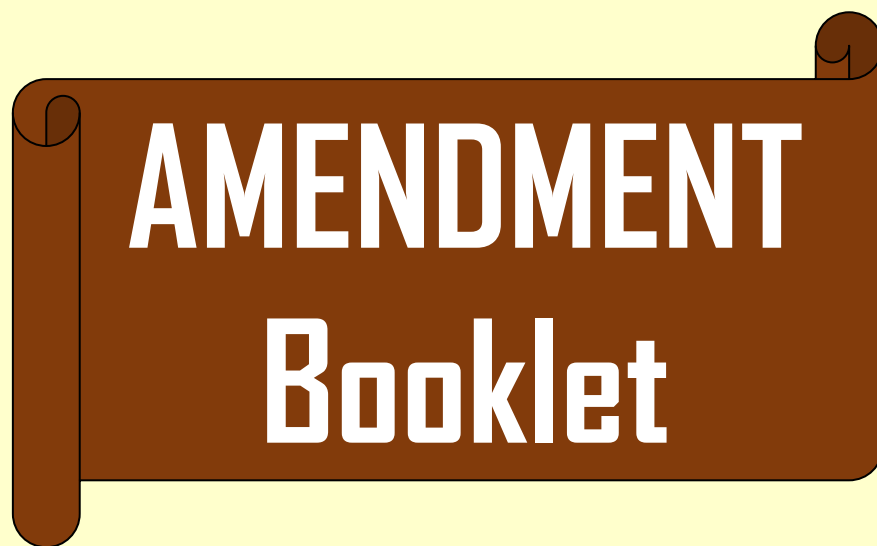


CA Intermediate



FOR NOV, 2022 EXAMS

CA RAJ KUMAR

© AUTHOR

ALL RIGHTS ARE RESERVED. NO PART OF THIS BOOK SHALL BE REPRODUCED, STORED IN A RETRIEVAL SYSTEM, OR TRANSMITTED BY ANY MEANS WITHOUT WRITTEN PERMISSION OF AUTHOR.

CONTENTS

Chapter 3	Goods and Services	3.1
Chapter 4	Supply of Goods or Services (Taxable Event).....	4.1
Chapter 6	Exemptions	6.1
Chapter 7	Computation of GST	7.1
Chapter 9	Invoice	9.1
Chapter 11	Input Tax Credit.....	11.1
Chapter 12	Registration	12.1
Chapter 13	Manner of Payment	13.1
Chapter 14	Return	14.1

About CA RAJ KUMAR

CA Raj Kumar is a dynamic & qualified Chartered Accountant. As a brilliant student and a position holder at Graduation & Post Graduation level, during his **14 years of glorious teaching experience** in the field of **Indirect Taxation** he has taught **over 1,40,000 students**.

He is a favorite amongst CA Students for the astute & insightful academic inputs provided by him and for his pleasing & endearing personality and **lucid art of teaching**.

He firmly believes in **blending studies with fun** and this is quite evident in his classes wherein he goes beyond theoretical reading of the subject, makes students **solve practical problems**, gives them practical **real life examples** and pushes them to achieve their goals with full precision.

In the subject Indirect Tax Laws, his students have continued to score **All India Highest Marks for 11 times till now**. He has also been entrusted by Government agencies to **show the ropes to IRS Officers** in training, which is a **testament to his caliber** as a subject matter expert.

He is famous for **concepts linkage** from the very beginning till the end which helps in understanding the topic, acing the exams and in post CA life as well. **His unique use of GST portal during the class** to link theory with Practical makes him stand apart from the crowd. His **classes are practical, conceptual and concise**. He is also the author of bestselling titles 'GST Compact Book'.

Chapter 3

Goods and Services

Section 9: CHARGING SECTION/PROVISION

Main provision	<p>(1) There shall be levied a tax called the CGST</p> <ul style="list-style-type: none"> ▪ On all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, ▪ On the value determined under section 15 and ▪ At such rates, not exceeding 20 %, as may be notified by the Government on the recommendations of the Council and ▪ Collected in such manner as may be prescribed and ▪ Shall be paid by the taxable person.
5 Petroleum Products	<p>(2) The CGST on the supply of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel shall be levied with effect from such date as may be notified by the Government on the recommendations of the Council.</p>
Reverse charge Mechanism on notified supplies, where supplier is unregistered	<p>(3): Notified Goods/Services: RCM - The Government may, by notification, specify</p> <ul style="list-style-type: none"> ▪ Categories of supply of goods or services or both, ▪ the tax on which shall be paid on reverse charge basis by the recipient . <p>4) Unregistered person make supply of GOODS/SERVICES to a Registered Person: RCM-The Government may, by notification, specify</p> <ul style="list-style-type: none"> ▪ A class of registered persons who shall, ▪ in respect of supply of specified categories of goods or services or both ▪ received from an unregistered supplier, ▪ pay the tax on reverse charge basis

**E- Commerce
Operator**

(5) On notified services CGST shall be collected from E-commerce operator having place of Business in India But where Ecommerce operator has No Place of Business in India then he need to setup a place of Business in India or to appoint any person as agent.

Notified Services and their provisions are as follows:

Hotel Accommodation Service: (eg OYO)	E-Commerce Operator will be the deemed supplier and liable to pay GST.	However if the real supplier (Hotel) is crossing the limit of 10 Lakh or 20 Lakh then Hotel Liable to Pay GST.
Misc. Utilities (e.g. urban clap):	E-commerce operator i.e. (Urban Clap) will be deemed supplier and Liable to Pay GST.	However if Real Supplier of service crossing the limit of Rs. 10 lakh/20 lakh then Real supplier liable to pay GST.
Passenger Transportation Service by a Radio taxi, motor cab, Maxi cab, motor cycle, omnibus or any other motor vehicle (eg. OLA/UBER)	E-commerce operator (e.g. Uber/OLA) will be deemed supplier of service and Always liable to pay GST.	
Supply of restaurant service	E-commerce operator will be deemed supplier of service and Always liable to pay GST	However, Real supplier liable to pay GST on the services supplied by restaurant, eating joints etc., located at the premises providing hotel accommodation service having declared tariff of any unit of accommodation above Rs.7,500 per unit per day or equivalent.”
What about Rest of the Services and Goods	Section 9(5) not applicable	Always Real supplier Liable to pay GST

	Radio Taxi”	Radio Taxi” means a taxi including a radio cab, by whatever name called, which is in two-way radio communication with a central control office and is enabled for tracking using Global Positioning System (GPS) or General Packet Radio Service (GPRS);
	Motorcab	Motorcab means having seating capacity @ upto 6 + Driver
	Maxicab	Maxicab means having seating capacity @ 7 to 12 persons. + Driver
	Omni bus	Carry more than 6 passengers + Driver
	Motor cycle	Motor cycle means - 2 wheeled with or without sidecar,

Circular No. 167/23/2021- Related to Restaurant Services



- (i) Additional Registration required by ECO? = NO
- (ii) Liability to GST, if Restaurant is unregistered? = Even then ECO is liable to pay GST
- (iii) Such Supply shall be counted in Aggregate Turnover of? = Restaurant
- (iv) Such service is Inward supply for ECO? = NO
- (v) ITC can be utilised by ECO for such payment = NO
- (vi) How ECO will show this in GSTR-3B = Clarification needed,
Till then it can be shown under
head Outward Supply

Chapter 4

Supply of Goods or Services (Taxable Event)

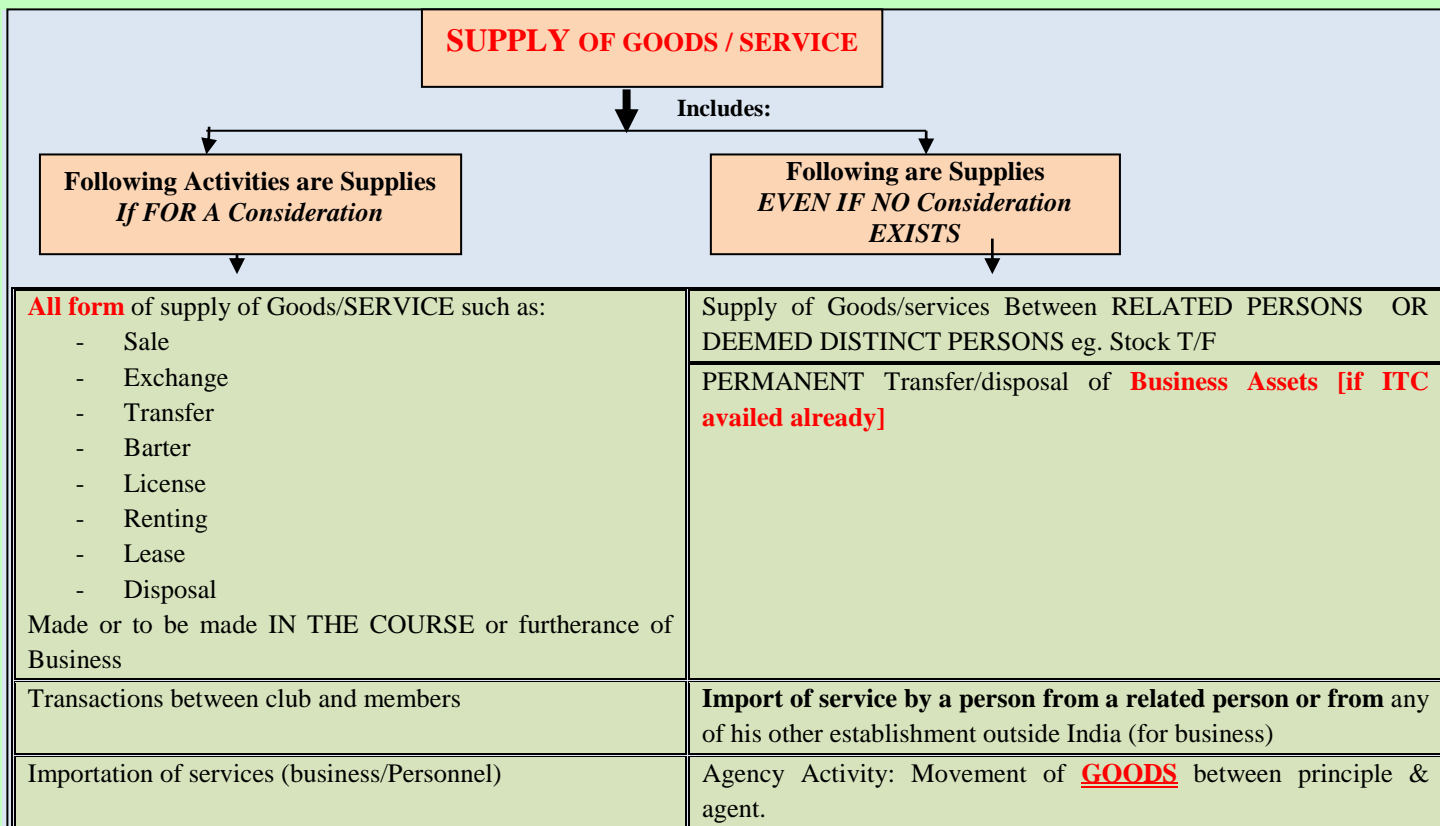
There are two sections in this chapter read with 3 schedules. Supply is the Taxable event to levy GST i.e. It is the backbone for levying GST.

Section 7: Defines:

Part – A	:	Meaning of supply [Read with Schedule: I]
Part – B	:	After being supply – It will be supply of goods or supply of service such distinguishment will be discussed as per schedule – II
Part – C	:	Some of the Activities/transaction will never be treated as Supply and consequently not liable to GST as per schedule – III.

Section 8: It describes treatment of composite and Mix supply treatment.

GATE No. 2



Some Clarification: Supply of GOODS v/s Supply of SERVICE

Movable Property (Goods)	Sale i.e. OWNERSHIP T/F or H.P TRANSACTION	Supply of Goods
	T/F of RIGHT / RIGHT to use goods	Supply of SERVICE
	Permanent transfer of Business Assets (Goods)	Supply of Goods
	Closure of business (business assets)	Supply of Goods
Immovable Property	Renting / Leasing of Immovable Property	Supply of Service
	Sale of Under Construction Property	Supply of Service
	Sale of Complete / Constructed Property	No Supply
Intangible Property (IPR)	Temporary Transfer	Supply of Services
	Permanent Transfer	Supply of Goods
Software	Customized	Supply of Services
	Readymade @ Temporary transfer	Supply of Services
	Readymade @ Permanent transfer	Supply of Goods
Works Contact (Goods +Service), Catering (Goods + Service), NOT to DO SOMETHING, Job work		Supply of Service

NO SUPPLY: [NEW MAGIC OF W/G LIQUOR WALE] (i) Activity by employee to employer (ii) services by Court, Tribunals (iii) services by Govt. officials like president, prime minister, chief minister, minister, MP, MLC, MLA, part time director of Govt. body (iv) Mortuary services (v) Actionable claims, other than lottery, betting, gambling. (vi) sale of land, completed building (vii) NTT to NTT, (viii) High seas sale, sale of custom warehoused goods. (ix) Liquor license (x) Article 243G/W Related

Section 8: Composite supply (NATURAL BUNDLE): shall be treated as a supply of PRINCIPAL SUPPLY;

Meaning of supply if for a CONSIDERATION

(1) (a) Generally meaning of supply:

⇒ Supply Includes - All forms of supply of goods or services or both SUCH AS

- Sale,
- Transfer,
- Barter,

Example: A doctor has provided the medical consultancy services to barber for which consideration was in the form of hair cutting services provided by the barber. Similarly, barber has provided hair cutting services to the doctor for which consideration was in the form of medical consultancy services provided by the doctor.

- Exchange,

Example: When a new car worth ₹ 5,00,000 is purchased in exchange of an old car along with the monetary consideration of ₹ 4,00,000 paid for the said purchase

- Licence, (eg patent, franchisee license etc)
- Rental, Lease or
- Disposal (eg. waste and scrap)

⇒ Made or agreed to be made for a consideration by a person

⇒ In the course or furtherance of business;

Example: Rishabh buys a car for his personal use and after a year sells it to a car dealer. Sale of car by Rishabh to car dealer is not a supply under CGST Act because said supply is not made by Rishabh in the course or furtherance of business.

For Example: When an individual who buys furniture for personal use and after a year sells it to a furniture dealer, the transaction will not be supply, because supply is not made by the individual in the course or furtherance of business.

Example: Manikarnika sold her old gold bangles and earrings to 'Aabhusan Jewellers'. Sale of old gold jewellery by an individual to a jeweller will not constitute supply as the same cannot be said to be in the course or furtherance of business of the individual.

(AA) THE ACTIVITIES OR TRANSACTIONS, BY A PERSON, OTHER THAN AN INDIVIDUAL, [W.E.F. 01/07/2017]

- TO ITS MEMBERS OR CONSTITUENTS OR VICE-VERSA,
- FOR CASH, DEFERRED PAYMENT OR OTHER VALUABLE CONSIDERATION
- SHALL BE TREATED AS A SUPPLY.

EXPLANATION: NOTWITHSTANDING ANYTHING CONTAINED IN ANY OTHER LAW OR ANY JUDGMENT, DECREE OR ORDER OF ANY COURT, TRIBUNAL OR AUTHORITY,

- THE PERSON AND ITS MEMBERS OR CONSTITUENTS
- SHALL BE DEEMED TO BE TWO SEPARATE PERSONS AND

THE SUPPLY OF ACTIVITIES OR TRANSACTIONS INTER SE SHALL BE DEEMED TO TAKE PLACE FROM ONE SUCH PERSON TO ANOTHER.

SCHEDULE II

7. Supply of Goods

The following shall be treated as supply of goods, namely: ~~Supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration.~~

Chapter 6

Exemptions

EXEMPTIONS: N/N 12/2017

Education

TRAINING:

Service provided “Under any training Programme” to CG/SG/UT i.e. where 75% or more Expenditure ~~total expenditure~~ is born by Govt will be exempted.

Transportation of Goods

National Permit:

Services by way of granting National Permit to a Goods Carriage to operate through- out India/ Contiguous States.

Government

INDIAN RAILWAY:

- ~~Services by Indian Railway Finance Corporation.~~
- ~~By way of Leasing of Assets (e.g. Wagon, Coaches, Locomotives etc.)~~
- ~~to Indian Railways.~~
- ~~will be exempted.~~

SN:(3)/(3A) (4)
/ (5)
Government
services

(3) Pure services ie only having service element

- provided to the Central Government, State Government or Union territory or local authority **or a Governmental authority or a Government Entity**
- by way of any activity in relation to article 243G/243W.

(3A) Composite supply of goods and services:

- in which the value of supply of goods constitutes maximum 25% of the value of the said composite supply
- provided to the Central Government, State Government or Union territory or local authority **or a Governmental authority or a Government Entity**
- by way of any activity in relation to article 243G/243W.

(4) Services by

- A Governmental authority
- by way of any activity in relation to article 243W.

(5) Services by

- A Governmental authority
- by way of any activity in relation to article 243G.

Analysis



Services fall under Article no. 243 G/W: Land Reform, Land Consolidation, Urban Town Planning, Public Health, Cattle Pond, Street light, Parking lots, Bus stop, Road and bridges, water supply, Fire services etc

*Pure Services (100%) Article: 243 G/ W GIVEN TO...	Exempted	CG/SG/LA/UT	Services under Article: 243 G/W Given by..	Not a supply
*Composite service (At least 75% Service) GIVEN TO...				
*Pure Services (100%) Article: 243 G/ W GIVEN TO...	TAXABLE	Governmental Authority/ Government Entity	Services under Article: 243 G/W Given by..	Exempted
*Composite service (At least 75% Service) GIVEN TO...				

Transportation of Passenger

(15),(16) &(17)
Transportation
of Passenger

(15) Transport of passengers, with or without accompanied belongings, by –

(a) Air, embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located in West Bengal;

(b) Non-air-conditioned contract carriage other than **radio taxi**, for transportation of passengers, excluding tourism, conducted tour, charter or hire;

However no exemption shall be allowed if the services supplied through an electronic commerce operator, and notified under Section 9(5) of the CGST ACT.

(c) Stage carriage other than air-conditioned **stage carriage**.

However no exemption shall be allowed if the services supplied through an electronic commerce operator, and notified under Section 9(5) of the CGST ACT.

(16) Services provided to the Central Government, by way of transport of passengers with or without accompanied belongings, by air, embarking from or terminating at a regional connectivity scheme airport, against consideration in the form of viability gap funding:

But this exemption remain inforce only upto 3 years *from the date of commencement of operations under this scheme*.

(17) **Service of transportation of passengers**, with or without accompanied belongings, by-

(a) Railways in a class [but First class, Air condition Coach will be taxable]

(b) Metro, monorail or tramway;

(c) Inland waterways;

(d) Public transport, in a vessel between places located in India [but if the vessel predominantly for tourism purpose then it will be taxable]

(e) Metered cabs or auto rickshaws (including e-rickshaws).

However no exemption shall be allowed if the **services supplied through an electronic commerce operator, and notified under Section 9(5) of the CGST ACT.**

Analysis						
	JAL	INLAND WATERWAYS: eg. BOAT : exempted	Any	--	Exempted	
		OTHER WATERWAYS: (exempted if for public transport)	Public Transport	-	Exempted	
			Tourist	-	Taxable	
   	Thal	Road	Contract carriage	AC	Any case	Taxable
				NON AC	Public Transport	Exempted
						Taxable if covered u/s 9(5)
					Special Bus	Taxable
					Tourist	Taxable
				Any	Radio Taxi	Taxable
					School Bus	Exempted by other SN
					Metered cab, Auto Rickshaw E- Rickshaw	Exempted
						Taxable if covered u/s 9(5)
				Mortuary vehicle		Not a supply
		Stage carriage	AC		Any case	Taxable
			NON AC		-	Exempted
				-	Taxable if covered u/s 9(5)	
Rail	Indian Railway	AC / First class	-	Taxable		
		NON AC	-	Exempted		
	Others eg Metro , Mono, Tram	Any	-	Exempted		

Note: Service by way of transportation of goods by an aircraft/vessel from custom station of India to a place outside India. [The exemption extended till 30.09.22]

Chapter 7

Computation of GST

Composition Scheme

Other conditions of eligibility of Composition scheme

For Goods Focused Composition Scheme; Section 10 (1) (2)

Who is not eligible for composition Scheme - SIX categories of persons [to be checked in CFY]

- (1) Person making inter-state supply of goods/Services [e.g. one state to another, export of goods]
- (2) Supplier of any service OTHER than
 - (a) Restaurant services
 - (b) Interest received on extending deposit loan and advances shall be ignored completely.**
 - (c) Limited value services along with main business. [Maximum value: 10 % of turnover within the state/UT or ₹5,00,000 whichever is higher] ie if value of these services exceed the maximum limit then the person not eligible for the scheme
- (3) Supplier of non- taxable good /services.
- (4) The person who supply goods/services through E commerce operator.
- (5) Manufacturer of specified goods. [Pan masala, tobacco, ice cream, Aerated Water]

Moreover following items are added to the list

Fly ash bricks or fly ash aggregate with 90% or more fly ash content,

Fly ash blocks

Bricks of Fossil meals or similar siliceous earths

Building bricks

Earthen or roofing tiles

NOTE: Moreover if any supplier engaged in making supply of above goods then he will not be eligible for Registration limit of Rs.40 lakhs.

(6) Casual taxable person and NR. (Banjaare)



Chapter 9

Invoice

Concept of E-INVOICE [Relevant extract from Rule 48]

Why E -Invoicing

- An invoice is very important document in the world of GST.
- On the basis of Invoice, output liability of a taxpayer / supplier is determined and ITC can be taken by the Receptient only on the basis of Invoice.
- Generally, A supplier will always try to evade Output GST and the recipient always try to take fake ITC on the basis of Invoice.
- So Government wants immediate information so that no scope of manipulation remains till filing of return.
- To overcome with such kinds of issues Government introduce various concept like Aadhaar linkage, 1% payment from E-cash Ledger , E - way bill etc. [But E-way has its own limitations like it is not applicale on services, Goods having value upto Rs. 50,000]
- So now finally Government introduced the concept of E- Invoicing. It provides real time information (At the time of issue of invoice) to Government, so that no scope of manipulation at later stage.
- ONE MORE THING E- INVOICE IS THE REPLACEMENT OF NORMAL INVOICE , DR/CR NOTES AND NOT OF BILL OF SUPPLY.

The invoice shall be prepared by such class of registered persons

- whose aggregate turnover in a financial year exceeds Rs.20 crore
- by including such particulars contained in **FORM GST INV-01**
- after obtaining an Invoice Reference Number
- by uploading information contained therein on the Common Goods and Services Tax Electronic Portal in such manner and subject to such conditions and restrictions as may be specified in the notification.
- However, Commissioner may, exempt a person or a class of registered persons from issuance of invoice for a specified period.

Notification @ E Invoicing :- Hereby notifies registered person,

- Whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds **Rs.20 crore** ~~Rs.50 crore~~, as a class of registered person
- who shall prepare invoice and other prescribed documents, in terms of [Rule 48\(4\)](#)
- in respect of supply of goods or services or both

⇒ to a registered person [B to B supplies] or

⇒ for exports.

other than a **Special Economic Zone unit** and those referred to in Rule 54(2),(3),(4),(4A),

Rule 54 (2) of said Rules,	Insurance company, Banking company/NBFC/Financial Institution
Rule 54 (3) of said Rules,	Goods transport agency
Rule 54 (4) of said Rules,	Passenger Transporter
Rule 54 (4A) of said Rules,	Cinema halls
Registered person referred to in section 14 of the IGST Act, 2017.	OIDAR supplier
	A government department, a local authority

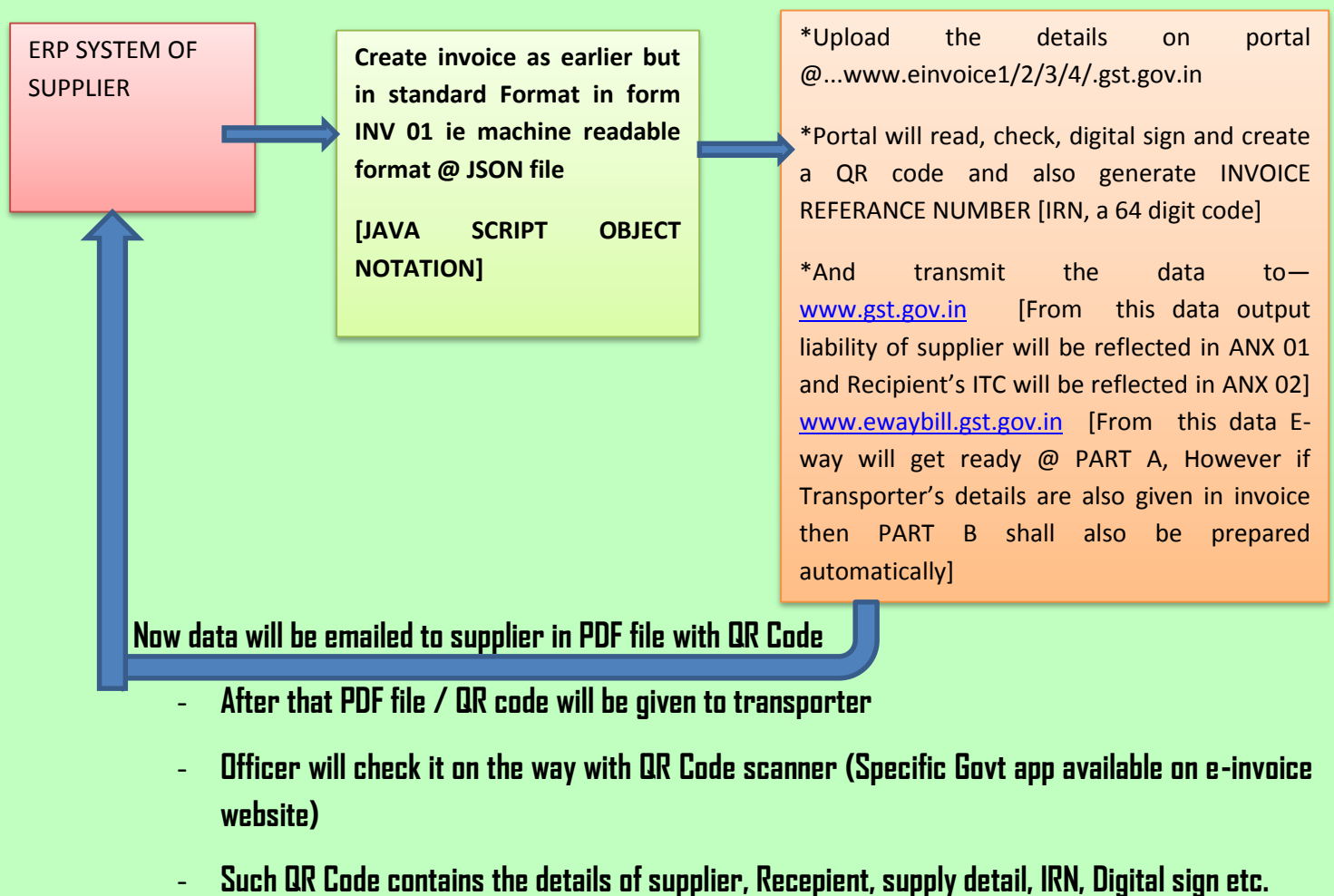
Q. Whether carrying physical copy of invoice is compulsory during movement of goods in cases where suppliers have issued invoices in the manner prescribed under [rule 48 \(4\)](#) of the [CGST Rules, 2017](#) (i.e. in cases of e-invoice).

Ans. It is clarified that there is no need to carry the physical copy of tax invoice in cases where invoice has been generated by the supplier in the manner prescribed under [Rule 48\(4\)](#) of the [CGST Rules](#) and production of the Quick Response (QR) code having an embedded Invoice Reference Number (IRN) electronically, for verification by the proper officer, would suffice.

Benefits of E- Invoice:

1. Curb tax evasion through check on fake ITC and Invoices
2. Automated Updation of GSTR 1/2A/2B and E way Bill.
3. Ease of compliance.
4. Enhance efficiency of tax administration.
5. Paperless work
6. Etc.

How the concept of E- Invoice will work



Concept of Dynamic QR Code [Relevant Extract From Rule 46]

IN CASE OF NORMAL INVOICING ie Other than E-Invoicing: Government may, by notification, on the recommendations of the Council, and subject to such conditions and restrictions as mentioned therein, **specify that the tax invoice shall have Quick Response (QR) code.** [FOR PAYMENT PURPOSE].

Dynamic QR Code: NOTIFICATION No. 71/2020:IN CASE OF NORMAL INVOICING

An invoice issued by a registered person, whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds Rs.500 crore,

- to an unregistered person (hereinafter referred to as B2C invoice),
- shall have Dynamic Quick Response (QR) code:
- [other than those referred to in

Rule 54 (2) of said Rules,	Insurance company, Banking company/NBFC/Financial Institution
Rule 54 (3) of said Rules,	Goods transport agency
Rule 54 (4) of said Rules,	Passenger Transporter
Rule 54 (4A) of said Rules,	Cinema halls
Registered person referred to in section 14 of the IGST Act, 2017.	OIDAR supplier

QR Code through DIGITAL DISPLAY: Provided that where such registered person makes a Dynamic Quick Response (QR) code available to the recipient through a digital display,

- Such B2C invoice issued by such registered person containing cross-reference of the payment using a Dynamic Quick Response (QR) code,

shall be deemed to be having Quick Response (QR) code.

Circular no. 156/12/2021: Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of notification 14/2020

4.	<p>In cases, where</p> <p>Location of supplier = India</p> <p>Location of Receptient = Outside India</p> <p>Payment is received in foreign currency through RBI approved mediums/ or in Indian Rupees wherever permitted by the RBI,</p> <p>Place of Supply = in India, so it is not an export of service</p> <p>Whether in such cases, the Dynamic QR Code is required on the invoice issued, for such supply of services, to such recipient located outside India?</p>	<p>No. Such invoice may be issued without having a Dynamic QR Code, as such dynamic QR code cannot be used by the recipient located outside India for making payment to the supplier.</p>
----	---	---

Chapter 11



Input Tax Credit

Section 16: Eligibility and conditions for taking input tax credit

<p>Who is eligible to book ITC</p>	<p>(1) Every Registered Person shall, [subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49], be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.</p>
<p>Conditions to book ITC</p>	<p>(2) Notwithstanding anything contained in this section, NO registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,—</p> <p>INVOICE (ITC on invoice basis): (a) he is in possession of a tax invoice or debit note [Not receipt voucher] issued by a supplier registered under this Act, or such other tax paying documents as may be prescribed;</p> <p>Reflection in GSTR 2B: (aa) the details of the invoice or debit note referred to in clause (a)</p> <ul style="list-style-type: none"> ▪ has been furnished by the supplier in the GSTR 1 /IFF [Statement of outward supplies] AND ▪ such details have been communicated to the recipient [GSTR 2B] of such invoice or debit note ▪ in the manner specified under section 37. <p>RECEIVED GOODS/SERVICES (b) he has received the goods or services or both.</p> <p>Deemed Received (Bill to ship to model): For the purposes of this clause, it shall be deemed that the registered person has received the goods or, as the case may be, services—</p> <p>(i) Where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, [whether acting as an agent or otherwise,] before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;</p> <p>(ii) Where the services are provided by the supplier to any person on the direction of and on account of such registered person.</p> <p>Last Lot: <i>Provided that where the goods against an invoice are received in lots or instalments, the registered person shall be entitled to take credit upon receipt of the last lot or instalment:</i></p>

CGST RULES, 2017

Rule 36 : Documentary requirements and conditions for claiming input tax credit

(1) Documents: The input tax credit shall be **availed by a registered person, including the Input Service Distributor**, on the basis of any of the following documents, namely,—

- (a) An **invoice** issued by the supplier of goods or services or both in accordance with the provisions of section 31;
- (b) An invoice issued in accordance with the provisions of **clause (f) of sub-section (3) of section 31**, subject to the payment of tax;
- (c) A **debit note** issued by a supplier in accordance with the provisions of section 34;
- (d) A **bill of entry or any similar document** prescribed under the Customs Act, 1962 or rules made thereunder for the assessment of integrated tax on imports;
- (e) An **Input Service Distributor invoice** or Input Service Distributor credit note or any document issued by an Input Service Distributor in accordance with the provisions of sub-rule (1) of rule 54.

(2) ITC subject to GSTR-2: Input tax credit shall be availed by a registered person only if all the applicable particulars as specified in the provisions of Chapter VI are contained in the said document, and the relevant information, as contained in the said document, is furnished in **FORM GSTR-2** by such person.

Provided that if the said document does not contain all the specified particulars but contains the details of the amount of tax charged, description of goods or services, total value of supply of goods or services or both, GSTIN of the supplier and recipient and place of supply in case of inter-State supply, input tax credit may be availed by such registered person.

(3) No ITC where tax paid against order (fraud): No input tax credit shall be availed by a registered person in respect of any tax that has been paid in pursuance of any order where any demand has been confirmed on account of any fraud, willful misstatement or suppression of facts.

(4) No input tax credit shall be availed by a registered person in respect of invoices or debit notes the details of which are required to be furnished under section 37(1) unless,-

- (a) The details of such invoices or debit notes have been furnished by the supplier in the statement of outward supplies in **FORM GSTR-1 or using the invoice furnishing facility**; and
- (b) The details of such invoices or debit notes have been communicated to the registered person in FORM GSTR-2B.

~~(4) Input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which have not been furnished by the suppliers under sub-section (1) of section 37 in FORM GSTR-1 or using the invoice furnishing facility, shall not exceed 5% of the eligible credit available in respect of invoices or debit notes the details of which have been furnished by the suppliers under sub-section (1) of section 37 in FORM GSTR-1 or using the invoice furnishing facility.~~

Chapter 12



Registration

Rule 10B Aadhaar authentication for registered person

The registered person, other than a person notified under section 25(6D), who has been issued a certificate of registration under rule 10 shall, undergo authentication of the Aadhaar number

- of the proprietor, in the case of **proprietorship firm**, or
- of any partner, in the case of a **partnership firm**, or
- of the karta, in the case of a **Hindu undivided family**, or
- of the Managing Director or any whole time Director, in the case of a **company**, or
- of any of the Members of the Managing Committee of an Association of persons or body of individuals or a Society, or
- of the Trustee in the Board of Trustees, **in the case of a Trust** and
- of the authorized signatory,
- in order to be eligible for the purposes as specified below:
 - ⇒ For filing of application for revocation
 - ⇒ For filing of refund application in FORM RFD-01
 - ⇒ For refund under rule 96 of the integrated tax paid on goods exported out of India

Provided that if Aadhaar number has not been assigned to the person required to undergo authentication of the Aadhaar number, such person shall furnish the following identification documents, namely: –

- (a) her/his Aadhaar Enrolment ID slip; and
- (b) (i) Bank passbook with photograph; or
- (ii) Voter identity card or
- (iii) Passport; or
- (iv) Driving license

Provided further that such person shall undergo the authentication of Aadhaar number within a period of 30 days of the allotment of the Aadhaar number.

**Rule 23:
Revocation of
cancellation of
registration**

(1) A registered person, whose registration is cancelled by the proper officer on his own motion,

- may **subject to the provisions of Rule 10B**, submit an application for Rule 54 for revocation of cancellation of registration, in **FORM GST REG-21**,
- to such proper officer, within a period of 30 days from the date of the service of the order of cancellation of registration or within such time period as extended by the Additional or Joint Commissioner or the Commissioner, as the case may be, in exercise of the powers provided under the proviso to sub-section (1) of section 30, at the common portal.

Chapter 13



Manner of Payment

CGST Rules, 2017: Payment of Tax

Rule 86A. Conditions of use of amount available in electronic credit ledger

(1) The Commissioner or an officer authorised by him in this behalf, not below the rank of an AC, having reasons to believe that credit of input tax available in the electronic credit ledger has been **fraudulently availed or is ineligible** in as much as

(a) The credit of input tax has been availed on the strength of tax invoices or debit notes or any other document prescribed under [rule 36](#)-

(i) Issued by a registered person who has been found non-existent or not to be conducting any business from any place for which registration has been obtained;

or

(ii) Without receipt of goods or services or both; or

(b) The credit of input tax has been availed on the strength of tax invoices or debit notes or any other document prescribed under [rule 36](#) in respect of any supply, the tax charged in respect of which has not been paid to the Government; or

(c) The registered person availing the credit of input tax has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or

(d) The registered person availing any credit of input tax is not in possession of a tax invoice or debit note or any other document prescribed under [rule 36](#),

may, for reasons to be recorded in writing, not allow debit of an amount equivalent to such credit in electronic credit ledger for discharge of any liability under [section 49](#) or for claim of any refund of any unutilised amount.

(2) The Commissioner, or the officer authorised by him under sub-rule (1) may, upon being satisfied that conditions for disallowing debit of electronic credit ledger as above, no longer exist, allow such debit.

(3) Such restriction shall cease to have effect after the expiry of a period of one year from the date of imposing such restriction.

Central Board of Indirect Taxes and Customs

GUIDELINES FOR DISALLOWING DEBIT OF ELECTRONIC CREDIT LEDGER UNDER RULE 86A OF THE CGST RULES, 2017

Proper authority for the purpose of Rule 86A:

The Commissioner (including Principal Commissioner) is the proper officer for the purpose of exercising powers for disallowing the debit of amount from electronic credit ledger of a registered person under [rule 86A](#).

However, Commissioner/ Principal Commissioner can also authorize any officer subordinate to him, as follows

Total amount of ineligible or fraudulently availed input tax credit	Officer to disallow debit of amount from electronic credit ledger under rule 86A
Upto ₹ 1 crore	AC/DC
Above ₹ 1 crore but upto ₹ 5 crore	Additional / Joint Commissioner
Above ₹ 5 Crore	Principal Commissioner/ Commissioner

Procedure for disallowing debit of electronic credit ledger/blocking credit under Rule 86A:

The amount of fraudulently availed or ineligible input tax credit availed by the registered person, as per the grounds mentioned in [Rule 86A\(1\)](#), shall be prima facie ascertained based on material evidence available or gathered on record.

The amount disallowed for debit from electronic credit ledger should not be more than the amount of input tax credit which is believed to have been fraudulently availed or is ineligible, as per the conditions/ grounds mentioned in [Rule 86A\(1\)](#).

Allowing debit of disallowed/restricted credit under [Rule 86A\(2\)](#):

The Commissioner or the authorized officer, as the case may be, either on his own or based on the submissions made by the taxpayer with material evidence thereof, may examine the matter afresh and on being satisfied that the input tax credit, initially considered to be fraudulently availed or ineligible as per conditions of [Rule 86A\(1\)](#), is no more ineligible or wrongly availed, either partially or fully, may allow the use of the credit, so disallowed/restricted, up to the extent of eligibility, as per powers granted under [Rule 86A\(2\)](#).

Upon expiry of 1 year from the date of restriction, the registered person would be able to debit input tax credit so disallowed, subject to any other action that may be taken against the registered person.

As the restriction on debit of electronic credit ledger under [Rule 86A](#) is resorted to protect the interests of the revenue and the said action also has bearing on the working capital of the registered person, it should be endeavored that in all such cases, the investigation and adjudication are completed at the earliest, well within the period of restriction, so that the due liability arising out of the same can be recovered from the said taxable person and the purpose of disallowing debit from electronic credit ledger is achieved.

Chapter 14



Return

CGST Rules, 2017

Rule 80: Annual return

(1) Every registered person, other than

- an Input Service Distributor,
- a person paying tax under section 51 or section 52,
- a casual taxable person and
- a non-resident taxable person

shall furnish an annual return for every financial year as specified under section 44 electronically in **FORM GSTR-9** on or before the 31st December following the end of such financial year.

Notification No. 31/2021 - It is hereby exempts the registered person whose aggregate turnover in the financial year 2020-21 is upto Rs. 2 cr, from filing annual return for the said financial year.

(1A) However, for the financial year 2020-2021 the said annual return shall be furnished on or before the 28th February, 2022.

Relaxation to Government Department: Above provision will also not be applicable to

- Any department of the Central Government or a State Government or a local authority,
- whose books of account are subject to audit
- by the Comptroller and Auditor-General of India [CAG] or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.”

Note: Composite supplier shall furnish the annual return in **FORM GSTR-9A**.

(2) Every electronic commerce operator required to collect tax at source under section 52 shall furnish annual statement in **FORM GSTR -9B**.

(3) Every registered person, other than

- an Input Service Distributor,
- a person paying tax under section 51 or section 52,
- a casual taxable person and
- a non-resident taxable person

Whose aggregate turnover during a financial year exceeds Rs. 5 cr, shall also furnish a self-certified reconciliation statement as specified under section 44 in **FORM GSTR-9C** along with the annual return on or before the 31st December following the end of such financial year.

Relaxation to Government Department: Above provision will also not be applicable to

- Any department of the Central Government or a State Government or a local authority,
- whose books of account are subject to audit
- by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.”

(3A) However, for the financial year 2020-2021 the said self-certified reconciliation statement shall be furnished along with the said annual return on or before the 28th February, 2022.

Maximum Late Fees payable under section 47 for delayed filing of GSTR: 01/3B/04/07 from June 2021/Quarter Ending June 2021 and onwards.... N/N 19 to 22/2021

Form	Description	Late Fess under CGST
Form GSTR 01 and 3B	Nil Return	Rs.250
	Aggregate Turnover in PFY limited to Rs. 1.5 Cr	Rs.1000
	Aggregate Turnover in PFY more than Rs. 1.5 Cr but upto Rs. 5 cr	Rs.2,500
	Others	Rs. 5,000
Form GSTR 4	Nil	Rs.250
	Others	Rs.1000
Form GSTR 7	Delayed Furnishing	Rs. 25 per day for delayed period [Maximum: Rs. 1,000]