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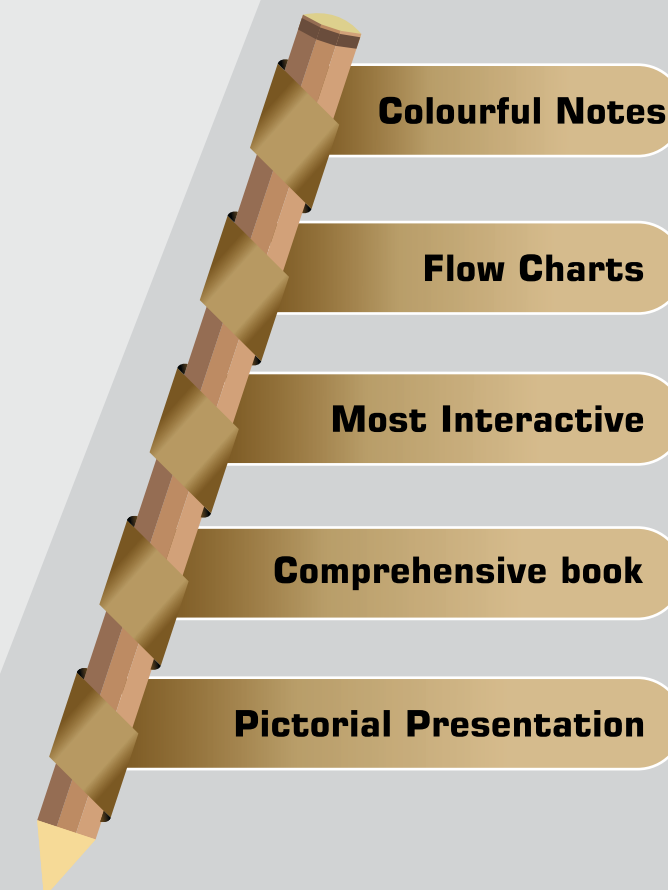


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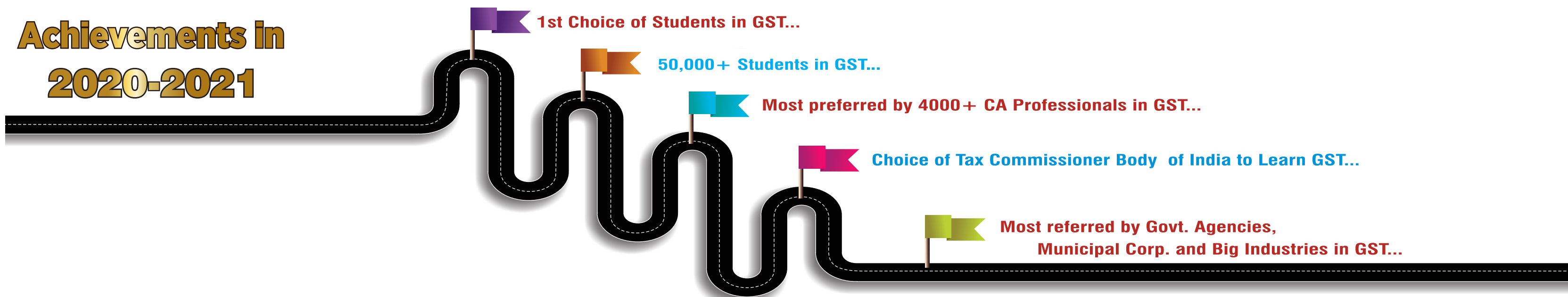
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Achievements in 2020-2021



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Extra Supporting Material Demo videos, Digital Books & PDFs

Questionnaire



Questioner Discussion



Questioner Digital Smart Book

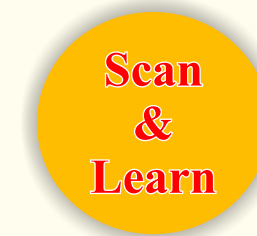


MCQ PDF

Amendments



Amendment Discussion



Amendment PDF

GST Chapter Wise Revision



Chapterwise Chart Revision Discssion Video

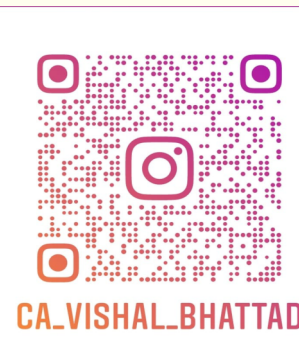


Wall Chart Marathon Revision

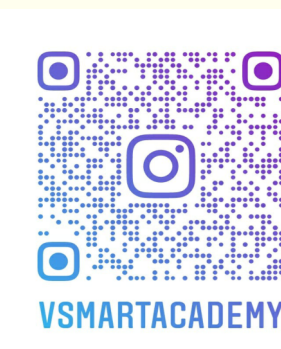


Chapterwise Chart Revision Smart Book

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Basic Concept of GST



Framework of GST

| Name | Governing Act | Levied by | Event of Levy |
|----------|--|--------------------|---|
| CGST | Central Goods and Services Tax Act, 2017 | Central Government | On Intra State supply of Goods and Services |
| SGST | State Goods and Services Tax Act, 2017 | State Government | On Intra State supply of Goods and Services |
| UTGST | Union Territory Goods and Services Tax Act, 2017 | Union Territories | On Intra State supply of Goods and Services |
| IGST | Integrated Goods and Services Tax Act, 2017 | Central Government | On Inter State supply of Goods and Services |
| GST CESS | GST Compensation Cess Act, 2017 | Central Government | On Intra/Inter State supply of notified Goods and Services |

CONCEPT & PRINCIPAL OF GST

- ⇒ GST is a **Broad-based Value added tax**
- ⇒ GST is a **Destination based tax**
- ⇒ GST is technically **paid by suppliers** but it is actually **borne by consumers**.
- ⇒ GST is **collected at multiple stage** of production and distribution of goods and services in which taxes paid on inputs are allowed as set off against taxes payable on output.
- ⇒ GST is a **tax on the consumption of products from business sources**, and not on personal or hobby activities.
- ⇒ Under GST, **input tax credit** is provided throughout the value chain for creditable acquisition.

Constitutional Amendments

| | |
|--------------------------|---|
| Article 366 (12A) | GST means "Any tax on supply of Goods or Services or both except taxes on Supply of the Alcoholic Liquor for human Consumption" |
| Article 246A | Concurrent powers to both, Parliament and State Legislatures is given to make laws with respect to GST |
| Article 269A | Provides exclusive power to the Parliament to legislate with respect to inter-State trade or commerce i.e. integrated tax (IGST) (including import) |

Benefits of GST

- 1) Creation of Unified National market
- 2) Mitigating Cascading Effect
- 3) Elimination of multiple taxes and double taxation
- 4) Make in India Initiative
- 5) Increase in Revenue

Taxes to be Subsumed in GST

| Central Taxes | State Taxes |
|---|---|
| <ul style="list-style-type: none"> Central Excise duty Additional duties of excise Excise duty levied under Medicinal & Toiletries preparation Act Additional duties of Customs (CVD & SAD) Service Tax Surcharges & Cesses | <ul style="list-style-type: none"> State VAT/Sales Tax Central Sales Tax Purchase Tax Entertainment Tax (other than those levied by local bodies) Luxury Tax Entry Tax (All forms) Taxes on lottery, betting & gambling Surcharges & Cesses |

Taxes not subsumed under GST

1. Property Tax & Stamp Duty
2. Electricity Duty
3. Excise Duty on Alcohol
4. Basic Custom Duty
5. Excise Duty on Petrol Diesel
6. Taxes on Opium, Indian Hemp and other Narcotic Drugs and Narcotics;

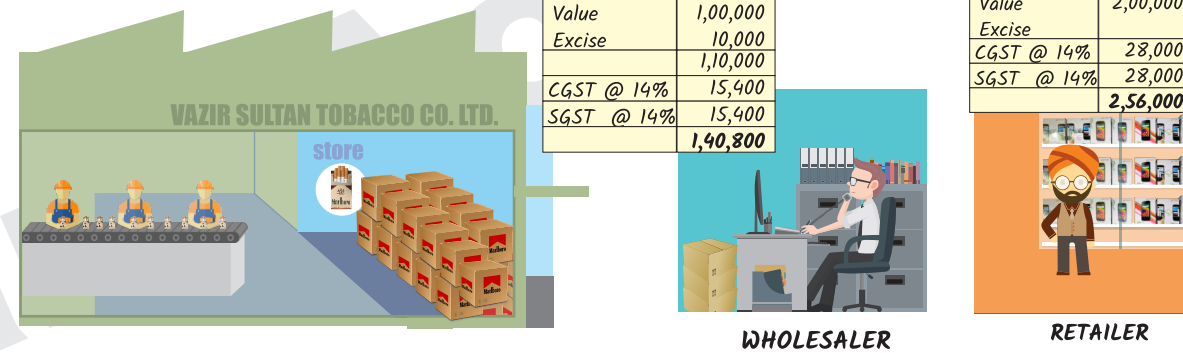
Taxes on Opium, Indian Hemp and other Narcotic Drugs and Narcotics:

These are within the purview of GST. However, State Governments have also retained the power to levy excise duties on such products manufactured in India. Resultantly, Opium, Indian hemp and other narcotic drugs and narcotics are **subject to GST as well as State excise duties**.

Note:- GST Provision shall take effect from the date recommended by GST council on following goods -
1) petroleum crude, 2) high speed diesel 3) Motor spirit 4) Natural Gas 5) Aviation turbine Fuel

TAX ON TOBACCO AND TOBACCO PRODUCTS

In the case of tobacco and tobacco products, the Centre alone would have the power to levy excise duty in addition to the GST



RECOMMENDATION OF GST COUNCIL

- The Goods and Services Tax Council shall make recommendations to the Union and the States on—
- (a) Taxes to be subsumed in GST
 - (b) Exemption in GST
 - (c) model Goods and Services Tax Laws, principles of levy, apportionment of Goods and Services Tax levied on supplies in the course of inter-State trade or commerce under article 269A and the principles that govern the place of supply;
 - (d) the threshold limit of turnover for Exemption
 - (e) the rates of GST & other Special Rates
 - (f) **Special Provision w.r.t. the special category state**
 - (g) any other matter relating to the goods and services tax, as the Council may decide.

SPECIAL CATEGORY OF STATE

- 1) Arunachal Pradesh
- 2) Assam
- 3) Jammu and Kashmir
- 4) Manipur
- 5) Meghalaya
- 6) Mizoram
- 7) Nagaland
- 8) Sikkim
- 9) Tripura
- 10) Himachal Pradesh
- 11) Uttarakhand

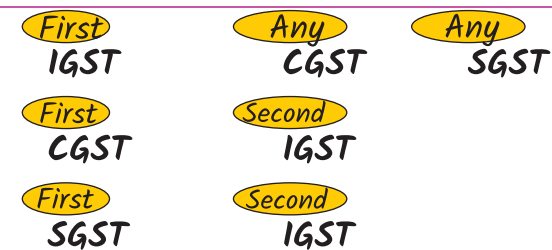
Note:- Jammu and Kashmir is now UT with state legislature, but still covered under special category States.

MANNER OF UTILIZATION OF ITC IN GST

INWARD SUPPLY

1. IGST
2. CGST
3. SGST

OUTWARD SUPPLY



2) It should be noted that CGST cannot be used against SGST/UGST or vice-versa

BODY OF GST LAW

The body of law of GST comprises of the following-

1. Acts:

- a. Central Goods and Services Tax (CGST) Act, 2017
- b. Integrated Goods and Services Tax (IGST) Act, 2017
- c. Union Territory Goods and Services Tax (UTGST) Act, 2017
- d. State Goods and Services Tax (SGST) Acts, 2017 [28 States+3UTs deemed to be States]
- e. GST(Compensation to States) Act, 2017

2. Rules

- a. Central Goods and Services Tax (CGST) Rules, 2017
- b. Integrated Goods and Services Tax (IGST) Rules, 2017
- c. Union Territory Goods and Services Tax (UTGST) Rules, 2017 for 5 UTs
- d. State Goods and Services Tax (SGST) Rules, 2017

[31]

3. Notifications

| | | |
|-----------------------|---|--|
| (a) CGST | Central Tax Notifications [CT] [Non-tariff] | Central Tax (Rate) Notifications [CT (Rate)] [Tariff] |
| (b) IGST | Integrated Tax Notifications [IT] [Non-tariff] | Integrated Tax (Rate) Notifications [IT (Rate)] [Tariff] |
| (c) UTGST | Union Territory Tax Notifications [UTT] [Non-tariff] | Union Territory Tax (Rate) Notifications [UTT (Rate)] [Tariff] |
| (d) Compensation Cess | Compensation Cess Notifications [GST CompCess] [Non-tariff] | Compensation Cess (Rate) Notifications [GST Comp Cess (Rate)] [Tariff] |

4. Circulars

- a. CGST
- b. IGST
- c. UTGST
- d. SGST
- e. GST Cess

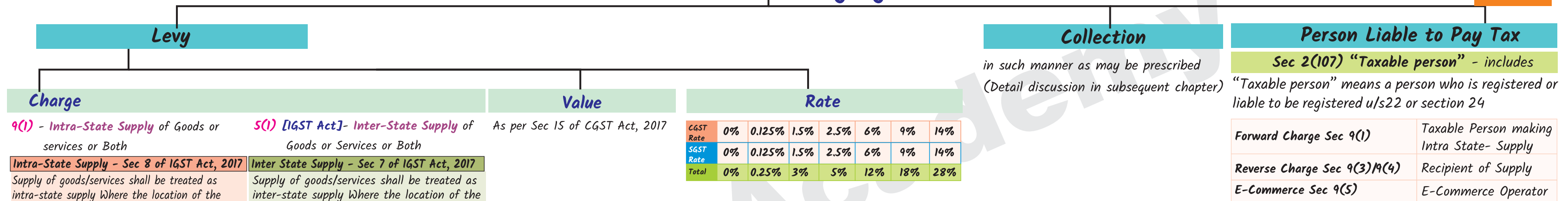
GST Compensation Cess Act, 2017

Compensation to State : As per section 18 of 101st Amendment Act, Parliament may, by law, on recommendation of GSTC, provide for compensation to States for loss of revenue arising on account of implementation of GST for such period which may extend to 5 years. The Parliament has framed Goods & Services Tax (Compensation to State) Act, 2017 for the purpose. This act may be called the Goods & service Tax (Compensation to State) Act 2017 it extends to the whole of India & had received its presidential assent as on 12.04.2017.

Charge of GST & Concept of Supply



Section 9 :- Charging Section



Intra-State Supply - Sec 8 of IGST Act, 2017
Supply of goods/services shall be treated as intra-state supply where the location of the supplier and the place of supply are in
(a) same State
(b) same Union territory

Inter State Supply - Sec 7 of IGST Act, 2017
Supply of goods/services shall be treated as inter-state supply where the location of the supplier and the place of supply are in -
(a) two different States
(b) two different Union territories; or
(c) a State and a Union territory

Goods not Subject to Levy of GST - alcoholic liquor for human consumption

Sec 9(2):- Levy on Petroleum Products from Notified date :- Supply of petroleum crude, high speed diesel, petrol, natural gas and ATF shall be levied from the notified date on recommendation of GST Council.

Note : Still levy of GST on such products is not notified
Analysis: The type of levy existing or to be continued after GST

| | (Supply) | | (Sale) | |
|--|----------|----|--------|-----|
| | GST | ED | VAT | CST |
| 1. Alcoholic Liquor for Human Consumption | X | ✓ | ✓ | ✓ |
| 2. Petroleum crude, High speed Diesel, Motor spirit (Petrol), Natural gas, Aviation Turbine fuel | X | ✓ | ✓ | ✓ |
| 3. Tobacco & Tobacco products | ✓ | ✓ | X | X |
| 4. Opium, Indian Hemp and other Narcotic Drugs | ✓ | ✓ | X | X |
| 5. All other Products | ✓ | X | X | X |

SEC 2 (56) "INDIA"

- Means**
- Territory of India as referred to in article 1 of Constitution (The territory of the Union of India viz., state and the union territories.)
 - Its
 - ↳ Territorial Water, seabed and sub-soil underlying such waters, continental shelf, exclusive economic zone or any other maritime zone as defined 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 2(114) "UNION TERRITORY"

- Means**
- the territory of -
- the Andaman and Nicobar Islands
 - Lakshadweep
 - Daman and Diu and Dadra and Nagar haveli
 - Ladakh
 - Chandigarh
 - and Other territory



Sec 2(84) "Person" - includes

- (a) An Individual
- (b) A hindu undivided family
- (c) A Company
- (d) A Firm
- (e) A limited Liability Partnership
- (f) An association of persons or a body of individuals, whether incorporated or not, in India or outside India
- (g) Any corporation established by or under any Central Act, State Act or Provincial Act or a Govt. company as defined in clause (45) of section 2 of the Companies Act, 2013
- (h) any body corporate incorporated by or under the laws of a country
- (i) A co-operative society registered under any law relating to co-operative societies
- (j) A local authority
- (k) Central Government or a State Government
- (l) Society as defined under the Societies Registration Act, 1860
- (m) Trust
- (n) Every artificial juridical person, not falling within any of the above

Deemed Distinct Persons : Sec 25 CGST Act

25 (4) A person who has obtained or is required to obtain more than one registration. whether in one State or Union territory or more than one State or Union territory shall, in respect of each such registration, be treated as distinct persons for the purposes of this Act.

25 (5) Where a person who obtained or is required to obtain registration in a State or Union territory in respect of an establishment, has an establishment in another State or Union territory, then such establishment shall be treated as establishment of distinct persons for the purposes of this Act.

Sec 2(94) "Registered person" - includes

means a person -

- ↳ who is registered under section 25
- ↳ but does not include a person having a Unique Identity Number

Sec 2 (105) "Supplier"

means person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier

Sec 2(93) "Recipient"

| Situation | Recipient |
|---|--|
| Where a consideration is payable | Person liable to pay that consideration |
| Where no consideration is payable for the supply of goods | Person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available |
| Where no consideration is payable for the supply of a service | Person including his agent to whom the service is rendered |

Type of Supply

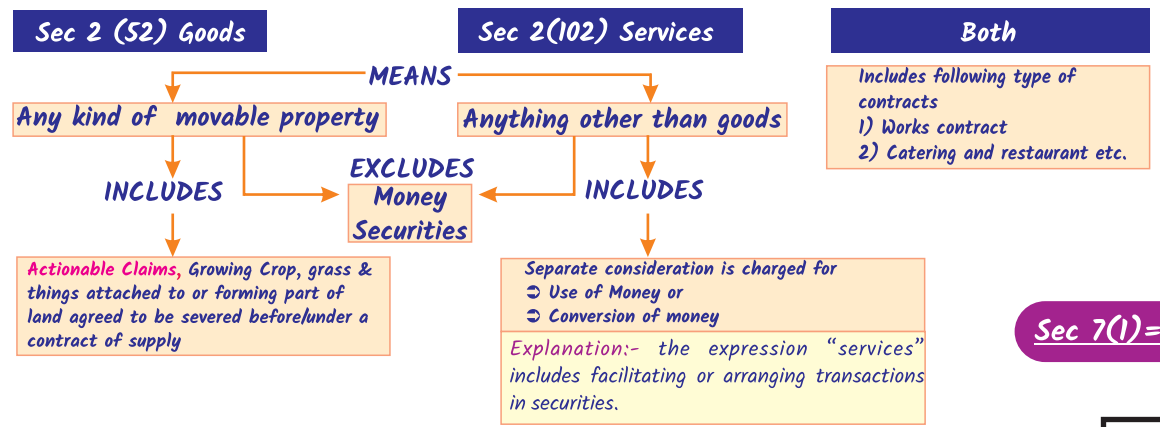
- Sec 2(108): Taxable Supply**
means a supply of goods or services or both which is leviable to tax under this Act
Chargeable to GST at specified rate as applicable under this act
- Sec 2(78): Non-Taxable Supply**
means a supply of goods or services or both which is not leviable to tax under this Act (i.e. CGST Act) or under the Integrated Goods and Services Tax Act
- Sec 2(47): Exempt Supply**
means a supply of any goods or services or both
↳ which attracts nil rate of tax or
↳ which may be wholly exempt from tax under section 11, or under section 6 of the integrated Goods and Services Tax Act, and includes non-taxable supply

In the course of furtherance of Business [Sec 2(17)]

- a** Any trade, commerce, manufacture, Profession, vocation, Adventure, Wager, Any Other similar activity
Whether or not for pecuniary benefit.
- b** Any activity or transaction In connection with or Incidental or Ancillary to Sub - Clause (a)
- c** Any activity or transaction in nature of Sub Clause (a)
Whether or Not
There is a volume, frequency, continuity or regularity of such transaction.
- d** Supply or acquisition of goods including capital goods & service in connection with Commencement or Closure of business
- e** Provision by a Club or Association or Society or Any Such body of facilities or benefits for it's members.
- f** Admission for a consideration of person to any premises
- g** Services supplied by a person as a holder of an office which has been accepted by him
In course or furtherance of his trade, Profession, Vocation
- h** Activity of a race club including by way of totalisator or a licence to book maker or activities or licenced book marker in such club and
- i** Any activity or transaction under taken by CG/SG/ local authority in which they are engaged as public authorities.



Sec 7 - Supply

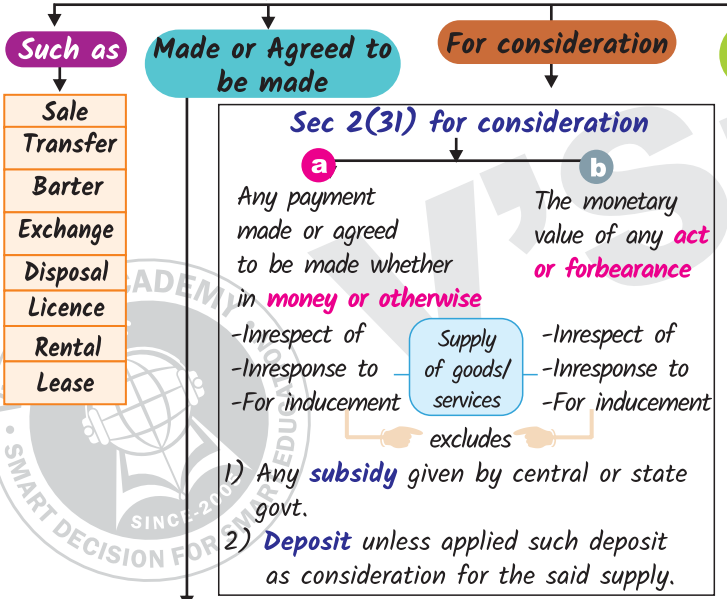


Sec 7(1)=Supply Includes

Sec 7(2)(a)=Supply Excludes

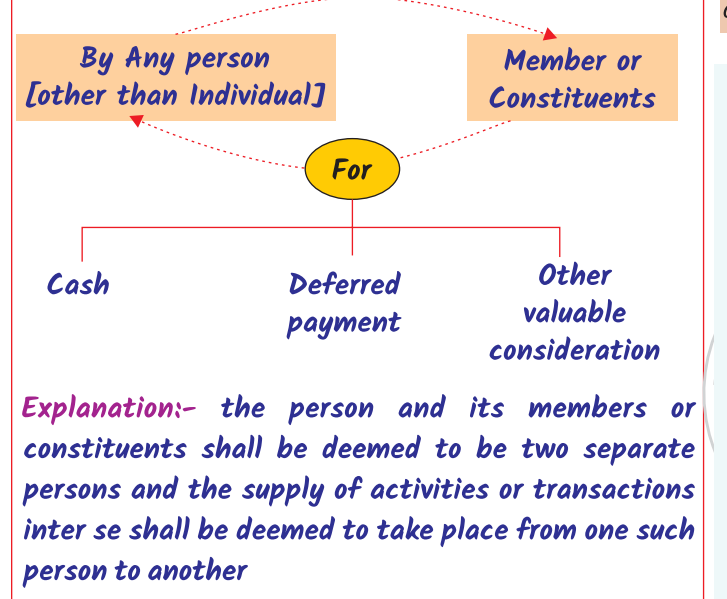
Supply of goods / Services with consideration **Supply of goods / service without consideration [Deemed supply]**

Sec 7(1) (a) All forms of supply of goods / services/both

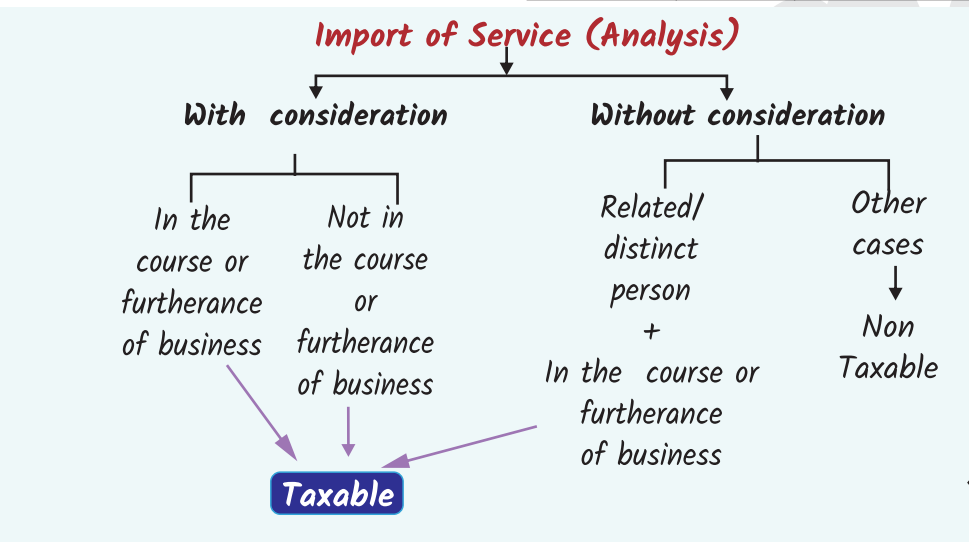
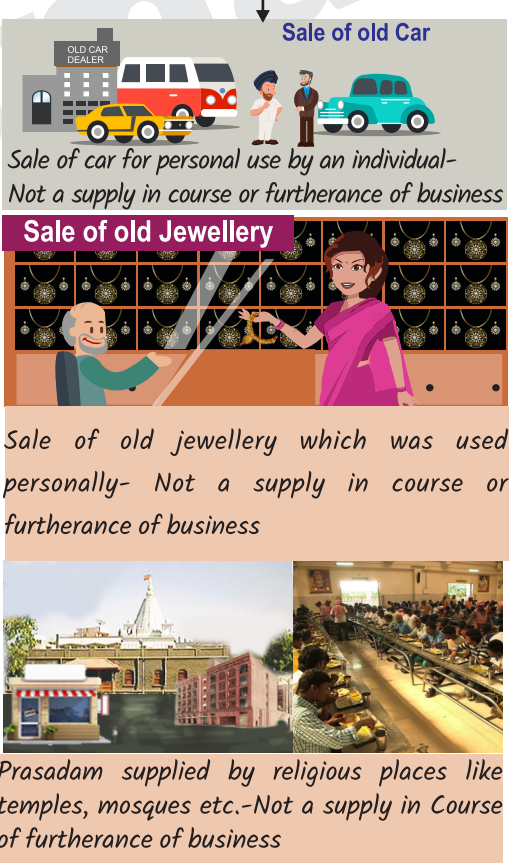


| No Particulars | Explanation |
|----------------------------|---|
| 1 Made | Goods are already delivered or Service is already provided to the recipient |
| 2 Agreed to be Made | This is split up in two parts namely: (i) There is an agreement for supply of goods or provision of service (ii) An advance has been received against the supply of goods or provision of service |

Sec 7(1) (aa) :- Activities or Transactions



Sec 7(1) (b) Import of Services



Schedule I

- Permanent transfer or disposal of business assets where input tax credit has been availed on such assets.
- Supply of goods or services or both
 - between related persons or
 - between distinct person as specified in section 25, Provided that gift upto ₹50,000 in value in a financial year by an employer to an employee shall not be treated as supply

Related Person (as per explanation to Sec 15) of CGST Act

 - (i) such persons are officers or directors of one another's business
 - (ii) such persons are legally recognized partners in business
 - (iii) such person are employer and employee
 - (iv) an person directly or indirectly owns, controls or holds 25% or more of the outstanding voting stock or shares of both of them
 - (v) one of them directly or indirectly controls the other
 - (vi) both of them are directly or indirectly controlled by a third person
 - (vii) together they directly or indirectly control a third person
 - (viii) they are members of the same family

Family [Section 2(49)] : "Family" means,-

 - (i) the spouse and children of the person, and
 - (ii) the parents, grand-parents, brothers and sisters of the person if they are wholly or mainly dependent on the said person.
- Supply of goods
 - (a) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or (agent issuing his own invoice)
 - (b) by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal (agent issuing his own invoice)
- Import of Service without consideration
 - Import of Services by any person
 - from a related person outside India or
 - from any of his other establishments outside India, in the course or furtherance of business

Schedule III (Transaction not be treated as supply)

- Services by an employee to the employer in the course of or in relation to his employment.
 - 1) Compensation for premature termination - Non Taxable as it is in relation to employment.
 - 2) Non compete fees received by an employee from employer - Taxable as it is not in the course of or in relation to employment.
 - 3) Casual labour appointed on daily basis for wages - Non Taxable as it is in relation to employment contract
 - 4) Directors Remuneration a) If TDS under IT Act is deducted u/s 192 - Not a Supply b) If TDS under IT Act is deducted u/s other sec - Supply
- Services by any court or Tribunal established under any law for the time being in force.
- a) The functions performed by the Members of Parliament, Members of State Legislature, Members of Panchayats, Members of Municipalities and Members of other local authorities
 - b) The duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity
 - c) The duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority
- Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
- Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building

| Analysis | Not treated as supply as per sch III , No GST | Treated as Supply GST Payable |
|---|---|---|
| Sale of land and Building | Not treated as supply as per sch III , No GST | |
| Rental , Leasing licensing of Land & Building | | Treated as Supply GST Payable |
| Sale of Building before completion certificate or 1st occupancy whichever earlier | | Treated as supply para 5(b), Sch II GST payable |
- Actionable claims, other than lottery, betting and gambling.

| | |
|----------------------------|------------------------------|
| Lottery, Betting, Gambling | Taxable supply liable to GST |
| Other Actionable Claims | Not treated as supply |
- Supply of goods from a place a non-taxable territory to a another place in the non-taxable territory without such goods entering in India
- a) Supply of warehoused goods to any person before clearance for home consumption
 - b) Supply of goods by the consignee to any other person, by endorsement of document of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption

Sec 7(2)(b)= Notified activities by Government

As per NN 14/2017 -

| Services by way of any activity in relation to a function entrusted to a Panchayat under article 243G or to a Municipality under article 243W of constitution shall be treated neither as a supply of goods nor a supply of service. | As per NN 20/2019 & CBIC Clarification |
|--|--|
| 1) License fees or application fees etc. for alcoholic liquor license by S.G. | Neither treated as SOG/SOG |
| 2) License fees or application fees for other | SOS & Laible to GST |

Schedule II : Activities or transactions to be treated as supply of goods or services

Sec 7(1A):- Where certain activities or transaction constitute a supply in accordance with the provisions of subsection (1), they shall be treated either as supply of goods or supply of services as referred to in Schedule II.

Para 1 : Transfer of goods

Supply of goods 1) Transfer of title in goods
2) Transfer of Title in Goods on future date (Ex. Hire Purchase)

Hire Purchase Sale

Supply of Service Transfer of right in goods or undivided share in goods without transfer of title in goods

Bike Rental Service

Para 2 : Land & Building

Supply of Service Any lease, tenancy, easement, license to occupy land

Supply of Service Any lease, letting of building including commercial, industrial complex for business / commerce

Note : Sale of land & building not treated as supply as per schedule 3 other than construction intended for sale [of para 5(b)]

Residential House Rented for Residential Use

Is covered under the ambit of supply but given an exemption benefit

Hotel

Supply liable to GST as renting of immovable property

Para 3 : Treatment or process

Supply of Service Any treatment or process which is applied to another person's goods

Process of Job worker

Para 4 : Transfer of business asset

Supply of goods Permanent transfer of Business Asset:- If goods as a part of the asset are permanently transferred or disposed off

Supply of Service Temporary transfer of business assets:- If goods as a part of business asset are put to any private use or are used for any purpose other than business

Note : If any person ceases to be a taxable person then goods forming part of business asset shall be deemed to be supplied (In the course or furtherance of business) unless :-

- (i) Business is transferred as going concern to another person.
- (ii) Business is carried on by personal representative who is deemed to be a taxable person.

Para 5 : Following activities always treated as supply of service under GST

- a Renting of immovable property
- b Construction of complex, building, civil structure including a complex, building intended for sale to buyer. But in following case it shall not be treated as supply. When entire consideration has been received - after completion certificate / - It's 1st occupation **whichever is earlier**

Note :- Construction - it includes addition, alteration, replacement, remodeling of any existing civil structure

Construction of Service intended for sale before completion

Flat Value 80,00,000/-

| | | |
|----------------------|------------------|----------------------------------|
| 1) before Completion | After Completion | Taxable value for GST = ₹80 Lacs |
| 40,00,000 | 20,00,000 | |
| 2) ₹1 | 79,99,999 | Taxable Value = ₹80 Lacs |
| 3) After Completion | 80,00,000 | Not taxable As per Sch - III |

Para 6 : Composite supply treated as supply of service

Supply of Service a Works contract

Labour + Material = Works Contract (construction)

Supply of Service Restaurant, catering or any supply of service where food/drink is supplied for consideration.

Catering Restaurant

Para 7 : Unincorporated AOP / BOI & their members

Supply of goods supply of goods by UAOP/BOI to their members for consideration

Sec 2(119) : Works contract

| | | |
|--|---|--|
| Building, Construction, Fabrication, Completion, Erection, | Installation, Fitting Out, Improvement, Modification, Repair, | Maintenance, Renovation, Alteration or Commissioning |
|--|---|--|

of any **immovable property**

wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract

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Sec 8 : Composite Supply & Mixed Supply

The tax liability on a composite or a mixed supply shall be determined in the following manner, namely:

- (a) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply; and
- (b) a mixed supply comprising two or more supplies shall be treated as a supply of that particular supply which attracts the highest rate of tax.

Definition - Composite Supply

Composite Supply as per Sec 2 (30) : means a supply made by a taxable person to a recipient consisting of

- two or more taxable supplies of goods or services or both or any combination thereof
- which are naturally bundled and
- supplied in conjunction with each other in ordinary course of business one of which is a principal supply

Illustration.— (Goods + Service) Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply;

Definition - Mixed Supply

Mixed Supply as per Sec 2 (74) : means

- Two or more individual supplies of goods or services 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

Illustration.— A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drinks and fruit juices when supplied for a single price is a mixed supply. Each of these items can be supplied separately and is not dependent on any other. It shall not be a mixed supply if these items are supplied separately

Circular No.:- 1/1/2017

Issue:- Whether Inter-state movement of various modes of conveyance, carrying goods/ passenger/ both, or for Repair and maintenance, between distinct persons (Reg Br.1 to Reg Br.2), is leviable to IGST? (Conveyance = Trains, buses, trucks, tankers, trailers, vessels, containers, aircrafts.)

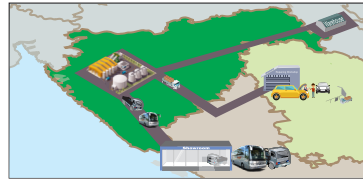
Decision:- It shall not be treated as SOG/SOS, so no IGST. (Except further supply)(Schedule 1, Para 2)

Clarification :- 1-Conveyance carrying goods/ passenger/ both:- Treated neither as SOG or SOS, No IGST.

2-Conveyance for repair & maintenance:- Treated neither as SOG or SOS, No IGST.

(On such Repair and maintenance charges:- GST payable)

3-Conveyance moved for further supply:- Treated as SOG/SOS, IGST shall be levied.



Circular No.:- 21/21/2017

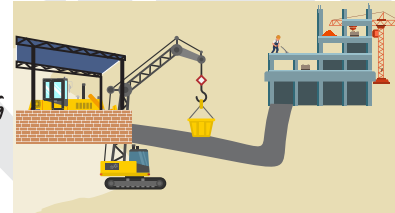
Issue :- Whether Inter-state movement of Rigs, tools, spare parts, and all goods on wheels (like cranes) between distinct persons (Reg Br.1 to Reg Br.2), is leviable to IGST?

Decision:- It shall not be treated as SOG/SOS, so no IGST (As per Schedule 1, Para 2)

Clarification:- 1- Same as above case

2- Same as above case

3-Conveyance moved for further supply:- Treated neither as SOG or SOS, no IGST



Circular No.:- 57/31/2018

Issue:- What is the scope of Principal-Agent-Relationship, under Para 3 of schedule 1 of CGST Act, in context of Agents?

Clarification:- (1) Supply by Principal to Agent, where Agent shall issue, for further supply, Invoice

Invoice in his name:- Agent shall be covered under Para 3, Schedule 1

Invoice in the name of Principal:- Agent shall not be covered under Para 3, Schedule 1

(2) Supply by Agent to Principal, where goods being procured by Agent on behalf of Principal,

Invoice :-

Invoice in his name:- Agent shall be covered under Para 3, Schedule 1

Invoice in the name of Principal:- Agent shall not be covered under Para 3, Schedule 1

Circular No.:- 116/35/2019

Issue:- Whether GST is leviable on the service of display of name/ placing of name plates of donor in the premises of charitable organisations receiving donation/gifts from individual donors?

Clarification :- 1- Individual Donors= provide financial help, etc in form of donation/gift, to charitable institutions, etc

2- Recipient institution= place a Name plate, etc in their premises to express the gratitude

3- Aim of Display of name= As an expression of gratitude & public recognition of donor's act of philanthropy Not as to give publicity to donor as advertisement/promotion of his business

4- No obligation on part of recipient to do anything

5-Hence, No GST on such activity

Circular No.:- 44/2018

Issue:- (1) Whether Tenancy premium for transfer of tenancy rights to an incoming tenant, attract GST, when stamp duty and registration charges is levied on the said premium?
(2) Whether supply, in case of transfer of tenancy rights, a part of the consideration for which, accrues to the outgoing tenant, attracts GST?

Clarification:- 1- Any lease/tenancy/leasehold/license, to occupy land=SOS (Para-2 Schedule 11)

2- Transfer of tenancy rights=Not treated as Sale of Land/Building

3- Renting of residential dwelling for use as a residence= Exempt

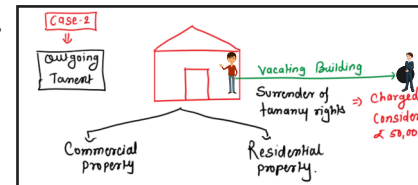
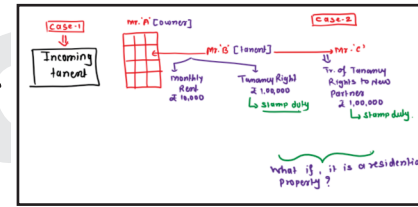
4- (Transfer of tenancy rights, against consideration of Tenancy premium):-

➔ To an Incoming tenant= Taxable ➔ To a New tenant= Taxable

➔ To a New tenant(for Residential Property)= Exempt

5- Service provided by Outgoing tenant as surrendering the tenancy rights, against consideration in the form of a portion of tenancy premium= Taxable

6-Merely because a transaction/ supply involves execution of Docs. (require registration, pay fees, and stamp duty), wouldn't preclude them from scope of supply.



Circular No.:- 11/11/2017

Issue:- Whether such supplies constitutes SOG/SOS:-

(1) Printing of books, pamphlets, brochures, annual reports, and the like

(2) Supply of Printed envelopes, letter cards, printed box, napkin, wall papers etc, printed with design, logo, etc

Decision:- For (1):- SOS For (2):- SOG (Sec 8, composite and mixed supply)

Clarification

1- Classification of such supplies as SOG/SOS,= on the basis of what constitutes the Principal Supply.

2- Printing of books, pamphlets, brochures, annual reports, etc= SOS (Supply of printing, on the content supplied by the recipient of supply is the Principal supply.

3- Supply of Printed envelopes, letter cards, etc, printed with design, logo, etc.= SOG

(Predominant supply is goods, and supply of printing of the content, supplied by recipient, is Ancillary to the Principal supply of goods.

Reverse Charge Mechanism & ECO



CA Vishal Bhattad

Sec 9(3) : Reverse Charge under notified cases

The Government may, on the recommendations of the Council,

- by notification, specify categories of supply of goods or services or both,
- the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

Sec 2(98) : Reverse Charge

means the liability to pay tax by the recipient of supply of goods or services or both instead of the supplier of such goods or services or both under section 9(3) or 9(4), or under section 5(3) or 5(4) of the Integrated Goods and Services Tax Act.

Sec 9(4) (CGST) Reverse Charge - when supply of goods or services by unregistered person to registered person

The central tax in respect of the

supply of specified category of goods or services or both by a supplier, who is not registered,

to

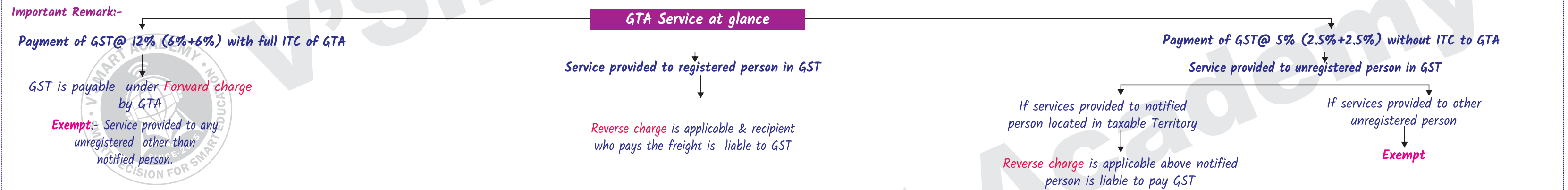
a specified class of registered person

shall be paid by such person on reverse charge basis as the recipient of such supply of goods or services or both and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

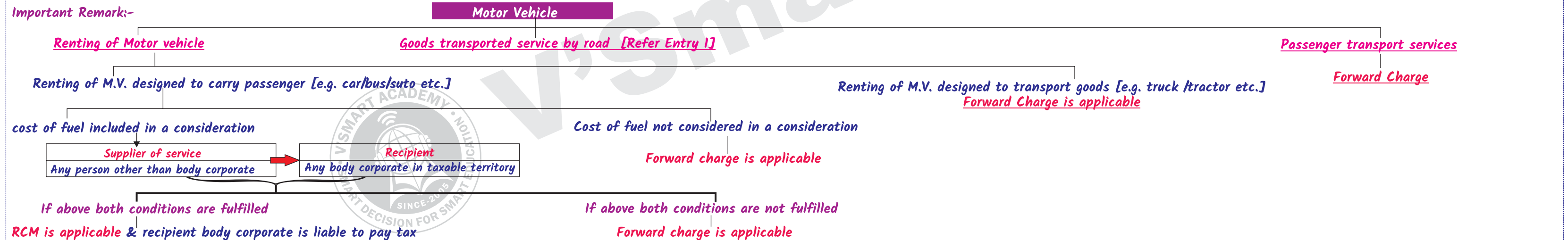
Reverse Charge Mechanism Under sec 9(3) & 9(4)

Transport and Motor vehicle Sector

| | | | |
|---|---------------------------------|--|--|
| 1. GTA | | | Liability |
| Service | by | to | |
| Services in relation to transportation of goods by road | GTA (who has not paid GST @12%) | person (Notified Person) who pays freight is a) Any registered factory. b) Any registered Society c) Any Co-operative Society d) Any person registered under GST e) Body corporate or; f) firm, (including LLP & AOP) g) Any CTP. | Notified person who is liable to pay freight Note : GTA liable in following cases 1. If notified person located in non-taxable territory. 2. If person liable to pay freight is not falling under notified categories. 3. If department or establishment of government or local authority government agency opt for registration only for the purpose of Deducting TDS u/s SI |



| | | | |
|---|---|---|--------------------|
| 2. Renting of motor vehicle | | | Liability |
| Service | by | to | |
| Renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged . | any person other than body corporate (does not issue an invoice charging CGST @ 6 % and SGST 6% to the service recipient) | Any body corporate located in taxable territory | Any body corporate |



Legal Sector

3. Legal Services

Legal Services provided by an individual / senior / firm of advocates to business entity directly or indirectly. Any business entity located in the taxable territory

Explanation- "legal service" means any service provided in relation to advice, consultancy or assistance in any branch of law, in any manner and includes representational services before any court, tribunal or authority."

Important Remark:-

| RCM | Forward Charge | Exemptions [No FC / RCM] |
|--|---|---|
| 1) Only if legal services supplied by advocate | All other services supplied by Advocate | - |
| 2) Services must be supplied by Individual Advocate/Senior Advocate firm of Advocate | Legal services supplied by ⇒ advocate company ⇒ CA/CS/CMA or other consultant | - |
| 3) Service is supplied to business entity | - | Services supplied to ⇒ B.E. having Agg. T/D below threshold in P.F.Y ⇒ Non business entity ⇒ CG/SG/UT/ Govt. Entity |
| 4) Recipient (B.E.) is located in taxable territory | If recipient is located in non-taxable territory | - |

4. Arbitral Tribunal

Services by Arbitral Tribunal to business entity in a taxable territory Any business entity located in the taxable territory

Government Service Sector

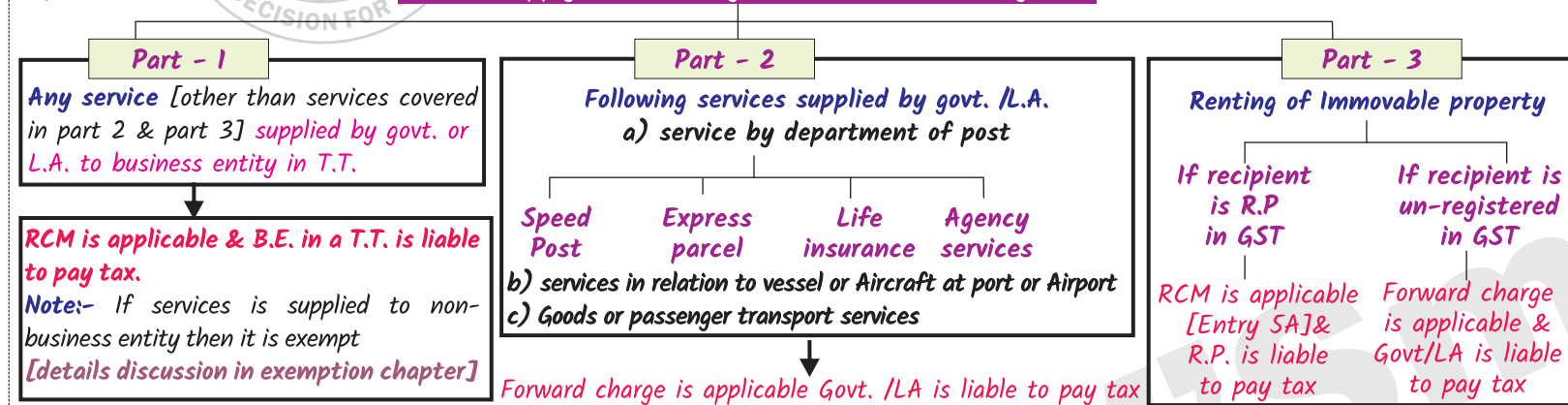
5. Government

Any Services provided by Government or Local authority to business entity other than 1) renting of immovable property/ 2) Service by Department of Post 3) Service in relation to Aircraft, Vessel inside or outside precincts of port or airport. 4) transportation of goods or passengers Any business entity located in the taxable territory

6. Government

Renting of immovable property by Govt or local authority to any registered person Any registered person

important Remark:- Supply of service by Govt or Local Authority



Construction Service Sector

7. Sec 9(3)

| | | |
|-------------------------|--|----------|
| Construction (FSI etc.) | Transfer of development rights or Floor Space Index (FSI) by any person to promotor for construction of a project | Promotor |
| Construction (lease) | Long term lease of land (30 years or more) by any person to promotor against consideration in the form of upfront amount for construction of a project | Promotor |

Insurance & Banking Service Sector

9

9. Insurance agent

Service by an Insurance Agent to a person carrying insurance business Insurer carrying life or general insurance business. located in taxable territory

Important Remark

| RCM | Forward Charge |
|--|--|
| 1) Only service supplied by Insurance Agent to Insurance Company | Other suppliers like actuary etc. supplies services to Insurance company |
| 2) Insurance Agent is licenced under Insurance Act. | Insurance Agent not licenced under Insurance Act |

10. Recovery agent

Services by any recovery agent to a banking company, Financial Institution or NBFC in a taxable territory. Such banking company, Financial institution or NBFC

11. Members of Overseeing committee

Supply of Service by Members of Overseeing committee to Reserve Bank of India (RBI) Reserve Bank of India (RBI)

12. DSAs

Services Individual Direct Selling Agents (DSAs) other than a body corporate, partnership or LLP by a banking company or a NBFC to a banking company or a NBFC, located in the taxable territory.

Important remark

| RCM | Forward Charge |
|--|---|
| RCM is applicable only if services is supplied by Individual DSA | If service is supplied by body corporate, partnership or LLP Firm |
| 2) Recipient is banking or NBFC | If recipient is ⇒ Financial institution or ⇒ any other person |
| 3) Recipient is located in taxable territory | If recipient is located in non-taxable territory |

13. Business Facillator

Services supplied by Business Facillator to A banking company located in the taxable territory. Banking company located in Taxable Territory

Important remark

| RCM | Forward Charge | Exemptions |
|--|---|--|
| 1) RCM is applicable only if supplier is Business facillator | 1) If supplier is ⇒ Business correspondent or ⇒ other | business facillator to a banking company with respect to accounts in its rural area branch |
| 2) Recipient is banking company only | 2) If service is supplied to others like Insurance company, FI or NBFC etc. | |
| 3) Recipient is located in taxable territory | 3) Banking company located in non taxable territory | |

14. Agent of Business Correspondent

Services supplied by An agent of Business Correspondent (BC) to A business correspondent, located in the taxable territory Business correspondent located in Taxable Territory

Un-organised to Organised Service Sector

15. Sponsorship

Sponsorship Service by any person to any body corporate or partnership firm located in taxable territory. Such body corporate or Partnership Firm located in a Taxable territory.

Important remark

| RCM | Forward Charge |
|---|--|
| 1) It is applicable only for sponsorship service | 1) Advertising/ Marketing services |
| 2) Supplier - Any person | - |
| 3) Recipient - RCM is applicable only if recipient is body corporate / P.F. | 3) If recipient is any person other than body corporate/ P.F. e. g. Individual /HUF/Trust etc. |
| 4) Recipient - Body corporate or P.F. must be in taxable territory | 4) If Recipient in non taxable territory |

16. Director of company

Services by director of a company or body corporate to the said company or body corporate Such company or body corporate

17. Security Services

Supply Security services (as a security personnel) by Any person other than a body corporate to a registered person (other than - department of Govt. / local authority/ Govt. authority/ registered person u/s 10.) Registered Person located in Taxable Territory

Important remark

| RCM | Forward Charge |
|---|--|
| 1) Service is supplied only by way of supply of security personal | If security service supplied by other ways e.g. dog sniffer, CCTV investigation etc. |
| 2) Supplier is any person other than body corporate | If Supplier is body Corporate |
| 3) Recipient is registered person under GST | If recipient is ⇨ Unregistered Person or ⇨ Registered Person but CG, SG LA and etc. registered only for TDS ⇨ Registered person u/s 10 |

Copyright Service Sector

18. Copyright service

transfer or permitting use or enjoyment of a **copyright relating to Original dramatic, musical works** by Music composer, Photographer, Artist to Music company, producer or the like Music company, producer or the like, located in the taxable territory

Important remark

| RCM | Forward Charge |
|---|---------------------------------------|
| 1) Copyright relating to original dramatic artistic or musical work | If it is not related to original word |
| 2) Supplier - music composer, photographer or artist | In other case |
| 3) recipient should be music company, producer or like | In case of other recipient |
| 4) Music company or producer in taxable territory | If they are in non taxable territory |

19. Copyright relating to literary

Transfer or permitting use or enjoyment of a **copyright relating to original literary work** by an author to publisher A Publisher located in the taxable territory

Important Remark:- Copyright [entry 9]

| RCM | Forward Charge | Special remark |
|---|---|--|
| 1) Copyright relating to original literary work | 1) If not related to original literary work | Shifting of RCM to F.C. the author has taken registration ,and filed a declaration commissioner comply with all the provisions for payment of tax he shall not withdraw the said option within a period of 1 year from the date of exercising such option; |
| 2) Service is supplied by author | 2) service is supplied by other | |
| 3) Recipient is publisher | 3) Recipient is other | |
| 4) Recipient is located in taxable territory | 4) If recipient is located in non taxable territory | |

Other Service Sector

20. Lending of security

Lending of securities by lender to borrower Borrower i.e. a person who borrows the securities

Composition Scheme



Section 2(6):- Aggregate Turnover

means the aggregate value of

- all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis),
- exempt supplies,
- exports of goods or services or both and
- inter-State supplies of persons having the same PAN, to be computed on all India basis

but excludes central tax, State tax, Union territory tax, integrated tax and cess

For the purposes of computing turnover of a person for determining his eligibility to pay tax under this section for Sec 10(1) & 10(2A), **aggregate turnover** shall include the value of supplies made by such person from the 1st day of April of a financial year up to the date when he becomes liable for registration under this Act, but shall not include the value of exempt supply of services provided by way of extending deposits, loans or advances is so far as the consideration is represented by way of interest or discount.

Section 2(112):- Turnover in State or "Turnover in Union Territory"

means the aggregate value of

- all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis) and
- exempt supplies made within a State or Union territory by a taxable person,
- exports of goods or services or both and
- inter-State supplies of goods or services or both made from the State or Union territory by the said taxable person

but excludes central tax, State tax, Union territory tax, integrated tax & cess.

turnover in State or turnover in Union territory shall not include the value of following supplies, namely:

- supplies from the first day of April of a financial year up to the date when such person becomes liable for registration under this Act; and
- interest or discount on deposits, loans or advances.

2(47) : Exempt Supply

means a supply of any goods or services or both

- which attracts nil rate of tax or
- which may be wholly exempt from tax

includes non-taxable supply

Procedure- Composition Scheme

Procedure:-Rule-3 Intimation by UR= Pay tax under Composition levy in part B of FORM- GST REG-01.(Considered only after grant of reg.)
 Intimation by RP= Electronically file an intimation in FORM-CMP-02, prior to commencement of FY, for which option exercised.
 Any intimation i.r.o. any place of business in a State/UT= deemed to be an intimation i.r.o. all other place of business registered on same PAN.

Rule-4 Effective date= 1st april of the FY for which such option is exercised.

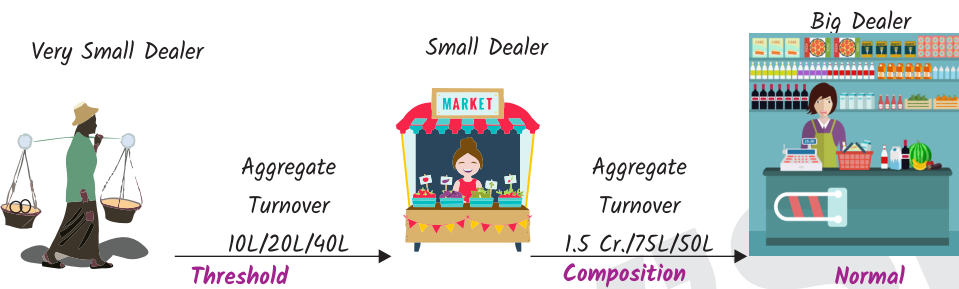
Rule-6 Validity of Composition Scheme = Till person continues to fulfill conditions u/s 10(2)/(2A)/ Rule-5.

- If person ceases to fulfill above conditions= shall file intimation of opting out scheme in FORM GST CMP 04 (Within 7days)
- If person want to opt out voluntarily= shall file intimation in FORM GST CMP 04 before such withdrawal.
- After withdrawal he shall issue tax invoice & allowed to avail ITC i.r.o.stock held by him as on date.

Rule-62 File statement- Quarterly till 18th of month following the quarter.(CMP-08)
 File Return (GSTR-4)- Annually till 30th April of the following year.

Rule-80 File Return (GSTR-9A)- Annually

Analysis - Threshold, composition & Normal Scheme



| Assessee | Threshold | | | Composition | | | Normal | | |
|----------|-----------|--------|----|-------------|--------|----|--------|--------|----|
| | Mfg | Trader | SP | Mfg | Trader | SP | Mfg | Trader | SP |
| | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

| Tax benefits | No Tax Payable | Tax is payable @ Composite Rate | Tax is payable @ Normal Rate |
|--------------|----------------|--|---|
| Registration | Not required | Compulsory | Compulsory |
| GST Invoice | Not required | Bill of supply | Tax invoice |
| GST Records | Not required | Limited Extent | As prescribed under this Act |
| ITC | Not required | NO | Yes |
| GST Return | Not required | 1) GSTR -4, GSTR - 9A Annually 2) Quarterly Statement - CMP-08 3) Payment of Tax - Quarterly | GSTR -1, 2 & 3, Monthly Quarterly for notified category |

| procedure benefit | No Tax Payable | Tax is payable @ Composite Rate | Tax is payable @ Normal Rate |
|-------------------|----------------|--|---|
| Registration | Not required | Compulsory | Compulsory |
| GST Invoice | Not required | Bill of supply | Tax invoice |
| GST Records | Not required | Limited Extent | As prescribed under this Act |
| ITC | Not required | NO | Yes |
| GST Return | Not required | 1) GSTR -4, GSTR - 9A Annually 2) Quarterly Statement - CMP-08 3) Payment of Tax - Quarterly | GSTR -1, 2 & 3, Monthly Quarterly for notified category |

GST Rate under Composition Scheme

Rule- 7 = Rates:-

| Categories of RP | CGST | SGST | Total | Basis for Calculation |
|---|------|------|-------|--|
| a- Manufacturer | 0.5% | 0.5% | 1% | Turnover in State/UT (T.S. + Exempt+ Nil rate) |
| b- Catering & Restaurant | 2.5% | 2.5% | 5% | Turnover in State/UT |
| c- Trader | 0.5% | 0.5% | 1% | Turnover of taxable SOG & SOS in the State/UT (Only Taxable Supply of SOG & SOS) |
| d- R.P. not eligible u/s 10(1) & (2), but eligible for 10(2A) | 3% | 3% | 6% | Turnover of SOG & SOS in the State/UT (T.S. + Exempt+ Nil rate) |

Both are Optional Scheme.
 Special Category States= Arunachal Pradesh, Assam, J&K, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh Uttarakhand.

Sec 10

Sec 10(1)- Applicability:

- Applicable to 'R.P.', whose Aggregate T/o in PFY is not exceeding:-
 - 75 lakhs- For special category states (Other than H.P./Assam/J&K)
 - 150 lakhs- all other states (including H.P./ Assam / J&K)

Proviso 2 to Sec 10(1)- Marginal Service

- Provided that a Manufacturer/Catering & Restaurant / Trader- May supply services of value upto 10% of T/o in a State / Utin P.F.Y or ₹ 5 Lakhs whichever is higher. (limit is statewise)

Note - while calculating T/o in State/UT above, excludes interest on loans/adv. etc.

Sec 10(2)- Eligibility Conditions-

- person opting for the scheme u/s 10(1) (Manufacturer/ Catering & Restaurant / Trader) cannot supply any service (Taxable / exempt), except as allowed in proviso 2 to sec 10(1). (Limit is statewise)
- Not engaged in SOG/SOS, which are Non-taxable under GST Act.
- Not engaged in making any inter-state outward SOG/SOS
- Not engaged in SOG/SOS, through an ECO, collecting TCS u/s 52.
- Not a manufacturer of Notified Goods*.
- Neither a CTP not NRTP

*[Notified Goods= Ice cream & other edible ice / Pan Masala / Aerated water / tobacco & tobacco substitutes, Fly ash bricks, Bricks of fossil meals & etc]

Proviso to Sec. 10(2) : Scheme would be applicable for all businesses having registrations under same PAN of the conditions required to opt for composition scheme.

Sec. 10(3):- Eligibility Criteria for composition scheme:-

- Option availed by RP u/s 10(1)/(2A) - shall lapse w.e.f. the day on which his Aggregate T/o during a FY exceeds 150 lakhs/ 75 Lakhs/ 50 lakhs, as the case may be.

Sec. 10(4):- Other Conditions:-

- Composition dealer cannot collect tax on outward supplies. Composition dealer will not be eligible to claim ITC.
- Composition dealer cannot issue tax invoice, but issue Bill of supply.

Sec. 10(5):-If PO believes that a taxable person has paid tax u/s 10(1)/(2A) despite not being eligible, such person shall-

- pay tax & penalty as per applicable provisions &
- sec 73/74 shall be applicable.

Rule-5 Conditions/restrictions:-

- Title on Bill of Supply= "Composition Taxable person, not eligible to collect tax on supplies"
- Display at business premise= "Composition Taxable Person"

Sec 10(2A)

Sec 10(2A) - Applicability :-

- Applicable to "R.P.", whose Aggregate T/o in PFY is not exceeding - ₹ 50 lakhs
- & Person is not eligible to opt scheme u/s 10(1)/(2) [Pre-dominantly for service provider]

Sec 10(2A)- Eligibility Conditions -

- Not engaged in SOG or SOS, which are Non-taxable under GST Act.
- Not engaged in making any inter-state outward SOG or SOS
- Not engaged in SOG or SOS, through an ECO, collecting TCS u/s 52
- Not a manufacturer of Notified Goods*.
- Neither a CTP not NRTP

Proviso to sec. 10(2A)- Same

Implication of Interest or Discounting on loan/Adv./Deposits [Applicable for 10(1) & 10(2A)]

Agg. T/O of P.F.Y. [for deciding eligibility of composition levy]

Example:- Aggregate T/O of XYZ Ltd. in P.F.Y. is ₹152 Lakhs which includes interest on Loan/Adv./Deposits ₹ 3 lakhs. Whether composition levy is available in C.F.Y?
Ans :- Agg.T/O - 152L - 3L = 149 L Hence, XYZ Ltd. is eligible for composition Levy.

Agg. T/O of C.F.Y. [for deciding withdrawal of composition Levy in C.F.Y.]

Example:- XYZ Ltd. has opted composition levy in C.F.Y. [as T/O of P.F.Y. is less than 150L/75L/50L]. Till September of C.F.Y. Agg. T/O of XYZ Ltd. is ₹155 Lakhs which includes ₹10 lakhs for interest on loan /adv./deposits, state whether composition levy of XYZ Ltd. has lapsed in month of September or still it can pay tax under composition Levy?
Ans:- Agg. T/O - 155L - 10L = ₹145Lakhs
 Hence, XYZ Ltd. can still continue composition levy upto 5 lakhs after September.

T/O in State/UT [for calculation of composition Tax 1%, 5%, 6% under composition levy]

Example:- Manufacturer PQR Ltd. has opted for composition levy in C.F.Y. Its T/O of state in Maharashtra is 1st quarter (April-June) is includes

- Taxable supply of goods ₹20 Lakhs
- Taxable supply of service ₹2 Lakhs
- Exempt supply of service ₹1 Lakh
- Interest on Loan/Adv./Deposit ₹0.5 Lakhs

Calculate GST payable in 1st Quarter under composition levy
 Note :- Whatever service provided in 1st quarter is within marginal limit as per proviso 2
Ans:- GST payable = 1% [20+2+1L] = ₹23 lakhs Note:- Interest excluded

T/O of State/UT of P.F.Y for calculation of marginal limit of service under proviso 2 to 10(1) i.e. 10% of T/O in state or ₹ 5 lakhs

Example:- ABC Ltd. has turnover in state of Maharashtra in P.F.Y. is ₹80 lakhs. Turnover includes ₹ 7 lakhs for interest on loan/Adv./deposits. Whether ABC Ltd. is eligible for C.L. in C.F.Y. ? Also, what is the amount of marginal limit of service available in C.F.Y?
Ans:- 1) Agg. T/O = 80 Lakhs - 7 lakhs = 73 lakhs T/O in state only 1 branch
 ABC Ltd. is eligible for composition levy in C.F.Y.
 2) Marginal limit of service = 73L X 10% or ₹ 5Lakhs = ₹ 7.3 Lakhs

For calculation of Marginal limit of service [10% of T/O in state of P.F.Y. or 5 lakhs, Which ever is higher]

Continuing the above Example of ABC Ltd. where marginal limit of C.F.Y for Supply of service = ₹ 7.3 lakhs In C.F.Y., till September ABC Ltd. made supply of goods of ₹ 75lakhs and supply of service ₹ 9 lakhs (includes interest ₹ 2 lakhs)
 Whether Composition Levy stands withdrawn in C.F.Y. or it will be continued?
Ans :- 1) Agg. T/O till Sep = 75L + (9L - 2L) = 82 Lakhs 2) Use of marginal limit of service = 9L - 2L = 7 Lakhs. Therefore ABC Ltd. can still continued composition Levy

Time of Supply

12



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Section 31- Invoice for supply of goods

Normal Case

As per Sec 31 a registered person supplying taxable goods invoice shall be issued **Invoice**, before or at the time of
 (a) **removal of goods** for supply to the recipient, **where the supply involves movement of goods**; or
 (b) **delivery of goods or making available** thereof to the recipient, **in any other case**

Invoice by supplier of the Service


As per Sec 31 a registered person supplying taxable services invoice shall be issued, **before or after the provision of service but not beyond 30 days (in case of banks or financial institution within 45 days) from the date of supply of service shall issue the Invoice**

TOS IN CASE OF ASSOCIATED ENTERPRISES

Sec 2 - Associated Enterprise
 "Associate Enterprise" Shall have the same meaning as assigned to it in Section 92-A of the Income tax Act, 1961

TOS : As per 2nd Proviso, in case of **supply by associated enterprises**, where the supplier of service is located outside India,
 • **the time of supply shall be the date of entry in the books of account of the recipient of supply or the date of payment, whichever is earlier**

Time of Supply u/s 12 & 13

| | Sec 12 : TOS for supply of goods | Sec 13 :- TOS for Supply of Service |
|--|---|--|
| | Sec 12(2)(a) : TOS | Sec 13(2) :TOS |
| Forward charge or outward supply | ⇒ Date of issue of Invoice or ⇒ Last Date of issue of Invoice Whichever is earlier Note : As per N/N 66/2017 TOS is not on date of Receipt | (a) If Invoice is issued within time Date of invoice or Date of Receipt, whichever is earlier (b) If Invoice is not issued within time Date of Completion or Receipt whichever is earlier (c) If TOS cannot be determined as per (a) or (b) Date when Recipient shows receipt of service in his books |
| RCM or Inward Supply | Sec 12(3) : TOS is on (a) Date of Receipt of goods, or (b) Date of Payment, or (c) 31st Day from Supplier's Invoice Whichever is earlier Note : If (a) (b) or(c)is not possible then date of Entry in Books of Accounts | Sec 13(3) : TOS is on (a) Date of Payment, or (b) 61st Day from Supplier's Invoice Whichever is earlier Note : If (a) (b) or (c) is not possible then date of Entry in Books of Accounts |
| Payment upto ₹1000 in excess of Invoice | Proviso to Sec 12(2) and 13(2) : TOS is on at the option of Supplier, on the date of issue of next invoice in which such payment is adjusted | |
| Vouchers | Sec 12(4) and 13(4) : TOS is on (a) If Supply is identifiable - Date of Issue of Vouchers (b) In Other Cases - Date of Redemption of Vouchers |  |
| Residual Cases | Sec 12(5) and 13(5) : TOS cannot be determined in any of the above section, then (a) In case Periodical returns is to be filed - Date on which such return is filed (b) In Other Cases - Date of Payment of Tax | |
| Interest/ Late Fees or Penalty for delay payment of consideration | Sec 12(6) and 13(6) : TOS is on ⇒Date on which Supplier receives the addition in value | |

Note:
 i) **Date of Payment received** ⇒ Date of book entry, or
 ⇒ Credited to Bank } **Whichever is earlier**
 ii) **Date of Payment (RCM)=** ⇒ Date of Payment entered in books of accounts, or
 ⇒ Date of debit to bank } **Whichever is earlier**

Section 15 - Value of Supply



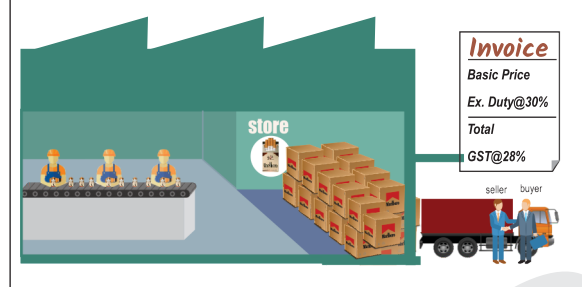
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Sec 15(1)

Value of Taxable Supply = Transaction value
Price actually paid or payable for Supply

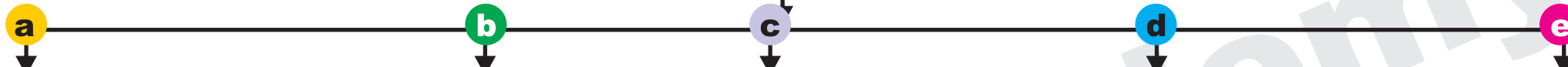
- Conditions:**
- 1) Not related party
 - 2) Price is sole consideration

Tobacco & Tobacco Products



Sec 15(2)

Inclusion to Transaction Value



a Duties & Taxes All taxes levied under any law for time being in force other than GST Acts if charged separately

b 3rd party payment Any payment incurred by the recipient for which supplier is liable to pay

c Incidental expenses: (packing, commission etc) Any incidental expenses charged by supplier & any amount charged for anything done by the supplier at the time of supply or before delivery

d Interest, late fee penalty for delay payment of consideration

e Subsidy Subsidy directly linked to price by person other than govt.

Example: Isha Time Gallery has been appointed as an authorized center of Sony electronics, On sales of worth ₹ 20,00,000 electronic items. Sony electronics is liable to pay commission @ 10 % on such sale i.e. ₹ 2,00,000 but such selling commission to be paid by Sony electronics has been paid by Isha Time Gallery for the month of August. In this case such expense shall be included in transaction value.

- Examples of additional recoveries by supplier**
- Packing, labeling, designing etc
 - Royalty, warranty charges, etc.
 - Insurance charges
 - Dharmada
 - Weightment charges.
 - Loading, weighing, coolie
 - Freight shown separately in invoice
 - Erection installation charges
 - Pre Delivery Inspection Charges

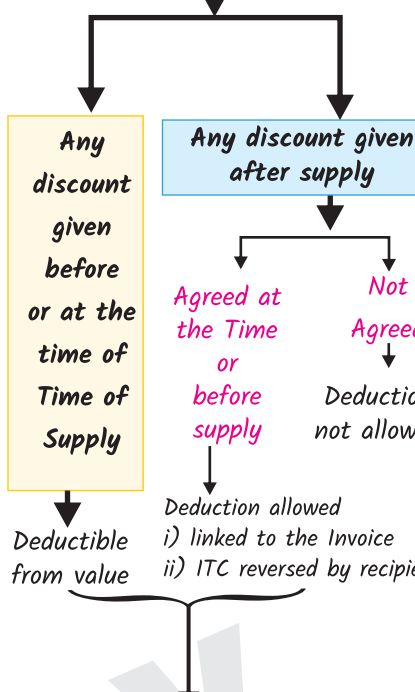
Interest, late fee, penalty

- Interest on loan, advances or deposits
It is SOS but exempted
- Interest, Late fee, Penalty for delay payment of consideration
It is taxable

- Important Notes:-**
- 1) **Value:-** Normally interest, late fee, Penalty would be considered as inclusive of GST.
 - 2) **TOS:-** As per 12(6)/13(6) i.e. in a month when a such amount is actually received.
 - 3) **Rate:-** Based of original supply

Sec 15(3)

Deduction of discount



Analysis : Subsidy

- Given by Govt. Not to be added to the value of supply
- Given by others
 - Subsidy linked to the price of supply
it would be added to value of supply
 - Not linked to the price
it will not be added to the value of supply

Staggered discount (Buy more, save more offers):- Generally shown in the invoice , to be excluded

Periodic/ year end discount/ volume discounts :- Generally not shown on invoice since given at year end such discount are excluded from value of supply subject to fulfillment of conditions u/s 15(3)(b).

Secondary discounts (not known at TOS):- Such discount shall not be excluded from value of supply since not known at TOS & 15(3)(b) condition not satisfied.

Important Clarification

Circular No.:- 102/21/2019

Issue:- (1) Whether GST is applicable on additional/ penal intt. on the overdue loan (Delay payment), i.e. whether it would be exempt from GST or would be treated as consideration for liquidated damages? (Amounting to a separate taxable SOS)
(2) Whether levy of additional/ penal intt. could be regarded as consideration received for agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to an act (such II)?

Clarification:- For (1) & (2):-

- 1- VOS= includes Interest/ late fee/ penalty for delay payment of consideration for any supply
- 2- Exemption {sl.no. 27(a)}=services by way of extending loans/deposits/advances, in so far as consideration is as interest/ discount, (other than intt. Involved in credit card services)
- 3- Schedule II {Entry 5(e)}= consideration for liquidated damages= agreeing to the obligation to refrain from an act, or to tolerate an act/situation, or to do an act,= Taxable service

Conclusion :- 1) GST on delayed payment charges incase of late payment of installment

- If seller given installment himself:- Additional Penal interest will form part of VOS u/s 15(2)(d)
 - If third party (finance company) gives loan (i.e. installment :- Such penal interest is exempt under entry no 27 of exemption notification
- 2) Levy of additional/ penal intt= not a consideration received for agreeing to the obligation to refrain from an act, or to tolerate an act or situation, or to do an act.

Circular No.:- 115/34/2019

Issue:- (1) Whether GST is on Airport levies?
(2) Airport levies do not form part of VOS provided by the airlines and consequently no gst should be charged by airlines on airport levies?

Clarification:- For (1) & (2):-

- 1- Passenger service fee (PSF)=Airport licensee(authority) collect it from embarking passengers & utilize it for infrastructure/facilitation of passengers
- 2- User Development fee (UDF)= Authority, which manages the airport is eligible to levy and charge UDF from embarking passengers at any airport (collected at the time of issue of tickets)
- 3- Consideration= PSF/ UDF charged by airport operators (i.e. airline company) {u/s 2(31)}
- 4- Airline company = pure agent (if satisfies all conditions of rule 33)= separately indicate actual amount of PSF/UDF and GST on both, in the invoice issued by airlines to its passengers
- 5- ITC of GST paid on PSF/UDF = ITC not taken by Airline company
- 6- Recovered amount= excluded from VOS by airline company to its passengers
- 7- GST pay to govt on PSF/UDF= Payable be Airport operator (authority)
- 8-Collection charges (paid by airport operator-to airlines)=consideration for services provided by airlines to airport operator, GST paid= by Airlines (fwd. charge)/ (ITC=available to airport operator)

SEC 49 : Payment of Tax



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| E-Cash Ledger | |
|--|--|
| Deposit of Amount in E-Cash Ledger Sec 49(1) | 49(3) Utilization of E-Cash Ledger:- |
| <ul style="list-style-type: none"> internet banking or by using credit or debit cards or National Electronic Fund Transfer (NEFT) or Real Time Gross Settlement (RTGS) Payment (PMT-06) by above mode only through authorised bank without any monetary bank | The amount available in the e-cash ledger may be used for making payment toward <ul style="list-style-type: none"> Tax Interest Penalty Fees or any other amount payable |

| Rule 87 :- Tax Payment Challan | |
|--|---|
| 1) OTC - cover the counter payment by cash, cheque or DD Limit :- ₹ 10,000 per challan per tax period No Limit :- a) Government Department, P.O. & other authorised P.O. b) To recover o/s dues form any person registered or not c) During any investigation or enforcement activity | Other Aspects relating to challan CPIN:-1. CPIN Stands for Common portal Identification Number . 2. It is created for every Challan successfully generated by the taxpayer. 3. It is a 14-digit unique number to identify the challan. 4. CPIN remains valid for a period of 15 days. |
| 2) E-Challan validity is for 15 days | CIN:- 1. If stands for Challan Identification number (CIN) |
| 3) Payment may be made by unregistered person through temporary identification no. | 2. It is generated by authorised bank/RBI when payment is actually received by such authorised banks or RBI & credited in the relevant Govt. A/c |
| 4) When amount is successfully credited in government A/c A CIN - 18 Digit [Challan Identification no] will be generated the collecting bank which will be indicated in the challan. | 3. It is indication of successful payment of account |
| 5) On receipt of CIN from the collecting bank, the same amount is creditd into the e-cash ledger | 4. CIN is communicated by authorised bank to taxpayer as well as to GSTN |
| 6) If CIN is not generated & it has not reflected in the common portal, can make a representation in FORM GST PMT 07 | 5. It is 18 digit number that is 14 digit CPIN plus 4 digit Bank code. |
| 7) Date of credit into the govt. (C.G./S.G.) A/c is deemed to be the date of debit to the amount of the taxable person | BRN:- It is a bank reference number is the transaction number given by the bank for a payment against a Challan |

| Utilization of Major and minor Head | |
|---|--|
| Normally amount available under one major head (SGST/UTGST, CGST, IGST or CESS) cannot be utilised for discharging the liability under any other major head. But, as per Sec 49 a registered person may transfer any amount of tax, interest, penalty, fee or any other amount available in the e-cash ledger under the act. To the e-cash ledger for integrated tax, central tax, state tax or UT or cess in Form GST PMT- 09 . Hence if a taxpayer has wrongly paid CGST instead of SGST, he can now rectify the same using FORM PMT - 09 by reallocating the amount from the CGST Head to the SGST Head. | Way of transfer:- <ul style="list-style-type: none"> CGST Head to SGST Head SGST Head to CGST Head CGST head or SGST Head to IGST Head Interest & Late fees head to Any tax Head (CGST, SGST, IGST) Any Tax field to interest & late fees head Such transfer shall be deemed to be a refund from e-cash ledger. |

| ELECTRONIC CASH LEDGER - PMT 05 (Rule 87) | |
|---|--|
| Debit Amount (DR) | Credit Amount (CR) |
| <ul style="list-style-type: none"> Credit amount of this ledger may be used for payment of tax, interest, fees etc. Remaining credit balance amount after payment of above tax etc. will be refunded to taxable person. | <ul style="list-style-type: none"> Any deposit made towards tax, interest, penalty, late fee etc. via internet banking, RTGS, fund transfer etc. TDS/TCS claimed |

| E-Credit Ledger | | | | | | | | | | | | | | | | | | | |
|---|---|------------------------------|----------------------------|------------------------------|-----|---|---|----------|---|---|---------|---|---|------|---|---|------------|---|---|
| 49(2) Amount assessed in E-credit Ledger | 49(4) Utilization of E-Credit | | | | | | | | | | | | | | | | | | |
| The ITC as Self-assessed in the return of a registered person shall be credit to his E-Credit ledger. | It may be used for only making payment toward Output Tax | | | | | | | | | | | | | | | | | | |
| Manner of utilization of ITC [Sec 49(5) + Sec 49(A) + Sec 49(B)] | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Tax dues</th> <th>Utilisation of cash ledger</th> <th>Utilisation of Credit ledger</th> </tr> </thead> <tbody> <tr> <td>GST</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Interest</td> <td>✓</td> <td>✗</td> </tr> <tr> <td>Penalty</td> <td>✓</td> <td>✗</td> </tr> <tr> <td>Fees</td> <td>✓</td> <td>✗</td> </tr> <tr> <td>Other Amt.</td> <td>✓</td> <td>✗</td> </tr> </tbody> </table> | Tax dues | Utilisation of cash ledger | Utilisation of Credit ledger | GST | ✓ | ✓ | Interest | ✓ | ✗ | Penalty | ✓ | ✗ | Fees | ✓ | ✗ | Other Amt. | ✓ | ✗ |
| Tax dues | Utilisation of cash ledger | Utilisation of Credit ledger | | | | | | | | | | | | | | | | | |
| GST | ✓ | ✓ | | | | | | | | | | | | | | | | | |
| Interest | ✓ | ✗ | | | | | | | | | | | | | | | | | |
| Penalty | ✓ | ✗ | | | | | | | | | | | | | | | | | |
| Fees | ✓ | ✗ | | | | | | | | | | | | | | | | | |
| Other Amt. | ✓ | ✗ | | | | | | | | | | | | | | | | | |

| Tax dues | Manner of utilization of ITC [Sec 49(5) + Sec 49(A) + Sec 49(B)] | | | | | | | | | | | | | | | | | | | |
|------------|--|--|-------|-----|-----|------|------|------|-----|-----|-----|------|------|------|-----|-----|-----|------|------|------|
| | INWARD SUPPLY | OUTWARD SUPPLY | | | | | | | | | | | | | | | | | | |
| GST | 1. IGST 2. CGST 3. SGST | <table border="1"> <thead> <tr> <th>First</th> <th>Any</th> <th>Any</th> </tr> </thead> <tbody> <tr> <td>IGST</td> <td>CGST</td> <td>SGST</td> </tr> <tr> <td>Any</td> <td>Any</td> <td>Any</td> </tr> <tr> <td>CGST</td> <td>IGST</td> <td>SGST</td> </tr> <tr> <td>Any</td> <td>Any</td> <td>Any</td> </tr> <tr> <td>SGST</td> <td>IGST</td> <td>SGST</td> </tr> </tbody> </table> | First | Any | Any | IGST | CGST | SGST | Any | Any | Any | CGST | IGST | SGST | Any | Any | Any | SGST | IGST | SGST |
| First | Any | Any | | | | | | | | | | | | | | | | | | |
| IGST | CGST | SGST | | | | | | | | | | | | | | | | | | |
| Any | Any | Any | | | | | | | | | | | | | | | | | | |
| CGST | IGST | SGST | | | | | | | | | | | | | | | | | | |
| Any | Any | Any | | | | | | | | | | | | | | | | | | |
| SGST | IGST | SGST | | | | | | | | | | | | | | | | | | |
| Other Dues | 2) It should be noted that CGST cannot be used against SGST/UGST or vice-versa | | | | | | | | | | | | | | | | | | | |

| Electronic Credit Ledger | |
|---|--|
| Debit Amount (DR) | Credit Amount (CR) |
| <ul style="list-style-type: none"> Credit amount of this ledger may be used for payment of output tax viz IGST, CGST, SGST, UTGST in the prescribed order. | <ul style="list-style-type: none"> Input Tax credit as self-assessed in the return in the form of IGST, CGST, SGST, UTGST |

| Refund | |
|--|--|
| 49(6) Refund of excess balance in E-cash ledger or E-credit ledger is available in following manner:- | |
| a) E-Cash Ledger :- Immediately allowed on filling the application of Refund | |
| b) E-Credit Ledger:- Refund is available in only following Two cases | |
| i) ITC of zero rated supply ii) Inverted tax rate | |

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

The Commissioner having reasons to believe ITC available in the E-Cr. ledger has been fraudulently availed or is ineligible may restrict the utilization of ITC till following situations get corrected

- tax invoices or debit notes or others
 - issued by **non-existent RP (supplier)** or RP not doing business from registered place;
 - without receipt of goods or services or both; or
- ITC avail in respect **tax which has not been paid by supplier**
- The RP taking ITC is **non-existent** or not doing business from registered place
- not in possession of a tax invoice or debit note or etc.**

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

| Electronic Liability Register | | | | | | | |
|--|--|-------------------------------|--|-------------------|--------------------|--|--|
| Discharge of Tax Liability Sec 49(7) & (8) | 1. All liabilities shall be recorded and maintained in an Electronic Liability Register 2. Order of Discharge - (a) Self-assessed tax, and other dues related to Returns of Previous Tax Period (b) Self-assessed tax, and other dues related to the Return of the Current Tax Period (c) Any other amount payable under this Act including the demand for recovery of tax | | | | | | |
| Utilization of Electronic Liability Register | <table border="1"> <thead> <tr> <th colspan="2">Electronic Liability Register</th> </tr> <tr> <th>Debit Amount (DR)</th> <th>Credit Amount (CR)</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Amount payable towards tax, interest, fees etc. Tax or interest payable due to mismatch Any other Due Amount payable towards output tax </td> <td> <ul style="list-style-type: none"> Electronic cash ledger Electronic Credit ledger </td> </tr> </tbody> </table> | Electronic Liability Register | | Debit Amount (DR) | Credit Amount (CR) | <ul style="list-style-type: none"> Amount payable towards tax, interest, fees etc. Tax or interest payable due to mismatch Any other Due Amount payable towards output tax | <ul style="list-style-type: none"> Electronic cash ledger Electronic Credit ledger |
| Electronic Liability Register | | | | | | | |
| Debit Amount (DR) | Credit Amount (CR) | | | | | | |
| <ul style="list-style-type: none"> Amount payable towards tax, interest, fees etc. Tax or interest payable due to mismatch Any other Due Amount payable towards output tax | <ul style="list-style-type: none"> Electronic cash ledger Electronic Credit ledger | | | | | | |
| Certain liability only to be discharge through cash ledger | <ul style="list-style-type: none"> The amount deducted under section 51(TDS), or the amount collected under section 52(TCS), or the amount payable on reverse charge basis, or the amount payable under section 10, any amount payable towards interest, penalty, fee or any other amount under the Act | | | | | | |
| Reduction in penalty | The amount of penalty imposed or liable to be imposed shall stand reduced partly or fully, as the case may be, if the taxable person makes the payment of tax, interest and penalty specified in the show cause notice or demand order and the electronic liability register shall be credited accordingly. | | | | | | |

Interest on Delayed payment of tax (Sec 50)

1) Delay in payment of tax in full or in part with in the **prescribed** period **18%**

The period of Interest will be form (the date following the due date of payment) to the actual date of payment of tax

Proviso:- Provided that the interest on tax payable shall levied on that portio of the tax that is paid by debiting the e-cash ledger

Other Point :-

- Tax mean tax payable under the Act
- The payment of interest should be made in respect of belated payment of tax

Rule 86B- Restrictions on use of amount available in electronic credit Ledger

The RP shall not use the amount available in E-Cr. ledger to discharge his liability towards output tax in excess of **99%** of such tax liability, in cases where the value of taxable supply other than exempt supply and zero-rated supply, in a month exceeds **50 lakhs**: (Taxable supplies = total taxable supplies - (exempt supplies + zero rate supplies)).



Sec 2(59) Input : Means any goods used/ intended to be used by supplier, in the course / furtherance of business.(other than Capital Goods)

Sec 2(60) Input Service : Means any service used/ intended to be used by supplier, in the course / furtherance of business.

Sec 2(19) Capital Goods : Means goods, the value of which is capitalised in the book of account of the person claiming the input tax credit and which are used or intended to be used in the course or furtherance of business

Sec 2(62) "Input Tax":- 1) CGST/SGST/UTGST/IGST charged on any supply of goods or services or both made to him (Inward Supply)
2) the IGST charged on import of goods
3) the tax payable under the RCM
but does not include the tax paid under the composition levy

Sec 2(82) "Output Tax": "Output tax" in relation to a taxable person, means the tax chargeable under this Act on
⇒ taxable supply ⇒ of goods or services or both
⇒ made by him or by his agent
but excludes tax payable by him on reverse charge basis.

Sec 16 : Eligibility & Conditions for ITC

1) Eligibility criteria-

- ⇒ **Person**= Registered,
- ⇒ **Supply**= Used/Intended to be used in course / furtherance of his business

2) Conditions for availment of ITC:- (Overriding sec 16)

| | |
|-----|--|
| a) | He is in possession of a Tax Invoice/debit note |
| aa) | the details of the invoice or debit note has been furnished by the supplier in GSTR -1 and such details have been updated in GSTR - 2B of recipient. |
| b) | He has received the Goods/Services/Both (For Bill to Ship to- it shall be deemed to be received ⇒ Goods- When goods are delivered by supplier ⇒ Services- When services are provided |
| c) | Tax charged on such supply= has been actually paid to Govt. by the supplier |
| d) | He has furnished return u/s 39 Proviso 1 :- ITC if Goods are received in Lot :- 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 Proviso 2:- Payment for the invoice to be made within 180 days (Proviso to Sec 16) 1. Default : Failure by Recipient to pay to the supplier the within 180 days from Invoice date. 2. Consequence : Amount equal to the ITC availed by the recipient + Interest @ 18% P.A. shall be added to the output tax liability. 3. Details to be furnished : Details of defaulted supply, value not paid, ITC availed to be mentioned in FORM GSTR-2 for the month immediately after the expiry of 180 days from Invoice date. 4. Regain of Credit : Regain when payment is made (below time limit not applicable for regaining of ITC) 5. Non Applicability : This provision not applicable a) Tax payable under RCM b) Deemed supplies without consideration [Sch.1] c) Value of supplies on account as per sec 15(2)(b) |

Rule 36- Documents Requirement :-

- 1) ITC availed on the basis of following docs.- Invoice by supplier/ Invoice by recipient (RCM)/ Debit note/ Bill of entry/ Revised Invoice/ Docs. by ISD.
- 2) **Mandatory Requirement in Invoice** - Details of tax, descriptions of goods or service, value of supply, GSTIN & place of supply.
- 3) **No ITC**- if tax has been paid & demand is confirmed because of fraud etc.
- 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 IFF; and
(b) the details of such invoices or debit notes have been communicated to the registered person in FORM GSTR-2B.

3) When depreciation is claimed on tax component-

Where the registered person has claimed depreciation on the tax component of the cost of capital goods and plant and machinery under the provisions of the Income-tax Act, 1961,

the input tax credit on the said tax component shall not be allowed.

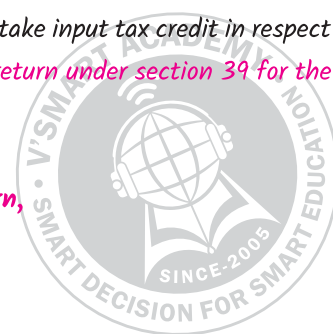
4) Time limit of availing ITC-

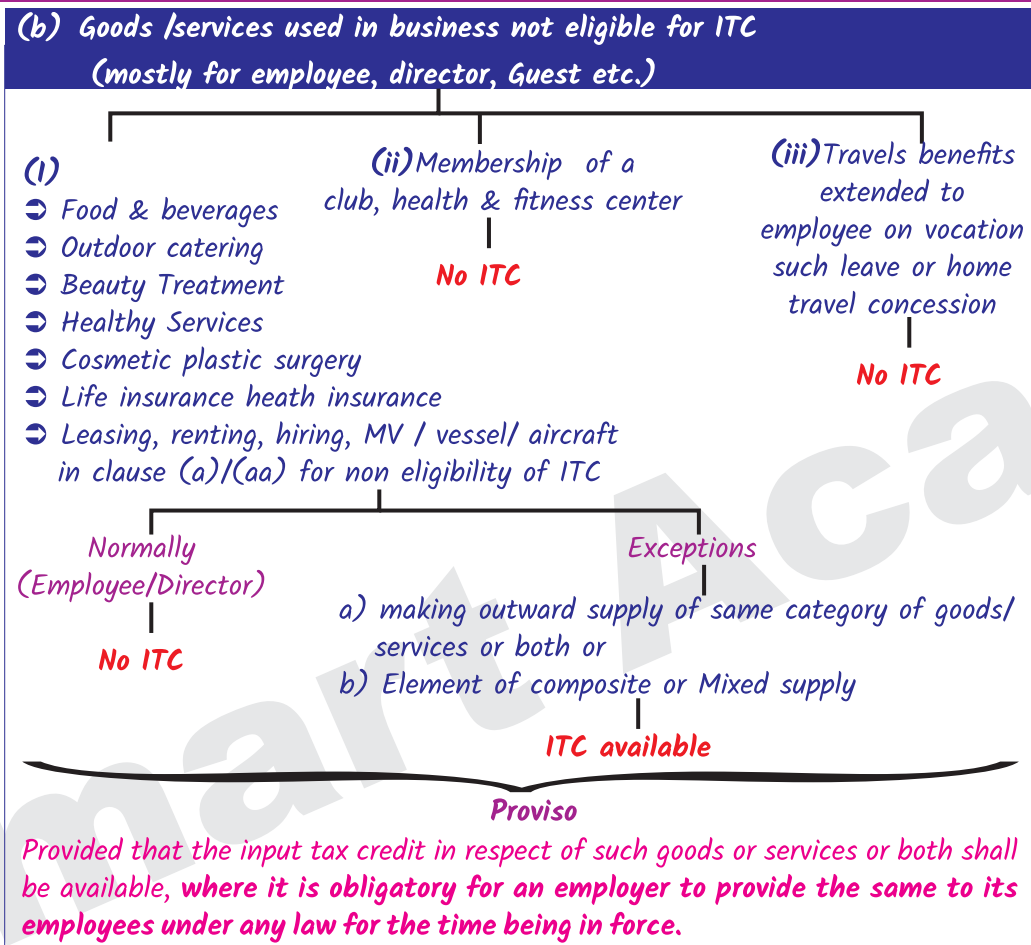
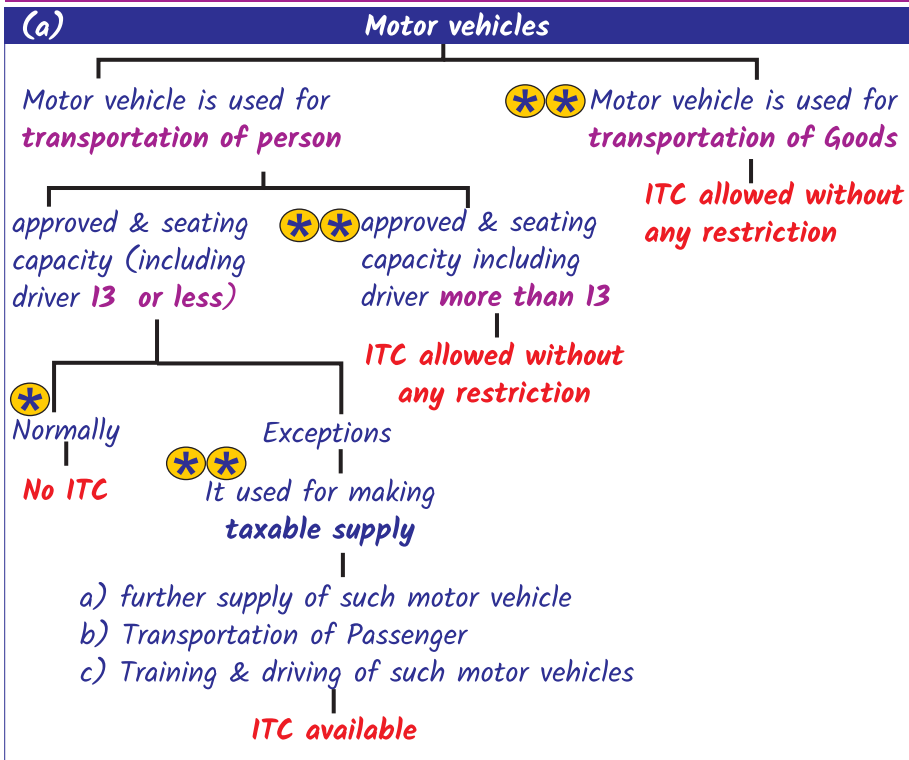
A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both
⇒ after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or debit note pertains or

- ⇒ furnishing of the relevant annual return, whichever is earlier.

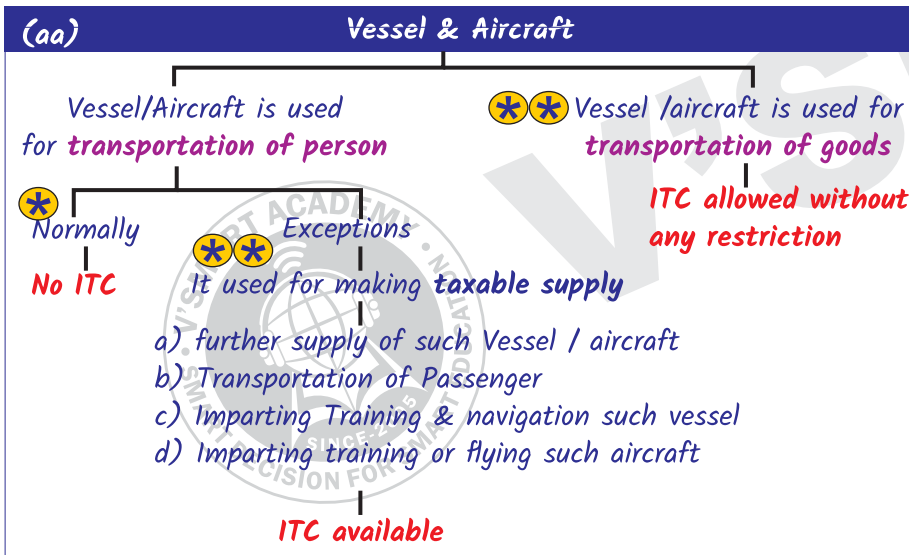
Clarification in respect of Sec 16(4) for Debit Note - Circular no. 160/16/2021

Clarification:- The benefit of the above can be taken by those taxpayers who have charged GST inadequately or not charged GST at all in the past. Now the recipients can take the credit of such GST charged by suppliers even at a later date.





Think GST Think Vishal Sir



Clause (ab) If notified services are used for such Motor Vehicle/ Vessels/Aircraft

following Notified service used for such motor vehicles/vessels/aircraft

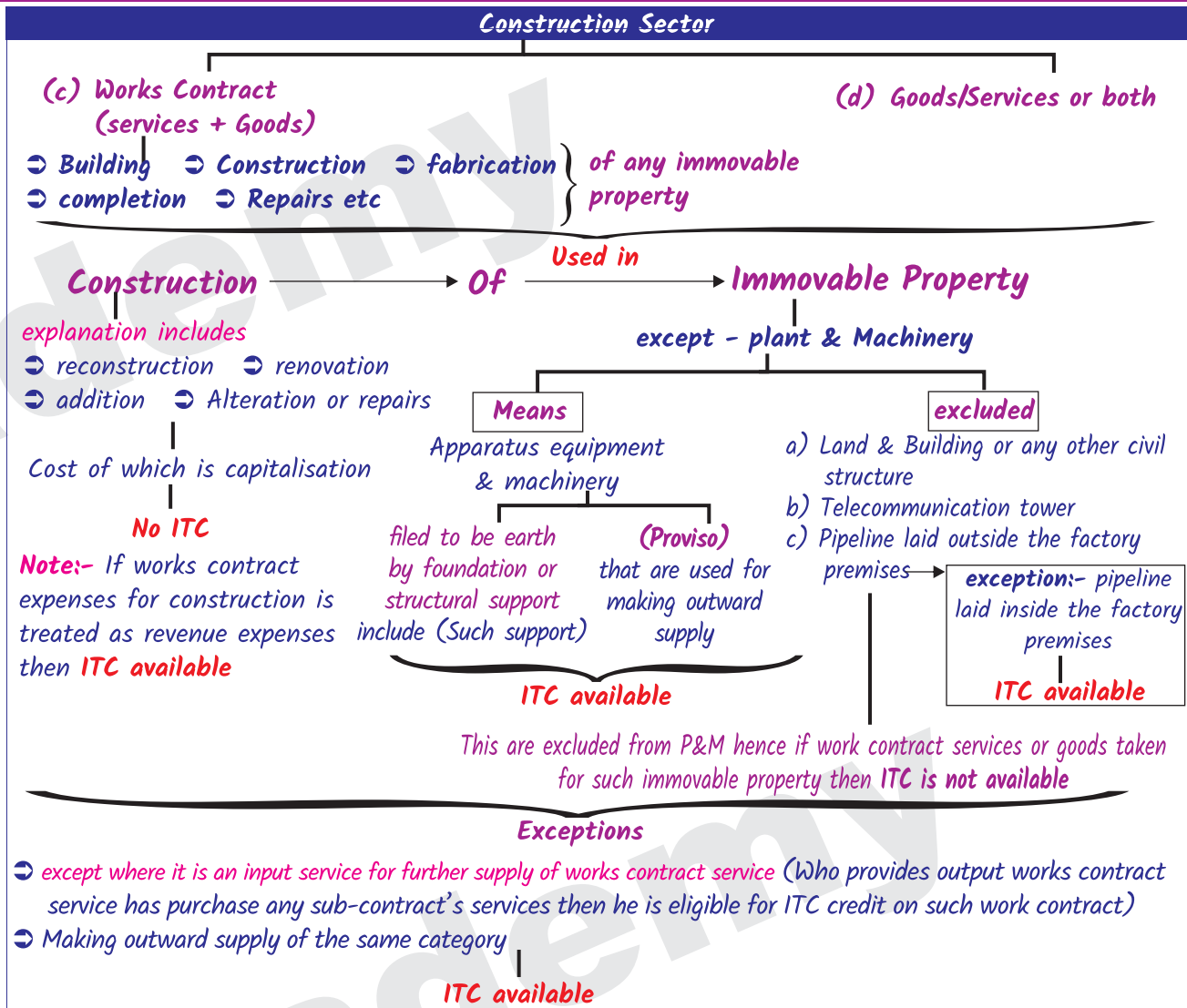
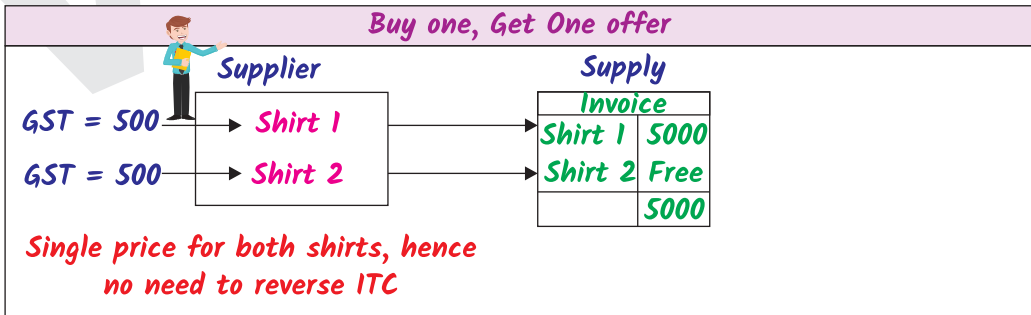
- General insurance
- Servicing
- Repairs & Maintenance
- Leasing/Renting/hiring (covered in clause (b))

If MV /Vessel/Aircraft used in the business

If notified services used in clause (a) or (aa) for purpose Marked as

- * → ITC Not available
- ** → ITC available

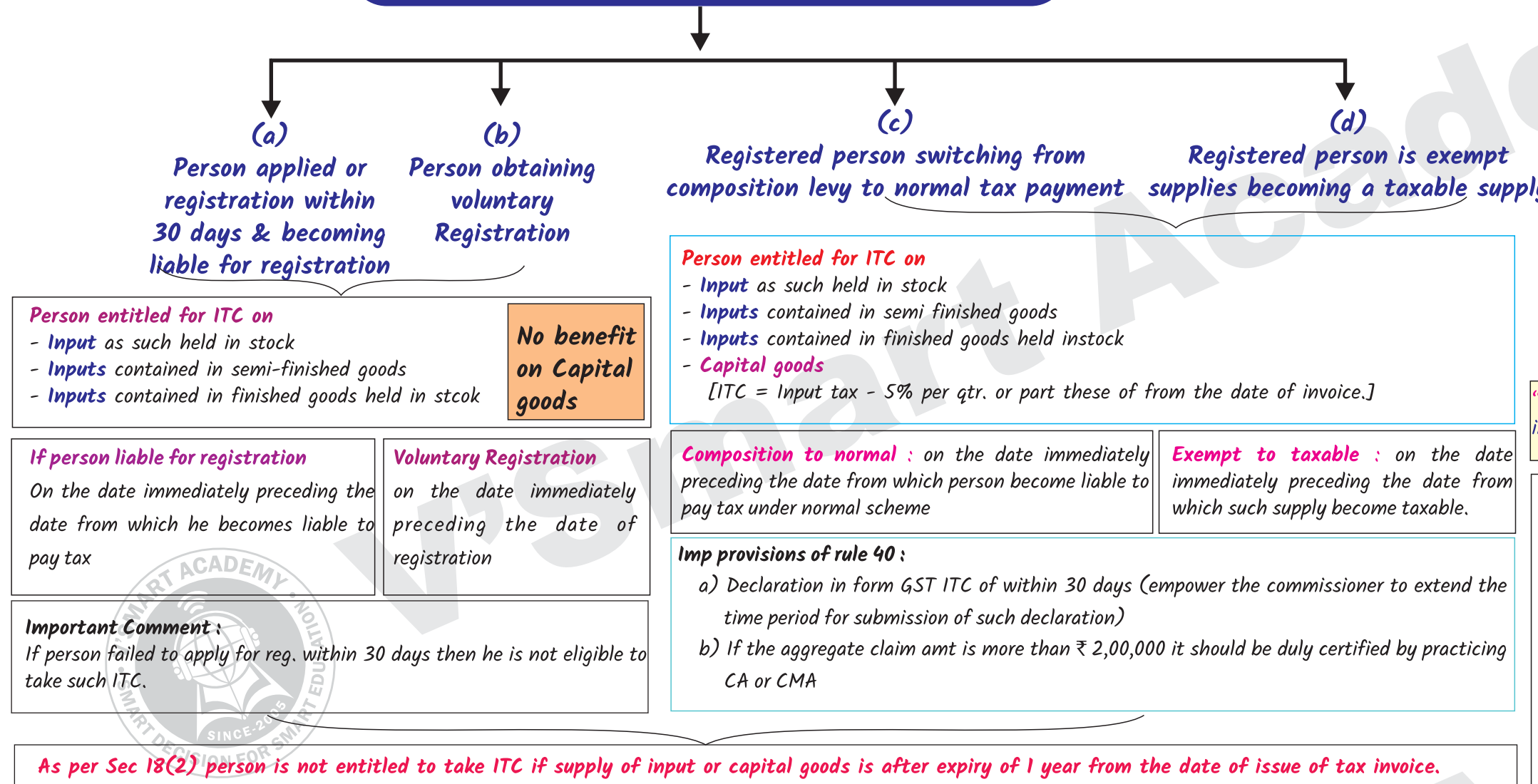
If MV /Vessel/Aircraft is manufacturer's final product: ITC is available for above notified services



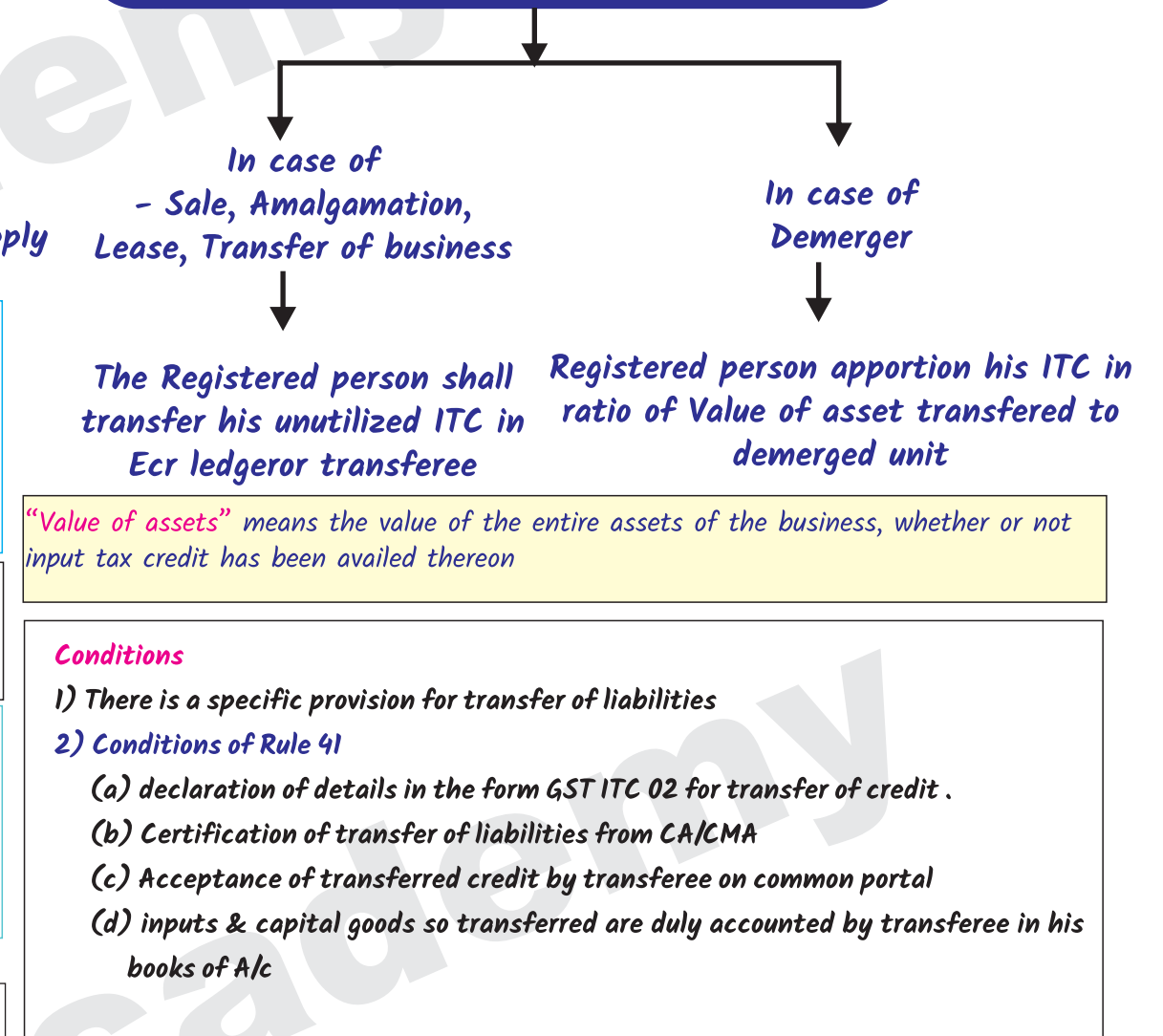
Other Points

| | Non eligibility of ITC | Explanation | Remark |
|----|---|---|---|
| e) | Goods or services or both on which tax has been paid under sec 10 | अगर composition supplier के composition tax, invoice में लगाकर दे रहा है, जो नहीं देना चाहिये था. So, recipient को उस Tax का credit नहीं मिलेगा | |
| f) | Goods or services or both received by NRTP | No ITC | ITC available on imported goods by NRTP |
| g) | Goods or services or both used for personal consumption | No ITC | |
| h) | Goods | Lost, destroyed, stolen, written off ↳ Transit Loss ↳ Store Loss ↳ Processed Loss (Sec 17(5)(h)) | Distributed by way of Gift / Free Sample ↳ If ITC taken: Reverse the ITC or add in output tax liability (Sec 17(5)(h)) ↳ If ITC Not taken: Don't take it ↳ If ITC taken: Supply -Sche I-Para 1 Value - Rule 30 ITC - available ↳ If ITC Not taken: don't take it u/s 17(5)(h) |
| i) | Tax paid accordance with the provisions of sec 74, 129, 130 | Sec 74-Misstatement or suppression of fact Sec 129-detention, seizure goods in transit removed leg of provision Sec 130-Confiscation of goods | |

Sec 18(1) Availment of Credit

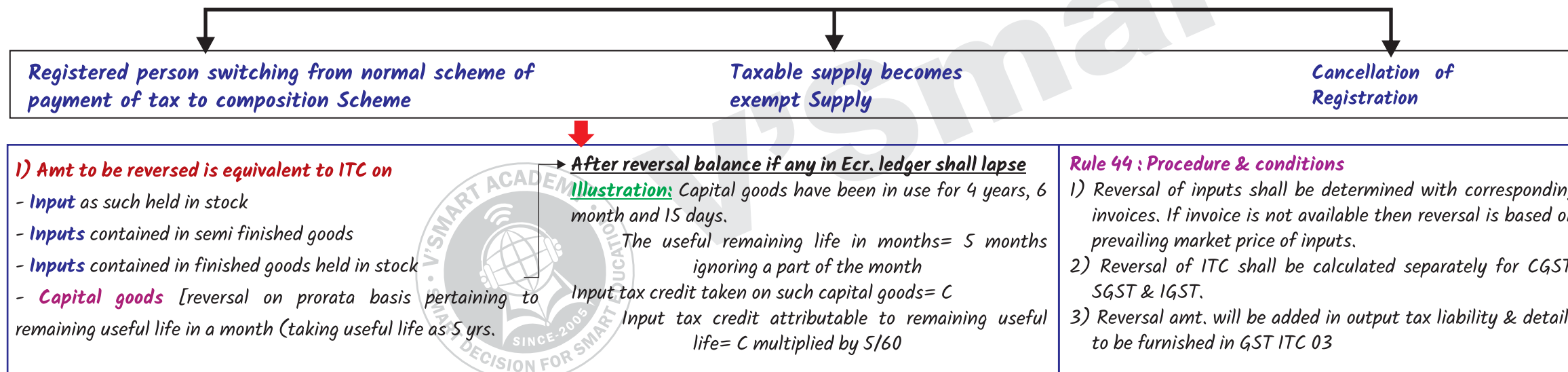


Sec 18 (3) Transfer of ITC



Reversal of Credit

Sec 18(4) Reversal of credit in Special Cases



Sec 18 (6) : Reversal of credit on supply of Capital Goods/ Plant & Machinery on which ITC has been taken

- If capital goods or plant & machinery on which ITC has been taken are supplied [Removed as such by way of sale transfer barter etc.] then registered person shall pay higher of the following
 - Payment = ITC - 5% per at or part thereof
 - GST on transaction value
 OR
- In case of refectories bricks, modules & die, jugs & fixtures supplied as a scrap then person may pay tax on transaction value instead of above 2 options.

REGISTRATION



Sec 22 Persons liable for registration

Every supplier liable to be registered in the State or Union territory, from where he makes a taxable supply, if his aggregate turnover in a financial year exceeds ₹20 lakh

Analysis:- Read with proviso

| Indian State | If exclusively engaged in SOG | If engaged in SOS or SOG + SOS |
|---|-------------------------------|--------------------------------|
| Manipur, Mizoram, Nagaland, Tripura | 10 lakhs | 10 lakhs |
| Pondicherry, Uttarakhand, Meghalaya, Arunachal Pradesh, Telangana, Sikkim | 20 lakhs | 20 lakhs |
| All the other States incl. following Sp. category state - Assam, J& K, Himachal Pradesh | 40 lakhs | 20 lakhs |

- 1) Proviso - In following cases 40 Lakh limit is not applicable (Only 10/20 L limit is available)
- a) required to take compulsory registration
 - b) Person who taken voluntary registration.
 - c) Supply of i) Ice-cream or edible ice ii) Pan Masala iii) All Tobacco & Tobacco product iv) Fly ash bricks v) Bricks of fossil meals etc.
- 2) Person deemed exclusive supplier of goods even if he has received Interest or Discount (exempt SOS) on loan advances, deposit
- Supply made by agent on the behalf of principals to be added in aggregate turnover of agent
 - Supply made by job worker on the behalf of principals not to be added in aggregate turnover of JW
 - When business carried on by a Taxable person transferred, whether on account of succession or otherwise then Transferee/Successors shall take new registration.

Sec 23: Persons not liable for Registration

- Engaged in exclusive supply of
 - not liable to tax or
 - wholly exempt from tax.
- An Agriculturist, to the extent of supply of produce out of cultivation of land.
- Person who are only engaged in making supplies on which is tax liable to be paid on reverse charge basis by the recipient u/s 9(3)

Sec 2(7) of "agriculturist" means an individual or a HUF who undertakes cultivation of land -

- (a) by own labour, or
- (b) by the labour of family, or
- (c) by servants on wages under own or family supervision

Sec 24:- Compulsory Registration

- (i) Persons making any inter-State taxable supply

Exceptions: Following category of person not required to register for Inter-State taxable supply eventhough aggregate T/O less than ₹ 20/10 lakhs

 - (a) Persons making inter-State supplies of taxable services
 - (b) Person making inter-State taxable supplies of handicraft goods
 - (c) Jobworker engaged in making inter-state supply of services
- (ii) Casual taxable persons making taxable supply

Exceptions: CTP making taxable supplies of handicraft goods & handmade shawls, stoles etc. (eligible for 10L/20L/40L threshold)
- (iii) Persons who are required to pay tax under reverse charge
- (iv) Person who are required to pay tax under Sec 9(5) -ECO
- (v) Non-resident taxable persons making taxable supply
- (vi) Persons who are required to deduct tax under section 51, whether or not separately registered under this Act

- (vii) Persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise (agent issuing own invoice)
- (viii) Input Service Distributor, whether or not separately registered under this Act
- (ix) every electronic commerce operator, who is required to collect tax at source u/s 52
- (x) persons who supply goods or services or both, other than supplies specified under Sec 9(5) through such electronic commerce operator who is required to collect tax at source u/s 52.

Exception:- Exemption from registration Person making supply of services is exempted from obtaining registration till threshold
- (xi) every person supplying OIDAR services from a place outside India to a person in India, other than a registered person; and
- (xii) Any other person notified by C.G.

Sec 25 Procedure for registration

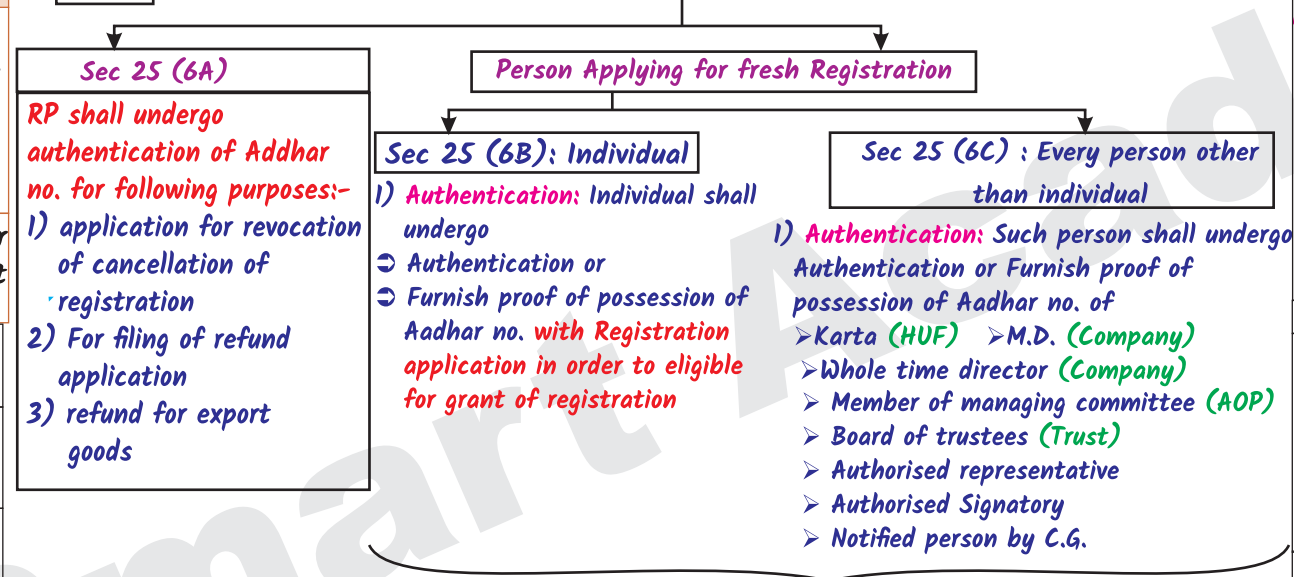
Timeline for application for Registration [Sec.25 (1)]

| Particulars | Where | When |
|--|---|---|
| Person who is liable to be registered under section 22 or section 24 | In every such ST/UT in which he is so liable | within 30 days from the date on which he becomes liable to registration |
| Units in SEZ or SEZ Developer | shall apply for a separate registration for unit in SEZ & outside the SEZ in a same ST or UT. | |
| Person making supply in Territory Water | in the coastal State or UT where the nearest point of the appropriate baseline is located. | |
| A casual taxable person or a non-resident taxable person | in every such State/UT in which he is so liable | at least 5 days prior to the commencement of business |

| PAN | 1. Person shall have a PAN in order to be eligible for grant of registration 2. Exceptions: (a) A Person required to deduct TDS (b) A N RTP | | | | | | |
|--|---|---------------------------------------|-----------------------------|----------------|---|--------------------|-------------------------------|
| Registration in State | Normally single registration in a state shall be allowed but Separate registration if multiple place of business within a State/UT may be granted | | | | | | |
| Voluntary Registration | A person who is not liable to be registered under section 22 or section 24 may get himself registered voluntarily. All the provision of this act is applicable. | | | | | | |
| DDP | Already discussed in sec 25(4) and 25(5) | | | | | | |
| Bank Details | Rule 10A :- After grant of RC, RP except (TDS deductor, TCS collector & Suomoto registration) shall furnish Bank a/c details & PAN within 45 days / due date of return u/s 39, whichever is earlier. (PAN of the proprietor shall also be linked with the Aadhaar number of the proprietor) | | | | | | |
| Issue of Registration Certificate [Rule 10] | 1. certificate of registration in FORM GST REG-06 and GSTIN of 15 digit. 2. Display of RC and GSTIN on the name board at the entry and in a prominent location at his Principal POB and additional POB. 3. Effective date of registration: <table border="1"> <thead> <tr> <th>Application files from Liability date</th> <th>Registration Effective from</th> </tr> </thead> <tbody> <tr> <td>within 30 days</td> <td>Date on which the person becomes liable to registration</td> </tr> <tr> <td>Not within 30 days</td> <td>date of grant of registration</td> </tr> </tbody> </table> | Application files from Liability date | Registration Effective from | within 30 days | Date on which the person becomes liable to registration | Not within 30 days | date of grant of registration |
| Application files from Liability date | Registration Effective from | | | | | | |
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| Not within 30 days | date of grant of registration | | | | | | |

Sec 25 - Authentication (Aadhar) Process under GST

Object To control fake invoices, dummy address registration & multiple registration at same place.



The consequences for failure to undergo authentication or Aadhar No. is not assigned: Registration shall be granted only after physical verification of the place of business in presence of said person

| | | |
|---|--|--|
| AA not applicable to | (a) not a citizen of India or (c) a Local Authority (e) a Public Sector Undertaking or | (b) a Department or establishment of the CG or SG or (d) a Statutory Body or (f) a person applying for registration under section 25(9)(UIN) |
| Physical verification of business premises | PO may get physical verification of POB done before /after grant of registration & upload verification report with other documents including photos in GST registration 30 within 15 Eds | |
| | verification before grant of RC:- Due to failure of AA. verification after grant:- Due to any other reason | |

Concept of CTP and N RTP

CTP= a person who occasionally undertakes transactions involving supply of SOG or SOS in the course or furtherance of business, whether as principal, agent or in any other capacity, in a ST/UT where he has no fixed POB

N RTP= any person who occasionally undertakes transactions involving supply of SOG or SOS whether as principal or agent or in any other capacity, but who has no fixed place of business or residence in India.

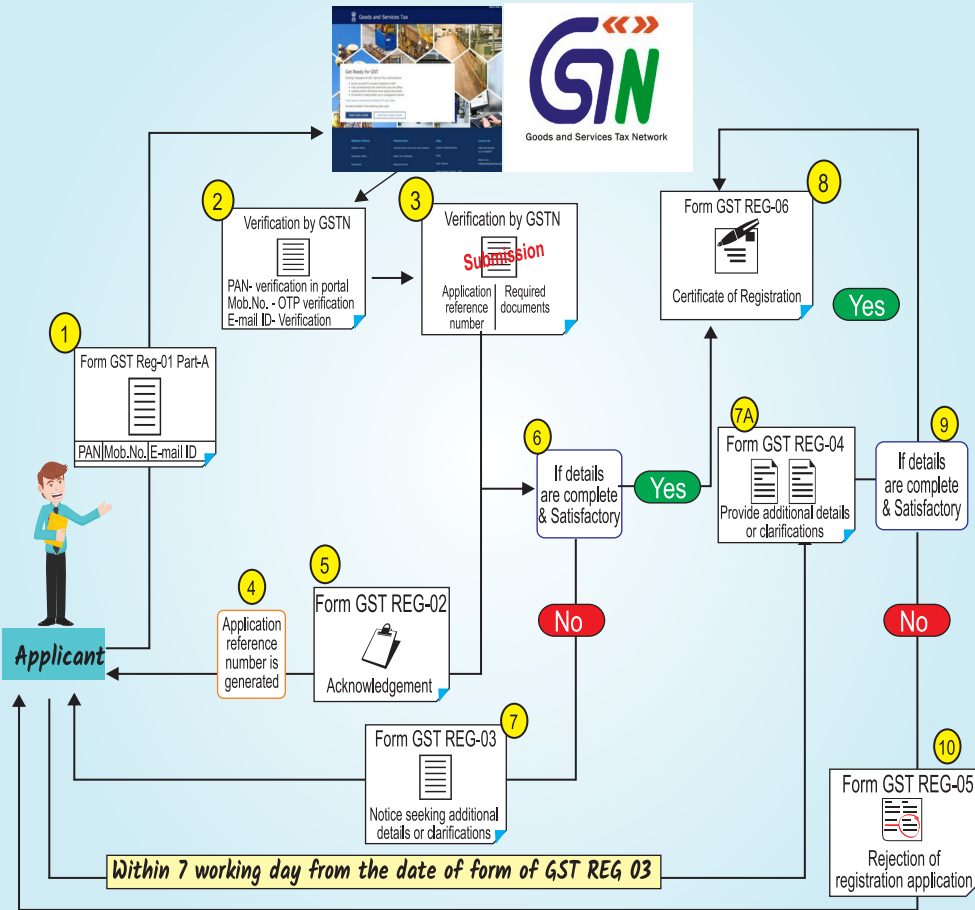
| Registration provisions | |
|---|---|
| Compulsory registration u/s 24 | Compulsory registration u/s 24 |
| Registration before commencement of business and with advance POT | Registration before commencement of business and with advance POT |
| Registration REG-01 | Registration REG-09 |
| PAN required | Valid passport required |

| | | |
|----------------------------|--------------------------------|---|
| Threshold Exemption | Not available | Not available |
| Composition Scheme | Not available | Not available |
| Return provisions | GSTR-1, GSTR-3B | GSTR-5 |
| ITC provisions | ITC of all ICG/IS is available | ITC only on imported goods is available |

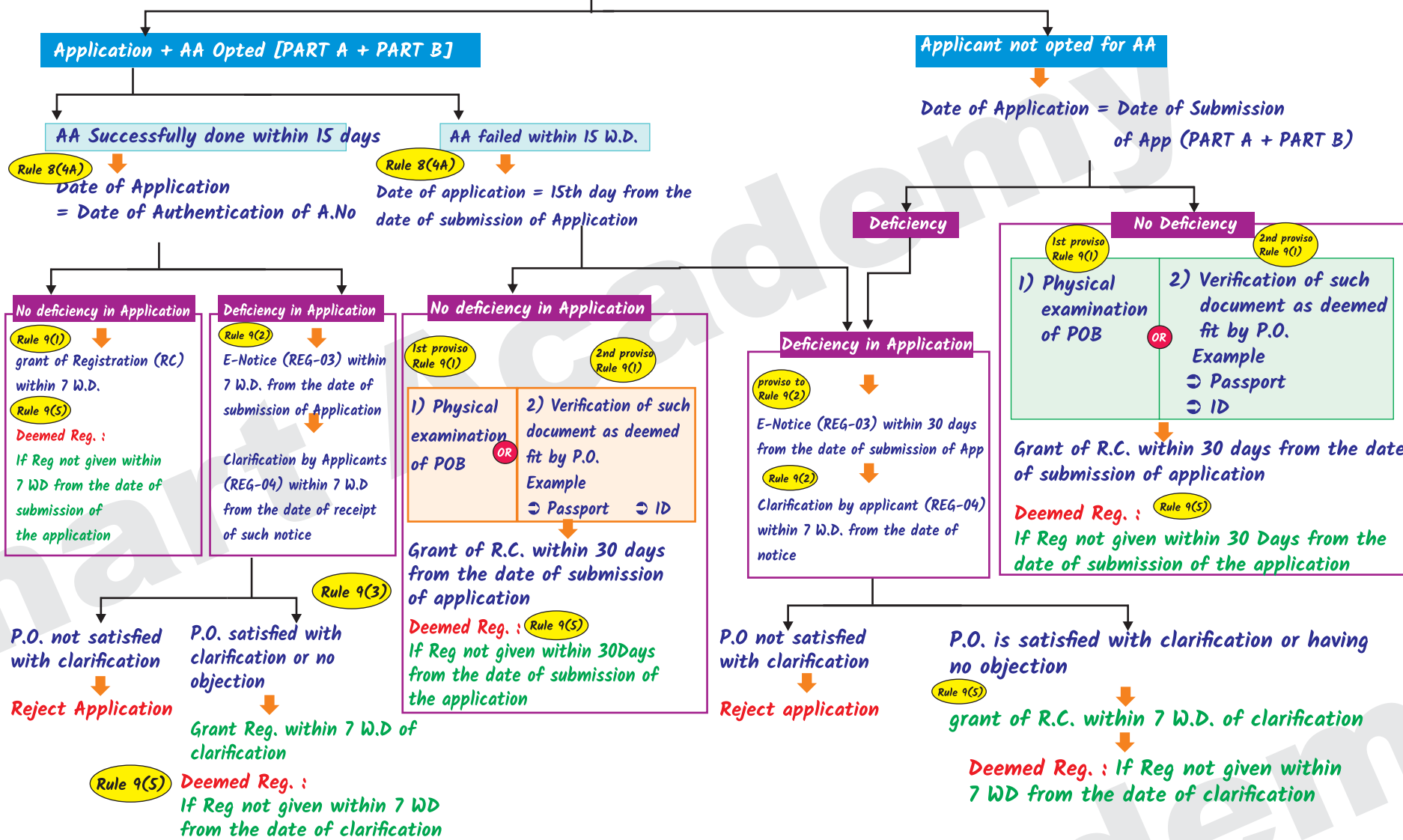
- Important Comment**
- CTP or N RTP will apply for Registration at least 5 days prior to commencement of business
 - Advance deposit of tax at the time of Submitting the registration application.
 - Registration is valid for 90 days (further extension for 90 days)
 - Annual Return is not required for CTP & N RTP

Procedure of Registration

(Rule 8, 9 & 10 read with Sec 25)



Procedure under Rule 8(4A) & Rule 9: - Registration & Adhar Authentication (AA)



Persons liable to obtain UIN

- Notified Persons :**
- Any specialized agency of the UN Organization or
 - any Multilateral Financial institution and organization as notified under the UN
 - consulate or embassy of foreign countries and
 - any other person notified by the Commissioner

Defense Canteen(CSD), as a person who shall be entitled to claim 50% refund

It is for Refund of taxes on the notified supplies of goods or services received by them, as may be prescribed.

Imp Points for Grant of UIN

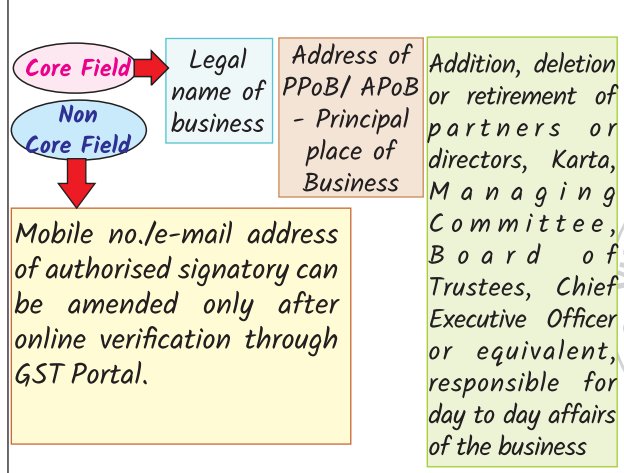
- Application shall be submitted by persons requiring UIN
- within 3 working days from the date of application, officer shall assign UIN or reject the application.
- Registration is deemed to have been granted after expiry of 3 days.
- It shall be applicable to the territory of India

Sec 26 - Deemed Registration

Grant of registration/UIN under any SGST Act/ UTGST Act is deemed to be registration/UIN granted under CGST Act/IGST Act

Sec 28 :- Amendment of Registration

- Intimation of any changes in the information furnished to be made to proper officer within 15 days.
- Amendments in non core field can be made directly on common portal but approval is required for Amendments in core fields.



Sec 29:- Cancellation of Registration

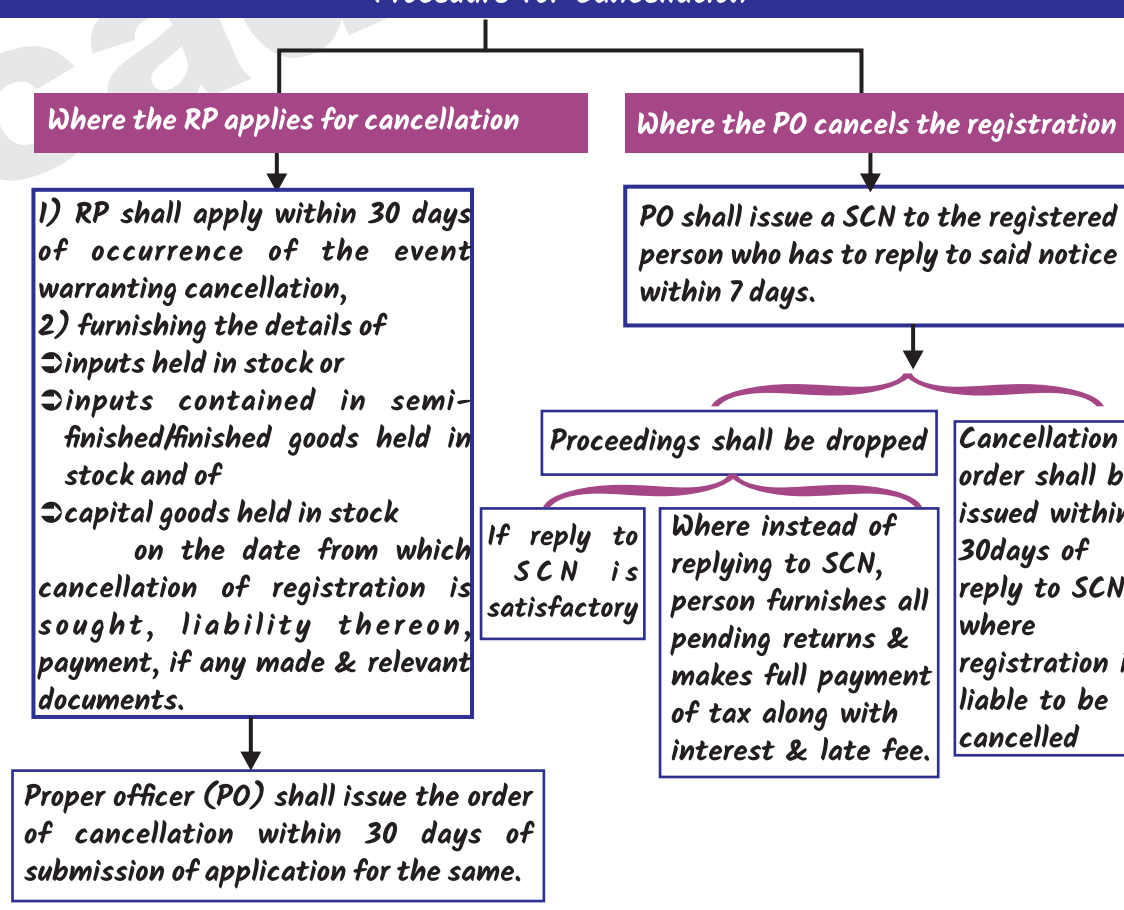
- Suo Moto Cancellation [Section 29(1) & (2)]**
- Business discontinued
 - Transferred fully for any reason including death of the proprietor
 - Amalgamated with other legal entity
 - Demerged or
 - Otherwise disposed of
- Change in the constitution of the business**
- the taxable person is no longer liable to be registered u/s 22 or 24 or intends to optout of the registration voluntarily made under section 25(3)

- Cancellation by Proper Officer**
- Following contravention done by the registered person:
 - Does not conduct any business from the declared POB, or
 - Issues invoice/bill without SOG/SOS/both
 - Violates the provisions of section 171 (antiprofiting measure.)
 - Violates the provision of Rule 10A** (Failure to furnish bank details)
 - Avails ITC in violation of Sec 16/ Rules made their under
 - Furnishes details of outward supply in GSTR - 1 > Outward supply declared in Return
 - Violate the provision of rule 86B
 - Not filing of Return : A registered person has not filed returns for continuous 6 tax period
Note : 3 consecutive tax periods in case of a person who opted for composition levy
 - Voluntarily registered person has not commenced the business within 6 months from the date of registration
 - Registration by fraud etc. : Registration was obtained by means of fraud, wilful misstatement or suppression of facts

Sec 30:- Revocation of Cancellation of Registration

- R. P. whose reg. is cancelled by P.O. apply for revocation [subject to the provisions of rule 10B] of cancellation within 30 Days of cancellation of order.
Extension :- Add. Comm /J. Comm. for further 30 Days
 Comm. for further 30 days
- On application P.O. may revoke cancellation or reject application
- Revocation under SGST/UTGST act shall deemed to revocation under CGST/IGST Act.

Procedure for Cancellation



EXEMPTIONS (Mega N/n 12/2017 & Others)



| Exemption Related to Health Care | | Health Care | | | | | | | | | |
|--|--|---|---|---------|--|---|---------------------------------------|------------------------|--|--|--|
| Sl.No. | Description | MEANS | INCLUDES / EXCLUDES | | | | | | | | |
| Sl.No. 74 Imp | a) Health Care Services by □ a clinical establishment, □ an authorized medical practitioner □ paramedics. b) Ambulance Service by others | Any service by way of ⇒ Diagnosis or ⇒ Treatment or ⇒ Care For pregnancy, abnormality, deformity in any recognized system of medicines in India (Eg. Allopathy, Yoga, Naturopathy, Ayurveda, Homeopathy, Siddha, Unani) | by way of transportation of the patient to and from a clinical establishment (Ambulance Service) ⇒ 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. | | | | | | | | |
| Sl. No.73 Imp | Preservation of Stem Cell by Cord blood banks | | | | | | | | | | |
| Sl.No. 75 Imp | Treatment of disposal of bio-medical waste of clinical establishment by operators | | | | | | | | | | |
| Sl.No. 46 Imp | Health Care or Animal or Birds Service by Veterinary Clinic | | | | | | | | | | |
| Sl. No. 74A Imp | Service provided by professional by way of rehabilitation, therapy or counseling at medical establishment, Educational Institution, Govt. Center or charitable institution under sec 12AA or 12AB etc. | <table border="1"> <thead> <tr> <th>Exemption</th> <th>Taxable</th> </tr> </thead> <tbody> <tr> <td>i) Hiring of senior Dr./ consultant/ technicians independently by hospital</td> <td>Food supplied to Non-admitted patient and attendant</td> </tr> <tr> <td>ii) Retention money taken by hospital</td> <td>Supply to Doctor/staff</td> </tr> <tr> <td>iii) Food supplied to the admitted patient</td> <td>Outsourced by hospital to outdoor caterers</td> </tr> </tbody> </table> | Exemption | Taxable | i) Hiring of senior Dr./ consultant/ technicians independently by hospital | Food supplied to Non-admitted patient and attendant | ii) Retention money taken by hospital | Supply to Doctor/staff | iii) Food supplied to the admitted patient | Outsourced by hospital to outdoor caterers | |
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| ii) Retention money taken by hospital | Supply to Doctor/staff | | | | | | | | | | |
| iii) Food supplied to the admitted patient | Outsourced by hospital to outdoor caterers | | | | | | | | | | |

Exemption Charitable and Religious Sector

| | |
|------------------------|---|
| Sl.No. 1 Imp | Services - entity u/s 12AA/12AB of Income tax Act By way of charitable activities |
|------------------------|---|

Public Health by way of

- Core or counseling
 - ⇒ Terminally ill person
 - ⇒ Person with physical or mental disability
 - ⇒ Affected with HIV/AIDS
 - ⇒ Person addicted with narcotics or drugs etc.
- Public awareness
 - ⇒ Preventive health
 - ⇒ Family planing
 - ⇒ Prevention of HIV infection

Not includes - 1) Hostel Accommodations
2) Lodging or boarding unless it's a composite supply
3) Fitness camp & classes

- A treatment of
 - ⇒ Religion or Spirituality or Yoga
- Advancement of educational programs or skills development relating to
 - ⇒ abandoned, orphaned or homeless children
 - ⇒ physically mentally abused person
 - ⇒ prisoners
 - ⇒ persons over age of 65 years residing in a rural area
- Prevention environment includes
 - ⇒ watershed
 - ⇒ forest & Wildlife

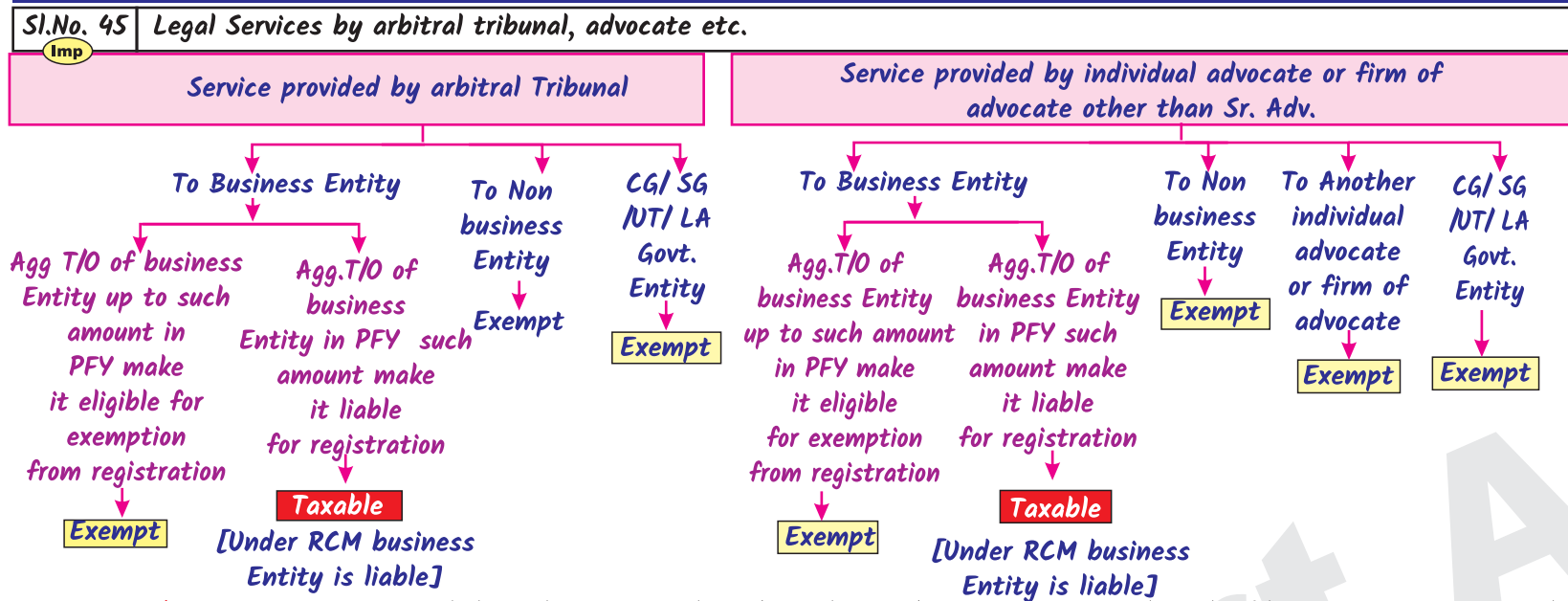
| Sl.No.13 | Religious Activities - Conduct of Religious Ceremony | | | | | | | | |
|--|---|---------|-------------------------|------------------|--|--|--|---|--|
| Sl.No. 13 Imp | <p>Renting of precincts of a religious place Meant for general public</p> <p>Owned or manage by an entity registered as a - charitable or - religious trust</p> <p>Sec 12AA/12AB } Of Income Tax Act Sec 10(23C)(v) Sec 10(23BBA)</p> <p>Exemption is not available in following cases</p> <table border="1"> <thead> <tr> <th>Renting</th> <th>Exemption not available</th> </tr> </thead> <tbody> <tr> <td>Renting of Rooms</td> <td>where charges are ₹ 1000 or more per day</td> </tr> <tr> <td>Renting of Premises, Community halls, kalyanmandapam or open area and the like</td> <td>where charges are ₹ 10,000 or more per day</td> </tr> <tr> <td>Renting of Shops or other spaces for business or commerce</td> <td>where charges are ₹ 10,000 or more per month</td> </tr> </tbody> </table> | Renting | Exemption not available | Renting of Rooms | where charges are ₹ 1000 or more per day | Renting of Premises, Community halls, kalyanmandapam or open area and the like | where charges are ₹ 10,000 or more per day | Renting of Shops or other spaces for business or commerce | where charges are ₹ 10,000 or more per month |
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| Renting of Shops or other spaces for business or commerce | where charges are ₹ 10,000 or more per month | | | | | | | | |
| Sl.No. 60 | Services provided by specified organization with respect to Kailash Mansarovar and Haj Pilgrimage exempted | | | | | | | | |

| Exemption in Agriculture Sector Imp | | Agriculture | |
|---|--|---|---|
| a) Agricultural operations directly related to production of any A.P. including cultivation, harvesting, threshing, plant protection or seed testing. | | ⇒ food, fibre, fuel, raw material or other similar products | Agricultural Produce (A.P.): means any produce of agriculture on which either no 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. |
| b) Supply of farm labour | | | |
| c) Processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, bulk packaging etc. which do not alter essential characteristics of A.P | | | |
| d) Renting or leasing of agro machinery or vacant land with or without a structure incidental to its use. | | | |
| e) Loading, unloading, packing, storage or warehousing of A.P. | | | |
| f) Agricultural extension services. | | | |
| g) Services by any APMC or Board or services provided by a commission agent for sale or purchase of A.P. | | | |
| h) Services by way of fumigation in a warehouse of A.P. | | | |

| Agriculture Produce | Non-Agriculture Produce | Agriculture Produce | Non-Agriculture Produce | Agriculture Produce | Non-Agriculture Produce |
|--|--|--|--------------------------------|--------------------------------|--------------------------------|
| Tomato | Tomato Ketchup | Sugar Cane | Sugar & jaggery | Potato | Potato Chips |
| Grams | Pulses | Paddy | RICE | Raw Cotton | Ginned Cotton Cotton Baled |
| Rearing of Animals | Agriculture Produce | Processing | Processing | Non-Agriculture Produce | Non-Agriculture Produce |
| Cow | Dunk | Milk Pasteurization <small>Note: Usually not done by producer</small> | Pastorized Milk | | |
| Agriculture Produce | Processing | Processing | Non-Agriculture Produce | | |
| Grains <small>Note: Usually done by producer & does not essential character</small> | Wheat <small>Note: Usually not done by producer</small> | Flour | | | |

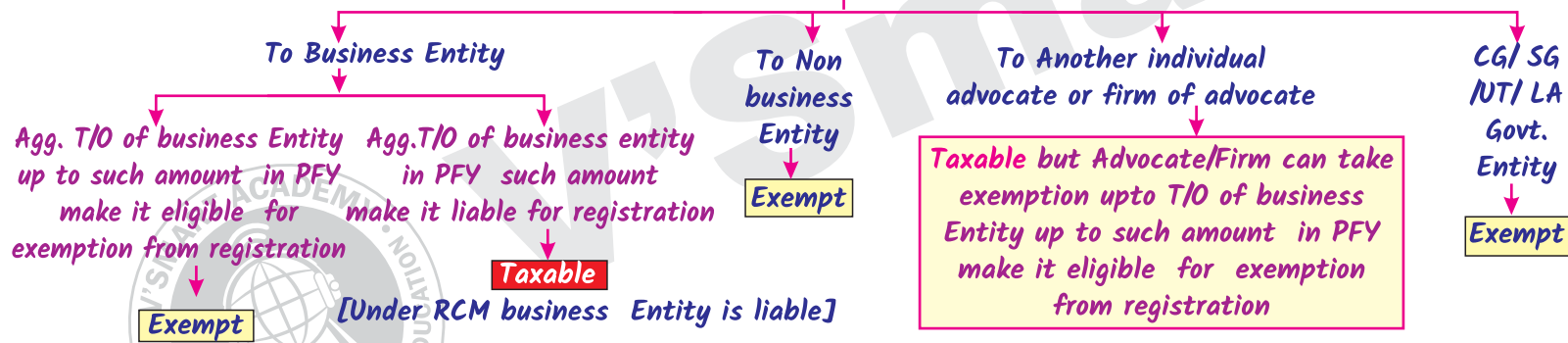
| | |
|---------------------------|---|
| Sl.No. 55 Imp | Exemptions on intermediate production processes Carrying out an intermediate production process as job work in relation to agriculture (Circular no. 19/19/2017 dt 20/11/2017) Milling of paddy into rice cannot be considered as an intermediate production process in relation to cultivation of plants for food, fibre or other similar products or agricultural produce, hence not eligible for exemption |
| Sl.No. 53A | Fumigation in warehouse |
| Sl.No. 57 Imp | Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables. |
| Sl.No. 24 Imp | Services of Loading, Unloading warehousing packing storage of Rice. |
| Sl. No. 24A | Warehousing of minor forest produce |
| Sl. No. 24B Imp | Services by way of storage or warehousing of ⇒ cereals, pulses, fruits, nuts and vegetables, spices, copra, ⇒ sugarcane, jaggery, ⇒ coffee and tea. ⇒ raw vegetable fibres such as cotton, flax, jute etc., ⇒ indigo, unmanufactured tobacco, ⇒ betel leaves, tendu leaves, |
| Sl. No. 55A | Services by way of Artificial insemination of live stock |

Exemption in Legal Sector

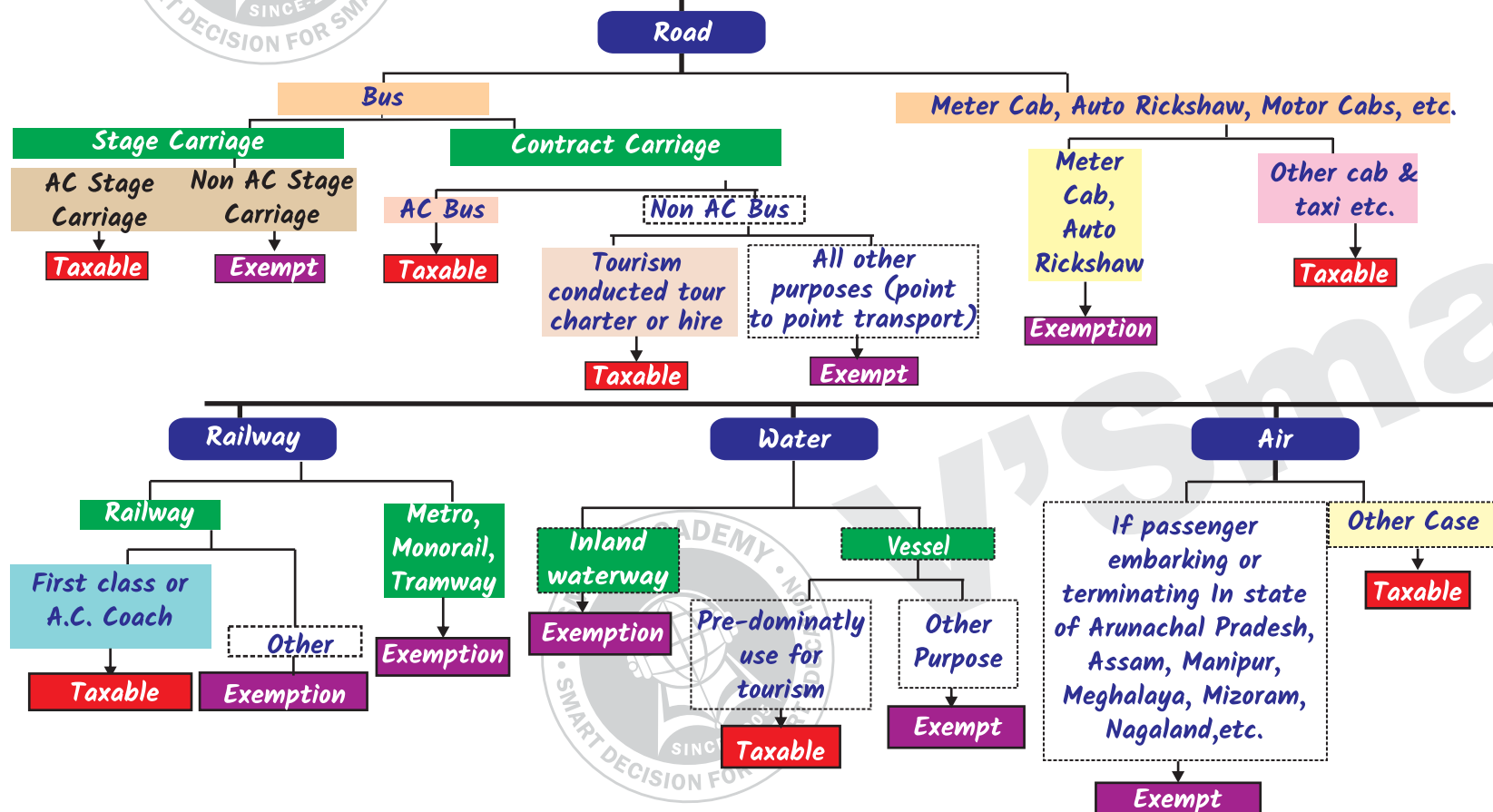


Note :- Legal service = service provided in relation to - advise /consultancy / assistance, in any breach of law in any manner, and includes representational services before any court/ tribunal/ authority

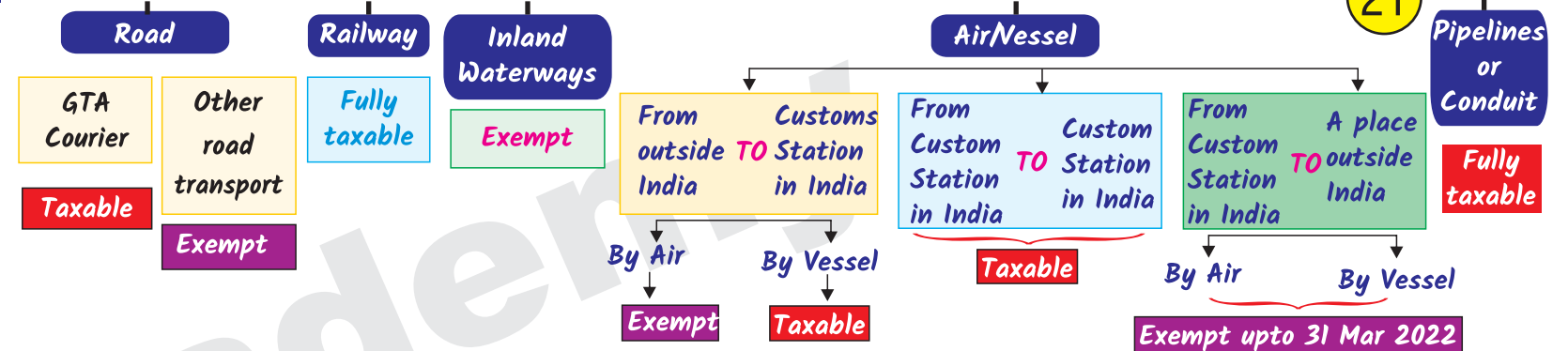
Service provided by senior advocate



PASSENGER TRANSPORT SECTOR



TRANSPORTATION OF GOODS



Special Exemptions to GTA :

- 1) A consignment in a single carriage = ₹ 1500
- 2) All consignment per consignee = ₹ 750

If following goods are transported by GTA/Rail or vessel then exempted from payment of tax

- 1) Agriculture produce
- 2) Milk, Salt, food grains, flours, pulses or rice
- 3) Organic manure
- 4) Newspaper or Magazines
- 5) Relief material for victims
- 6) Defense or military equipments.

| | |
|------------|---|
| Sl.No. 21B | Service provided by GTA to department or establishment of Government or local authority or government agency who taken registration for the purpose of deducting TDS u/s SI and not making any other taxable supply. |
| Sl. No. 22 | Services by way of giving on hire- (a) to a state transport undertaking, a motor vehicle meant to carry more than 12 passengers; or (aa) to a local authority, an Electrically operated vehicle (EOV) meant to carry more than 12 passengers. (b) to a goods transport agency, a means of transportation of goods. (c) to students, faculty & staff of an edu. inst. providing services by way of pre-school education upto higher secondary school |

RENTING OF IMMOVABLE PROPERTY

| | |
|-----------|--|
| Sl.No. 12 | Renting of residential dwelling for use of residence |
| Sl.No. 14 | Renting of hotel, inn etc |

Services by a hotel inn guest house club or composite whatever name called

Residential or lodging purposes

Note: renting other than residential or lodging → **Taxable**

Value of Supply Sec 15

- 15(1) T.V.
- 15(2) addition
- 15(3) discount

of unit accomodation

Below or equal to ₹ 1000 per day or equivalent

EXEMPTION IN BANKING AND FINANCIAL SECTOR

| | |
|-------------|--|
| Sl. No. 27 | Exemption |
| Sl. No. 34 | Services by an acquiring bank, to any person in relation to settlement of an amount upto ₹ 2000 in a single transaction transacted through credit card, debit card, charge card or other payment card service. |
| Sl. No. 27A | Services provided by a banking company to - Basic Saving Bank Deposit account holders under Pradhan Mantri Jan Dhan Yojana |

(a) Consideration - Interest or discounting

On extending

- Deposits
- Loan
- Advances

Except:- Interest involved in credit card services

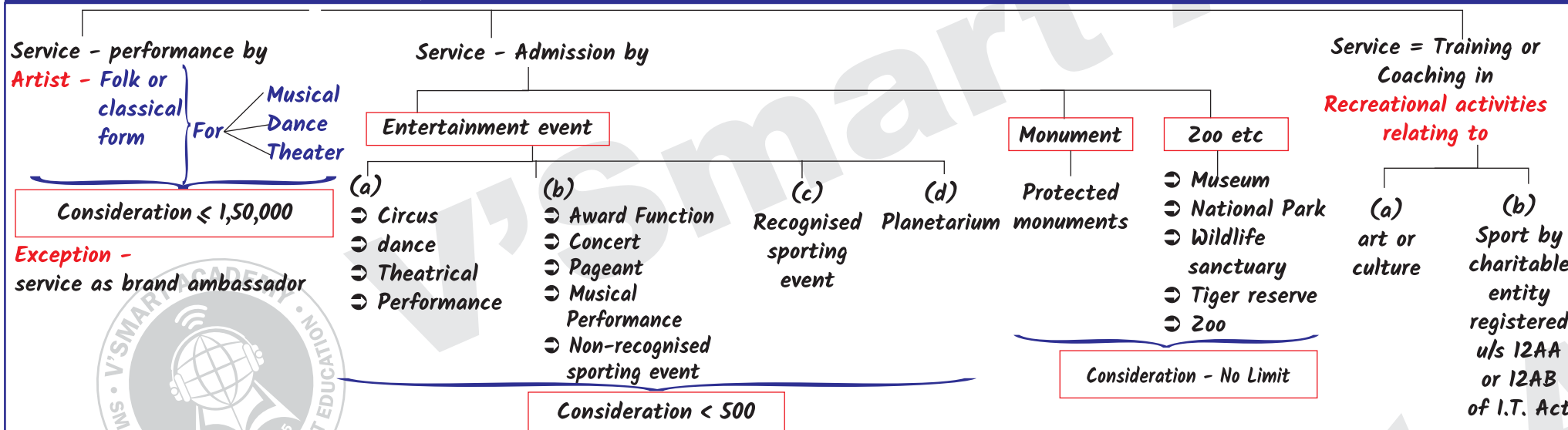
(b) Interest sale or Purchase of Foreign Currency

- Amongst Bank
- Amongst Dealer
- Amongst Bank & Dealer

All other services of Bank / FI/NBIC are taxable

| Service Taken by Educational Institution | Service supplied by Educational Institution | Clarification | | | | | | | | | | | | |
|---|---|--|-------|----------|------------|---|---|--------|---|---|--------|---|---|---------|
| <p>1) Transportation of students, faculty or staff</p> <p>2) Catering</p> <p>3) Security, cleaning or house keeping</p> <p>4) Supply of online education as Journal or periodicals</p> <p>5) Service relating to admission to or Conduct of examination</p> | <p>Exemption</p> <p>1) Any service supplied by such education institutional to its student and faculty or staff. (e.g. education fees lab charge, lab charges, transportation, catering etc.</p> <p>2) Service by way of Conduct examination against entrance fees</p> <p>Taxability Any Service supplied to any person other than student faculty or staff by such educational institutional then it is taxable e.g.</p> <p>1) Auditorium of school given to other for seminar</p> <p>2) Placement services to corporate</p> <p>3) franchisees fees to various franchisees.</p> | <p>Clarification</p> <p>(Circular No. 149/05/2021)</p> <p>The definition of Educational institutions includes anganwadi and hence, serving of food to anganwadi shall also be covered by said exemption, whether sponsored by government or through donation from corporates.</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Services</th> <th>Taxability</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Conducting entrance examination for admission to educational institution by charging fee.</td> <td>Exempt</td> </tr> <tr> <td>2</td> <td>Input services taken for conducting such entrance examination for students.</td> <td>Exempt</td> </tr> <tr> <td>3</td> <td>Accreditation of educational institutions or professional so as to authorise them to provide their respective services.</td> <td>Taxable</td> </tr> </tbody> </table> | S.No. | Services | Taxability | 1 | Conducting entrance examination for admission to educational institution by charging fee. | Exempt | 2 | Input services taken for conducting such entrance examination for students. | Exempt | 3 | Accreditation of educational institutions or professional so as to authorise them to provide their respective services. | Taxable |
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Exemption Related to Entertainment, Museum etc.



Services by Reserve Bank of India

| | |
|---|--|
| Sl. No. 26 | All Services by Reserve Bank of India |
| Important Comments: Taxable Service: Services provided to Reserve Bank of India. | |
| Access to Road or bridge on Payment of toll | |
| Sl. No. 23 | Access to Road or bridge on Payment of toll |
| Sl. No. 23A | Access to Road or bridge on Payment of Annuity |
| It is clarified that Entry 23A does not exempt GST on the annuity (deferred payments) paid for construction of roads. (Circular No. 150/06/2021-GST Dated the 17th June, 2021) | |
| SERVICES BY FOREIGN DIPLOMATIC MISSIONS IN INDIA | |
| Sl. No. 59 | All services provided by a foreign diplomatic mission located in India |
| Important Comments: Taxable Service: Services provided by office or establishment of an international organization. | |

Services provided by Government to Business Entity

Sl. No.6:- Services by the Central Government, State Government, Union territory or local authority excluding the following services—

- (a) services by the Department of Posts by way of
 - speed post,
 - express parcel post,
 - life insurance, and
 - agency services provided to a person other than the Central Govt. State Government, Union territory
- (b) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an irport;
- (c) transport of goods or passengers; or
- (d) any service, other than services covered under entries (a) to (c) above, provided to business entities.

| Turnover or Value based | Certification or Registration based | Others |
|---|---|---|
| <p>Sl. No. 7 Service provided by Govt/Local Authority to Business Entity where its Aggregate T/O less than such amount in PFY make it eligible for exemption from registration</p> <p>Exception : above exemption not applicable to</p> <p>(a) Services covered under above clause (a) to (c)</p> <p>(b) Renting of immovable property</p> | <p>Sl. No. 61 Service provided by Govt/LA by way of Issuance of passport, visa driving licence, Birth Certificate or Death Certificate</p> <p>Sl. No. 47 Service provided by Govt/LA by way</p> <p>(a) Registration required under any law</p> <p>(b) Testing, calibration, safety, check for protection or safety of worker, consumer or public at large</p> <p>Sl. No. 47A Services by way of licensing, registration and analysis or testing of food samples supplied by the Food Safety and Standards Authority of India (FSSAI) to Food Business Operators</p> | <p>Sl. No. 63 (service provided by Govt./LA by way of -)</p> <p>Sl.No. 9C Service Provided by Govt. Entity against consideration in form grants to another Govt. or LA, received from Govt./LA</p> <p>Sl. No. 9D Services by an old age home run by Govt. /Entity reg. u/s 12AA or 12AB, to its resident(Age 60 years or more) (Consideration-upto ₹25000 per month per member) (Consideration includes boarding/loading/maintanance charges)</p> |
| <p>Sl. No. 9 Service provided by Govt/LA Where GAC per service (per invoice) does not exceeds ₹ 5000 in case where continuous supply of service the limit is ₹5000 in a F.Y</p> <p>Exception : above exemption not applicable to</p> <p>(a) Services covered under above clause (a) to (c)</p> | | <p>Sl. No. 8 Service provided by Govt. or LA to another Govt. or LA.</p> <p>Sl. No. 62 Fines or liquidated damage for tolerating non performances of Contract</p> <p>Sl. No. 65 Merchant overtime charges for inspection of import container by custom officers.</p> <p>Sl. No.65A Services by way of providing information under the Right to Information Act, 2005</p> |

| Services provided to Government | |
|---------------------------------|--|
| 1) | Services provided by fair price shop |
| 2) | Service by GSTN for implementation of GST |
| 3) | Service for a function entrusted under article 234 G & 243W |
| 4) | Insurance scheme where total premium is paid by Government |
| 5) | Training program to Government where for which 75% or more expenditure is borne by Government. |
| 6) | Passenger transport Service by air where boarding or termination at a regional connectivity scheme, Airport avails the consideration in the form of viability gap funding. |
| 7) | Service to Govt. by way of any activity in relation to article 243G or 243W |

| EXEMPTION IN SPORT SECTOR | |
|----------------------------|---|
| Sl. No. 68 (Imp) | Service Provided to recognized Sport Body by- a) An individual as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a recognized sports body; b) Another recognised sports body; |
| Sl. No. 53 | Sponsorship of Certain Sport Events (Read from Notes) |
| Sl. No. 82 | Admission to events organised under FIFA world cup 2017 |
| Sl. No. 9A | Services Provided by and to FIFA |
| Sl. No. 9AA | Services Provided by and to FIFA at its subsidiary directly, indirectly related to event under FIFA U-17 Woman's World cup 2020 to be hosted in India whenever rescheduled. |
| Sl. No. 9AB | Services provided by and to Asian Football Confederation (AFC) and its subsidiaries directly or indirectly related to any of the events under AFC Women's Asia Cup 2022 to be hosted in India. |
| Sl. No. 82A | Service by way of right to admission to the event organise under FIFA U-17 Woman's World cup 2020 |
| Sl. No. 82B | Services by way of right to admission to the events organised under AFC Women's Asia Cup 2022 |

| Other Exemption | |
|-----------------------|---|
| Sl. No. 30 | Services provided by Employees State Insurance Corporation |
| Sl. No. 31 | Services provided by Employees Provident Fund Organisation (EPFO) to persons governed under the Employees provident Funds and Miscellaneous Provisions Act, 1952. |
| Sl. No. 31A | Services Provided by coal mines provident fund organisation |
| Sl. No. 31B | Services Provided by National Pension system |
| Sl. No. 32 | Services provided by IRDA to insurers under the insurance Regulatory and Development Authority of India Act, 1999. |
| Sl. No. 33 | Services provided by SEBI by way of protecting the interests of investors in securities and to promote the development of and to regulate, the securities market. |
| Sl. No. 58 | Services provided by National Centre for Cold Chain Development under Ministry of Agriculture, Cooperation and Farmer's Welfare by way of cold chain knowledge dissemination. |
| Sl. No. 38 | Services by way of collection of contribution under any pension scheme of the State Governments. |
| Sl. No. 43 | Services of leasing of assets (rolling stock assets including wagons, coaches, locos) by the Indian Railways Finance Corporation to Indian Railways. |
| Sl. No. 41 | Service by State Government Industrial Development Corporations Upfront amount in respect of service by way of granting of long term lease of 30 years, or more) of industrial plots or plots for development of infrastructure for financial business, Provided by the SG Industrial Development Corporations or Undertakings or by any other entity having 50% 20 % or more ownership of CG, SG, UT to industrial units or developers in any industrial or financial business area. |
| Sl. No. 25 | Transmission or Distribution of Electricity |
| Sl. No. 37 | Collection of Contribution under Atal Pension Yojana |
| Sl. No. 70 | Service Provided under SDI Scheme |
| Sl. No. 71 | Training Service under Deen Dayal Upadhyaya GrameenKaushalya Yojana |
| Sl. No. 44 | Service Provided by Incubatee |

| Exemption in Construction Sector | |
|----------------------------------|---|
| Sl. No. 10 | Construction etc or Original Work to Pradhan Mantri Awas Yojana |
| Sl. No. 10A | Services Supplied by Electricity Distribution Utilities |
| Sl. No. 11 | Construction etc or Original Work to Single Residential Unit |
| Sl.No.41A/41B | Supply of TDR , FSI, Long term lease (Premium) |

| Exemption in Life/ General Insurance Sector | |
|---|-------------------------------------|
| Sl. No. 28 | Services of life Insurance Business |
| Sl. No. 29 | Services of Life Insurance Business |
| Sl. No. 29A | Services of Life Insurance Business |

| | |
|-------------|--|
| Sl. No. 35 | Specified General Insurance Scheme |
| Sl. No. 36 | Service Provided by Incubatee |
| Sl. No. 36A | Services by way of reinsurance |
| Sl. No. 29B | Services of life insurance provided or 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. |

| Miscellaneous | |
|----------------------------|---|
| Sl. No. 2 | Transfer of a Going Concern |
| Sl. No. 52 | Organization of Business Exhibition Outside India |
| Sl. No. 77 (Imp) | <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">Exemption - Services by RWA to Members</p> <p style="text-align: center;">Services by To Its</p> <p style="text-align: center;">- Un-incorporated body By Way of Member</p> <p style="text-align: center;">- Registered not profit Entity</p> <p style="text-align: center;">Re-imbusement of charged Share of contribution</p> <p style="text-align: center;">RWA or housing society → Exemption Upto Amount =</p> <p style="text-align: center;">₹ 7500 per month / per member</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">For sourcing of goods or services</p> <p style="text-align: center;">⇒ From third person</p> <p style="text-align: center;">⇒ For common use of its member</p> </div> |
| Sl. No. 77A | |
| Sl. No. 39 | Intermediary Service- Read From Notes |
| Sl. No. 39A | Services by an intermediary of financial services |
| Sl. No. 48 | Services recognised by Biotechnology Industry Research Assistance Council |
| Sl. No. 49 | by way of collecting or providing news by - ⇒ An independent journalist, ⇒ Press Trust of India or ⇒ United News of India; |
| Sl. No. 50 | Public Library Service |
| Sl. No. 56 | Slaughtering of Animal |
| Sl. No. 76 | Public Services - by way of public conveniences such as provision of facilities of Bathroom, Washrooms, Lavatories, Urinal or Toilets. |
| Sl. No. 9B | Exempting Supply of Services associated with Transit Cargo to Nepal & Bhutan |
| | Exempt certain supplies to NPCIL |

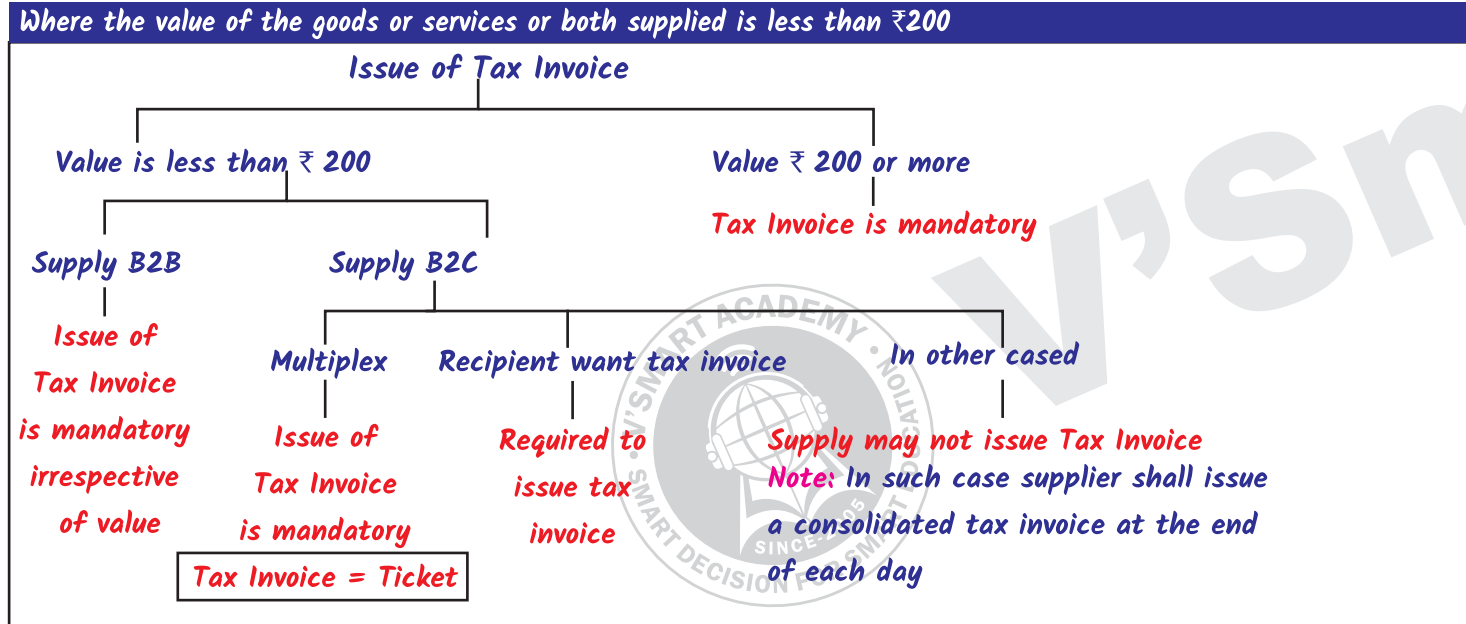
TAX INVOICE, DEBIT NOTE & CREDIT NOTE



| Particular | Tax Invoice : Supply of goods | Tax Invoice : Supply of Service |
|---|---|---|
| Normal case | Issue Invoice - On or before a) If movement involved- At the time of removal b) In other case - At the time of delivery or made available <i>Government may</i> (a) specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed. (b) subject to the condition mentioned therein, specify the categories of services in respect of which— (i) any other document deemed to be a tax invoice or (ii) tax invoice may not be issued. | Issue Invoice - On or before a) Provision of services- within 30 days from completion b) Bank/FI/NBFC/Insurer- within 45 days from Completion c) Insurer/ Bank/ FI/NBFC/ Telecom/ other notified person where service is provided to distinct person (DDP), i) When Supplier records in books of A/c ii) Last date of qtr. whichever is earlier |
| Continuous Supply of goods / services | Invoice shall be issued before or at the time ⇒ each such successive statement or ⇒ each such successive payment is received | On or before a) Due date of payment ascertainable in contract - on such date b) If due date not ascertainable - date of payment received c) If events are fixed in contract - Last date of completion of such event |
| Supply on sale or return/ Approval basis | a) Before/at the time of supply [i.e. approval given by recipient] b) 6 months from the date of removal, | whichever is earlier |
| Cessation of SOS | — | At the time when supply ceases & such invoice only to the extent supply made before such ceassassion |

| Content of Invoice & Voucher | | | |
|--|---------------------------|----------------------------|-----------------------------------|
| a) Name, Address and GSTIN | f) HSN code | i) Total value | n) Address of delivery |
| b) Consecutive Number Series | g) Description of SOG/SOS | j) Taxable value | o) If reverse charge applicable |
| c) Date of Issue | h) Quantity of goods | k) Rate of tax | p) Signature of digital Signature |
| d) Name of address & GSTIN or UIN of recipient | l) Amount of tax charged | q) Nature of document | |
| e) Other details of Unregistered recipient | m) Place of supply | r) Quick Response(QR) Code | |

Notes : 1) Consecutive serial number shall not exceed 16 characters for tax Invoice in one/multiple series shall be maintained same for a F.Y.



Manner of issuing Tax Invoice Rule 48:-

- 1) In case of taxable SOG Invoice shall be prepared in **Triplicate**
- 2) In case of taxable SOS Invoice shall be prepared in **Duplicate**
- 3) Serial number of invoices issued during a tax period shall be furnished electronically in GSTR - 1
- 4) Notified classes of person obtaining invoice reference no. from E-invoice portal
- 5) Invoice void, if invoice reference no. not quoted

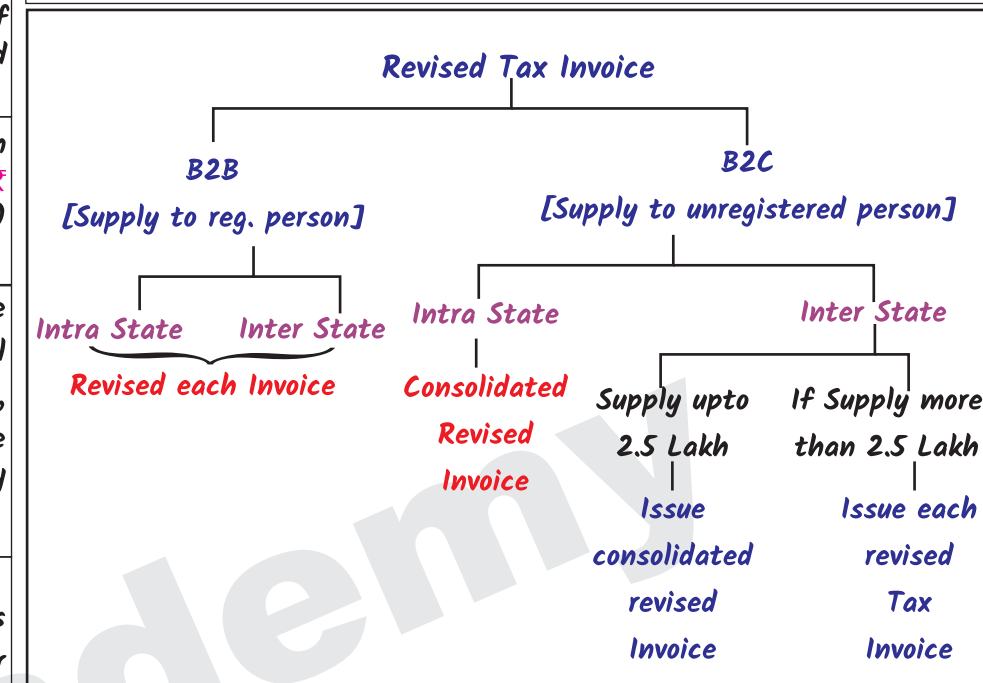
E-Invoicing

| | |
|---|---|
| 1 Meaning | 'E-invoicing' essentially involves reporting details of specified GST documents to a Government notified portal and obtaining a reference number. |
| 2 Applicability | All registered businesses with an Agg. T/o (based on PAN) in any P.F.Y from 2017-18 onwards greater than ₹ 20 crore (hereinafter referred to as 'notified persons') will be required to issue e-invoices. |
| 3 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. IRN is unit 64 - character hash |
| 4 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. |
| 5 Non - requirement of E-Invoice | ⇒ B2C invoices ⇒ invoices issued by ISD. ⇒ import of goods (Bills of Entry). |
| 6 E-Invoice incase 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 sec 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. |
| 7 Exemption from e-invoicing | Following entities are exempt from the mandatory requirement of e-invoicing: ⇒ A Government Department, ⇒ A Local Authority, ⇒ Special Economic Zone units ⇒ Insurer or banking company or financial institution including NBFC ⇒ GTA supplying services in relation to transportation of goods by road in a goods carriage ⇒ Supplier of passenger transportation service ⇒ Person supplying services by way of admission to exhibition of cinematography films in multiplex screens |

Revised Invoice:-
 Revised from effective date of registration till the date of issuance of RC within 1 month from the date of issuance of RC.

Consolidated revised tax invoice
 Registered person may issue a consolidated revised tax invoice

1. in respect of all taxable supplies made to a recipient who is not registered under the Act during such period;
2. In the case of inter-State supplies, where the value of a supply does not exceed two lakh and fifty thousand rupees, to unregistered person



Bill of Supply:-

1. On Supply of **Exempt Goods** or Services
2. Paying tax under **Composition Scheme**.

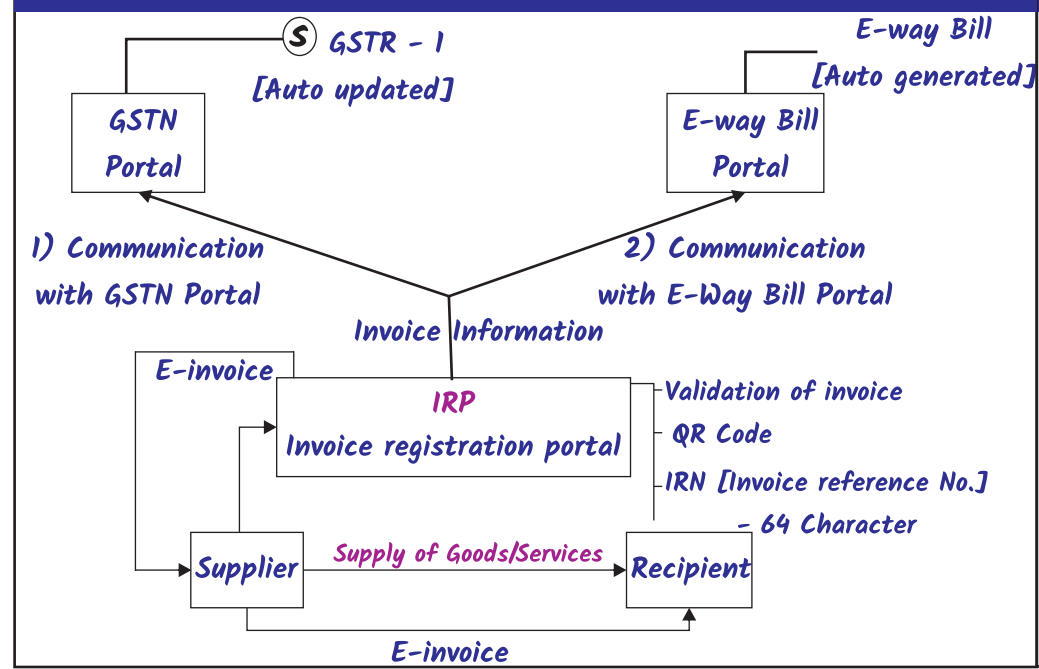
Endorsement for Export Invoice:-

"Supply meant for export/supply to SEZ unit or SEZ developer for authorised operations on **payment of integrated tax**" or
 "Supply meant for export/supply to SEZ unit or SEZ developer for authorised operations under **bond or letter of undertaking** without payment of integrated tax"

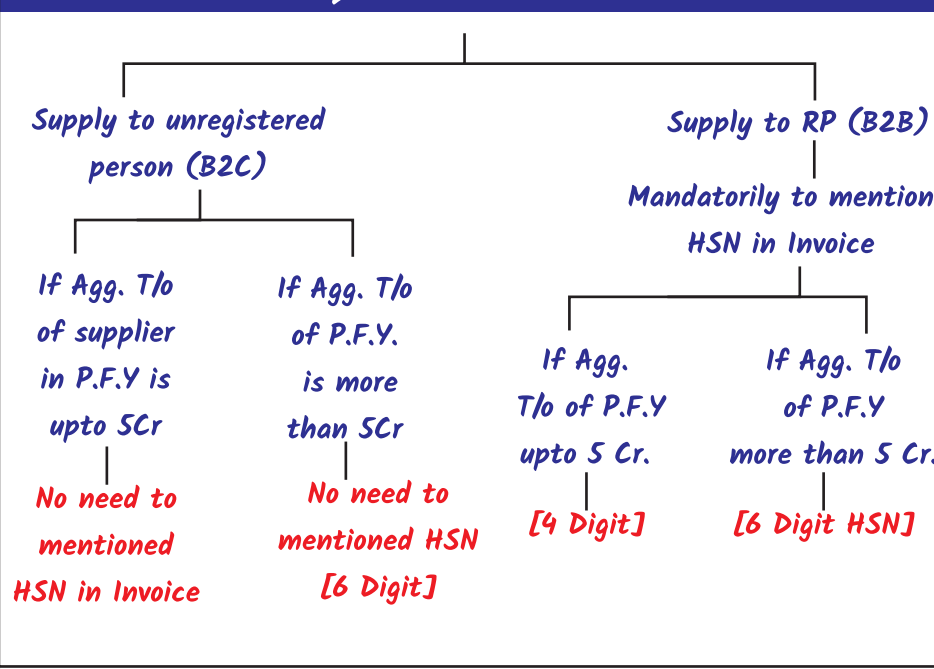
It shall, also contain the following details, namely, - (i) name and address of the recipient (ii) address of delivery and (iii) name of the country of destination.

person is supplying taxable as well as exempted supply a single "Invoice-cum-bill of supply" may be issued for all such supplies.

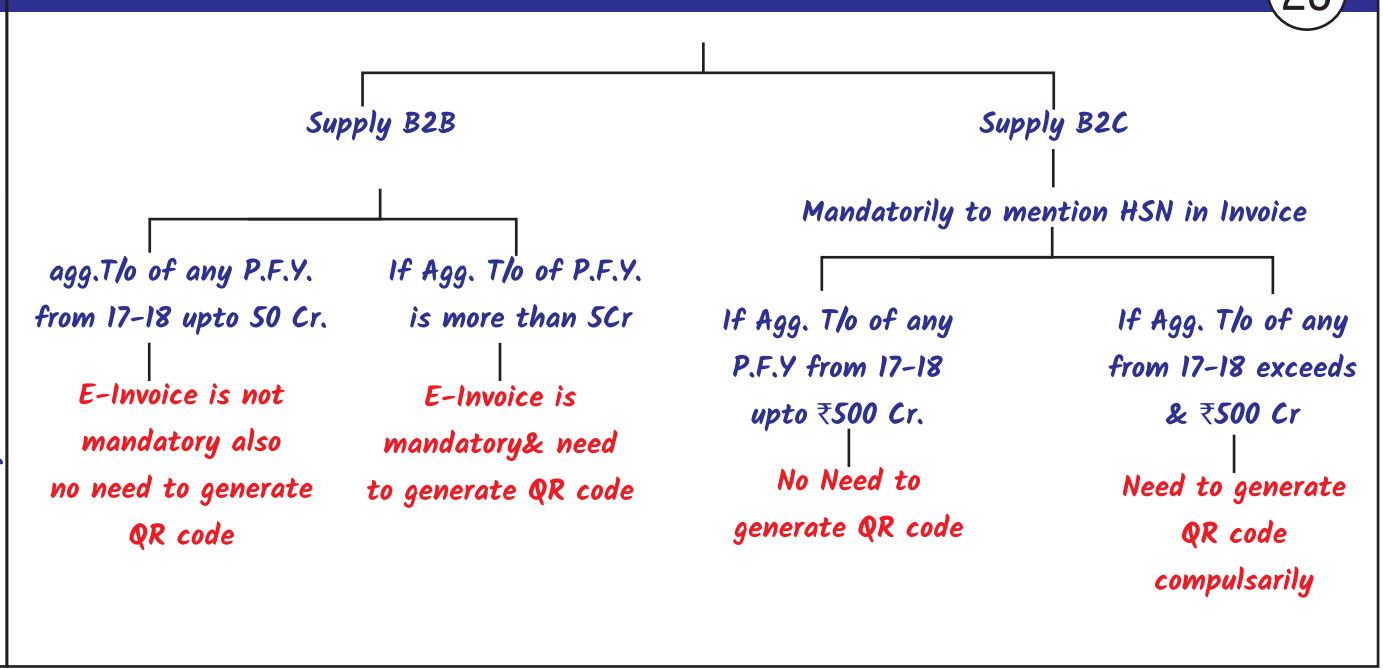
E-invoice Mechanism



Required of HSN invoice



Applicability of QR Code



VOUCHERS

Receipt Voucher Sec 31 (3)(d)
 A registered person shall, on receipt of advance payment with respect to any supply of goods or services or both, issue a Receipt Voucher evidencing receipt of such payment. *if, at the time of receipt of advance, rate of tax/nature of supply is not determinable*

| Where at the time of receipt of advance | |
|---|---|
| (i) Rate of tax is not determinable | tax shall be paid at the rate of 18% |
| (ii) nature of supply is not determinable | same shall be treated as inter-State supply |

Refund Voucher Sec 31 (3)(e)
 Where on receipt of advance payment with respect to any supply of goods or services or both the registered person issues a Receipt Voucher, but subsequently
 ⇒ no supply is made and
 ⇒ no tax invoice is issued in pursuance thereof,
 the said registered person may issue to the person who had made the payment, a Refund Voucher against such payment.

When to issue refund voucher [Advanced received & receipt voucher issue]

| Scenario | Refund voucher allowed? | Note |
|--|----------------------------|---|
| Supply is made but no Invoice is given | Refund voucher not allowed | Note:- GST is payable as supply is made |
| Invoice is made but no supply is done | Refund voucher not allowed | Note:- In that case supplier can issue credit note & claim the adjustment |
| Supply is not made & also no Invoice is issued | Refund voucher is allowed | Note:- supplier can claim GST refund of advance |

Payment Challan Sec 31 (3)(g)
 A RP 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 SOG/SOS or both received by him from the supplier who is not registered on the date of receipt of SOG/SOS or both.
 Thus, a recipient liable to pay tax by virtue of sec 9(3) has to issue invoice only when supplies have been received from an unregistered supplier.

The diagram shows a Supplier providing goods/services to a Recipient under RCM. The Supplier issues an invoice for a value of 1,00,000. The Recipient issues a payment voucher and a self-tax invoice. The Recipient then makes a payment to the Supplier for the invoice value of 1,00,000.

Sec 34 - Credit Note & Debit Note

| Credit Notes [Sec.34 (1)] | Debit Notes [Sec. 34(3)] |
|--|--|
| ⇒ One or more tax invoice for Taxable Value or Tax charged in that Tax Invoice is found to exceed the Taxable Value, or tax payable in respect of such supply, or ⇒ Where the goods supplied are returned by the recipient, or ⇒ Where Goods supplied are found to be deficient Time Limit : Details of Credit in the Return for the month during which such credit note has been issued, but not later than - ⇒ September following the end of FY in which such supply was made, or ⇒ the date of filing of the relevant annual return, whichever is earlier | One or more tax invoice for Taxable Value or Tax charged in that Tax Invoice is found to be less than the Taxable Value or Tax payable in respect of such supply. Note: Debit note includes Supplementary Invoice Details of Debit in the Return for the month |

Tax invoices in Special Cases (Rule 54)

| Supplier of taxable service | Document in lieu of the tax invoice | |
|--|---|--|
| | Optional information | Mandatory information |
| Insurer/Banking company/Financial institution, including NBFC | • Serial number • Address of the recipient of taxable service | Other information as prescribed for a Tax Invoice, under rule 46 Such document may be issued/made available, physically/electronically |
| Supplier of passenger transportation service | • Serial number • Address of the recipient of taxable service | Other information as prescribed for a tax invoice, under rule 46 Tax invoice shall include ticket in any form, by whatever name called. |
| Admission to Exhibition of cinematography films in multiplex screens | Shall issue Electronic ticket and Electronic ticket deemed to be Tax Invoice, even such ticket does not contain Recipient details Other information as prescribed for a tax invoice, under rule 46 | |
| | Provided that the supplier of such service in a screen other than multiplex screens may, at his option follow the above procedure (N/N 33/2019 CT dt 18/07/2019) | |

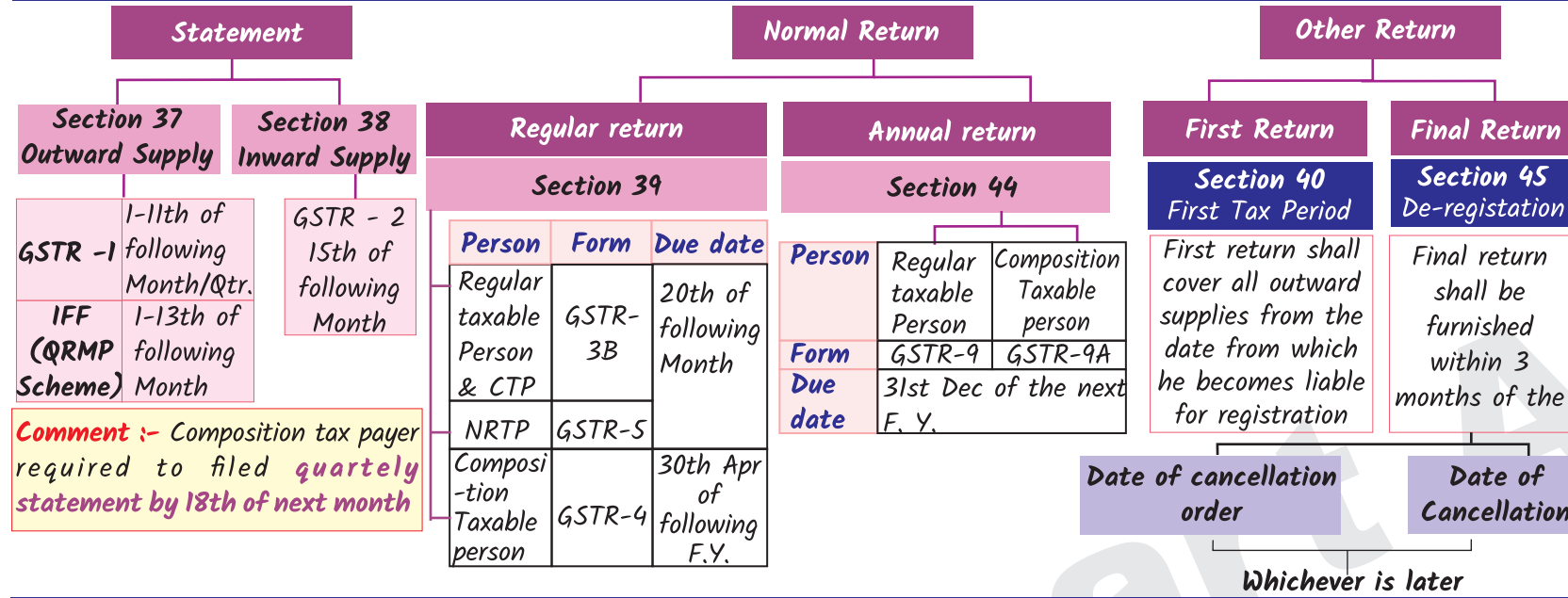
Delivery Challan/ Invoice for Transportation of Goods (Rule 55)

Nature of supply

- Supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known,
- Transportation of goods for job work,
- Transportation of goods for reasons other than by way of supply, or
- Such other supplies as may be notified by the Board



Statement / Return



| Outward and Inward Supply Statement (Sec 37 & Sec 38) | | | | |
|---|----------|---------------------------------------|------------------------|---|
| Type of taxable person | Form No. | Periodicity | Due date | Not Applicable to |
| Every registered person (Incl. CTP) | GSTR-1 | Monthly (Details of outward supplies) | 11th of the next month | (a) Composition taxpayer (b) N RTP (c) ISD (d) Person deducting TDS & TCS (e) ECO |

| Details of Outward Supply | |
|---------------------------|--|
| Invoice wise details | ⇒ Inter-State and Intra-State supplies made to Registered Persons, and ⇒ Inter-State supplies with invoice value more than ₹ 2,50,000 made to Unregistered Persons. |
| Consolidated details | ⇒ Intra-State supplies made to Unregistered Persons for each rate of tax, and ⇒ State wise Inter-State supplies with invoice value upto ₹ 2,50,000 made to Unregistered Persons for each rate of tax |

| Furnishing of Returns [Sec 39] | | | | |
|--------------------------------|----------|---|------------------------|--|
| Type of taxable person | Form No. | Periodicity | Due date | Not Applicable to |
| Every registered person | GSTR-3B | Monthly (or a part of the month) <i>Note:- In case of QRMP scheme refer next page)</i> | 20th of the next month | (a) Supplier of OIDAR services (b) Composition taxpayer (c) N RTP (d) ISD (e) Person deducting TDS & TCS |

| 2) Return by Composition taxpayer (Sec. 39(2) and rule 62) | | | |
|--|----------|--|--|
| Type of taxable person | Form No. | Periodicity | Due date |
| Composition taxpayer | GSTR-4 | Yearly (or part thereof) <i>Note: Furnish a statement every quarter or, part thereof containing the details of payment of self-assessed tax in FORM GST CMP -08 till the 18th day of the month succeeding such quarter</i> | 30th April following the end of such F.Y |

| 3) Annual Return | | | | |
|----------------------------|----------|---------------|-----------------------|---|
| Type of taxable person | Form No. | Periodicity | Due date | Not Applicable to |
| Registered Normal taxpayer | GSTR-9 | Annual Return | 31st Dec of next F.Y. | (a) Supplier of OIDAR services (b) Composition taxpayer (c) N RTP (d) ISD (e) Person deducting TDS & TCS (f) CTP (g) those referred to in the proviso to sec 35(5), |

⇒ a self-certified reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year, with the audited annual financial statement for every financial year electronically,

| 4) Final Return | | | |
|---|----------|--------------|---|
| Type of taxable person | Form No. | Periodicity | Due date |
| Registered person and whose registration has been cancelled | GSTR-10 | Final Return | within 3 months of date of cancellation or date of order of cancellation (whichever is later) |

First Return (Sec 40)
Every RP who has made outward supplies in the period between the date on which he became liable to registration till the date on which registration has been granted shall declare the same in the first return furnished by him after grant of registration.

Rule 59(6) :- Restriction on furnishing GSTR -1 or IFF

Restriction on furnishing GSTR -1 or IFF :- Notwithstanding anything contained in this rule,

(a) a registered person (Monthly Scheme) shall not be allowed to furnish the details of outward SOG or SOS u/s 37 in FORM GSTR-1, if he has not furnished the return in FORM GSTR-3B for preceding One months;

(b) a registered person, required to furnish return for every quarter under the proviso to Sec 39(1), (QRMP Scheme) shall not be allowed to furnish the details of outward SOG or SOS u/s 37 in FORM GSTR-1 or using the invoice furnishing facility (IFF), if he has not furnished the return in FORM GSTR-3B for preceding tax period;

| Sec 47 - Late fee or penalty in case of non-compliance in filing returns | |
|--|--|
| Situation | Implication |
| RP fails to furnish GSTR - 1/GSTR - 3B/GSTR - 10 | ₹ 100 for every day max amount of ₹ 5000 (₹100 + ₹100 & max ₹10,000) |
| RP who fails to furnish Annual Returns by the due date | ₹ 100 for every day max amount of ₹ 0.25% of T/o in State (₹100 + ₹100 & max 0.5% of T/o in State) |

| Maximum late fees payable under section 47 | | |
|--|--|--|
| Normal Tax Payer | Late Fee | |
| 1) RP - GSTR -1 = Nil, GSTR 3B = Nil | (₹100 + 100) per day or Max ₹500 (₹ 250 each under CGST & SGST or ₹500 under IGST) | |
| 2) RP other than those covered in (1) above (i.e. there is outward supply in GSTR - 1 or tax payable as per GSTR- 3B | Agg. T/o of ≤ ₹ 1.5 cr. in the PFY | (₹100 + 100) per day or Max ₹ 2,000 (₹ 1,000 each under CGST & SGST or ₹ 2,000 under IGST) |
| | Agg. T/o more than 1.5 Cr but ≤ 5 Cr. in the PFY | (₹100 + 100) per day or Max ₹5,000 (₹ 2,500 each under CGST & SGST or ₹ 5,000 under IGST) |
| 3) RP other than (1) and (2) | Agg. T/o > 5 Cr. in the PFY Late fee as specified u/s 47 (refer above) | |

| Composition scheme GSTR - 4 | | Late Fee |
|---|---|----------|
| 1) Where Total tax payable in GSTR-4 is Nil | (₹100 + 100) per day or Max ₹ 500 (₹250 each under CGST & SGST or ₹ 500 under IGST) | |
| 2) Where RP other than those covered in (1) above | (₹100 + 100) per day or Max ₹2,000 (₹1,000 each under CGST & SGST or ₹2,000 under IGST) | |

Goods and Service Tax Practitioner

Concept of GSTP
 ⇒ A RP may authorised an approved GSTP to furnish information, on his behalf, to the Government.
 ⇒ GSTN will provide separate user ID and Password to GSTP to enable him to work on behalf of his clients without asking for their user ID and passwords.
 ⇒ They can do all the work on behalf of taxpayers as allowed under GST Law.
 ⇒ A taxpayer may choose a different GSTP by simply unselecting the previous one and then choosing a new GSTP on the GST portal.

Eligibility Criteria for GSTP
Basic Conditions:- 1) Citizen of India 2) Person of Sound Mind 3) Not adjudication as insolvent 4) not been convicted by court
Other Conditions:- 1) Retired officer of Government Not below lower the rank of group B gazetted officer for not less than 2 years
 2) enrolled as a sales tax practitioner or tax return preparer under the existing law for a period of not less than five years
 3) he has passed, (i) a graduate of postgraduate degree (ii) a degree of any Foreign University recognized by any Indian University or (iii) any other examination notified by the Government, or (iv) He has passed a) ICAI; or b) ICAI (CMA); or c) ICSI.

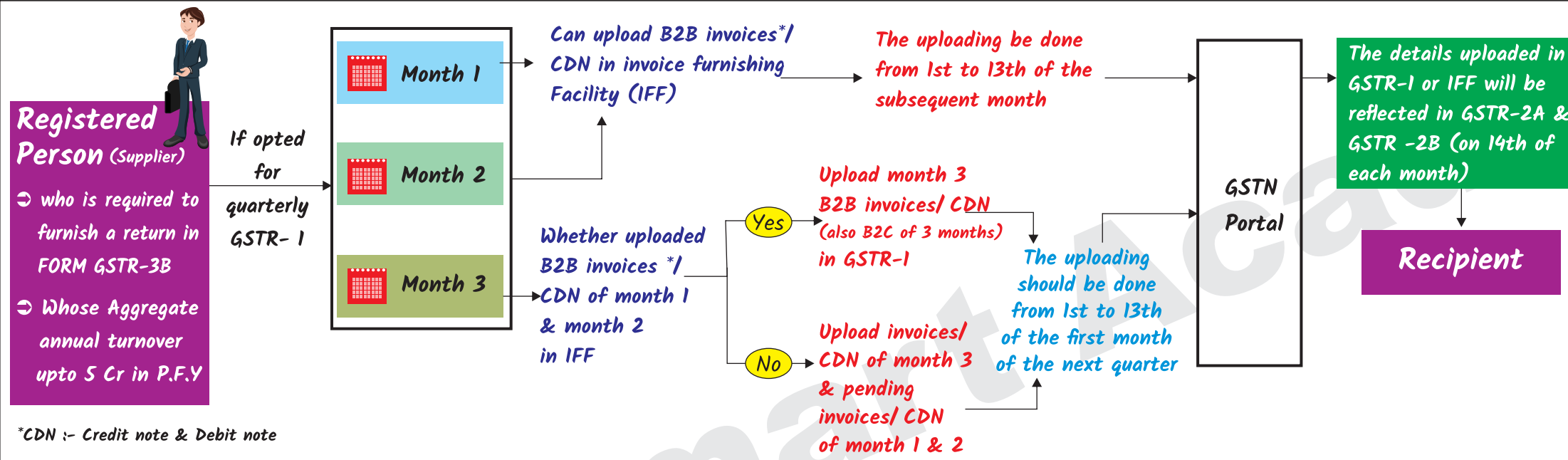
Activities which can be undertaken by a GSTP
 (a) furnish the details of outward and inward supplies; (b) furnish monthly, quarterly, annual or final return; (c) make deposit for credit into the electronic cash ledger; (d) file a claim for refund; (e) file an application for amendment or cancellation of registration; (f) furnish information for generation of e-way bill; (g) furnish details of challan in FORM GST ITC-04; (h) file an application for amendment or cancellation of enrolment under rule 58; and
 (i) file an intimation to pay tax under the composition scheme or withdraw from the said scheme:
 ⇒ Provided that where any application relating to ⇒ a claim for refund or ⇒ an application for amendment or ⇒ cancellation of registration or ⇒ where an intimation to pay tax under composition scheme or to withdraw from such scheme has been submitted

QRMP SCHEME

(This new Scheme will be effective from 01.01.2021)



Registered Person - Opting for QRMP Scheme (Submission of details of Outward supplies)

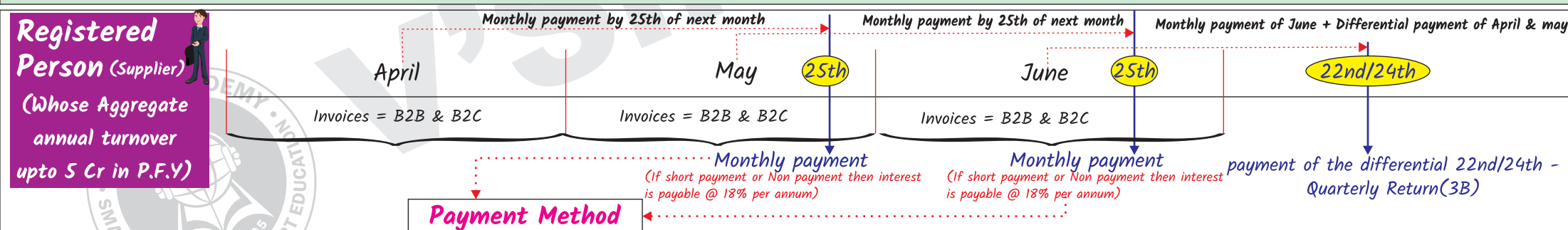


*CDN :- Credit note & Debit note

Important Points

1. The aggregate annual turnover for the P.F.Y. shall be calculated in the common portal taking into account the details furnished in the returns by the taxpayer for the tax periods in the P.F.Y.
2. Value of supply in IFF shall not exceeds ₹ 50 lakhs for each month
3. After 13th of the month, this facility for furnishing IFF for previous month would not be available.
4. Details given in IFF not required to be given again in GSTR-1
5. Where QRMP option has been exercised once, they shall continue unless RP revise the said option.
6. It is further clarified that the option to avail the QRMP Scheme is GSTIN wise
7. Some GSTINs of same PAN can opt for the QRMP Scheme and remaining GSTINs may not opt for the Scheme.

QRMP - Monthly Payment & Interest Liability



1. Fixed Sum Method (FSM)
Payment of tax in the 1st and the 2nd month of the quarter.

| Sr. No. | Type of Taxpayer | Tax to be paid |
|---------|---|---|
| 1. | Who furnished GSTR-3B quarterly for the last quarter | 35% of tax paid in cash (E-Cash Ledger) in the preceding quarter |
| 2. | Who furnished GSTR-3B monthly during the last quarter | 100% of tax paid in cash in the last month of the immediately preceding quarter |

The balancing amount of tax is to be paid in the 3rd month.

2. Self-Assessment Method (SAM)
Here the taxpayer can pay the tax liability by considering the tax liabilities on inward and outward supplies and as per the ITC available.

There are certain conditions where no tax needs to be paid:

- 1st Month of Quarter: The tax liability is Nil. OR The balance in the electronic cash ledger is adequate for the tax liability for the same month.
- 2nd Month of Quarter: The tax liability is Nil. OR The balance in the electronic cash ledger is adequate for the cumulative tax liability for the 1st two months of the quarter.

Example

In case the last return filed was on quarterly basis for Quarter Ending March, 2021:

| Tax paid in Cash in Quarter (January - March, 2021) | | Tax required to be paid in each of the months - April and May, 21 | |
|---|-----|---|------|
| CGST | 100 | CGST | 35 |
| SGST | 100 | SGST | 35 |
| IGST | 500 | IGST | 175 |
| Cess | 50 | Cess | 17.5 |

In case the last return filed was monthly for tax period March, 2021:

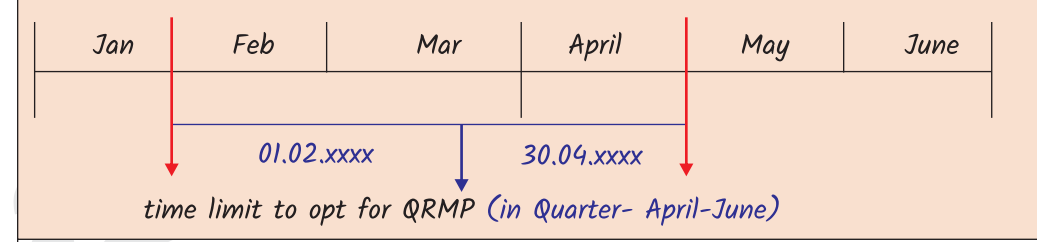
| Tax paid in Cash in March, 21 | | Tax required to be paid in each of the months - April and May, 21 | |
|-------------------------------|-----|---|-----|
| CGST | 50 | CGST | 50 |
| SGST | 50 | SGST | 50 |
| IGST | 80 | IGST | 80 |
| Cess | --- | Cess | --- |

Interest under QRMP scheme

| Sr. No. | Scenario | Interest to be paid |
|---|---|--|
| Monthly payment (1 & 2 Month) For FSM & SAM | | |
| 1 | Tax liability mentioned in pre-filled form GST PMT-06 is paid by 25th of the following month | Nil |
| 2 | Tax liability mentioned in pre-filled form GST PMT-06 is not paid by 25th of the following month | 18% of the tax liability (from 26th of the following month till the date of payment) |
| Final Tax Liability (1 & 2 Month) | | |
| 3 | For FSM & SAM The final tax liability for the first two months is less than or equal to the amount paid through pre-filled form GST PMT-06 | Nil |
| 4 | For FSM The final tax liability for the first two months is higher than the tax amount paid through pre-filled form GST PMT-06, and such excess liability has been paid within quarterly GSTR-3B due date | Nil |
| 5 | For SAM The final tax liability for the first two months is higher than the tax amount paid through pre-filled form GST PMT-06, and such excess liability has been paid within quarterly GSTR-3B due date | 18% of the tax liability (from 26th of the following month till the date of payment) |
| Final Tax Liability has not been paid within quarterly GSTR-3B due date | | |
| The final tax liability for the first two months is higher than the tax amount paid through pre-filled form GST PMT-06, and such excess liability has not been paid within quarterly GSTR-3B due date | | 18% of the tax liability (from GSTR-3B due date* till the date of payment) |

Rule 61A: Manner of opting Quarterly return

- Facility to avail the Scheme on the common portal would be available throughout the year.
- A registered person can opt in for any quarter from first day of second month of preceding quarter to the last day of the first month of the quarter.



How to avail QRMP From 1st Jan 21

Auto migration by portal (for 1st Qur of the scheme)

| Turnover | GSTR-1 opted | Deemed option |
|-----------------|--------------|---------------|
| Upto 1.5cr | Quarterly | Quarterly |
| Upto 1.5cr | Monthly | Monthly |
| >1.5cr upto 5cr | Monthly | Quarterly |

- Note 1 :-** The taxpayers are suggested to file the return for October 2020 in November
- Note 2 :-** Such registered persons are free to change the option as above, if they so desire, from 5th of December, 2020 to 31st of January, 2021.

What is an E-Way bill why is it required?

- E-Way Bill is a compliance mechanism
- Where in by way of a digital interface
 - The person causing the movement of goods
 - upload the relevant information prior to commencement of movement of goods
 - Generates E-Way Bill on GST Portal

E-Way Bill (Sec 68 & Rule 138)

Relevance :-

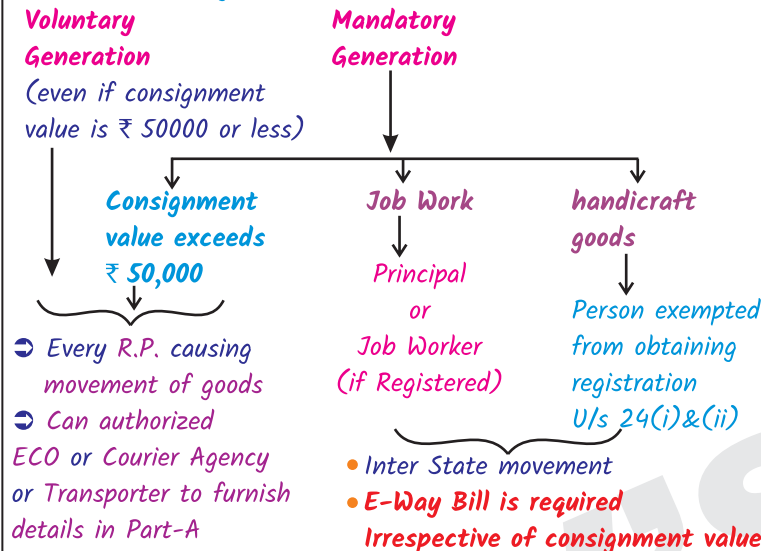
- Hassle free movement
- Control tax evasion
- Track movement of goods
- Eliminate State boundary checkpoint

Who & When E-way Bill is required to be generate?

Who :- Every R.P. (Supplier or recipient) who causes the movement of goods

- In relation to a supply or
- Reasons other than supply or
- Due to inward supply from an unregistered person

When :- Consignment value exceeds ₹ 50,000

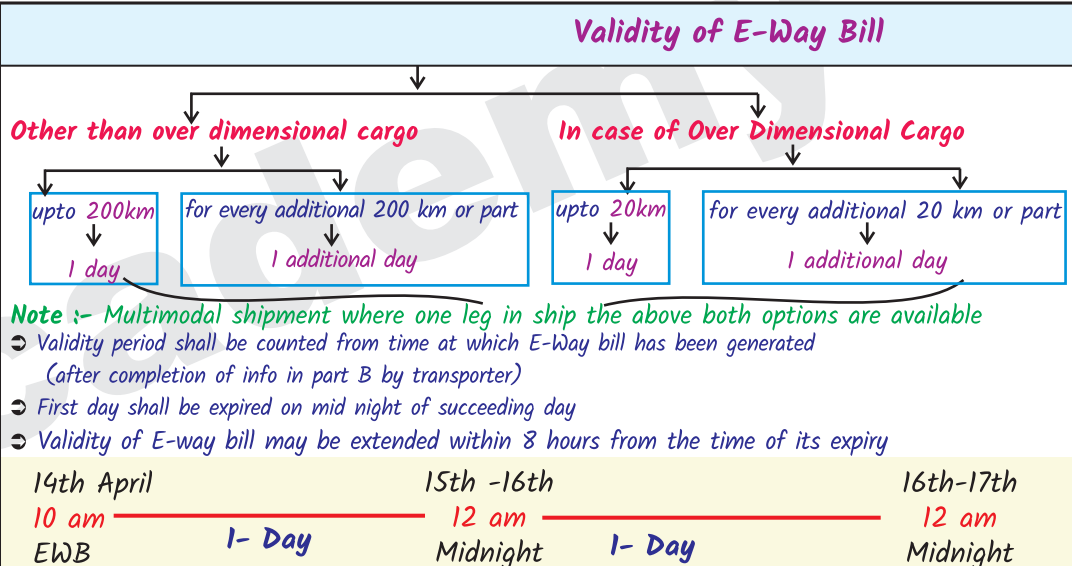


Details in E-Way Bill

| Part A | |
|---|---------------------------------|
| 1) GSTIN of Supplier | 2) Place of Dispatch (Pin Code) |
| 3) GSTIN of Recipient | 4) Place of Delivery (Pin Code) |
| 5) Document no. (as given in Invoice/Bill of supply etc) | |
| 6) Document date | 7) Value of Goods |
| 8) HSN Code [upto Scr-2digit Above Scr-4 digit] | |
| 9) Reason for Transportation | |
| Part B | |
| 1) Vehicle Number for Road | |
| 2) Transport Document No (Goods receipt, No/Railway Receipt, No. /etc.) | |



Think GST Think Vishal sir



Non-Requirement of E-Way Bill

- Transportation of Non Taxable Goods
- Jewellery/ precious stone
- Currency
- Postal, Baggage
- Personal effect
- Empty cargo container
- Transported by non-motorised vehicles
- Movement of goods under-ministry of defense
- Supply under Schedule-III
- Supply under Custom supervision
- Transport of exempt goods (except de-oiled cake) etc.

Determination of Value

Mandatory generation of E-Way bill if Value exceeds ₹ 50,000

→ Determined as per Section 15

→ Declared in invoice/ Bill of Supply/ Delivery Challan

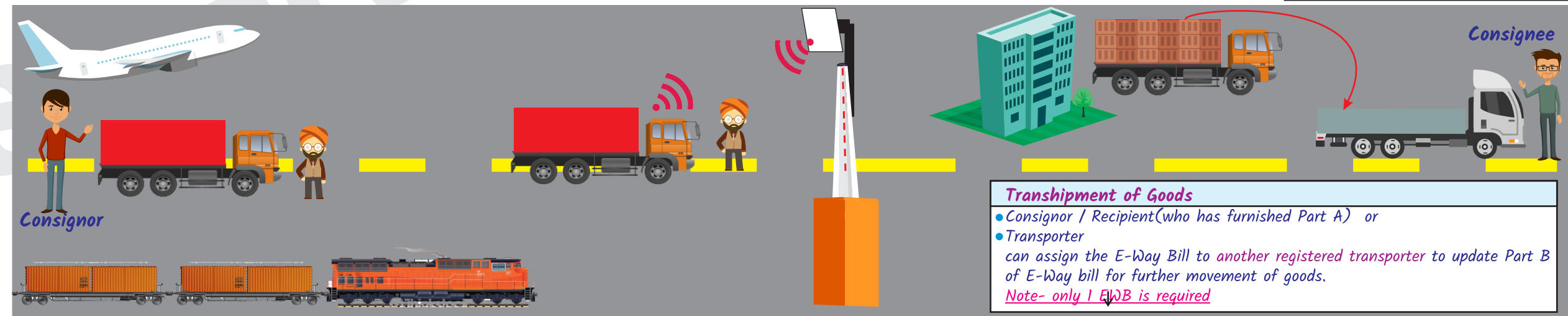
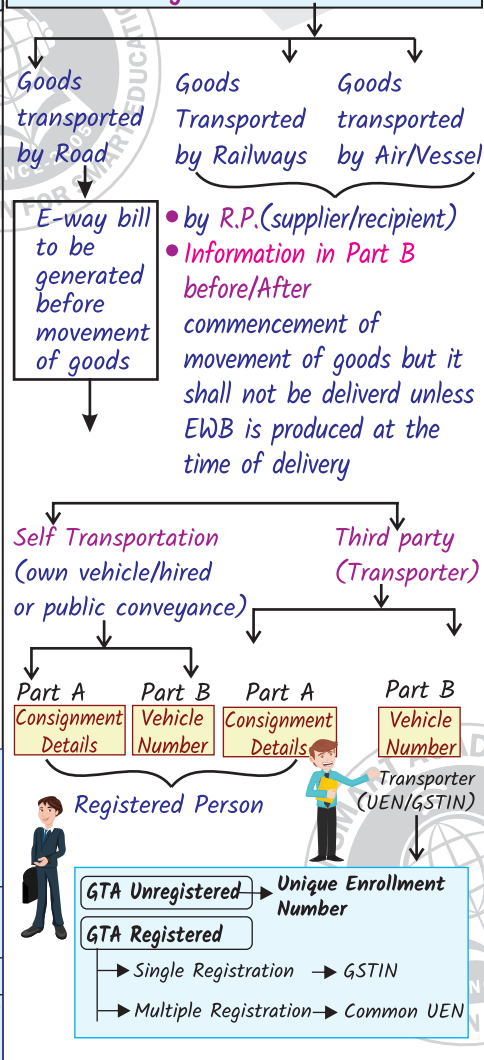
→ Issued in respect of said consignment

| Includes | Excludes |
|--|---------------------------------|
| CGST SGST/ UTGST IGST Cess | Value of Exempt Supply of goods |

| | |
|--|-----|
| Value (as per sec 15) declared (in invoice/ BOS/ DC) | XXX |
| + GST including cess | XXX |
| If amount > SOR | XXX |

Exclude: value of exempt goods (in case of invoice cum BOS)

When E-Way Bill is required to be generated?



Transshipment of Goods

- Consignor / Recipient (who has furnished Part A) or Transporter can assign the E-Way Bill to another registered transporter to update Part B of E-Way bill for further movement of goods.
- Note- only 1 EWB is required

Documents to be carried by PIC

The person in charge of a conveyance shall carry—

(a) the invoice or bill of supply or delivery challan, Bill of Entry etc. and

(b) a copy of the e-way bill in physical form or EWB no. in electronic form or mapped to a RFI Device embedded on to the conveyance

Not Applicable :- for movement of goods by rail or by air or vessel.

Inspection of E-Way Bill

Rights of Commissioner

- Right to intercept any conveyance verify E-way bill
- Right to install Radio Frequency Identification device reader Right to physical
- Verification of conveyance

Rights of person

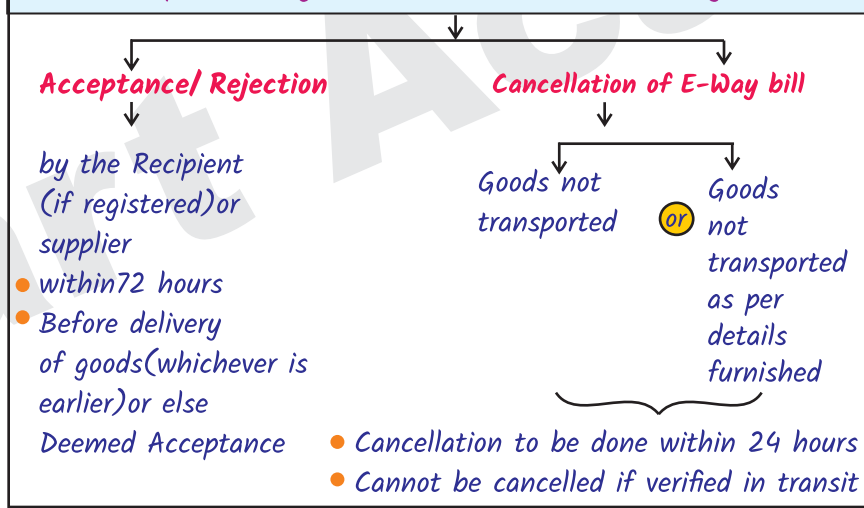
If vehicle detained for more than 30 mins transporter may upload the information in Form GST EWB-04 on common portal

Summary Report & final Report - to be recorded online in Form GST EWB-03

Part A (summary) - within 24 hrs of inspection

Part B (Final) - within 3 days of inspection [Extension available for further 3 days]

Acceptance/Rejection/cancellation of E-Way Bill



Non Compliance of E-Way Bill

Sec 122 Taxable person Transporting the goods liable to penalty of ₹ 10,000 or Tax evaded (whichever is higher)

Sec 129 Confiscation of Goods & conveyance

Rule 138E: Restriction on furnishing information in Part A of EWB-01

No person shall be allowed to furnish information in Part A in respect of any outward-----

(a) Being composition registered person, has not furnished CHPOS for 2 consecutive quarters.

(b) Being person other than (a) has not furnished returns for a consecutive period of 2 tax periods

(c) Being person other than (a) has not furnished GSTR1 for any two months/ Quarters

(d) Being a person whose registration has been suspended under rule 21A (1)/ (3)/ (2A)

proviso: commissioner on receipt of ----- from RP in EWB 05, on sufficient cause being shown, order in EWB 06, allow furnishing of information in part A of EWB or reject the request after providing OBH