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STD: \_\_\_\_\_ DIV: \_\_\_\_\_ ROLL NO.: \_\_\_\_\_

YOUVA

SUBJECT: GST: Brainmapping book

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### INTRODUCTION: PRE-GST

- VAT:** Sale of goods within state [intrastate] - SG
- CST:** - Sale of goods from one state to another [interstate]
  - Levied by CG
  - Collected by SG
- Custom duty:** Sale of goods outside country - CG [buy goods from other country]
- Excise duty:** (a) Central Excise duty - manufacturing of goods - CG
  - (b) State Excise duty - manufacturing of alcoholic liquor for human consumption - SG
- Entertainment Tax:** (a) Local Authority (LA)
  - (b) State Government - SG
- Service Tax:** Tax on services - CG

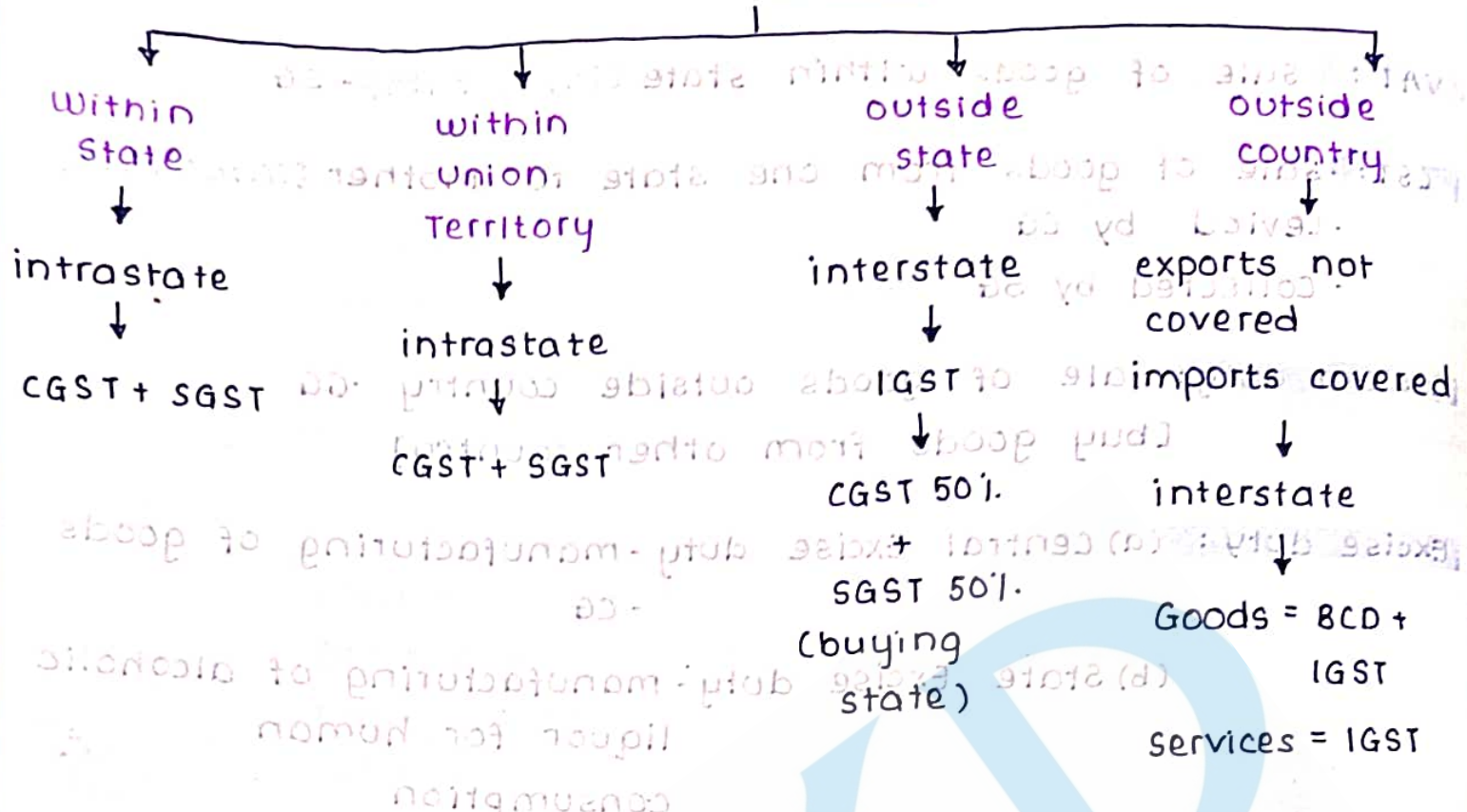
### ENTERTAINMENT TAX

Earlier: LA / Panchayat + State ET

Now: LA / Panchayat + EGST

↳ Because Entertainment Tax levied by State Government has been subsumed.

# DUAL TAX!



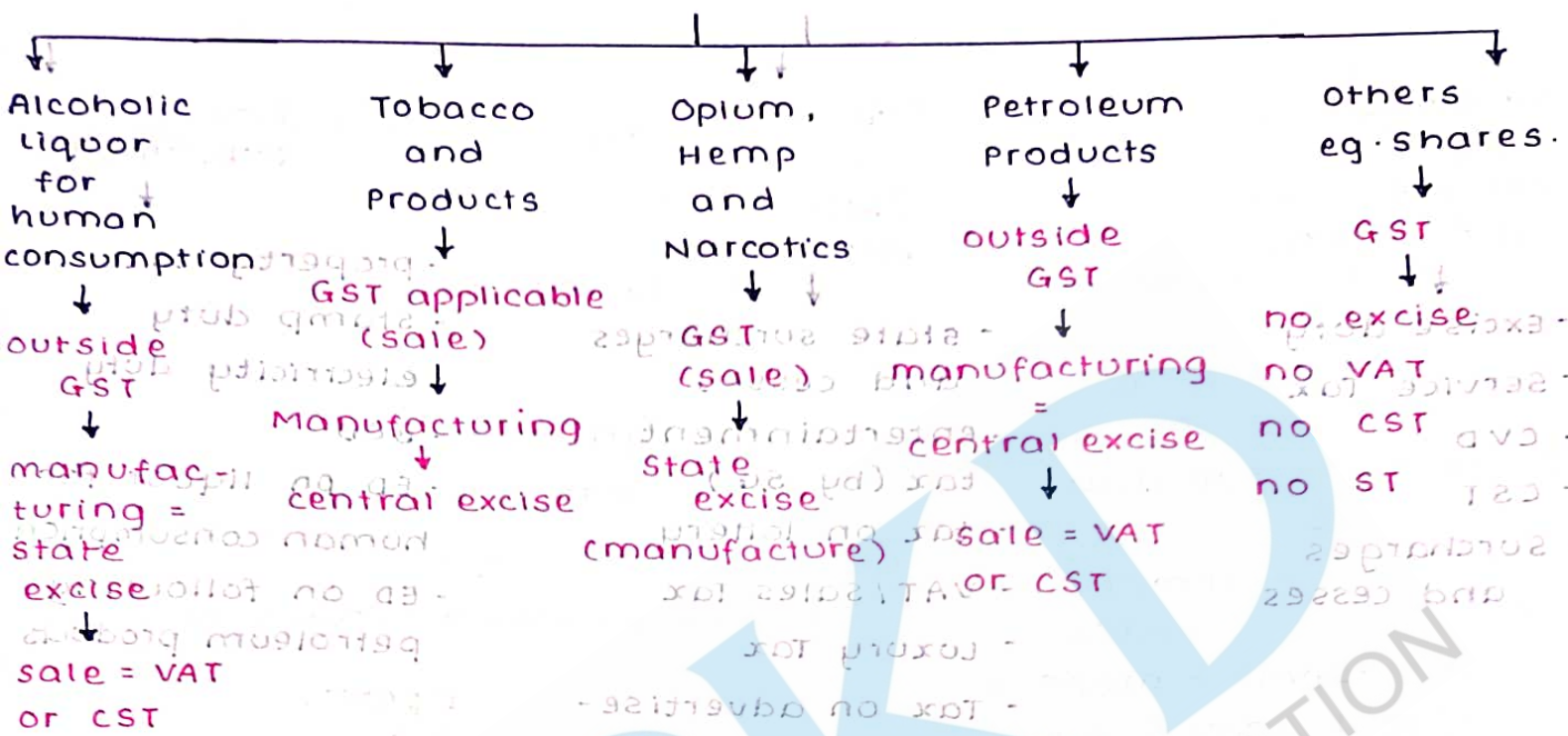
- \* CGST = central Goods and Services Tax
- \* SGST = state Goods and Services Tax
- \* IGST = Integrated services and Goods and services Tax
- \* BCD = Basic custom Duty.
- \* Rate of IGST = Rate of CGST + Rate of SGST



BEST FOR TAXATION

Government has been assumed because Entertainment tax levied by state.

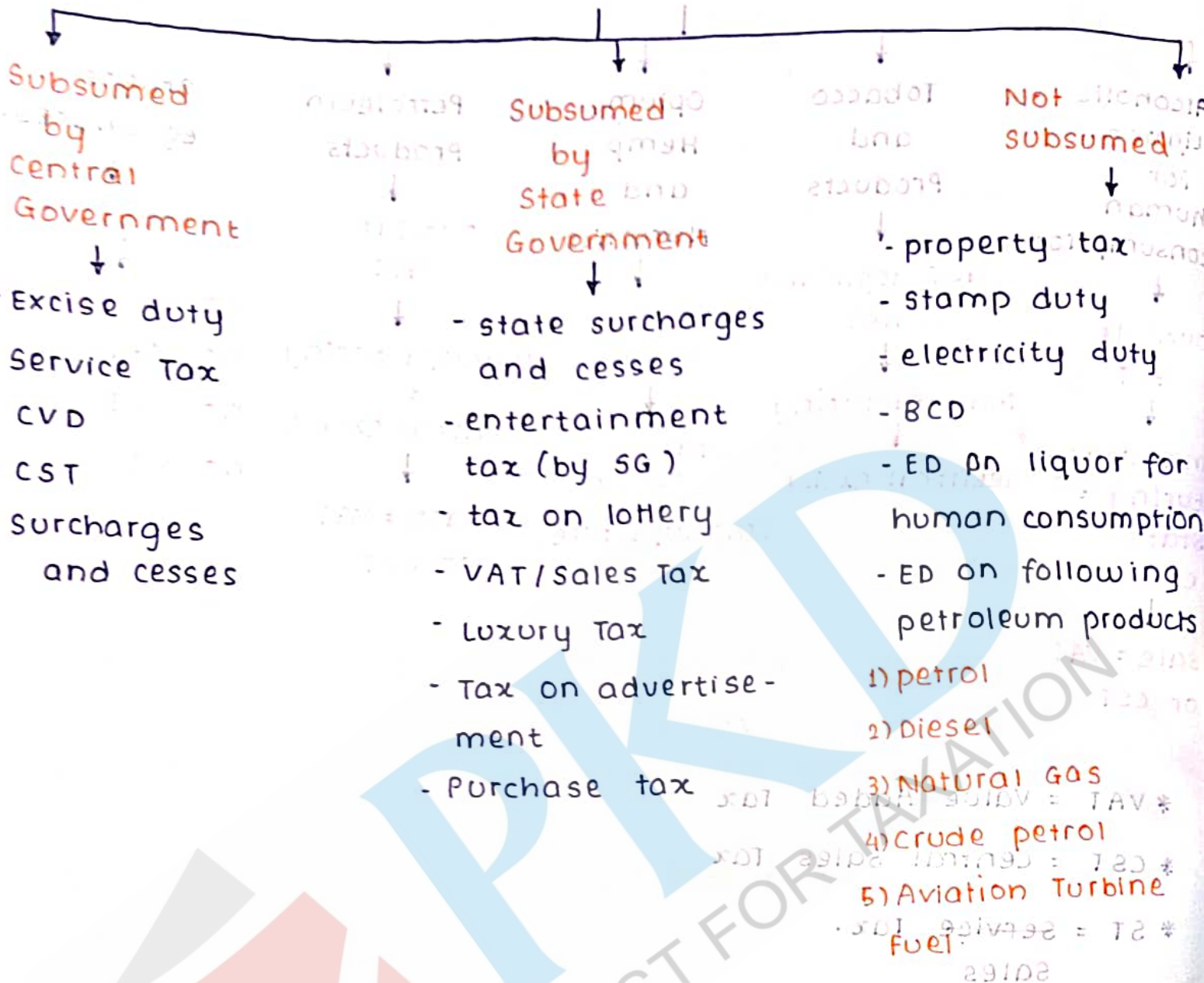
**GOODS**



- \* VAT = Value Added Tax
- \* CST = central Sales Tax
- \* ST = Service Tax - Sales

BEST FOR TAXATION

TAXES



\* CVD - counter-vailing Duty.

\* ED - Excise duty.

# INDIA

28 states + 3 Union Territories

8 Union Territories

5 with legislature

5 Union Territories

- a) Delhi
- b) Pondicherry
- c) Jammu and Kashmir

UTGST Act ✓

Without legislature

31 states → various SGST Acts

a) Andaman & Nicobar Islands

b) Dadra & Nagar Haveli and Daman & Diu

c) Lakshadweep islands

d) Chandigarh

e) Ladakh

11 special category states

## ACTS IN GST

↳ various SGST Acts [31 states]

↳ 1 UTGST Act [all UTs]

↳ 1 CGST Act [whole of India]

↳ 1 IGST Act [whole of India]

GST is a destination based tax which helps in free flow of Input Tax Credit (ITC).

> Pre-GST:

Motabhai (Maharashtra)

Sold goods to Radhe

Sale	100
(+) CST 2%	<u>2</u>
	102

Radhe (Gujarat)

Purchased goods from M. Bhai

Purchase	100
(+) CST 2%	<u>2</u>
	102

Sale	200	} Sale within Gujarat
(+) VAT 10%	<u>20</u>	
	220	

→ Gujarat Government cannot give set off of ₹2 (CST) as ₹2 goes to Maharashtra State Government

> In GST:

Motabhai (Maharashtra)

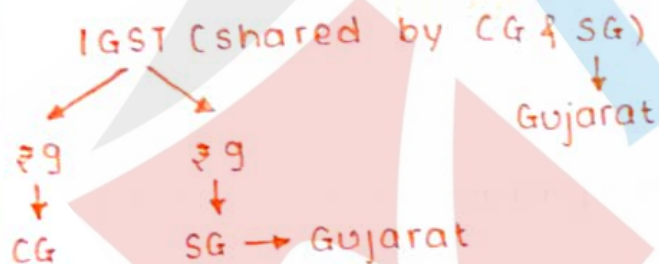
Sale	100
(+) IGST 18%	<u>18</u>
	118

Radhe (Gujarat)

Purchase	100
(+) IGST 18%	<u>18</u>
	118

Sale within Gujarat

sale	200
(+) CGST 9%	18
(+) SGST 9%	<u>18</u>
	236



Tax liability: Output Tax

less: Input Tax

Tax payable

IGST	CGST	SGST
-	18	18
-	9	9
<u>0</u>	<u>9</u>	<u>9</u>



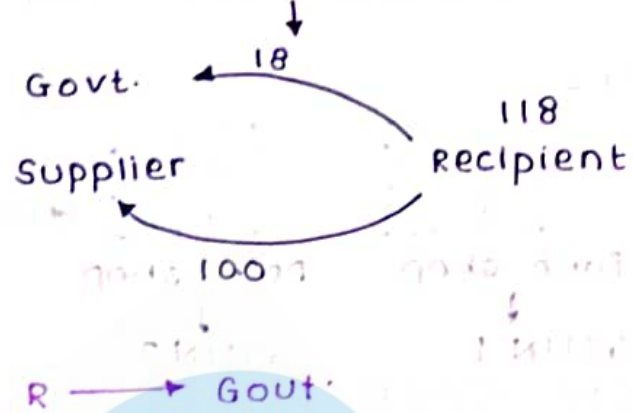
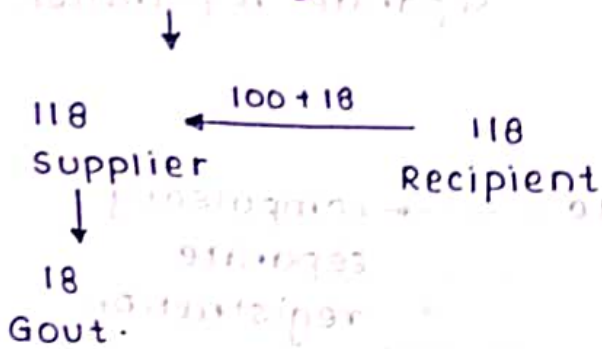
\* Concept of RCM and FCM \*

FCM

RCM

(Forward Charge Mechanism)

(Reverse Charge Mechanism)



R → S → Govt

R → Govt

\* Input tax = tax on purchases in that month.

\* Output tax = tax on sales in that month.

\* Liability = Output tax - Input tax

Trader

Purchases

Sales

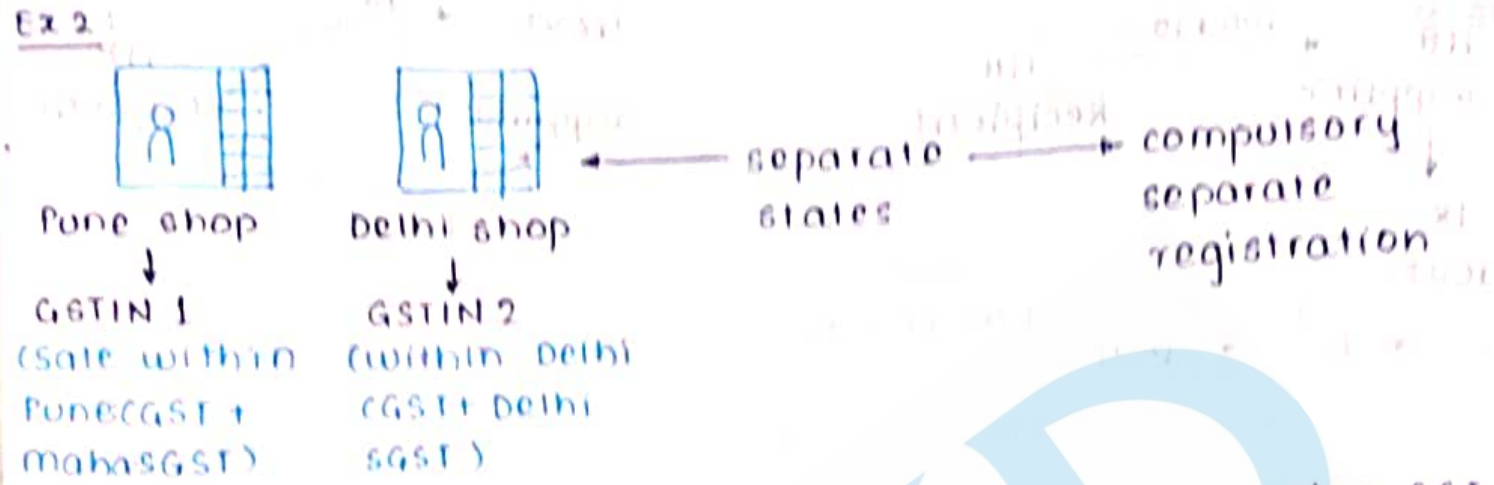
Product A	100	18	} 36
B	200	18	
C	100	10	

Product B	250	22	} 37
C	150	15	

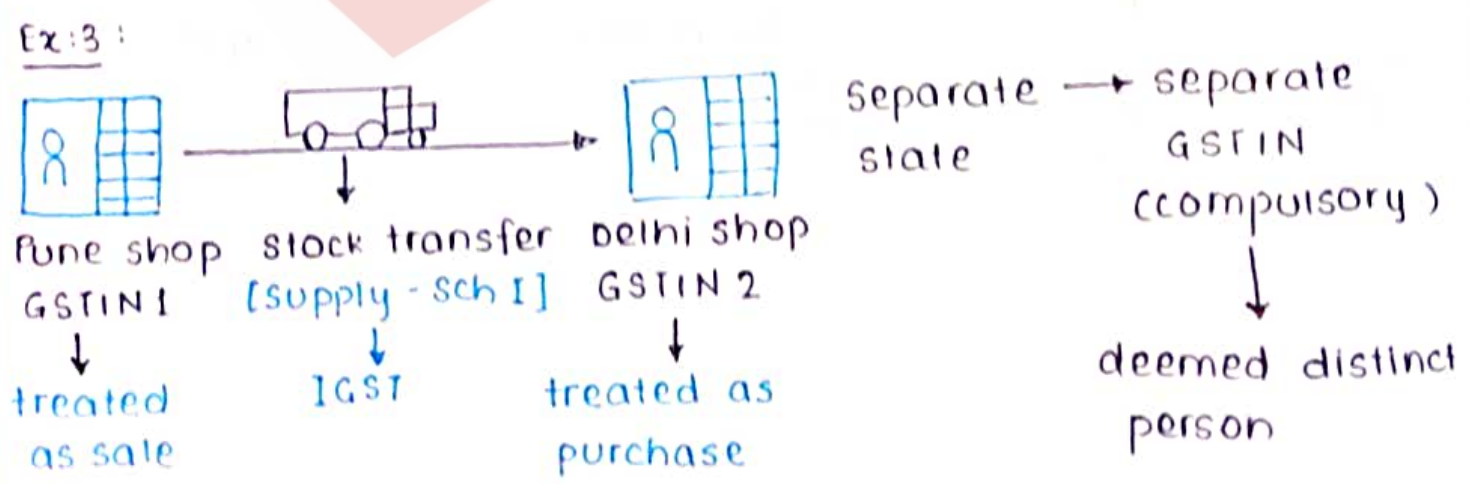
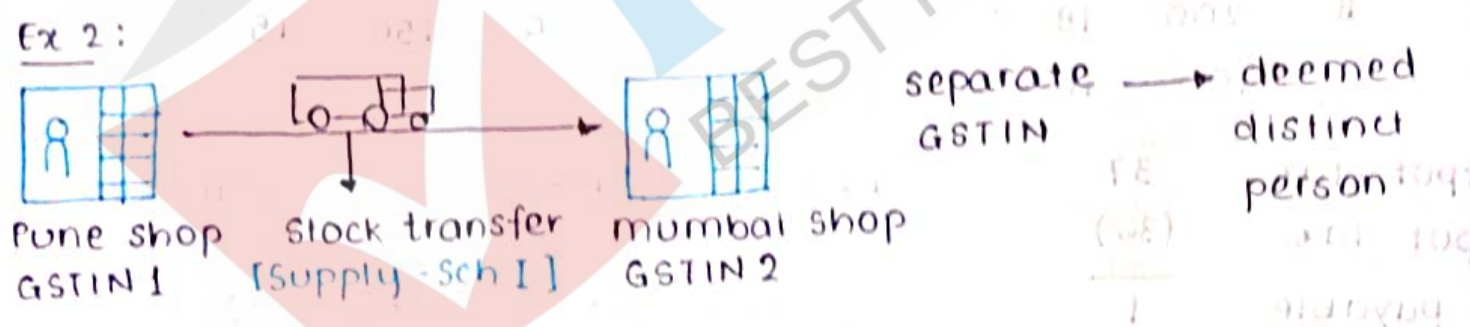
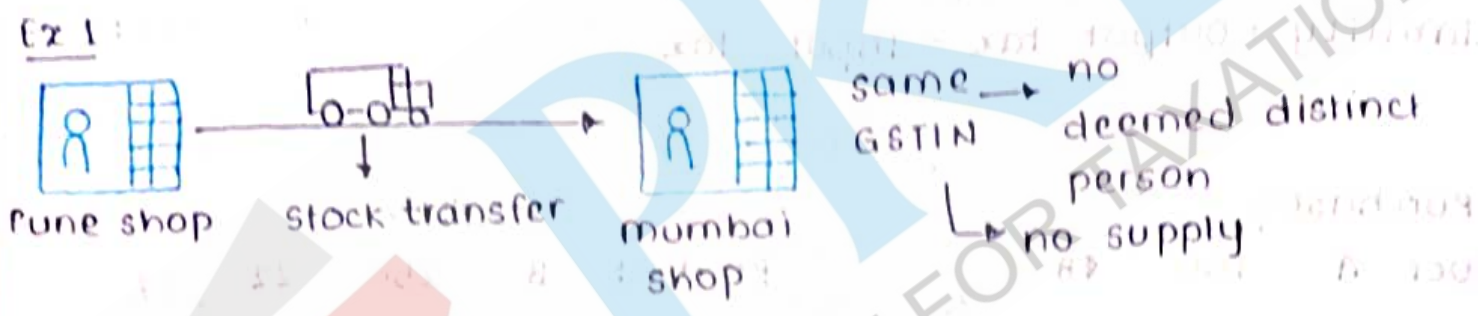
Output tax	37
(-) Input tax	(36)
Tax payable	1

\*\*\* ITC of Product A is available in the month of purchase even though product is still in stock.

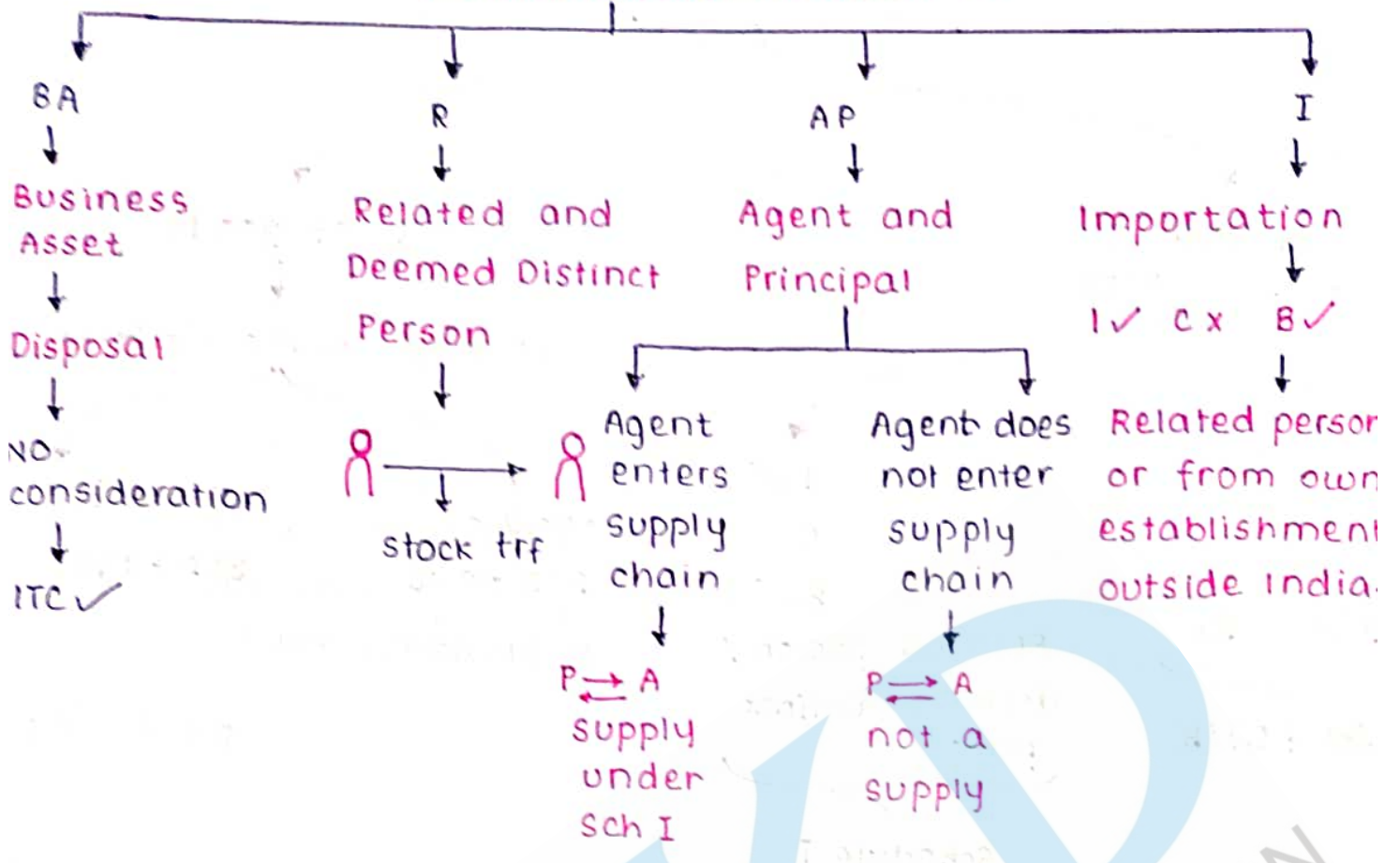
**Sec 25 REGISTRATION**



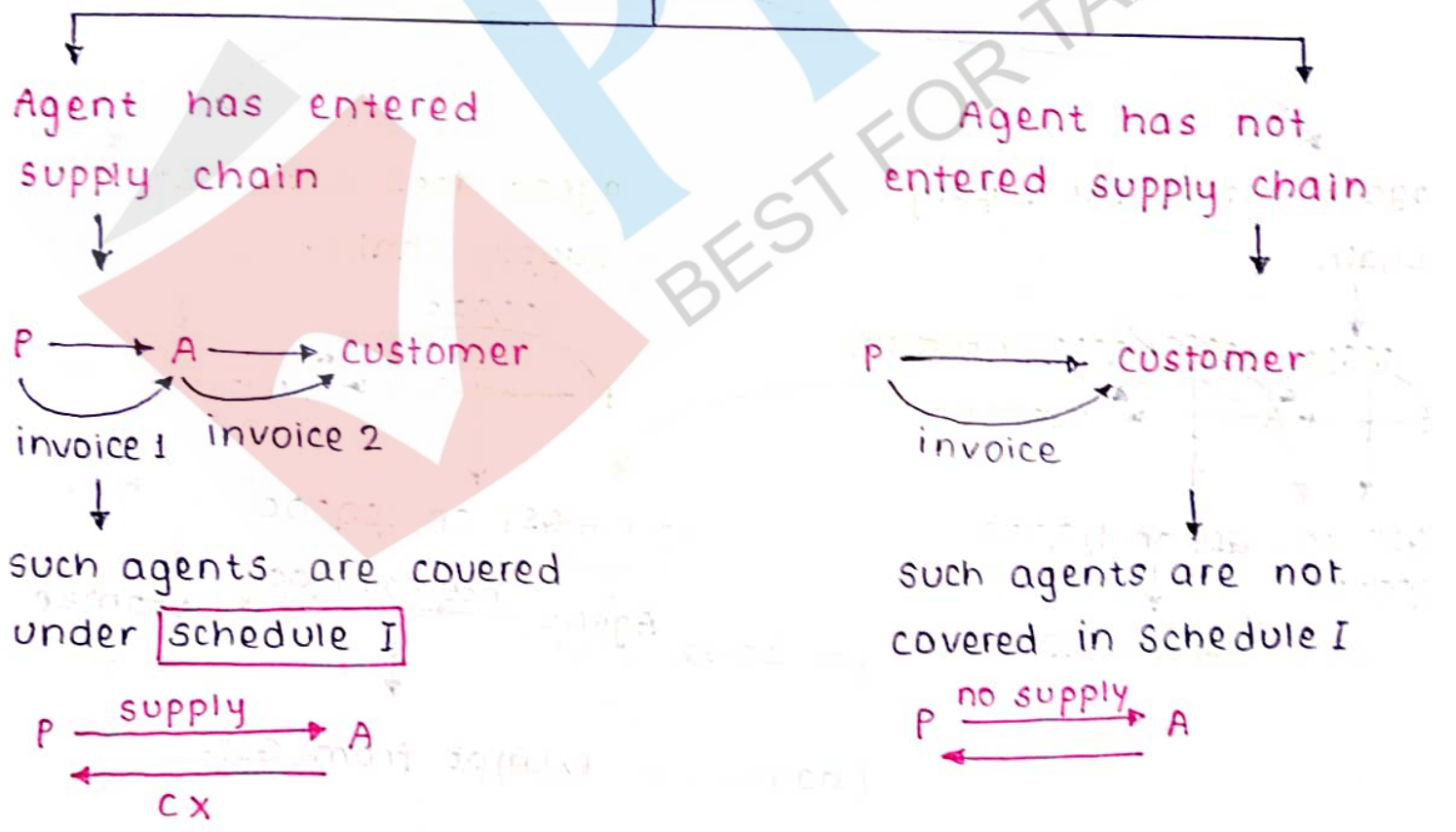
\* If PAN is same, but separate registration under GST  
 ↳ deemed distinct person



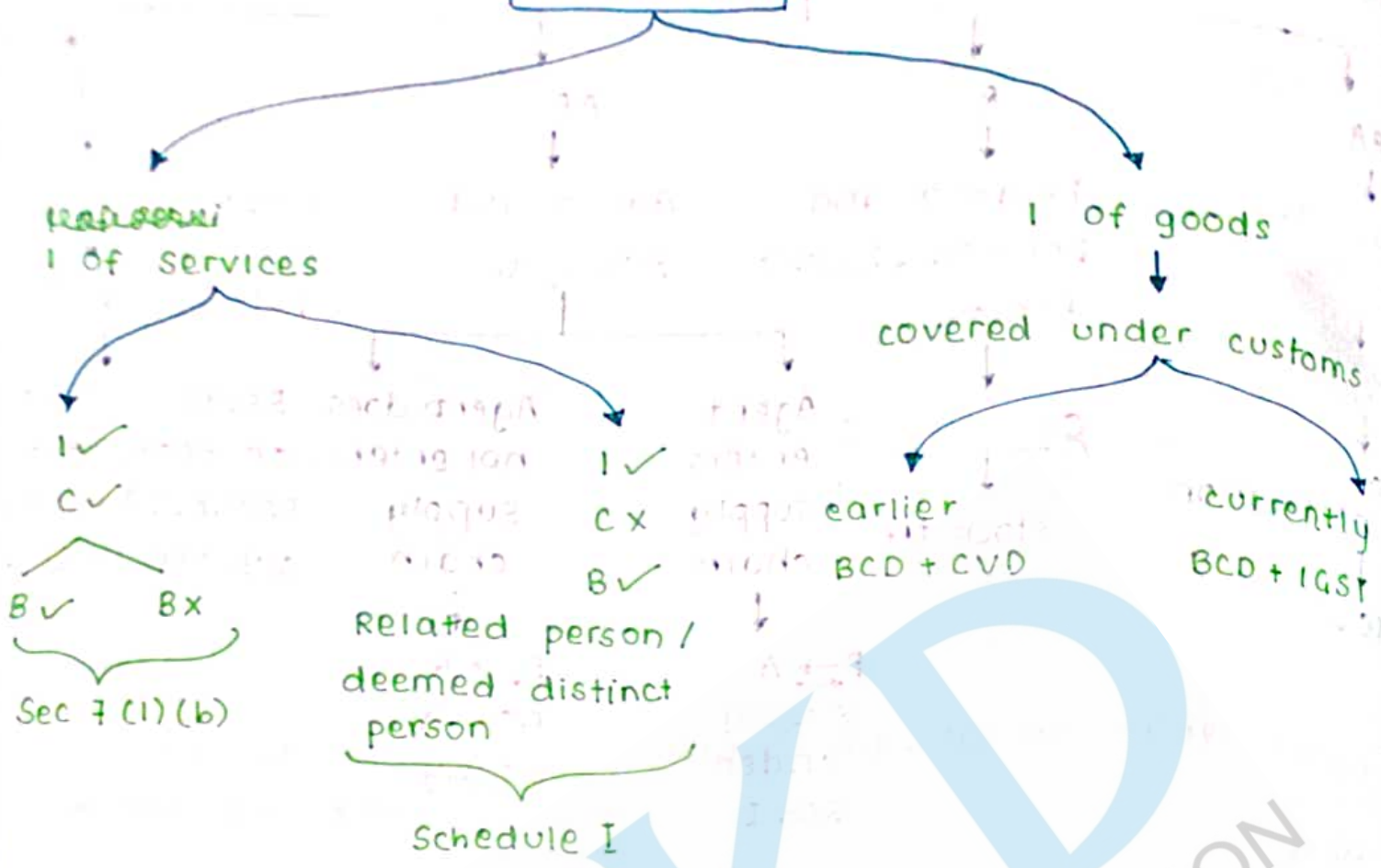
**SCHEDULE I BAR AP I**



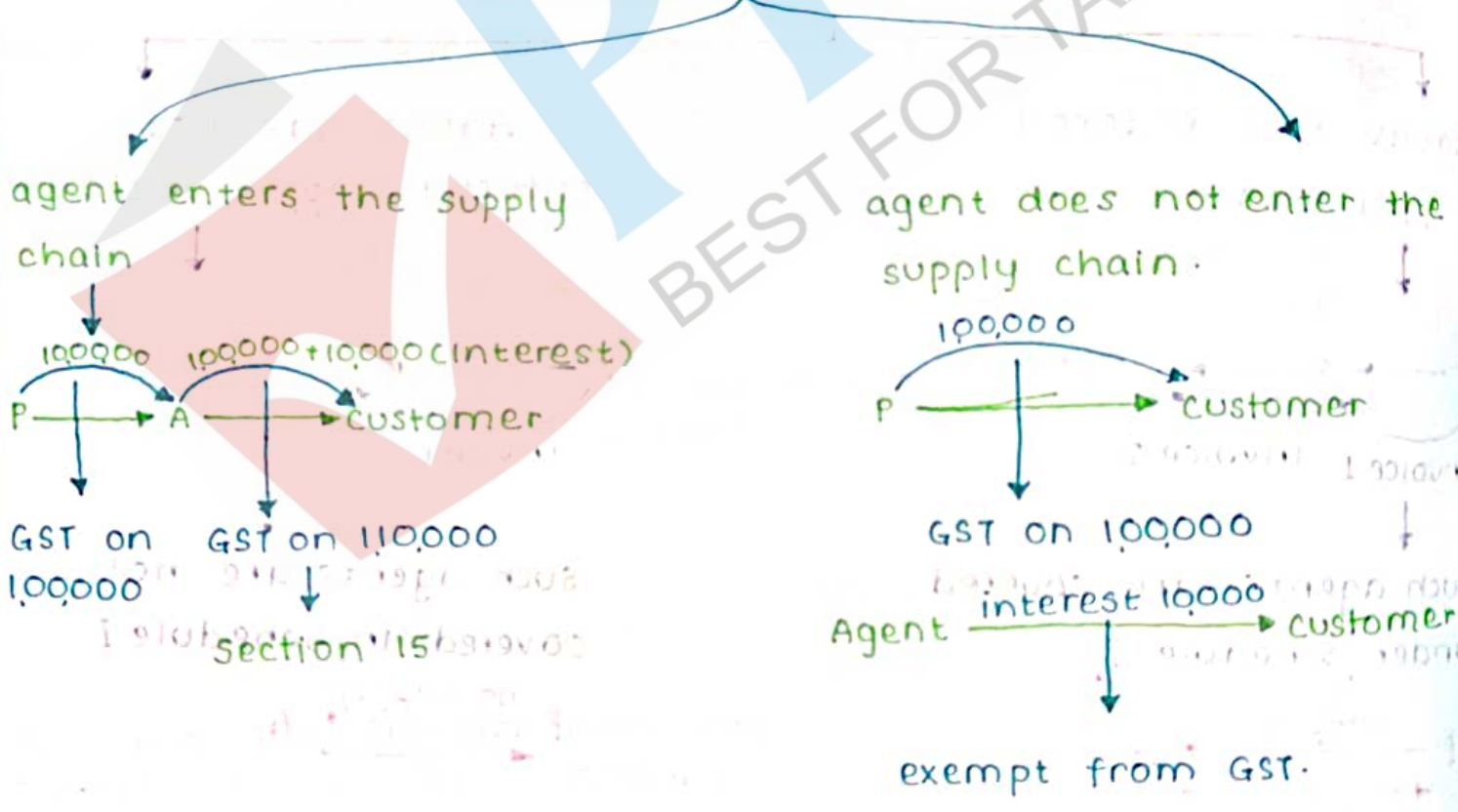
**AP : AGENT & PRINCIPAL →**



# IMPORTATION



## DCA: DEL CREDERE AGENT



**IMMOVABLE PROPERTY**

Land - no GST

Building / House Property

before deadline

after deadline

some consideration / part consideration - supply of S under schedule II

full consideration after deadline - not a supply ∴ schedule III

\* Deadline =

**ACTIONABLE CLAIMS**

covered under description of goods

Actionable claims other than lottery and gambling

lottery and gambling

not a supply

Schedule III

Ex: unsecured loan, debt

Earlier

Taxes levied by state  
[Now subsumed]

Now

Taxable under GST



**ACTIONABLE**

**EMPLOYER & EMPLOYEE**

In the course of employment

Salary: Sch III

Not a supply

No GST

Ex: Gratuity, leave salary, pension, premature, termination, VRS

Not in the course of employment

↳ non compete fees

↳ assignment for sister concern

↳ services provided on contract basis

not covered under schedule III

supply ✓

GST ✓

Treated as related person

Schedule I (Gift)

upto 50000

above 50000

no GST

entire amount taxable

**PKD**  
BEST FOR TAXATION

Now

Taxable under GST

Earlier

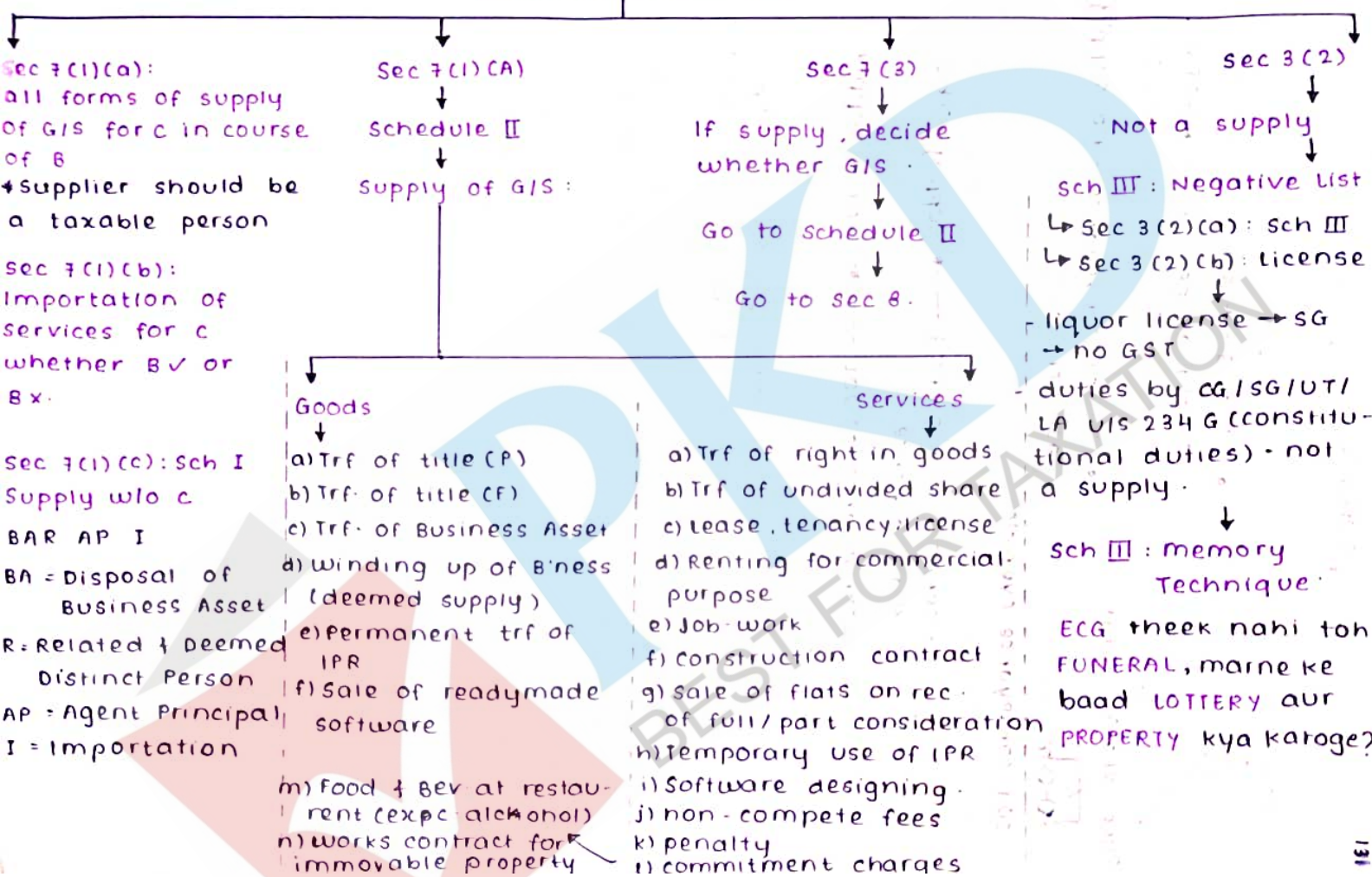
Taxable under GST

Schedule III

is covered under

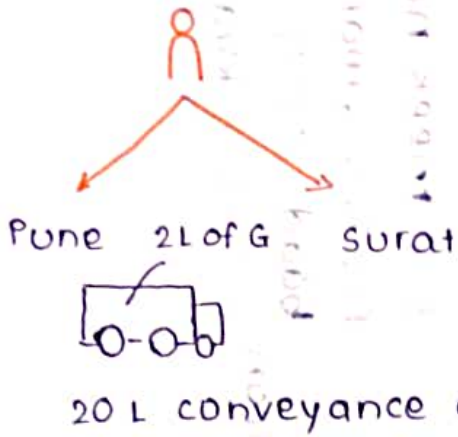
Gift

**SEC 7: CGST ACT**



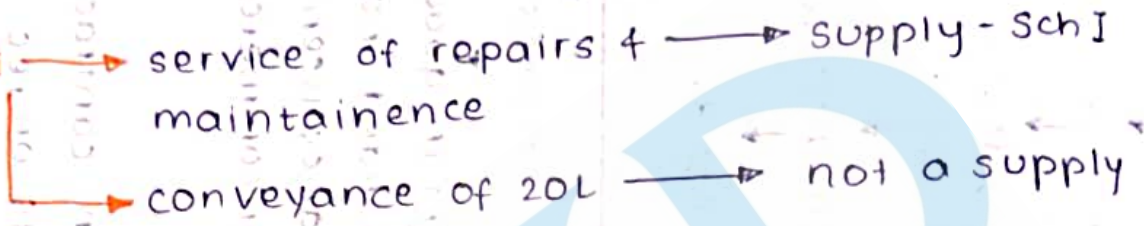
**CLARIFICATIONS**

1) motabhai



- 2 L of G → Sch I supply as per Sch I → GST v cx, deemed distinct person
- 20 L of conveyance - no supply as per clarification

2) motabhai



\* The conveyance carrying goods / passengers / repairs and maintenance → not treated as supply → ∴ no GST

BEST FOR TAXATION



SECTION 8

Supply is a combination of G and S with different rates

Sec 8a

composite supply

↳ Natural bundle

↳ Identify a) Principal supply

b) Incidental supply.

↳ The rate of the principal supply will apply to the bundle

eg: Air ticket → flight cost + food cost

Sec 8b

mixed supply

↳ Not a natural bundle.

↳ individual supplies are independent

↳ Highest rate of GST is applicable to the mixed bundle.

↳ ex: Shirt @ 5% GST

+ Tie @ 18% GST

Rate applicable = 18%

↳ single price for all goods / services.

**SCHEDULE III** - Not a supply.

Neither supply of G nor supply of S

Memory technique: ECG theek nahi toh Funeral, marne ke baad mein lottery aur property ka kya karoge.

E - Employer & Employee - in the course of employment.

C - court fees

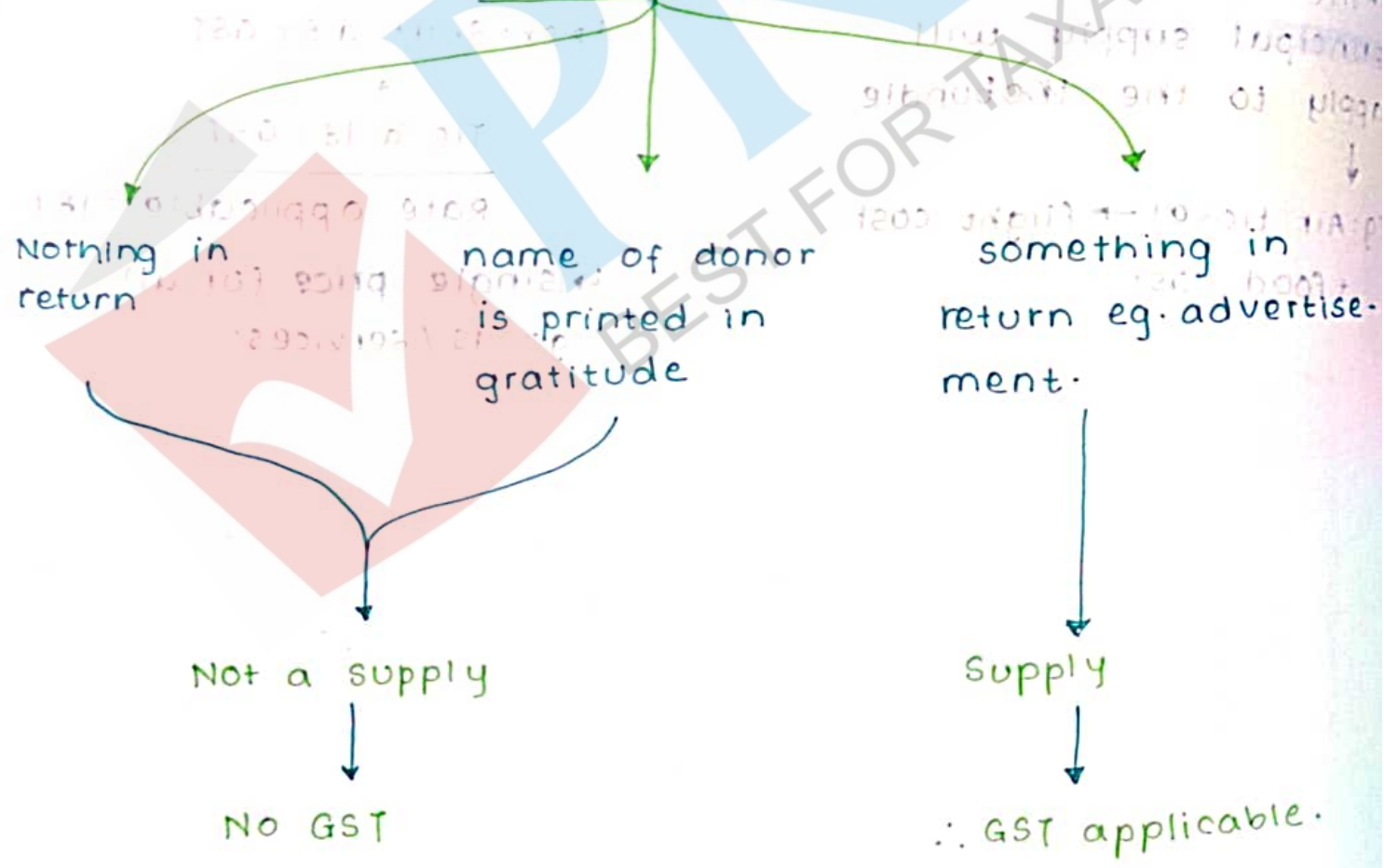
G - Government fees.

Funeral - burial, mortuary fees.

Property - Immovable property [full consideration after completion.

Lottery:- Actionable claims other than lottery and gambling (which are liable for GST)

**DONATION TO TRUST**



**CHARGE OF GST**

**BASICS**

Goods: moving movable property - money - securities  
 + actionable claim + crops covered before sale

Services: Everything other than Goods - money - securities  
 + additional charges for transactions in money +  
 additional charges for facility of handling -  
 securities.

Ex: 1 shares sold → no GST · shares · not G · not S → no GST  
 & securities

Service of handling shares → services → GST

example: Brokerage.

Ex: 2 Bank loan

↳ money - transaction - no GST  
 50,00,000 in money

Gx Sx  
 ↳ processing fees - 50,000 [service] → GST  
 (additional charges)

↳ Interest - exempt service - no GST

Ex: 3 1150 → Bank

↳ 1000 → DD → transaction in money → no GST

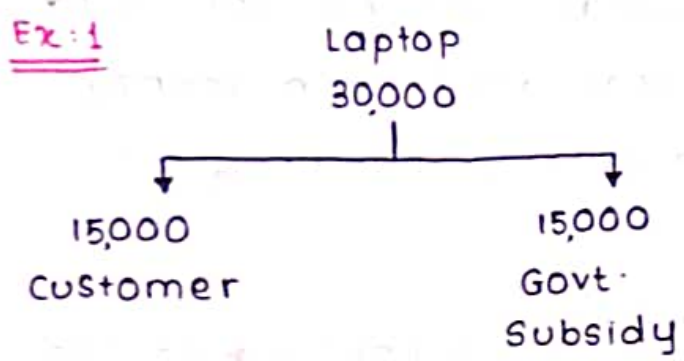
↳ 150 → Bank charges → additional charges → GST

Ex: 4 10,00,000 → us \$

↳ conversion of Indian → transaction → no GST  
 into foreign currency in money

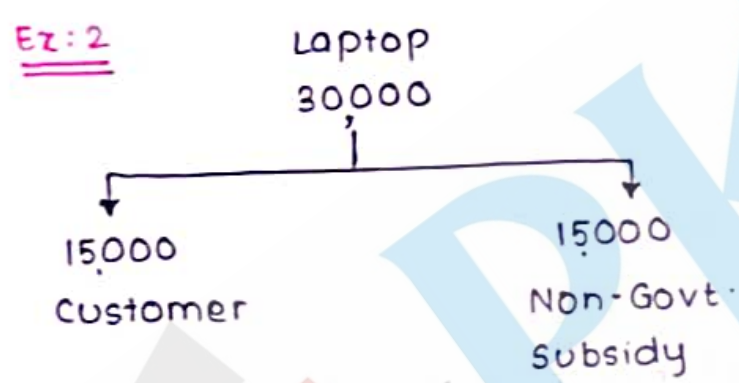
↳ commission for → additional → service  
 conversion charges GST ✓

consideration : monetary (+) non-monetary (+) inducement (-) depo  
(+) if deposit is adjusted against consideration  
(-) subsidy by Government (+) subsidy by Non-Government



consideration = 15,000

∴ GST on 15,000



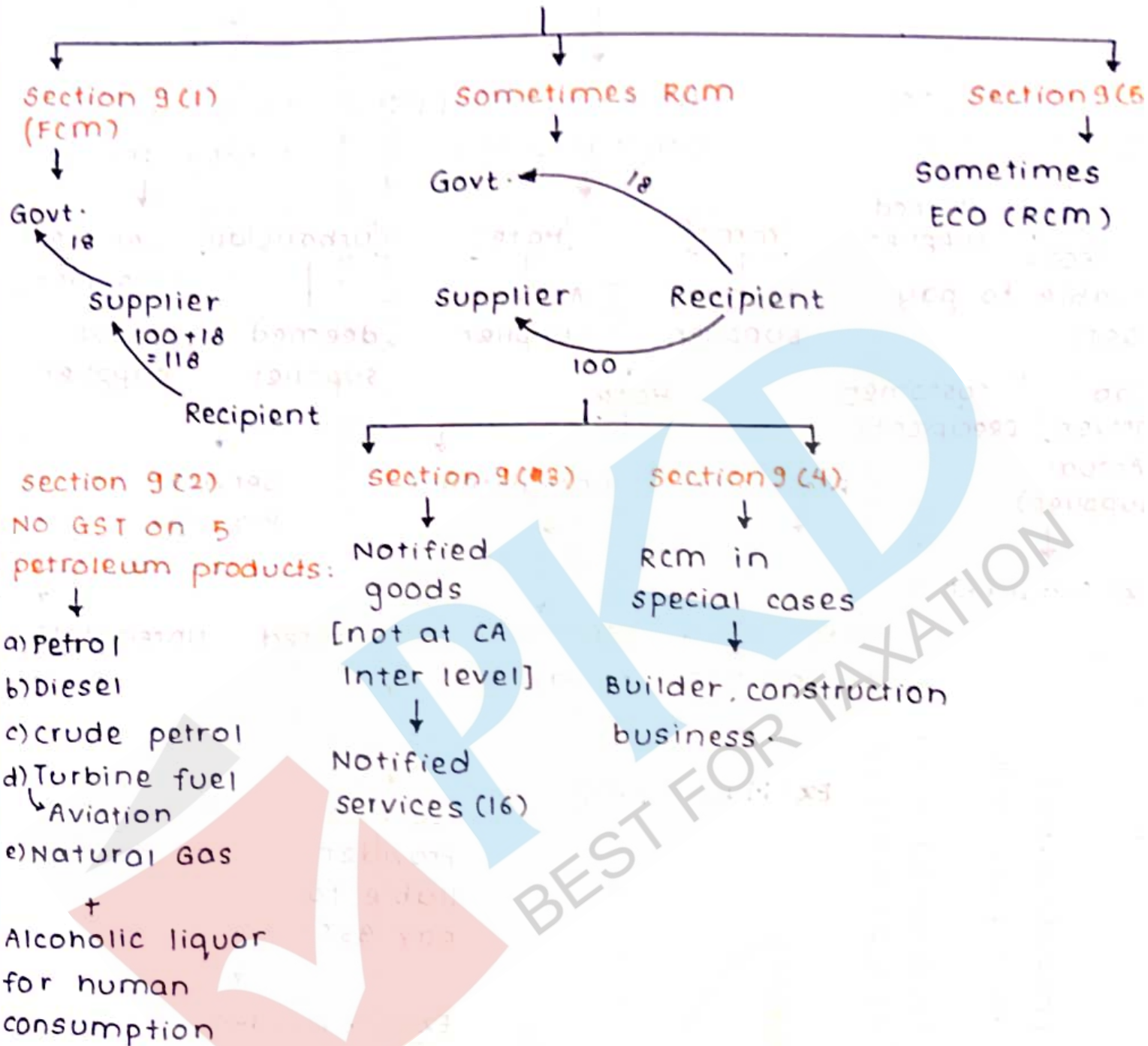
consideration = 30,000

∴ GST on 30,000

BEST FOR TAXATION

levy → intra-state sale

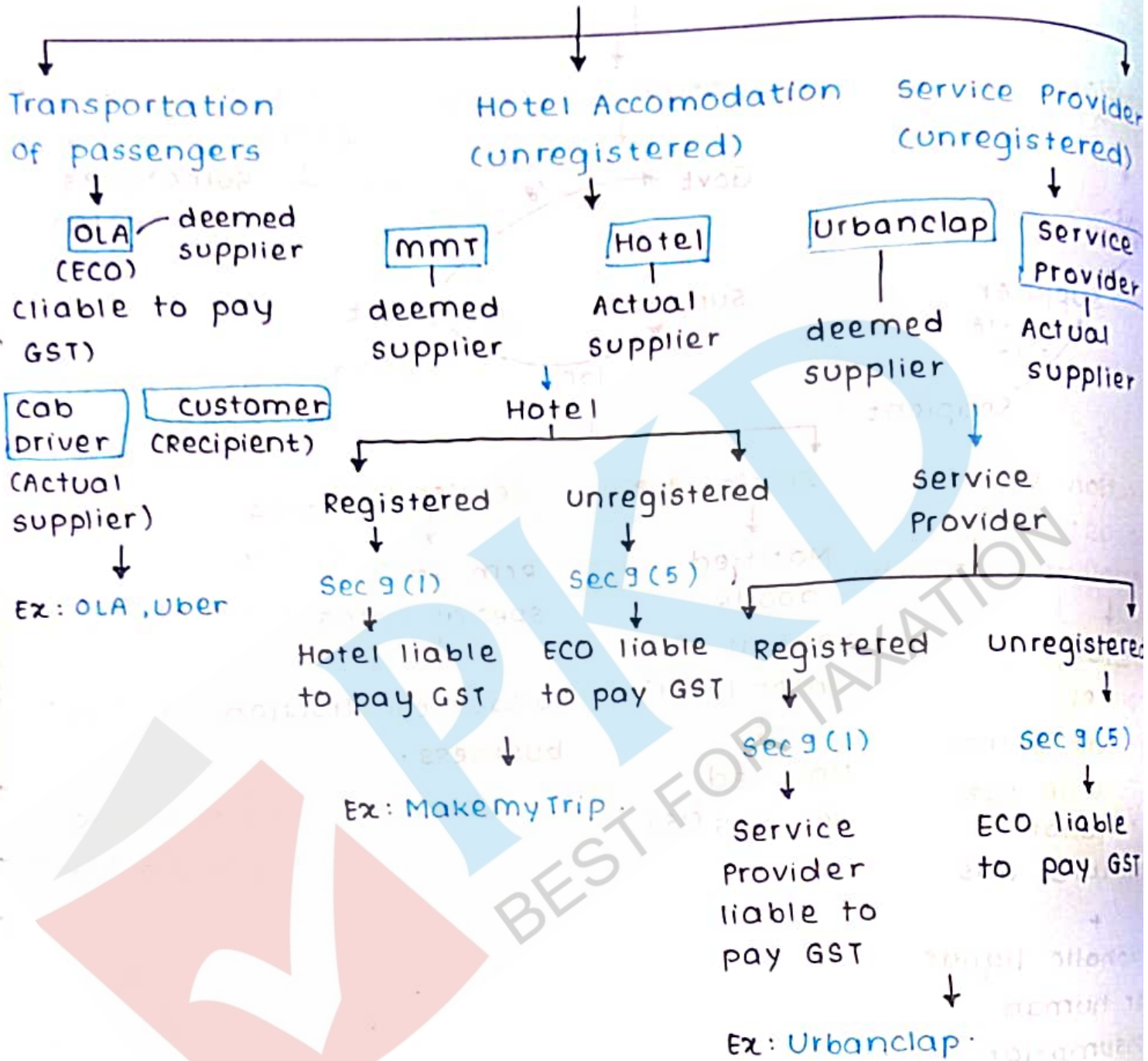
collection → by taxable person (Registered under GST)



- \* FCM = Forward charge mechanism
- \* RCM = Reverse charge mechanism
- \* ECO = E-Commerce Operator.

**ECO : E-Commerce Operator**

For Notified services given u/s 9(5), ECO shall pay GST to Government [3 notified services]



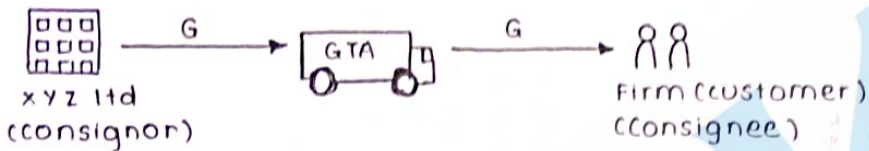
**GTA Services**

**Who is GTA?** → Transport of Goods by Road + consignment Note **GTA (rates of Tax)**

- ① Supplier  
Paying GST @ 5%  
[2.5% + 2.5%]
- ② Recipient  
specified Recipient
- ③ Nature of service  
GTA

GST @ 12% → claim ITC (FCM)  
GST @ 5% → No ITC (RCM)

**Who is recipient?** → (person who pays freight)



- a) Freight - customer → consignee = recipient
- b) Freight - XYZ Ltd → consignor = recipient

**Who is specified recipient?**

- a) Factory
- Society
- Firm - LLP
- Body corporate
- co-operative Society
- CTP - casual Taxable Person

may / may not be registered

- b) Individual
- HUF (Hindu undivided Family)

} Registered.

**Consignment Note**

- a) GTA supplier  $\xrightarrow{\text{exempt service}}$  CG / SG / UT / LA / Government Department  
[Registered only for TDS purpose]
- b) GTA supplier  $\xrightarrow{\text{exempt service}}$  Individual / HUF  
[Unregistered]

## Some Agency services covered under RCM:

1) Insurance Agents (supplier) → Insurance Co (Recipient) → RCM

2) Recovery Agents (supplier) → Bank / FI / NBFC (Recipient) → RCM

3) DSA (individual) (supplier) → Bank / FI (Recipient) → RCM

4) Business Facilitator (supplier) → Bank (recipient) → RCM

Business correspondent (supplier) → Bank → no RCM  
∴ FCM

5) Agency (supplier) → Business correspondent (recipient) → RCM

6) Supplier: any person other than Body corporate → security personnel → Person registered under GST (recipient) → RCM

\* FI - Financial Institution

\* NBFC - Non-Banking Finance Corporation

\* DSA - Direct selling Agent



COMPOSITION SCHEME FOR

GOODS & SERVICES

- ↳ ATO (last year) < 1.5 cr / 75 L
- ↳ Rates: Trader : 1% of TO  
mfg : 1% of TO  
Resto service : 5% of TO
- ↳ ITC x
- ↳ cannot collect GST-recipient
- ↳ cannot issue tax invoice
- ↳ issue Bill of supply (BOS)
- ↳ Person buying from composition supplier cannot claim ITC
- ↳ Interstate : Inward ✓ } during supply      Outward x } the yr.
- ↳ sale through ECO x
- ↳ only restaurant services  
\* marginal services : ~~10%~~ upto 10% of TO in state OR 5 L ↑
- ↳ Branch 1 } **scheme to be applied**  
Branch 2 } **uniformly across**  
Branch 3 } **PAN**
- ↳ cannot supply non-taxable goods
- ↳ cannot manufacture notified goods : ice-cream, edible ice, pan masala, tobacco & products
- ↳ Supplier cannot be NRTP/CTP
- ↳ CY: TO = 1.5 cr → upto 1.5 crore : composition - ITC x  
↳ above 1.5 cr - normal + ITC ✓
- ↳ RCM tax u/s 9(3) & 9(4) to be paid at normal rates.

- ↳ ATO (last year) < ~~100000~~ 50 L
- ↳ Rate : 6% [CGST 3% + SGST 3%]
- ↳ ITC x
- ↳ cannot collect GST-recipient
- ↳ cannot issue tax invoice.
- ↳ issue Bill of supply (BOS)
- ↳ Person buying from composition supplier cannot claim ITC.
- ↳ Interstate : Inward ✓ } during supply      Outward x } the yr.
- ↳ sale through ECO
- ↳ RCM taxes on inward supply u/s 9(3) and 9(4) to be paid at normal rates.
- ↳ Branch 1 } **either all in comp**  
Branch 2 } **scheme OR none.**  
Branch 3 } **[uniform applicat?]**
- ↳ cannot supply non-taxable goods
- ↳ cannot supply notified goods : ice-cream, edible ice, pan masala, tobacco & products.
- ↳ supplier cannot be NRTP/CTP
- ↳ CY: TO = 80 L → upto 50 L - composition - ITC x  
↳ above 50 L - normal + ITC ✓

\* NRTP = Non-Resident Taxable Person  
\* CTP = casual Taxable Person.

**Notification**

↳ Interest is not to be considered while calculating ATO

a) mention words 'composition taxable person', 'not eligible to collect tax' on top of BOS  
b) mention 'composition taxable person' at place of business (signboard, notice etc)

- Advantages**
- a) simple procedure
  - b) ↓ compliance
  - c) single rate of tax
  - d) bill of supply ✓
  - e) tax invoice x
  - f) simplified returns (annual)
  - g) simpler tax calculation
  - h) tax payment - quarterly
  - i) uniform application across country

- Disadvantages**
- a) cannot claim ITC
  - b) cannot provide ITC (person buying cannot claim ITC)
  - c) ITC chain is broken
  - d) cannot collect tax from recipient
  - e) interstate supply x
  - f) No supply through ECO

Taxpayer with ATO upto 1.5 cr in that FY is eligible in cy

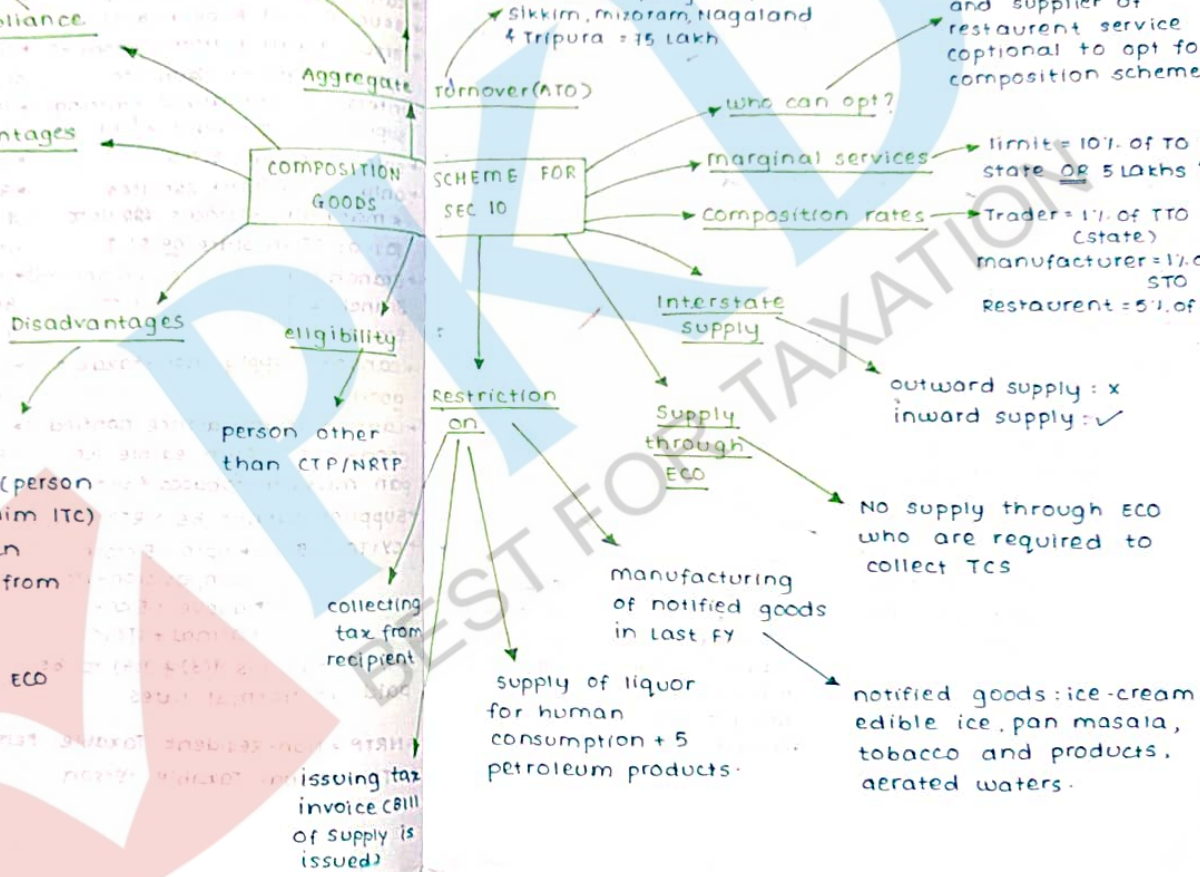
ATO limit Stated else for 3 special (JK, HP, Assam)

ATO limit for rest 8 special states: AP, Manipur, Uttarakhand, Meghalaya, Sikkim, Mizoram, Nagaland & Tripura = 75 lakh

manufacturer, trader and supplier of restaurant service optional to opt for composition scheme.

**COMPOSITION GOODS**

**SCHEME FOR SEC 10**



Aggregate Turnover (ATO)

who can opt?

marginal services

composition rates

interstate supply

supply through ECO

restriction on

manufacturing of notified goods in last FY

supply of liquor for human consumption + 5 petroleum products

No supply through ECO who are required to collect Tcs

notified goods : ice-cream, edible ice, pan masala, tobacco and products, aerated waters.

issuing tax invoice call of supply is issued

Person not a CTP/NRTP whose supply from 1st April of an FY. to the date when he becomes liable for registration is considered in ATO

Value of supply of exempt services by way of deposits, loans & advances so far as the consideration is represented by way of interest /discount will not be considered.

Tax on Inward supplies is paid at normal rates

collecting tax from recipient and claiming ITC

supply of notified goods  
↓  
ice-cream, edible ice, Pan masala, tobacco and products, aerated waters

supply through ECo who is supposed to collect TCS  
U/S 52

Interstate outward supply (G/S)

making supply which is not leviable to tax.

GST @ 6% [CGST 3% + SGST 3%] on all outward supplies

If more than one person has the same PAN, then all such registered person will be under composition scheme.

Bill of supply (BOS) with words 'taxable person paying tax not eligible to collect tax on supply.'

Service other than restaurant services

Type of service

Tax-paying document

application

Rates of tax

Restrictions

COMPOSITION FOR SERVICES

SCHEME SEC 10

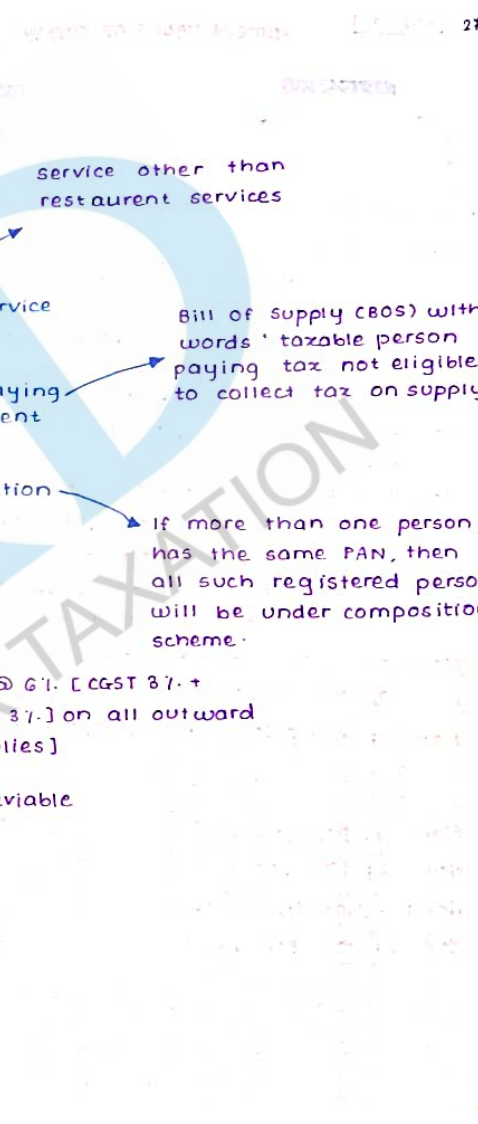
Aggregate Turnover ATO

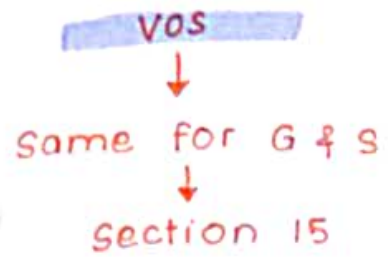
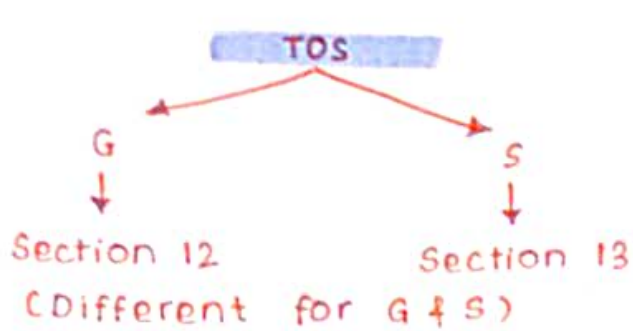
ATO of preceding FY does not exceed ₹ 50 L.

eligibility

calculation of ATO

Tax under RCM U/S 9(3) & 9(4)





Section 7 : supply

7(1)(a) : All forms of supply

7(1)(b) : I - C ✓ B x

7(1)(c) : schedule I : supply w/o consideration.

7(1A) : schedule II → G / S

7(2) : schedule III → not a supply.

Section 8 (a) : composite supply.

8 (b) : mixed supply.

Section 9 (1) : Registered Person - supplier - FCM

9(2) : no GST on liquor for human consumption

(+) petroleum products.

9(3); 9(4) : Recipient pays tax under RCM.

9(5) : ECO to pay tax under RCM

Section 10 (1); 10(2) composition scheme for G

10(2A) : composition scheme for S.

Section 11 : Exemptions by notifications.

Section 12 : TOS for G

Section 13 : TOS for S

Section 14 : Not in syllabus

Section 15 : VOS for G & S.

I] From supplier's viewpoint)

a) composition supplier:

TOS = 1 date / P date ↓

b) other suppliers:

TOS = 1 date [as per **NN 60/2017**] dated

5<sup>th</sup> Nov 2017], no tax to be paid

on receipt of payment.

II] Rcm (recipient's viewpoint)

TOS = P OR 31<sup>st</sup> day OR date of date from 1 receipt of goods

P date → debit from bank → payment is recorded

WHICHEVER IS EARLIER

III] voucher:

supply is identifiable

TOS = date of issue of V. TOS = date of redemption of V

IV] Residual (when 1 date / P date is not available)

Return filed → TOS = due date (GSTR) Return not filed → TOS = date of GST payment

V] Interest / Fees / Penalty:

TOS = date of rec. of addl. consideration.

→ Excess payment upto 1000 → TOS = next 1 date.

I] From supplier's viewpoint)

II] Rcm (recipient's viewpoint)

Import from associated company → TOS = P OR date of entry of service  
other Rcm → TOS = P OR 31<sup>st</sup> day from 1 date

III] voucher:

same as TOS for G

IV] Residual (when 1 date / P date is not available) same as TOS for G

V] Interest / Fees / Penalty:

same as TOS for G

**I] FCM (Supplier's viewpoint)**  
 a) composition supplier:  
 TOS = I date / P date ↓  
 b) other suppliers:  
 TOS = I date [as per NN 60/2017  
 15<sup>th</sup> Nov 2017], no tax to be paid  
 on receipt of payment.

I date = Actual Date OR Date 4/5 31 ↓  
 For supplier (FCM),  
 P date = date of cr. OR date of payment in bank recorded ↓  
 For supplier (RCM):  
 P date = date of cr. OR date of payment in bank recorded ↓

**I] FCM (Supplier's viewpoint)**

**II] RCM (Recipient's viewpoint)**  
 TOS = P date OR 31<sup>st</sup> day OR Date from I receipt of goods ↓  
 P date → debit from bank payment is recorded  
 WHICHEVER IS EARLIER



**II] RCM (Recipient's viewpoint)**  
 Import from associated company  
 TOS = P date OR Date of entry of service ↓  
 Other RCM  
 TOS = P date OR 61<sup>st</sup> day from I date ↓

**III] Voucher:**  
 Supply is identifiable → TOS = date of issue of V.  
 Supply isn't identifiable → TOS = date of redemption of V

**III] Voucher:**  
 same as TOS for G

**IV] Residual (when I date / P date is not available)**  
 Return filed → TOS = due date (GSTR)  
 Return not filed → TOS = date of GST payment

**IV] Residual (when I date / P date is not available)**  
 same as TOS for G

**V] Interest / Fees / Penalty:**  
 TOS = date of rec. of addl. Considerat<sup>n</sup>.  
 \* Finess payment upto 1000 → TOS = next I date.

**V] Interest / Fees / Penalty:**  
 Same as TOS for G

\* When to Issue I for services?

1) Sec 31 (2) Normal service:

- ↳ within 30 days of completion of service.
- ↳ within 45 days of completion of service [Insurance companies, banking companies, NBFC]

2) stopped:

1 → when supply is stopped

3) continuous supply:

i] coaching: 1 yr (due date of service is ascertainable)

Term 1	15/07
Term 2	15/10
Term 3	15/01
Term 4	15/03

} due date = 1 date:

ii] due date is ascertainable:

Scholarship 17,00,000 [payment within 8 m]

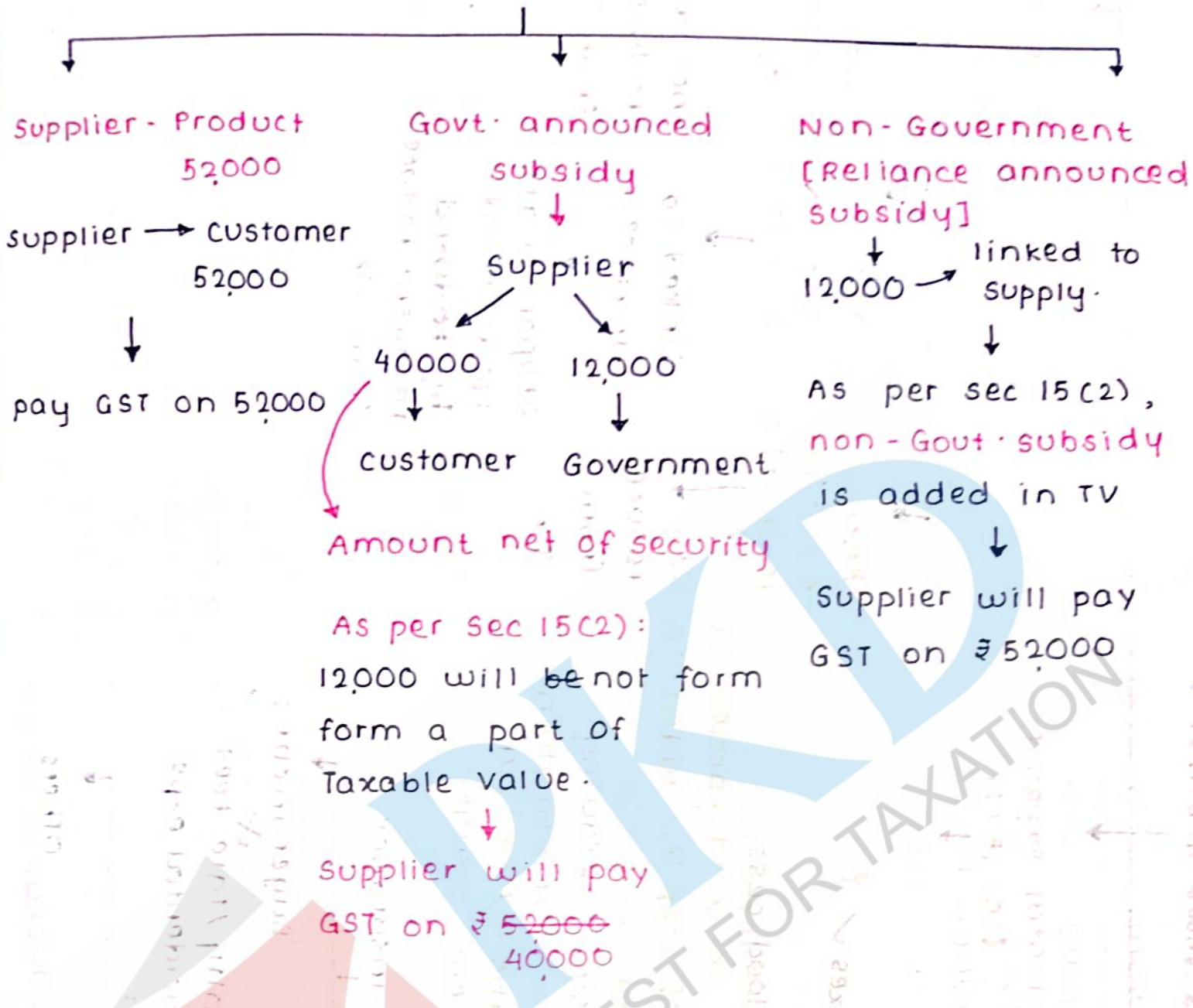
1 date = date of actual payment.

iii] Payment is linked to some event:

Chameli purchases / books a flat

Booking	1,00,000
1 <sup>st</sup> slab	5,00,000
1 <sup>st</sup> floor	10,00,000
4 <sup>th</sup> floor	20,00,000

} 1 date = date of happening of event.



\* TV = Transaction Value

BEST FOR TAXATION



If penalty, interest, late fees is waived off, it is not added in taxable value.

action  
value  
5(1)

**VOB - VALUE OF SUPPLY**

- ↳ persons are unrelated
- ↳ Price is the sale consideration
- ↳ If above conditions not fulfilled, then value as per **valuation Rules** [to be learnt in CA Final]

Incidental Expenses  
(Sec 15 (2))

- 1] Taxes:**
  - ↳ GST X
  - ↳ Other taxes ✓
  - ↳ TCS X
  - ↳ Kerala flood cess
- 2] Payment to third parties on behalf of supplier added in TV:**
- 3] Incidental expenses:**
  - ↳ commission
  - ↳ Inspection & certification
  - ↳ Installation & testing
  - ↳ weightment charges
  - ↳ freight
  - ↳ Transit insurance
- 4] Subsidy:**

seller incurs ✓  
Buyer incurs ✗  
↳ int/Penalty / late fees  
↳ other incidental exps.

Discount  
Sec 15 (3)

Known & shown in invoice → reduce from TV

Known but not shown in invoice → Linked to invoice → proportionate ITC reversed by reduced recipient, reduce from TV

Not known at the time of supply → not to be reduced from TV

If penalty, interest, late fees is waived off, it is not added in taxable value.

action  
ve  
5(1)

**TVS - VALUE OF SUPPLY**

↑ Sale 10,000 — TV 15(1)  
 Pack chg 10,000 } 15(2)  
 transport<sup>n</sup> 5,000 } 15(3)  
 (-) discount (2,000) — 11,300  
 Rate of GST on shirt = 5%  
 Transportation = 12%  
 ① Levy GST on? → 11,300  
 ② Levy GST at what rate?  
 ↳ composite supply  
 ∴ rate of principal supply will apply to entire bundle = 5%  
 in invoice in invoice

Discount  
Sec 15(3)

Incidental Expenses  
(Sec 15(2))

Not known  
at the time  
of supply

- ↳ persons are unrelated
- ↳ Price is the sale consideration
- ↳ If above conditions not fulfilled, then value as per **valuation Rules** [to be learnt in CA Final]

**1) Taxes:**

- ↳ GST x
- ↳ Other taxes ✓
- ↳ TCS x
- ↳ Kerala flood cess

**2) Payment to third parties on behalf of supplier added in TV:**

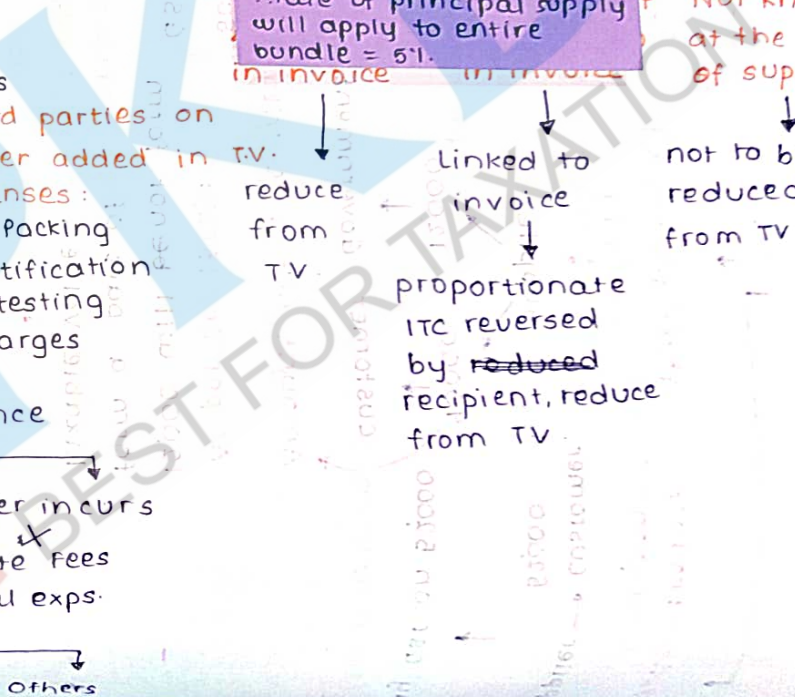
- 3) Incidental expenses:**
- ↳ commission
  - ↳ Packing
  - ↳ Inspection & certification
  - ↳ Installation & testing
  - ↳ weightment charges
  - ↳ Freight
  - ↳ Transit insurance

- seller incurs**
  - ↳ int/Penalty / late fees
  - ↳ Other incidental exps.
- Buyer incurs**

**4) Subsidy:**

- ↳ CA/SG
- ↳ Others

reduce from TV  
 Linked to invoice  
 proportionate ITC reversed by reduced recipient, reduce from TV.  
 not to be reduced from TV.



**DISCOUNT U/S 15G)**

- (1) Staggered discount:
  - ↳ known and shown
  - ↳ deduct from TV
- (2) Periodic/volume disc/ year ending discount:
  - ↳ known at time supply
  - ↳ not shown in invoice
  - ↳ credit note
  - ↳ deduct from TV
- (3) secondary discount:
  - ↳ not known at supply
  - ↳ not deducted from TV

Known at supply  
shown in invoice

Invoice	
Goods	100,000
C-disc	10,000
	<hr/>
	90,000
CGST 9%	8,100
SGST 9%	8,100
Total	1,06,200

Such discount is  
deducted from  
Taxable value

Known at supply  
but not shown in  
invoice

Such discount can be  
deducted if:

- a) Known at supply
- b) Link it to respective invoices
- c) recipient has reversed the ITC

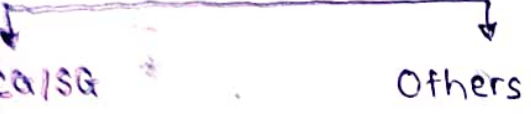
	Invoice	Credit	Revised
	100,000	10,000	90,000
CGST	9,000	900	8,100
SGST	9,000	900	8,100
	<hr/>	<hr/>	<hr/>
	1,18,000	1,18,000	1,06,200

references of invoices

be deducted.

	Invoice	Credit	Revised
	100,000	10,000	90,000
CGST	9,000	-	9,000
SGST	9,000	-	9,000
	<hr/>	<hr/>	<hr/>
	1,18,000	10,000	1,08,000

int/penalty/tariff fees  
 Other incidental exps.  
 Subsidy:



**DISCOUNT U/S 15G)**

Known at supply but not shown in invoice

Not known at supply

Such discount can be deducted if:

Such discount cannot be deducted.

- a) known at supply
- b) Link it to respective invoices
- c) recipient has reversed the ITC

Invoice	Credit	Revised
100,000	10,000	90,000
9,000	900	8,100
9,000	900	8,100
<u>118,000</u>	<u>11,800</u>	<u>1,06,200</u>

references of invoices

Invoice	Credit	Revised
100,000	10,000	90,000
CGST 9,000	-	9,000
SGST 9,000	-	9,000
<u>118,000</u>	<u>10,000</u>	<u>1,08,000</u>

**CASE STUDY**

(1) Discount ~~not~~ known:  
Pink and Blue Pvt. Ltd. → orange Pvt. Ltd.

original invoice		credit Note		Revised Impact
50000		disc (2%)	1,000	49,000
IGST 9000		IGST	180	8,820
<u>59,000</u>			<u>1,180</u>	<u>57,820</u>

Recipient Orange Pvt. Ltd. claimed ITC 9000 (Purchase)

ITC of 180 should be reversed by Orange Pvt. Ltd (recipient)

(2) Discount not known:

original invoice		credit Note		Revised impact
50000		disc(2%)	1,000	50,000
IGST 9000		-	-	9,000
<u>59,000</u>			<u>1,000</u>	<u>58,000</u>

Recipient orange Pvt. Ltd claimed ITC 9000

Orange Pvt. Ltd will give no impact to ITC

Discount not to be deducted from TV

50000	10000
40000	10000
9000	1800
31000	11800

# ITC RULES

Sale	ITC
1) Taxable GIs	ITC available
2) Only exempted GIs	ITC not available
3) Taxable / Exempted - sale	Proportionate ITC available
4) zero rated supply - sale	ITC available
5) Inputs used for business purpose	ITC available
6) Inputs used for personal purpose	ITC not available
7) Inputs used for business and personal purposes	Proportionate ITC available

## Optional Method for Banks

Banks provide various services

- ↳ some are taxable → commission, bank charges
- ↳ some are exempt → interest on loans, advances etc.

∴ Banks are eligible for proportionate ITC

option: 50% ITC OR proportionate working of ITC



However, if there are any purchases from deemed distinct person, they are eligible for

Purchases	Receipts
Sales	Expenditure

# INPUT TAX CREDIT



CGST  
SGST  
IGST

\* If assets / inputs are purchased for business purpose, then ITC is available.

\* If used for personal purpose, then no ITC

Ac purchased	50,000
GST	9,000
	59,000

① GST for business purpose

② GST for personal purpose

Income Tax  
capitalise 50,000  
claim dep<sup>n</sup> on  
50,000  
GST - 9,000 ITC

Income Tax  
capitalise 59,000  
claim dep<sup>n</sup> on  
59,000  
GST - no ITC

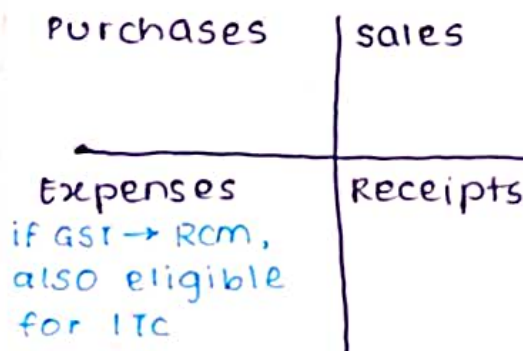
no dep<sup>n</sup> → Income Tax  
no ITC → GST

on H&E GST either claim dep<sup>n</sup> / ITC. You cannot claim both.

\* Repair & Maintenance:

① GST for business purpose  
10,000 →  
GST 1,800 →

② GST for personal purpose  
10,000 → not allowable exp.  
GST → ITC X [1,800]



while purchasing / incurring exp.  
if GST is paid, claim ITC  
GST liability arises on sales &  
receipts (outward supply)  
inward supply.

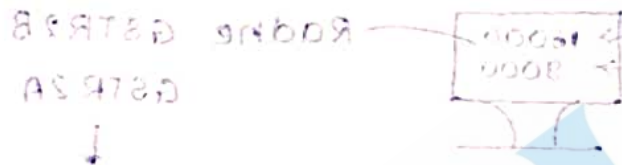
**INPUT TAX** → - Tax on inward supply/inputs

- ↳ Intra state - CGST + SGST ✓
- ↳ Inter state - IGST ✓
- ↳ Import of G - BCD + IGST ✓
- ↳ Import of S - IGST ✓
- ↳ within UT - CGST + UTGST ✓
- ↳ purchase : composition supplier x ITC
- ↳ Inward supply, → 9(3) 9(4) - CGST Act

tax paid under RCM → 5(3) 5(4) - IGST Act  
 → 7(3) 7(4) - UTGST Act

**STORY OF HARSHAD MEHTA**

Motabhai



Payment for I

Harshad Mehta paid within 180 days from 1 date

1- already claimed ITC paid within 180 days from 1 date - no effect

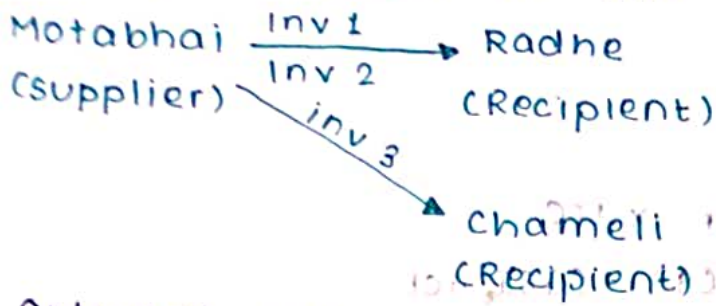
18% Interest will be calculated on ITC reversed  
 ∴ Harshad Mehta should pay ITC reversed + interest to govt.

Harshad Mehta paid within 180 days from 1 date

- 16(2): 4 conditions - ITC claimed on expiry of 180 days from 1 date : ITC reversed
- ITC amount will be added in liability register + 18% Int.
- when payment is made in future, ITC can be reclaimed
- If proportionate payment = proportionate ITC.



Q How does the transaction between supplier and recipient work on the GST portal?

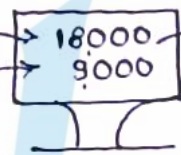


Outward supply - GSTR 1 (Detailed)  
 Inward supply - GSTR 2 (Detailed)  
 Return - GSTR 3B (Summarised)

GSTR 1: B2B - invoice wise  
 B2C - summarised

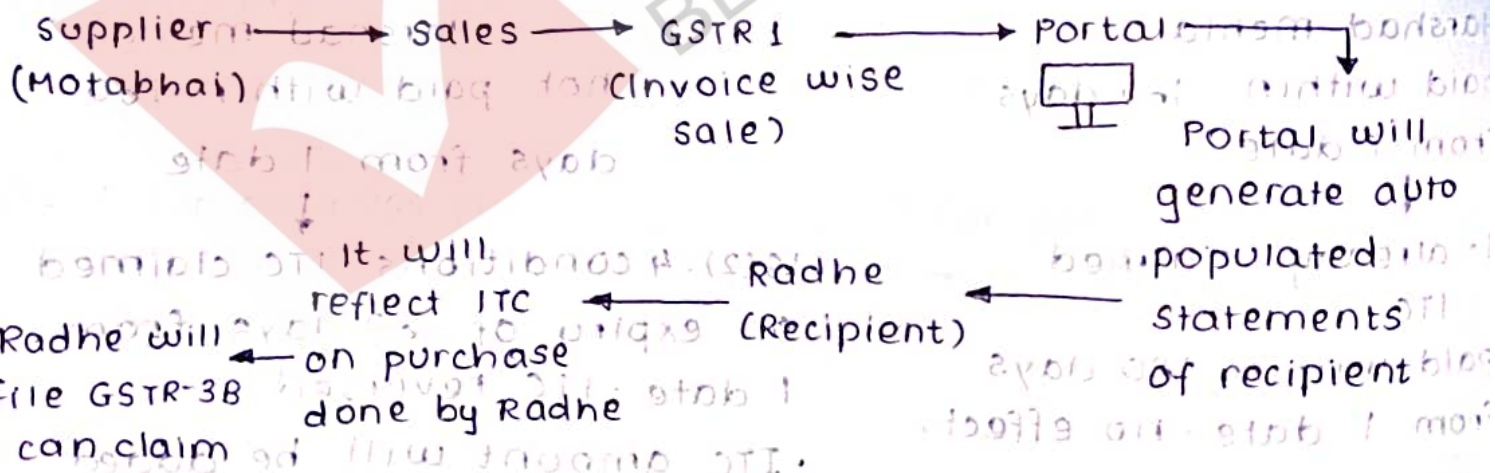
Motabhai (Sale)

Inv 1 Radhe	100,000	18,000
Inv 2 Radhe	50,000	9,000
Inv 3 Chameli	200,000	36,000
<b>B2C</b>	<b>500,000</b>	<b>90,000</b>



Radhe GSTR 2B  
 Radhe GSTR 2A

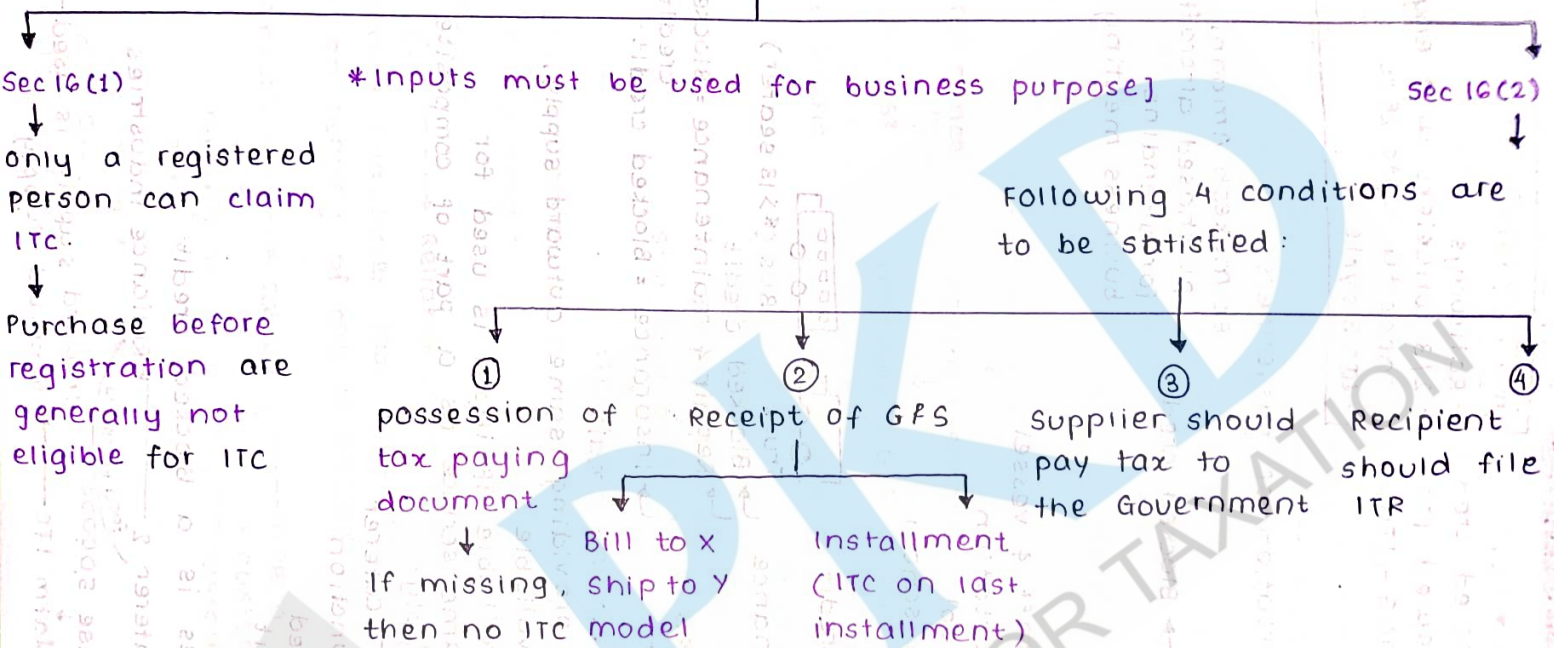
on basis 2A/2B  
 Radhe can claim  
 ITC of ₹ 27,000



Radhe will reflect ITC on purchase done by Radhe  
 file GSTR-3B  
 ITC

Portal will generate upto Statements of recipient  
 be populated

## RULES FOR CLAIMING ITC :



### \*some other Rules:

- 1) 180 days [Harshad Mehta]: R should pay to S [value + tax] within 180 days from 1 date. ITC reversed [+ in liability along with int @ 18%]. ITC can be reclaimed upon payment to supplier.
- 2) Rule 36(4): Eligible ITC = matched ITC + 5% of matched ITC [upto 31/12/2021] limit = real [यचका दम] rule = matched ITC [wef 1/1/2022] - uploaded on portal GSTR-2B ITC
- 3) Time limit for availing ITC: Due date of filing return of Sept [20 Oct] / Actual date of filing return ↓

**BLOCKED CREDIT - Sec 17(5)**

**mv upto 13 seater capacity**  
 ↳ upto 13 seater - Blocked credit  
 ↳ above 13 seater - allowed ITC for transportation of G - ITCV

**mv excludes**  
 - Railways  
 - 2/3 wheelers with engine capacity upto 25cc  
 - Bicycle

**Exceptions:**

↳ Sale of mv  
 ↳ Business of transportation of passengers -  
 ↳ Driving ~~in~~ school

↳ Aircraft + vessel → Blocked credit

Ex: Mukesh Ambani purchased aircraft for attending business meeting

**Exceptions:**

↳ further sale of aircraft & vessel  
 ↳ Business of transportation  
 ↳ Training: flying school  
 ↳ Navigation school

↳ car and Truck / Bus:

↳ Car → GST → Blocked credit

↳ Repair & maintenance = Blocked credit  
 ↳ Insurance = Blocked credit

↳ Truck

↳ Blocked credit

↳ Repair & maintenance = Blocked credit

↳ Insurance = Blocked credit

↳ Bus (>13 seater)

↳ Food & Beverages → Blocked credit

**Exception:** if used for providing same outward supply, then ITC available  
 ↳ ITC also available if input is used for providing same service as a part of composite or mixed supply

**EX 1:** SPC ← Caterer

Rankers award function

Bill 500000 → blocked credit  
 + GST xxx

\* Food and Beverages is a blocked credit

**EX 2:** Caterer 1 → Caterer 2 → Reliance Industries

Sale 500000 → Purchase 500000  
 GST → Inward supply is used → same outward supply  
 can claim ITC

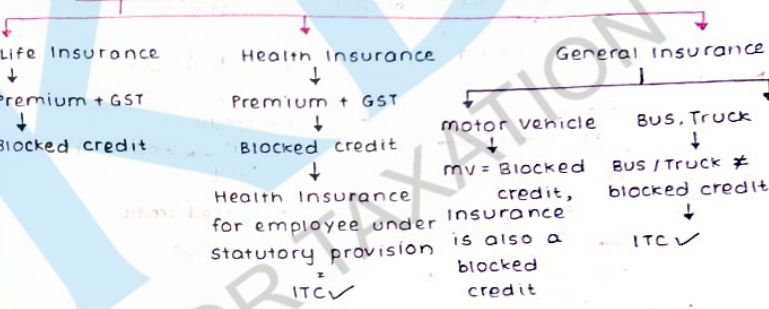
caterer gives invoice to Reliance Industries 1000000  
 Reason: Food & Beverages is ITC + GST a blocked credit

**EX 3:** Taj Hotel raises an invoice on Vistara Airlines  
 can Vistara Airlines claim ITC of the GST? → Yes  
 Reason: If the Inward supply of catering is used for providing same outward supply even if it is a part of a composite supply, then ITC is available

↳ outdoor catering, beauty treatment, health services, cosmetic and plastic surgery → Blocked credit

↳ membership of a club, health & fitness centre

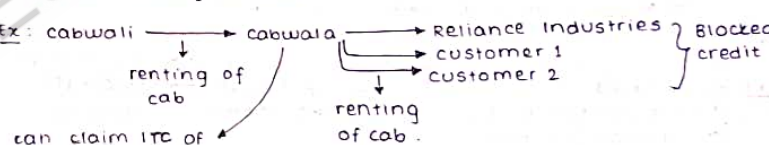
↳ ~~Life~~ Insurance



↳ Generally renting of mv, car, aeroplane and vessels is a blocked credit

**EX:** cabwala

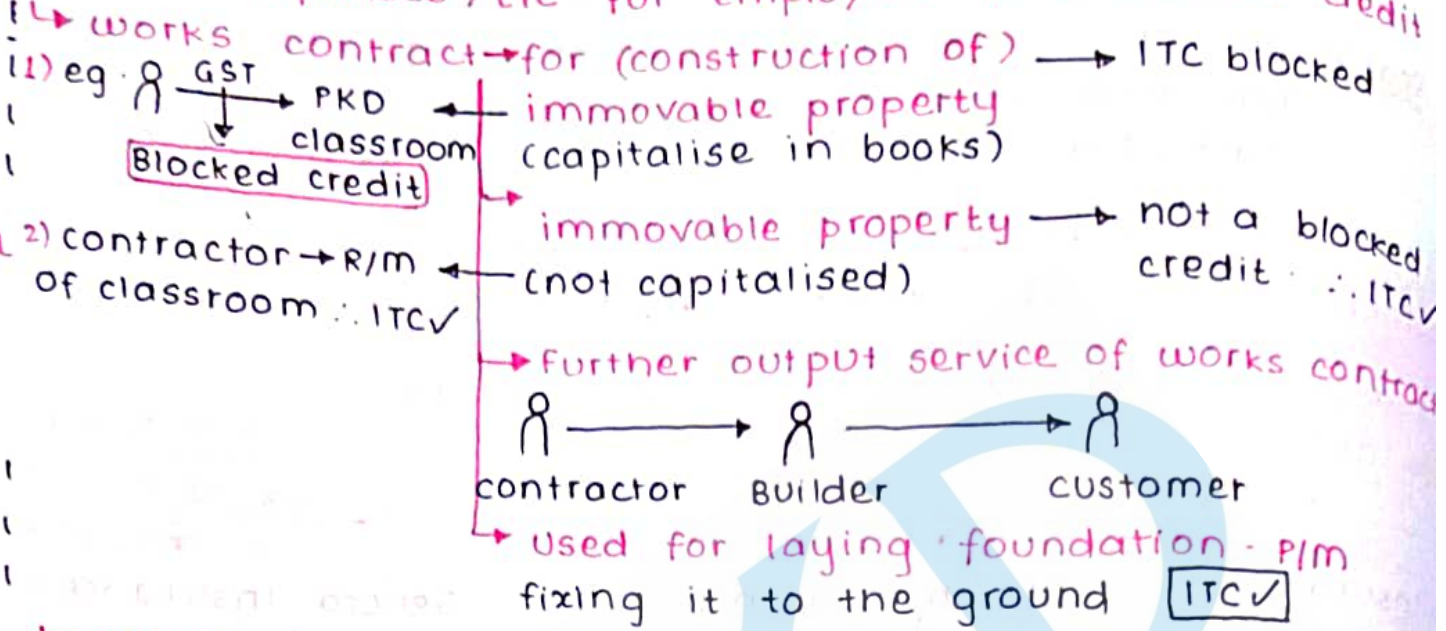
Reliance Industries took cabs on rent for its employees  
 GST on renting of cab is blocked credit



can claim ITC of GST from cabwali  
 Reason: Inward supply is used to provide same outward supply

Employees health insurance or any other facility → voluntarily by employer → blocked credit  
 → under statutory requirement → eligible for ITC

Travel expenses / LTC for employees is a blocked credit  
 works contract → for (construction of) → ITC blocked



Inputs used for construction: (cement / steel)

- on own account → blocked credit  
 ex: cement → XYZ Ltd. → construction of factory → Blocked credit
- not capitalised in books  
 repairs & maintenance → blocked credit
- inputs for P/M → base → ITC ✓
- inputs used by builder

Note: Above 2 points are same. In the former, PKD appoints a contractor and in the latter, PKD purchases cement (input) and gets construction done from labourers herself.

Purchase from composition supplier → not eligible for ITC  
 NRTI → Goods purchased in India → blocked credit  
 → Goods imported → BCD + IGST → ITC.

Goods purchased for personal consumption / goods stolen / destroyed / distributed as free samples / gifted → blocked credit

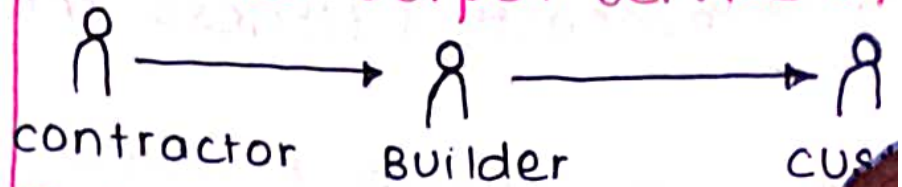
Ex 1: 4 purchased  
 → 3 laptop - office ITC ✓  
 → 1 laptop - personal = Blocked credit

Ex 2: 4 purchased → office - ITC  
 → 1 - home - Disposal of BA.

of classroom : ITC ✓

(not capitalised)

→ Further output service of



→ Used for laying foundation fixing it to the ground

↳ Inputs used for construction: (cement)

PIM → apparatus, equipment  
 ↳ machinery fixed to earth by foundation or structure  
Excludes: 1) Land 2) Bldg 3) civil structure 4) Telecom Towers 5) Pipelines outside factory

account → blocked  
 XYZ → construction Ltd. of foundation

used in building maintenance

builder

Note: Above 2 points are same. In appoints a contractor and purchases cement (input) and g done from labourers herself.

↳ Purchase from composition supplier → not

↳ NRTP → Goods purchased in India → blocked  
 ↳ Goods imported → BCD + IGST → ITC.

↳ Goods purchased for personal consumption / destroyed / distributed as free samples / gifted.

Ex 1: 4 purchased

- ↳ 3 laptop - office ITC ✓
- ↳ 1 laptop - personal = Blocked credit

Ex 2: 4 purchased

- ↳ 1 - home

**ITC in special cases - 5 situations**

**Situation 1:**

Non-Tax Paying mode → Tax Paying mode

- eg: Unregistered → Registered
- Exempt G/S → Taxable G/S
- composition scheme → Normal scheme
- stock → in future, on sale - tax payable
- ITC available of stock one day before
- maximum invoices allowed - 1 yr b4
- CG → reduced ITC available only if person is already registered
- Reduction 5% of tax amount
- 5% per quarter from date of invoice

**Situation 4:**

- Sale/merger/Amalgamation
- new entity → bucket ✓
- a) change in constitution
- b) Transfer of Assets / liabilities
- c) unutilised balance in bucket can be trf.
- d) CA certificate
- bucket → trf to new entity

**Situation 5:**

- single Reg
- multiple Reg
- multiple Reg
- unutilised ITC can be split between separate registrars in proportion of assets held

**Situation 2:**

Tax Paying mode → Non Tax-Paying mode

- eg: Registered → Unregistered
- Taxable G/S → Exempt G/S
- Normal scheme → composition scheme
- stock → in future, on sale - no tax payable
- ITC to be reversed (already claimed) (if no invoice, take market value)
- CG/ → assume useful life, G/M (fixed)
- P/M → remaining life, ITC to be reversed.

**Situation 3:**

**Sale of CG / moulds / fixtures:**

- sale of CG: Tax payable = ITC to be reversed OR Tax on TV (reduced ITC 5% @)
- sale of moulds, fixtures / jigs, etc (scrap): Tax payable = Tax on TV

**RULE 86B**

GST liability discharged → using e-credit ledger [99%] and balance in cash [1%]

**Applies To**

Tax payer whose monthly taxable supply exceeds **50 lakhs**

Ex: Raman, Feb 2022

Interstate taxable = 100 lakhs supply (sale) @ 18%

As Amt > 50 L, Rule 86B ✓

Balance in e-credit ledger = 20,00,000

IGST liability = 18,00,000 (18% on 100 lakhs)

**86B**

GST liability can be discharged

↳ 99% using e-credit ledger

↳ 1% by way of cash

**Exceptions**

Rule 86B is NA in the following cases:

- a) If tax paid in last 2 FY amounted to **₹10,00,000** [each year]
- b) Government
- c) ITC refund received in excess of ₹10,00,000
- d) If during FY, cumulative **1% of liability** already paid in cash in earlier months.

Ex: FY 21-22, upto Aug 21  
GST liability = 30,00,000

Paid in cash = **10,00,000**

In Sept 21 Rule 86B NA because 1% of 30,00,000 = **3,00,000** already paid in cash.

**No 86B**

IGST 18L

(-) ITC 18L

20L

↓

CIF 2L

—

GST payable in cash 0

**86B ✓**

IGST 18L

(-) ITC [99%] 17.82L

ITC-bucket

GST payable 18,000

in cash

↓  
1% of liability

**PAYMENT OF TAX → 3 ledgers**

**e-liability**

To tax	
To RCM Tax	→ ITC / cash
To Interest / fees / penalty	→ cash
To ITC reverse	→ cash
To others	

**e-credit ledger**

To pay only tax liability	ITC available
To RCM	Purchase
To Interest	Input RCM

**e-cash ledger**

To output tax	cash deposited
To pay RCM tax	
To pay interest, penalty, fees, others etc.	

e-cash ledger is maintained major and minor headwise

**e-cash ledger**


↳ Balance in e-credit ledger can be used only for paying tax liability

- ↳ we have to follow ITC rules: (first finish IGST ITC)
  - IGST ITC → IGST
    - ↳ CGST / SGST / UTGST
  - CGST ITC → CGST only
    - ↳ IGST
  - SGST ITC → SGST
    - ↳ IGST

Example :

IGST	CGST	SGST
10,000	5,000	4,000
500		

Challan 19,500

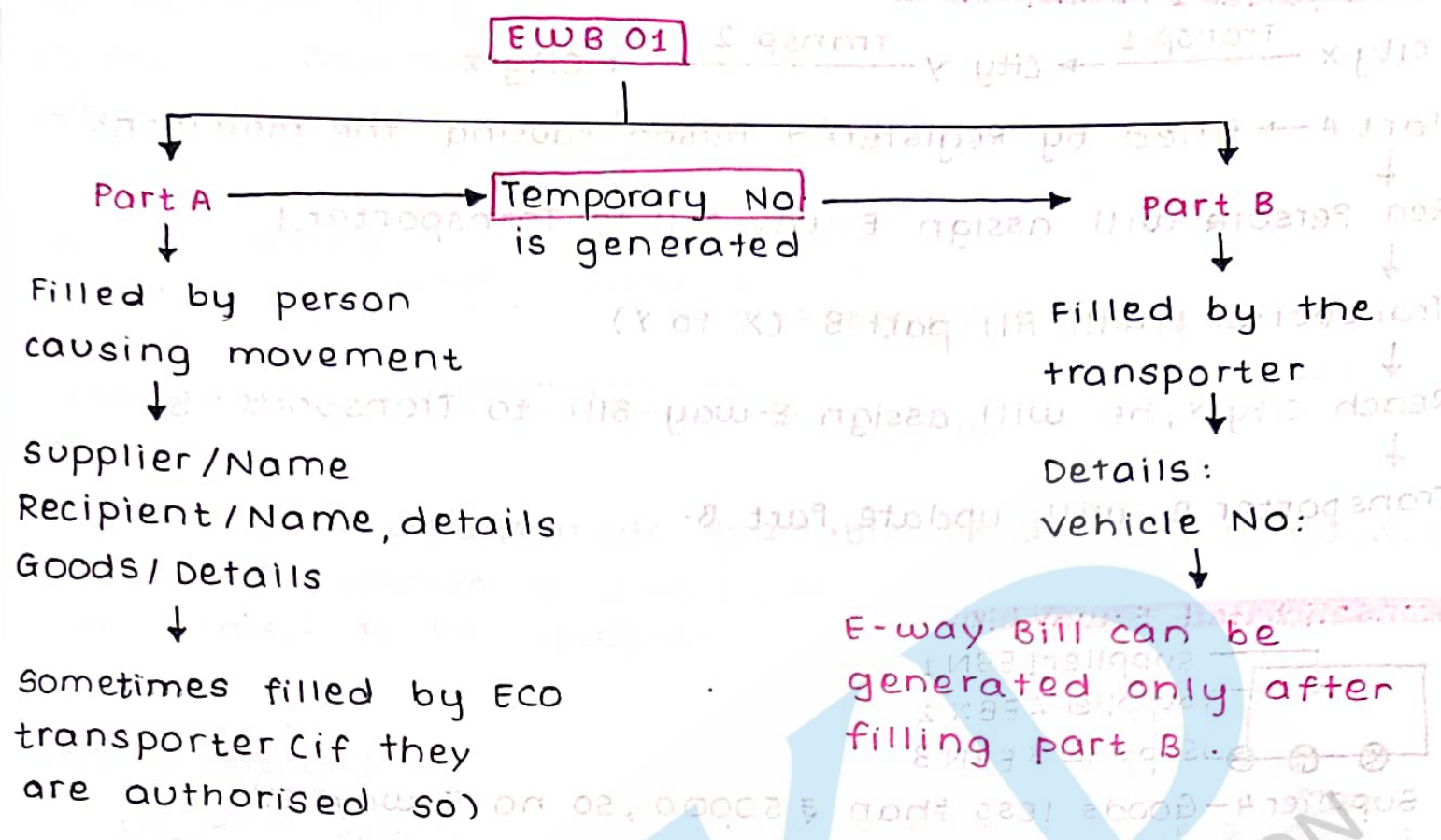
	major head	minor head
10,000	IGST	Tax
500	IGST	Interest
5,000	CGST	Tax
4,000	SGST	Tax
<u>19,500</u>		



- \* Earlier adjustment / shifting from minor and major head was not possible.
- \* Now cash balance can be shifted from one major / minor head to another major / minor head by filing prescribed form.



**E-way Bill** →



**Validity** →

- ↳ distance upto 200 km → 1 day validity
- ↳ additional upto 200 km → additional 1 day

example: 500 km → first 200 km → 1 day  
 ↳ next 200 km → 1 day  
 ↳ next 100 km → + 1 day

**Part B is not furnished** →

- a) G transported upto 50 km within the state
- b) consignor to transporter
- c) transporter to consignee

**Trans-shipment** →

trf of goods from one conveyance to other

- ↳ update vehicle details (any no. of times within validity period)
- ↳ even modes of transportation can be updated

**Transporter 1 → Transporter 2**

city x  $\xrightarrow{\text{Transp. 1}}$  city y  $\xrightarrow{\text{Transp. 2}}$  city z

Part A → filled by Registered Person causing the movement

↓  
Reg. Person will assign E-way bill to Transporter 1

↓  
Transporter 1 will fill part B (X to Y)

↓  
Reach city Y, he will assign E-way Bill to Transporter B

↓  
Transporter 2 will update Part B.

**consolidated E-way bill:**

Supplier 4 - Goods less than ₹ 50,000, so no E-way Bill

Transporter can generate consolidated E-way Bill:

**EWB 02**

↳ Like Trip sheet

↳ no validity period

↳ contains details of different e-way bills in one vehicle.

**mistakes in EWB → (cannot be edited/corrected)**

↳ Cancel e-way bill within 24 hrs from generation

↳ generate new E-way Bill.

**Validity Period →**

↳ generally - upto 200km - 1 day

- for every 200 km / part thereof - +1 day

- can be extended upto ~~commissioner~~

transporter in exceptional cases like accident,

natural calamity, trans-shipment

**Counting of Validity →**

14<sup>th</sup> Feb - 4pm Part B

validity is counted from midnight

14<sup>th</sup> Feb midnight → 15<sup>th</sup> Feb midnight

**Acceptance of EWB:**

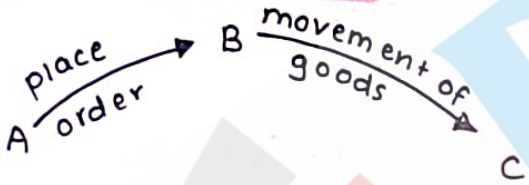
Generated by supplier  $\xrightarrow{\text{communicated to}}$  Recipient } have to accept EWB.  
 Generated by recipient  $\xrightarrow{\text{communicated to}}$  Supplier }

72 hours from details made available OR delivery of goods ↓

If no communication of acceptance / rejection

↳ deemed to be accepted.

**Bill to X ship to Y →**



Invoice 1: B to A Invoice 2: ~~A to B~~  
 \* there will be only 1 E-way Bill. A to C

BEST FOR TAXATION

**When** → movement of goods of value above 50,000  
[whether supply / not]

**When** → (1) Registered person - causing movement of goods  
generally - supplier.

\* If supplier unregistered - then recipient.

(2) Transporter (by road)

**Value** → Invoice → value as per sec 15 + GST

Delivery challan → value mentioned on the delivery  
challan.

E-way bill only if value exceeds 50,000 rs.

**Exceptions** → Even if value exceeds 50,000, no EWB in  
following cases

↳ Job work

↳ handcraft goods.

BEST FOR TAXATION

Effective Date of Registration  
 & Concept of Revised Tax Invoice

Gabbar crosses threshold limit (turnover 40,00,000) on 16<sup>th</sup> Aug. As per GST Act he must apply for registration within 30 days from 16<sup>th</sup> August

Applies within 30 days

Doesn't apply within 30 days

25<sup>th</sup> Aug - Application

25<sup>th</sup> Sept - Application

5<sup>th</sup> Sept - Registration certificate (RC)

5<sup>th</sup> Oct - Registration certificate (RC)

16<sup>th</sup> Aug - Effective date of Registration

5<sup>th</sup> Oct - Effective date of registration

Retrospective Registration

No retrospective registration.

- ↳ invoices are already issued 16<sup>th</sup> Aug - 5<sup>th</sup> Sept
- ↳ Gabbar can issue revised tax invoice

No concept of Revised Tax invoice

Benefits:

∴ from 16<sup>th</sup> Aug to 5<sup>th</sup> Oct supplier cannot collect tax recipient.

**Supplier** can collect taxes from recipient on basis of revised tax invoice

∴ Recipient cannot claim ITC

**Recipient** can claim ITC on basis of tax invoice (revised)

\*consolidated Revised Tax Invoice:

Invoice only if recipient is unregistered [not applicable if value exceeds ₹ 25,00,000]

**DOCUMENTS TO BE ISSUED BY**

**WHEN HE PAYS TAX UNDER**

**RCM**

Supplier is registered

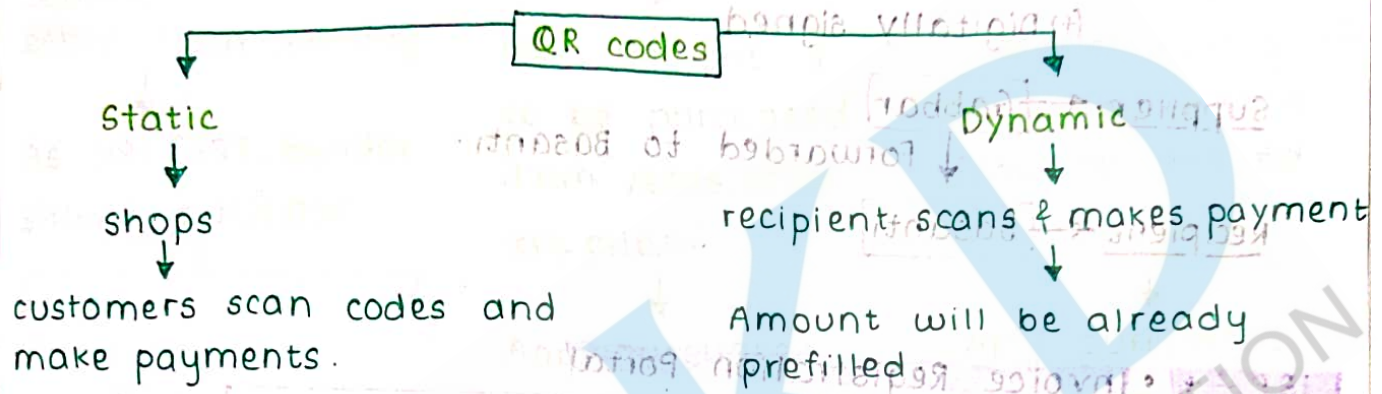
supplier is unregistered

- 1) Recipient is paying tax under **RCM**
- 2) Recipient has to issue **payment voucher**

- 1) Recipient is paying tax under **RCM**
- 2) Recipient has to issue **payment voucher**
- 3) Recipient has to issue **tax invoice** as supplier is **unregistered**

**PK**  
**BEST FOR TAXATION**

- ↳ voluntarily - 1/11/2020
- ↳ Involuntarily / mandatorily - 1/10/2020 [notified class or persons]
- ↳ documents - invoices, credit notes, debit notes
- ↳ notified class ~~of persons~~ - registered person whose PAN based ATO exceeds 50cr in preceeding FY starting 2017-18
- ↳ notified person
  - ↳ B2B (Registered recipient) - e-invoice ✓
  - ↳ for purpose of exports - e-invoice ✓
  - ↳ B2C - no e-invoicing
  - ↳ some exceptions



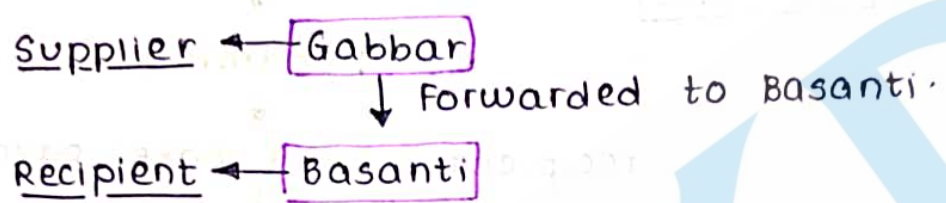
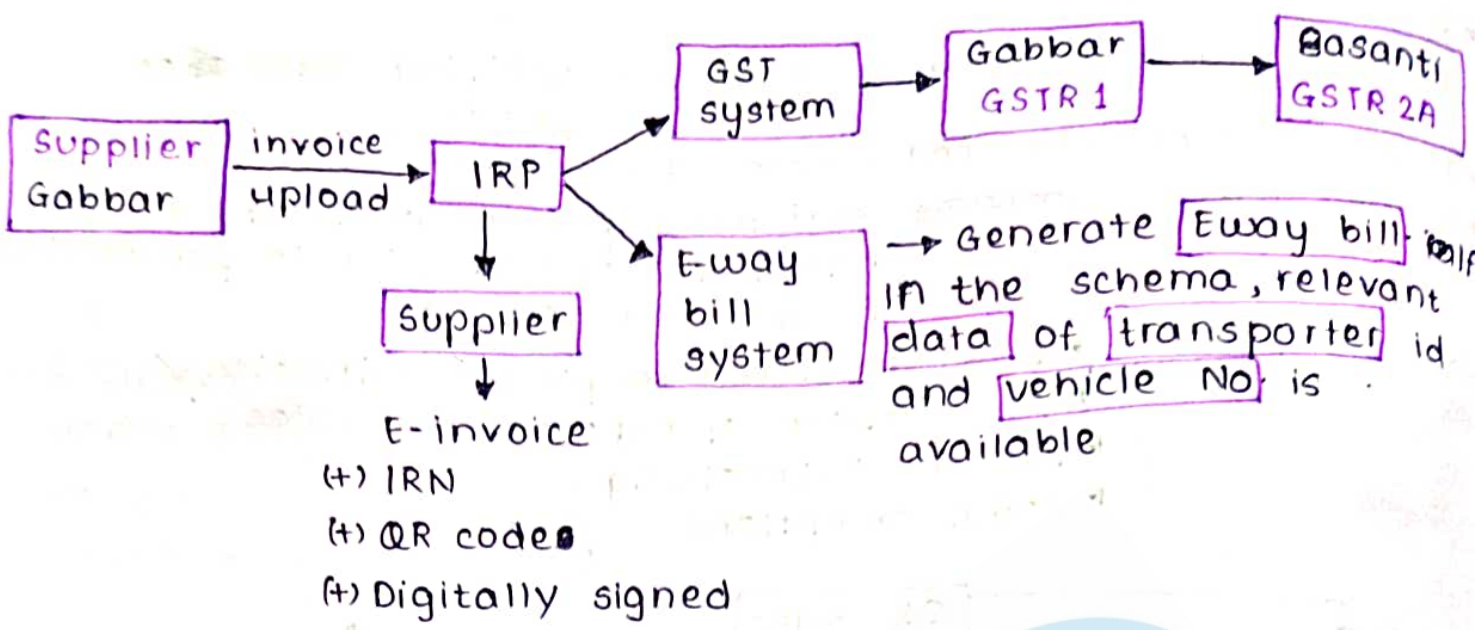
\*what is e-invoicing?

- more than 300 accounting softwares
- e-invoicing scheme is machine readable invoice
- no standard format / system available
- uniform standard format for all businesses available across the country called as e-invoice scheme was developed.
- Available in form GST-INV1
- has certain mandatory fields to be filled.
- this scheme should be uploaded on IRP

Invoice Registration Portals.



# PROCESS OF E-INVOICING

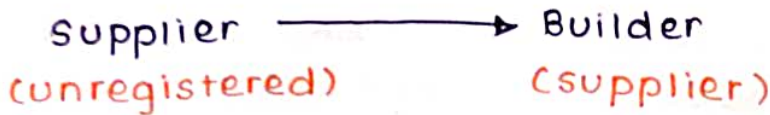


**IRP** → • Invoice Registration Portal  
• website for uploading / reporting invoice

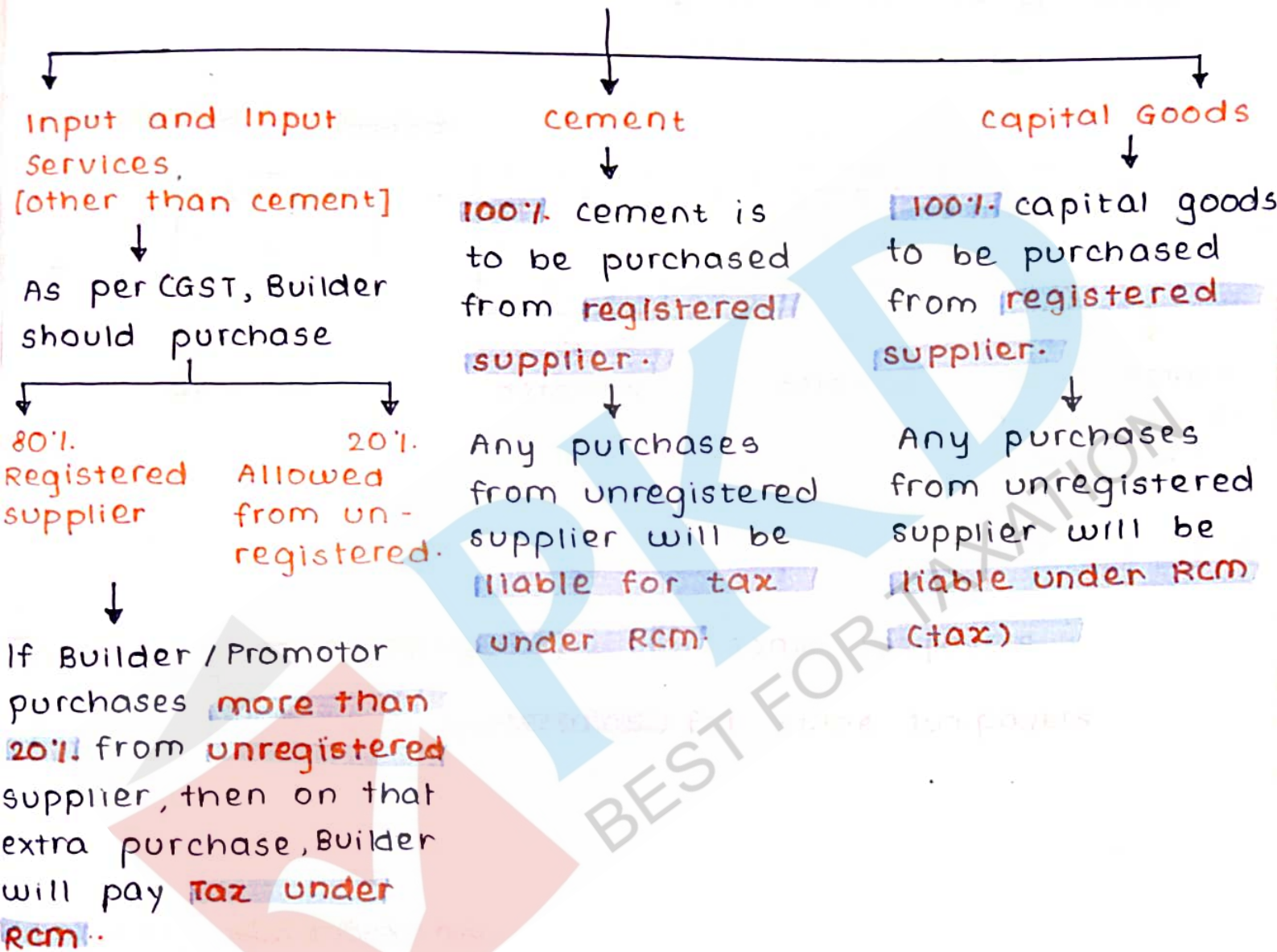
**IRN** → • Invoice Registration Number  
• generated by IRP on successful invoice  
• different from suppliers invoice number  
• Internal for each business  
• Without IRN, invoice won't be valid.

**QR code** • Quick Response code  
• Has unique IRN  
• is printed on the invoice  
• helps in quick verification on portal or officer to verify details on the app.

Applicable to Builders



RCM in 3 cases:



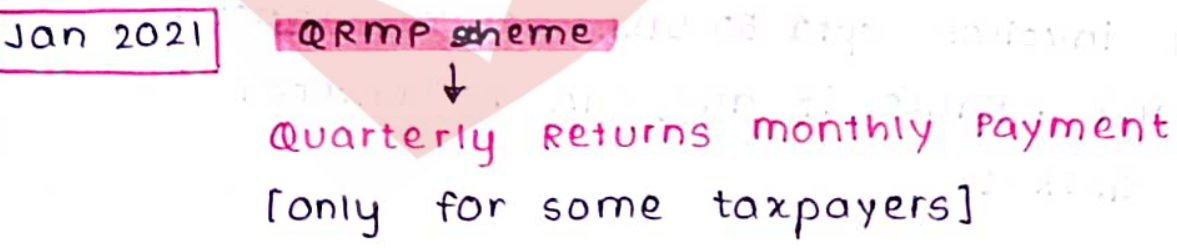
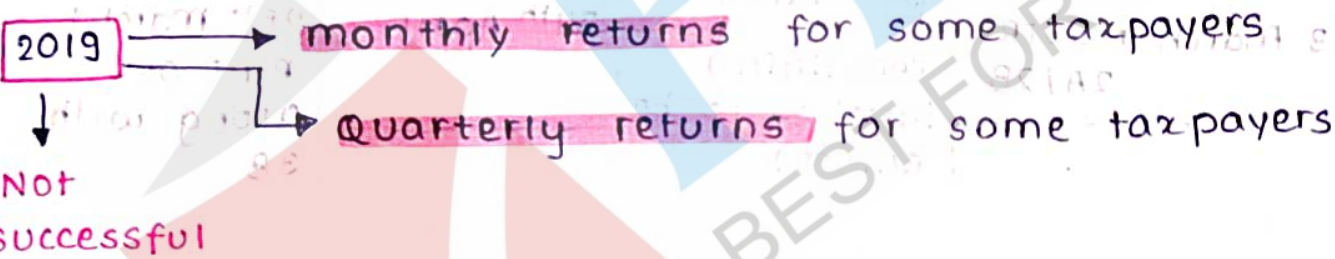
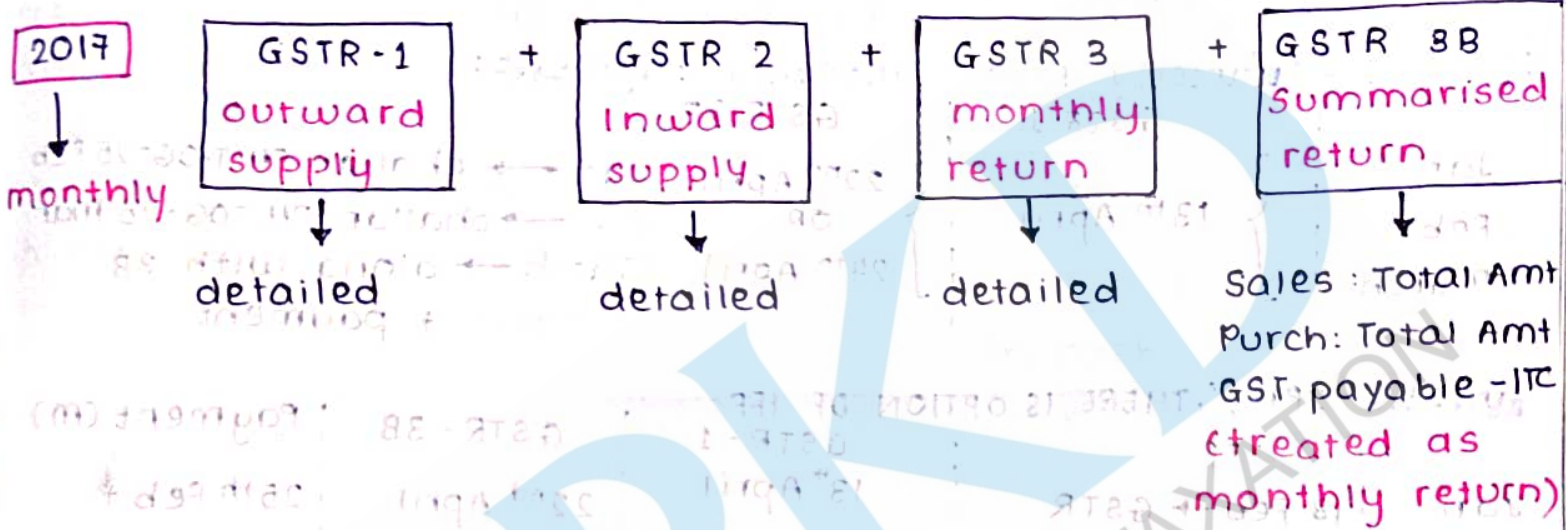
Income Tax

GST

- ① **without paying tax**, **return** can be **filed** and it is **valid**.
- ② **ITR** can be **revised**

- ① In GST, **return** cannot be **filed** **without paying tax**
- ② GSTR cannot be revised  
\* **corrections** can be made in the **next return**.

**HISTORY OF RETURNS** →



# QRMP / Monthly Option

## I Monthly :

	GSTR - 1	GSTR - 3B
Jan	11th Feb → GSTR 2A / 2B	20th Feb + Payment
Feb	11th March → GSTR 2A / 2B	20th March + Payment
March	11th April → GSTR 2A / 2B	20th April + Payment

Supplier - GSTR - 12 , GSTR - 12 , AR - 1  
1 3B

Total = 25

## II QRMP - Quarterly Return Monthly Payment:

	GSTR-1	GSTR-3B
Jan	13th April	22nd April
Feb		OR
March		24th April

Jan → challan PMT-06-25 Feb  
Feb → challan PMT-06-25 Mar  
March → along with 3B + payment

### UNDER QRMP, THERE IS OPTION OF IFF:

	IFF	GSTR - 1	GSTR - 3B	Payment (M)
Jan	13 Feb → GSTR 2A / 2B	13th April	22nd April	25th Feb + PMT-06
Feb	13 March → GSTR 2A / 2B	IFF data auto-populated + remaining invoices to be entered	OR	PMT-06
March			24th April	25th March + PMT-06
				Along with 3B

Note: In IFF (Invoice Furnishing Facility), monthly maximum invoices upto 50 Lakhs value ~~cannot~~ be entered and balance, if any, can be entered in quarterly GSTR-1

PAYMENT UNDER QRMP  
(MONTHLY BASIS)

Option I

Fixed Sum Payment  
method

preceding Returns are Quarterly

35% of taxes in last quarter

preceding Returns are monthly

100% of taxes paid in last month

Option II

Self Assessment  
method

a) Liability is estimated

b) GST on sales

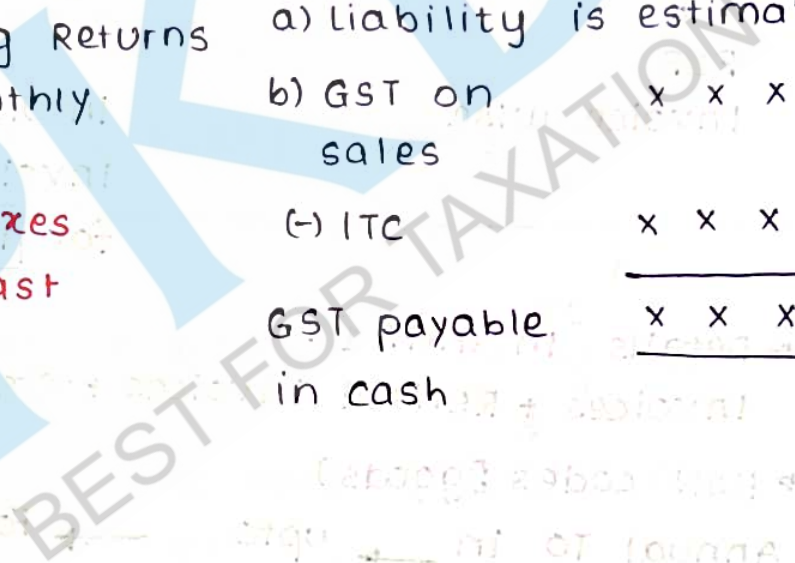
(-) ITC

GST payable in cash

x x x

x x x

x x x



# GSTR 1 : Outward Supply Return

↳ Monthly : Jan → 11<sup>th</sup> Feb → GSTR 2A/2B

↳ QRMP : Jan  
Feb } 13<sup>th</sup> April  
March }

↳ option of : helps timely reflection  
IFF in 2A/2B.

↳ Nil GSTR 1 → mandatory

↳ Details of GSTR 1

B2B

Invoice wise

B2C

Invoice wise not required

Invoice of B2C → 2,00,000 ↑  
for interstate supply

↳ Details in GSTR 1 :

Invoices + Revised Invoices + Credit Notes + Debit Notes

↳ HSN codes [goods]

Annual TO in preceding FY → upto 5 crores → For B2B - 4 digit  
For B2C - 4 digit (optional)

↳ more than 5 crores → 6 digit

↳ No need to scan invoices, details are to be filled.

↳ cannot be revised:

Corrections/rectifications can be made in the next months.

Amendment Table → Table for recording corrections of earlier years

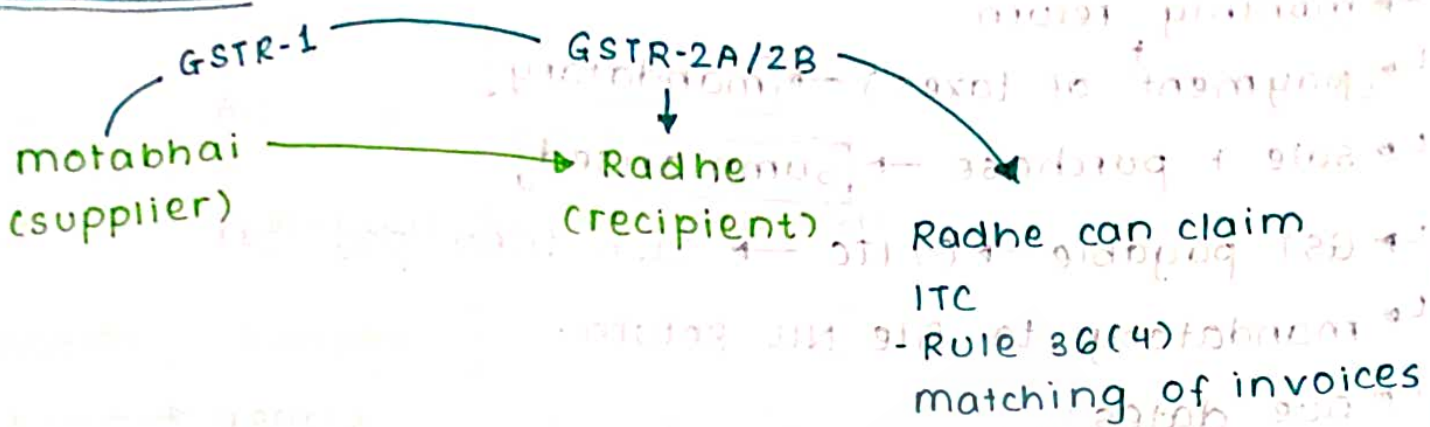
↳ mandatory to file:

It is mandatory to file GSTR 1 of previous ~~year~~ / period before that of the current period.

Example: GSTR-1 of Jan / Feb not filed

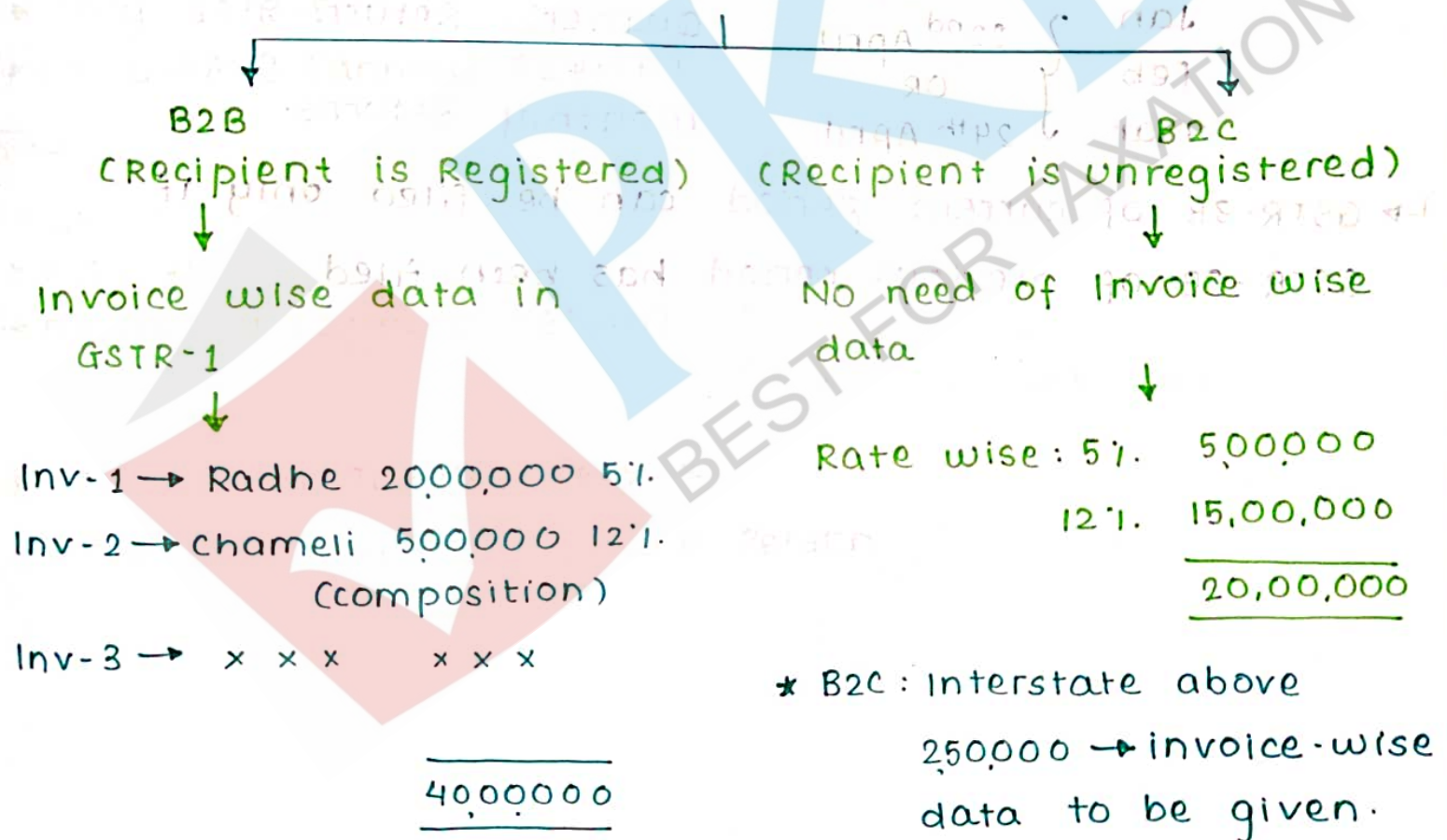
∴ GSTR 1 of March cannot be filed.

ROLE OF GSTR-1



Note: If Quarterly GSTR 1 is filed then IFF will help in timely updation of 2A/2B.

Contents of GSTR1 [sales]



**GSTR - 3B** →

- ↳ monthly return
- ↳ (payment<sup>+</sup> of taxes) → **mandatory**
- ↳ sale + purchase → **summarised**
- ↳ GST payable → (-) ITC → **cash then pay tax**
- ↳ mandatory to file **NIL Return**.
- ↳ Due dates:

monthly : 20<sup>th</sup> of Next month

Ex: Jan → 20<sup>th</sup> Feb + Tax payment

QRMP : 22<sup>nd</sup> / 24<sup>th</sup> of next quarter (first month)

Jan	}	22 <sup>nd</sup> April	Quarterly Return	
Feb				OR
Mar				24 <sup>th</sup> April

- ↳ GSTR-3B of **current period** can be filed only if
- GSTR-3B of **previous period** has been filed.





# SUMMARY OF GSTR

## Normal Taxpayer

- ↳ GSTR-1 } Monthly or
- ↳ GSTR-3B } Q/RMP
- ↳ GSTR-9 → Annual Return → Dec 31<sup>st</sup>

## Composition Taxpayer

- ↳ GSTR-4 → yearly
- ↳ Pay taxes Quarterly → CMP-08
- ↳ GSTR-9A → Annual Return → 31<sup>st</sup> Dec

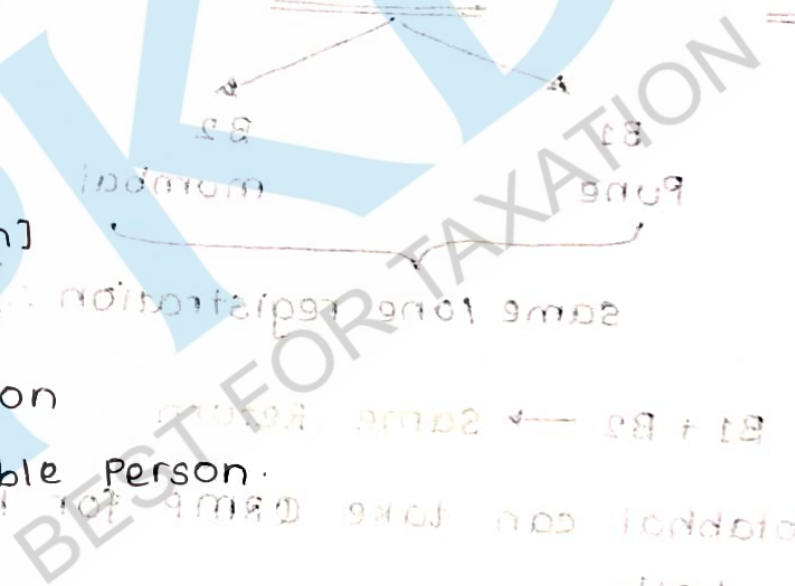
## NRTP

- ↳ only GSTR-5
- ↳ no GSTR-9 [annual Return]

## CTP

- ↳ GSTR-1
- ↳ GSTR-3B
- ↳ no GSTR-9 [annual return]

\* CTP - Casual Taxable Person  
\* NRTP - Non Resident Taxable Person.



## Applicability of QRMP

QRMP → ATO of last year [Pan Based] - 5 crores.

↓  
Applicability is GSTIN wise.

Ex 1: Motabhai

Mumbai — Gujarat  
GSTIN 1                  GSTIN 2

ATO = 

GSTIN 1
mum

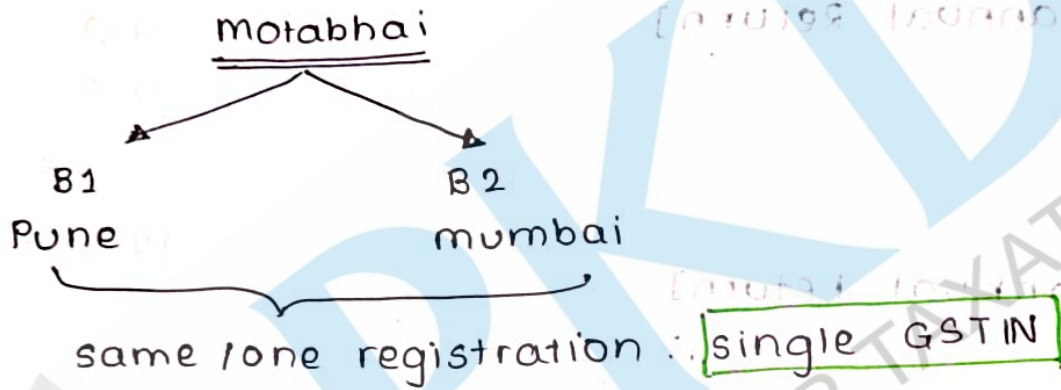
 + 

GSTIN 2
Guj

 [Pan Based]

Motabhai can opt for QRMP for GSTIN 1 and monthly basis for GSTIN 2 or vice versa.

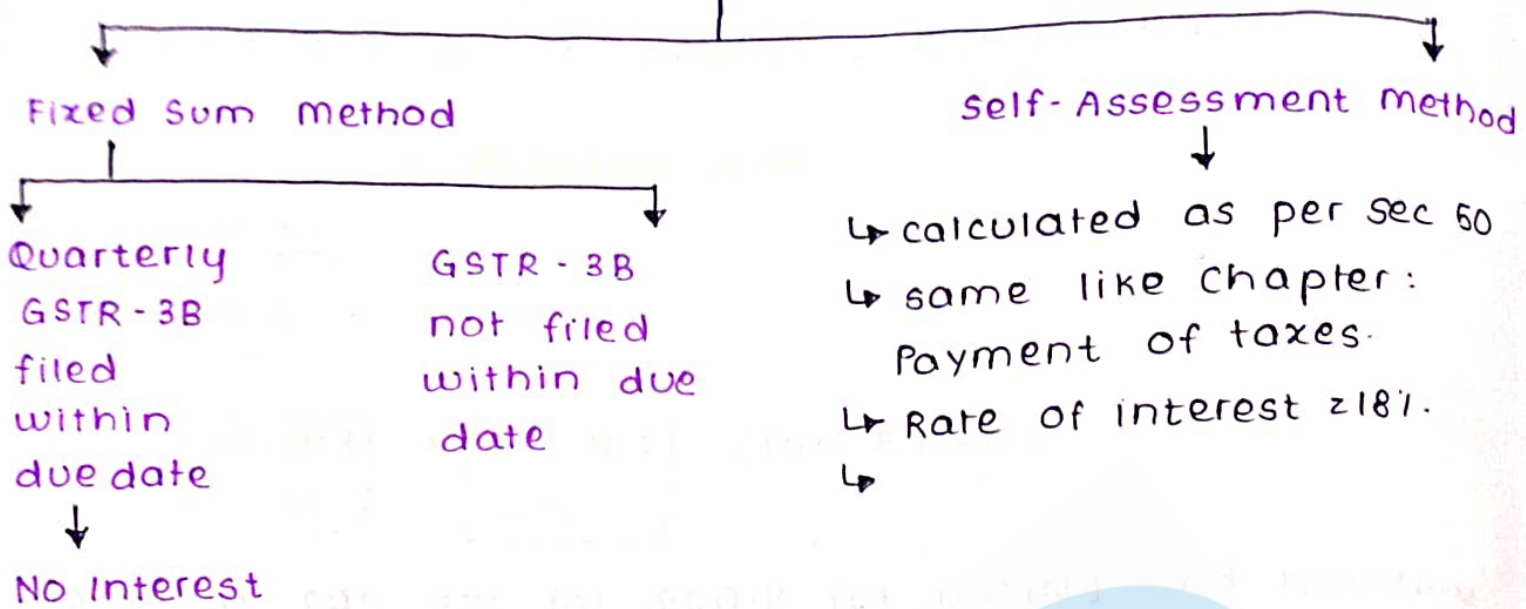
Ex 2:



B1 + B2 → Same Return

Motabhai can take QRMP for both or monthly for both.

## Interest for QRMP →



\* Applicable if ATO of last year is upto 5cr

\* QRMP is optional

\* Applicability of QRMP is GSTIN wise

How to opt out of QRMP?

↳ **voluntarily**

↳ tax payer crosses 5 crores:

↳ Assessee is in **QRMP (A.M.)** - Quarterly

↳ During J.A.S, assessee crosses ₹ 5 crores (Quarterly)

↳ From next quarter : **Oct, Nov, Dec** out of QRMP.

How to opt in for QRMP?

↳ can be done in the **middle of the year**

ex: Apr, May, June → monthly basis.

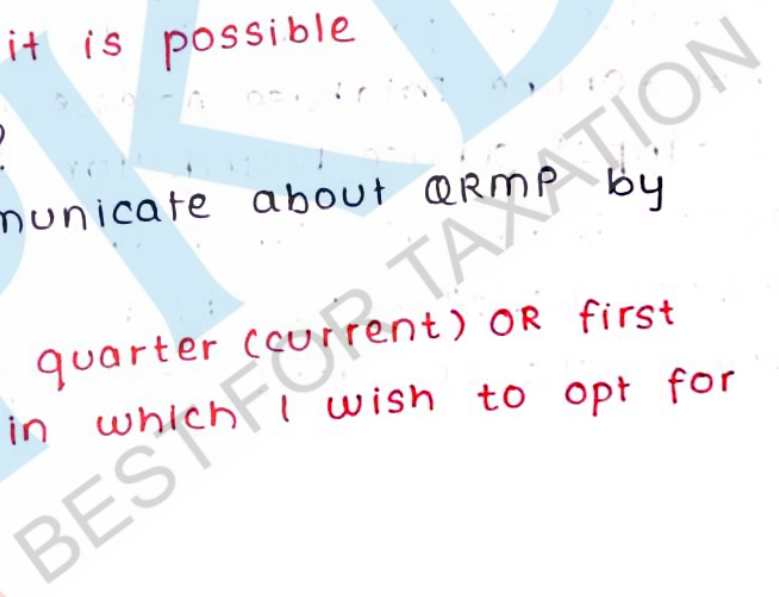
July, Aug, sept → wish to opt for QRMP

Is it possible? → **yes, it is possible**

\* when can it be done?

I should opt and communicate about QRMP by May, June or July.

Last two months of the quarter (current) OR first month of the quarter in which I wish to opt for QRMP.



## Section 24

- compulsory registration
- not dependent on ATO
- Following persons are covered u/s 24:
  - 1) Interstate supply of G
    - ↳ exception - Interstate supply of S/Handicraft/Notified G
  - 2) CTP:
    - ↳ exception - handicraft / notified G
  - 3) NRTP
  - 4) Person liable to pay tax under RCM
  - 5) ECO liable to collect TCS
    - ↳ Selling goods through ECO
    - ↳ exception - selling services through ECO
  - 6) ECO liable to pay tax u/s 9(5)
  - 7) OIDAR - Online Database Access and Retrieval Services
  - 8) ISD - Input service Distributor.
  - 9) Person liable to collect TDS
  - 10) Persons notified by CG/SG
  - 11) Agents who sell goods on behalf of registered principal.

BEST FOR TAXATION

## Section 23

69

- supplier of exempt G / S
  - supplier of non-taxable GIS
  - farmer selling agri produce (cultivation)
  - some exceptions by notifications:
    - ① Interstate supply of S - not u/s 24
    - ② Interstate supply of G / CTP - notified G
      - ↳ handicraft G
- not covered u/s 24 / covered u/s 22



## EDUCATIONAL

## INSTITUTES PROVIDING

①

Providing Pre-school upto HSC - Higher secondary course

↳ Pre-school + School + HSC  
IB / SSC / CBSE - Any Board

↳ Boarding school :

Edu<sup>n</sup> + stay + Food  
composite supply [8a]  
Principal supply : Education  
∴ Entire supply is exempt

↳ Extra - curricular Activities :

with same fees (School fees)      additional fees are charged

composite supply

exempt

Sec 8(a)

mixed supply

taxable supply

Sec 8(b)

Providing qualification recognised in India

↳ qualification should be recognised in India:  
If Institute gives qualification not recognised in India but in foreign country = taxable.

↳ course which provides dual recognition: i.e. one recognised in India and other isn't recognised in India:  
∴ mixed supply → taxable

↳ private coaching → taxable : because they do not provide any qualification that is recognised under any law. Ex: SPC, Coaching for Engineering, 12<sup>th</sup> std. classes

↳ IIM ⇒ Indian Institute of management:

↳ Long Duration course : [1 yr or more] = Exempt [degrees/diplomas - recognised]

↳ short Duration course : [less than 1 yr] = taxable [participation certificate - not recognised]

↳ maritime Training Institutes : provides courses that are recognised by The Merchant Shipping Act, 1958 → exempt

↳ Institutes like IIT/IIM etc. providing campus interviews : Institutes collect charges for corporates for placement → taxable.

Providing vocational Training Courses :

↳ vocational Training courses : Courses in designated trades as covered: Apprentice Act = exempt [ex: electrician, wireman, photographer, beautician, gardener, painter etc.]

↳ modular employable skill course → exempt.

↳ ITI : Industrial Training Institute  
ITC : Industrial Training centre.

↳ Private ITI :  
↳ courses in designated trade [Apprentice Act] = exempt  
↳ other courses = taxable.

↳ Government ITI :  
↳ courses in designated trade = exempt  
↳ other courses = exempt  
[All courses exempt as supplier is Government]

Note : canteen / Mess :

↳ run by educational institute = exempt

↳ run by caterer [outsourced by the educational institute] = input service for educational institute.

SERVICES TO EDUCATIONAL INSTITUTES:

- 1] Transportation of students, faculty, staff etc
  - 2] catering including mid-day meals sponsored by Govt.
  - 3] security or housekeeping services performed in such educational Institution premises
- exempt only for Pre-school → HSC



Service relating to admission / conduct of examination:  
exempt for all institutions



Supply of online educational journals / periodicals:  
↳ only to educational institutes providing educational qualification

BEST FOR TAXATION