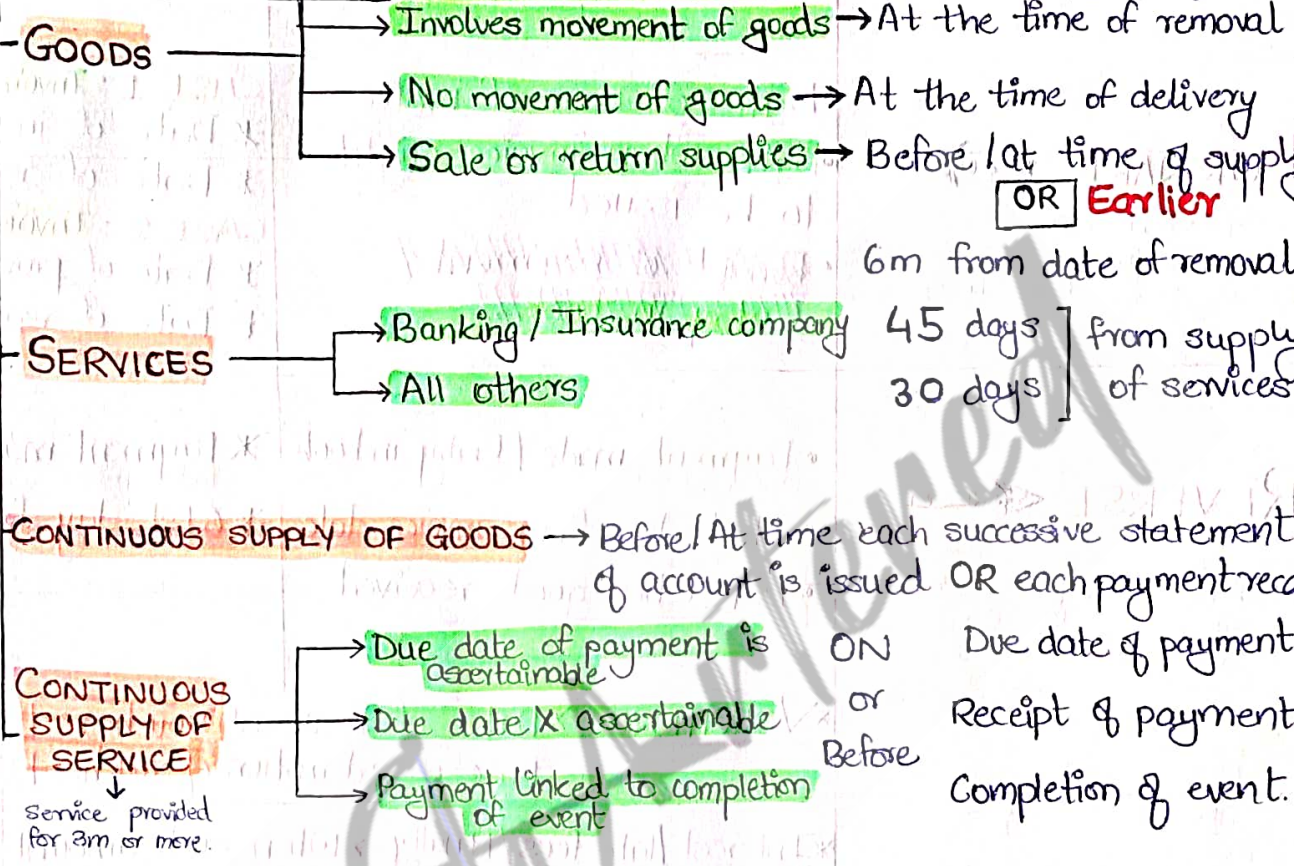
\* Whichever is earlier.



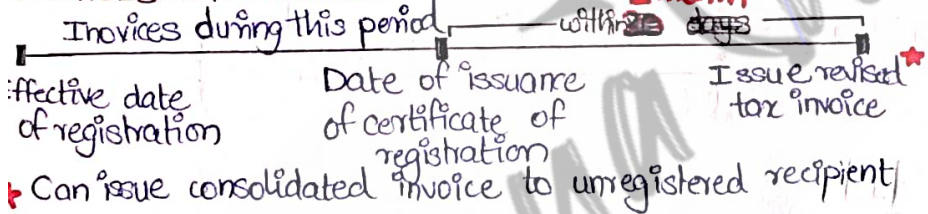
## TAX INVOICE

When such goods are sold:  
 OR  
 6m from removal of goods  
 At the time of removal

WHEN TO RAISE?



### REVISED TAX INVOICES



### INSTANCES WHERE INVOICE NEED NOT BE RAISED

- 1 Value of G/S < 200 & Recipient is unregistered
  - 2 Supplies exempted G/S OR Pays tax under composition / concessional rate
  - 3 Supply of liquid gas where Qty at time of removal ??? OR Transportation of goods for job work / sale on approval basis.
- Labels on right: Invoice not raised, BOS, Delivery challan

## CREDIT & DEBIT NOTE

\* Declare details of credit note in the return during which such credit note was raised.

BUT NOT LATER THAN

a) September following end of FY in which supply was made.

b) Date of furnishing relevant annual return.

\* For return of time expired drugs / medicine, 2 OPTIONS

- i) Treat the return as FRESH SUPPLY & submit invoice / Bill of supply (BOS) [2]
- ii) Return goods & pass credit note.

### E - INVOICING [B2B]

- Mandatory from 1 Oct 2020
  - Invoices have to be reported in Invoice registration portal (IRP)
  - IRP generates unique Invoice Reference No
  - Auto populated in GSTR 1 & GSTR 2A (supplier) (Receiver)
  - No need to issue duplicate / triplicate
- Who? Biz with t/o > 500 cr in any FY from FY 2018-19
- Exempt: SEZ, Banks, NBFC, GTA - goods by road, insurance



## FEATURES

- Value added tax on G&S
- Continuous chain of credit from producer to consumer
- Burden on final consumer
- No cascading of taxes since only valued add

## REGISTRATION

10 lacs	G S	<ul style="list-style-type: none"> <li>Manipur</li> <li>Nipuna</li> <li>Mizoram</li> <li>Nagaland</li> </ul>	Ma Mi Na Tri
20 lacs	G & S	<ul style="list-style-type: none"> <li>Arunachal Pradesh</li> <li>Uttarakhand</li> <li>Puducherry</li> <li>Meghalaya</li> <li>Telangana</li> <li>Sikkim</li> </ul>	P M S U T A
40 lacs → 20 lacs →	G S	All other states	

## DIFFERENCE IN OLD TAX SYSTEM

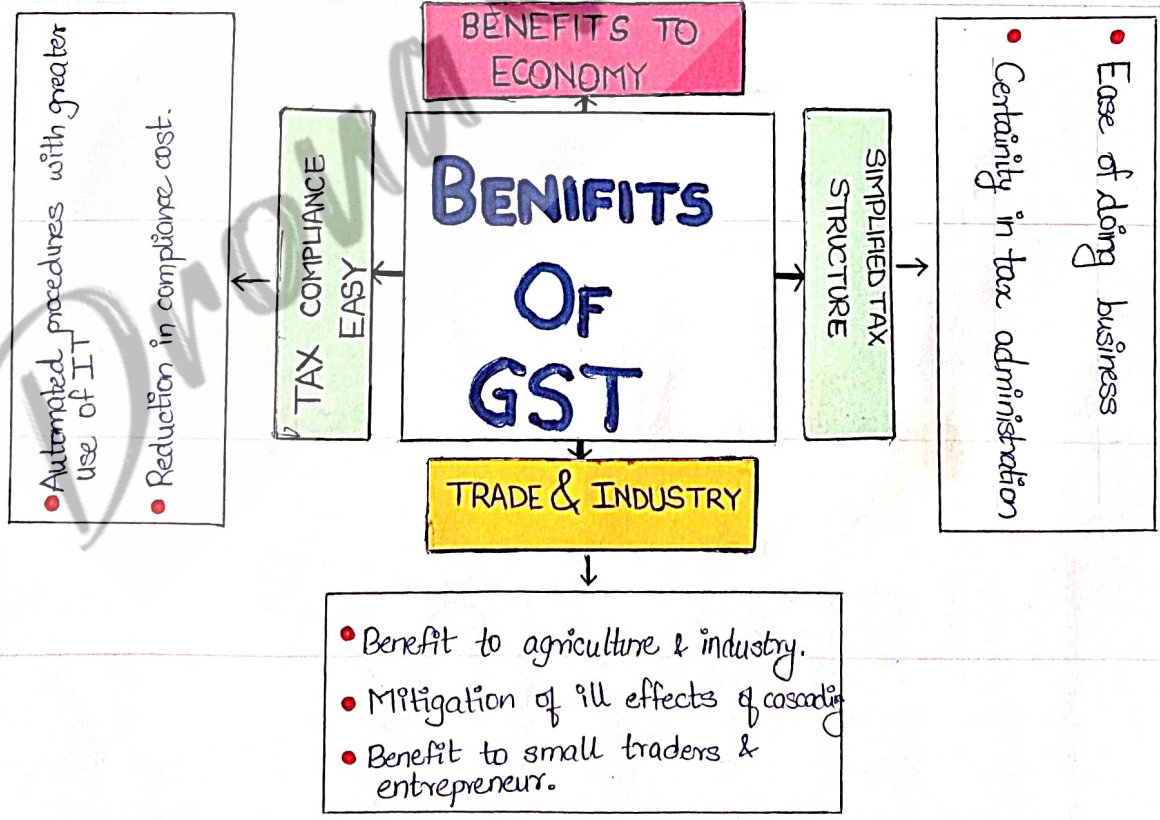
- Double taxation of transaction as both GOODS & SERVICE  
Eg- software was liable to both VAT & Service tax
- NO CENVAT after the manufacturing stage.
- Non inclusion of local levies ~~to~~ of taxes in state & VAT  
Eg - Luxury tax, Entertainment tax
- Non integration of VAT & Service tax
- Cascading of taxes
  - i) Levy of non-vatable CST
  - ii) Inclusion of CENVAT on value for VAT

## TAXES SUBSUMED IN GST

- ### Central taxes
- Service tax
  - Central sales tax
  - Central excise duty
  - Central surcharge
  - CVD & special CVD

- ### State taxes
- Luxury tax
  - VAT / Sales tax
  - Tax on lottery, betting
  - Entertainment tax
  - Tax on advertisement

- Creation of unified national market
- Boost to 'Make in India'
- Enhanced investment & employment





# ACCOUNT

- What accounts to maintain?
- Production of goods
  - Inward & outward supply of G&S
  - Stock of goods
  - ITC availed
  - Output tax paid & payable

- IMP POINTS**
- Maintain books at principal place of biz.
  - Ac audited by CA if turnover > 2cr
  - Maintain books for 72 months from due date of filing annual return

# E WAY

furnished  
 → Part A person carrying movement of goods  
**FORM GST EWB**  
 → Part B furnished by transporter

- Receipt / document issued by carrier for shipment of goods with NAME of consignor, consignee, ORIGIN & DESTINATION
- Evidences movement of goods
- Person generating E Way Bill must be **REGISTERED PERSON**
- Generated **WHEN** movement of goods is more than **₹50,000**  
 Compulsorily generated if goods sent by principal to job workers in different state.
- Can be **cancelled** within **24hrs** from generation
- Consolidated EWAY Bill if multiple consignments in same vehicle

# RECORDS

Maintained by person executing work contract	Maintained by person owner of godown / warehouse / transport
<ul style="list-style-type: none"> <li>• Name &amp; address of person on whose behalf work contract is executed</li> <li>• Description, value &amp; Qty of Gls received &amp; utilised for executing work contract</li> <li>• Payment received for each work contract.</li> </ul>	<ul style="list-style-type: none"> <li>• Details of consignor &amp; consignee.</li> </ul> <p><b>TRANSPORTER</b>                      ↳ Goods transported, delivered &amp; in transit</p> <p><b>WAREHOUSE OWNER</b>                      ↳ Period for which particular goods stayed in warehouse.</p>

★ If such person is not registered, they have to obtain unique enrollment number from GST portal

**VALIDITY**

	1 day	+1 day for every
Over dimensional cargo	upto 20 km	For every additional 20 km
Other than over dimensional cargo	Upto 100 km	For every additional 100 km

**NOT REQUIRED TO BE GENERATED**

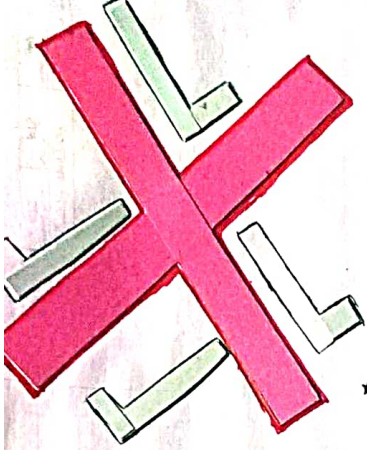
- For transportation of below goods for supply to households
- Sold under PDS
- Postal Baggage
- Pearls, precious metal & jewellery.
- Alcohol, liquor, petroleum, high speed diesel etc.
- Agency Corals
- Where goods transported through non motorised vehicle
- Goods transported from custom port to ICD or CFS
- Consignor is govt.

**PAYMENT OF TAX Chapter 12.1**

- \* **CPIN** → Common portal identification number. Created on successful generation of challan. 14 digits. Validity = 15 days
- \* **CIN** → Challan identification number. Generated by bank on successful payment. 18 digits [14+4]
- \* Manual & physical challans are **X** allowed. E challan valid for 15 days
- \* Date of credit into treasury of gov is deemed to be date of deposit & **NOT** when debited from bank.
- \* **INTEREST = 18%** → Delay in payment of tax. Only on portion paid through cash ledger & **NOT** credit ledgers. i.e after adjustment ITC.
- \* **24%** → Excess claim of ITC or Excess reduction in output tax liability in cash ledger.
- \* Amount in electronic cash ledger (any major/minor head) can be used to settle any major/minor head in cash ledger.

	ELECTRONIC CASH LEDGER	ELECTRONIC CREDIT LEDGER	ELECTRONIC LIABILITY LEDGER
Debit	On payment of liability	Utilisation of ITC against liability	Amount payable towards tax, int, late fee etc.
Credit	Amount deposited in ledger TDS/TCS claimed	Input tax credit as per return	On payment of liability / Utilisation of ITC
	<ul style="list-style-type: none"> <li>• Summary of all deposits / payments made</li> <li>• Limit of <b>10K</b> for over the counter payment per challan.</li> <li>• Each major head [IGST, CGST, SGST, CESS] divided into 5 minor [Tax, int, penalty, fee &amp; others] [PILOT]</li> </ul>	<ul style="list-style-type: none"> <li>• Credit availed on inputs</li> <li>• <u>Can only</u> be used for payment of TAX</li> <li>• <u>Can not</u> be used to pay tax under RCM.</li> </ul>	<ul style="list-style-type: none"> <li>• Total tax liability of a tax payer</li> <li>Chronology for discharge of liability.</li> <li>1. Self assessed tax for prev period</li> <li>2. Self assessed tax for current period.</li> <li>3. Other amount (int, penalty, fee etc)</li> </ul>





- G&S used for non biz purpose
- G&S used to make EXEMPT supplies.
- G&S used for biz purpose
- G&S used to make taxable & zero rated supplies\*
- \* 0 rated supplies = Exports SEZ supplies.

### IMPORTANT POINTS

- ⊙ ITC can only be availed if goods/service have been received.
- ⊙ Goods received in lots. ITC available when last lot is received
- ⊙ Payment to be made within 180 days from invoice date, else ITC will be reversed +18%
- ⊙ Upper limit for availing ITC is earlier of - 20th Oct of next FY - Date of filing of financial return
- ⊙ In case of sale/merger/demerger, ITC transferred to new entities.
- ⊙ ITC reverse if Goods disposed/Gift/Free sample/lost/stolen/destroyed.
- ⊙ Capital goods sent for job work returned within 3yrs Input goods sent for job work returned within 1yr.

## APPORTIONMENT OF CREDIT

### GOODS & SERVICES

Total ITC available	T
- Exclusively non biz	(T <sub>1</sub> )
- Exclusively exempt supplies	(T <sub>2</sub> )
- Blocked credit	(T <sub>3</sub> )
ITC in ECL	C <sub>1</sub>
- Exclusively taxable & zero rated	(T <sub>4</sub> )
Credit to be apportioned	C <sub>2</sub>
- Value of exempt supplies	(D <sub>1</sub> )
$C_2 \times E/F$	
- Value of non biz supplies	(D <sub>2</sub> )
$C_2 \times 5\%$	
= ELIGIBLE CREDIT	C <sub>3</sub>

### CAPITAL GOODS

ITC on CG - common use  
 - Non biz / Exempt to common use  
 + Taxable / Biz use to common use

Per month  $T_m = T_c \div 60$

Amount to be added to output tax liability (each month)

$T_e = E/F \times T_m$

Reduce 5% per Quarter & add

- ⊙ IF CG is sold on which ITC had been taken, Pay ↑↑ of the below
- = ITC taken - 5% per Quarter or part.
- = Tax on transaction value
- ⊙ Banking company can claim 50% ITC & rest 50% lapses each month.

### UTILISATION OF ITC

Credit - Liability	IGST	CGST	SGST
IGST	1	2	2
CGST	4	3	-
SGST	6	-	5

## BLOCKED CREDIT

- Ineligible passenger motor vehicles\*  
 [Seating capacity < 14] including driver.  
**EXCLUDES**  
 • MV running on fixed rails  
 • MV with less than 4wheels & less than 25cc.
- Vessel & Aircraft\*
- Food & Beverages, Outdoor catering  
 Beauty treatment, Health services  
 Cosmetic & plastic surgery  
 Membership of clubs, fitness centre  
 Life & health insurance.  
**LIC**
- Work contract services for construction of immovable property for self.
- Inputs used by NRTP  
 Import of services

### CREDIT ALLOWED ONLY IF

- ⊙ MV/Vessel is further sold
- ⊙ Used for TAXABLE transportation of passenger.
- ⊙ Imparting training on such vehicle
- ⊙ Lease/rented to employee Statutory obligation
- ⊙ Transportation of goods.
- ⊙ Subcontracting
- ⊙ Employer to Employee statutory obligation.
- ⊙ Subcontracting
- ⊙ The immovable property is PLANT & MACHINERY
- ⊙ Value of work contract service is  capitalised  Expensed out
- ⊙ Import of goods

\* ITC on insurance, servicing, repair & maintenance allowed only if ELIGIBLE vehicle used for ELIGIBLE purpose.

6. Goods used for personal purpose, gifted, bought from person who levies composite tax

### CHANGE OF STATUS

- Inputs in stock, WIP (Avail 1yr)
- CG reduced by 5% per Q or part
- Claiming ITC on change of status

  1. First time / Voluntary registration
  2. Switching from composition to regular  
 Regular person whose exempt supplies are now taxable.

\* If claim more than 2 lacs, certified by CA

### Reversal of ITC on change of status

Registered ITC availing person switches to composition key OR Goods become EXEMPT

\* In case of demerger, split ITC in ratio of value of assets statewise. (Sum of SGST, CGST & IGST)

\* ITC that can be claimed by recipient in a month  $\leq 110\%$  of ITC invoices uploaded by supplier in GST.

Quarters are: Apr-Jun Jul-Sep Oct-Dec Jan-Mar

### ISD Mechanism

- Input Service Distributor
- ITC divided in ratio of turnover in state among recipients

COVID } Check on cumulative basis for Feb to Aug



# REVERSE CHARGE

SERVICES OF	SUPPLIER	RECIPIENT Pays TAX
1 Transportation of goods by road	GOODS TRANSPORT AGENCY paying GST @ 5%*	<ul style="list-style-type: none"> <li>Registered factory, Society, co-op society</li> <li>Person registered-GST</li> <li>Body corporate, partnership firm, casual taxable person</li> </ul>
2 Legal services	Advocate / firm	Any business entity
3 Arbitration tribunal	Arbitration tribunal	Any business entity
4 Sponsorship	Any person	<ul style="list-style-type: none"> <li>Body corporate</li> <li>Partnership firm</li> </ul>
5 Services by CG/SG <b>excluding</b> <ul style="list-style-type: none"> <li>Renting of immovable property</li> <li>Speed post/parcel post</li> <li>Transport of G&amp;P passenger</li> </ul>	CG or SG	Any business entity
	CG or SG	Person registered-GST
6 Transfer Development rights (TDR) OR Floor Space Index (FSI) for construction of project	Any person	Promoter
7 Director of company	Director (Should not be employee)	Company/Body corporate
8 Insurance agent	Insurance agent	Person - Insurance biz
9 Recovery agent	Recovery agent	Banking company or NBFC
10 Transfer or permit use of copyright	Author, music composer, photographer	Publisher Music co, Producer
11 Members of overseeing committee to RBI	Members of overseeing committee to RBI	RBI
12 Business facilitator	Business facilitator	Banking company
13 Supply of security personnel	Any person <b>exclude</b> person BC paying under contract	Person registered-GST Except composition
14 Any service i.e. import	Person located in non taxable territory	Person located in taxable territory
15 Goods transportation by vessel	Person in non taxable territory	Importer in taxable territory
16 Renting of motor vehicle	Person other than BC paying tax @ 5%	Body corporate
17 Lending of securities	Lender	Borrower.

# COMPOSITION

**ELIGIBILITY** → Supplier of GOODS } PY turnover upto 1.5 cr\*  
 → Restaurant service }

**ELIGIBLE** → Person making INTERSTATE supply GOODS or SERVICE  
 → Person making supply through ECO.  
 → Not CTP or N RTP

\* 75 lacs for special states: (8)

- 1] Arunachal Pradesh
- 2] Mizoram
- 3] Uttarakhand
- 4] Sikkim
- 5] Nagaland
- 6] Manipur
- 7] Meghalaya
- 8] Tripura

For all establishments with same PAN.

INCLUDES	EXCLUDES
<ul style="list-style-type: none"> <li>Taxable supplies</li> <li>Exempt supplies</li> <li>Exports</li> <li>Interstate supplies</li> </ul>	<ul style="list-style-type: none"> <li>CGST / SGST</li> <li>Value of inward supplies on which tax is payable under reverse charge.</li> </ul>

**1%** Manufacturers & other eligible suppliers **other than** **5%** Restaurant service  
 • Ice cream  
 • Pan Masala } **manufacturer**  
 • Tobacco  
 • Aerated water

**NOTE:** He can receive inter state supply of goods  
 Manufacturer pays % on total turnover  
 Trader pays % only on taxable supplies

**DOES THIS MEAN PERSON OPTING FOR THIS SCHEME WILL BE INELIGIBLE IF HE PROVIDES ANY OTHER SERVICE?**

Value of such service shall not be more than

- 5 lacs
- 10% of T10 of PY } **HIGHER**

→ **X** include interest on loans/deposit while calculating value of service.

Issue bill of supply instead of tax invoice.

# CONCESSIONAL RATE

**ELIGIBILITY** → Supplier of services other than RESTAURANT SERVICE

&

Aggregate T10 in preceding year does not exceed 50 lacs

**ELIGIBLE** → Making supply not leviable to tax  
 Interstate supply of GOODS or SERVICE  
 CTP / N RTP  
 Supply through ECO  
 Supply goods { Ice cream, Pan masala, Tobacco

**WHAT TAX & HOW MUCH?**

- 6%. No tax called from recipient.
- Inward supply (Reverse charge)

\* Interest on loan/deposits ignored for calculation of eligibility turnover.

**Guidelines if registering for the first time.**

\* For calculating turnover eligibility, calculate from 1st date of FY

\* For calculating tax payable only include supply made after becoming liable to register.

\* Tax paid on quarterly basis

**\* EXEMPT REVERSE CHARGE FORWARD CHARGE**  
 Recipient other than specified recipient. GST 5%. **X** ITC  
 Specified recipient. GST 12%. **✓** ITC

ECO to tax payer  
 Transportation of passengers OLA  
 Accommodation in hotels OYO