

CA INTERMEDIATE
PAPER 4: TAXATION
[for November 2022 Exams]

CA Deep Jain

We have announced Free Tax Revision Lectures for Nov 22 CA Inter.

Whatsapp ' Register for Free Tax Revision Lectures CA Inter Nov 22' on 9313119022.

One Stop Solution for Paper 4" Taxation"

A Note from the Author

"The beautiful thing about learning is that nobody can take it away from you."-B.B. King

Dear Student,

Hope you are taking good care of yours and your family health.

My name is Deep Jain, and I am the author of this book. In addition to being qualified Chartered Accountant, I am very passionate about teaching, I have hands-on experience in the field of Taxation and have intense knowledge about the subject.

Reasons behind writing this book:

When I was a student, I always had these types of questions in my mind while studying.

- The Syllabus is huge, what to study and What to leave?
- How to remember all the minute details?
- How to revise 1.5 days before the exam?

So, I decided to answer this questions myself and decided to cover the whole syllabus in a condensed and concise manner for my exams and it worked out as I was able to cover the whole syllabus in few pages which is the key for revision before exams. As more you revise more you retain.

I am sure that this book can be a "**ONE STOP SOLUTION**" for your upcoming Taxation Paper with right study strategy.

Thankful to my parents and my guru for their continuous support.

All the best, Future CA

Happy Learning!

Regards,

CA Deep Jain

©Author

No part of this book may be reproduced, stored in a retrieval system, or distributed in any form, or by any means, electronic, mechanical, photocopying, recording, scanning, web or otherwise without the written permission of the author. Information and contents of this book have been collated with utmost care, caution and dedication in order to provide a reliable and comprehensive textual reference for readers. However, any mistake or errors that may have crept in due to any inadvertence does not impose any legal liability over the author

PART A: INCOME TAX LAW

S. No	Topics	Page No
1)	Basic Concepts and Tax Rates	2-4
2)	Residence and Scope of Total Income	5-6
3)	Income which do not form part of Total Income	7-8
4)	Income From Salaries	9-13
5)	Income From House Property	14-15
6)	Profits or Gains from Business and Profession	16-24
7)	Income From Capital Gains	25-32
8)	Income from Other Sources	33-35
9)	Income of Other Person included in Assessee's Total Income	36-36
10)	Deduction from Gross Total Income	37-40
11)	Set off and Carry forward of Losses	41-41
12)	Advance Tax	42-42
13)	Interest U/s 234A/B/C	43-43
14)	TDS and TCS	44-49
15)	Provision for filing return of income and Self-Assessment	50-52

PART B: INDIRECT TAXES

S. No	Chapter Name	Page No
1)	Introduction to GST	54-54
2)	Supply under GST	55-57
3)	Charge of GST	58-63
4)	Exemption from GST	64-70
5)	Time of Supply	71-71
6)	Value of Supply	72-72
7)	Input Tax Credit	73-74
8)	Registration	75-79
9)	Tax Invoice; Credit and Debit notes and E-Way bill	80-84
10)	Payment of Taxes	85-86
11)	Returns	87-90

We have announced Free Tax Revision Lectures for Nov 22 CA Inter.

Whatsapp ' Register for Free Tax Revision Lectures CA Inter Nov 22' on 9313119022.

PART B: INDIRECT TAX

The Audit Academy - CA Deep Jain

Topic 1: Introduction to GST

TAX

Direct Tax	Indirect Tax
Imposed on tax Payer	Imposed on Goods/Services
Burden is on the person on whom tax is imposed	Burden is shifted to ultimate consumer
Progressive in nature	Regressive in nature
Income Tax	GST and Customs

Deficiencies in Earlier Tax Laws

- **Cascading effect** of tax on tax
- No CENVAT after manufacturing stage
- **Non-integration** of VAT & Service tax
- **Double taxation** of a transaction as both goods and services.
- **Non-inclusion of several local levies** in state VAT such as luxury tax, entertainment tax etc.

Concept of GST

- GST is a value added tax levied on manufacture, sale and consumption of goods and services.
- Comprehensive and continuous chain of credit
- Credit for the taxes paid at each stage.
- No tax on tax.
- No Differentiation between goods and services

Features of GST

- Tax on supply of G/S
- It is destination-based tax
- Consumption tax.
- It is Value added tax

Genesis of GST in India

- France was the First country to implement GST in 1954
- At Present, more than 160 Countries have implemented it.
- Dr Kelkar Task Force recommended the need of a national GST on 16-07-2004
- GST has been implemented cross India w.e.f 1st July 2017
- GST in the state of Jammu & Kashmir came into force w.e.f. 8th July 2017

Benefits of GST

- Creation of unified national market
- Boost to make in India Initiative
- Enhanced Investment and Employment
- Ease of Doing Business
- Automated process with greater use of IT
- Reduction in Compliance cost
- Benefits to small traders and entrepreneurs
- Elimination of multiple taxes and double taxation

Framework of GST as Introduced in India

Dual GST Model:

India has adopted a Dual GST model is imposed concurrently by the Centre and States, **GST levied by Centre: CGST and GST Levied by state/Union territory: SGST/UTSGT**

Sources of GST Law

- Central Goods and Services, Act, 2017 [CGST]
- State Goods and Services Act, 2017 [SGST]
- Union territory Goods and Service tax Act, 2017 Act, 2017 [UTGST]
- Integrated Goods and Services Act, 2017 [IGST]
- GST Compensation State, 2017

Taxes Subsumed in GST

Central Taxes	State Taxes	Taxes Not Subsumed
<ol style="list-style-type: none"> 1. Central Excise Duty 2. Service Tax 3. CVD & Special CVD 4. Central Sales Tax 5. Central surcharges & Cesses 	<ol style="list-style-type: none"> 1. State surcharges and cesses. 2. Entertainment Tax (except those levied by local bodies) 3. Tax on lottery, betting and gambling 4. Entry Tax (All Forms) & Purchase Tax 5. VAT/ Sales tax & Luxury Tax 	

Constitutional Provisions

Article	Provisions
265	No tax shall be levied or collected except by authority of law
245	Parliament may make laws for the whole or any part of the territory of India, and the legislature of a State may make laws for the whole or any part of the State
7 th Schedule to 246	It contains three lists which enumerate the matters under which the Union and the State Governments have the authority to make laws. LIST 1: Union List [CG], LIST 1: State List [SG], LIST 3: Concurrent List [CG and SG]
246A	Provides Parliament and State legislative to levy GST simultaneously. Parliament has exclusive power to make GST laws w.r.t interstate and commerce
269A	IGST on supplies in the course of inter-State trade or commerce shall be levied and collected by the Government of India and such tax shall be apportioned between the Union and the States
279A: GST Council	Sept 2016. The President constituted the GST council on 15th Sept 2016. Every decision of the GST Council is taken by a majority of not less than three-fourths of the weighted votes of the members present and voting. Vote of the Centre has a weightage of one-third of total votes cast and votes of all the State Governments taken together has a weightage of two-thirds of the total votes cast, in that meeting Functions of Council: The function of the Council is to make recommendations to the Union and the States on important issues like tax rates, exemptions, Threshold limits, dispute resolution etc. Special provisions for special category state. Dates on which GST levied on Petroleum crude, high speed diesel, motor spirit, natural gas and aviation turbine fuel

Topic 2: Supply under GST

Some Basic Points

The **taxable event under GST is supply**. The scope of supply under GST can be understood in terms of following parameters:

- Supply should be of **goods** or be made for **services**
- Supply should be of goods or be **made for a services consideration**.
- Supply should be made in the course or **furtherance of business**
- Supply should be made by a **taxable person**.

Sec 2(52): Goods

- Every kind of **movable** property.
- **Other than money and securities**.
- But **includes actionable claim**, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply.

Sec 2(102): Services

- Anything **other than goods, money and securities**
- But **includes** activities relating to the **use of money or its conversion by cash or by any other mode**, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged.
- Services includes facilitating or arranging transactions in securities.

Actionable Claims

- Means claim to **unsecured debts or beneficial interest in** movable property not in the possession of claimant.

E.G. = Betting, Gambling, Lottery, Insurance Claims, Right to recover arrears of rent.

Discuss the applicability of GST in the following cases:

Sale of Debentures	Neither goods nor services and therefore	
Cash Deposit in Bank	Transaction in money: Neither goods nor services	
Housing Loan	Transaction in money: neither goods nor services	
Interest on Housing Loan	Activities relating to use of money it is service	
Processing fees	It is a supply of service (Sep Consideration)	
Service charges or service fees or documentation fees or broking charges	For provision of service and Chargeable to GST	

Sec 7: Meaning and Scope of Supply

Sec 7(1)(a)

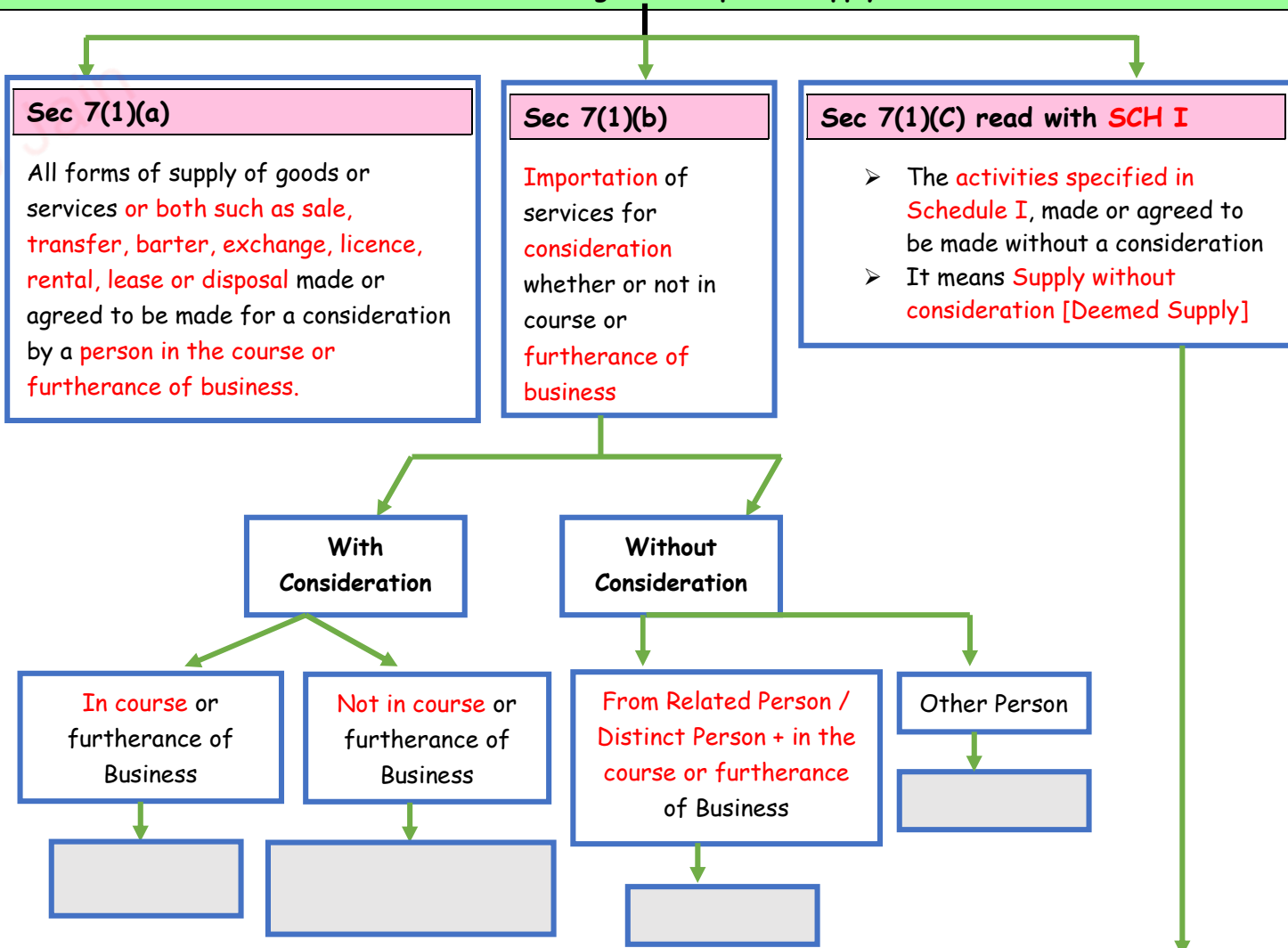
All forms of supply of goods or services **or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal** made or agreed to be made for a consideration by a **person in the course or furtherance of business**.

Sec 7(1)(b)

Importation of services for consideration whether or not in course or **furtherance of business**

Sec 7(1)(C) read with **SCH I**

- The **activities specified in Schedule I**, made or agreed to be made without a consideration
- It means **Supply without consideration [Deemed Supply]**



Sec 7(1)(c) read with Sch I: Deemed Supply

- **Permanent Transfer/Disposal** of Business Assets [**Where ITC has been availed**]
- Supply **between related persons or distinct** persons [Supply between employer and employee not supply]
- Supply between **principal and agent** and vice-versa [Agent is further supplying or procuring in his name] [Where agent is supplying to customer in name of principle = No Supply]
- **Import of services by a taxable person** from a related person or from any of his other establishments outside India, in the course or furtherance of business.

Supply between Related person or distinct person

- Supply must be made in the course of business.
- Stock transfers or Branch transfers (with different GST registration) = **Supply**
- Gifts by employer to employee in a FY > _____ = **GST Applicable**

Meaning of Related Person:

- Officers/directors of one another's business
- Employer & Employee
- Partner (Legally)
- Family Members
- Sole agent/distributor of other
- Person controls other person
- 3rd person holds ≥ 25% shares of both person
- Such person together control 3rd person

Meaning of Distinct Person:

- The **establishments of a person with separate registrations whether within the same State/UT or in different States/UTs are considered as distinct persons.**
- Where a person having one registered establishment in a State/UT has another establishment in a different State/UT [not necessarily registered], these establishments are considered **as establishments of distinct persons**

Sec 7(1) (1A) read with SCH II

Where **certain activities** or transactions, constitute a supply in accordance with the provisions of sub-section (1), they shall be treated **either as supply of goods [SOG] or supply of services [SOS] as referred to in Schedule II.**

Transfer of Title in:

- Goods: **SOG**
- Right in goods/undivided share: **SOS**
- Title in future [Hire purchase]: **SOG**

Land and Building:

- Lease, tenancy, easement, license to occupy land: **SOS**
- Lease/letting out of building: **SOS**

Treatment or Process:

- On other person's goods: **SOS**

Transfer of Business Asset:

- Permanent transfer/disposal: **SOG**
- Put to private use or are made available for non-business purpose: **SOS**
- At the time of closure of Business before he ceases to be taxable person: **Deemed SOG**

Exception:

1. Business transferred as going concern.
2. Business carried on by representative.

Following Shall be Supply of Services:

1. **Renting** of immovable property
2. **Construction** of complex, building, civil structure, etc.
3. **Temporary transfer** or permitting use or enjoyment of any **intellectual property right**

Sec 7(1) (1A) read with SCH II

4. Development, design, programming, customisation, adaptation, up gradation, enhancement, implementation of IT software
5. Refrain or tolerate to do an act
6. Transfer of right to use goods

Following Composite supplies:

- Works contract services: **SOS**
- Restaurant and catering services: **SOS**

Supply of goods by an unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration: **SOG.**

Sec 7(2) (a) read with SCH III

Negative list under GST:

Following shall be treated as neither supply of goods or supply of services

1. Services by **employee to employer** [in the course or relation to his employment].
2. Services by any court or Tribunal established under any law for the time being in force.
3. **Services of funeral**, burial, crematorium or mortuary including transportation of the deceased.
4. Sale of **land and completed building.**
5. **Actionable claims**, other than lottery, betting and gambling
6. Supply of warehoused goods to any person before clearance for home consumption

Sec 7(2) (a) read with SCH III

7. Functions performed by MP/MLA/MLC etc.
 - Duties performed by any person who holds constitution post holder.
 - Duties performed by any chairperson/member/director in any body established by govt
7. Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India.
8. Bond to bond transfer

Sec 7(2) (b) read with SCH III

Activities or transactions undertaken by CG/SG/LA public authorities: _____ -

Sec 7(3):

Government may on the recommendation of the council specify by notification the transactions that are treated as:

- **SOG** and not **SOS**
- **SOS** and not **SOG**

Sec 8: Composite and Mixed Supply

Composite Supply	Mixed Supply
It comprises two or more taxable supplies of G/&S or any combination thereof naturally bundled & supplied in conjunction with each other in ordinary course of business one of which is a principal supply	It comprises two or more individual supplies of G/&S or any combination thereof, made in conjunction with each other by a taxable Person for a single price where such supply does not constitute a composite supply
Supply are dependent on each other	Individual Supply are independent of each other
Treated as a supply of such principal supply.	Treated as supply of that particular supply that attracts Highest Rate of Tax.
_____ supply will be levied on whole supply.	_____
Charger supplied along with mobile phones	A gift pack comprising of chocolates, candies

Significant Circular/Notifications

Donations received by charitable institutions from individual donors, without quid pro quo:

GST will **not** be levied on consideration received namely: -

- The gift or donation is made to a **charitable organization**,
- The payment has the **character of gift or donation** and
- The **purpose is philanthropic** (i.e. it leads to no commercial gain) and not advertisement.

Art works sent by artists to galleries for exhibition is not a supply as no consideration flows from the gallery to the artists: **No Supply and NO GST**

Sales promotion expenses under GST Schemes:

Case	Answers
Free Samples and Free Gifts	
Buy one Get one free	

Transfer of Tenancy Rights/Pagadi System:

- Transfer of tenancy right against consideration (tenancy premium) → **Treated as SOS liable for GST**
- Transfer of tenancy rights **cannot be treated as sale of L/B & thus is leviable to GST**
- **Grant of tenancy rights** in a residential dwelling for use as residence dwelling against tenancy premium or periodic rent or **both is exempt.**

Significant Circular/Notifications

Grant of alcoholic liquor licence:

- Services by way of grant of alcoholic liquor licence by the State Governments are treated **neither as a supply of goods nor as a supply of service**
- It may be noted that **services provided by the Government to business entities including by way of grant of privileges, licences, mining rights, natural resources such as spectrum** etc. against payment of consideration in the form of fee, royalty etc. are taxable under GST: Tax is required to be paid by the business entities on such **services under reverse charge**

Involving supply of both goods (parts) & services (labour) where Value of Goods & Services are shown separately.

GST will be **levied separately on goods & services @ applicable rates to each** of them

Others:

- Printing of Books, pamphlet → _____; Papers are ancillary supply.
- Printed envelop, cartons → **Supply of Goods**; printing is ancillary supply.
- Re-treading of tyres → **Supply of service**. Rubber is ancillary supply
- Supply of re-treaded tyres → **Supply of Goods**

Significant Circular/Notifications

Issues	DCA is an agent	DCA is not an agent
Whether a DCA falls under the ambit of agent under Schedule I of the CGST Act?	Where the invoice for supply of goods is issued by the DCA in his own name , the DCA would fall under the ambit of agent.	Where the invoice for supply of goods is issued by the supplier to the customer , either himself or through DCA, the DCA does not fall under the ambit of agent
Whether Temporary Short-term transaction-based loan extended by DCA to buyer, for which interest is charged by DCA, is to be included in value of goods supplied by supplier (principal)?	<ul style="list-style-type: none"> ➤ Activity of extension of credit by DCA to buyer would not be considered as a separate supply as it is in context of supply of goods made by DCA to buyer. ➤ Value of Interest → included in VOS of goods by DCA to buyer 	<ul style="list-style-type: none"> ➤ Loan provided by DCA to buyer is a supply of service by DCA to buyer on P-P basis & is independent supply. ➤ Therefore, interest charged by DCA would not form part of value of supply of goods supplied (to the buyer) by the supplier

Clarification in respect of goods sent/ taken out of India for exhibition or on consignment basis for export promotion

- It is, accordingly, clarified that the activity of sending/ taking the goods out of India for **exhibition or on consignment basis for export promotion, do not constitute supply as the said activity does not fall within the scope of section 7 of the CGST Act as there is no consideration at that point in time**, except when such activity satisfy the tests laid down in Schedule I of the CGST Act.
- It is, accordingly, clarified that the activity of sending/ taking the goods out of India for exhibition or on consignment basis for export promotion, do not constitute supply as the said activity does not fall within the scope of section 7 of the CGST Act as there is no consideration at that point in time, except when such activity satisfy the tests laid down in Schedule I of the CGST Act.

Topic 3: Charge of GST

Some Basic Points

- **CGST and SGST/UTGST** are levied on all **intra-State** supplies of goods and/or services while **IGST** is levied on all **inter-State supplies** of goods and/ or services
- The provisions relating to levy and collection of CGST and IGST are contained in section 9 of the CGST Act, 2017 and section 5 of the IGST Act, 2017

Particulars	Intra-State	Inter-State
Meaning	Location of supply & Place of supply are in Same State or Same UTs	Location of supply & Place of supply are in different States or different UTs
Taxes	CGST +SGST [UTGST for UTs]	IGST

Certain Definition

Central tax:

Means the central goods and services tax levied under section 9 of the CGST Act.

Integrated tax:

Means the integrated goods and services tax levied under the Integrated Goods and Services Tax Act.

State tax:

Means the tax levied under any State Goods and Services Tax Act

Exempt Supply: Supply which attracts -
(i) Nil rate of tax; (ii) Exempt supply u/s 11 & (iii) includes non-taxable supply

Extent and Commencement CGST/SGST/UTGST/IGST Act

Applicability	Intra-State Supply			Inter-State Supply
	CGST	SGST	UTGST	IGST
States of India				
Union Territories with State legislature (Delhi, Jammu & Kashmir and Puducherry)				
Union Territories without State legislature (i.e. Andaman & Nicobar Islands, Lakshadweep, Ladakh Dadra and Nagar Haveli & Daman and Diu, Chandigarh and other Territory)				

Sec 2(56): India:

- territory of India as referred to in article 1 of the Constitution
- its territorial waters, seabed and sub-soil underlying such waters, continental shelf, exclusive economic zone or any other maritime zone as referred to in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976
- the air space above its territory and territorial waters

Sec 9 of the CGST Act, and Sec 5 of the IGST Act: Levy and Collection of CGST/IGST

Sec 9(1)	Sec 9(2)	Sec 9(3)	Sec 9(4)	Sec 9(5)
<ul style="list-style-type: none"> ➤ CGST shall be levied on all intra-State supplies of G/&S except on alcoholic liquor for human consumption, on the value determined u/s 15 & at rates notified by Gov. on recommendations of GST Council (Max. 20%) 	<p>No Levy of GST on 'petroleum products' till recommended by GST council.</p> <p>Petroleum Products:</p> <ol style="list-style-type: none"> 1. High speed Diesel 2. Petroleum crude oil 3. Motor spirit 4. Natural gas 5. Aviation turbine fuel 	<ul style="list-style-type: none"> ➤ CG to notify services on which tax shall be paid by Recipient. ➤ Commonly known as Reverse Charge Mechanism 	<p>Tax Payable on RCM: By Specified Registered Person on receiving Specified G/S from unregistered person as notified by the government</p>	<p>E-Commerce Operator:</p> <ul style="list-style-type: none"> ➤ The Government may notify specific categories of services the tax on supplies of which shall be paid by electronic commerce operator (ECO) as if such services are supplied through it

Notified Services:

1. Transportation of Passengers by Radio-taxi,
2. Motor-cab & Motor cycle (R/UR)
3. Hotel Business (UR)
4. House-Keeping Services (UR)

Situation

If the ECO is located in taxable Territory

If the ECO does not have physical presence in the taxable territory

If the ECO has neither the physical presence nor any representative in the taxable territory

Person Liable to Pay tax

Sec 9(3) CGST ACT + Sec 5(3) IGST ACT, 2017: Reverse Charge Mechanism

Forward Charge	Reverse Charge
Here person making taxable supply i.e. Supplier is liable to pay tax on taxable supply being made.	Here recipient of Taxable supply is liable to pay tax on taxable supply being received.

Reverse Charge Mechanism in case of Goods

- Cashewnuts [not shelled/peeled], bidi wrapper leaves, tobacco leaves, supply of lottery, silkyarn, used vehicles, seized and confiscated goods, old and used goods, waste and scrap, raw

Reverse Charge Mechanism in case of Services

Services supplied by an arbitral tribunal to a business entity.

- Supplier: **An Arbitral tribunal**
- Recipient/person liable to pay tax: **Any business entity located in the taxable territory.**

Services provided by way of sponsorship to body corporate or partnership firm.

- Supplier: **Any person**
- Recipient/person liable to pay tax: **Body Corporate or Partnership firm located in taxable territory**

Services supplied by an insurance agent to any person carrying on insurance business

- Supplier: **An insurance Agent**
- Recipient/person liable to pay tax: **Insurance company located in Taxable territory**

Reverse Charge Mechanism in case of Services

Services Supplied by a Recovery agent:

- Supplier: **A Recovery Agent**
- Recipient/person liable to pay tax: **Bank/Financial Institution/NBFC located in Taxable territory**

Services provided by business facilitator to a banking company

- Supplier: **Business facilitator**
- Recipient/person liable to pay tax: **Banking Company located in Taxable territory**

Services provided by an agent of business correspondent to business correspondent

- Supplier: **Agent of Business correspondent**
- Recipient/person liable to pay tax: **Business correspondent in Taxable territory**

Supply of services by the members of Overseeing Committee to Reserve Bank of India (RBI):

- Supplier: **Members of overseeing committee constituted by RBI**
- Recipient/person liable to pay tax: **Reserve Bank of India**

Services supplied by individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership (LLP) firm to bank or non-banking financial company (NBFCs).

- Supplier: **Individual Direct Selling Agents (DSAs) other than a body corporate, partnership firm or LLP**
- Recipient/person liable to pay tax: **Banking Company or NBFC located in Taxable Territory.**

Reverse Charge Mechanism in case of Services

Services provided by an individual advocate including a senior advocate or firm of advocates by way of legal services, directly or indirectly.

- Supplier: **Individual Advocate + Senior advocate + Firm of Advocates**
- Recipient/person liable to pay tax: **Business entity located in taxable territory**

Transfer/permitting use of copyright to original literary, dramatic, musical or artistic works:

- Supplier: **Music composer, Photographer, Artist etc.**
- Recipient/person liable to pay tax: **Music company, Producer etc. in Taxable Territory**

Transfer/permitting use of copyright related to original literary:

- Supplier: **Author.**
- Recipient/person liable to pay tax: **Publisher located in Taxable Territory**

Note:

However, Author can choose to pay tax under forward charge if:

- He is registered person & files a declaration that he has exercised FCM option & shall not withdraw such option within 1 year from date of exercising such option &
- He makes such declaration on invoice issued by him to the publisher

Reverse Charge Mechanism in case of Services

GOVERNMENT SERVICES

Services supplied by the Central Govt, State Govt, Union territory or local authority to a business entity

- Supplier: **CG, SG, LA, UT**
- Recipient/person liable to pay tax: **Business entity located in Taxable Territory.**

Exception:

In following cases RCM will not be applicable:

- Renting of Immovable property [Separate entry] and
- Specified services:
 - Department of Posts: Speed post, Express parcel post, Life Insurance & Agency Services; provided to any person other than CG, SG, UT or LA;
 - Services in relation to Vessel/Aircraft, inside or outside port or airport or precincts.
 - Transport of Goods/Passengers.

Renting of Immovable Property by Govt.

- Supplier: **CG, SG, LA, UT**
- Recipient/person liable to pay tax: **Registered Person under CGST ACT, 2017**

Services supplied by any person by way of transfer of development rights (TDR) or Floor Space Index (FSI) (including additional FSI) for construction of a project by a promoter.

- Supplier: **Any Person**
- Recipient/person liable to pay tax: **Promoter**

Long term lease of land (≥ 30 years) against premium, salami for construction of project

- Supplier: **Any Person**
- Recipient/person liable to pay tax: **Promoter**

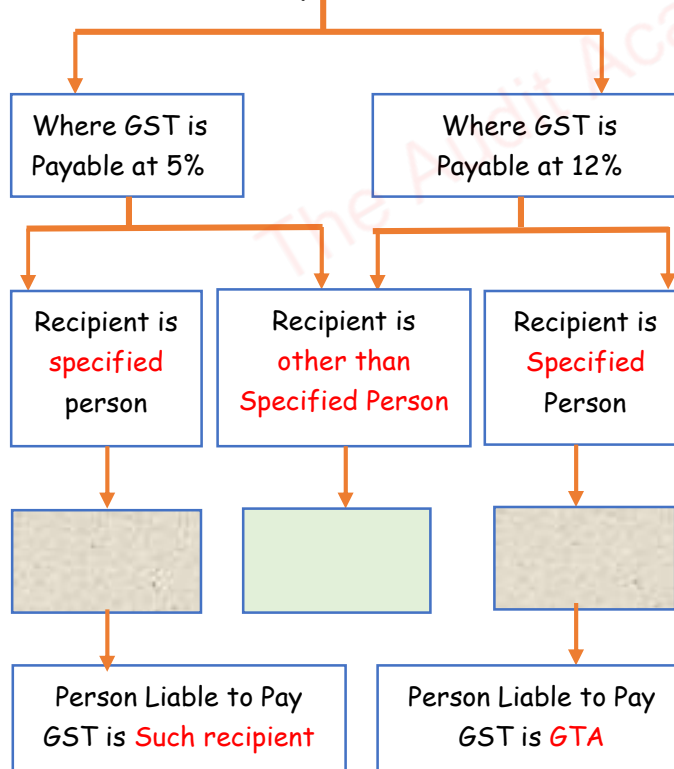
Reverse Charge Mechanism in case of Services

Transport Services

Services supplied by Goods Transport Agency in relation to transportation of goods by road:

- Supplier: **GTA who has not paid CGST@ 6%.**
- Recipient/person liable to pay tax: **Specified person includes:**
Factor /Society/Co-operative society/Body Corporate/Partnership Firm/Association of person/Casual Taxable Person/Registered Person

Person Liable to Pay Tax Under GTA Service



RCM not applicable when GTA services provided to: **CG/SG/LA/UT/ Govt agencies who has obtained registration only for the purpose of Deducting TDS and not for making any taxable supply**

Reverse Charge Mechanism in case of Services

Security Services

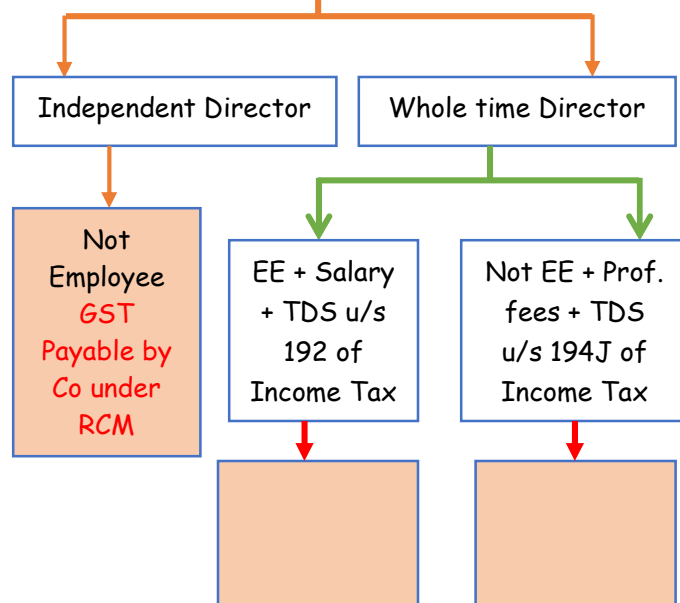
- Supplier: **Any Person**
- Recipient/person liable to pay tax: **A Registered person located in taxable territory**

RCM not applicable when GTA services provided to:

- **CG/SG/LA/UT/ Govt agencies who has obtained registration only for the purpose of Deducting TDS and not for making any taxable supply**
- **Person Paying Tax under Composition Scheme**

Services by Director

- Supplier: **Director of Company or Body Corporate**
- Recipient/person liable to pay tax: **Company or Body Corporate located in taxable territory**



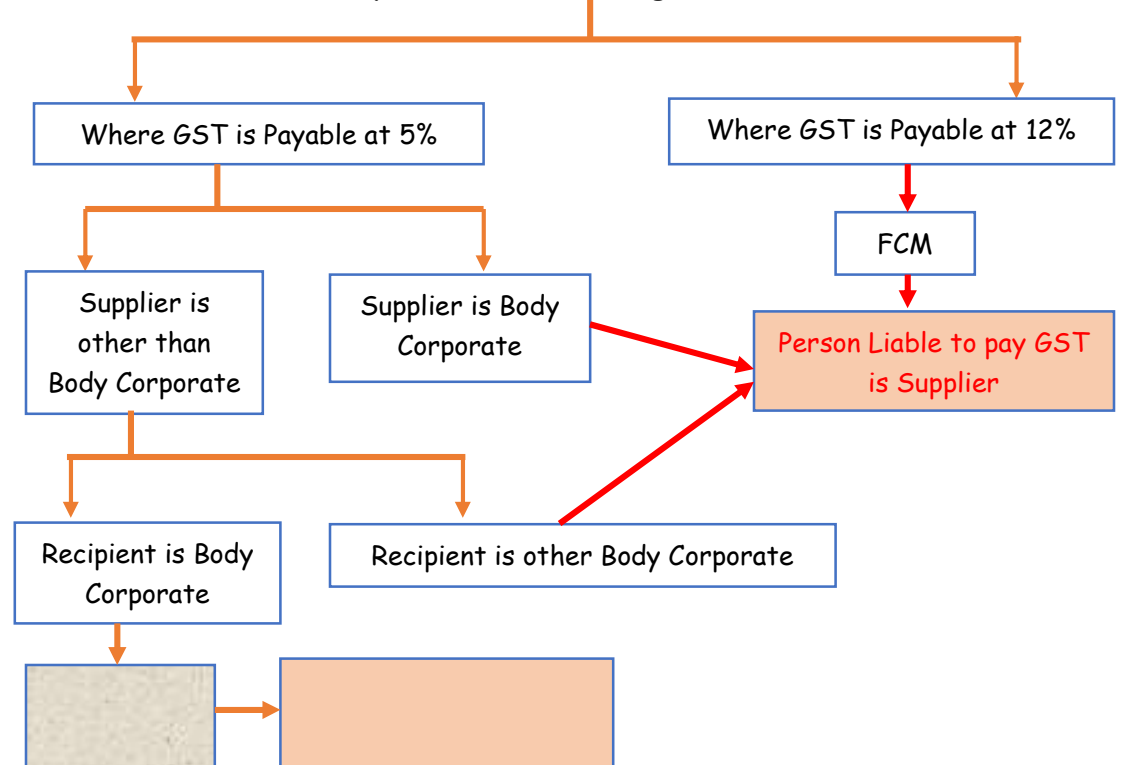
Reverse Charge Mechanism in case of Services

Renting of Motor Vehicle

Services provided by way of renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient, provided to a body corporate.

- Supplier: **Any person, other than a body corporate who supplies service to a body corporate & doesn't issue an invoice charging CGST @6% to service recipient.**
- Recipient/person liable to pay tax: **Any Body Corporate located in taxable Territory**

Person Liable to Pay Tax Under Renting of Motor Vehicle Service



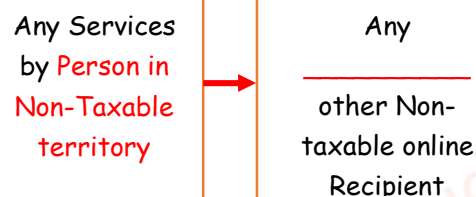
Services of Lending Securities

- Supplier: **ender i.e., a person who deposits securities registered in his name/in the name of any other person duly authorised on his behalf with an approved intermediary for the purpose of lending under Scheme of SEBI**
- Recipient/person liable to pay tax: **Borrower i.e., a person who borrows the securities under the Scheme through an approved intermediary of SEBI.**

Reverse Charge Mechanism in case of Services

Notes:

- All the above services have also been notified for reverse charge under IGST Act vide Notification No. 10/2017 IT (R) dated 28.06.2017 as amended.
- In addition to them, following service is also notified by said notification under reverse charge for IGST purposes:



In case of import of service, tax is payable by the person importing such service⁹

Classification of Goods and Services

Goods	Services
Sections	Chapter
Chapter	Sections
Heading	Heading
Sub-heading	Group
Tariff item	Tariff item/Service item

Sec 10 of CGST ACT: Composition Levy

An **option** for specified categories of small taxpayers to pay GST at a **very low rate** on the **basis** of **turnover**.

Composition Levy

Sec 10(1) of CGST ACT: Turnover limit in case of composition levy for Goods

Eligibility:

Registered person, whose **Aggregate Turnover** in Last F.Y. is upto **Rs 1.5 crore**.

Eligibility Limit for Special Category States is as follows:

Aggregate turnover upto	Special Category States
Rs 75 Lacs	1. Manipur 2. Meghalaya 3. Mizoram 4. Tripura 5. Arunachal Pradesh 6. Sikkim 7. Nagaland 8. Uttarakhand

Tax Rates:

GST Rate	Category of Registered Person
1% of Total State TO	Manufacturers [Except manufacturers of _____]
5% of Total State TO	Restaurant service
1% of TO of Taxable Supplies in State/UT	Any other supplier [Traders]

Benefits:

- They cannot issue tax invoice; Even they cannot avail ITC.
- They need to issue Bill of Supply in which no tax can be charged.
- Yearly filing of Return (GSTR 4) & Quarterly Payment of Tax.

Composition Levy

Sec 10(2): Non-Eligibility

- Supplier of **Services other than restaurant services**.
- Supplier of **Goods/services** which are **not taxable**
- Person Making **Inter-State outward** Supply of **Goods/services [Services allowed]**
- Persons **supplying** goods /services **through ECO** (who are required to collect TCS).
- Manufacturer of **Ice cream, Pan masala, Tobacco, Aerated Water**
- **Casual Taxable Person and Non-Resident Taxable person**

Notes:

Composition Taxpayers now permitted to render services upto specified limit

1. If RP supplies services (other than restaurant services), value of such services shall **not exceed:**

10% of Turnover in State/UT in preceding FY
OR
Rs 5,00,000

Interest on Loan/advances shall be excluded while computing Aggregate Turnover for determining:

- Eligibility for **composition scheme**
- Supply of services allowed to **composition dealer (10% limit)**

Composition Levy

Rule 5: Conditions and Restrictions for Composition Levy

- Goods held in stock have not been purchased from unregistered supplier & if purchased, he pays the tax on RCM basis u/s 9(4).
- He shall pay tax u/s 9(3)/9(4) (RCM) on Inward supply (in addition to composition tax)
- Mention words '**composition taxable person, not eligible to collect tax on supplies**' at top of bill of supply issued by him;
- Mention words '**composition taxable person**' on every notice or signboard displayed at prominent place at his **Principal POB** & at every **Additional POB**.

Rule 3 & 4: Intimation of opting for Composition Levy

New Registration	<ol style="list-style-type: none"> 1. Option is given in Part B of registration form, viz., FORM GST REG-01. 2. Effective date of composition levy = Effective date of registration
Existing Registration	<ol style="list-style-type: none"> 1. Electronically on Common Portal prior to commencement of FY for which option is exercised & He will have to furnish statement as per rule 44(4) within ___ days from commencement of relevant FY 2. Effective date of composition levy = From beginning of FY

Sec 10(4): Composition Supplier cannot collect Tax

Taxable person under composition scheme shall not collect tax from the recipient. It implies that a supplier cannot issue tax invoice.

Composition Levy

Sec 10(4):

Taxable person opting for the composition scheme is not entitled to any credit of input tax

Sec 10(5): Penalty

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

Sec 10(3) R.W. Rule 6: Validity of Composition levy

Scheme Lapses	From the day on which Aggregate turnover during FY exceeds Rs 1.5 Crore/75 Lacs/50 Lacs
Consequences	File intimation for withdrawal within 7 days of occurrence of event.
Effective Date of withdrawal	Date indicated by him in his application. Such date may not be prior to commencement of FY in which application for withdrawal is filed.
ITC on stock in hand after becoming Ineligible	Allowed to avail ITC of Inputs & inputs contained in SFG/FG held in stock by him & on Cap. goods held by him on date of withdrawal. He shall furnish a statement, within 30 days of withdrawal of option, containing details of such stock held on common portal

Composition Levy

Sec 10(3) R.W rule 6: Denial of option to pay tax under the composition scheme by tax authorities

- PO issue SCN if he has reasons to believe that RP was ineligible to pay composition tax.
- Upon receipt of reply from RP, PO shall (within 30 days of receipt) issue order (i) either accepting reply or (ii) denying option to pay composition tax.

Effective date of Denial of option to pay composition tax: **Date determined** including any **retrospective date** but **not** prior to date of contravention of provision

Composition Levy

Sec 10(2A): Turnover Limit in case of Composition levy for services

Eligibility: Registered person, whose **Aggregate Turnover** in Last F.Y. is upto Rs **50 Lacs**

Sec 10(2): Non-Eligibility

- Supplier of **Goods/Services which are not taxable**
- Person Making Inter-State outward Supply of Goods or services
- Persons supplying goods/services through ECO who are required to collect TCS.
- Manufacturer of Ice cream, Pan masala, Tobacco, Aerated Water.
- Casual Taxable Person and Non-Resident Taxable person

Composition Levy

GST Rate for services: **6% of the turnover of the supplies of goods and services.**

First Supplies of G/&S	From: 1st April To: Date of becoming liable for registration for
For Determining Limit of Rs. 50 Lacs	First supplies of G&/S shall include supplies from 1st April of a FY to the date of becoming liable for registration
For Determining Tax Payable	First supplies of G&/S shall not include supplies from 1st April of FY to the date of becoming liable for registration.

- **In Short Service provider will get to pay tax @ 6% only for Rs 30,00,000**
- **Composition scheme to be adopted uniformly by all RPs having same PAN.**

Aggregate Turnover for 1.5cr/75lacs/50lacs

Includes	Excludes
Taxable Supplies	Value of inward supplies on which tax is payable under RCM
Exempt Supplies [Nil Rates + Wholly exempt + Non-taxable supplies]	Interest Income
Export of Goods and services [Zero rated supply]	CGST/ SGST/UTGST/ IGST/ GST Cess
Inter-State supplies of Persons having Same PAN [Stock transfer or branch transfers]	-
Value of supplies made by registered person from 1st April of a FY up to the date when he becomes liable for registration under this Act	

Aggregate turnover is computed on all India basis for a person having same PAN

Turnover in a state/UT

Includes	Excludes
Taxable Supplies within the state/UT	Value of inward supplies on which tax is payable under RCM
Exempt Supplies within the state/UT	Interest Income
	CGST/ SGST/UTGST/ IGST/ GST Cess
	Value of supplies made by registered person from 1st April of a FY up to the date when he becomes liable for registration under this Act

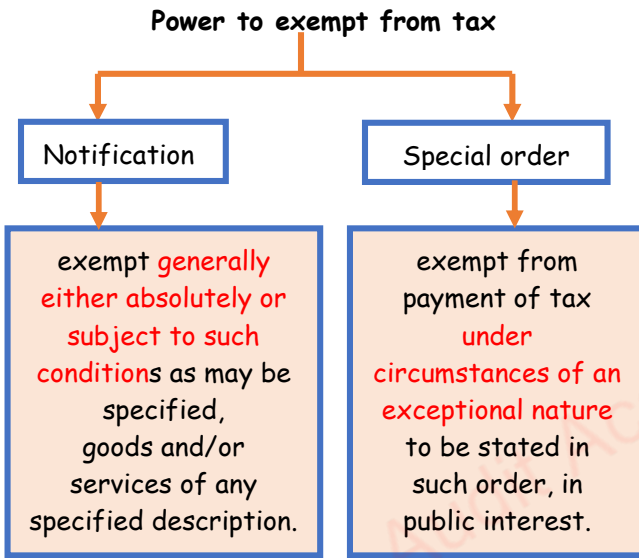
Following Person are also not eligible for Opting Composition Scheme: [Amendments]
Manufactures of fly ash bricks/building bricks/bricks of fossil meals/earthern/roofing tiles etc.

Basis	Normal Scheme	Composition Scheme
Levy Section	Sec 9 of CGST	Sec 10 of CGST
Rates [%]	5/12/18/28	1/5/6
Payment	Monthly: 20 th of Next month	Quarterly: 18 th of Next month
ITC	Allowed	Not allowed
Document	Tax Invoice	Bill of Supply

The Audit Academy- CA Deep Jain

Topic 4: Exemption from GST

Sec 11 of CGST ACT and Sec 6 of IGST ACT: Power to Grant exemption from Tax



NN 12/2017: List of Services Exempt from GST

- Notification No. 12/2017 Central Tax (Rate) dated 28.06.20173 (hereafter referred to as "the Notification") unless otherwise specified, has exempted various services wholly from CGST.

NN 12/2017: List of Services Exempt from GST

Exempt supply has been defined as **supply of any goods or services or both which attracts nil rate** of tax or which may be wholly exempt from tax and includes non-taxable supply

A. Services Related to Charitable and Religious Activities

- Charitable activities by an entity registered under section 12AA/12AB of Income-tax Act.

Public Health by Way of:

- Care or counseling of
 1. terminally ill persons or persons with severe physical or mental disability;
 2. **persons afflicted with HIV** or AIDS;
 3. persons addicted to a dependence-forming substance such as **narcotics drugs** or alcohol; or
- Public awareness of preventive health, family planning or prevention of HIV infection;

Advancement of:

1. Religion
2. Spirituality
3. Yoga

A. Services Related to Charitable and Religious Activities

Advancement of Educational program or Skill Development relating to:

1. **abandoned, orphaned or homeless children;**
2. **physically** or mentally abused and traumatized persons;
3. prisoners; or
4. persons over the age of 65 years residing in a rural area

Preservation of Environment including

1. **Watersheds**
2. Forests
3. Wildlife

Following shall not fall in the ambit of Charitable activities:

1. **Hostel Accommodations**
2. Leding or boarding unless **it's composite supply**
3. Fitness camp and classes

Religious Activities

1. Conduct of **Religious Ceremony**
2. Renting of precincts of a religious place meant for general public owned or managed by an entity registered as a charitable or religious trust u/s 12AA or 12AB or 10(23C)(v) or **Sec 10(23BBA) of the Income Tax Act, 1961**

Exemption is not available in following cases:

Renting	Exemption not available
Renting of rooms	where charges are Rs _____
Renting of premises community halls, kalyanmandapam or open area	where charges are _____
Renting of shops	where charges are _____

- Services provided by specified organization with respect to **kailash mansarover and haj pilgrimage exempted**

Goods which are exempt from Tax

- A list of items has **been notified under section 11(1) of the CGST Act, 2017/ section 6(1) of the IGST Act, 2017**. These items have been exempted from whole of the tax
- Items such as **unbranded atta/ maida/ besan, unpacked food grains, milk, eggs, curd, lassi and fresh vegetables** are among the items exempted from GST

Examples of Goods which have been exempted from Tax.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

B. Exemption in Agriculture Sector

Agriculture	Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses , for food, fibre, fuel, raw material or other similar products
Agriculture Produce	on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics , but makes it marketable for primary market

Following Services are Exempt:

- Services by way of **loading, unloading, packing, storage or warehousing of rice.**
- Services by way of warehousing of **minor forest produce.**
- Services by way of **storage/ warehousing of cereals, pulses, fruits, nuts and vegetables, spices, copra, sugarcane, jaggery**, raw vegetable fibres such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea
- Services by way of **fumigation** in a warehouse of **agricultural produce.**
- agricultural **operations directly related to production of any agricultural produce** including cultivation, harvesting, threshing, plant protection or testing;
- Carrying out an **intermediate production process as job work** in relation to agriculture
- Services by way of artificial insemination of livestock (other than horses).
- supply of **farm labour;**

B. Exemption in Agriculture Sector

- **renting or leasing of agro machinery** or vacant land with or without a structure incidental to its use;
- loading, unloading, packing, storage or warehousing of agricultural produce;
- **agricultural _____ services;**
- services by any **Agricultural Produce Marketing Committee or Board or services provided by a commission agent** for sale or purchase of agricultural produce.
- processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market;

C. Education Services

I. What is Educational Institution?

Educational institution means an **institution providing services** by way of,-

1. _____ school or equivalent;
2. education as a part of a **curriculum for obtaining a qualification recognized** by any **law** for the time being in force;
3. education as a part of an approved **vocational education** course

II. Following Services are Exempt

Services provided by an educational institution (EI):

1. to its students, faculty and staff;
2. by way of conduct of entrance examination against consideration in form of entrance fee

Services provided to an Educational Institution, by way of

[for pre-school education & education up to higher secondary school or equivalent (i), (ii), (iii)]

- i. _____, faculty and staff;
- ii. **catering, including any mid-day meals scheme sponsored** by the Central Government (CG), State Government (SG) or Union Territory (UT);
- iii. **security/cleaning/house-keeping services** performed in such EI
- iv. **services relating to admission to, or conduct of examination** by, such EI;
- v. **supply of online educational journals or periodicals.** This exemption is only applicable to an institution providing services by way of education as part of a curriculum for obtaining qualification recognized by any law for time being in force.

D. Health Care Services

What are Health Care Services?

- ❖ means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in **any recognised system of medicines in India [Allopathy, yoga, Ayurveda, Siddha, Unani, Homeopathy]** and
- ❖ includes services by way of _____, but
- ❖ does **not include hair transplant or cosmetic or plastic surgery, except when** undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma.

Following Services Are Exempt:

- ❖ Services by a _____ in relation to health **care of animals or birds.**
- ❖ Health care services by a clinical **establishment/ authorized medical practitioner/ para-medics.**
- ❖ Transportation of a **patient** in an **ambulance.**
- ❖ Services provided by _____ or any other service in relation to such preservation
- ❖ Services provided by senior doctors/ consultants/ technician
- ❖ Retention money taken by hospital
- ❖ Food supplied to admitted patient

E. Services Provided by Government

- Services by Governmental Authority (GA) by way of any activity in relation to any function entrusted to a Municipality /Panchayat under article 243W/ 243G of Constitution.
- **Services by the CG/SG/UT/Local Authority (LA) excluding following services:**
 1. services by Department of Posts by way of speed post, express parcel post, life insurance, & agency services provided to a person other than CG, SG, UT;
 2. services in relation to an aircraft/a vessel, inside/outside precincts of a port/airport;
 3. transport of goods/passengers; or
 4. any service, other than 'specified services [1-3]' above, provided to business entities
- Services provided by CG/SG/UT/LA to a business entity (BE) with an aggregate turnover of up to such amount in the preceding FY as makes it eligible for exemption from registration under the CGST Act, 2017. This exemption is not applicable to specified services and renting of immovable property service.
- Services provided by CG/SG/UT/LA to another CG/SG/UT/LA. This exemption is not applicable to specified services.
- Services provided by CG/SG/UT/LA where consideration for such services does not exceed Rs 5,000. This exemption is not applicable to specified services. In case of continuous supply of service, the exemption shall apply only where the consideration charged for such service does not exceed Rs 5,000 in a F.Y.
- Supply of service by a Government Entity (GE) to CG/SG/UT/LA/any person specified by CG/SG/UT/LA against consideration received from CG/SG/UT/LA, in the form of grant
- Services by an old age home run by CGS/SG/an entity registered under section 12AA of Income-tax Act to its residents (aged ≥60 years) against consideration upto Rs 25,000 per month per member, provided that the consideration charged is inclusive of charges for boarding, lodging and maintenance
- **Services provided by CG/SG/UT/LA by way of-**
 1. registration required under any law for the time being in force;
 2. testing, calibration, safety check or certification relating to protection or safety of workers, consumers or public at large, including fire license, required under any law for the time being in force
- Services provided by CG/SG/UT/LA by way of issuance of passport, visa, driving license, birth certificate or death certificate and granting national permit to Goods carriage to operate throughout India/contiguous state
- Services provided by CG/SG/UT/LA by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable to CG/SG/UT/LA under such contract.
- Services provided by CG/SG/UT/LA by way of assignment of right to use natural resources to an individual farmer for cultivation of plants & rearing of all life forms of animals [except horses], for food, fibre, fuel, raw material or other similar products.
- Services provided by CG/SG/UT by way of deputing officers after office hours or on holidays for inspection or container stuffing or such other duties in relation to import export cargo on payment of Merchant Overtime charges
- Services supplied by a SG to Excess Royalty Collection Contractor (ERCC) by way of assigning the right to collect royalty on behalf of SG on the mineral dispatched by the mining lease holders subject to specified conditions.
- Services provided by rehabilitation professionals recognised under the RCI Act, 1992 by way of rehabilitation, therapy or counselling and such other activity as covered by the said Act at medical establishments, educational institutions, rehabilitation centers established by CG/SG/UT/an entity registered under section 12AA of the Income-tax Act, 1961.

F. Construction Services

- Pure labour contracts of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works pertaining to the beneficiary-led individual house construction or enhancement under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana
- Services supplied by Electricity Distribution Utilities by way of construction, erection, commissioning, or installation of infrastructure for extending electricity distribution network upto the tube well of the farmer/agriculturalist for agricultural use.
- Construction etc pr original work to single Residential Unit
- Supply of TDR, FSI, long term lease (premium) of land by a landowner to a developer are exempted subject to the condition that the constructed flats are sold before issuance of completion certificate and tax is paid on them

G. Passenger Transportation Services

Such services provided by -

1. air, embarking from or terminating in an airport located in North Eastern States of India or at Bagdogra in West Bengal;
2. non-air conditioned contract carriage other than radio taxi, for transportation of passengers, excluding tourism, conducted tour, charter or hire; or
3. stage carriage other than air- conditioned stage carriage.

2 and 3 Not applicable when provided through E-COM

Such services provided to CG by air, embarking from or terminating at a Regional Connectivity Scheme (RCS) airport, against consideration in the form of viability gap funding. This exemption shall apply only till expiry of a period of 3 years from date of commencement of operations of the RCS airport as notified by the Ministry of Civil Aviation

Such services provided by:

- (a) railways in a class other than first class/an airconditioned coach;
- (b) metro, monorail or tramway;
- (c) inland waterways;
- (d) public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and
- (e) metered cabs or auto rickshaws (including e-rickshaws) [Not for E-COM]

H. Goods Transportation Services

Services by way of transportation of goods-

- By road **except** the services of—
 1. a goods transportation agency (GTA);
 2. a courier agency;
- By **inland** waterways.
- Railway equipment/materials exempt when transported by rail/vessel.
- **Transportation of goods exempt when transported by goods carriage:**
 1. where consideration charged for the transportation of goods on a **consignment transported in a single carriage** _____
 2. where consideration charged for **transportation of all such goods for a single consignee** _____
- **Exempt transportation of goods by rail/ vessel/ by GTA in a goods carriage:**
 1. **Agricultural produce, milk, salt and food grain including flours, pulses and rice**, organic manure, newspaper or magazines registered with the Registrar of Newspapers
 2. **Defence/military equipment**, relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap
- **Services provided by a GTA to an unregistered person, including an unregistered casual taxable person, except following recipients, namely:**
 1. a **factory** registered under Factories Act,
 2. **society** registered under Societies Act,
 3. **Co-operative society**,
 4. **body corporate** and
 5. **partnership firm including AOP;**
 6. **registered casual taxable person**
- **Services provided by a GTA, by way of transport of goods in a goods carriage, to:**
 1. a **department** or Establishment of the CG/SG/UT; or
 2. local authority; or
 3. Governmental agencies, which has taken registration only for the purpose of deducting tax under section 51 and not for making a taxable supply of goods or services.

I. Banking and Financial Services

- Services by RBI
- **Services by way of**
 - ❖ _____ is represented by way of interest or discount (other than interest involved in credit card services)
 - ❖ _____ or authorised dealers of foreign exchange or amongst banks and such dealers.
 - ❖ Services provided by a banking company to **Basic Saving Bank Deposit (BSBD) account** holders under **Pradhan Mantri Jan Dhan Yojana (PMJDY)**
 - ❖ Services by an acquiring bank, to any person in **relation to settlement of an amount upto Rs 2,000 in a single transaction transacted through credit card**, debit card, charge card or other payment card service
 - ❖ Services by an intermediary of financial services located in a multi services SEZ with **International Financial Services Centre (IFSC)** status to a customer located outside India for international financial services in currencies other than Indian rupees

J. Life Insurance Business Services

- Such services by **way of annuity under the National Pension System by Pension Fund Regulatory and Development Authority of India (PFRDAI) under PFRDA Act, 2013.**
- **Such services by the Army, Naval and Air Force Group Insurance Funds** to members of the Army, Navy and Air Force, respectively, under the Group Insurance Schemes of CG
- **Services of life insurance provided/agreed to be provided by the Central Armed Police Forces** (under Ministry of Home Affairs) Group Insurance Funds to their members under the Group Insurance Schemes of the concerned Central Armed Police Force
- **Such services by the Naval Group Insurance Fund** to the personnel of Coast Guard under the Group Insurance Schemes of CG

Such services under following schemes:

1. Janashree Bima Yojana;
- 2.
- 3.
- 4.
5. (IRDA), having maximum amount of cover of Rs _____;
- 6.
7. Pradhan Mantri Jeevan Jyoti BimaYojana;
- 8.
- 9.

K. Services Provided by Specified Bodies

1. Services by the Employees' State Insurance (ESI) Corporation to persons governed under the ESI Act, 1948.
2. Services provided by the EPFO to the persons governed under the Employees Provident Funds (EPF) & Miscellaneous Provisions Act, 1952.
3. Services by CMPFO to persons governed by Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948.
4. Services by NPS Trust to its members against consideration in the form of administrative fee.
5. Services provided by the IRDAI to insurers under IRDAI Act, 1999.
6. Services provided by the SEBI by way of protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market.

L. General Insurance Business Service

- a) Such Services under followingschemes -
- b) Hut Insurance Scheme;
- c) Cattle Insurance under Swarnajaynti Gram Swarozgar Yojna37;
- d) Scheme for Insurance of Tribals;
- e) Janata Personal Accident Policy and Gramin Accident Policy;
- f) Group Personal Accident Policy for Self-Employed Women;
- g) Agricultural Pumpset and Failed Well Insurance;
- h) premia collected on export credit insurance;
- i) Restructured Weather Based Crop Insurance Scheme (RWCIS),approved by the Government of India and implemented by the Ministry of Agriculture;
- j) Jan Arogya Bima Policy;
- k) Pradhan Mantri Fasal Bima Yojana (PMFBY);
- l) Pilot Scheme on Seed Crop Insurance;
- m) Central Sector Scheme on Cattle Insurance;
- n) Universal Health Insurance Scheme;
- o) Rashtriya Swasthya Bima Yojana;
- p) Coconut Palm Insurance Scheme;
- q) Pradhan Mantri Suraksha BimaYojna;
- r) Niramaya Health Insurance Scheme implemented by the Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999;
- s) Bangla Shasya Bima.

Services by way of reinsurance of the insurance schemes specified in (A) and (B) above

M. General Insurance Business Service

Services by way of collection of contribution under:

- Atal Pension Yojana
- any pension scheme of SG

N. Business facilitator/correspondent

Services by the following persons in respective capacities

- business facilitator or a **business correspondent to banking company** with respect to accounts in its rural area branch;
- **any person as an intermediary** to a business facilitator or a business correspondent with respect to services mentioned in entry (a); or
- **business facilitator or a business correspondent** to an insurance company in a rural area

O. Services Provided to Government

- Following services provided to the CG/SG/UT/LA/GA/GE by way of any activity in relation to any function entrusted to a Panchayat/Municipality under articles 243G/243W of the Constitution:
 1. Pure services
 2. **Composite supply** of goods and services in which the value of supply of goods **constitutes not more than 25% of the value of the said composite supply**
- Service provided by **Fair Price Shops** to CG/SG/UT by way of sale of food grains, kerosene, sugar, edible oil, etc. under Public Distribution System (PDS) against commission/margin
- Services provided to CG/SG/UT under any **insurance scheme** for which total premium is paid by CG/SG/UT.
- Services provided to CG/SG/UT administration under **any training programme** for **75 % or more** expenditure is borne by CG/SG/UT administration.
- Services provided by GSTN to CG/SG/UT for **implementation of GST**

P. Performance by an Artist

Services by an artist by way of a performance in folk or classical art forms of music/ dance/ theatre, **if the consideration charged for such performance is not _____**. This exemption shall **not apply to service provided by such artists as a brand ambassador**.

Q. Leasing Service

- **Upfront amount payable in respect of service by way of granting of long term lease of 30 years**, or more of industrial plots/plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations or Undertakings or by any other entity having **___or more ownership of CGS/SG/UT** to the industrial units/developers in any industrial/financial business area, subject to specified conditions.

R. Legal Services

Service Provided by	To
Arbitral tribunal	
Partnership firm of advocates or an individual as an advocate other than a senior advocate by way of legal services	
Senior advocate by way of legal services	

Legal services provided by a partnership firm of advocates/ individual as an advocate other than a senior advocate to another advocate/ partnership firm of advocates providing legal services

S. Sponsorship of Sports Event

Sponsorship of sporting events organised -

1. by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, State, zone or Country;
2. by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat;
3. by the Central Civil Services Cultural and Sports Board;
4. as part of national games, by the Indian Olympic Association; or
5. under Panchayat Yuva Kreedha Aur Khel Abhiyaan Scheme

T. Skill Development Services

Services provided by, -

- National Skill Development Corporation (NSDC) set up by GoI;
- Sector Skill Council (SSC) approved by NSDC;
- assessment agency approved by SSC/NSDC
- a training partner approved by SSC/NSDC

in relation to-

- a) the National Skill Development Programme implemented by NSDC; or
 - b) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or
 - c) any other Scheme implemented by NSDC.
- ❖ Services of assessing bodies empanelled centrally by DGT, Ministry of Skill Development and Entrepreneurship by way of assessments under the SDI Scheme.
 - ❖ Services provided by training providers (Project implementation agencies) under DDUGKY implemented by Ministry of Rural Development, GoI by way of offering skill or vocational training courses certified by the National Council for Vocational Training (NCVT).

U. Right to Admission to Various events

Services by way of admission to:

- museum, national park, wildlife sanctuary, tiger reserve or zoo
- protected monument declared under the Ancient Monuments and Archaeological Sites & Remains Act 1958/any of the State Acts, for the time being in force.
- **Following events/places where the consideration for right to admission is not more than Rs 500 per person:**
 - a) circus, dance, or theatrical performance including drama or ballet;
 - b) award function, concert, pageant, musical performance or any sporting event other than a
 - c) recognised sporting event;
 - d) recognised sporting event;
 - e) planetarium.

V. Right to Admission to Various events

- Services by unincorporated body/ non-profit entity to its own members as reimbursement/share of contribution:
 - ❖ As a trade union
 - ❖ For providing exempt activity
 - ❖ **up to an amount of Rs 7,500 per month per member for sourcing of goods/services from a third person for the common use of its members in a housing society/residential complex.**

Services provided by such entity/body engaged in-

- activities relating to the welfare of industrial or agricultural labour or farmers; or
- **promotion of trade, commerce, industry, agriculture, art, science, literature, culture, sports, education, social welfare, charitable activities and protection of environment,**

to its own members against **membership fee upto Rs 1000/- per member per year**

W. Other Exempt Services

- Transfer of a going concern, as a whole or an independent part thereof.
- Services provided by and to FIFA and its subsidiaries directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020 to be hosted in India.

Condition to be fulfilled:

Director (Sports), Ministry of Youth Affairs and Sports have to certify that the services are directly/indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.

- Services associated with transit cargo to Nepal and Bhutan (landlocked countries).
- Services by way of renting of residential dwelling for use as residence
- Services by a hotel, inn, guest house, club or campsite, by having value of supply of a unit of accommodation below or equal to Rs 1,000 per day or equivalent, whatever name called, for residential or lodging purposes,

Services by way of giving on hire -

- to a state transport undertaking (STU), a motor vehicle meant to carry more than 12 passengers;
- (aa) to a local authority, an Electrically operated vehicle (EOV) meant to carry more than 12 passengers; or
- to a GTA, a means of transportation of goods.
- motor vehicle for transport of students, faculty and staff, to a person providing services of transportation of students, faculty and staff to an educational institution providing services by way of pre-school education and education upto higher secondary school or equivalent
- Service by way of access to a road or a bridge on payment of toll charges/annuity.
- Transmission/distribution of electricity by an electricity transmission/ distribution utility
- Services by way of licensing, registration and analysis or testing of food samples supplied by the FSSAI to Food Business Operators.

W. Other Exempt Services

Services provided by an incubatee up to a total turnover of Rs 50 lakh in a FY provided:-

- total turnover _____ during the preceding FY; and
- a period of 3 years has not elapsed from the date of entering into an agreement as an incubatee.
- Taxable services, provided or to be provided, by a Technology Business Incubator/ Science and Technology Entrepreneurship Par (TBI/STEP) recognized by NSTEDB or bio- incubators recognized by BIRAC
- Services by way of collecting or providing news by an independent journalist, PTI or United News of India
- Services of public libraries by way of lending of books, publications or any other knowledge-enhancing content or material.
- Services by an organiser to any person in respect of a business exhibition held outside India.
- Services by way of slaughtering of animals.
- Services by way of pre-conditioning, pre- cooling, ripening, waxing, retail packing, labelling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables.
- Services provided by the National Centre for Cold Chain Development under the Ministry of Agriculture, Cooperation and Farmer's Welfare by way of cold chain knowledge dissemination.
- Services by a foreign diplomatic mission located in India.
- Services by way of providing information under the RTI Act.

Services provided to a recognised sports body (RSB) by-

(a) an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organised by a RSB;

(b) another RSB.

- Services provided by operators of the common bio-medical waste treatment facility to a clinical establishment by way of treatment/disposal of bio-medical waste/ incidental processes.
- Services by way of public conveniences such as provision of facilities of bathroom, washrooms, lavatories, urinal or toilets.
- Services by way of right to admission to the events organised under FIFA U-17 Women's World Cup 2020.

Topic 5: Time of Supply

Sec 12 & 13: Time of Supply [TOS] in Case of Goods and Services

DATE OF RECEIPT OF PAYMENT =

Earlier of Date on which Payment is entered in books of A/c OR debited from bank A/c of the recipient

Sec 12(1):

The liability to pay tax on goods shall arise at the time of supply.

Sec 12(2): TOS in case of Forward Charge

Date of Issue of Invoice by the supplier

OR

Last Date on which invoice is required to be issued

EARLIER

[Note 1]

Note 1:

Time of issue of Tax invoice for Supply of Goods

Sec 31(1): General Case: Before or at the time of

Case	Time of issue of invoice for Goods
Supply involves movement of goods	
In other cases	

Sec 31(4): Continuous Supply

Before or at the time each such statement is issued or each such payment is received.

Sec 31(7): Goods sent on Approval basis

Date when Recipient indicates that he has accepted the supply of goods

OR

Within 6 months from the Date of Removal

Sec 12: Time of Supply [TOS] in Case of Goods

Note:

No GST on Advance received for supply of goods under FCM.

Sec 12(3): TOS in case of Reverse Charge

OR

OR

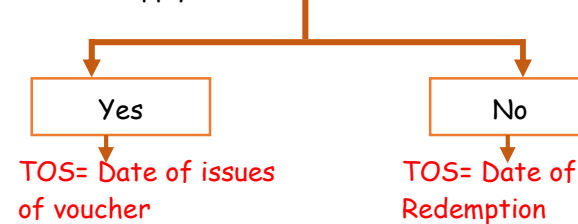
EARLIER

If above events are unascertainable:

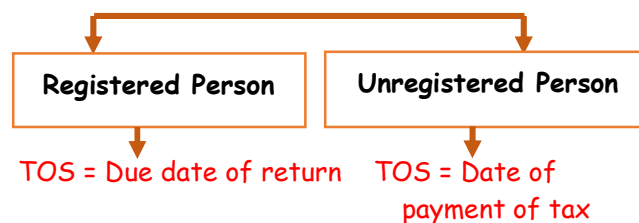
TOS = Date of Entry in books of A/c of Recipient of supply [purchase entry]

Sec 12(4): TOS in case of Vouchers

Is supply identifiable on issue of voucher?



Sec 12(5): TOS in Residual Case



Sec 12(6): TOS for Interest, penalty, late fees

TOS = _____

Sec 13: Time of Supply [TOS] in Case of Services

Sec 13(1):

The liability to pay tax on services shall arise at the Time of supply

Sec 13(2): TOS in case of Forward Charge

When invoice is issued within time limits

Date of invoice

OR

Date of payment

EARLIER

When invoice is not issued within time limits

Date of service

OR

Date of payment

EARLIER

Notes

1. Small advances up to Rs 1,000

TOS = _____

2. If above events are ascertainable:

TOS = Book entry date of Recipient

Time Limit for issuing invoice

Generally:

- On/before 30/45 days from the date of provision of service [45 days only for Banks, and insurance, and NBFC]

When Due Date of payment is ascertainable:

- _____

When Due Date of payment is not ascertainable:

- Before/at the time of receipt of payment

When payment is linked to completion of event:

- On/before completion of event

Sec 13: Time of Supply [TOS] in Case of Services

Sec 13(3): TOS in case of Reverse Charge

Date of receipt payment

OR

Date of issue of Invoice + 61st Day

Notes:

If above events are ascertainable

TOS = Book entry date of Recipient

When Services are imported from associated enterprises:

Date of payment

OR

Date of entry in BOA of recipient

Sec 13(4)/(5)/(6): TOS Same as in case of goods

Topic 6: Value of Supply

Sec 15: Value of Supply [VOS]

Sec 15(1)

Value of Supply = **Transaction Value**
[price actually paid/payable] [pp]

Provided:

- Parties are unrelated AND
- Price is the sole consideration

GST = Value of Supply × Rate of Tax

Note 1: Outward freight, transit insurance

Delivery of goods at buyer's premises:

Goods + Delivery + Insurance = Composite supply;

Principal supply is "supply of goods". Thus, '**Outward freight & Insurance charges**' becomes part of value of composite supply & GST is payable on outward freight & insurance charges at rate as applicable for goods.

Ex-factory basis contract

Outward freight will not be included in value of supply since buyer pays outward freight.

Sec 15(2): Inclusion in VOS

- Duties, Taxes, Cess, fees, **other than GST if charged separately**
Note: As per Circulars TCS under Income Tax Act **not be included**
- Any _____ of supplier **met** by **recipient** on behalf of supplier [Not included in PP]
- Incidental expenses** charged by supplier including **selling commission, packing and any amount charged for anything done by supplier with respect to supply** [Note 1]
- Interest, penalty, late fees** for delayed payment. [Note 2]
- Subsidies directly linked to price** [Excluding subsidies received from CG/SG]

Note 2: IPL assume inclusive of GST and hence back calculation needs to be done

$$\left\{ \frac{\text{Amount}}{100 + \text{ROT}} \right\} \times 100$$

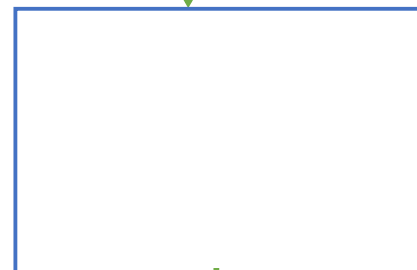
Sec 15(3): Discount

Given before/at the time of supply



Given after supply

Otherwise



Sec 15(4)

Where VOS cannot be determined u/s 15(1) follow CGST Rule 27-31

Sec 15(5)

Notified supplies value to be determined in manner prescribed by GOVT

Topic 7: Input Tax Credit

Important Definitions

- **Sec 2(59) Input** : Means any goods used other than capital goods used or intended to be used by supplier in course of furtherance of business.
- **Sec 2(60) Input Service** : Means any service used or intended to be used by a supplier in the course or furtherance of business
- **Sec 2(60) Input Service** : Means any service used or intended to be used by a supplier in the course or furtherance of business
- **Sec 2(46) Electronic Credit Ledger**: means the electronic credit ledger as referred in Sec 49(2) i.e. the input tax credit as self assessed in return of registered person shall be credited to electronic credit ledger in accordance with section 41, to be maintained in the manner as may be prescribed
- **Sec 2(47) Inward Supply** : in relation to a person, shall mean receipt of goods or services or both whether by purchase acquisition or any other with or without consideration

Sec 16 - Eligibility and conditions for taking input tax credit

Registered person to take credit of tax paid on inward supplies of goods and/or services used/ intended to be used in the course or furtherance of business if the following four conditions are fulfilled:

1. He has furnished return u/s 39
2. Tax on such supply has been paid either in/by Cash or Utilisation of ITC
3. He has received goods and/or services --
----Goods delivered / services provided to third person on the direction of the registered person deemed to be received by the registered person ⇒ ITC available to registered person [Bill to Ship to Model]
4. He has valid tax invoice/debit note/prescribed tax paying document
5. Details of such invoice or debit notes have been furnished by the supplier in GSTR -1 or using IFF

Time limit for availing ITC - ITC pertaining to a particular FY can be availed by **20th October of next FY** or filing of annual return, whichever is earlier. **Exception**: Re-availment of ITC reversed earlier.

Goods received in lots - ITC allowed upon receipt of last lot.

Restriction on availment of credit - ITC to be availed in respect of invoices or debit notes, the details of which have not been furnished by the suppliers in GSTR-1/IFF,

_____ available in respect of invoices or debit notes the details of which have been furnished by the suppliers in GSTR-1/IFF.

Sec 17 - Apportionment of credit and blocked credits

A. Standard Provision

- Goods or Services used **partly**
 - Business and Non-Business
 - Taxable(incl. zero rated) and Exempt
- ITC available only on
- Business
 - Taxable(incl. zero rated)

B. Special Provision for Banks/NBFCs

- a. Avail Standard Provision
- OR**
- b. Avail ___ of eligible ITC

Conditions:

1. Remaining 50% ITC will lapse
2. Restriction of 50% shall not apply to the tax paid on supplies received from another registration within the same entity
3. Option once exercised cannot be withdrawn during remaining part of the year

Sec 17(5) - Blocked Credit

1. Motor Vehicle - **Except** Seating Capacity > _____ (incl driver) Used for making taxable supply of:
 - i. Further supply of MVs
 - ii. Transportation of Passengers
 - iii. Imparting driving training
2. Vessel/Aircraft - **Except** Seating Capacity > ____ (incl driver) Used for making taxable supply of:
 - iv. Further supply of V/As
 - v. Transportation of Passengers
 - vi. Imparting training on Navigation of Vessel or flying aircraft.
3. Services of general insurance, servicing, repair & maintenance on above 1 and 2 - **Except** where used for specified purpose
4. Where received by a taxable person engaged
 - a. In the **manufacture** of such motor vehicles, vessels, or aircraft or
 - b. In the supply of **general insurance services in respect of such** motor vehicles, vessels or aircraft insured by him.
5. Food and beverages, Outdoor catering, Beauty Treatment, Health Services, Cosmetic & Plastic Surgery, life insurance & health insurance, Leasing, renting or hiring of motor vehicles, vessels or aircraft referred in 1 or 2 **except** Sub-contracting or as an element of a taxable composite or mixed supply
6. Membership of Club, health and fitness center
7. Travel benefits extended to employees on vacation such as leave or home travel concession **except** where obligatory by law
8. Works contract service for construction of immovable property **except** (A) Works Contract services for Plant & Machinery **OR** (B) Sub-contracting
9. Inward supplies received by taxable person for construction of immovable property on his own account including when such supplies are used in the course or furtherance of business **except** (A) Construction of Plant & Machinery (B) Construction of immovable property for others.
10. Inward supplies received by NRTP **except** Goods imported by him

Sec 17(5)...(contd.)

11. Goods or services or both on which tax has been paid under Sec 10
12. Goods or services or both used for personal consumption
13. Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples
14. Any tax paid in accordance with the provisions of sections 74, 129 and 130.

Plant & Machinery:

Plant & Machinery means apparatus, equipment & machinery fixed to earth by foundation or structural supports but excludes land building/ other civil structures, tele-communication towers and pipelines laid outside the factory premises.

Construction:

Construction includes re-construction/ renovation/ addition/ alterations/ repairs to the extent of capitalisation to said immovable property

Transfer of ITC

- **On account of change in constitution**
 - For Sale, Merger, Amalgamation, Lease or trf of business, Unutilised ITC can be transferred if:
 1. Specific provision of trf of liabilities with **CA Certificate**
 2. Inputs and CG trf are accounted for.
 - **Demerger:** Apportion ITC on entire _____ (incl. on assets in which ITC is not claimed)

Section 18

- **Special circumstances enabling availing of credit**
 1. Registered person switching from composition levy to regular scheme of payment of taxes (**CS to R**)
 2. Registered person's exempt supplies becoming taxable (**E to T**)
 3. Person applying for registration **within 30 days** of becoming liable for registration (**UR to R**)
 4. Person obtaining voluntary registration(**UR to VR**)
- 1 & 2 Credit entitled on Inputs and CG (incase of E to T, _____)
On the day immediately preceding the day in which the person is liable to Pay Tax or Supply becomes Taxable, as the case maybe.
- 3 & 4 **Only** Inputs (**NO CG**)
On the day immediately preceding the day in which the person is liable to Pay Tax or date of registration, as the case maybe

(ITC is to be availed within _____ from the date of Invoice from Supplier in all above cases)

Conditions:

- i. Filing of electronic declaration giving details of inputs held in stock/contained in semi-finished goods and finished goods held in stock and capital goods on the days immediately preceding the day on which credit becomes eligible.
 - ii. Declaration has to be filed within 30 days from becoming eligible to avail credit.
 - iii. Details in (i) above to be **certified by a CA/ Cost Accountant** if aggregate claim of CGST, SGST/ IGST _____.
- **Special circumstances leading to reversal of credit /payment of amount**
 1. Registered person (who has availed ITC) switching from regular scheme of payment of tax to composition levy (T to CS)
 2. Supplies of registered person getting wholly exempted from tax Cancellation of registration
 3. Cancellation of registration
 4. Supply of capital goods (CG)/ plant and machinery (P& M) on which ITC has been taken
 - For 1, 2 & 3 Amount to be Reversed = Inputs (Proportionate to Invoices issued, if not issued then as per MV) + CG (Remaining useful life (Life = 5yrs)) held on the day immediately preceding the date of switch over/ date of exemption/date of cancellation of registration
 - For 4 Amount to be paid (a) ITC (-) 5% p.q or part from the date of Invoice **OR**
(b) Tax on Transaction Value
(_____)

Transfer of ITC ...(contd.)

- **On obtaining separate registrations for multiple places of business within a State/UT**
 - Can transfer the unutilised ITC to _____(s) of business in the **ratio of the value of assets** held by them at the **time of registration**
 - Value of assets means the value of the entire assets of the business irrespective of whether ITC has been availed thereon or not.
 - The registered person should furnish the prescribed details on the common portal within a period of 30 days from obtaining such separate registrations.
 - Upon acceptance of such details by the newly registered person (transferee) on the common portal, the unutilised ITC is credited to his electronic credit ledger.

Topic 8: Registration under GST

Some important terms

What is Place of Business:

- Place from where **business** is **ordinarily** carried on & includes warehouse, godown (where TP stores his goods or receives G/S)
- Place where a **taxable person** maintains his **books of A/c**;
- Place where a taxable person is engaged in **business through agent**

What is Fixed Establishment:

- A Place (other than Reg. PoB) characterised by sufficient permanence & suitable structure in terms of human & technical resources to **supply services, or to receive & use services for its own needs**

What is Principal Place of Business:

- means place of business specified as principal place of business in the **certificate of registration**

What is Casual Taxable Person:

- A person who **occasionally** undertakes supply of G/&S in course or furtherance of business whether as principal or agent, in a **State/UT where he has no fixed place of business.**

What is Non-resident Taxable Person:

Any person who occasionally undertakes supply of G/&S whether as principal or agent (Condition of Business → **not required for NRTP**) but who has no fixed place of business or residence in India

Sec 22: Person Liable for Registration

Who is Liable for Registration:

- Every **Supplier** whose **Aggregate turnover** in a state/UT **exceeds Rs 20 Lacs**
- For special category states:

When Aggregate Turnover	Special Category States [MMTN]
Exceeds Rs 10 Lacs	1. 2. 3. 4.

➤ For NN 10/2019

When Aggregate Turnover	Applicable to?
Exceeds Rs 40 Lacs	Any person who is engaged in _____

Non- Applicability of NN 10/2019:

1. Persons required to take **compulsory registration** u/s 24. [No Limit for Registration]
2. Person who has opted **for voluntary registration** or such RP who intend to continue with their registration. [No Limit since already registered]
3. Supplier of _____.
4. Persons engaged in making Intra-State supplies in the States of:
 - **MMTN= Limit Rs 10 Lacs**
 - Uttarakhand, Arunachal Pradesh; Meghalaya, Sikkim (Special States as per constitution but not for sec 22) + Puducherry & Telangana (Normal States) → [Limit = Rs. 20 Lacs]

Sec 22: Person Liable for Registration

➤ Existing Law

Every person who is registered or holding a license under existing indirect tax law

➤ Transfer of Business

1. Business carried on by RP is transferred due to succession or otherwise to another person as going concern,
2. _____ shall be liable for registration, w.e.f. the date of such transfer or succession.

➤ Amalgamation or demerger

1. In case of transfer pursuant to sanction of scheme for amalgamation or demerger of two or more companies pursuant to order of HC, Tribunal or otherwise,
2. **transferee shall be liable to be registered, w.e.f. date on which** _____

What is aggregate Turnover

➤ Aggregate:

PAN wise on All India Basis

➤ Turnover:

1. **Includes:** Taxable, Exempt, Exports, Inter-state Supplies
2. **Excludes:** CGST/SGST/UTGST/IGST/GST Cess and Value of Inward supplies on which tax is payable under RCM

Notes:

Includes supply made on behalf of principal
Outward supplies under RCM = included in ATO

Sec 23: Person not Liable for Registration

Sec 24: Compulsory Registration

Following person are compulsory required to obtain registration:

- Person making inter-state taxable supply
Exemption:
 1. For Supplier of **notified Handicraft goods** = Limit of Rs 20/10 Lacs will available
 2. For **Inter-state supply of taxable services** = limit of Rs 20/10 Lacs will be available
- CTP making taxable supply
Exemption:
CTP making **inter-state taxable** supply of handicraft goods = **limit of 20/10 lacs will be available**

Sec 24: Compulsory Registration Continue.

Following person are compulsory required to obtain registration:

- **N RTP** making taxable supply
- Person required to pay tax under RCM
Exemption:
If person is **engaged exclusively** only in RCM supplies → **No Registration required.**
- **Input service distributor**
- Persons required to **deduct tax** at source u/s **51** (whether or not separately registered under GST)
- Overseas **OIDAR** services supplier supplying to Unregistered person
- Person who are required to **pay tax** under 9(5)
- Persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as **an agent or otherwise.**
- Every **ECO** who is required to collect tax at source u/s **52**;
- Persons who supply G/&S through ECO [other than specified u/s 9(5)].
Exemption:
Suppliers supplying only services through ECO = **Limit of Rs. 20/10L**

Sec 25: Procedure for Registration

Sec 25(1): Time limit to apply for Registration

Type of Person	When to apply
Liable to register	_____ from date on which he becomes liable to registration
Casual Taxable Person	at least ____ days prior to commencement of business.
Voluntary Person	When he _____ to do so

Ruel 10: Effective Date of Registration

Case	Effective Date
If application is submitted within 30 days from becoming liable to registration	Date of becoming liable to Registration
If application is submitted after 30 days from the date of becoming liable to registration	Date of grant of registration

Sec 25(2): State-wise Registration

One Registration per State:

- Registration to be _____
- **No Centralized** Registration
- State-wise separate registration to be taken for **multiple branches in multiple states**
- In **Single states** where there are **different branches** single registration can be given **where one place can be PPOB and other can be APOB**

Sec 25: Procedure for Registration

Sec 25(2): State-wise Registration

Separate Registration for different POB within a State/UT may be granted:

- Normally Single registration for different branches in same state
- However, **separate registration** for each POB **shall be granted** provided all **separately registered** POB of such person pay tax on **supply of goods/services to another registered place of business, of such person and issue a tax invoice/bill of supply, for such supply.**

Composition Levy:

- If one branch is paying tax u/s 10, all other branches shall pay tax u/s 10. (Composition).
- If one branch becomes ineligible for composition levy, all other branches become ineligible

Sec 25(3): Voluntary Registration

- Person may get himself registered voluntarily. Once a person obtains voluntary registration, he has to pay **tax even though his aggregate turnover does not exceed Rs. 20/10 lacs/40lacs**

Sec 25(4) & (5): Distinct person/Establishment of Distinct person

- Person has obtained/required to obtain multiple registration in one/multiple states = _____
- Person has obtained/required to obtain registration w.r.t an establishment has another establishment in other state/UT = **Distinct Person**

Sec 25: Procedure for Registration

Sec 25(6)/(7)/(9)/(10) :

PAN	UIN
PAN is mandatory to be eligible for grant of registration	Any specialized agency of UNO or Multilateral FI & organization consulate/embassy of foreign countries & any other notified person is required to obtain a UIN from GSTN portal.
Exception:	
Person required to deduct tax u/s 51 can get registration by using his TAN	UIN is needed for claiming refund of taxes paid on notified supplies of G/S received by them.
N RTP can apply for registration by using a valid passport.	UIN granted is a centralized UIN (it shall be applicable to the territory of India)
Business entity incorporated or established o/s India , has to submit the application for GST registration along with its tax identification number or unique number on the basis of which the entity is identified by the Government of that country or its Permanent Account Number (if available)	PO may (upon submission of application or after receiving a recommendation from Ministry of External Affairs, Government of India) assign a UIN to the said person & issue registration certificate within 3 working days from date of submission of application

Sec 25 read with rules 8, 9,10: Registration Procedure

Applicability:

1. Normal Person
2. Person paying tax under composition levy
3. Person seeking voluntary registration
4. CTP

Sec 25: Procedure for Registration

Sec 25 read with rules 8, 9,10: Registration Procedure continue...

Non-Applicability:

1. NRTP;
2. Person required to deduct tax at source u/s 51 or collect tax at source u/s 52;
3. Person supplying OIDAR services from o/s India to NTOR

Application:

1. Application in GST REG 01 is divided into 2 Parts (i) Part A & (ii) Part B.
2. Electronically at GST Portal signed/verified through Electronic Verification Code.

Documents:

1. PAN; Mobile No; E-mail address; State/UT

Verification:

1. PAN → from CBDT database; Mob. No. & E-mail → OTP sent on it.

TRN:

1. Temporary Reference Number is generated. Part B shall be submitted electronically along with specified documents at GST Portal using TRN.

Acknowledgement:

1. On receipt of such application, an acknowledgement in the prescribed form shall be issued to the applicant electronically.
2. CTP gets a TRN for making an advance deposit of tax in his electronic cash ledger & an acknowledgement is issued only after said deposit

Sec 25: Procedure for Registration

Sec 25 read with rules 8, 9,10: Registration Procedure

Forwarded to PO:

1. Application shall be forwarded to the Proper Officer.

Examination by PO:

1. If application & accompanying documents are proper, PO shall grant registration to applicant within **7 working days from date of submission of application.**

Deficiency:

1. If application is found deficient, PO may issue a notice to applicant electronically in **GST REG-03** within **7 working days from date of submission of application.**
2. Notice may be issued **not later than 30 days** from application submission date in case where a person fails to undergo Aadhar authentication or PO deems it fit to carry out site verification

Clarification by Applicant:

1. Applicant shall **furnish** clarification, information or documents electronically, **within 7 working days from date of receipt of notice.**
2. If PO is **satisfied** with clarification, information, etc., he may grant registration to applicant in **GST REG-06 within 7 working days** from date of receipt of such clarification

Sec 25: Procedure for Registration

Sec 25 read with rules 8, 9,10: Registration Procedure

Rejection by PO

1. Proper officer may reject the application for reasons to be recorded in writing.

Deemed Approval of Application:

1. In case where registration is to be granted after physical verification of the premises of a person
 - a. who fails to undergo the aadhaar authentication does not opt for aadhaar authentication or
 - b. since proper officer deems it fit to carry out physical verification of places of business

Within a period of 30 days from the date of submission of the application

2. In case of a person other than those covered above =

Within a period of 7 working days from the date of submission of the application

3. In cases where proper officer issues notice seeking clarification, information or documents from the application

within 7 working days from the date of receipt of clarification, information or documents furnished by the applicant

Registration Certificate:

1. Registration certificate shall be issued in Form **GST REG-06** it shows PPOB and APOB which is available on GST portal
2. **GST Identification number is communicated within 3 days after grant of Registration**
3. **GSTIN Contains 15 Characters**
 - 2 = State Code
 - 10= PAN
 - 2 = Entity Code
 - 1 = Checksum letter

Sec 25: Procedure for Registration

Sec 25(8): Suo moto Registration

1. If pursuant to any survey, enquiry, inspection, search or any other proceedings under the Act, PO finds that a person liable to registration under the Act has failed to apply for such registration, PO may register said person on a temporary basis.
2. **Such person shall either:**
 - (a) **submit application for registration within 90 days from date of grant of temporary registration, or**
 - (b) **file an appeal against such temporary registration.**
3. However, if Appellate Authority upholds (continue) the liability to registration, application for registration shall be submitted within **30 days from date of issue of such order of AT.**

Note: GSTIN granted shall be effective from date of order of PO granting temporary registration.

Sec 26: Deemed Registration

- Grant of registration/UIN under any SGST/UTGST Act is deemed to be registration/UIN granted under CGST Act provided application for registration has not been rejected under CGST Act.

Sec 27: Compulsory Registration for CTP and N RTP

When to obtain Registration?

CTP & N RTP is required to obtain GST registration at least 5 days prior to commencement of business.

Documents

➤ For CTP:

No Special form can use GST REG-01 along with PAN

➤ For N RTP:

GST REG-09 is required to be filled along with valid passport

Advance Payment:

CTP & N RTP has to make advance deposit of tax equivalent to estimated tax liability for the period for which registration is sought.

Validity:

Valid for period specified in application or 90 days from effective Date of Registration, whichever is earlier.

[Max. Extension of 90 days]

Sec 28: Amendment of Registration

Core Field

Proper officer permission is required for the following changes:

- Legal Name of Business
- Address of PPOB and APOB
- Addition/deletion/retirement of:

1. Partner, director, Karta, Managing committee, Board of Trustee, CEO
2. Responsible for day to day affairs of business which does not need cancellation

Non-Core Field

Change in constitution Resulting in PAN Change

Change in Registration

Apply in GST REG 14 within 15 days of change along with supporting documents to P.O.

Verification by P.O. and is of the opinion that

Amendment warranted

+ Docs are complete & correct

Amendment not warranted

+ Documents are incomplete/incorrect

Serve SCN in GST REG -03 within 15 working days to show cause within 7 working days why appⁿ shall not be rejected

RP Replier in GST REG -04 satisfactory

RP Reply not satisfactory/no reply

Approve Amendment within 7 working days

Reject Appⁿ within 7 working days

Sec 29: Cancellation of Registration

Sec 29(1): PO may suo motu or on application made by Registered person or by it's Legal heirs cancel where:

1. Business discontinued or transferred fully due to [death, disposed of, amalgamation, demerger]
2. Change in Constitution of Business
3. Taxable person (other than voluntary registration) is no longer liable to be registered u/s 22 or 24.

Sec 29(2): PO may cancel Registration where

1. A registered person has contravened the prescribed provisions
 - ❖ No Business from Declared POB
 - ❖ Issue invoice or bill of supply without supply of G/S/B
 - ❖ Violating provision relating to Anti-profiteering
 - ❖ Violation of provisions relating to Sec 10A [Bank Account]
 - ❖ Avails ITC in violation of Sec 16/ rules
 - ❖ Furnishes details of outward supply in GSTR 1> outward supply declared in valid return u/s 39
 - ❖ Violates provision of Rule 86B
2. Composition Taxable person = No return for 3 Consecutive tax periods
3. Normal taxable person = No return for continuous 6 months
4. Voluntary Registration = Business not commenced in 6 months
5. Registration obtained through fraud, wilful misstatement or suppression of facts.

Sec 29(3): Cancellation not to affect liability to pay taxes, dues, whether or not determined before or after cancellation

Sec 29(5): Tax Payable on Cancellation w.r.t

Inputs in stock/semi-finished goods/finished Goods

ITC Computed proportionately on the basis of corresponding invoices

OR

Output tax payable on such goods

Capital Goods or Plant and Machinery

Reduce ITC for remaining life taking life as 60 months

OR

Tax on the transaction value of such capital goods or P&M u/s 15

Sec 29: Cancellation of Registration

Ruel 20 & 22: Procedure for Cancellation

I. Voluntary Cancellation:

Submit application in GST REG -16 **within 30 days** of occurrence of the event warranting cancellation

Along with application submit following details:

- **Details of Inputs** in Stocks/semi-finished goods/finished goods capital goods
- **Liability + Payment details** + Supporting Documents
- On the **date** from which cancellation is sought

Proper officer shall issue the order of cancellation of registration **within 30 days from the date of submission** of application for cancellation.

II. Suo-motu cancellation by Department.

- Proper officer shall issue show cause notice to Registered person
- Registered Person shall reply to show cause notice within 7 days of service of notice.
 - a. IF **reply** to show cause notice is **satisfactory** then PO shall **drop proceedings**
OR
 - b. **Where RP furnishes Return + pays all Tax, Int, Penalty** then PO shall **drop proceedings**
 - c. Where **reply not satisfactory** then Proper officer shall **issue the order of cancellation of registration within 30 days** from the date of reply to SCN

Sec 29: Cancellation of Registration

Effective Date of Cancellation

- The cancellation of registration shall be **effective from a date to be determined by the proper officer** and mentioned in the cancellation order.
- He will **direct the taxable person to pay arrears of any tax, interest or penalty** including the amount liable to be paid under section 29(5).

Suspension of Registration

RP has applied for cancellation of Registration	The date of submission of the application or The date from which the cancellation is sought, whichever is _____,
Cancellation of Registration has been initiated by the Dept	With effect from the date to be determined by him

- RP whose registration has been suspended as **above shall not make any taxable supply** during the period of suspension & shall not be required to furnish any return u/s 39.
- **'Not making taxable supply'** = RP shall not issue tax invoice & not charge tax on supplies made by him during suspension period.
- Where any order having the effect of revocation of suspension of registration has been passed, the provisions of section 31(3)(a) [**revised tax invoices**] and **section 40 [first return]** in respect of the supplies made during the period of suspension and the procedure specified therein shall apply

A person to whom a UIN has been granted under rule 17 cannot apply for cancellation of registration

Sec 30: Revocation of Registration

- Any RP whose registration is cancelled by PO on his own motion, may apply to for revocation of cancellation of registration within 30 days from date of service of cancellation order.
- If registration is cancelled due to non-filing of return, application for revocation can be filed only after such returns are filed & tax is deposited with interest, penalty & late fee.
- PO may by order, either revoke cancellation of registration or reject the application within 30 days of receipt of application & communicate the same to applicant.
- UIN Holders (i.e. UN Bodies, Embassies & Other Notified Persons), GST Practitioner cannot apply for revocation of cancelled registration.

Where the Registration has been cancelled with retrospective effect:

- Where the registration has been cancelled with **retrospective effect**, it is **not possible** to furnish the returns before filing the application for revocation of cancellation of registration. In that case, **the application for revocation of cancellation of registration is allowed to be filed, subject to the condition that all returns relating to the period from the effective date of cancellation of registration till the date of order of revocation of cancellation of registration shall be filed within a period of 30 days** from the date of order of such revocation of cancellation of registration.

Points relating to Aadhar Authentication

- Every Registered person shall undergo Aadhar authentication/furnish proof of Aadhar/ furnish alternate and viable means of identification
- Individual Shall undergo authentication/furnish proof of Aadhar No/furnish alternate and viable means of identification
- Others = All types of authorized signatory, managing and authorized partners, karta shall undergo authentication from 1/4/2020.
- Above provisions shall apply to such persons in any state/UT as notified

Exempted Persons from Aadhar Authentication:

- ❖
- ❖
- ❖
- ❖
- ❖
- ❖

Topic 9: Tax Invoice, Credit Notes and Debit Notes

Some Basic Points

The Provisions relating to Tax Invoice, Credit Notes, Debit Notes are Provided in **Sec 31 to Sec 34** of The CGST ACT, 2017 and CGST Rules, 2017

Sec 32: Only Registered Person Can Collect Tax in Prescribed manner

- A person who is not a registered taxable person shall not collect in respect of any supply of goods and/or services any amount by way of tax under the CGST/SGST Act and the registered taxable person shall Collect tax in accordance with the provisions of this Act

Sec 33: Amount of Tax to be indicated in tax invoice and other documents:

- A person who is not a registered taxable person shall not collect in respect of any supply of goods and/or services any amount by way of tax under the CGST/SGST Act and the registered taxable person shall Collect tax in accordance with the provisions of this Act

Sec 31(1)/(2)/(4)/(5) R.W. Rule 47: Tax Invoice in Case of Supply of Goods/Services

Who is required to issue?

- A Registered supplier paying **tax under regular scheme shall** issue TAX INVOICE.
- A Registered Recipient (RCM): Recipient liable to pay GST under **reverse charge need to issue an invoice.**

Particulars	Supply of Goods	Supply of Services
Forward Charge	<p>Where Supply involves movement of Goods:</p> <ul style="list-style-type: none"> ➤ invoice shall be issued before or at the time of removal of goods <p>Where Supply does not involve movement of Goods:</p> <ul style="list-style-type: none"> ➤ invoice shall be issued before or _____. 	<p>Issue Invoice on or before:</p> <p>Provision of Service</p> <ul style="list-style-type: none"> ➤ Within _____ days from Completion <p>For Banks/NBFC/FI/Insurer</p> <ul style="list-style-type: none"> ➤ Within _____ days from Completion <p>For insurer/Banks/NBFC/FI Telecom and notified person:</p> <ul style="list-style-type: none"> ➤ When Supplier records in BOA OR ➤ Last date of Quarter [Whichever is _____]
Continuous Supply of Goods/Services	<p>Invoice shall be issued before/at the time</p> <ul style="list-style-type: none"> ➤ each such statement is issued OR ➤ each such payment is received. 	<p>Where the due date of payment ascertainable from the contract</p> <ul style="list-style-type: none"> ➤ invoice shall be issued on or before the due date of payment <p>Where the due date of payment is not ascertainable from the contract,</p> <ul style="list-style-type: none"> ➤ Invoice shall be issued before or at the time when the supplier of service receives the Payment <p>Where the payment is linked to the completion of an event</p> <ul style="list-style-type: none"> ➤ Invoice shall be issued on or before the date of completion of that event_
Sale on Approval basis	<p>Invoice shall be issued</p> <ul style="list-style-type: none"> ➤ on or before acceptance date ▪ OR ➤ _____ Months from the date of removal (whichever is EARLIER) 	-
Cessation of Supply of Services	-	<ul style="list-style-type: none"> ➤ At the time _____ and such invoice only to the extent supply made before such cessation

Manner of Issue

For Supply of Goods:

- Invoice Shall be prepared in **Triplicate**

For Supply of Services:

- Invoice Shall be prepared in **duplicate**

Bill of Supply

- A Registered supplier making **EXEMPTED** supplies shall issue a BILL OF SUPPLY
- A Registered taxable Person Paying Tax under **COMPOSITION SCHEME** shall issue a BILL OF SUPPLY.

Revised Invoice

A registered taxable person may, within _____ from the date of issuance of RC issue a revised invoice against the invoice already issued during the period:

- Starting from the effective date of registration
- Till the date of issuance of RC to him (So that buyer can avail the credit if he is eligible)

Consolidated Revised Tax Invoice

- A registered person may issue a Consolidated Revised Tax Invoice in respect of all taxable supplies made to an unregistered recipient during such period.
- However, in case of inter-State supplies, a consolidated Revised Tax Invoice cannot be issued in respect of all unregistered recipients if the value of a supply exceeds Rs _____

Refund Voucher

- If Advance is received by RP & receipt voucher is issued by him to payee;
- But subsequently no supply is made and no tax invoice is issued.
- Such RP may issue refund voucher against such payment to other party

Goods Transport Agency Service

Bilty/Consignment Note:

- The said supplier of service shall issue a tax invoice containing the gross weight, name, vehicle registration number details of goods transported, details of origin and destination, GSTIN of taxable person etc

Delivery Challan

Notes:

- Original copy = For Consignee, Duplicate = For Transporter, Triplicate Copy = For Consignor
- Declaration in EWB that goods are transported on delivery challan

Particulars of Delivery Challan

- Date & Serial No. [Max. 16 digits]
- Name, Address & GSTIN of consigner & consignee
- HSN code & Description of goods,
- Quantity & Value; Rate & Amount of GST (if for supply)
- PoS in case of inter- state movement; Signature

No Tax Invoice

RP may not issue tax invoice if:

- _____ + Recipient is URP & does not require invoice
- Instead such registered person shall issue a Consolidated Tax Invoice for such supplies at the close of each day in respect of all such supplies

Note:

- However, this option is not available to a supplier engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex screens

Payment Voucher

- A registered person who is liable to pay tax under reverse charge [under section 9(3)/9(4) of the CGST Act] shall issue an Invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both
- Besides, a registered person who is liable to pay tax under reverse charge [under section 9(3)/9(4) of the CGST Act] shall issue a Payment Voucher at the time of making payment to the supplier

Passenger Transport Service

In case of passenger transportation service:

TICKET= _____:

For Cinema Hall

In case of cinema hall:

TICKET= _____ [and in case of multiplex is mandatory to issue electronically even if value is below Rs.200]

Delivery Challan

Nature of Supply:

- Supply of Liquid Gas where quantity at time of removal from POB is not known,
- Transportation of goods for job work,
- Transportation of goods for reasons other than supply. [Ex: Approval basis]

Notes:

- Issued in Triplicate Copy
- Tax invoice shall be issued after delivery of goods

Debit Note and Credit Note

Debit Note	Credit Note
<p><u>When to issue</u> Where one or more tax invoice has been issued and the taxable value or tax charged in that tax invoice is found less then the supplier shall issue to the recipient one or more debit notes</p>	<p><u>When to issue</u> one or more tax invoice has been issued and the taxable value or tax charged in excess, or sale return or under supply then the supplier, may issue a Credit Note</p>
<p>Any registered person who issues a debit note shall declare the details of such debit note in the upcoming return and the tax liability shall be adjusted</p>	<p>Supplier shall declare the details of such one or more credit notes in the upcoming return but max to max by September of next financial Year or the date of filing of annual return, whichever is earlier, and the tax</p>

Receipt Voucher

Shall be issued by RP on receipt of advance payment wr.t. any supply of G/S
As per proviso to Rule 50, if at the time of receipt of advance,

- Rate not known → _____
- Nature not known → Inter-State

For Bank/FI/NBFC/Insurer

Exemption from Serial Number and Address:

- Where the supplier of taxable service is an insurer or a banking company or a FI, NBFC the said supplier shall issue a tax invoice even if not having serial number and address of recipient.

Goods Transported in SKD/CKD Condition or in Lots/Batches

- Supplier shall **issue complete invoice before dispatch of first consignment**; Supplier shall issue delivery challan for each of subsequent consignments, giving reference of invoice;
- Each consignment shall be **accompanied by copies of corresponding delivery challan** along with a duly certified copy of the invoice; &
- **Original copy** of the invoice shall be sent along with the last consignment.

Goods moved within state/Another State for supply on Approval basis and Art works sent by artists to Galleries for Exhibition

- Suppliers of jewellery etc. who are registered in one state may visit other States & need to carry their goods (Ex. Jewellery) along for approval. In such cases, **if jewellery etc. is approved by buyer, then supplier issues a tax invoice only at the time of supply**. In such case, supplier is not able to register as CTP.
- Goods which are taken **for supply on approval basis can be moved from PoB to another place on delivery challan along with EWB** & invoice may be issued at the time of delivery.

Content of Invoice and Voucher

E-Invoice

Meaning:

- E-Invoicing essentially involves reporting details of specified **GST documents to a government notified portal** and obtaining a reference number.

Applicability:

- All registered businesses with an aggregate turnover (based on PAN) in **any preceding financial year from 2017-18 onwards greater than _____** (hereinafter referred to as 'notified persons') will be required to issue e-invoices

E-Invoice

Obtaining IRN:

- These invoices will then be **reported to 'Invoice Registration Portal (IRP)'**. On such reporting, IRP will generate a unique 'Invoice Reference Number (IRN)', **digitally sign it and return the e-invoice to the supplier**. A GST e-invoice will be valid only with a valid IRN

Documents Covered by E-Invoice:

- **Invoices, credit notes and debit notes**, when issued by notified persons (to registered persons (B2B) or for the purpose of exports) are covered under e-invoice

Non-requirement of E-Invoicing

- B2C Invoices
- Invoice issued by ISD
- Import of Goods [Bill of entry]

E-Invoice in Case of Reverse Charge

- If the invoice issued by a notified person is in respect of supplies made by him, tax on which is payable under **reverse charge under section 9(3), e-invoicing is applicable**
- On the other hand, where specified category of supplies are received by notified person from unregistered persons [attracting reverse charge under section 9(4)] **or through import of services, e-invoicing doesn't arise/ not applicable_**

Exemption From E-Invoicing

- _____ company or financial institution including NBFC
- _____ in relation to transportation of goods by road in a goods carriage
- Supplier of **passenger transportation** service
- **Government department and local authority**
- Person supplying services by way of _____ films in multiplex screens

Requirement of HSN invoice:

- 1. When Supply made to Registered person [B2B]: Mandatorily to mention HSN in invoice**
 - If Aggregate Turnover of preceding F.Y. is **upto Rs 5 Crore = 4 Digit HSN**
 - If Aggregate Turnover of Preceding F.Y. is **more than Rs 5 Crore = 6 Digit HSN**
- 2. When Supply made to Unregistered person [B2C]:**
 - If Aggregate Turnover of preceding F.Y. is upto Rs 5 Crore = No need to mention HSN
 - If Aggregate Turnover of preceding F.Y. is **more than Rs 5 Crore = No need to mention HSN [6 Digit]**

Requirement of Dynamic QR Code on B2C Invoice

- All B2C invoices issued by a registered person whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds Rs 500 crores will have a QR code

E-Invoice Continue...

Non-Applicability of QR Code:

- Insurer or banking company or financial institution including NBFC
- Goods transport agency 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
- Supplier of online information and database access or retrieval (OIDAR) services

Parameters/details to be capture in Dynamic QR Code:

- Supplier GSTIN number
- Supplier UPI ID
- Payee's Bank A/c number and IFSC
- Invoice number & invoice date,
- Total invoice value and
- GST amount along with breakup i.e. CGST, SGST, IGST, Cess, etc.

Further, Dynamic QR Code should be such that it can be scanned to make a digital payment.

Advantages of E-Invoicing

- Auto-reporting of invoices into GST return
- Auto-generation of e-way bill
- Early payment
- Improved efficiency of business
- Elimination of fake invoices
- Cost reduction

Rule 138 of CGST Rules, 2017: E-Way Bill

Meaning of E-Way Bill	<ul style="list-style-type: none"> ➤ E-way bill is an electronic document generated on the GST portal evidencing movement of goods. ➤ Rule 138 prescribes e-way bill as the document to be carried for the consignment of goods in certain prescribed cases
When it is required to be Generated	<ul style="list-style-type: none"> ➤ E-way Bill is mandatory in case of movement of goods of consignment value exceeding Rs 50,000 ➤ Registered person causing movement of goods shall furnish the information relating to the said goods in Part A of Form GST EWB-01 before commencement of such movement. <p>Compulsory generation of E-Way Bill even if Value is less than Rs 50,000</p> <ul style="list-style-type: none"> ➤ Inter-State transfer of goods by principal to job worker ➤ Inter-State transfer of handicraft goods by a person exempted from obtaining registration
Who causes movement of Goods	<ul style="list-style-type: none"> ➤ If supplier is registered and undertakes to transport the goods, movement of goods is caused by the supplier. If recipient arranges transport, movement would be caused by him. ➤ If goods are supplied by an unregistered supplier to a registered known recipient, movement shall be caused by such recipient.
Information to be furnished in E-Way Bill	<p>Part A: To be furnished by the registered person who is causing movement of goods</p> <p>However, information in Part-A may be furnished:</p> <ul style="list-style-type: none"> ➤ by the transporter if so authorised or ➤ by the e-commerce operator/courier agency, where the goods are supplied through them <p>Part B: To be furnished by the person who is transporting the goods.</p>
Who can generate the E-Way Bill	<ul style="list-style-type: none"> ➤ E-way bill is to be generated by the registered consignor or consignee (if the transportation is being done in own/hired conveyance or by railways by air or by vessel) or the transporter (if the goods are handed over to a transporter for transportation by road). Where neither the consignor nor consignee generates the e-way bill and the value of goods is more than Rs 50,000 it shall be the responsibility of the transporter to generate it
Other Points	E-Way Bill can be generated even if consignment value is less than Rs 50,000
Details of conveyance may not be furnished in Part-B	<p>In case of intra-State movement of goods upto 50 kmdistance:</p> <ul style="list-style-type: none"> ➤ from place of business (POB) of consignor to POB of transporter for further transportation or ➤ from POB of transporter finally to POB of the consignee.
Transfer of goods to another conveyance	<ul style="list-style-type: none"> ➤ In such cases, the transporter or generator of the e-way bill shall update the new vehicle number in Part B of the EWB before such transfer and further movement of goods
Cancellation of e-way bill	<ul style="list-style-type: none"> ➤ E-way bill can be cancelled if either goods are not transported or are not transported as per the details furnished in the e-way bill. The e-way bill can be cancelled within 24 hours from the time of generation
Acceptance/rejection of e-way bill	<ul style="list-style-type: none"> ➤ The details of e-way bill generated shall be made available to the supplier (where information in Part A is furnished by recipient/transporter) or recipient (where information in Part A is furnished by supplier/transporter), if registered, on the common portal, who shall communicate his acceptance or rejection of the consignment covered by the e-way bill. In case, the supplier/ recipient does not communicate his acceptance or rejection within 72 hours of the details being made available to him on the common portal, or time of delivery of goods whichever is earlier, it shall be deemed that he has accepted the said details.

Rule 138 of CGST Rules, 2017: E-Way Bill

<p>Validity period of e-way bill/consolidated e-way bill</p>	<p><u>Distance upto 200KM:</u> <i>One day in cases other than Over Dimensional Cargo</i> or multimodal shipment in which at least one leg involves transport by ship. <u>For every 200 km or part thereof thereafter:</u> <i>One additional day in cases other than Over Dimensional Cargo</i> or multimodal shipment in which at least one leg involves transport by ship <u>Upto 20 km:</u> <i>One day in case of Over Dimensional Cargo</i> or multimodal shipment in which at least one leg involves transport by ship <u>For every 20 km or part thereof thereafter:</u> <i>One additional day in case of Over Dimensional Cargo</i> or multimodal shipment in which at least one leg involves transport by ship</p>
<p>Documents/ devices to be carried by a person-in-charge of a conveyance</p>	<ul style="list-style-type: none"> ➤ Invoice or bill of supply or delivery challan copy of the e-way bill in physical form or the e-way bill number in electronic form or mapped to a RFID embedded on to the conveyance
<p>Verification of documents and conveyances</p>	<ul style="list-style-type: none"> ➤ Commissioner or an officer empowered by him in this behalf may authorise the proper officer to intercept any conveyance to verify the e-way bill or the e-way bill number in physical form for all inter-State and intra-State movement of goods ➤ Physical verification of a specific conveyance can also be carried out by any officer, on receipt of specific information on evasion of tax, after obtaining necessary approval of the Commissioner or an officer authorised by him in this behalf.
<p>Cases where E-way Bill not required</p>	<ul style="list-style-type: none"> ➤ Consignor transporting goods to or from between place of business & a weighbridge for Weighment at a distance of 20 kms, accompanied by a Delivery challan. ➤ Mode of transport is non-motor vehicle. ➤ Goods transported from Customs port, Airport, Air cargo complex or Land customs station to Inland Container Depot or Container Freight Station (CFS) for clearance by Customs. ➤ Goods transported under Customs supervision/seal; from/to custom station. ➤ Goods transported under Customs Bond from ICD to Customs Port ➤ Transit cargo transported to or from Nepal or Bhutan ➤ Movement of goods caused under Ministry of defence as consignor/ consignee. ➤ Empty Cargo containers are being transported ➤ Movement of empty cylinders for packing of LPG other than for supply ➤ Goods being transported by rail where the Consignor of goods is CG/SG/LA. ➤ Transport of certain specified goods: Includes exempt supply, -ve listed goods. ➤ Transported Goods [other than de-oiled cake] are exempt from tax [5 Petroleum Products] ➤ Goods specified as exempt from EWB requirements in respective State/UT Rules. <p><u>Following goods are transported:</u></p> <ol style="list-style-type: none"> 1. LPG for supply to household & Non- domestic exempted category (NDEC) customers 2. Kerosene oil sold under PDS 3. Used Personal & household goods 4. Postal baggage by Department of Posts 5. Coral; unworked & worked 6. Natural or cultured Pearls; Precious or Semi-precious Stones/metals 7. Jewellery, goldsmiths & silversmith wares etc. Currency

Topic 10: Payment of Tax

Sec 49(1) & (3): Electronic Cash Ledger

Sec 49(1): Credited to E-Cash Ledger	Sec 49(3): Amount utilized for
Every deposit made towards <ul style="list-style-type: none"> ➤ tax, interest, penalty, late fee etc. ➤ by a person by internet banking or by using credit/debit cards; NEFT; RTGS etc ➤ shall be credited to his E-cash ledger 	Making any payment towards <ul style="list-style-type: none"> ➤ Tax, ➤ Interest, penalty, fees or any other amount which is payable.

- E-Cash Ledger contains a summary of all the deposits/ payments made by a taxpayer.
- Payment of **challan ≤ Rs. 10,000 can be done 'over the counter' with cash/cheques/DD** through authorised banks; **Payments > Rs. 10,000 can be made through digital mode.**

Note: Restriction of **Rs. 10,000 per challan shall not apply to deposit to be made by**

- (a) Government Departments; (b) Officer authorised to recover outstanding dues;
 (c) Officer authorised for the amounts collected by way of cash, cheque or demand draft during any investigation or enforcement activity or any ad hoc deposit

- Person depositing the amount in E-Cash ledger shall generate challan in **GST PMT-06** & enter details of the amount to be deposited by him towards tax, interest, penalty, fees.
- **Challan 14-digit** unique Common Portal Identification Number (CPIN) & **valid 15 days.**
- Amount of **refund** claimed from **E-Cash** ledger shall be debited to **E-Cash ledger.**
- Ledger is **displayed major head-wise** [IGST, CGST, SGST/UTGST & GST CESS].
- Each major head is **divided into five minor heads: Tax, Interest, Penalty, Fee & Others.**
- Information is kept **minor head-wise for each major head**

Sec 49(2) & (4) & (5): Electronic Credit Ledger

- **Input-Tax Credit on Self Assessed** in Return [GSTR=2] shall be _____
- ITC can be used to **make payment of only Tax &** _____
- Amount of **refund claimed** of unutilized amount from E-Credit Ledger shall be **debited** to E-Credit Ledger.

Manner Prescribed For using ITC

Credit	Utilization
IGST Credit	1. First to be utilized for the payment of _____ 2. Second to be utilized for the payment of- _____ (In any order in any ratio)
CGST Credit	1. First to be utilized for the payment of _____ 2. Second to be utilized for the payment of _____
SGST Credit	1. First to be utilized for the payment of _____ 2. Second to be utilized for the payment of _____
UTGST Credit	1. First to be utilized for the payment of UTGST 2. Second to be utilized for the payment of IGST

Presumption of Passing on Tax Burden:

Every Taxable Person who has paid the tax shall:

- Unless the contrary proved by him
- Be deemed to have passed the full incidence of Tax.
- to the Recipient

- **Any Balance in E-Cash Ledger or E-Credit Ledger, After payment of Tax, Interest, Penalty, Fee or Any other may be _____.**

Sec 49(7) & (8) & (9): Electronic Liability Ledger

- All liabilities of taxable person under GST **shall be recorded & maintained in this ledger, maintained in GST PMT-01** for each person liable to pay tax, interest, penalty, late fee etc.
- It shall be **debited** by all the **amounts payable** by him to the said register.

Every Taxable Person shall discharge his tax dues and Other dues in the following Order

1. **First self-assessed tax;** & other dues related to **returns of _____ - tax periods**
2. **Self-assessed tax,** and other dues related to the return of the **_____ - tax period;**
3. Any **other amount** payable under this Act including the demand determined u/s 73/74.

Tax dues' → Tax payable under this Act & does not include interest, fee, Penalty;

'Other dues' → Interest, penalty, fee or any other amount payable under this Act

- Payment of every liability shall be made by **debiting Credit Cash ledger & E-Liability Ledger shall be credited accordingly**

Sec 53: Transfer of Fund

- Where **CGST credit** is used for the payment of Output IGST,
- Then **CG** shall Transfer Equivalent amount from **CGST fund** to **IGST Fund.**

[NOTE: Similar provision also contained in **SGST / IGST / UTGST Act**]

Sec 50: Interest on Delayed Payment of Tax

Sec	Particulars	Rate
50(1)	➤ Delayed Payment of Tax	
50(3)	➤ Interest on undue/Excess claim of ITC u/s 42(10); ➤ Interest on undue or excess reduction in output tax liability u/s 43(10)	

Notes:

- Interest u/s 50(1) shall be calculated from **next day of due date of payment of tax.**
- Interest payable for **actual period** of delay, **not for whole month.**
- Interest is payable even if duty is paid before issue of SCN.

Topic 11: Returns

Some important Concepts

- Means the common goods and services tax electronic portal
- Common portal means GST Portal
- It is owned by GSTN
- GSTN is a company Registered under Companies Act. 2013 (Sec : 8) ie Not for profit
- GSTN Provide service to Government & Government Fund to GST on Actual/Cost basis.
- All work like Registration, Return, Payment, Computation & settlement of - IGST & Other functions etc. done by GSTN

GSTR -2A

- Form GSTR-2A
- System Generated read only statement ff inward supplies
- For a recipient
- Updated on a real time basis

GSTR -2B

- Form GSTR-2B
- An auto-drafted read only statement
- Contains details of ITC
- Made available to the registered person (recipient) for every month
- A static statement and is available only once a month

Key Points

Return/Statement	Periodicity	Who files?	Date for filing
GSTR-1	➤	<ul style="list-style-type: none"> ➤ Person registered under regular scheme (including a casual taxable person) ➤ Registered persons opting for QRMP Scheme (including a casual taxable person) 	<ul style="list-style-type: none"> ➤ Due date prescribed in the Act is 10th day of the next month. However, presently, the same is being extended to 11th day of the next month. ➤ 13th day of the month succeeding the quarter has been notified as the due date
GSTR-3B	➤	<ul style="list-style-type: none"> ➤ Person registered under regular scheme including casual taxable person ➤ Registered persons opting for QRMP Scheme (including a casual taxable person) 	<ul style="list-style-type: none"> ➤ 20th of the month ➤ 22nd or 24th of the month depending upon the State or Union Territory in which they are registered
GSTR-4	➤	<ul style="list-style-type: none"> ➤ Registered person paying tax under composition scheme 	<ul style="list-style-type: none"> ➤ 30th April of the next financial year
GST CMP-08	➤	<ul style="list-style-type: none"> ➤ Registered person paying tax under Composition scheme 	<ul style="list-style-type: none"> ➤ 18th day of the month succeeding the quarter
GSTR-5	➤	<ul style="list-style-type: none"> ➤ Registered non-resident taxpayer 	<ul style="list-style-type: none"> ➤ 20th day of the next month or within 7 days after expiry of registration, whichever is earlier
GSTR-9	➤	<ul style="list-style-type: none"> ➤ Registered person other than an ISD, tax deductor/tax collector, casual taxable person and a non-resident taxpayer 	<ul style="list-style-type: none"> ➤ 31st December of the next financial year
GSTR-10	➤	<ul style="list-style-type: none"> ➤ Taxable person whose registration has been surrendered or cancelled 	<ul style="list-style-type: none"> ➤ Within three months of the date of cancellation or date of order of cancellation, whichever is later
GSTR-11	➤	<ul style="list-style-type: none"> ➤ Persons who have been issued a Unique Identity Number (UIN) 	-

Sec 37: Furnishing Details of outward supplied

Who is required to file GSTR-1:

- Every Registered Person including Casual Taxable Person **except** for the following:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Due Date of Submission of GSTR-1:

- GSTR-1 for a particular month is filed on or **before the 10th day of the** immediately succeeding month.
- It may be noted that GSTR-1 cannot be filed during the period from **11th day to 15th day of month succeeding the tax period.**

Quarterly Return Monthly Payment

- It is optional Return filing scheme
- Quarterly Return
- Monthly Payment

Eligibility:

- Taxpayers having aggregate turnover of up to **Rs 5 crore in the preceding financial year.**

Criteria:

- Taxpayer must have furnished the last return, as due on the date of exercising such option

Exercising Option:

- Taxpayers can opt in for any quarter from **1st day of 2nd month of preceding quarter** to the last day of the first month of the quarter for which the option is being exercised

Sec 37: Furnishing Details of outward supplied

Quarterly Return Monthly Payment

Validity of option once exercised:

- Taxpayers are not required to exercise their option every quarter. Where such option has been exercised once, they shall continue to furnish the return as per the selected option for future tax periods, unless they revise the said option.

QRMP Scheme:

- Opting of QRMP Scheme is GSTIN wise
- **Distinct persons can avail QRMP scheme** option for one or more GSTINs.

Monthly Payment of Tax:

- Tax due in each of the **first 2 months** of the quarter
- To be paid by depositing in **pre filled Form GST PMT-06**
- Payment to be made by **25th of the succeeding month**

Fixed Sum Method:

Pay tax due in each of the first two months of the quarter:

- **35% of the tax** paid in cash in the return for the preceding quarter where the return was furnished quarterly

Deposit in PMT-06 by 25th day of the month succeeding such month

- Tax liability paid in cash in the return for the **last month of the immediately preceding quarter** where the return was furnished monthly

Monthly tax payment through this method would not be available to those registered persons who have not furnished the return for a complete tax period preceding such month.

Sec 37: Furnishing Details of outward supplied

Quarterly Return Monthly Payment

Furnishing details of outward supply details under QRMP:

Filing of GSTR-1	Quarterly Basis
Optional facility to upload invoice details using IFF up to Rs 50 lakh in each month (for 1st and 2nd month of the quarter)	
Invoices pertaining to last month of a quarter	To be uploaded in GSTR-1 only
Invoice uploaded using IFF	
Details of invoice furnished using IFF in first 2 months	not required to be furnished again in GSTR-1
a registered person may choose not to use IF	instead furnish the details of outward supplies made during a quarter in Form GSTR-1 only

Invoice Furnishing Facility:

For taxpayers filing quarterly return: Invoices to be furnished from 1st day to 13th day of the succeeding month

- For 1st month of the quarter
- For 2nd month of the quarter
- up to a cumulative value of Rs 50 lakh in each of the months

Quarterly filing of form GSTR-3B in QRMP:

GSTR 3B: Quarterly GSTR-3B on or before 22nd or 24th of the month succeeding the quarter

Offsetting of Tax Liability: Amount deposited in the first 2 months can be debited only for offsetting the liability.

Cancellation of Registration: GSTR-3B to be filed even if cancellation of registration was done during any of the first two months of the quarter

Opting out of QRMP:

- Aggregate turnover has exceeded Rs 5 crore in the financial year
- Available from 1st day of 2nd month of preceding quarter to the last day of the first month of the quarter

Quarterly filing of form GSTR 3B in case of other Tax Payers:

- Monthly GSTR-3B
- on or before 20th of the month succeeding the quarter for which return is furnished

Sec 37: Furnishing Details of outward supplied

Kind of details of outward supplies are required to be furnished in GSTR-1:

Uploading of Invoices

	Nature	
B2C	Intra-State Supply	Consolidated details for each rate of tax
	Inter-State Supply	Invoice value > Rs. 2.5 Lacs → Invoice wise details
		Invoice value ≤ Rs. 2.5 Lacs → Consolidated details for each rate of tax for each state (State-wise summary)
B2B	Intra-State Supply	Invoice Wise Details
	Inter-State Supply	

- Need to file GSTR-1 even if there is no Business activity

Rectification of Errors:

- If the supplier discovers any error or omission, he shall rectify the same in the tax period during which such error or omission is noticed, and pay the tax and interest, if any, in case there is short payment, in the return to be furnished for such tax period.

Time limit for rectification

Due date of filing of return for month of September/quarter ending September following the end of FY [i.e. 20th October of next FY]

OR

Actual date of filing of the relevant Annual return.

Whichever is _____ -

Sec 38: Furnishing Details of Inward supplied

- Every Registered Person [Other than Non-Resident, Composite Dealer, Input service distributor, TDS Deductor, TCS Collector] **Shall Validate, Verify, Modify or Delete** (If required) two details of
- "Outward supplies" filed by supplier in **GSTR:1 and Communicated to Recipient in GSTR:2A**
- GSTR 2A and GSTR 2B : Already Discussed above

Other points for GSTR 2B:

the details of outward supplies furnished by his supplier who has opted for QRMP scheme, in Form GSTR-1 or using the IFF, as the case may be **for the 1st month of the quarter**, between the day immediately after the due date of furnishing of Form GSTR-1 for the preceding quarter to the due date of furnishing details using the IFF for the 1st month of the quarter;

for the 2nd month of the quarter, between the day immediately after the due date of furnishing details using the IFF for the 1st month of the quarter to the due date of furnishing details using the IFF for the 2nd month of the quarter;

for the 3rd month of the quarter, between the day immediately after the due date of furnishing of details using the IFF for the 2nd month of the quarter to the due date of furnishing of Form GSTR-1 for the quarter

- GSTR 5: _____
- GSTR 6: _____
- GSTR 7: _____ -
- GSTR 8: _____
- Details of the integrated tax paid on the import of goods or goods brought in DTA from SEZ unit/developer on a bill of entry are also made available in Form GSTR-2A.

Sec 39: Filing of Periodic Return

GSTR 3B: already Discussed Above with QRMP

GSTR 4: Composition Tax Payer

Content of GSTR 4:

- Invoice-wise details of all inward supplies (i.e., intra and inter-State supplies and from registered and unregistered persons) including reverse charge supplies and import of services.
- Summary of self-assessed liability as per GST CMP-08
- Tax rate wise details of outward supplies/inward supplies attracting reverse charge
- Consolidated details of outward supplies

Due Date of Filing:

Due date of filing GST CMP-08 for a quarter	
Due date of filing GSTR-4 for a financial year	

- **GSTR 4A:** Same as GSTR 2A
- Nil GST CMP -08 is mandatory

Normal to Composition:

If RP opts for composition scheme from the beginning of FY, he will have to furnish statements/return relating to period prior till: **[Earlier of]**

- Due **date of furnishing return for September** of succeeding FY OR
- Furnishing of **annual return** of preceding FY

Composition to Normal:

Composition dealer (withdrawing from composition scheme) will have to furnish GSTR-4 & GST CMP-08 relating to prior period prior till:

GSTR-4: 30th April following the end of FY of withdrawal of option.

GST CMP-08: 18th of next month after the end of quarter of withdrawal

GSTR 5: Return for Non-resident Taxable Person

Monthly tax return has been prescribed in Form GSTR-5 for a NRTP for every calendar month or part thereof. The details of outward supplies and inward supplies of a NRTP are incorporated in GSTR-5.

Last Date for Filing:

Within 20 days after the end of the calendar month or within 7 days after the last day of validity period of the registration, whichever is earlier

- A NRTP should pay the tax, interest, penalty, fees or any other amount payable under the CGST Act or the provisions of the Returns chapter under the CGST Rules, till the last date of filing GSTR-5.

Sec 40: First Return

- To enable RP to declare **taxable supplies made by him b/w the date on which he became liable to registration till date on which registration has been granted** so that ITC can be availed by the recipient on such supplies.
- RP may issue Revised Tax Invoices against the invoices already issued during said period within 1 month from date of issuance of certificate of registration
- The format for this return is the same as that for regular return.

PC Note: Applicable if effective date of registration is before date of grant of registration

Sec 44: Annual Return

All Registered Person are required to file Annual Return except for the following:

- **Casual taxable persons.**
- **Non- resident taxable person**
- **Input service distributors¹⁴**
- **Persons authorized to deduct/collect tax at source under section 51/52 and**
- **Person supplying OIDAR services from outside India to unregistered persons in India**

The annual return for a financial year needs to be filed by 31st December of the next financial year.

- The annual return is to be filed electronically in **Form GSTR-9 through** the common portal.
- Composition scheme supplier: A person paying tax under composition scheme is required to file the **annual return in Form GSTR-9A**

Sec 45: Final Return

Every registered person who is required to furnish return u/s 39(1) and whose registration has been surrendered or cancelled is required to file a final return electronically in Form GSTR10 through the common portal.

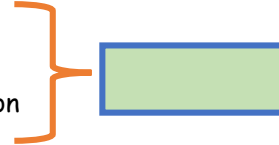
What is the time-limit for furnishing final return?

The final return has to be filed within 3 months of the:

date of cancellation

OR

date of order of cancellation



Sec 48: GST Practitioners

The responsibility for correctness shall continue to rest with the registered taxable person.

- To be a GST Practitioner need to apply in specified form.
- The person should be: Indian Citizen, sound mind, solvent, non-convicted, Graduate, post graduate, Qualified final exam of CA/CS/CMA etc]
- No person shall be eligible to attend before any authority as a GST practitioner in connection with any proceedings under the Act on behalf of any registered or un-registered person unless he has been enrolled for this.
- A GST practitioner attending on behalf of a registered or an unregistered person in any proceedings under the Act before any authority shall produce before such authority, if required, a copy of the authorisation

Sec 46/47: Default/Delay in Furnishing Return

- 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.**

Late fees levied for delay in filing return

Delay in filing any of the following by their respective due dates, attracts late fee:

- (A) Statement of Outward Supplies [Section 37]
- (B) Returns (including returns under QRMP Scheme)
- (C) Final Return

Rs 100 for every day during which such failure continues Quantum of late fee

OR

Rs 5,000

Late fees for delay in filing Annual Return

Rs 100 for every day during which such failure continues

OR

0.25% of the turnover of the registered person in the State/Union Territory

Late fees for delayed filing GSTR -1/3B [Amendment=

For Registered Person who have nil outward supplies or whose tax payable in 3B is Nil:

-

For Registered person whose Aggregate Turnover is ≤Rs 1.5 Crores in the preceding

-

For Registered person Rs 5 Crores ≥ Aggregate Turnover > Rs 1.5 crore in the preceding F.Y.

- **Rs**

For Composition Tax Payer

- **Where Tax payable is nil = Rs 500 [250for CGST and 250 for SGST/UTGST]**
- **For others = Rs 2,000 [1000 for CGST and 1,000 for SGST/UTGST]**