



CA Inter, CS Executive & CMA Inter

VG Sir ✍️

Goods & Services Tax

Handwritten Notes



**FULLY
AMENDED**

**2024
Edition**

Handwriting -
Manya Jain

CA Vivek Gaba

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Chapter-1Some Basic concepts

- Meaning of Indirect tax
- Full form of GST.
- Law making authority
- Definition of GST.
- Topics to be covered under GST.

1) **Indirect Tax** is a tax which is levied on a person and burden of the same falls on different person.

→ GST is a type of indirect tax.

2) IDT is **regressive** in nature (fix nature)

3) Full form of GST → **Goods and Services Tax**

Levied on :

- **Goods**, or
- **Services**, or
- **Both** (G&S)

4) Department of GST - **CBIC** (central Board of Indirect Tax and custom)

5) GST Applicability.

- In India excluding J&K : w.e.f. 01/07/2017
- In India including J&K : w.e.f. 08/07/2017

- service charge is not a service tax (It is tip charged by Restaurants) and is optional to pay.

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6) Types of GST

- (i) CGST (ii) SGST (iii) UTGST (iv) IGST

7) Combination of GST

- Intra-state : CGST + SGST
- Intra-UT : CGST + UTGST
- Inter state/UT : IGST only

Definition of GST - Article 366(12A).

- GST is a tax
- which is levied on supply
- of goods or services or both
- except the tax on supply of Alcoholic liquor for human consumption

8) Law making authority of GST

Parliament. -----

central govt. X

state govt. X

state assembly X

Parliament and state assembly -----

central govt. and state govt. X

→ ARTICLE 246 A

• Most important Articles under GST

- Article 246 A → Article 366 (12A)
- Article 269 A → Article 270
- Article 279 A → Article 271
- Article 1 → Supportive Articles

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* Before GST discussion, firstly we have to find out what was the problem in old indirect tax system:-

Problems and limitations in old system:-

- Multiple tax
- Multiple taxable event
- cascading effect
- No uniformity
- classification issue
- different department, if different types of tax.
- Higher compliance and so on.



To remove above problems, Govt. introduced GST laws in India : w.e.f. 1 July, 2017
(in J&K - 8 July, 2017)

Picture after GST

Problem → solution.

- (1) Multiple taxes. $\xrightarrow[\text{t/f.}]{\text{आत्मा}}$ GST
(excise/service tax/VAT/cst/entertainment tax etc.)
- (2) multiple taxable events. \longrightarrow supply
(manufacturing, sales etc.)
- (3) Assessee names. \longrightarrow supplier.
(manufacturer, seller etc.) (Taxable person)
- (4) Intra state \longrightarrow Intra state
Interstate \longrightarrow Interstate
International trade \longrightarrow Interstate

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(5) Double tax. → No double tax.

(classify what is sos / soq].

supply of services. supply of goods.

(6) cascading effect → NO cascading effect. (seamless flow of credit).
[Tax on Tax].

(7) Different departments → one Department.
↳ CBIC

(8) No uniformity → one nation, one tax.
(5%, 12%, 18%, 28%).

(9) Higher compliance cost → lesser compliance cost. as compared to old indirect tax.

✗ ————— ✗

#

Double Tax.	Cascading
value = 10,000.	value = 10000.
<u>excise duty</u>	<u>vat@</u>
@ 10% = 1000.	12.5% = 1250
11000.	11250.
<u>Sales tax</u> 1500. (10K x 15%).	<u>Sales tax</u>
@ 15%.	@ 15% = 1687. (11250 x 15%)
12500.	12937

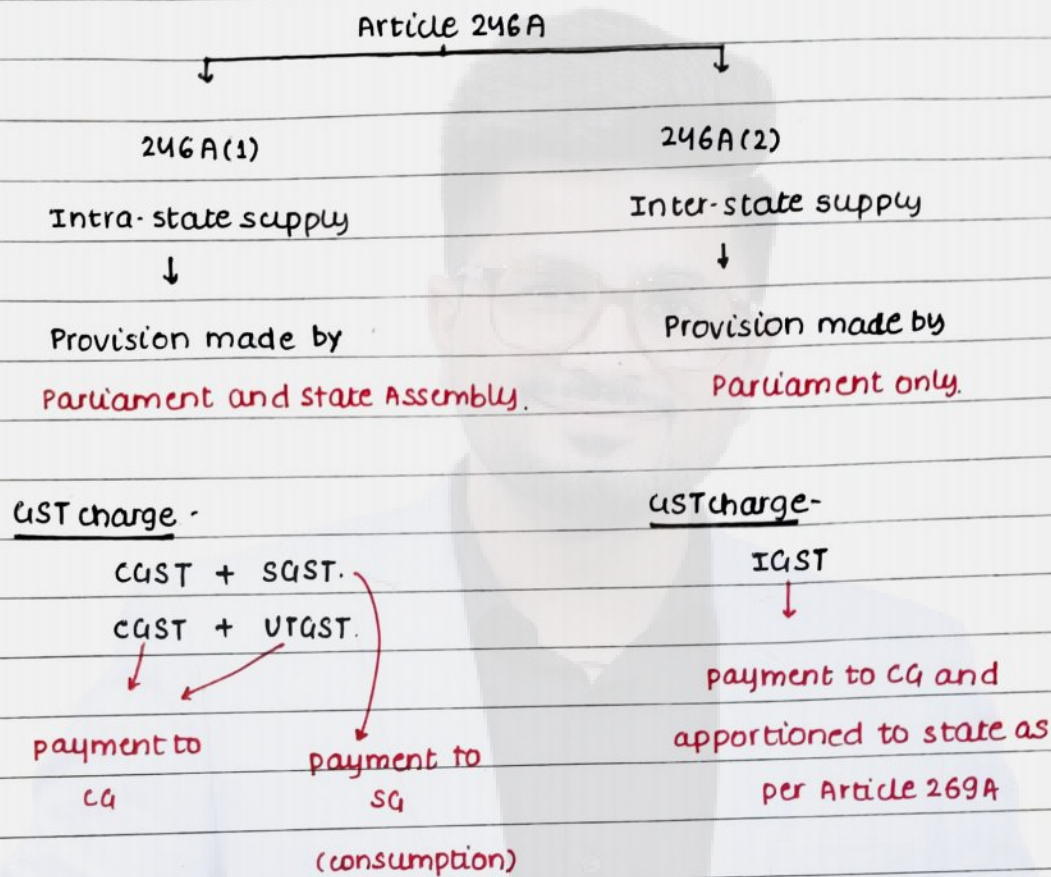
[same value, 10K पर दो बार tax लगा].

[Tax par दुबारा Tax लगा]

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ARTICLE 246A : Special Provision w.r.t. GST

Article overruled : A-246 and A-254



Above GST is not applicable on following goods -

- petroleum crude
- High speed diesel
- motor spirit
- Natural gas
- Aviation turbine fuel.

} GST on these goods will be applicable, when recommended by GST council.

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* Meaning of Intra-state and Inter-state supply

Section 8 of IGST Act.

A-246A(1)

Intra state supply

where the,

Location of supplier

AND.

Place of supply



- Same state
- same UT

→ payment to SG

CGST + SGST

CGST + UTGST

↓ ↓
Payment to CG

Section 7 of IGST Act.

A-246A(2).

Inter-state supply

where the,

Location of supplier

AND.

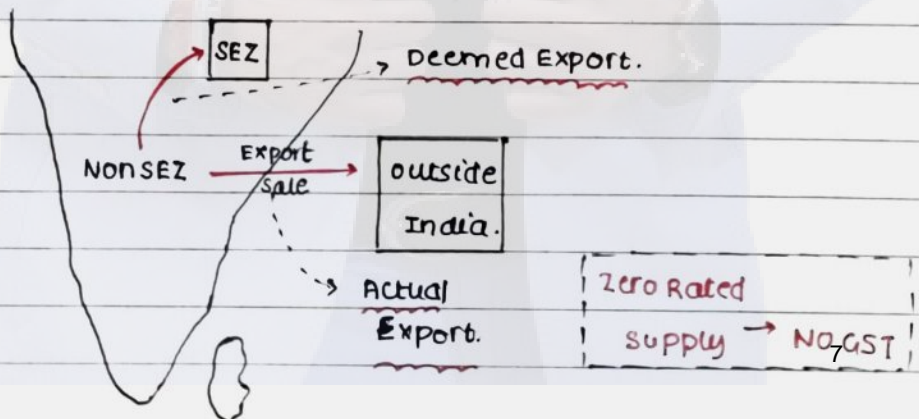
Place of supply



- Two different states
- Two different U.T.
- Two different countries
- one state one UT
- supply to SEZ
- supply by SEZ.
- supply to tourists.

IGST → payment to CG

* zero-Rated supply [Section 16 of IGST Act].



Govt. Thumb Rule = Import the goods **HIGHER** the taxes
Export the goods **NOT** the taxes.

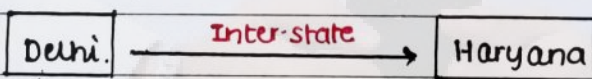
Example - (Sec 8, 7, 16).

Location of Supplier	Actual Supply ↓ Useless	Place of Supply	Nature	GST.
Delhi	Delhi	Haryana	Inter	I ¹ GST
Delhi	Delhi	Delhi	Intra	C ¹ GST + S ¹ GST
Delhi	UP	Delhi	Intra	C ¹ GST + S ¹ GST
Chandigarh	Chandigarh	Chandigarh	Intra	C ¹ AST + U ¹ T ¹ GST
Chandigarh	A&N	A&N	Inter	I ¹ GST
Haryana	Delhi	Haryana (SE2)	Inter	Zero Rate supply
Haryana	USA	USA	Inter	Zero Rate supply.
USA	Mumbai	Mumbai	Inter	} Import I ¹ GST
China	China	Gujrat.	Inter.	

CRUX : Actual place of supply is not relevant for determination of "Nature of supply"

Lecture(3)

ARTICLE 269A Apportionment of I¹GST



I¹GST Levy and collected by C¹.

shall be apportioned between union and state, provided by parliament, by law on the recommendation of GST Council.

In nutshell, I¹GST is sum total of C¹AST and S¹GST.

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Imp Note

(1) GST में किसी भी state की तरफकी इस बात पर निर्भर नहीं करती की वहाँ पर कमाने वाले कितने हैं, बल्की इस बात पर निर्भर करती है की वहाँ पर खाने वाले लोग कितने हैं!

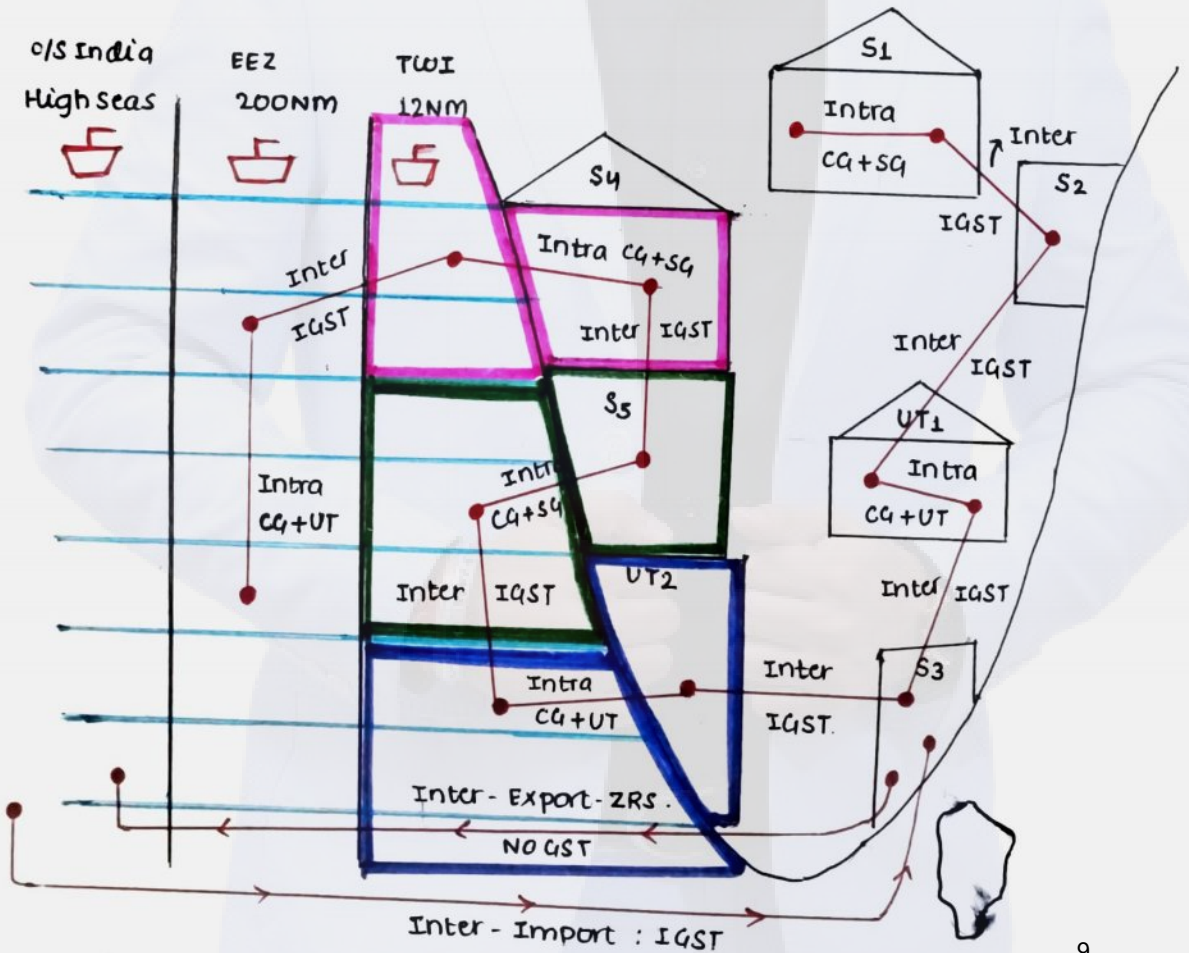
i.e. GST is consumption / destination based tax.

(2) GST में किसी भी person का registration origin state में होगा लेकिन revenue, consumption state को मिलेगा।

GST applicable AU over India w.e.f. 8/07/2017

Definition of India under GST?

India - Baseline / Landmass.



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India. (definition for GST)

Landmass/
Baseline

12NM
(TWI)

200NM
(EEZ)

28 States

8 UT

Nearest
state/UT.

↳ other
territory.
↓
Deemed UT

[Sec 9 of IGST Act]

with
legislature

without
legislature.

Total = 31 States

3 UT

5 UT

- Delhi
- Pondicherry
- J/K.

deemed
state

- A&N
- Dadra/Daman
- Lakshadweep
- Chandigarh
- Other territory.

Total 7 GUT.

Example

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Location of supplier	Place of supply	Nature	GST
Delhi	Delhi	Intra	CGST + SGST
J/K	Ladakh	Inter	IGST
Ladakh	Ladakh	Intra	CGST + UTGST
Maharashtra	6NM (Near MH)	Intra	CGST + SGST
6NM (near MH)	Chandigarh	Inter	IGST
Chandigarh	A.N	Inter	IGST
A.N	A.N	Intra	CGST + UTGST
U.P.	188NM (near UP)	Inter	IGST
Gujrat	USA	Inter → Export.	ZRS (NO GST)
USA	Delhi	Inter → Import	IGST
6NM (Gujrat)	8NM (Near MH)	Inter	IGST
Delhi (NonSEZ)	Haryana (SEZ)	Inter → Deemed Exp.	ZRS (NO GST)
UP	20NM (Near UP)	Inter	IGST
166NM (Near MH)	188NM (near Kerela)	Intra	CGST + UTGST
Delhi (SEZ)	Haryana (Non SEZ)	Inter → Import	IGST

Article 279A : Formation of GST Council.

President → within 60 days from 8/9/16.

(Formation of CAA, 101)

GST Council formed → 10/9/16

GST Council notified → 12/9/16.

Total members in GST council = 33 members

1. chairperson → Union Finance minister (1)
2. Member of CG → Union minister of state (1)
3. member from SG → FM of state OR other nominated. (31)
4. vice chairman → one member from)
5. Quorum required = Minimum 50%.
6. Voting in favour = 75% (3/4th).
7. CG share = 1/3 ; 33.33%.
8. SG share = 2/3 ; 66.67%.

GST council makes recommendations on the following-

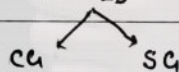
- (1) Taxes to be subsumed. (merge)
- (2) Goods/services to be subjected or to be exempted from GST.
- (3) Apportionment of GST
- (4) Special rate for specified period
- (5) Threshold limit of turnover
- (6) Special provisions w.r.t. special cat. states

Example 1

total members = 33



members present = 25



33.33% 2 members 23 members.

decision approved or not? only → Yes NO (AU).

Sol. → NO, the decision will not be approved, because only 33.33% voting is in favour which is less than 75%.

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Example 2-

Total members = 33.

↓

members present = 30

CG SQ.

2 members

28 members.

↓

↓

NO.

YES. 66.67% only

Decision approved or not?

Sol → NO, since only 66.67% voting is in favour which is less than 75%.

Example 3

Total members = 33

↓

Members present = 25

CG SQ

2 member

23 member

↓

↓

Yes.

20 → Yes. → $\frac{20 \times 66.67\%}{23}$

Decision approved or not?

↳ 33.33%

3 → NO.

= 58%

Sol - $58\% + 33.33\% = 91.33\%$ (approx)

Yes, since $91.33\% > 75\%$.

Example 4

Total members = 33

↓

members present = 28.

CG SQ.

2 member

26 member

33.33%

↓

↓

↪ Yes

12 → Yes

13

14 → NO.

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Sol. $\frac{12}{26} \times 66.67\% = 30.77\%$

$\therefore 30.77\% + 33.33\% = 64.1\%$

NO, since $64.1\% < 75\%$ (Not Approved)

Example 5

Total members = 33

↓

members present = 26

↙ ↘

CQ

SG

2 members

24 members.

↓

↓

33.33% → Yes.

voting → 18 (12 - Yes; 6 - No)

Not voted → 6 (ignore)

Sol. $\frac{12}{18} \times 66.67\% = 44.44\%$

$\therefore 44.44\% + 33.33\% = 77.77\%$

\therefore more than 75%.

yes, decision is approved.

Example 6

Total members = 33.

↓

members present = 33

↙ ↘

CQ

SG

2 member

31 member

↓

↓

33.33% → Yes

23 → Yes

8 → NO

Sol. $\frac{23}{31} \times 66.67\% = 49.46\%$

$\therefore 49.46\% + 33.33\% = 82.79\%$

\therefore more than 75%, Hence, approved

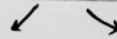
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Example 7

Total members = 33



members present = 20.



CA

SG

2 member

18 members.



33.33%

↖ Yes.

10 - vote [6 - Yes ; 4 - No].

8 - Not vote

Sol. $\frac{6}{10} \times 66.67\% = 40\%$ (approx).

$\therefore 40\% + 33.33\% = 73.33\%$.

less than 75%, so, decision will not be approved.

Lecture (4)

ARTICLE - 271 Power to levy cess or surcharge by Parliament.

Parliament may at any time increase any tax by surcharge for the purpose of union → CA.

concept of cess.

	Income Tax.	GST.
• Name of cess.	Health and Edu. cess	GST compensation cess
• DOB	Finance Act, 2018.	GST compensation Act,
• Rate	4%	3% to 290% ²⁰¹⁷
• levied on	Tax.	value of supply
• Nature	direct tax	Indirect tax.

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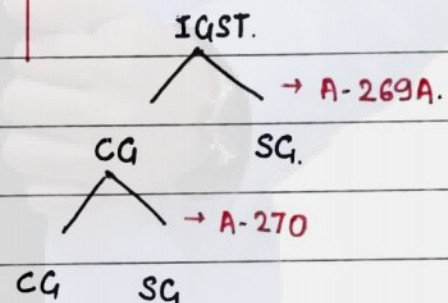
ARTICLE - 270 Distribution of taxes b/w union and state.

- All of the **taxes and duties** referred in **union list**.
- shall be levied and collected by **govt. of India**.
- shall be **distributed** between union and state.

Ammendment after GST

- **CGST** levied on intra state supply **shall also be distributed** among **CG and SG**.
- **IGST** component apportioned to union **shall also be distributed**.

Name of taxes.	Payment to.	Apportionment.
Income Tax.	CG	✓
CGST	CG	✓
SGST	SG	X
UTGST	CG	X
IGST	CG	



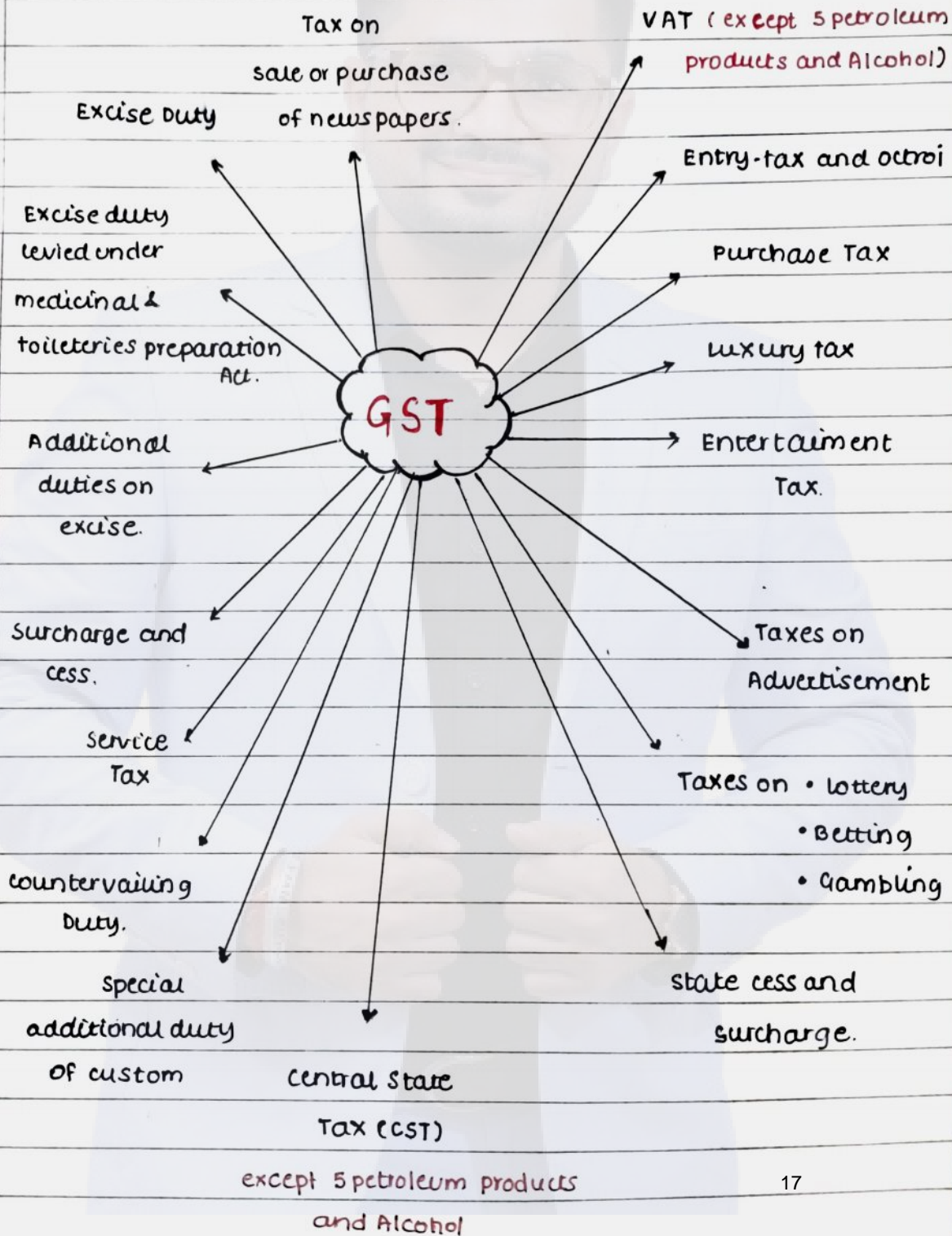
Chapter-2.

Background of GST

* Taxes subsumed in GST : Total **17 taxes**.

Central level taxes [9]

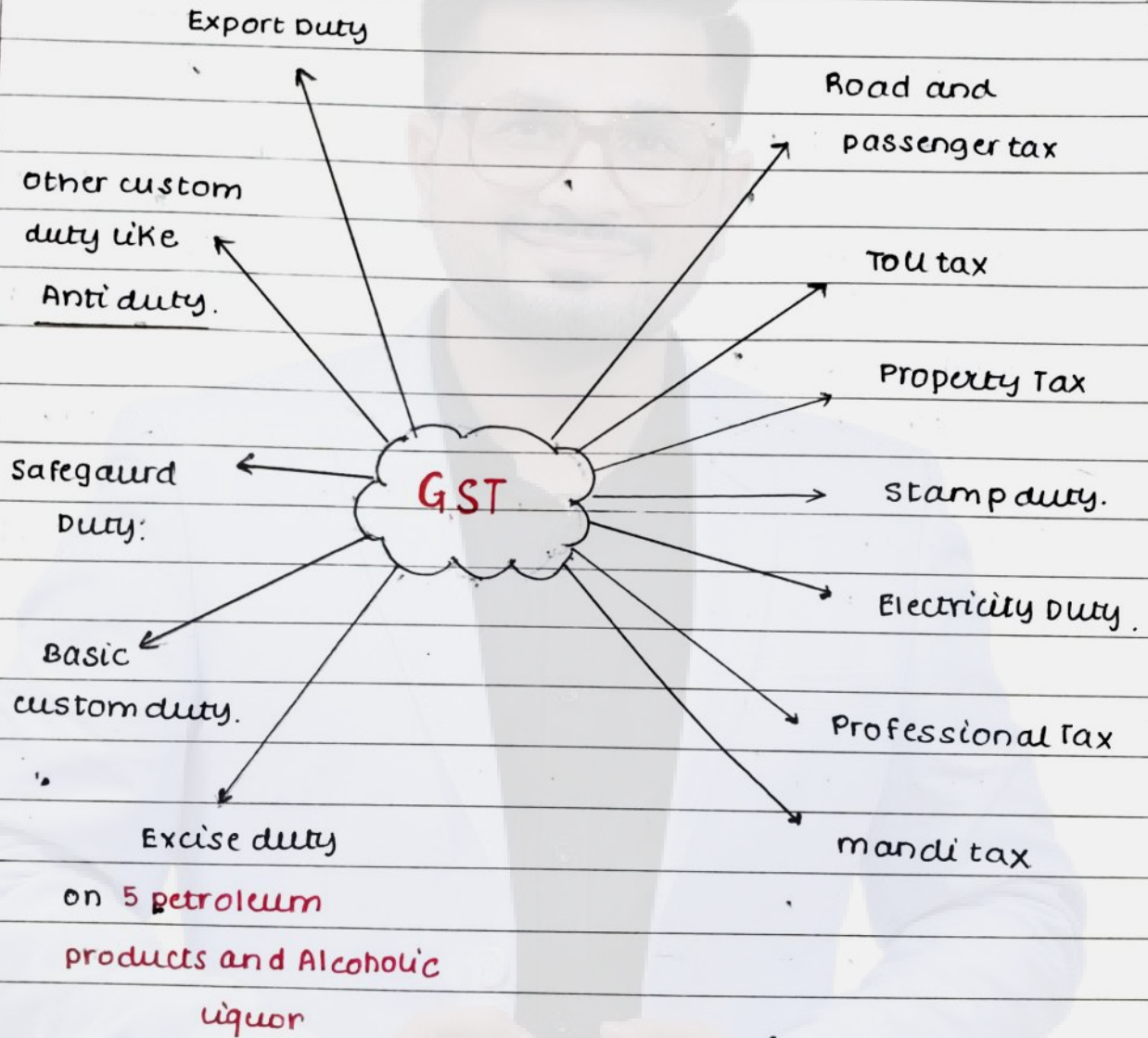
State-level taxes [8]



* Tax not subsumed in GST

Central Taxes

State taxes.



FOCUS AREA - Tobacco and tobacco products would be subject to GST. In addition to GST, central govt. would have the power to levy central excise duty, (i.e. double taxation).

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* Benefits of GST

Following are the benefits to govt./ trade business / ultimate consumers

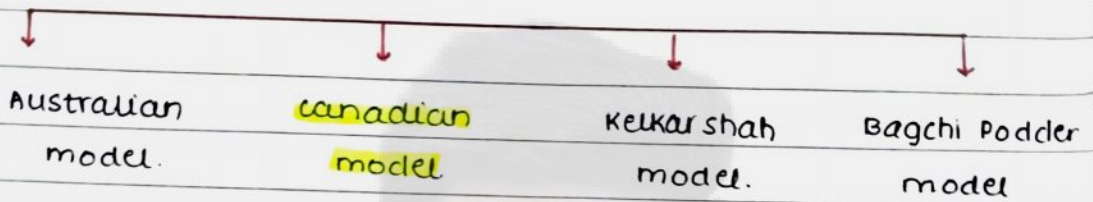
- 1) Elimination of multiple taxes.
- 2) Saving more money.
- 3) Ease of doing business.
- 4) Easy tax filing and documentation.
- 5) Cascading effect reduction.
- 6) More employment.
- 7) Increase GDP.
- 8) Reduction in tax evasion.
- 9) More competitive product.
- 10) Increase in revenue.

* Introduction to GST

- GST was first levied by France in 1954.
- Last country to adopt GST is **Malaysia**. (Before India).
- GST is a **destination consumption** based tax.
- India has the **highest** GST rate in the world i.e. **28%**. and next highest rate is in Argentina i.e. 27%.
- GST is technically paid by **supplier**, but it is actually funded by **customers**.
- Indian GST has 4 general rate structures.
(Applicable on goods or services or Both).
i.e. 5%, 12%, 18%, 28%. and 3% or 0.25% special rate applicable on precious metals like gold, rough diamond etc.

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* Model of GST



- 1) India follows **duel GST model**. (CGST + SGST)
- 2) GST model is **adopted** from **Canada**.
- 3) currently **Brazil** and **Canada** follows **duel GST model**.
- 4) GST is **value added supply** on activity of supply of goods / services or both.
- 5) There is **SPV [Special Purpose Vehicle]** called **GSTN** to cater the **IT needs**.

GSTN :- **Goods and services Tax Network**, (GST portal).

Co and Sq holds **24.5%** each equity shares respectively, and the remaining **51%** are held by non-government Institutions. (LIC housing finance holds **11%** and

HDFC BANK, HDFC Ltd.

ICICI BANK.

NSE Strategic Investment Co.

} Each owning 10%.

GSTIN - **Goods and services Tax Identification Number**

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Concept 1 Taxation principles.

It means Tax Ka revenue milega kis state ko ya kis country ko.

Destination principle

i.e. the country / state where goods are consumed / destined will get the tax. instead of origin state / country.

Eg. - GST / Excise duty.

Origin principle

i.e. the country / state from where the goods are originated will get the tax instead of destination state / country.

Eg. - CST.

Concept 2 Taxation systems, (worldwide).

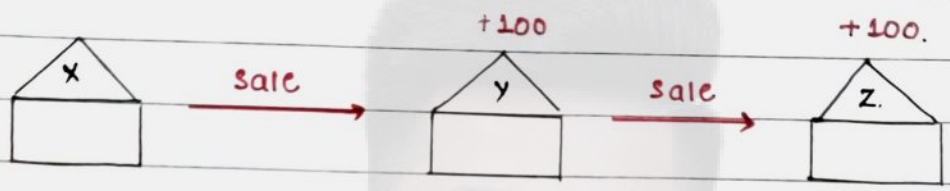
It means tax kaise lagega ?

- 1) First Point collection
- 2) Last Point collection.
- 3) multipoint collection.
- * 4) Multipoint collection with ITC. → Followed in GST [India].

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1) First Point collection Tax

Tax Rate = 10%.

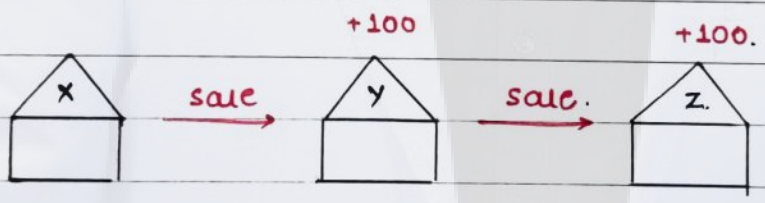


Value - 1000.	cost - 1100	cost - 1200.
Tax - 100.	Profit - 100.	Profit - 100.
<u>1100.</u>	<u>1200.</u>	<u>1300</u>
	Tax -	Tax -
	<u>1200.</u>	<u>1300.</u>

[Not followed in India].

2. Last point collection Tax

Tax Rate - 10%.

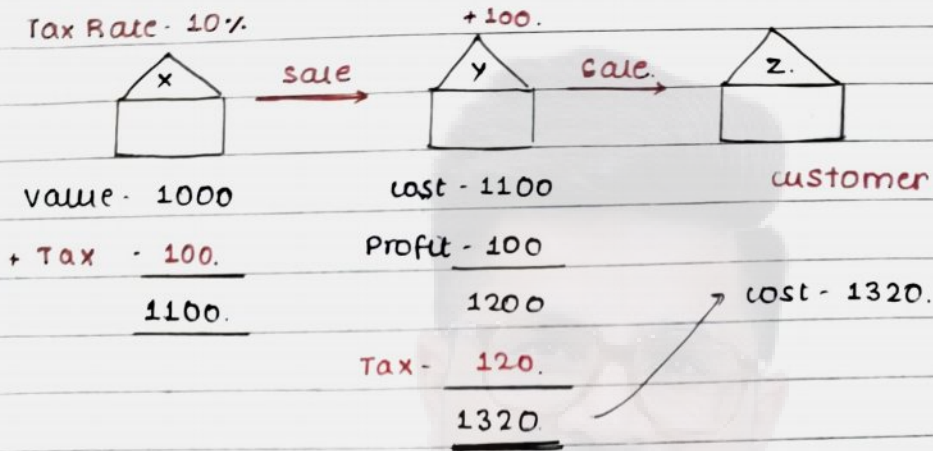


Value - 1000.	cost - 1000.	cost - 1100.	consumer
Tax - -	Profit - 100.	Profit - 100.	
<u>1000</u>	<u>1100.</u>	<u>1200.</u>	
	Tax -	Tax - 120.	cost to consumer = 1320.
	<u>1100.</u>	<u>1320.</u>	

[Not followed in India].

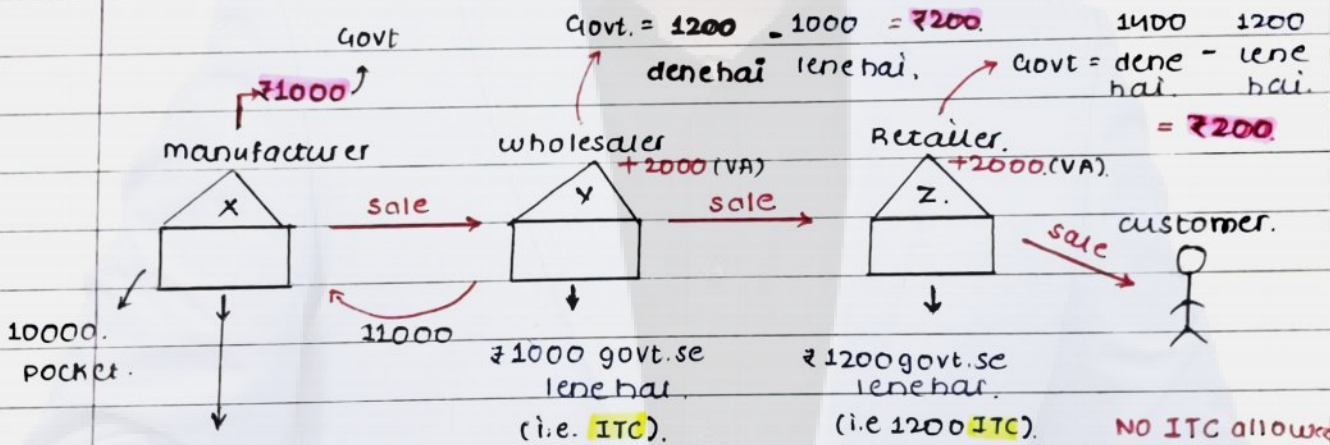
3) Multipoint collection Tax.

Tax Rate - 10%



4) Multipoint collection of Tax with ITC. (v. imp)

Tax Rate - 10%



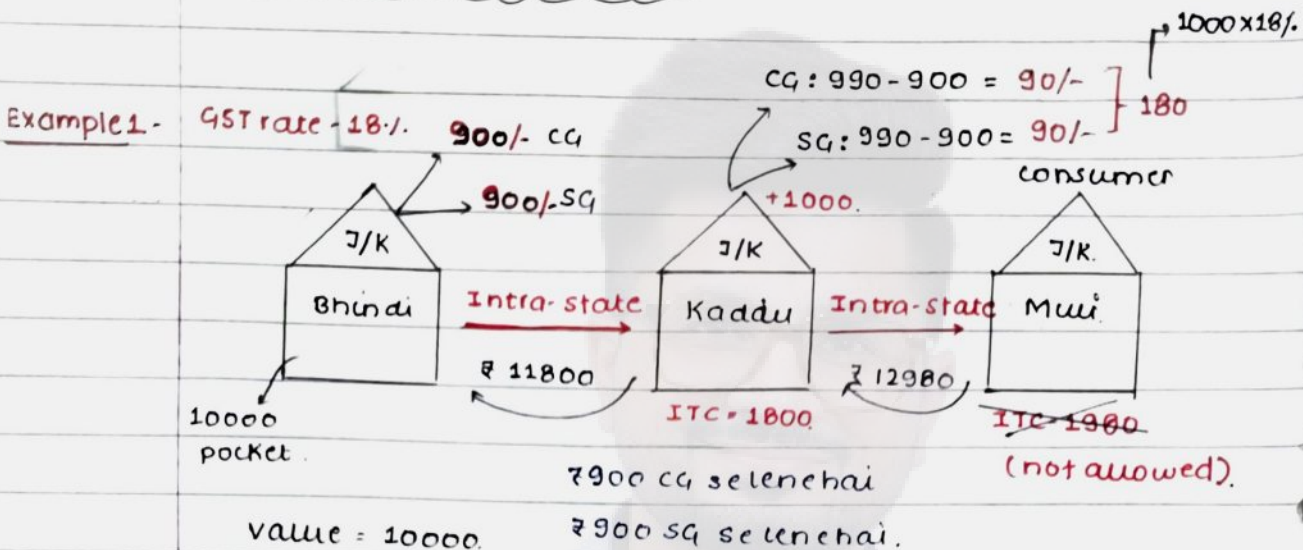
value = 10000.	cost = 10000.	cost = 12000	(since Pis unsum)
+ S.Tax 1000.	+ V.A. = 2000.	+ V.A. = 2000.	⇒ cost = 15400.
<u>11000.</u>	<u>12000.</u>	<u>14000.</u>	
	+ S.Tax. 1200.	+ S.Tax 1400.	
	<u>13200.</u>	<u>15400.</u>	

Revenue to Govt = 1000 + 200 + 200 = 1400.

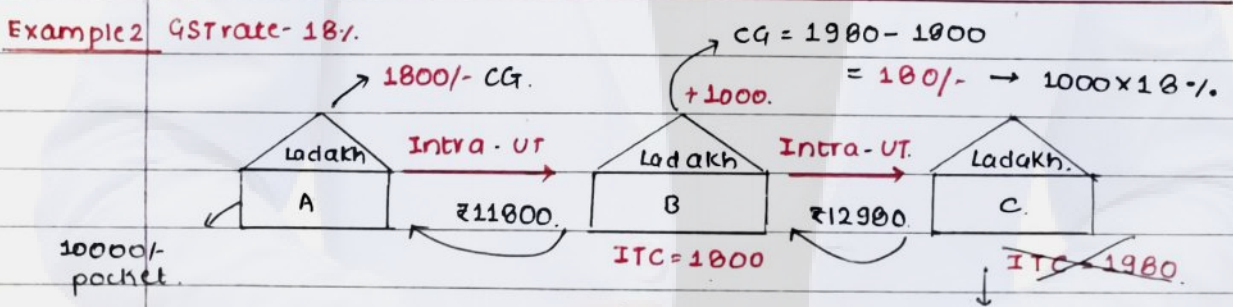
[This method is followed in India for GST.]

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GST is a value added tax - tax on value addition



cost = 12980/-

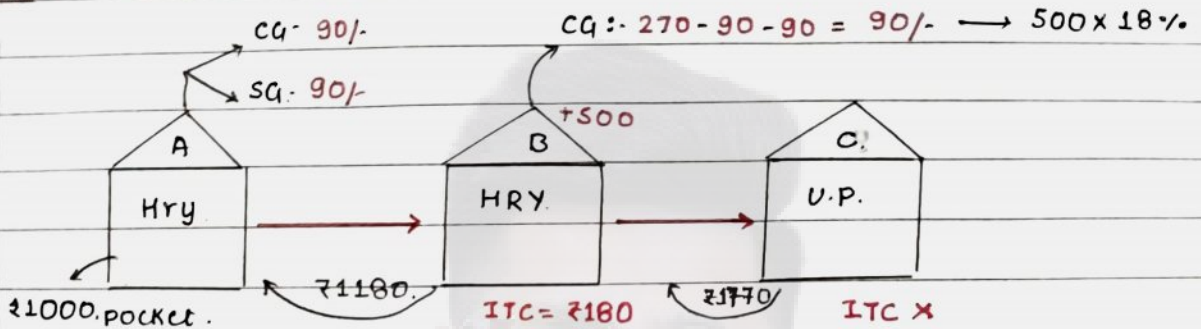


cost = ₹12980.

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Example 3 - GST rate - 18%

IGST CGST SGST



value - 1000.

[CG = 90; SG = 90]

CGST = 90

cost = 1000.

cost = ₹1770/-

SGST = 90

V.A. = 500.

1180.

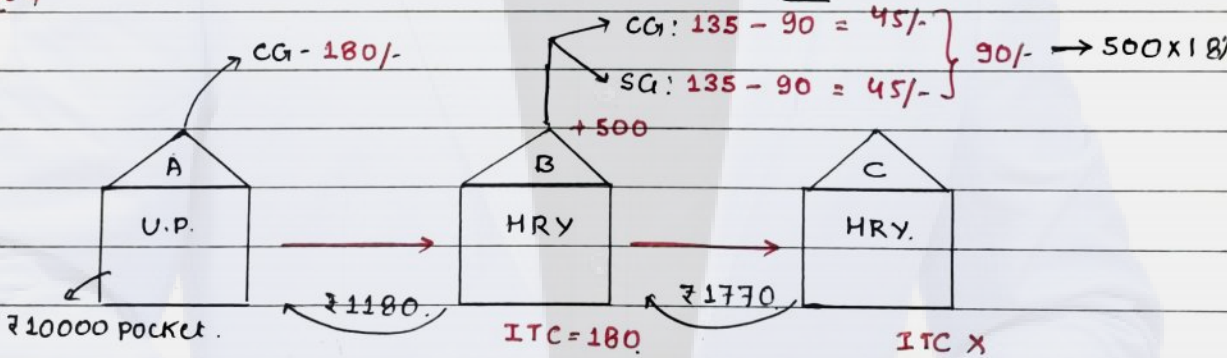
1500.

IGST = 270.

1770

Example 4

IGST



value - 1000.

(₹180 CG se lena hai)

IGST = 180

cost = 1000.

cost = ₹1770/-

1180.

V.A. = 500.

1500.

CGST = 135

SGST = 135

1770.

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Example 5 ITC Payment

IGST -	140,000	160,000
CGST -	90000	80000
SGST -	80000	40000

Net GST payment? credit (if any) c/f?

Solution

	<u>IGST</u>	<u>CGST</u>	<u>SGST</u>
GST liability	160,000	80000	40000
Less: <u>ITC</u>			
IGST	(140000)	-	-
CGST	(10000)	(80000)	-
SGST	(10000)	-	(40000)
	<u>NÜ.</u>	<u>NÜ.</u>	<u>NÜ.</u>

SGST credit = 30000 c/f.

Example 6 ITC Payment

IGST	160,000	140000
CGST	70000	60000
SGST	80000	70000

Net GST liability? credit (if any) c/f?

Note - IGST manner : 1st IGST 2nd CGST 3rd SGST

Solution

	<u>IGST</u>	<u>CGST</u>	<u>SGST</u>
GST liability	140000	60000	70000
Less: IF <u>ITC</u>			
IGST	(140000)	(20000)	-
CGST	-	(40000)	-
SGST	-	-	(70000)
	<u>NÜ.</u>	<u>NÜ.</u>	<u>NÜ.</u>

c/f : CGST credit - 30000 ; SGST credit : 10000

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Example 7.

	<u>ITC</u>	<u>Payment</u>
IGST :	190000	120000
CGST :	140000	170000.
SGST :	120000	160000.

Net GST liability? credit (if any) if?

Solution -

	<u>IGST</u>	<u>CGST</u>	<u>SGST</u>
GST liability.	120000	170000	160000.
Less: ITC:			
IGST	(120000)	(30000)	(40000).
CGST	-	(140000)	-
SGST.	-	-	(120000)
	<u>NÜ.</u>	<u>NÜ.</u>	<u>NÜ.</u>

credit = NÜ.

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Manner and order of ITC utilisation. [most imp].

Order of utilisation.	ITC (Govt. se paisa lenehai)	Payment (Govt. ko paisa denehai)
I	IGST.	1st : IGST 2nd : CGST or SGST (at any manner , at any ratio).
II	CGST.	1st : CGST 2nd : IGST
III	SGST/ UTGST.	1st : SGST/UTGST 2nd : IGST

Example 8- 1) Mr. VG purchased goods from Mr. PQ for ₹1180,000.
(Inc. 18% GST) Mr. VG - Delhi. Mr. PQ - Delhi.

2) Mr. VG purchased another goods from Mr. PQ for
₹12,00,000. v Mr. VG - Delhi. Mr. PQ - Haryana.
@ 12% GST

3) Mr. VG sold goods (1) and (2) to Mr. TQ after 10%
addition of cost and charged GST @ 12%.
Mr. VG - Delhi. Mr. TQ - Delhi.

compute net GST liab.

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Solution - 1) cost - $\frac{118000 \times 100}{118} = ₹10,00,000.$

CGST @ 9% = 90,000
 SGST @ 9% = 90,000
11,80,000

2) cost = ₹ 1200,000
 IGST @ 12% 144000.
13,44,000.

Total: cost CGST SGST IGST
 22,00,000 90000 90000 144,000.
 } receivable from Govt.

3) Sale :- cost = 2200000.
 value add. @ 10% 220000
 2420000.
 CGST @ 6% 145200 }
 SGST @ 6% 145200 } - payable to govt.
27,10,400.

	IGST	CGST	SGST
GST liability	-	145200	145200.
less: ITC:			
IGST	-	(72000)	(72000).
CGST	-	(73200)	-
SGST.	-	-	(73200)
	NIL.	NIL.	NIL.

credit : CGST - 16800/-
 SGST - 16800/-

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- Example 9 - 1) Mr. VG purchased goods from Mr. TG @ ₹ 14,16,000 (inc. 18% GST). Mr. VG - Delhi. Mr. TG - Haryana.
- 2) Mr. VG purchased another goods from Mr. GG @ ₹ 10,00,000. GST @ 5%. Mr. VG - Delhi. Mr. GG - Delhi.
- 3) Mr. VG sold goods [given in (1)] after 5% addition in cost to Mr. PP and charge GST @ 12%. Mr. VG - Delhi. Mr. PP - Delhi.
- 4) Mr. VG sold goods [given in point 2] after 50000 value addition to Mr. KG. and charged GST @ 12%. Mr. VG - Delhi. Mr. KG - UP.

Note- IGST use :- 1st IGST 2nd. CGST 3rd. SGST.

compute net GST liability.

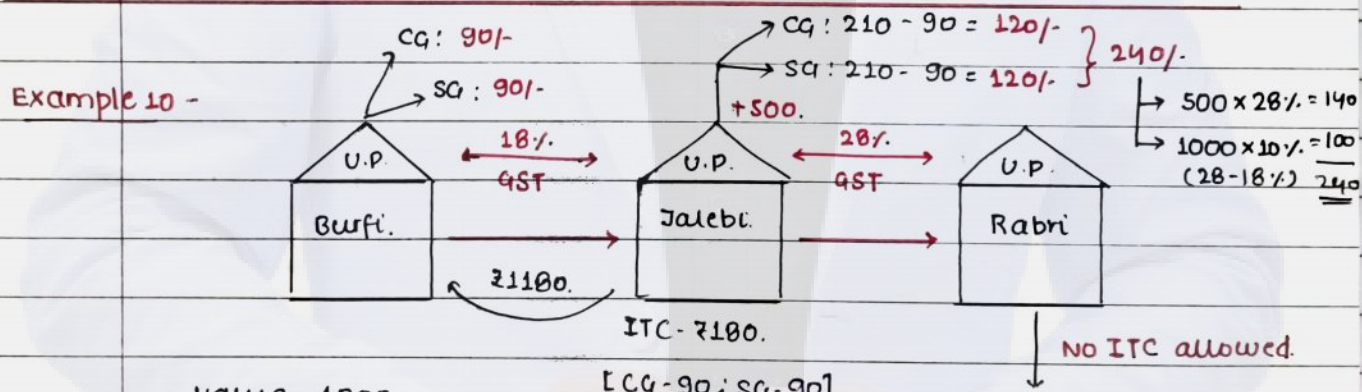
	Purchase :-	(1)	(2)	Total
<u>Solution</u>	Cost. : $\left(\frac{1416000 \times 100}{118}\right) =$	1200000.	1000000	2200000.
	IGST @ 18%.	= 216000	-	216000
	CGST @ 2.5%	=	25000	25000
	SGST @ 2.5%	=	25000.	25000.
		<u>1416000</u>	<u>1050000.</u>	

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Sale:-	(3)	(4)
cost price	1200000	1000000.
value addition	60000	50000.
	<u>1260,000</u>	<u>1050,000.</u>
CGST @ 6%	75600	-
SGST @ 6%	75600	-
IGST @ 12%	-	126000.
	<u>14,11,200.</u>	<u>11,76,000.</u>

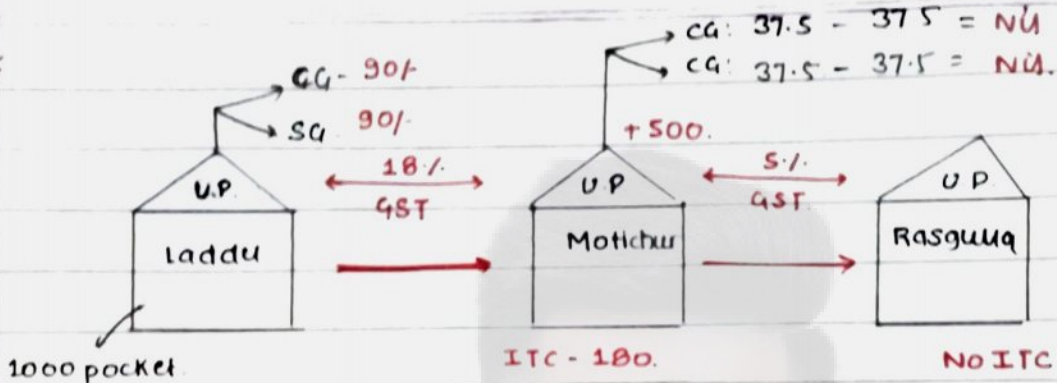
Now,	IGST	CGST	SGST
GST Liability.	126000	75600	75600.
less: Input Tax credit.			
IGST -	(126000)	(75600)	(14400)
CGST -	-	(-)	-
SGST -	-	-	(25000)
	<u>Nil.</u>	<u>Nil.</u>	<u>36200.</u>

CGST credit c/f - 25000/-



value. 1000.	cost - 1000.	cost to consumer
CGST - 90	V.A. - 500.	= ₹1920.
SGST - 90.	CGST - 210	
<u>1180.</u>	SGST - 210.	
	<u>1920.</u>	

Example 11:



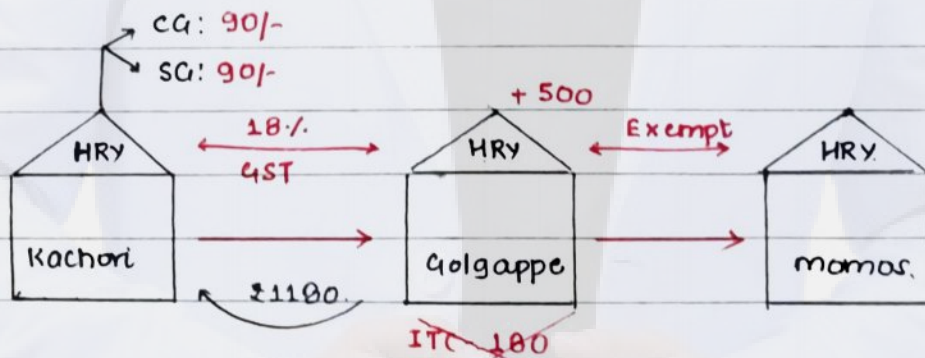
value - 1000
 CGST - 90
 SGST - 90
1180.

value - 1000
 V.A 500
1500.
 C.GST - 37.5
 SGST - 37.5
1575

cost to
 consumer
 = ₹1575

Here, ITC credit of : $CGST - 52.5$
 $SGST - 52.5$ } 105. $\left\{ \begin{array}{l} 1000 \times 13\% = 130. \\ (-) 500 \times 5\% (25) \end{array} \right.$
105

Example 12:



value - 1000
 CGST - 90
 SGST - 90
1180.

~~[CG-90, SG-90]~~
~~cost = 1000 + 1180.~~
 V.A = 500.
1580.

cost to consumer
 = ₹1580.

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• Important Point.

(1). Govt. says → Tum mujhe **KHOON** do,
Mai tumhe **Aazadi** dunga !

→ means **GST**
→ means **ITC**

Exception of above rule

KHOON = GST

AAZADI = ITC

↓
zero Rated Supply
↓

i.e. export or supply to SEZ

[NO KHOON, BUT FIR BHI AAZADI MILEGI]

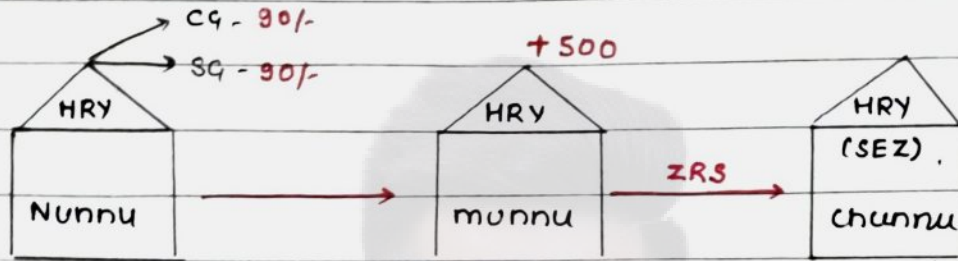
(You can claim refund of ITC).

CRUX No Khoon, no aazadi,
except **zero Rated supply** (i.e. no Khoon fir bhi aazadi).

(2). Reasons of No GST in further supply

- Exempted supply
 - Nil Rated supply
 - Non-taxable supply
 - zero-rated supply.
- } ITC X
- } ITC ✓

Example 13 - GST rate - 18%



ITC = 180 ✓

value - 1000

CGST - 90

SGST - 90

1180

cost = 1000.

V.A. = 500.

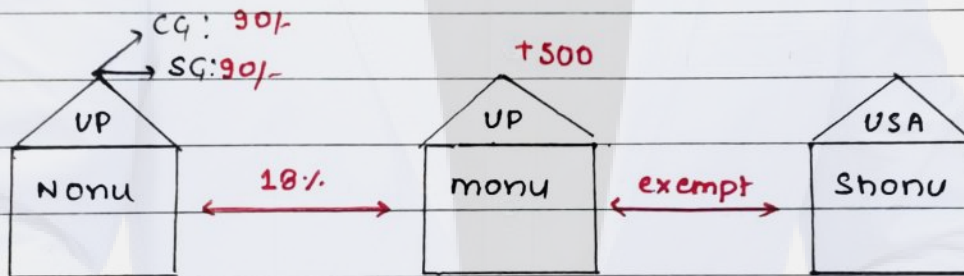
1500.

GST -

1500

cost = 1500

Example 14



ITC = 180 ✓

value - 1000

CGST - 90

SGST - 90

1180

cost = 1000.

V.A. = 500

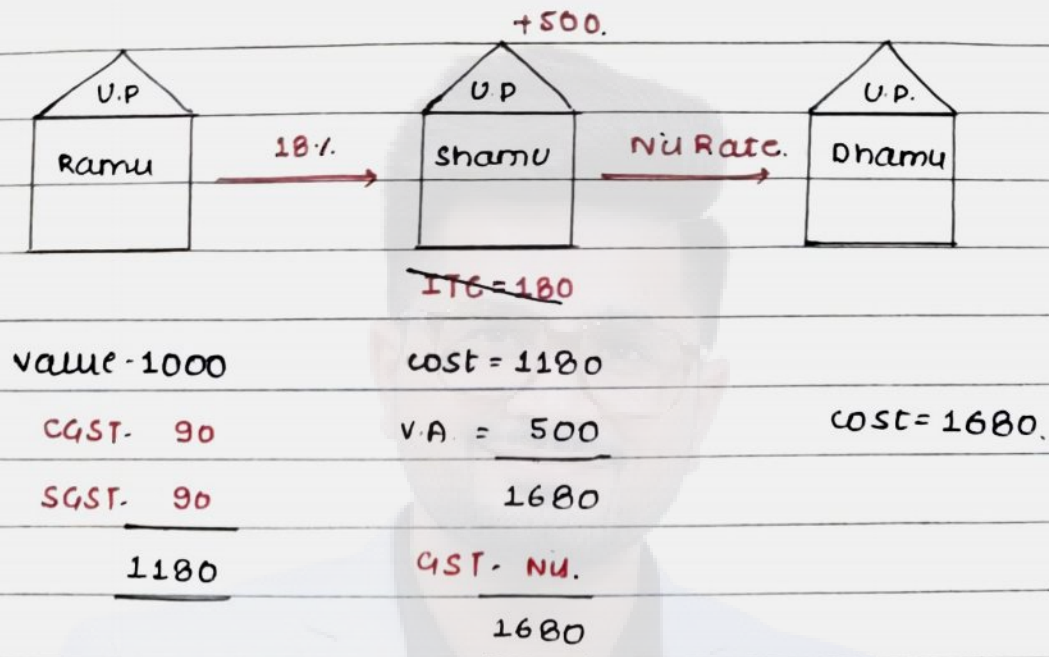
1500.

GST - Nil

1500

cost = 1500

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Example 15 -

Example 16 - • Mr. VG purchased goods A from Mr. GG for ₹ 12,80,000 (inc. 28% GST). Mr. VG - Delhi. Mr. GG - Haryana.

- Mr. VG purchased another goods B from Mr. TG ₹ 12,32,000 (inc. 12% GST). Both belong to same state.
- Mr. VG sold goods A to Mr. TT after addition of 10% cost and charged GST @ Nil rate. (Both belong to different state).
- Mr. VG sold goods B to Mr. PG after addition of 15% of cost and charge GST @ 12% (both belong to different state).

compute net GST payable and ITC c/f.

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Solution

<u>Purchase -</u>	<u>Good A</u>	<u>Good B</u>
cost.	1000000	1100000
IGST @ 28%	280000	-
CGST @ 6%	-	66000
SGST @ 6%	-	66000
	<u>1280000</u>	<u>1232000</u>

<u>Sale -</u>	<u>Good A</u>	<u>Good B</u>
	(since ITC not allowed)	
cost.	1280000	1100000
value addition.	128000	165000
@ 10% and 15% resp.	14,08,000	1265000
IGST @ 12%	-	151800
	<u>14,08,000</u>	<u>14,16,800</u>

<u>ITC claim:-</u>	<u>IGST</u>	<u>CGST</u>	<u>SGST</u>
GST liability.	151800	-	-
Less: ITC:-			
IGST -	(66000)	-	-
SGST -	(66000)	-	-
	<u>19800</u>	<u>Nil</u>	<u>Nil</u>

Hw Ques 20. (Ch- Input Tax credit). [Pg. 8.102]

	Intra-state supply.	Inter-state supply.
Cost	10,00,000	800,000.
Add: IGST @ 18%	-	144000
CGST @ 9%	90000	-
SGST @ 9%	90000.	-
	<u>11,80,000.</u>	<u>944000.</u>

	Intra-state purchase	Inter-state purchase.
Cost.	300,000	250,000.
IGST @ 18%	-	45000.
CGST @ 9%	27000	-
SGST @ 9%	27000.	-
	<u>354000.</u>	<u>295000.</u>

• Total Balance of ITC :-

$$\text{IGST} = 140,000 + 45000 = 185000.$$

$$\text{CGST} = 57000 + 27000 = 84000.$$

$$\text{SGST} = 60000 + 27000 = 87000.$$

	IGST	CGST	SGST
GST liability.	144000.	90000	90000.
less: Input tax credit.			
IGST	(144000).	(20500)	(20500)
CGST	-	(69500)	-
SGST.	-	-	(69500).
Minimum GST payable	Nil	Nil	Nil.
ITC balance of	-	14500	17500.

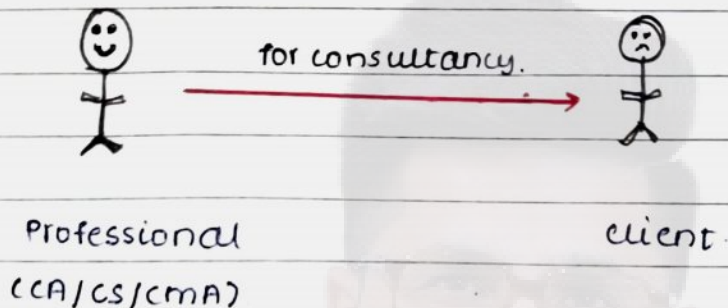
Assumption = IGST → ITC is utilised in 1:1 for CGST and SGST.

Chapter-3

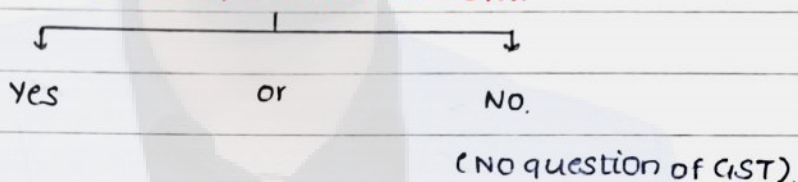
ROADMAP OF GST / How to flow our GST

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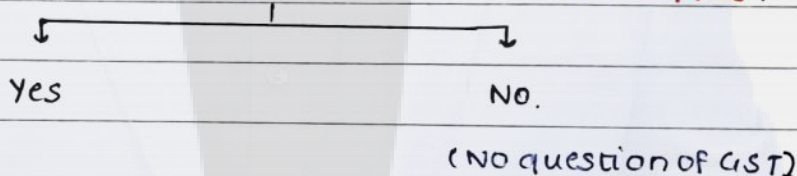
Total checkpoints = 13



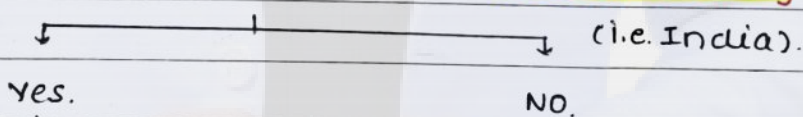
Checkpoint 01 :- Elements covered in the definition of **Goods/Services or Both.**



Checkpoint 02 :- Whether activity covered under **GST supply?**



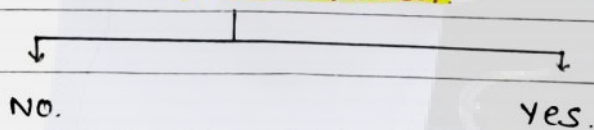
Checkpoint 03 :- Whether place of supply is **Taxable territory**



Checkpoint 04 :-

Whether person covered under definition of

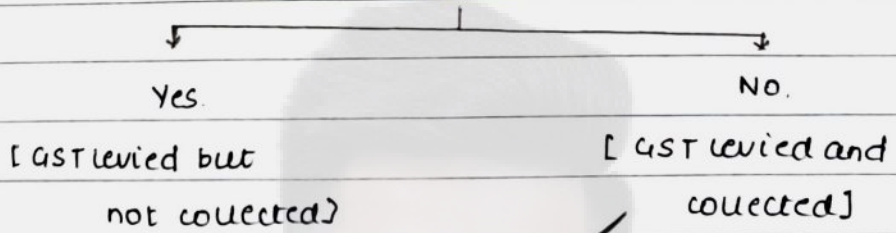
Taxable person.



(No question of GST)

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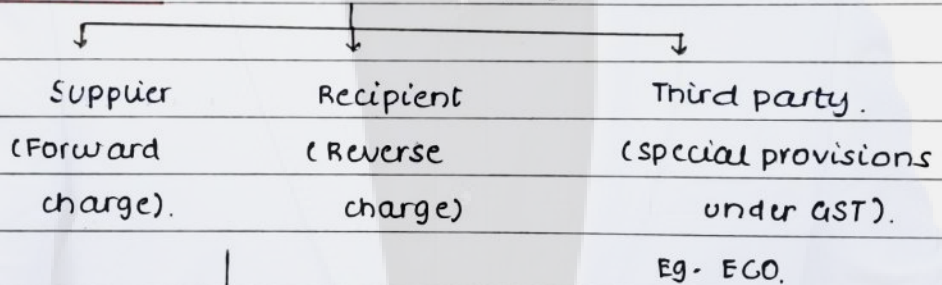
checkpoint 05:- whether such supply covered under **100% exemption** notification.



checkpoint 06:- value of supply. (Sec 15)

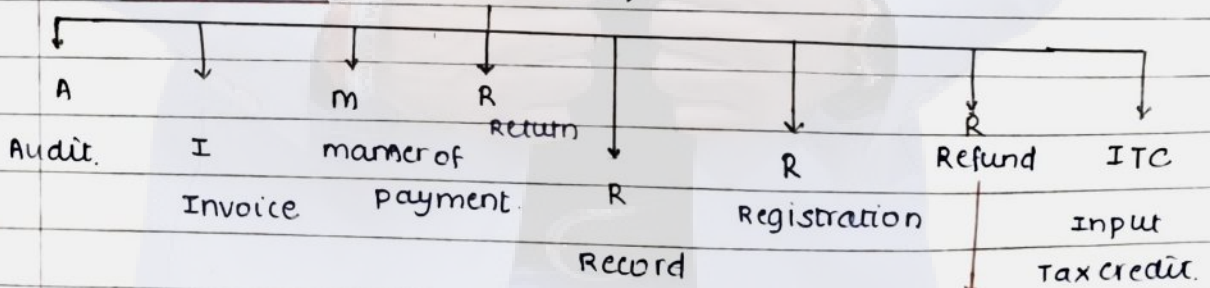
Checkpoint 07:- Rate of GST

Checkpoint 08:- Who is liable to pay GST to government?



checkpoint 09:- when "GST" liable to be paid?
: Time of supply / Point of taxation.

checkpoint 10:- (AIM 4R ITC).



(not in 39 syllabus)

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NOT IN
SYLLABUS.

Checkpoint 11 :- Assessment / Inspection under GST

Checkpoint 12 :- Appeal and Advance Ruling.

Checkpoint 13 :- Interest / Penalty and other proceedings.

Let's discuss these points in detail....

Checkpoint 1

Q. What is goods and services?

→

Goods → Sec 2(52)



means [Exhaustive].

but indirectly inclusive

- Every Kind of **movable property** ^{**} other than money Sec 2(75) and securities. Sec 2(102)
- But includes actionable claims, * Sec 2(1).
- growing crops,
- grass and things attached to land or forming part of the land which are agreed to be severed before supply or under a contract of supply.

- * Actionable claims - → lottery tickets, betting, gambling.
 - Insurance policy → right to receive
 - unsecured loans.

→ standing timber : goods ✓

** Movable property - **moved as such** + **Marketable**

(without dismantling)

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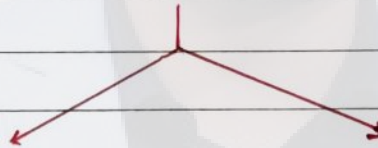
→ Services → Sec 2(102)

↓
means

- anything other than goods, money and securities.
- But, includes activity relating to the use of money or its conversion by cash or by any other mode, from one form, currency, or denomination to another form, currency or denomination for which a separate consideration is charged.

crux

Definition of goods and services



Goods means

Services means.

Provision : Sec 2(52) of CGST

Sec 2(102) of CGST.

Any kind of movable property.

Anything.

Excludes : money / securities.

goods / money / securities.

Includes: Actionable claims, growing crops, grass.

Activity relating to use of money where separate consideration is charged.

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→ Money → Section 2(75)

↓

means.

- Indian legal tender
- Foreign currency
- cheque
- drafts
- promissory notes / Bills of exchange etc.

doesn't include :-

Any currency that is held for its numismatic value.

↘ old coins.

↘ FV ≠ MV

→ Securities. (not defined in GST)

Normal meaning.

- shares
- debentures.
- Bonds
- mutual fund units etc.

* Activity related to use of money :-

<u>Transactions</u> only in money. GST (not levied)	<u>Transaction not only</u> in money. GST (levied)
Eg- <ul style="list-style-type: none"> • money deposited in Bank. • money withdrawn from bank • money cheque 	Eg.- <ul style="list-style-type: none"> • commission • draft • chit fund etc.
use † separate ✗ consideration	use of money † separate ✓ consideration charged

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~~Financial claims.~~

Examples - Activity related to use of money.

Particulars	Person	consideration	Supply of GST
• money lending	By Bank.	Processing fees, or Interest.	Supply of service ✓ = GST. Interest X
	credit card.	card issuance charges + Interest	supply of service ✓ = GST (cc ka interest exempt nahi hoga)
	VG Ltd. [teacher].	Interest	SOS = GST X (Int = exempt)
• money change (Forex).	BANK to customer	margin earned	SOS = GST ✓
	Authorised dealer to customer	margin	SOS = GST ✓
	BANK to BANK/ Auth. dealer (and vice versa)	margin.	SOS = GST X exempt exempt
• Draft.	BANK	commission.	SOS = GST ✓

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Example :- Whether covered under goods or services?

<u>Particulars.</u>	<u>Goods</u>	<u>Services</u>
• money	X	X
• Building	X	✓
• Pen	✓	X
• Trees	✓	X
• Grass	✓	X
• Damru	✓	X
• Big furniture attached with land.	X	✓
• Shares	X	X
• Commission on sale of shares.	X	✓
• RS.100 note	X	X
• Interest on credit card.	X	✓
• Laptop.	✓	X
• Mobile.	✓	X
• Debentures.	X	X
• Commission on Draft.	X	✓
• Interest on loan	X	X covered, but exempt
• AC.	✓	X

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Chapter - 4 and 5checkpoint 02 :- Scope of Supply

→ After determination of goods or services.



we have to check whether our activity covered under supply?
(u/s 7)

→ Provisions related to supply under CGST Act.

sec 7 :- Scope of supply

sec 8 :- Tax treatment of

- composite supply
- mixed supply.

Schedule 1 - Activity to be treated as supply even when made without consideration. (Deemed supply)

(Activity ko supply mana jaayega agar badle me पैसा ना हो।)

Schedule 2 - Activity or transactions to be treated as supply of goods (or) services.

(Konsi supply goods ki supply banegi or Konsi service ki)

Schedule 3 - Activities or transactions, which shall be treated neither as supply of goods nor as supply of services.

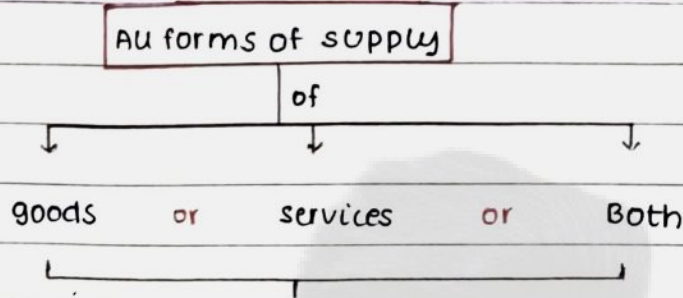
(Kuch activities jo na to goods ki supply maani jayegi na hi services ki supply maani jayegi)

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Section 7

Sec 7(1)	Sec 7(1A)	Sec 7(2)	Sec 7(3)
7(1)(a) - with consideration	किसकी supply बनेगी	क्या supply में नहीं आएगा	To be notified
7(1)(aa) - self supply with consideration	↓ Refer	↓ Refer SCH-3 and	↓ not Relevant
7(1)(b) - Import of services	SCH-2	some govt. notifications.	
7(1)(c) - without consideration. (Sch 1 Para 04)			
7(1)(d)			

Section 7(1)(a).



SUCH AS

- S → Sale
- T → Transfer
- D → Disposal
- B → Barter
- E → Exchange
- L → Licence
- L → Lease
- R → Rental.

STD & BELL R

↓
made or Agreed to be made

↓

For a consideration

↓

by a person

↓

In course OR Furtherance of Business.

means, any activity related to Business (whether directly or indirectly).

- Two main conditions must be satisfied for sec 7(1)(a)

with consideration

+

In course or furtherance of Buss.

[If both conditions are satisfied, then such activity/transaction is covered vis 7(1)(a).]

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cases / CRUX

Activity +	Activity +	Activity. +	Activity. +
with consideration	without consideration	without consideration	with consideration
+	+	+	+
in course of FOB	in course of FOB	not in course of FOB.	not in course of FOB
✓	X	X	X
7(1)(a)	not in 7(1)(a) but may be covered u/s 7(1)(b)/(cc).	not in 7(1)(a) but may be covered u/s 7(1)(b)/(cc).	not in 7(1)(a) but may be covered u/s 7(1)(b)/(cc).

quid pro quo (something in return) ← **consideration** → Sec 2(31)

consideration includes :-

- Any payment whether in money or non-money
- Any act (to do something) or negative Act (not to do something)

Except, any subsidy given CG/SG.

- Security Deposit : → Adjustable ; consideration
→ Non Adjustable ; no consideration (refund).

- Features of consideration
 must exist
 or
 must be certain } At the time of provision of activity.

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- **monetary consideration** means any consideration received in the form of **money**

↳ 2(15) of CGST Act

includes not only **cash** but also **cheque, draft, promissory notes etc.**

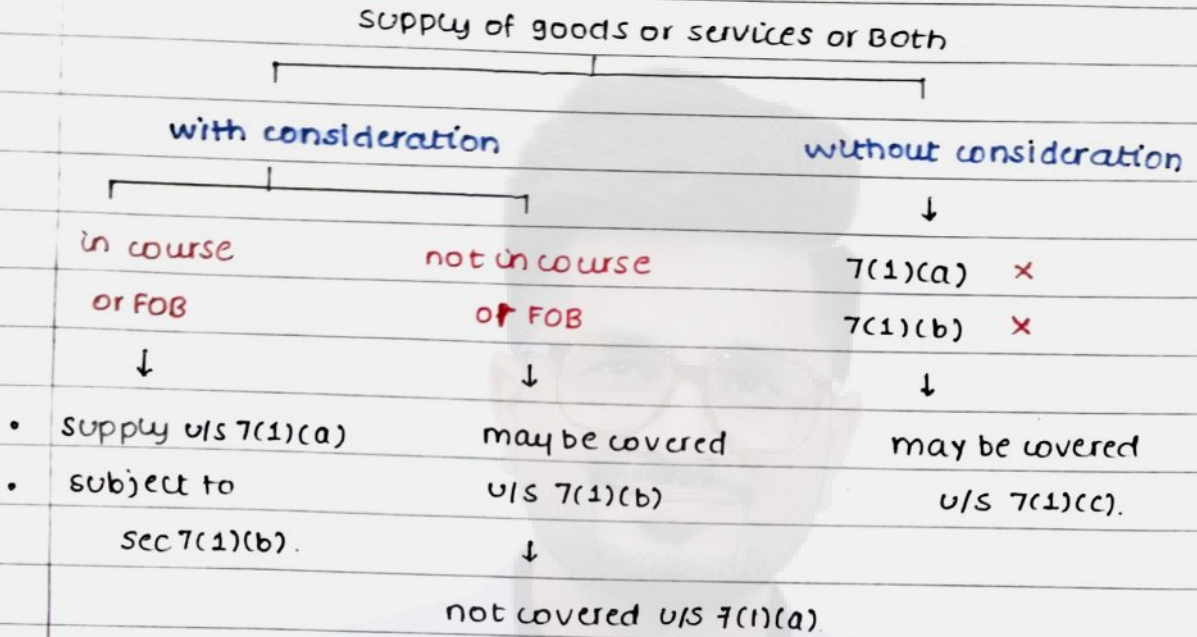
- **Non-monetary consideration** essentially means compensation in kind such as :-
 - supply of good or services in return of provision of service.

→ Do something or not to do something.

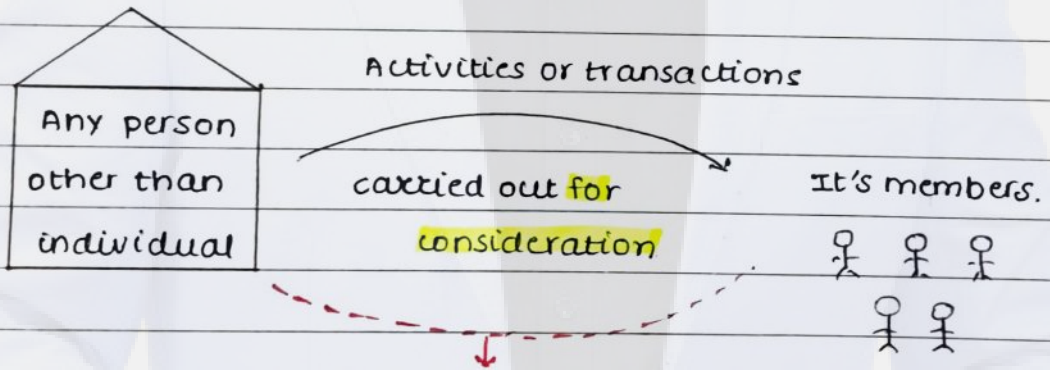
Example for non-monetary consideration -

	If...	and in return
1.	A agrees to dry clean B's clothes.	B agrees to click A's photograph.
2.	A agrees not to open dry clean shop in B's neighbourhood.	B agrees not to open photo shop in A's neighbourhood.
3.	A agrees to design B's house	B agrees to not to object to the construction of A's house in his neighbourhood.
4.	A agrees to construct 3 flats for B on land owned by B.	B agrees to provide one flat to A without any monetary consideration.

CRUX of Sec 7(1)(a)



* Section 7(1)(aa)

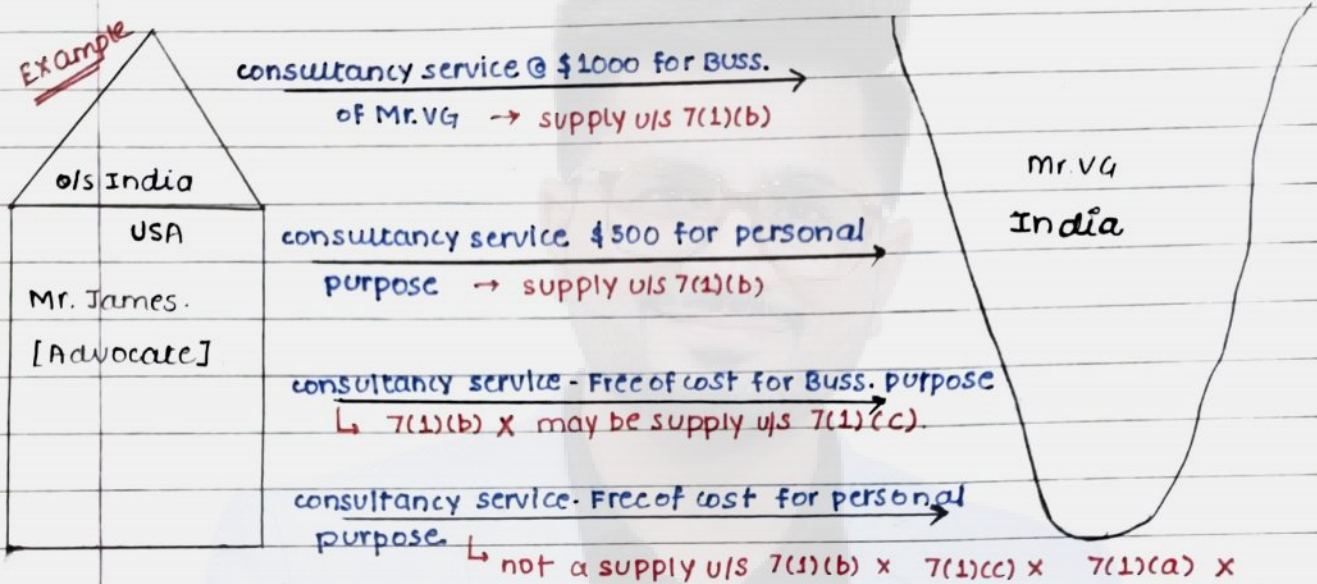


- Deemed to be separate person
 - Deemed to be supply by a person to another person
- ↓
- Activity or transaction covered u/s 7(1)(aa)
under supply.

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Section 7(1)(b) Linked with Section 7(1)(c) + Schedule I - Paray.

→ **Section 7(1)(b)** - Import of services for a consideration **whether or not** in the course or furtherance of business.



→ **Section 7(1)(c)** - Activities specified in **Schedule I**, made or agreed to be made **without a consideration**.

→ **Para 4 of schedule I** - Import of services by a person from **related party** or from any of his other establishment **o/s India** **in course or FOB**.

Difference between.

Section 7(1)(b).	Section 7(1)(c) + Para 4 of Sch I
• Import of service	• Import of service.
• By any person	• By any person.
• From any person	• From → Related party → His other est. o/s India
• For consideration	• Without consideration
• whether or not in course or furtherance of business	• in the course or furtherance of business

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Analysis of Sec 7(1)(b) + 7(1)(c) + Schedule I Para 4.

o/s India — **IMPORT OF SERVICE** —> India

with consideration

without consideration

	with consideration		without consideration		
	in course or FOB	not in course or FOB	in course or FOB.		not in course or FOB
			From R.P. • other est.	From any other person	
whether covered under supply?	YES	YES	YES	NO	NO
supply u/s ?	7(1)(b) of CGST Act, 2017	7(1)(b) of CGST Act, 2017	7(1)(c) of [Para 4] CGST Act + [SCHI]	-	-
Nature of supply	Inter	Inter	Inter	-	-
section →		Sec 7 of IGST Act.			
GST liability?	Yes	NO, exempt under except OIDAR service.	Yes.	-	-
Who is liable to pay?	Receiver under RCM	Supplier under FCM on basis of VIN	Receiver under RCM.	-	-

- * **OIDAR** = Online Information Database Access and Retrieval
- * **RCM** = Reverse charge mechanism
- * **FCM** = Forward charge mechanism
- * **VIN** = Unique Identification Number

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• Related Party includes :-

- a)
b)
⋮
- } will discuss in valuation ch.

g) Employer and employee.

h) Family members.

→ Husband, wife, children (AU)

→ Parents, grandparents, brother sister (wholly dependent)

• Examples of sec 7(1)(b) and Para 4 + sec 7(1)(c) :-

Q1. Import of management consultancy service by VQ Ltd. [HRV] from Pq Ltd. (USA) for consideration of \$15000.

Sol. → This is import of service in the course of FOB and therefore, falls within the scope of supply u/s 7(1)(b) service provider being located in non-taxable territory outside India, Hence, RCM shall be applicable and VQ Ltd (HRV), based buss. entity shall be liable to pay GST.

Q2. Mr. Sonu (a student) plans to pursue his higher education in USA. He received career consultancy service from a USA based consultant for \$100.

Sol. → This is import of service, not in the course of buss., but still falls under the scope of supply u/s 7(1)(b). Service provider is located in non-taxable territory and recipient is a non-business entity, therefore GST is exempt on such supply transaction.

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Q3 Raju, a proprietor has received ~~archt~~ architect service for his residential house from an architect, located in USA at an agreed consideration for \$5000

Sol- This is import of service, not in the course of FOB, but still falls under the scope of supply u/s 7(1)(b). Service provider is located in non-taxable territory and recipient is a non-business entity, therefore, GST is exempt on such supply transaction.

Example of Sec 7(1)(c) + SCH I- Para 4

Assume, import of service
+
without consideration

Supplier	services	Recipient	status of Rec.	Supply?
VG Ltd.	Technical service.	PG Ltd. (subsidiary co)	GST registered.	7(1)(c) + Para 4 apply.
VG Ltd.	consultancy service.	Indian Branch.	GST registered.	7(1)(c) + Para 4 apply.
VG (Father).	legal service.	son.	GST registered.	7(1)(c) + Para 4 apply.
VG (Father).	Legal services.	Daughter.	Not registered. (carry buss. of supply of exem. - pted goods).	7(1)(c) + Para 4 apply.
VG (Father)	Legal service.	Daughter.	not carry any business.	7(1)(c) + Para 4 not apply.

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CRUXSection 7(1)(b)

Agar service import ki hai or badle me **consideration hai**

- service देने वाला Kon hai = Doesn't matter
- service लेने वाला Kon hai = Doesn't matter
- service kis purpose ke lie li hai = Doesn't matter

Agar consideration hai, to **har case me "supply hai"** u/s 7(1)(b).

Section 7(1)(c)

Agar service import ki hai or badle me **consideration nahi hai**

- service देने वाला = Related party or other establishment o/s India
- service लेने वाला = Any person
- service लेने वाले ka purpose = In course or F.O.B.

If above conditions are satisfied, then deemed supply
u/s 7(1)(c) + Para 4 of SCH I

* Section 7(1)(c) and SCHEDULE - I

Activity to be treated as supply even if made without consideration

Total - 4 Para

PARA-01 :- Permanent transfer or disposal of assets where ITC has been availed on such assets. buss.

Four conditions :- Permanent Transfer

+

Business Assets

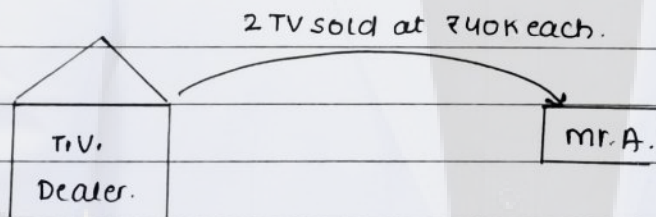
+

ITC availed on such assets

+

without consideration

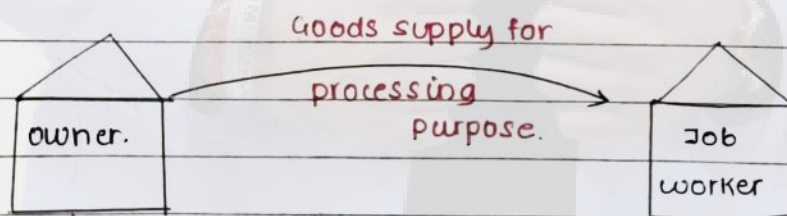
Example 1 →



ITC availed on purchase.

⇒ covered under sec 7(1)(a) because - with consideration
7(1)(b) and 7(1)(c) → will not apply.

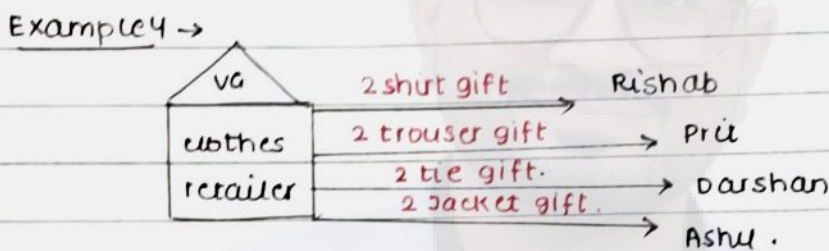
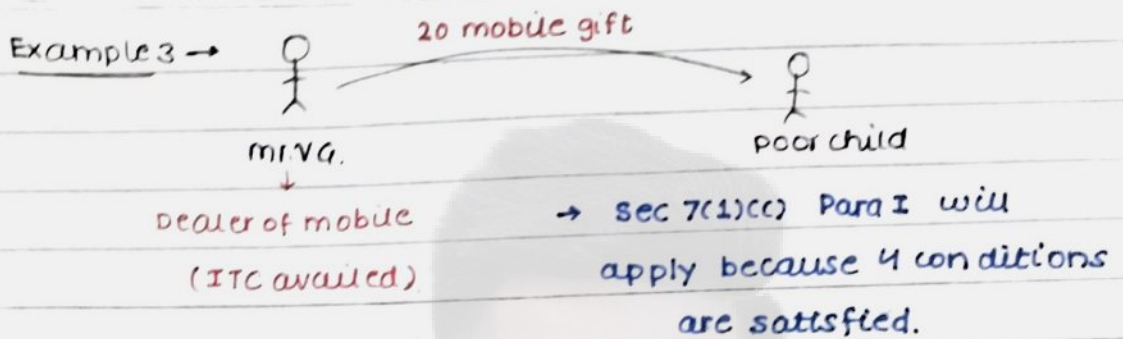
Example 2 →



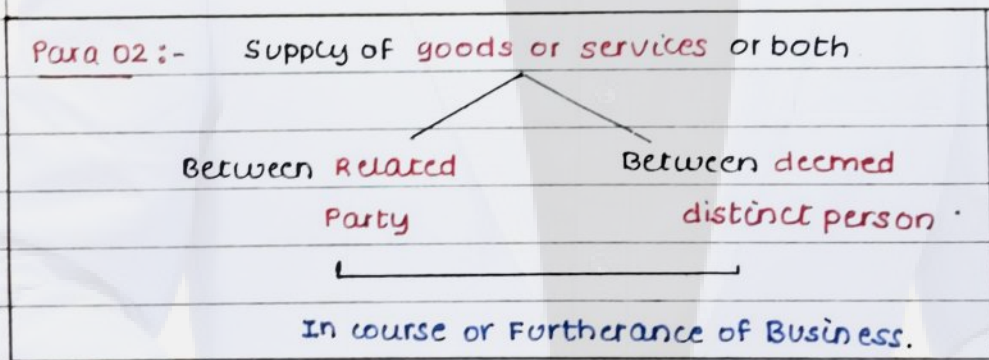
ITC availed.

→ Sec 7(1)(c) not apply
(because it is temporary transfer)

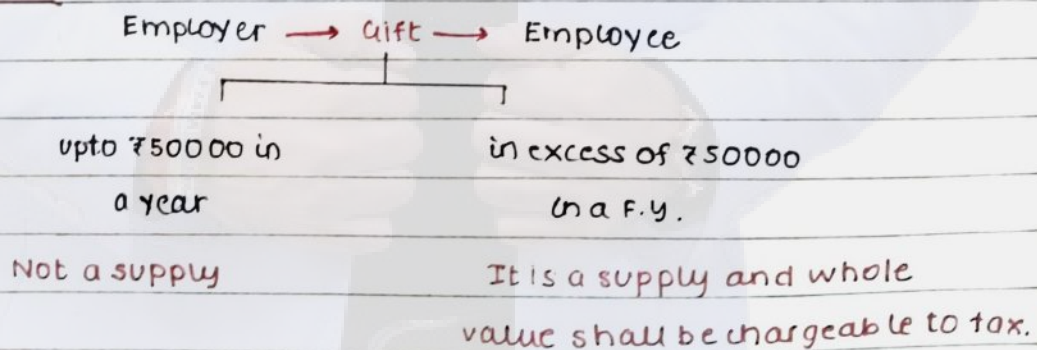
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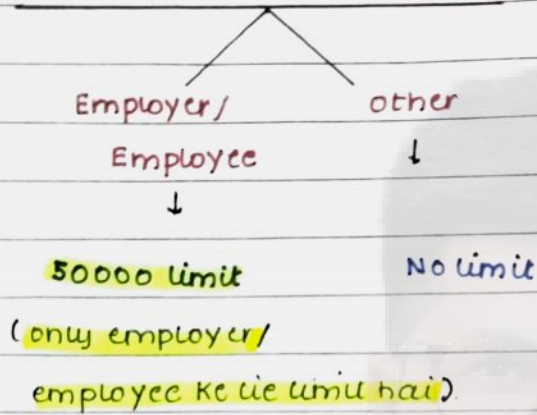
→ Sec 7(1)(c) will apply because all 4 conditions are satisfied.



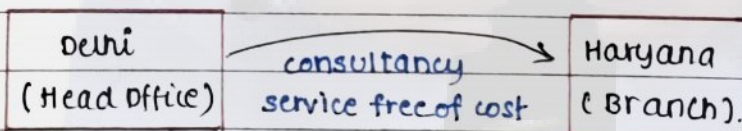
Special point -



- Related person (Ex- 1 of sec 15).

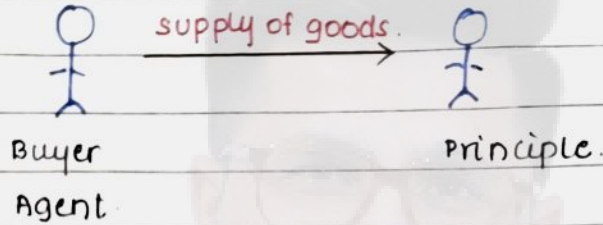
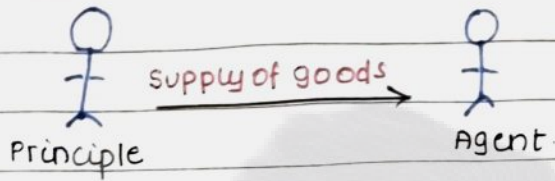


Example-	Type of Gift	GST liability	Reason
•	cash gift	NO GST	Cash → money (neither goods nor service)
•	securities	NO GST	neither goods nor services
•	mobile gift	value = 60K GST ✓	covered u/s 7(1)(c) Para-2 of SCH I
•	AC gift to related person other than employee	value = 30K GST ✓	covered u/s 7(1)(c) Para-2 of SCH I
•	gold ring gift to employee	value 40K GST ✗	not covered u/s 7(1)(c) para-2 of SCH I.

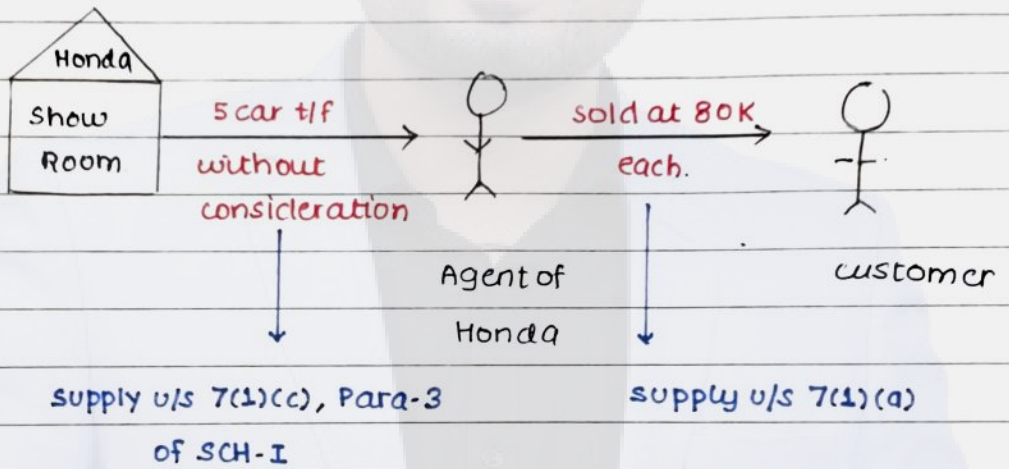


Yes, supply u/s 7(1)(c) + Para-2 of SCH I

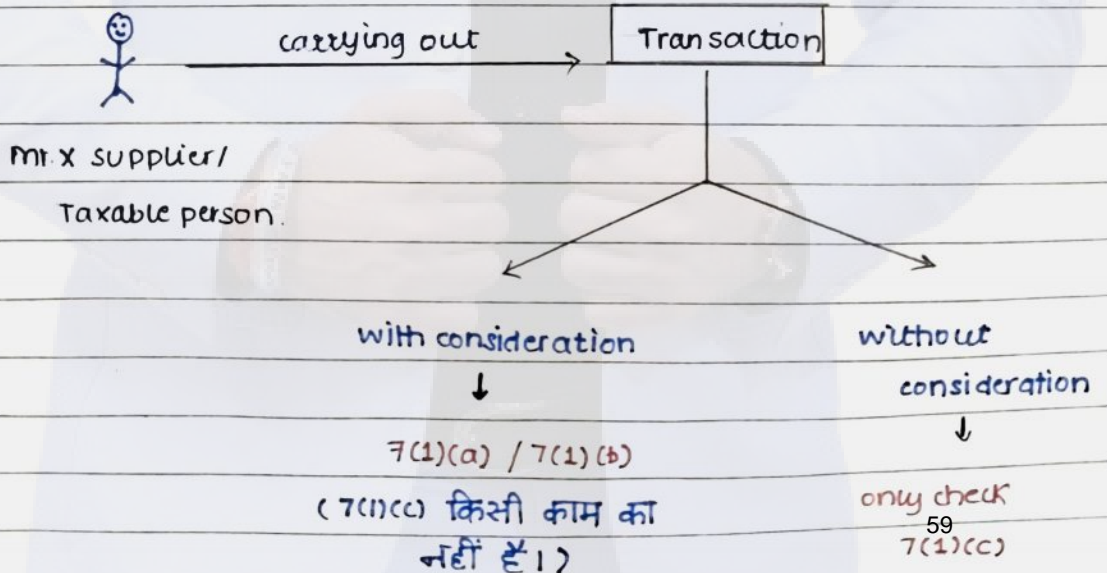
Para - 03 -



Example -



CRUX 7(1).



Summary Diagram of Section 7(1)

7703880232,
8882090148,
9318492718

CA VIVEK GABA

Section 7(1)(a)

Section 7(1)(aa)

Section 7(1)(b)

Section 7(1)(c)

(without consideration)

Schedule I

All goods / services
+
with consideration
+
In course or FOB



Activity with consideration
↓
Its members
↓
self supply

Import of service
+
with consideration
+
by any person
+
from any person
+
Whether or not
in course or FOB.

Para 1

Permanent Transfer
+
Buss. Assets.
+
ITC
Availed

Para 2

supply of goods/service.
+
Between related party/
distinct deemed person
+
In course or FOB.

Para 3

Principle
↓
Agent
+
Agent
↓
Principle

Para 4

Import of service
+
Free of cost
+
By any person
+
from related person or
other est. o/s India
+
In course or FOB.

7(1)(a) → supplier के point of view से
7(1)(b) → Importer के point of view से

[employee limit - 50000]

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After determination of supply, next question arises regarding "classification of supply"

* kiski supply banegi $\left\{ \begin{array}{l} \text{goods} \\ \text{services.} \end{array} \right\}$ **schedule II**

• why classification is necessary?

Reasons-

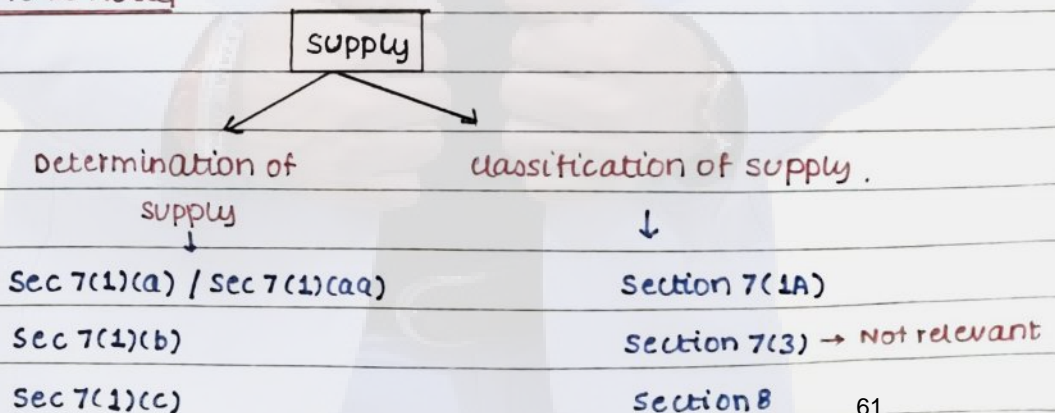
- Different GST rates of SOG and SOS.
 - Goods = HSN code
 - Services = SAC (Service Accounting Code).
 - Different valuation rules.
 - Different ITC rules
 - Different "Time of supply" provisions.
 - Different "Place of supply" provisions.
- and so on....

Solution :-

Section 7(1A) (SCH II)
or
Section 7(3)
or
Sec 8 of CGST
(mixed, composite)

} For classification

* Point to be noted



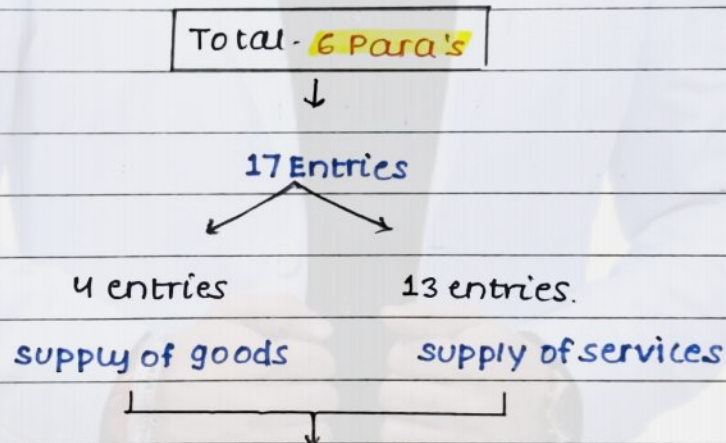
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- Section 7(1A)

Where certain activities or transactions constitute a supply in accordance with the provision of sub-section 1 [7(1)(a), 7(1)(b), 7(1)(c)], they shall be treated either as supply of goods or supply of services as referred in SCHEDULE II.

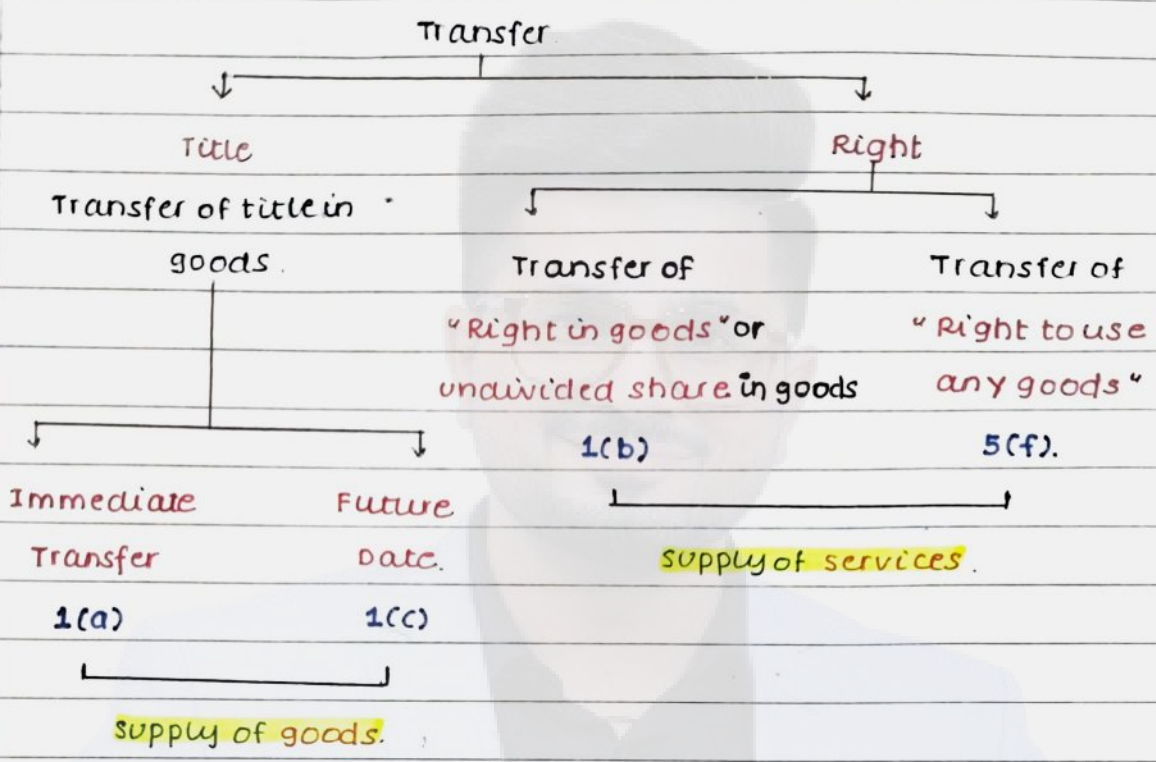
* SCHEDULE II

Activities or transactions to be treated as supply of goods or supply of services.



If not covered in "17 Entries" then refer sec 8 and Sec 7(3).

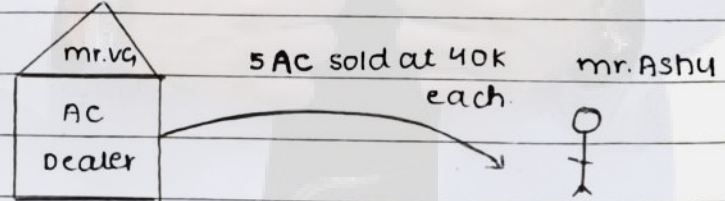
Para 01 linked with Para 05 (f)



CRUX Para 01

- Right in goods = Possession transfer
 - Right to use any goods = Possession + control transfer.
- ∴ ↓
- Title kisi bhi case me transfer nahi hoga.

Example 1 -

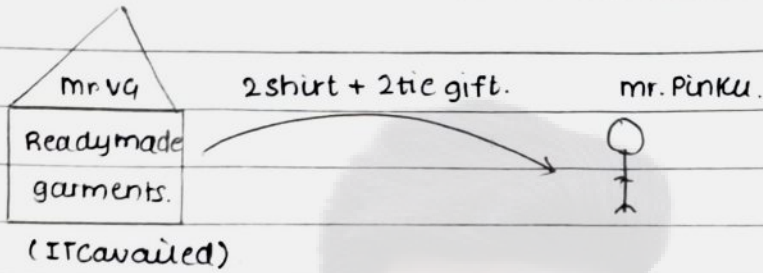


↳ Supply u/s 7(1)(a)

SOG u/s 7(1A) + Para 1 of SCH-II

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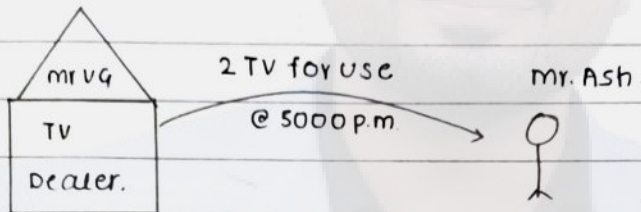
Example 2



Supply v/s 7(1)(c) + Para 1 SCH I.

SOG v/s 7(1A) + Para 1 SCH II

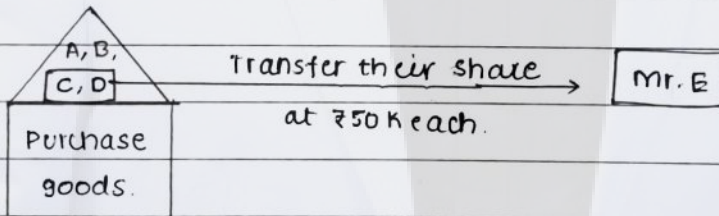
Example 3



Supply v/s 7(1)(a)

SOS v/s 7(1A) + SCH II Para 5

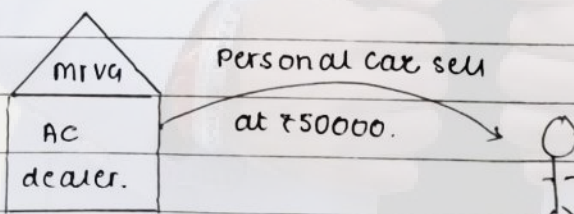
Example 4



Supply v/s 7(1)(a)

SOS v/s 7(1A) + SCH II Para 1

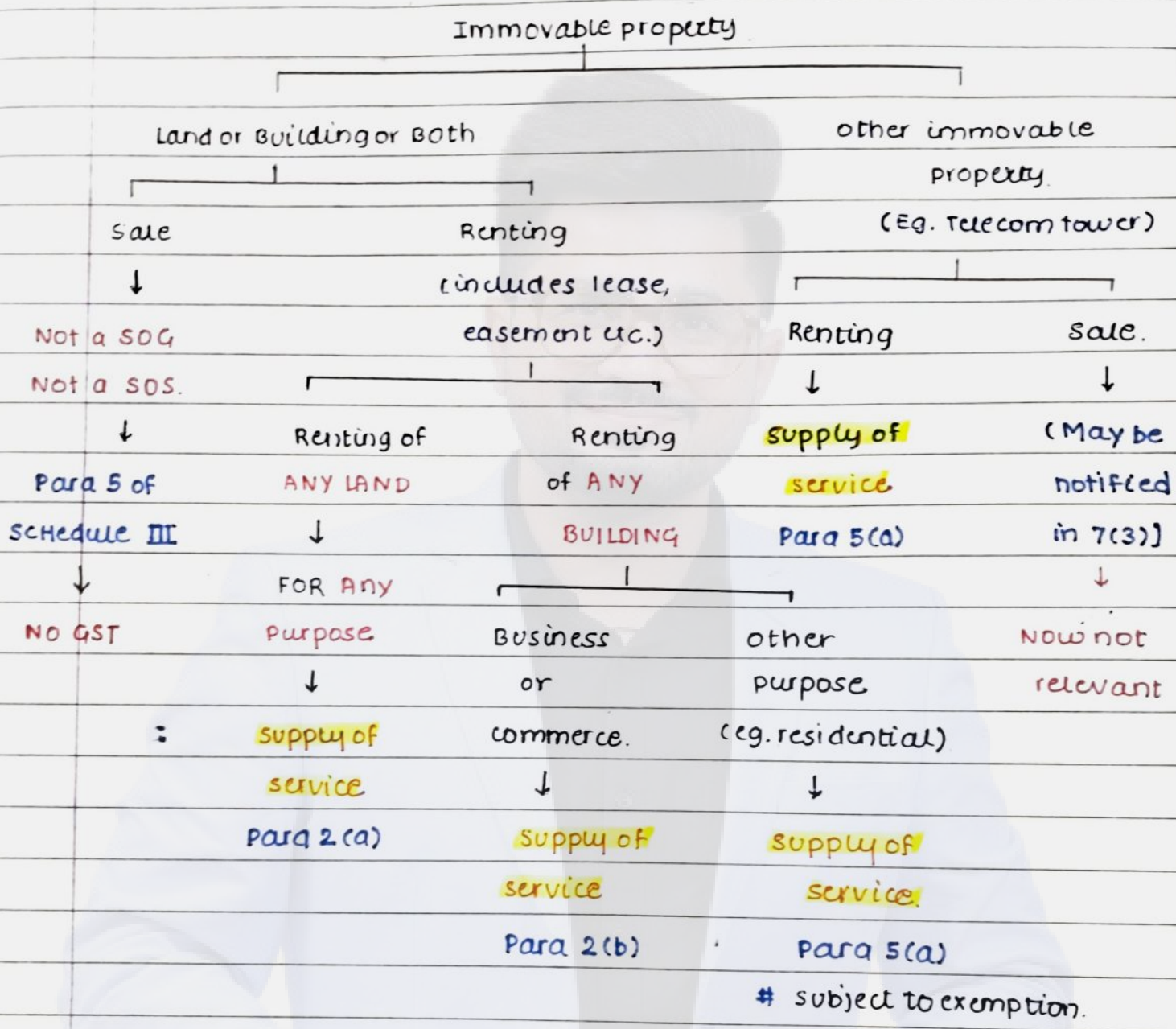
Example 5



↳ Not a supply

No ques. of classification

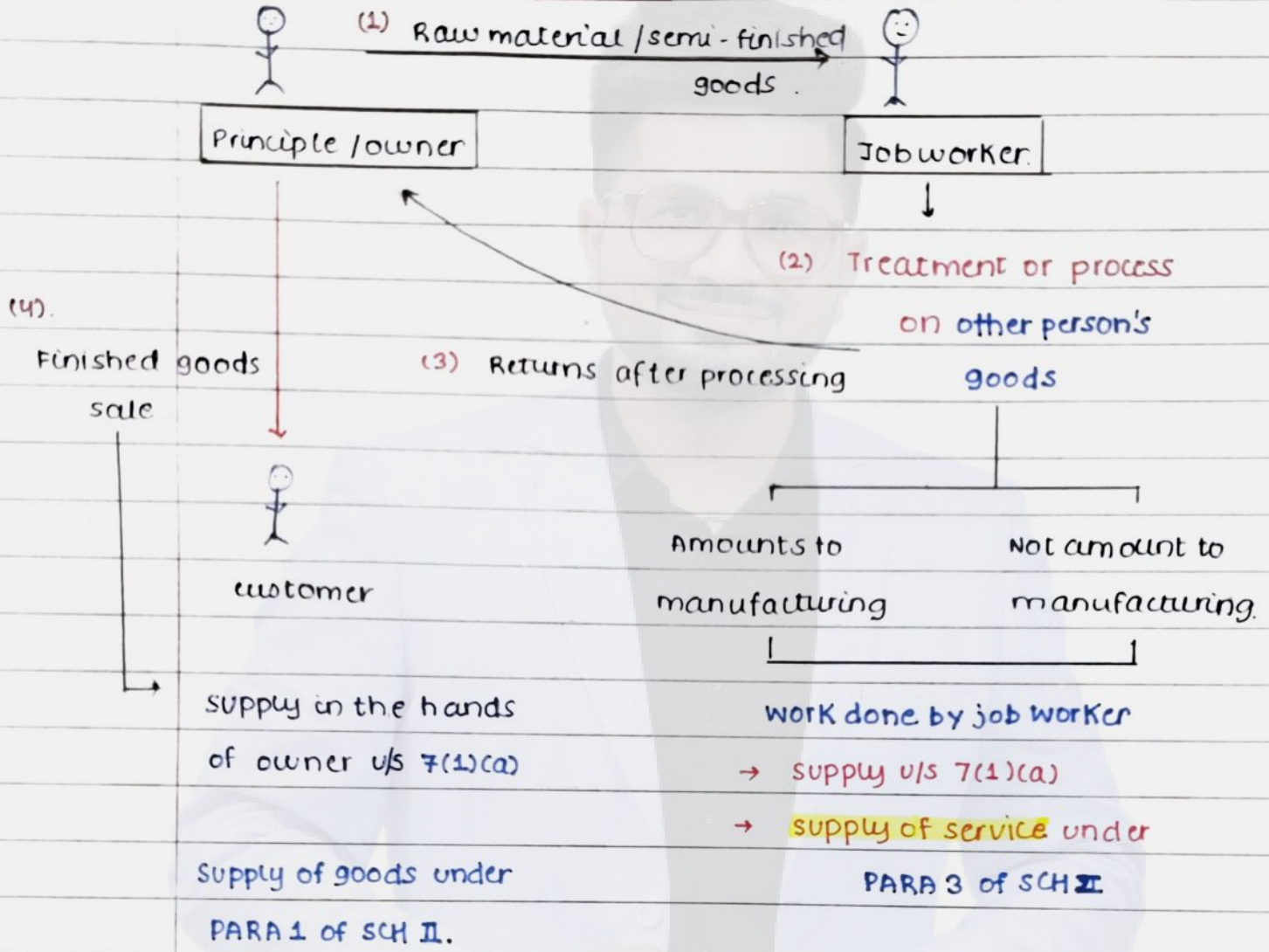
Para 2(a) + 2(b) + Para 5(a).



service by way of renting of residential dwelling, for the use as residence is exempt from tax. (i.e. GST).

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Para 03



waste and scrap sale by Job worker

↳ supply u/s 7(1)(a)

supply of goods under PARA 1 of SCH II.

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Date	/ /

Para 04

- (a) where goods forming part of assets of business are transferred or disposed off, such transfer or disposal is **supply of goods** by the person
- (b) where, by or under the direction of a person carrying on a business, goods held or used for purpose of business, are put to any private use, or are used, or made available to any person for use, for any purpose, other than a purpose of business, the usage or making available of such goods is a **supply of services**,
owner
- (c) where, any person ceases to be a taxable person, any goods forming part of assets of the business, shall be deemed to be supplied by him immediately, before he ceases to be a taxable person, unless
- supply (X) { (i) Buss. is transferred as going-concern to another person, or
(ii) Buss. is carried on by personal representative who is deemed to be a taxable person.

Para 05

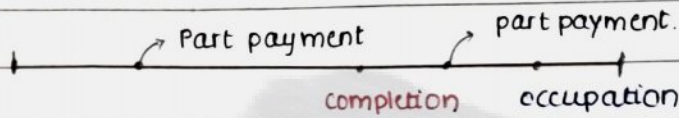
 → supply of services.

- Renting - Building - Res. purpose → Exempt.
- (a) Renting of immovable property (other than land and building).
- (b) construction of complex, building etc. EXCEPT :- where 100% consideration has been received after issuance of completion certificate or after it's first occupation, whichever is EARLIER.

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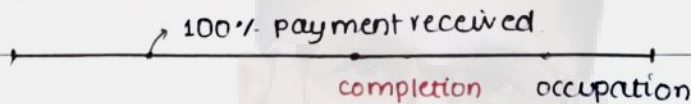
Example -

(1)



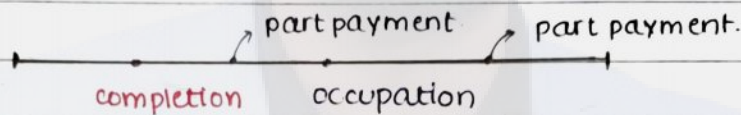
Para 5(b) applicable - SOS

(2)



Para 5(b) applicable. - SOS.

(3)



5(b) not applicable - not SOS

(c). Temporary transfer or permitting the use ~~of~~ or enjoyment of any intellectual property rights.
(copyright, trademark etc.).

(d). Development, design, programming, customisation, adaptation ~~adoption~~, upgradation, enhancement, implementation of information technology software

(e). agreeing to the obligation to refrain from an act, or to tolerate an act or situation, or to do an act, ~~and~~

liquidation charges, penalty fees
for breach of contract - Not taxable

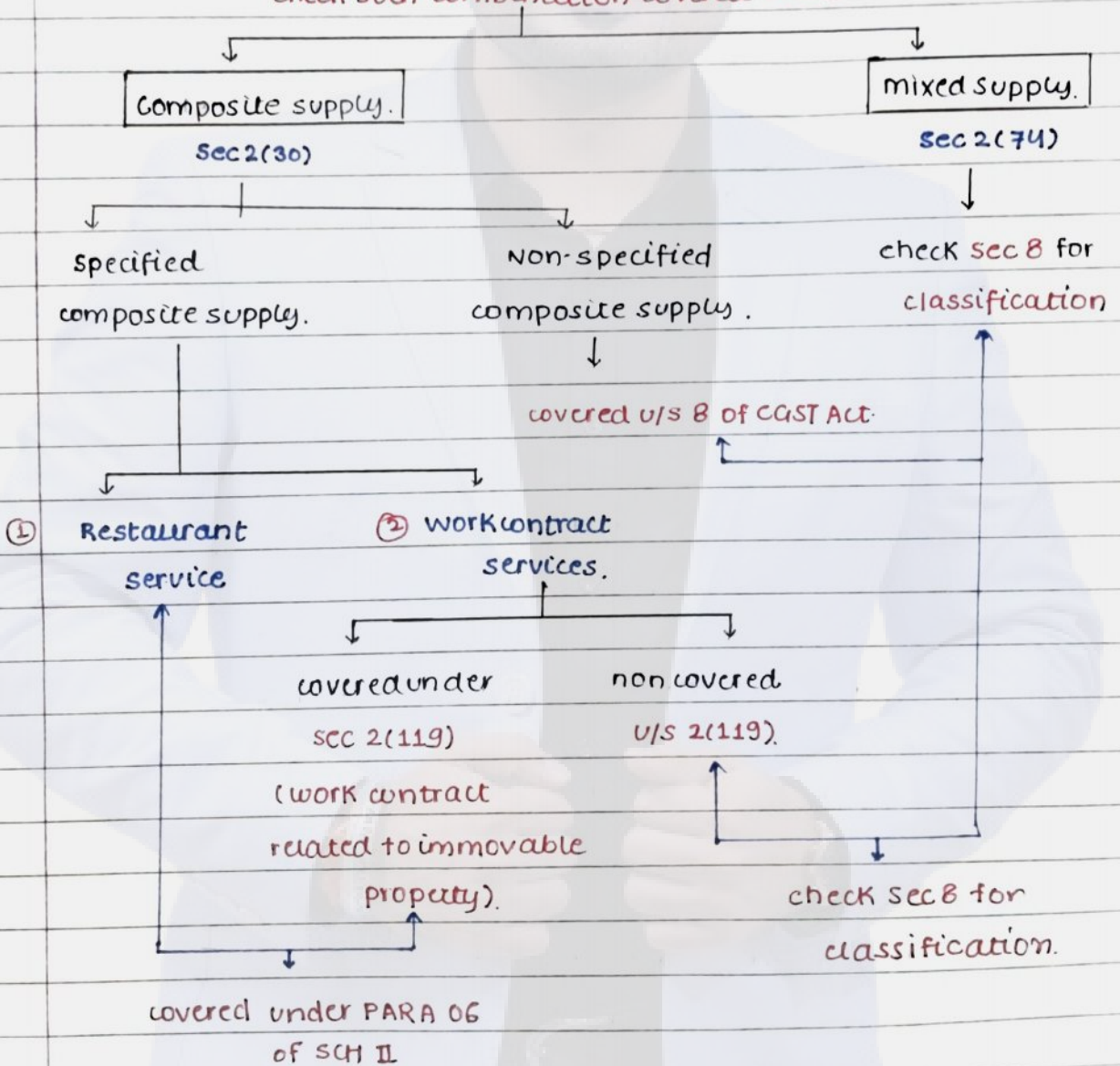
(F) Link with Para 01 → right to use of goods

Analysis of Section 7(1A) + SCH II - Para 06 + Sec 2(30) + 2(74) + Sec 8
 ↓ composite ↓ mixed

combination of :-

- Goods + goods.
- services + services.
- goods + services.
- services + goods.

check such combination covered under



[Deemed supply of service]

Particulars	composite supply	Mixed supply
1) Section	Sec 2(30) of CGST Act	Sec 2(74) of CGST Act
2) Identificat-ion Test	<p>Multiple taxable supply to single recipient:-</p> <ul style="list-style-type: none"> • one of the supply is principle supply. • other is ancillary. 	<p>Multiple individual supply to single recipient:-</p> <ul style="list-style-type: none"> • such supply is not a composite supply • supply is for a consolidated price (single price).
3) combinat-ion	<p>combination of Taxable supply</p> <p style="text-align: center;">↓</p> <p>combination of "Taxable supply" (Pizza) and "Non-taxable supply" (Alcohol)</p> <p>can't be composite supply.</p>	<p>combination of Any supply</p> <p style="text-align: center;">↓</p> <p>combination of Taxable supply (Pizza) and Non-Taxable supply (Alcohol)</p> <p>may be mixed supply.</p>
4.) consolidated price.	<p>charging consolidated price for multiple supply is not necessary to make them composite supply.</p>	<p>charging consolidated price for multiple supply is MUST to make it mixed supply.</p>
5) ICAI Guide -	<p>An example of this can be :-</p> <p>A company is engaged in supply of machine of ₹1 lakh. The said machine can be installed through a third party or supplier of machine can also undertake such installation,</p>	

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Particulars	Composite supply	Mixed supply
	<p>the charges for installation being ₹10,000.</p> <p>Now, if co. executes a contract of supply and installation of mach. at ₹110000 with charges of mach. and installation services identified separately in the invoice, then-</p> <p>supply shall remain a composite supply, because both supply is in conjunction with each other, and inst. is ancillary service to the principle supply of machine.</p>	
6) Tax treatment (Sec 8).	Treated as supply of such principle supply.	Treated as supply of that particular supply which attracts highest rate of tax
7) Example	<p>TV + warranty = TV</p> <p>Laptop + Laptop Bag = Laptop.</p> <p>AC + installation = AC</p> <p>Boarding school = Education</p> <p>Hotel + Laundry = Hotel service</p>	<ul style="list-style-type: none"> Box of sweets, chocolates, dry fruits, Juices. Box of tie, wallet, watch <p>Highest Rate.</p>

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Example → Rati computers supplies Laptop. (worth ₹52000) along with laptop bag (worth ₹3000) to a customer for ₹55000. Being **naturally bundled**, supply of laptop bag along along with laptop is **composite supply**, which is treated as supply of principle supply (viz laptop)

Assuming the rate applicable on laptop is 18% and on laptop bag is 28%. in given case,

Rate of principle supply i.e laptop at 18% will be charged on entire value i.e ₹55000/-.

CBIC- some circulars on clarifications.

Whether given supplies are composite supplies?, If Yes, what constitutes principal supply?

(1). Printing Industry Issues.

- In case of **printing of books, pamphlets, brochures, annual reports etc.**, where only content is supplied by the publisher or the person who owns usage rights to the intangible inputs, and, physical inputs including paper, used for printing belong to the printer,

SUPPLY OF PRINTING (of content supplied by the recipient) is **principal supply** and therefore, such supplies would constitute **supply of services**.

- In case of supply of **printed books envelopes, letter cards, printed boxes, tissues, napkins, wall paper etc.** by the printer, using its physical inputs including paper & so

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Print design, logo etc supplied by the recipient of goods, predominant supply is **SUPPLY OF GOODS** and supply of service i.e. supply of printing of content (supplied by recipient) is ancillary, and therefore, such supplies would constitute **supply of goods**.

(2). Activity of Bus body building.

Principal supply may be determined on the basis of facts and circumstances of the case.

(3). Retreading of tyres.

- Predominant element is process of retreading which is **supply of service**. Rubber used for retreading is ancillary activity.
- supply of retreaded tyres, where the old tyres belong to the supplier, of retreaded tyres, is a **SUPPLY OF SERVICE goods**.

(4) Food supplied to patients.

- Food-supplied to the in-patients as advised by doctor/nutritionists is a part of composite supply of healthcare **service** and not separately taxable.
- Other supplies of food by hospital to patients (not admitted) or attendants or visitors is taxable.

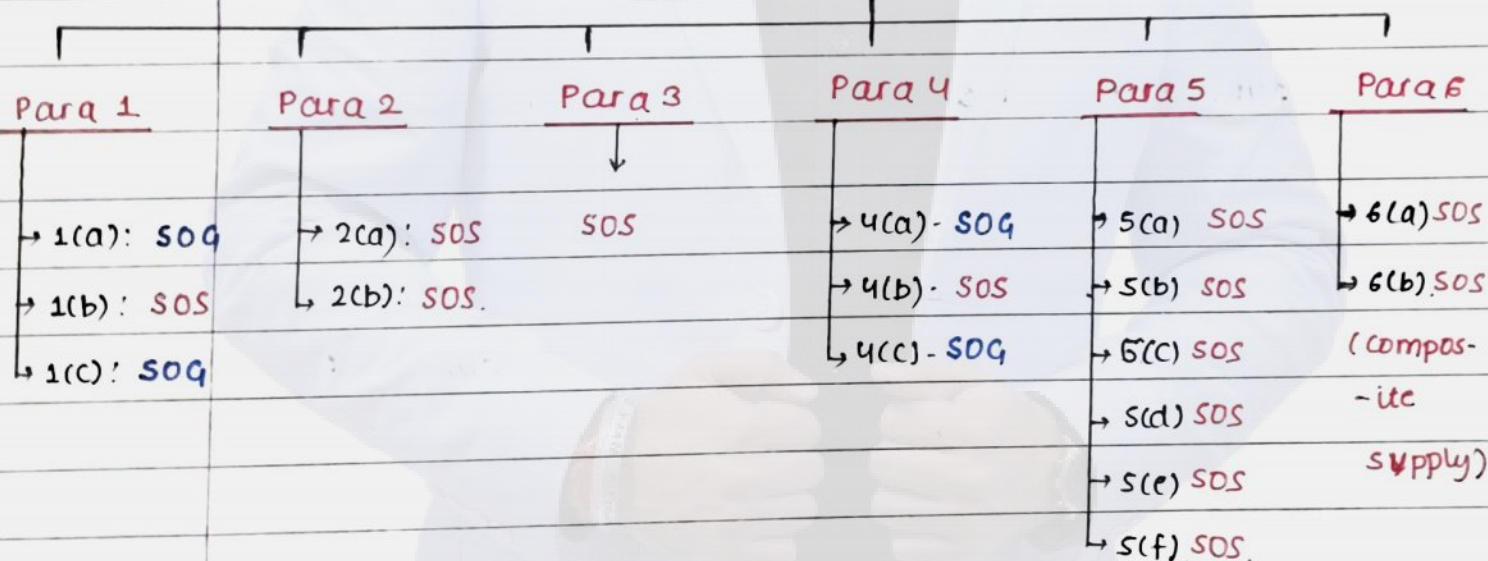
Lecture (10).

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(5) Supply of food and beverages at cinema Halls.

Such supply is taxable as restaurant services i.e. Supply of services.

Where sale of cinema ticket and supply of food and beverages are clubbed together and bundled supply satisfies the test of composite supply, the entire supply will attract GST as the rate applicable to the service of exhibition of cinema.

CRUX of SCHEDULE II

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- Section 7(2)
 - Negative list.
 - 7(1) Ka ukha huq bhaad me jaaye, 7(2) jo bolega wahi sahi hai.
- Notwithstanding anything contained in sub-section (1),

- (a) Activities or transactions specified in Schedule III. (or)
- (b) such activities or transactions, undertaken by CG, SG or any local authority, in which they are engaged as public authority as may be notified by the Govt. on recommendations of council, shall be treated neither as supply of goods nor a supply of services.

SCHEDULE III : Activities or transactions which shall be treated neither as supply of goods nor supply of services.

Para 01 -

Services by an employee to employer in course or in relation to his employment.

(Perquisites received by employee - Deemed salary income)

↳ Not taxable under GST

Para 02 -

Services by any court or tribunal established under any law for the time being in force.

Para 03 -

Functions performed by MP, MLA, MC, CAG, IAS, PM, CM, President etc.

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Para 04- Services of funeral, burial, crematorium, or mortuary including transportation of the deceased.

Para 05- Sale of Land and sale of Building.

Para 06- Actionable claims, other than specified actionable claims

* Sec 2(102A) of CGST Act, 2017

Specified Actionable claims means:-

- | | |
|-------------|-------------------------|
| 1) Betting | 4) Casinos. |
| 2) Gambling | 5) Horse races. |
| 3) Lottery. | 6) online money gaming. |

Section 7(2)(b) : Notifications issued by CG with GST Council recommendation

- (1) Functions performed by Panchayat or municipality / local authority.
- (2). Grant of Alcoholic liquor for Human cons. licence by State government.

— x — x —

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Date

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Special point* ~~CBIC~~ Non-supplies clarified by way of circular

CBIC has clarified following activities/transactions are non-supplies -

~~CBIC~~ Inter-state movements of various modes of conveyance and Inter-state movement of rigs, tools and spares, and all goods on wheels (like cranes). } for repair and main.

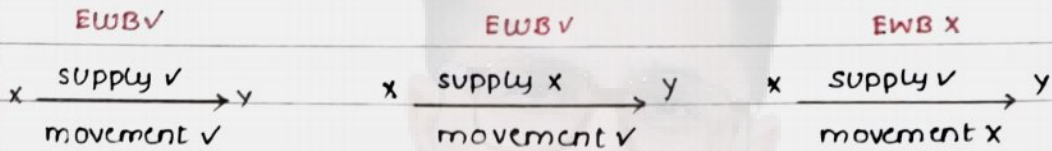
such inter-state movements shall be treated 'neither as supply of goods nor supply of service' and consequently NO IGST would be applicable on such movements.

However, applicable CGST/SGST/IGST, as the case may be, shall be leviable on repair and maintenance done for such conveyance.

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E-way Bill

- E-way Bill movement पर ₹ supply पर नहीं } No Role of
 → Sirf goods wale case me e-way bill hai. } Supply in EWB



E-way Bill concept.



only in case of goods → Rule 13B

* Objective of E-way Bill. Why introduced?

, काली bill.

- To control/stop practice of **Bogus Invoice**, related to goods.
- To control **Tax evasion** in the country
- To **Track** movement of goods.

* Is E-way Bill mandatory?

Yes

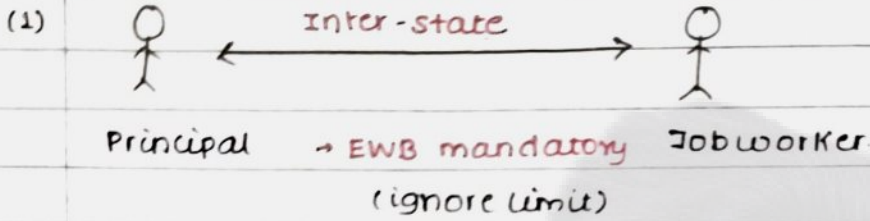
mandatory subject to conditions:

- **If value of consignment exceeds 50000 Rs. -**
- For less value - optional

Exceptions

means in the following cases, E-way bill is mandatory, irrespective of value of consignment :-

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(2) movement of Hand-crafted goods (Inter-state)

#	<u>Meaning of value</u>	<u>consolidated Bill.</u>
	value of taxable goods.	20000.
	Value of exempted goods	35000.
		<u>55000.</u>
	Add' GST @ 28%.	5600
	Add' cess @ 15%.	3000.
		<u>63600.</u>

} on 20000.

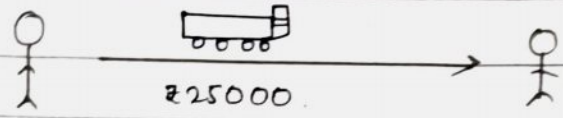
Assessee → value of EWB

20000.	[value of taxable goods]
5600	[GST]
3000.	[cess].
<u>28600.</u>	→ less than 50,000. <u>No. EWB.</u>

Example 1- A truck contains consignment based on 3 invoices, Invoice 1 for ₹65000 ; Invoice 2 for ₹45000 ; Invoice 3 for ₹1L. How many EWB will be generated?

E-way bill will be generated for Inv. 1 and 3.

Example 2-



V (Delhi)

Jobworker (UP)

EWB mandatory without exemption limit. (Inter-state)

+

(P → J.W)

In case of Handicraft goods, same treatment as in ex. 2.

* Where required? - Inter/Intra?

EWB required for Inter as well as Intra state.

However, for Intra state,

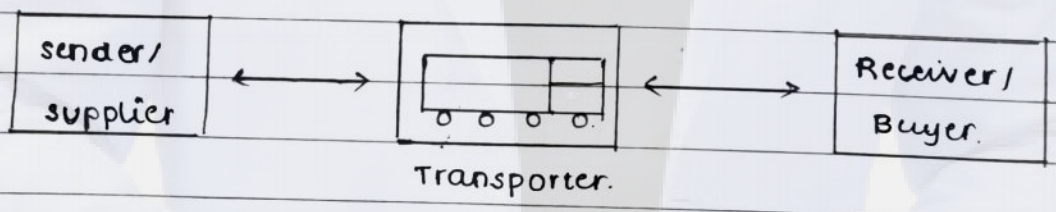
value of EWB may vary

Eg. Delhi → Intra (100,000) value

Bihar → Intra (200,000) value.

Interstate
- All cases.
₹50000.

* E-way Bill made by?



In case of Transportation by Road

EWB can be made by any of the above person

(S+T+R) → By using GSTIN.

In case of Air/ship/Rail

Prepared by → S + R (Not transporter)

→ After movement of goods but before delivery at destination

How to generate?

Registered → GSTIN ; Pan and Aadhar no. → Enrollment
(unregistered)

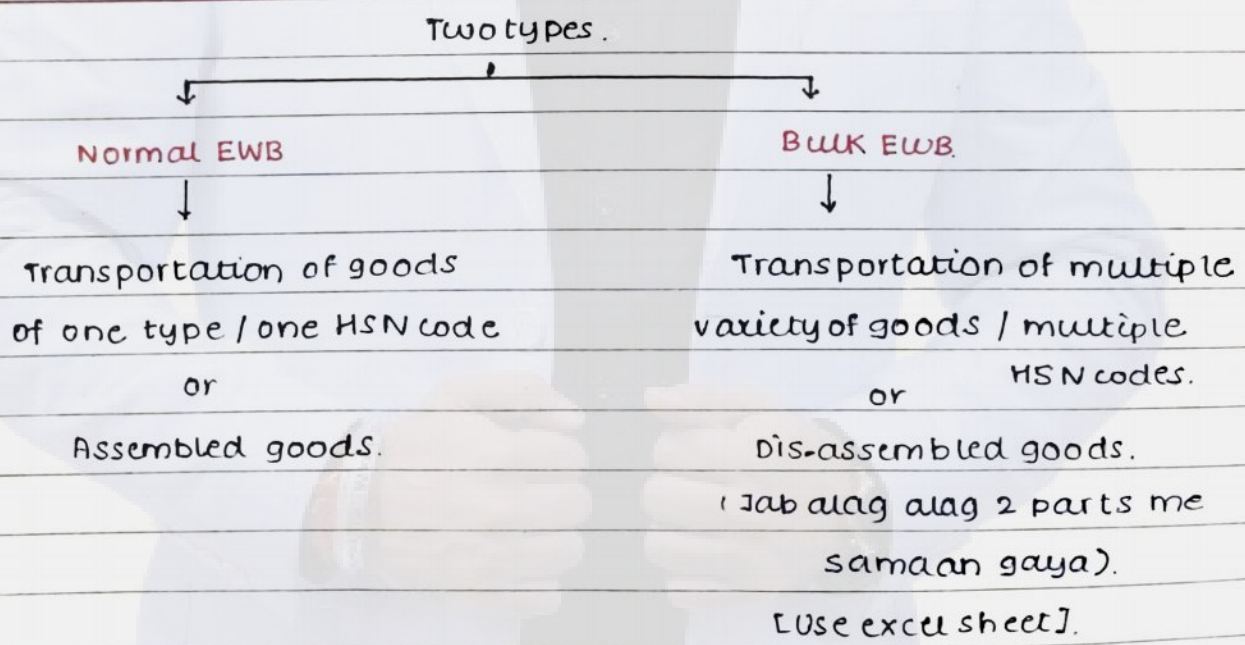
User ID/Password

Two parts in EWB
Part A → Supplier/Receiver and good details
Part B → Transporter Details
Both parts → S+R+T ✓

- Login - EWB generate.
- 12Digit unique no.
- Having QR code for fast verification
- EWB No. communicate by sms/Email to S+R+T

- # EWB state-wise नहीं national level का होता है।
- # EWB invoice ke saath hi jaata hai.

* Types of E-way Bill.



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* cancellation of EWB → cancel vahi karega jisne generate kiya.

→ EWB once generated can be cancelled. (Reason prescribed in GST portal)

cancellation within 24 hours. (After verification - no cancellation).

* when E-way Bill is not required?

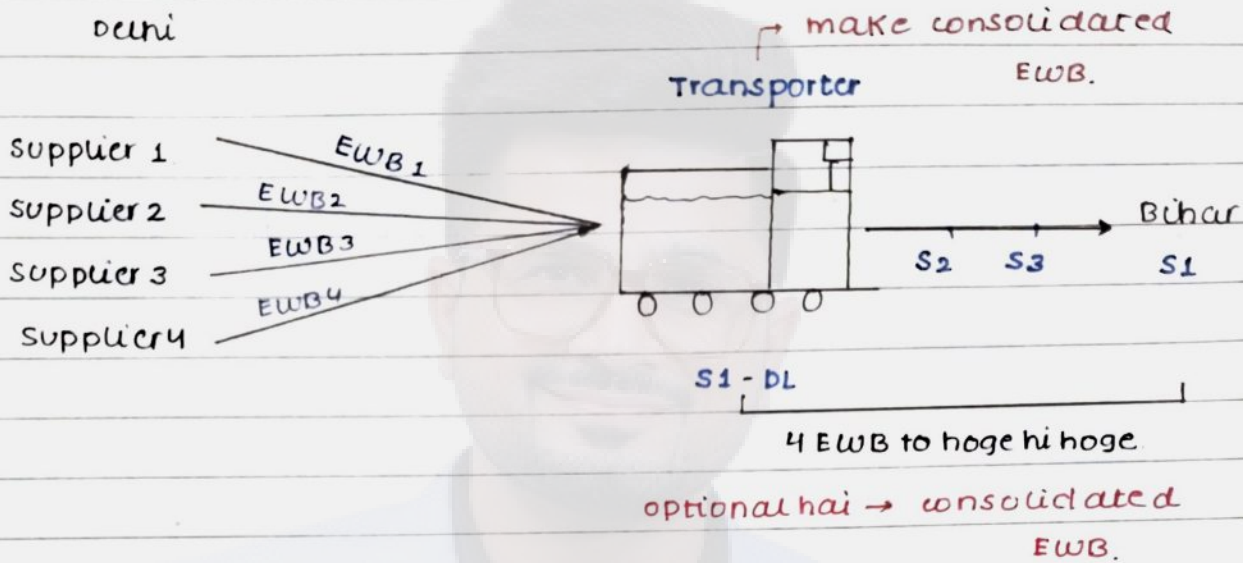
- (1) Non-motorised vehicle (Eg. Hand Rickshaw).
- (2) Exempted goods supply.
- (3) Non-Taxable goods. (Alcohol, liquor, SPP).
- (4) Jewellery, Gems, coral etc. (except artificial jewellery)
- (5) LPG, gas.
- (6) Kerosene oil.
- (7) Post, parcel, mail etc. → speed post / courier
- (8) currency → not covered in goods.
- (9) custom controlled goods - (Port to warehouse etc.)
- (10) Movement → o/s the definition of supply. (Sch III)
↳ except Job worker case.
- (11) Govt. specified areas.
- (12) Govt. dept. goods → eg. defence goods.
- (13) Empty container transportation → circular (LPG)

Factory	Indane	customer
└──────────┘		└──────────┘
- (13) Goods transport upto धर्मकारा etc. upto 20 Km.

↓	Empty container
weight measurement	EWB ✓ EWB X

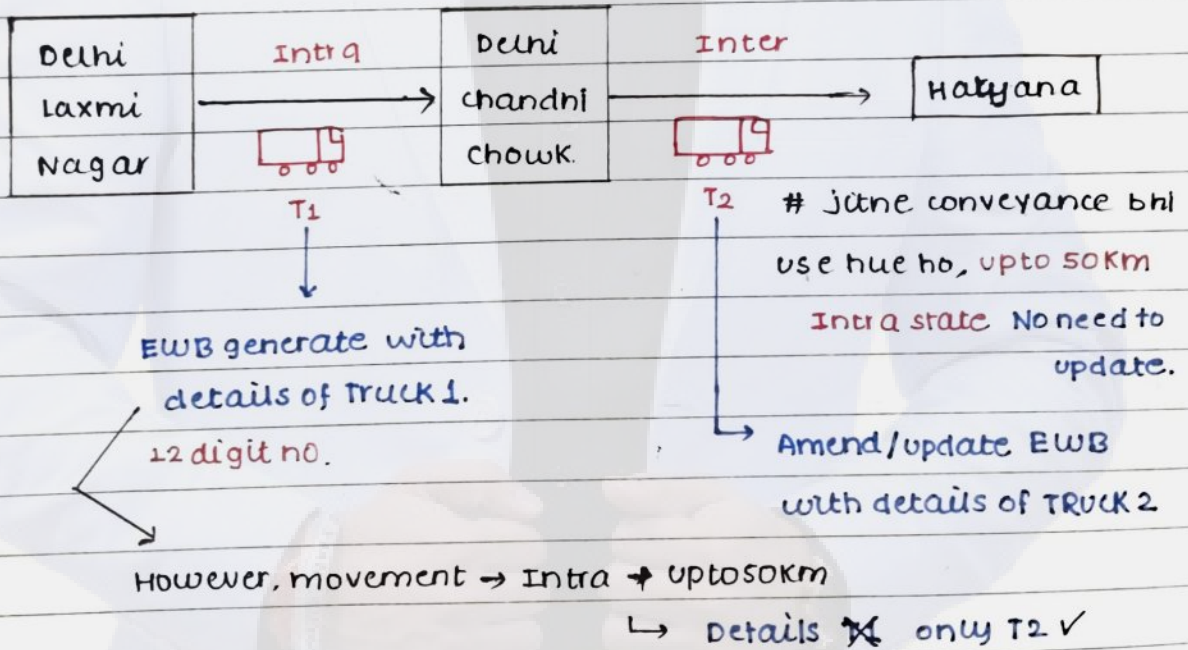
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* Consolidated EWB → [GST EWB02]



* What happened in case of multi-vehicle?

Eg.- Truck problem, transshipment case



* Rejection of E-way Bill (other can reject)

Yes, within 72 hours, if not rejected, then deemed to be accepted.

- | | | |
|---|--|--------------------------------|
| # | <u>Cancellation</u> by generator | } But before movement of goods |
| # | <u>Rejection</u> by other than generator | |

- * own masters → list of customers
 ↓ list of suppliers
 like = Add beneficiaries system. list of items
 list of destination etc.

- * Time of EWB - Before movement of goods.

* Relevant Form numbers

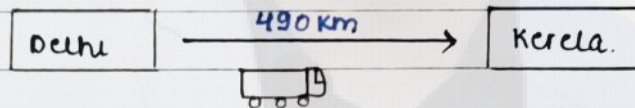
Rule 13B	- Information to be furnished prior to commencement of movement of goods.	GST EWB 01
Rule 13BA	- Documents to be carried by a person in charge of conveyance.	GST INV 01
Rule-13BC	- Inspection and verification of goods	GST EWB 03
Rule 13BD	Facility for updating information regarding detention of vehicle.	GST EWB 04
	consolidated E-way Bill.	GST EWB 02

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* Validity of EWB (Imp).

	<u>cargo type</u>	<u>distance</u>	<u>validity</u>
1)	overdimensional cargo or multi modal cargo (with ship/vessel/T/P).	<ul style="list-style-type: none"> • 1st 20 km • Additional 20 km or part. 	1 Day 1 Day.
2)	Normal cargo (other than above)	<ul style="list-style-type: none"> • 1st 200 km • Add. 200 km or part 	1 Day 1 Day.

Example -



case 1 → Normal cargo → 3 day validity

case 2 → multi modal cargo
(without ship T/P) → 3 days validity
same as normal

case 3 → overdimensional cargo → 25 days validity

case 4 → multi modal cargo, (with ship T/P) → 25 days validity.

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* Blocking of EWB

Person (including consigner, consignee, transporter etc.) shall be allowed to furnish the information in **Part-A of GST EWB 01** in respect of any outward supply of goods of a R.P. who.

- 1). **Person availing regular scheme** →
 - has not furnished **GSTR-3B** (for 6 months in normal case or 2 quarter (if ORmp).
 - has not furnished **GSTR-1** for any 2 months or 2 quarters
- 2). **Person availing composition scheme** →
 - has not furnished **GST CMP08** for consecutive 2 quarters.
- 3) Person whose registration has been suspended.

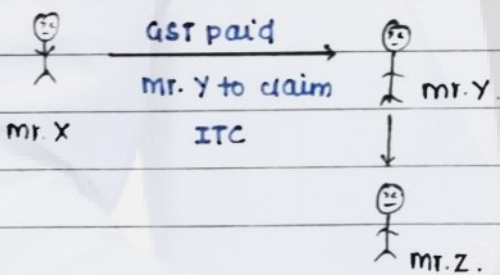
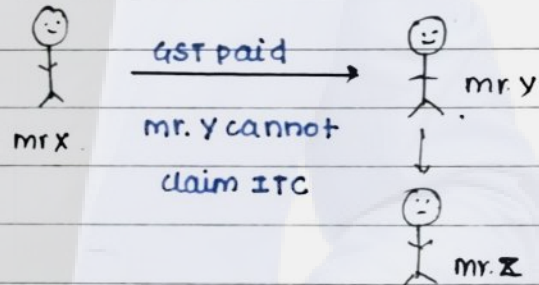
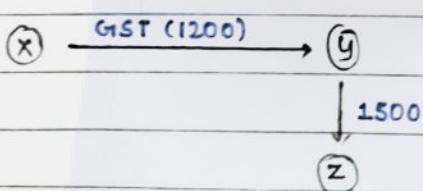
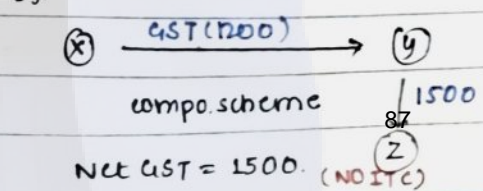
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Composition scheme

Other names

- Presumptive Taxation
- Flat Rate system
- scheme for small businessman
- concessional scheme
- optional scheme

Q- What is the difference between composite scheme and normal scheme?

	Normal scheme	composition scheme.
1.	covered under sec 9 of CGST Act.	covered under sec 10; 10(1), 10(2), 10(2A) of CGST Act.
2.	<p>ITC available on inward supply</p> 	<p>ITC not available on inward supply.</p> 
3.	<p>GST payable = output tax (-) ITC</p> <p>Net GST payable → xxx</p>	<p>Tax payable = T.O. x concessional rate.</p> <p>(-) NO ITC</p> <p>Tax payable → xxx</p>
Eg.	 <p>Net GST = 1500 - 1200 = 300</p>	 <p>Net GST = 1500. (NO ITC)</p>

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	Normal scheme	Composite scheme.
4.	Registered person can make Inter-state as well as Intra-state supply.	composite person cannot make inter-state supply. <u>CRUX</u> - Purchase kahi se bhi karo supply only intra honi chahiye
5.	Any Registered person can opt normal scheme.	only specified registered person can opt comp. scheme. (A.T.O. → 1.5 crore / 75 L / 50 L)
6.	Returns under GST Now, 2 monthly returns & 1 Annual return [Total 25 Returns]. GSTR 1, GSTR 3B, GSTR 9	Returns under GST. Now, 1 Annual Return + 1 Annual Return. (Total 2 Returns). GSTR 4, GSTR 9A
7.	Higher Tax Rate (5%, 12%, 18%, 28%)	Lower Tax Rate (1%, 5%, 6%)
8.	Detailed Books of A/c	Less Books of A/c.
9.	Classification of goods is required.	No classification is required.
10.	Burden of GST can be shifted on consumer.	concessional tax can't be collected from consumer
11.	Normal registered person will issue tax invoice	composite dealer will issue Bill of supply.

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	Normal scheme	composition scheme
12.	There is no such requirement.	He shall maintain the words composition taxable person , not eligible to collect tax on supplies at the top of the bill of supply issued by him.
13.	There is no such requirement.	He shall maintain the words, "composition taxable person" on every notice or signboard displayed at a prominent place or at his principle place of buss. and every additional place of buss.
14.	GSTcess is also payable .	GSTcess is not payable .
15.	Tax payment = monthly . (20th) for supplier having A.To upto 5 crore. Due date have been extended to 22nd/ 24th following end of quarter .	Quarterly payment (18th) following end of quarter.
16.	Discharge of GST liability. E-credit ledger E-cash ledger	Discharge of concessional tax E-cash ledger
17.	NR or CTP are eligible only for normal scheme.	NR or CTP are not eligible for composition scheme.

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Normal scheme

composition scheme

18. No such requirement.

If assessee is manufacturer of PATI, then he is not eligible for composition scheme.

You can be trader of PATI.

↓

P- Pan masala

A- Aerated water + 4 Bricks.

T- Tobacco

I- Icecream



- Building bricks.
- earthen or roofing tiles.
- Fly ash Brick
- Bricks of fossil meals.

19. E.C.O. can avail only normal scheme.

E.C.O. is not eligible for composition levy.

20. Supplier who supplies goods through E.C.O. is eligible for normal scheme.

Not eligible for composition scheme.

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Background of composition levy

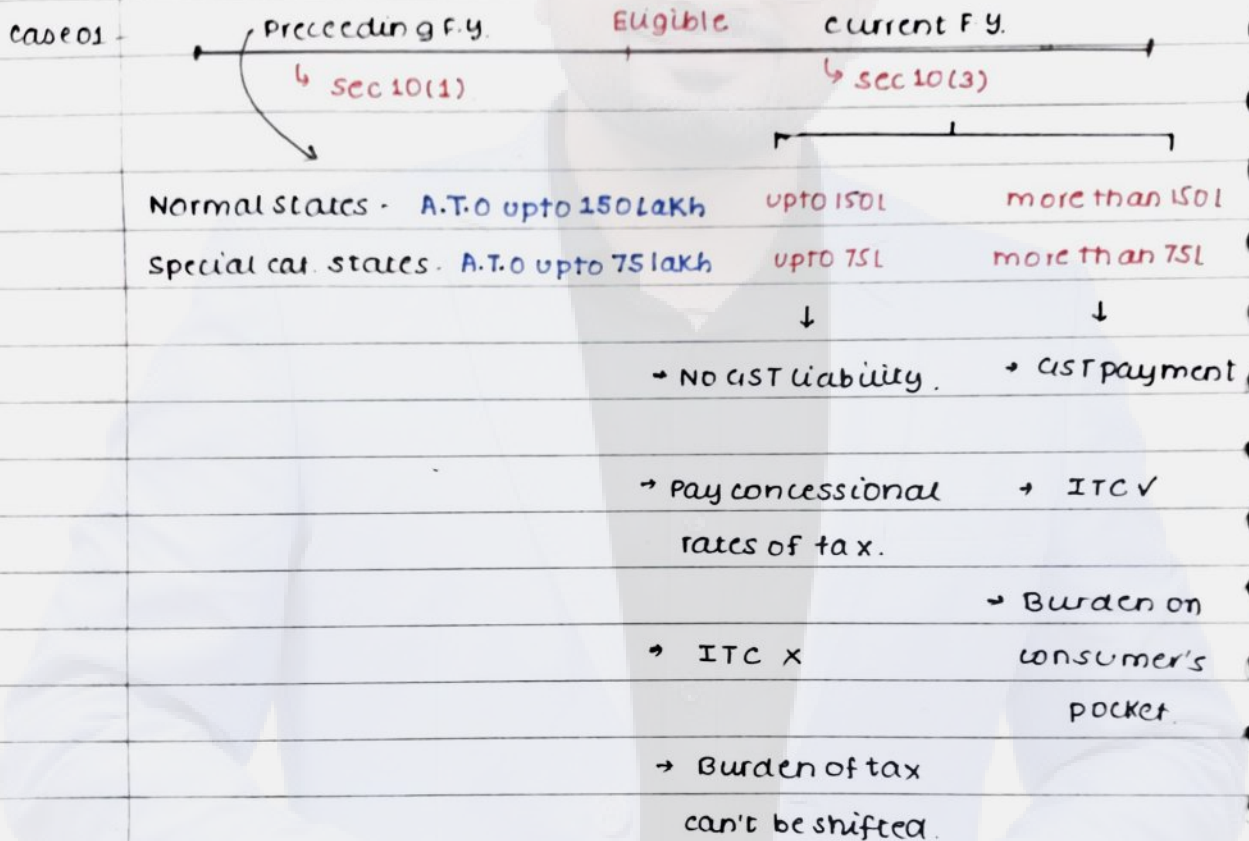
1. Normal tax procedures are not practical or cost effective to small suppliers. For such small suppliers, GST law provides for composition levy scheme under GST.
2. Such scheme is devised for procedural ease for small suppliers and administrative convenience.
3. Composition scheme is provided for simple taxation scheme [A.T.O. is taxed at flat rate], therefore, this system is known as Flat Rate Taxation system.
4. Such scheme is optional
 - scheme is available only when it is opted.
 - Benefit of this scheme can't be claimed unless option is exercised as per prescribed procedure - Rule 03 (Forms etc)
 - Option may be exercised at the time of registration or post registration
 - scheme has no lock in period i.e. supplier may opt of this scheme at any time.

section 10 - composition levy

- Eligible Assessee — Every registered person
 - Eligibility limit — Depends on normal state or specified special category states.
 - 150L (relevant for 10(1))
 - 75L
- OR 750LAKH U/S 10(2A) [For all states]

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- Normal states includes Assam, J&K and Himachal Pradesh.
- Special category states. (8 notified states).
 - U - Uttarakhand → N - Nagaland
 - M - Manipur → A - Arunachal Pradesh
 - M - Mizoram → S - Sikkim
 - M - Meghalaya → T - Tripura.



→ Important Note

sec 10 overruled sec 9(1), means.

Normal tax on outward supply nahi pay karna, outward supply par concessional tax pay karna hai.

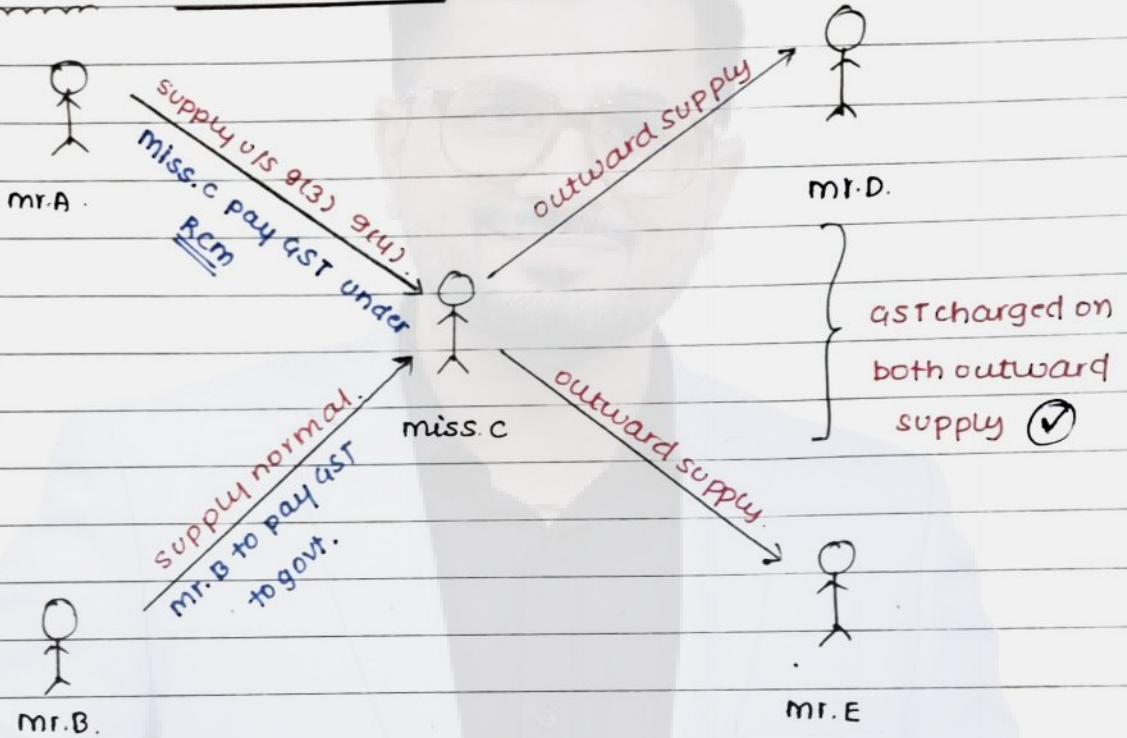
→ In other words, Sec 10 complete GST ko hi override karta hai except 9(3) and 9(4) → utne hi contradiction hai.

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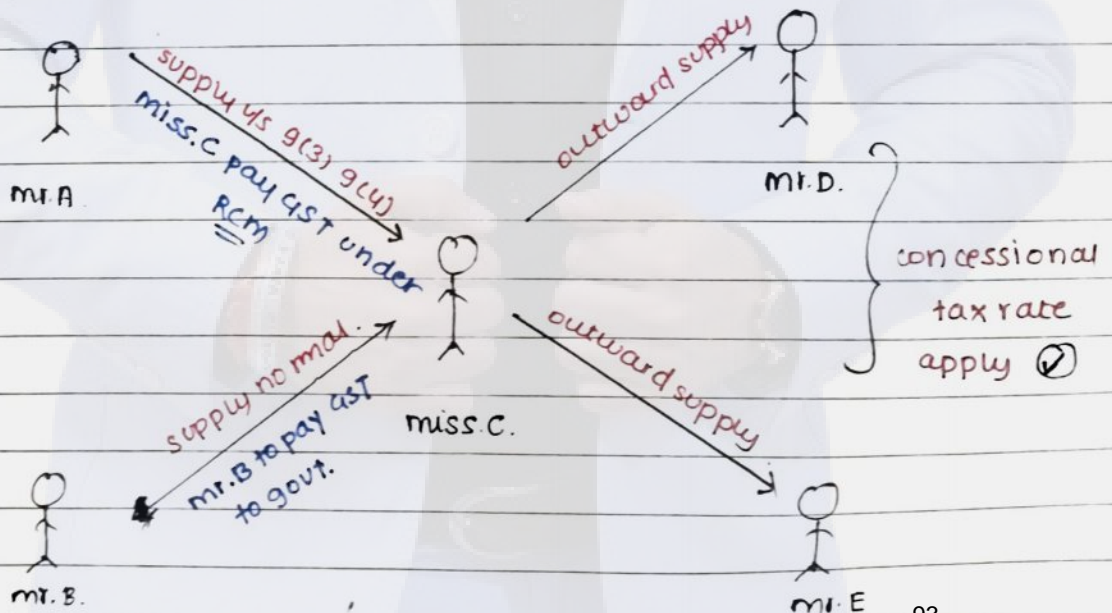
9(3), 9(4)

↓
Agar inward supply RCM me covered hai, to RCM me GST dena hoga even if assessee ne composition scheme opt ki hai.

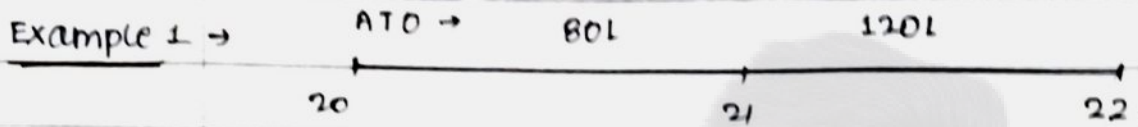
Case 01 → Normal scheme → Miss. C.



Case 2 → Composite scheme → Miss. C.



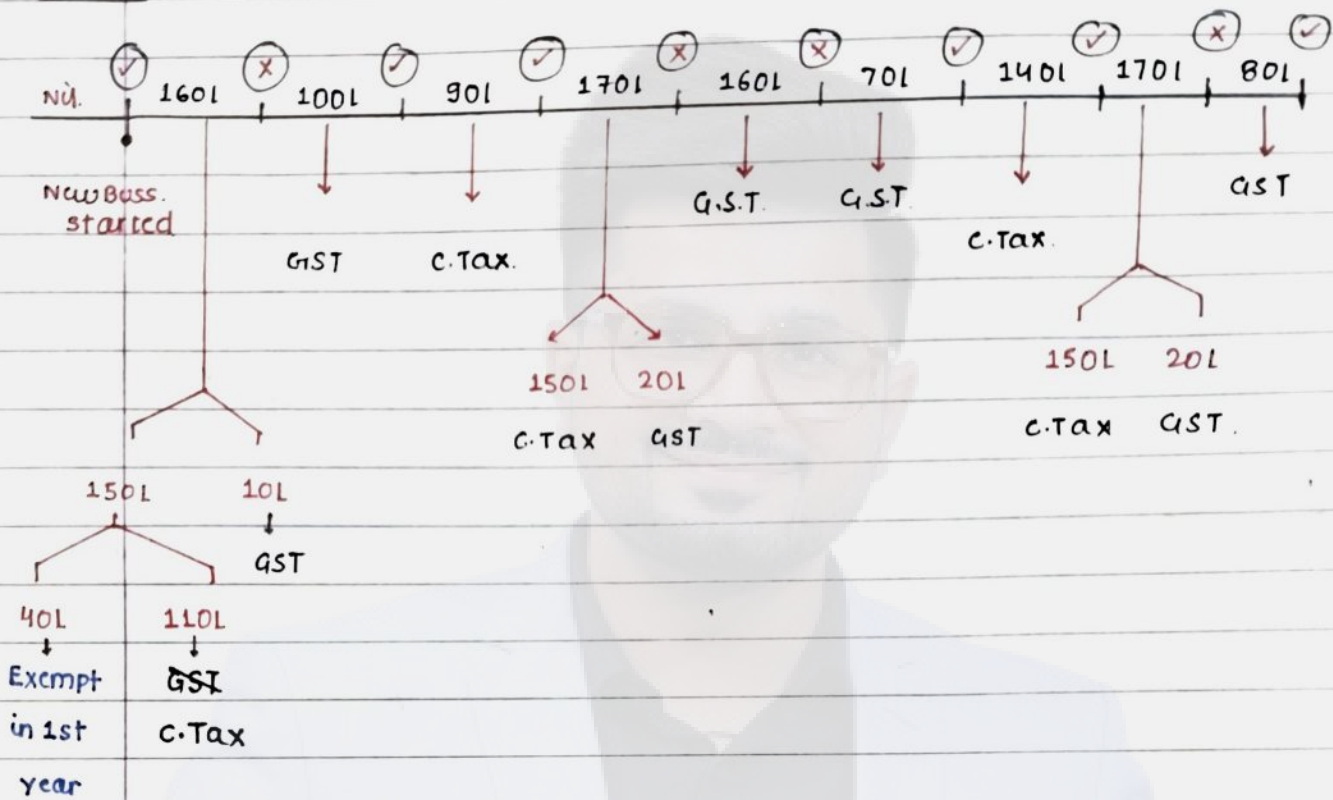
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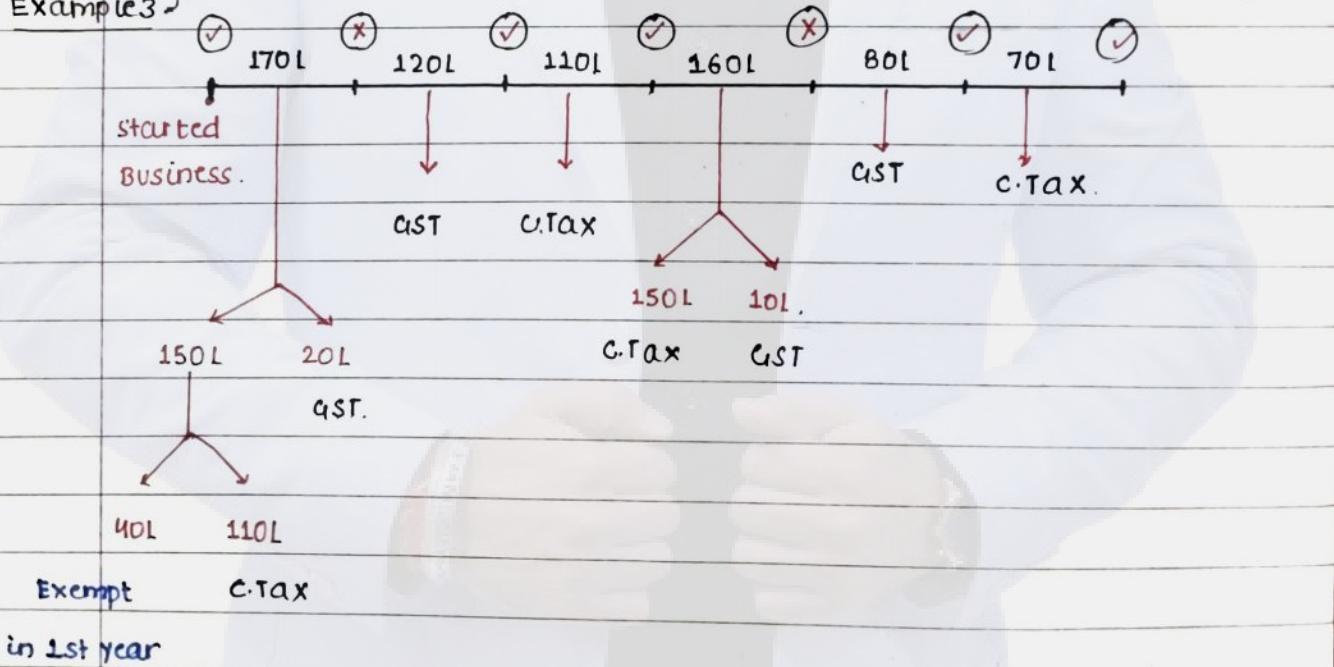
- Q1. Is he eligible for composition scheme in F.Y. 21-22?
Yes, since A.T.O. is 80L in P.F.Y. 20-21.
- Q2. If yes, value of comp tax → 120L
value of GST → zero
- Q3. In F.Y. 22-23, eligible or not?
Yes, since A.T.O is 120L in 21-22.
- what will be your ans. to above questions if A.T.O in 20-21 is 160L?
- Q1- Not eligible, since A.T.O in P.F.Y > 150L
- Q2- value of comp. Tax → Nil
value of GST → 120L
- Q3- Yes, he is eligible since A.T.O in P.F.Y. is upto 150L.

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Example 2 - Mr. V.G. - goods manufacturer Eligible limit = 150L



Example 3 - Mr. V.G. - goods manufacturer Eligible limit = 150L Eligible Reg. limit = 40L



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Concept of eligible limit of 150L / 75L / 50L of P. F. Y.

Section 10(1) / 10(2).

- Goods manufacturer
 - Goods trader
 - Restaurant service
- + marginal service

Section 10(2A)

- Exclusive service other than Restaurant service
- + marginal goods

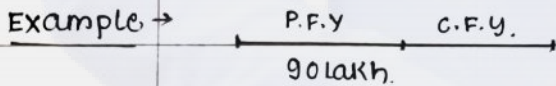
Eligibility limit : 150L / 75L

50Lakh (combined limit)

- | | | |
|------|---------------------|----------|
| (i) | 10% of T.O in P.F.Y | } HIGHER |
| (ii) | 5Lakhs. | |

CRUX - marginal service in C.F.Y.

कम से कम 5Lakh तक की service
ज्यादा से ज्यादा 15Lakh तक की service
Allowed hai in C.F.Y.



Goods manufacturer, wants to give service in C.F.Y.
what will be the limit of provision of service?

→ 90Lakh × 10% = 9Lakh
or, 5Lakh } higher = 9Lakh service.

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Example 2 - P.F.Y. C.F.Y.
ATO = 140 lakh. ↓

Goods supply = 110 lakh.

can I provide service in C.F.Y. with goods?

→ Yes, service of 14 lakh. $\left[\begin{array}{l} 140 \text{ lakh} \times 10\% = 14 \text{ lakh} \\ \text{or,} \\ 5 \text{ lakh} \end{array} \right] > \text{Higher.}$

* How to compute Aggregate Turnover (A.T.O) in P.F.Y for eligibility of C-scheme?

consider only OUTWARD SUPPLIES.

Includes.

- Inter state supply taxable under RCM
- Intra-state supply taxable under RCM
- Inter-state supply taxable under FCM
- Intra-state supply taxable under FCM
- Inter-state supply Nil Rated / Exempted / Non-taxable
- Intra-state supply Nil Rated / Exempted / Non-taxable
- Export supply (supply o/s India or to SEZ). - Zero Rated supply
- Other outward supplies.

Does not include

- GST → CGST, SGST, UTGST, IGST + cess.
- Interest, discount
- Inward supply under RCM.

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Example 1 - VG Ltd. is the manuf. in Mumbai. In the F.Y. 20-21,
Total value of supplies including inward supplies taxed
under RCM are ₹ 1,65,00,000. (Exclusive of taxes).
Break-up is as follows:-

- Inter state supplies of goods made under FCM = 10,00,000
- Intra-state supplies of goods made under FCM = 1,00,00,000
- Intra-state supplies of goods which are
wholly exempted = 500,000.
- Intra-state supplies of goods charged to Nil Rate = 30,00,000
- Intra-state supplies of services of extending loans
on which interest received is exempted = 500,000.
- Value of inward supplies covered under RCM = 15,00,000

Solution → $165,00,000 - 500,000 - 15,00,000$
= 145,00,000 = A.T.O. (within limit).
Hence, eligible for composition levy.

Example 2 - Mr. VG is manuf. in Delhi. His total supply is ₹ 1,78,00,000
which includes the following elements -

1)	Intra-state supply covered under FCM.	20,00,000
2)	Inter-state supply covered under FCM	32,00,000.
3)	Intra-state supply covered under RCM.	15,00,000.
4)	Inward supply covered under RCM	31,00,000.
5)	Intra-state exempted supply	35,00,000
6)	Value of Interest / Discount	500,000.
7)	Value of Inter-state supply	40,00,000.

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Solution - $1,78,00,000 - 500,000 - 31,00,000$
 $= 1,42,00,000$

Yes, he is eligible for composition scheme. as A.T.O. after specified adjustment is within the limit of 1.5 crore.

Computation of T.O. in c.f.y. and concessional Rates of GST
v/s 10.

Section	Particulars.	Turnover in c.y.	concessional GST
10(1)/ 10(2)	Manufacturer of goods (Except 8 specified goods).	Total turnover (Taxable & Exempt)	1% (0.5% CGST + 0.5% SGST)
10(1)/ 10(2)	Trader of goods. (Including 8 goods).	Taxable turnover	1% (0.5% CGST + 0.5% SGST)
10(1)/ 10(2)	Restaurant service.	Total turnover (Taxable + Exempt)	5% (2.5% CGST + 2.5% SGST)
10(1)/ 10(2)	↑ marginal service. (of above 3)	Taxable Turnover	1% (0.5% CGST + 0.5% SGST)
10(2A)	Exclusive service (other than rest. service)	Total turnover (Taxable + exempt)	6% (3% CGST + 3% SGST)
10(2A)	Exclusive service + marginal goods	Total turnover (Taxable + exempt)	6% (3% CGST CGST + 3% SGST)

→ Turnover in C.F.Y.

consider only "Intra state outward supply"

- Taxable under FCM
- Taxable under RCM
- Exempted supply
- Nil Rated supply.
- Non-Taxable supply.

subject to some cases.

Does not include

- GST and cess.
- Interest and discount
- Inward supply under RCM.

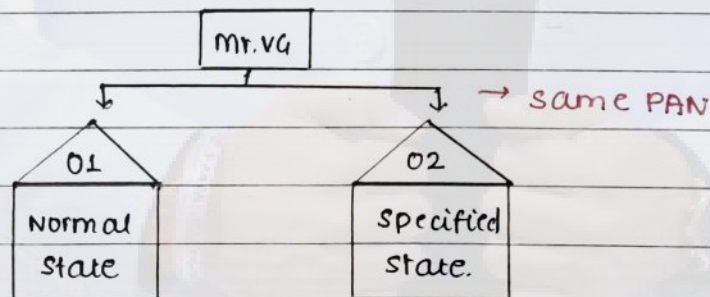
CRUX

Trader or marginal services wale cases me → only Taxable Turnover

All other cases me → Total turnover

* Some important points

(1)



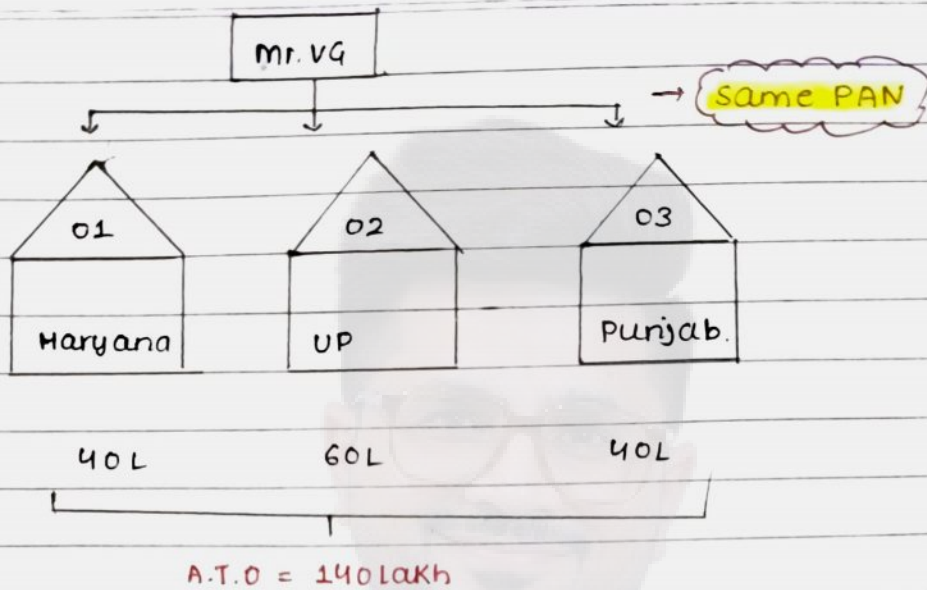
Eligible limit →

150L

75L

limit reduced to ₹ 75 lakhs.

(2).



Agar comp. scheme leni hai, to sabhi branches ko ek sath leni hai, agar chodni hai, to sabhi branches ko scheme ek sath chhodni hai.

(3). Agar composition scheme leni hai to, year ke starting me leni hai, scheme chhod kabhi bhi sakte ho!

(4). Form no. for availment or withdrawal of scheme.

i) Fresh registration under comp. scheme - Part B of GST REG-01

ii) Normal scheme → comp. scheme - GSTCMP02

iii) Auto withdrawal or voluntarily from comp. scheme - GSTCMP04

iv) SCN by dept. - GSTCMP05

Reply by Assessee - GSTCMP06

order passed - GSTCMP07.

Show cause notice.

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Q1. ABC, regd. in Delhi, has opted to avail the benefit of comp. scheme u/s 10(2A).

- i) Taxable T.O. of service within state = 15,00,000
- ii) Exempted T.O. of service within state = 18,00,000.

Total tax?

Solution - $33,00,000 \times 6\% = 198000.$

(15L + 18L)

CGST	SGST
99000	99000.

Q2. V4 Ltd, a manuf. of Delhi has opted for comp. scheme for the F.Y. 20-21. Details of supplies as follows -

- i) Intra-state supplies of goods at 12% GST = 10 lakh
- ii) Intra-state supplies of goods at 18% GST = 20 lakh
- iii) Intra-state supplies of goods (Nil Rated). = 30 lakh
- iv) Intra-state supplies (exempted under GST). = 5 lakh.
- v) Value of Inward supplies covered under RCM at 5% = 10 lakh.

Solution - FCM

$$10\text{ lakh} + 20\text{ lakh} + 30\text{ lakh} + 5\text{ lakh} = 65\text{ lakh}$$

$$65\text{ L} \times 1\%$$

$$= 65000$$

RCM

$$5\% \times 10\text{L} = 50000$$

Total = 115000.

what will be your answer if he was a trader?

$$\text{T.O.} = 20\text{ lakh} + 10\text{ lakh} = 30\text{ lakh} \times 1\%$$

$$= 30,000$$

$$+ \text{RCM} = 50000$$

$$\left. \begin{array}{l} = 30,000 \\ + \text{RCM} = 50000 \end{array} \right\} = \text{Total} = 80000.$$

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Q3. Pinku Ltd. a manufacturer of Haryana, having A.T.O - 120 lakh in P.F.Y. has opted for comp. scheme in C.F.Y. and details of following - compute composition and total tax liability.

1. Intra-state supplies of Good A @ 5% GST = 30 lakh
2. Intra-state supplies of Good B @ Nil GST = 18 lakh
3. Intra-state supplies of Good C @ 18% GST = 30 lakh
4. Intra-state supply of services @ 5% GST = 6 lakh
5. Interest earned on F.D. (exempted service) = 8 lakh
6. Value of inward supply under RCM @ 5% = 5 lakh.

Also determine comp tax liab. if Va Ltd is a trader.

<u>solution -</u>	<u>manufacturer</u>	<u>Trader</u>
	30L	30L
	18L	-
	30L	30L
Total goods →	₹81 lakh	60 lakh
services →	6 lakh	6 lakh
Total	84 lakh	66 lakh.

$$\begin{aligned} \text{comp. tax @ 1\%} &= 84,00,000 \times 1\% \\ &= 84000. \end{aligned}$$

$$\begin{aligned} 66,00,000 \times 1\% \\ &= 66000. \end{aligned}$$

$$\begin{aligned} \text{RCM -} & \quad 500,000 \times 5\% \\ & = 25000. \end{aligned}$$

$$\begin{aligned} 500000 \times 5\% \\ & = 25000 \end{aligned}$$

$$\begin{aligned} \text{Total tax} & \quad 84000 + 25000 \\ & = ₹109000 \end{aligned}$$

$$\begin{aligned} 66000 + 25000 \\ & = ₹91000 \end{aligned}$$

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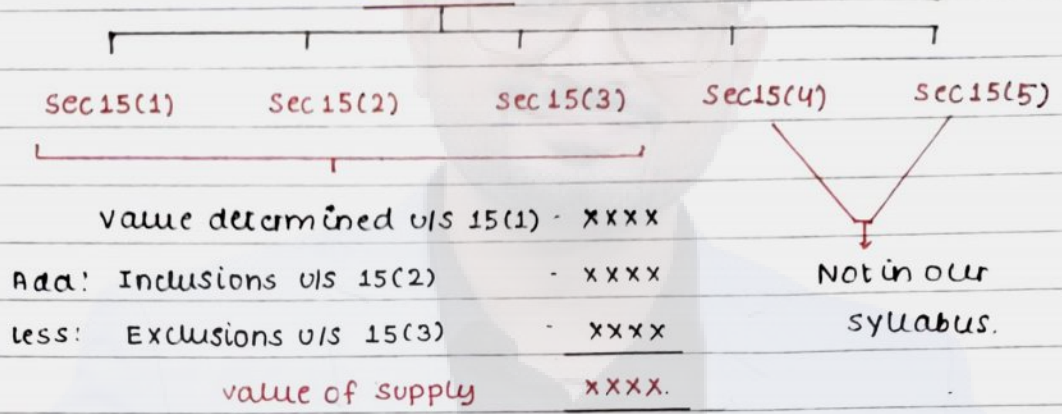
Valuation of supply → Checkpoint 6

$$\text{GST liability} = \text{Value} \times \text{Rate}$$

↓
Refer sec 15

↓
Fixed by govt.

SECTION 15



• Section 15(1)

$$\text{value of supply} = \text{Transaction value}$$

↓
price actually paid or payable for the said supply.

Transaction value is to deemed as assessable value / value of supply, IF ALL the below mentioned conditions are satisfied :-

- 1) Buyer and seller are **not related persons**.
- AND
- 2) Price is the **sole consideration** for the supply.
↳ monetary form

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CRUX

Value of supply = Transaction value

(If two conditions are satisfied).

	condition 1	Condition 2	value
case 1	✓	✓	T.V. u/s 15(1)
case 2	✓	✗	} Rule 27-31
case 3	✗	✓	
case 4	✗	✗	

→ where 15(1) does not apply, sec 15(4) shall apply and as per sec 15(4), value shall be determined as per valuation rules. (R 27-31).

Examples

(1)

⊗ chips supply of ₹10K → ⊙

x and y are related persons.

sec 15(1) shall not apply, go for valuation rules.

(2)

⊗ sale chips at ₹8000 + gift → ⊙

x and y are not related party.

sec 15(1) shall not apply, go for valuation rules.

(3)

x and y are not related persons.

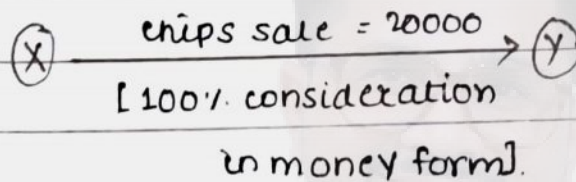
⊗ chips supply → ⊙
← cold drink.

sec 15(1) shall not apply, go for valuation rules.

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(4)

X and Y are not related persons.



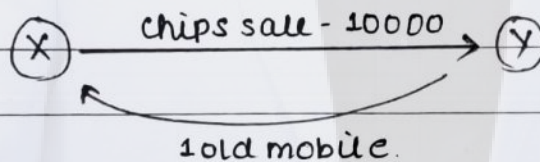
Sec 15(1) shall apply as both conditions are
 satisfied

Not R.P.

price sole consideration

(5)

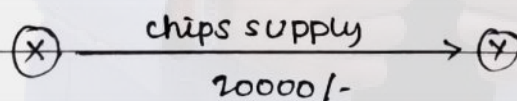
X and Y are not related persons.



Sec 15(1) shall not apply, go for valuation rules.

(6)

X and Y are not related persons.



Sec 15(1) shall apply (Both conditions are satisfied)

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computation of value of supply

Particulars	Amount (₹)
Price actually paid or payable for the said supply v/s 15(1).	× × ×
Add: <u>Inclusions v/s 15(2).</u>	
• Any taxes, duty, cess, fees and charges which are not subsumed under GST laws. [Note 1]	× × ×
• Any amount that supplier is liable to pay but incurred / met by the recipient. [Note 2]	× × ×
• Incidental expenses. [Note 3]	× × ×
• Interest or late fees / penalty for delayed payment. [Note 4]	× × ×
• Subsidies directly linked to the price (except govt. subsidy - subsidies provided by CG or SG) [Notes] (Add only if minus Kr di ho)	× × ×
value after adjustment v/s 15(2)	× × ×
less: <u>Exclusions v/s 15(3).</u>	
• Pre-supply discount	× × ×
• * Post-supply discount subject to condition.	× × ×
	× × × 107

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- * such discount is established in terms of an agreement entered into at or before the time of such supply and specifically linked to relevant invoices.

AND

ITC as is attributable to the discount on the basis of document issued by the supplier has been reversed by the recipient of supply. [ITC reverse]

NOTE 1 Tax not subsumed under GST

Examples -

Import Duty	Property Tax
Anti-dumping Duty	Stamp duty.
Safeguard Duty.	Electricity Duty.
other custom Duty.	Excise Duty on
Professional tax	Tobacco etc.
Toll tax	

Example 1

1. Price actually paid or payable	=	800,000
2. CGST/SGST paid	=	150,000 ×
3. Municipal tax / Tax by local A	=	50,000.
	value	<u>850,000.</u>

Iska ITC claim
ho jaayega.

Example 2

contracted price = 12,80,000.
(inclusive of GST)

GST rate = 28%

$$\text{value of supply} = \frac{1280000 \times 100}{128} = ₹10 \text{ lakh/-}$$

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Note 2

selling commission, cost of transportation,
cost of insurance etc.

Note 3

Packing expenses, special packaging expenses, commissions,
inspection charges, warranty charges, cost of transportation
or insurance etc.

Note 4

Price actually paid = 50,000

credit month = 3m

Int. on late payment = 10% p.a.

Delayed period = 2 months.

$$\begin{aligned} \text{value of supply} &= 50,000 + 633.34 \rightarrow 50000 \times 10\% \times \frac{2}{12} \\ &= 750834 \end{aligned}$$

Notes

Price charged for supply = 80000

Above price after giving effect of following 2 items:-

- subsidy from private trust = 10000
- subsidy from central govt. = 15000

matlab subsidy

minus hochuki

hai to add back

Kazo.

$$\text{value of supply} = 80000 + 10000$$

$$= 90,000.$$

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• Important terms under supply

	section 15(2)	
	Item (i) to (iv)	Item (v) (subsidy - s)
<ul style="list-style-type: none"> • Adjusted / • After giving effect / • Includable or Excludable 	<p>Already added in value.</p> <p>(Agar as per 15(2) bhi add karna hai) - No Treatment</p>	<p>minus ho chuki hai.</p> <p>Govt. sub. - No treatment</p> <p>Non govt. sub - Add in value</p>
<ul style="list-style-type: none"> • Not Adjusted / • Before giving the effect / • Not includable / not excludable 	<p>Not added in value</p> <p>(Agar as per 15(2) bhi add karna hai) - Add in value</p>	<p>minus nahi ki hai.</p> <p>Govt. sub. - less karo</p> <p>Non-govt. sub. - No treatment.</p>

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Ques 1 Price actually paid or payable = 12,00,000
(exclusive of GST @ 28%)

Following items are adjusted in above price -

- i) cost of transportation → 40000
- ii) cost of insurance → 10000
- iii) subsidy provided by CG → 15000
- iv) subsidy provided by XYZ Ltd → 10000.

Following items are not adjusted in above price -

- i) warranty charges = 15000
- ii) special packaging on customer request. = 25000
- iii) GST, SGST = 15000
- iv) subsidy from Pvt. trust = 15000.

calculate value of supply -

<u>Solution</u>	Price actually paid or payable =	12,00,000
	Add: subsidy provided by XYZ Ltd.	10,000
	warranty charges	15,000
	special packing on customer's req.	25000.
	value of supply.	12,50,000.

Ques 2 Price actually paid or payable = 1100000.

Above price adjusted with following items -

- i) cost of inspection = 10000
- ii) cost of insurance = 15000
- iii) subsidy from Pvt trust. = 40000.

Items not adjusted

- special packing cost = 20000
 cost of insurance = 15000
 subsidy from C.G. = 10000
 Int. on delayed payment = 15000.

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calculate total value and invoice value.

<u>Solution</u> -	Price actually paid or payable	1100000
Add:	subsidy from Pvt. Trust	40000
	special packaging cost.	20000
	cost of insurance.	15000
	Int. on delayed payment	15000
less:	subsidy from C.G.	10000.
	<u>Total value of supply</u>	<u>11,80,000.</u>

* Invoice value = $1180,000 - 15000$.
= 1165000. ↪ int on delayed payment.

TCS under Income Tax Act, 1961
↳ (tax collected at source) - clarification by CBIC

For the purpose of determination of value of supply, under GST, tax collected at source (TCS) would **not be includible** in the taxable value, as it is **an interim levy not having the character of tax.**

Lecture(15)

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Allowability of certain specific types of discounts offered by suppliers (as clarified vide circular)

(i) Staggered Discount - (Buy more, save more) offers -

In case of staggered discounts, rate of discount increases with increase in purchase volume.

Foreg- one may get 10% discount for purchases above ₹ 5000/-
20% discount for purchases above ₹ 10,000/-

Such discounts are shown on invoice itself.

Such discounts are **excluded** to determine value of supply.

(ii) Periodic / Year ending discounts / volume discounts -

Such discounts are **excluded** to determine the value of supply, provided they satisfy the parameters laid down in **sec 15(3)** including **reversal of ITC** by recipient of the supply as is attributable to the discount on the basis of document issued by the supplier.

Foreg- get add. discount of 1% if you purchase 10000 pieces in a year.

(iii) Secondary Discounts.

These are the discounts which are **not known** at the time of supply or are offered after the supply is already over. Such discounts shall **not be excluded** while determining value of supply as they are not known at the time of supply and conditions laid down in **sec 15(3)(b)** are not satisfied.

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• Classification

"No claim Bonus" permissible as deduction u/s 15(3)(a) for the purpose of calculation of value of supply of insurance services provided by insurance co. to insured.

• Example

List price = 1,00,000.

Following items are not adjusted in the above price.

• GST rate = 18%

Particulars.	I	II	III	IV
• Cost of transportation	40000	40000	40000	40000
• Cost of warranty	10000	10000	10000	10000
• Int. on delayed payment ← (Full and final settlement)	20000	-	-	-
• Int. on delayed payment (waived off by supplier)	-	15000	-	-
• Int. on delayed payment ← (Lumpsum payment)	-	-	40000	-
• Int. on delayed payment	-	-	-	18000
VALUE	166949	150000	183898.	165254
GST	30051	27000.	33102	29746

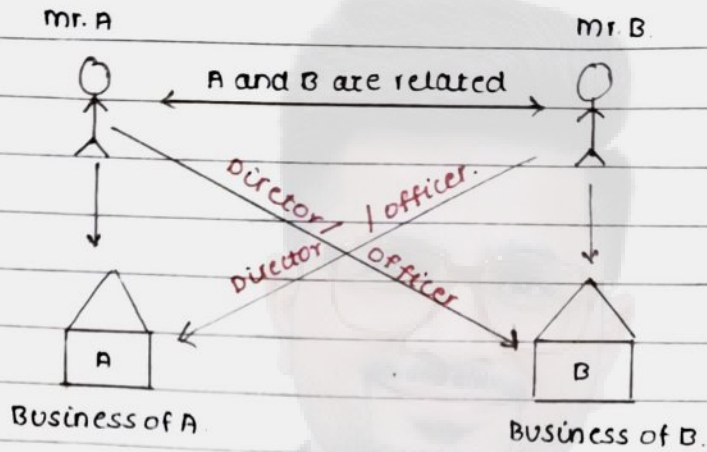
can assume as GST inclusive or exclusive.

more preferable → assume inclusive

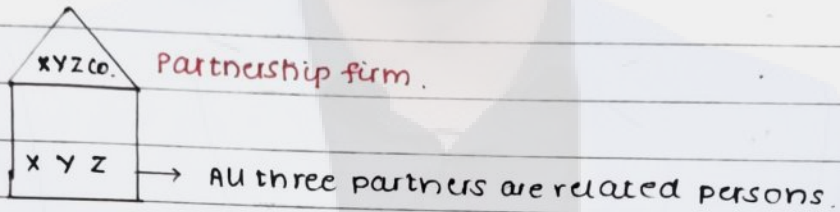
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* Definition of Related Party (apply to all Act)

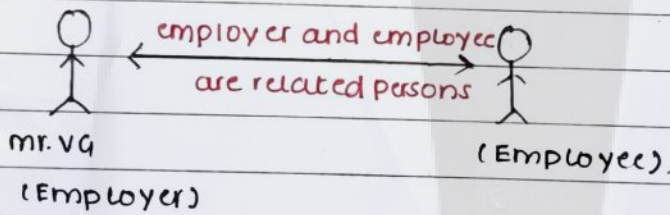
(1.)



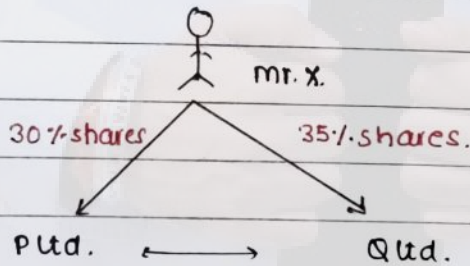
(2.)



(3.)



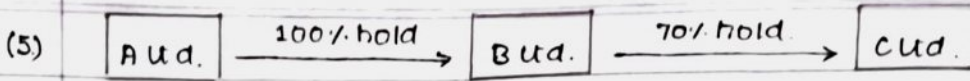
(4.)



All are related party.
(directly or indirectly holds 25% or more shares)

Indirect control.

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A controls B

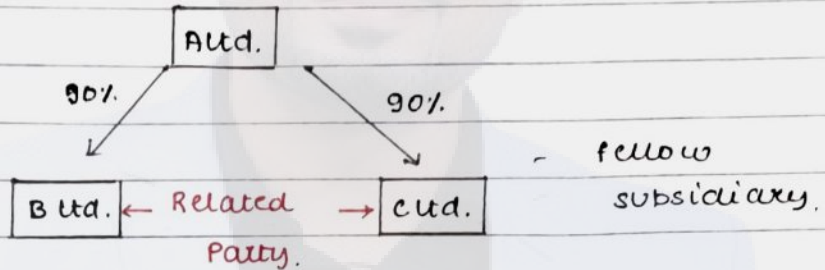
(Directly)

B controls C

(Directly).

- # A Ltd and B Ltd. - R.P.
- # B Ltd and C Ltd. - R.P.
- # A Ltd and C Ltd. - R.P.

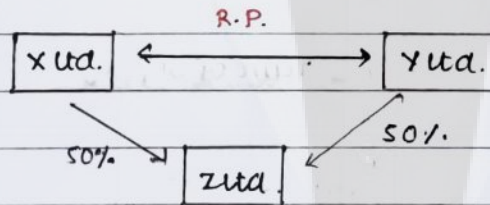
(6)



- # A and B
 - # A and C
- } R.P. (Clause 5)

B and C - R.P. (Clause 6)

(7)



X and Y - R.P.

(8)

Family members - R.P.

- Husband / wife, children (All)
- parents, grandparents, brother, sister (wholly dependant)

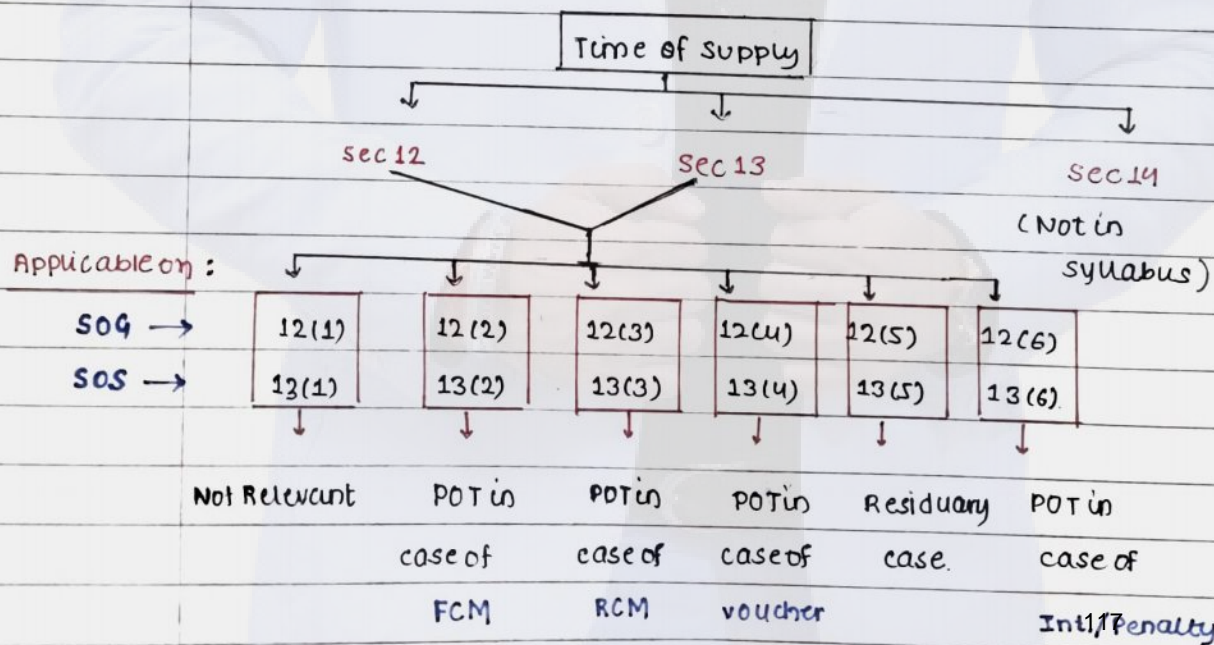
Time of supply / Point of Taxation

supply ko provide kiya hua "कब" maana jaayega?

→ Difference b/w POS and TOS

<u>Place. Time of supply</u>	<u>Time of supply</u>
supply ko provide kiya hua कहाँ maana jaayega.	supply ko provide kiya hua कब maana jaayega.
Section 10, 11, 12, 13 and 14 of IGST Act, 2017	sec 12, 13 and 14 of CGST Act, 2017

First, we determine Place of supply,
After that, if POS is in taxable territory, then,
we determine Time of supply.



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Section 13(2)

Time of supply in case of supply of services (Normal charge)
 ↓
 Forward charge.

Applicability - AU services, except services covered under RCM

Section 13(2) → TOS — Depends upon Date of invoice

Invoice issued within time* prescribed u/s 31, read with Rule 47

Yes, issued within time

No, not issued within time.

Date of invoice
or

** Date of payment

whichever is
EARLIER

Date of completion/ Provision of service
or

Date of payment

* **Time period** = 30 days / 45 days (for Banking co.). from the date of supply / Date of provision of service / date of completion.

** **Date of payment** = BOOK entry or credited in BANK A/c. } **EARLIER**

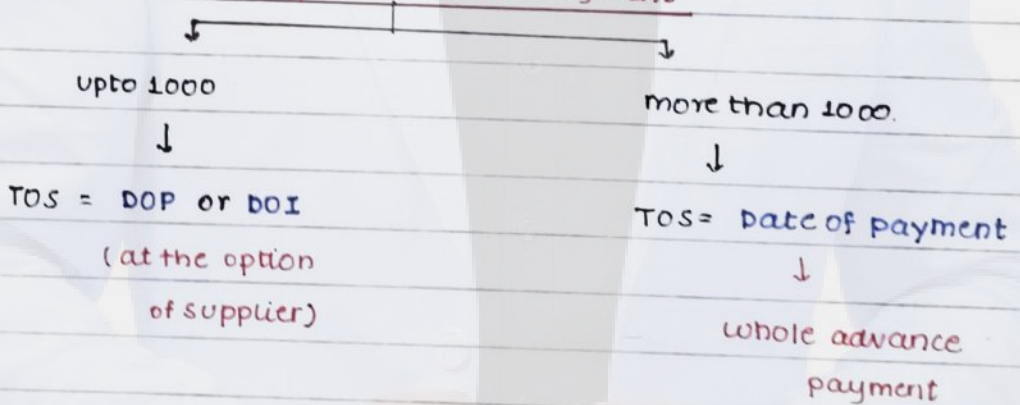
Example -

	<u>DOC</u>	<u>DOP</u>	<u>DOI</u>	<u>TOS</u>
1)	18/9/23	Book entry - 17/9/23 Bank cr. - 20/9/23	25/9/23	17/9/23.
2)	5/01/23	4/01/23	14/02/23.	4/01/23

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	<u>DOC</u>	<u>DOP</u>	<u>DOI</u>	<u>TOS</u>
3)	8/12/23	10/12/23	5/02/24	8/12/23
4)	18/7/23	20/7/23	15/7/23	15/7/23
5)	25/7/23	Part - 23/7/23 Part - 15/9/23	31/8/23	→ 23/7/23 → 25/7/23
6)	8/9/23	B.E = 19/9/23 B.C = 22/9/23	20/9/23	19/9/23
7)	15/12/23	12/12/23	14/2/24	12/12/23

concept of Advance Payment



Example - service provide = ₹18000 (for June 2023)
 DOC = 22/6/2023
 DOI = 28/6/2023
 DOP = 24/6/2023 → Payment received = 18900
 ₹900 paid advance → DOI = 25/7/2023

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Answer

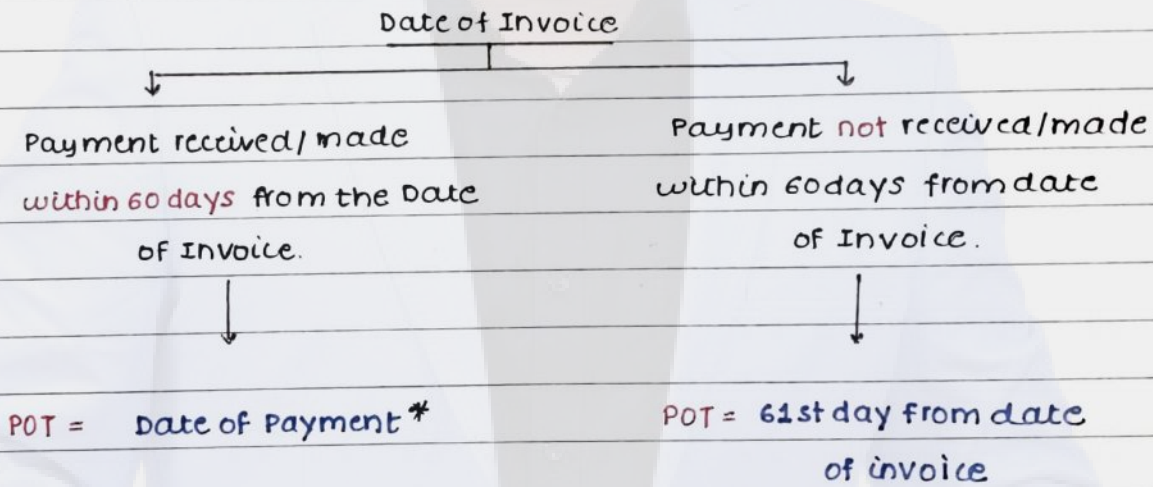
∴ Point of taxation → For ₹18000 - 24/6/2023
For ₹900 - 25/7/2023.

→ what will be your ans. if advance paid is ₹3000. (Payment. 21000)

Point of taxation - For ₹18000 → 24/6/2023
For ₹3000 → 24/6/2023.

Section 13(3)

Time of supply in case of Reverse charge



* Date of payment = Book Entry
(DOP) or Bank Debit } EARLIER.

Example- DOI = 15/12/23.

(1) DOP = BE = 4/2/24
BD = 6/2/24

(2) BE = 18/3/24
BD = 15/3/24.

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Solution- case 1 → TOS = 4/2/24.
↳ DDP = earlier one.

case 2 → TOS = 14/2/24.
↳ Payment not made within 60 days.

Example 2- Date of Invoice = 25/6/2023.

Date of Payment:-

(1) Date of BOOK entry . = 4/8/23

Date of BANK debit = 8/8/23.



solution-

TOS = 4/8/23.

(2). Date of B.E = 10/9/23

Date of B.D. = 25/9/23.



TOS = 25/8/23.

NOTE-

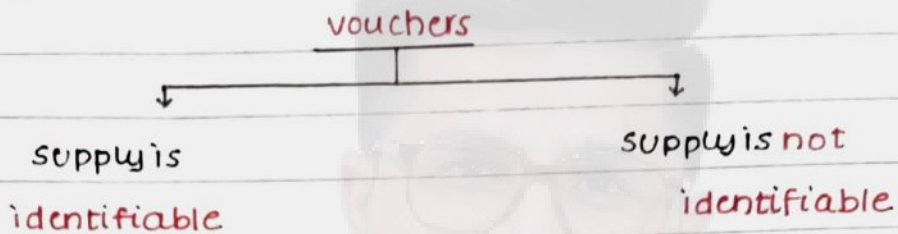
where it is not possible to determine the time of supply under clause (a) or clause (b), the time of supply shall be treated as "date of entry in the books of accounts of recipient of supply"

same for 12(4), 12(5) and 12(6).

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Section 13(4)

Time of supply in case of vouchers



POT = Date of issue of voucher

POT = Date of redemption of voucher

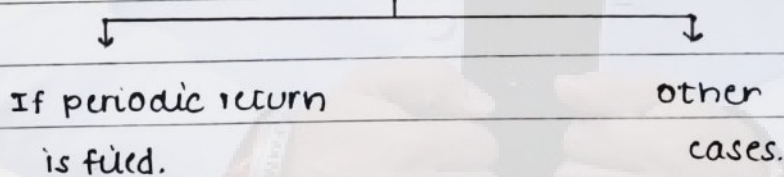
Section 13(6)

POT in case of Interest / Penalty

POT = when receive such additional consideration

Section 13(5)

Residuary cases.

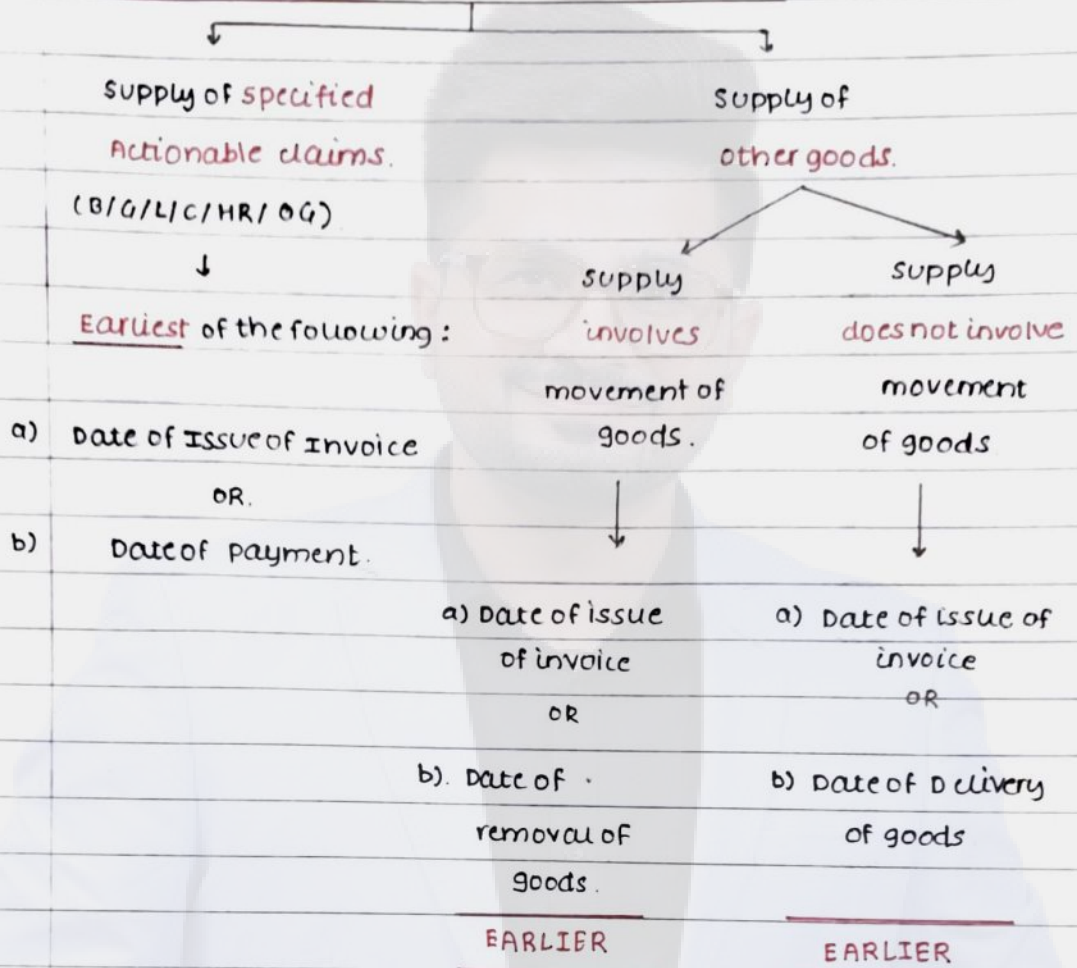


POT = Date on which return is to be filed

POT = Date on which tax is paid

Section 12(2)

To increase of supply of goods in case of FCM



Example - Date of issue of invoice -

DOI	DOR	DOO	Supply involves movement ?	POT
18/11/23	<u>19/11/23</u>	19/11/23	✓	18/11/23
15/12/23	14/12/23	<u>16/12/23</u>	X	15/12/23
05/03/24	<u>10/3/24</u>	15/3/24	✓	05/03/24
05/07/23	02/07/23	<u>04/07/23</u>	X	04/07/23

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Section 12(3)

Time of supply in case of supply of goods
in case of Reverse charge mechanism

Date of receipt of goods

OR

* Date of payment

OR.

31st Day from the date of
issue of invoice or any
other document.

whichever is
EARLIER.

* Date of payment =

BOOK entry

or

BANK Debit

Earlier

Example - Date of receipt of goods	DOP	DOI	TOS.
01/07/23	10/08/23	26/06/23	01/07/23
01/07/23	25/06/23	29/06/23	25/06/23
01/07/23	05/07/23	02/07/23	01/07/23
01/08/23	10/08/23	29/06/23	30/07/23

↳ 31st day
= 30/07/23.

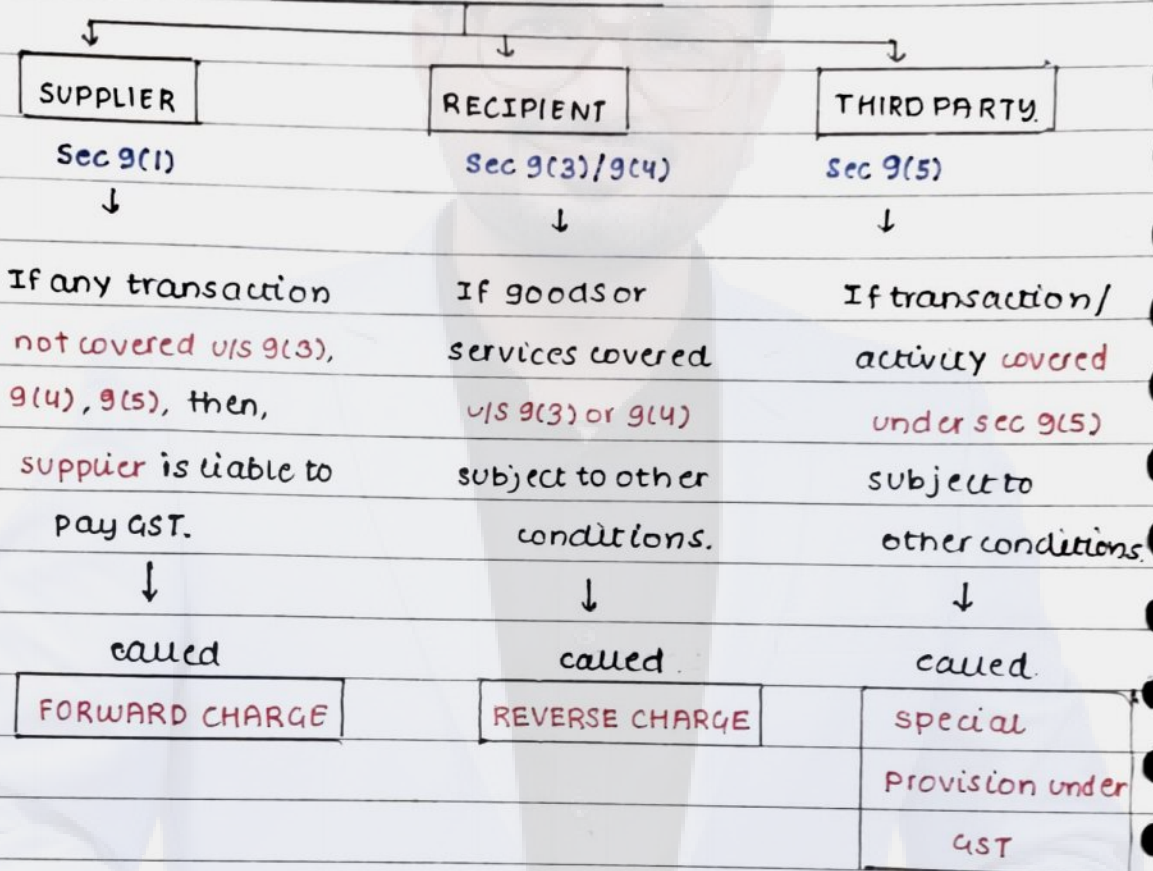
Lecture (17)

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"Checkpoint 8" and "Checkpoint 5"

Background.

Who is liable to pay GST?



(in syllabus → 19

~~22~~ services notified u/s 9(3).
~~8~~ goods notified u/s 9(3).
~~1~~ service notified u/s 9(4). } RCM

5 services notified u/s 9(5). } ECO.

Total 36 goods or services – where supplier is NOT liable to pay GST.

↓
(24 in CA - Under)

LEVY

COLLECTION

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- supply of other than negative goods.

↓

value v/s 15

- Rate of GST.
↓
max 20% CGST
max 20% SGST/UTGST

(Job GST lag jaaayega, then go for collection)

At present max rate notified

CGST → 14%

UTGST / SGST → 14%

28%

Section 9(2).

GST applicable on 5 petroleum products, from the date when GST council will recommend.

- 5 Petroleum products

→ petroleum crude

→ natural gas.

→ high speed diesel

→ Aviation Turbine fuel

→ motor spirit.

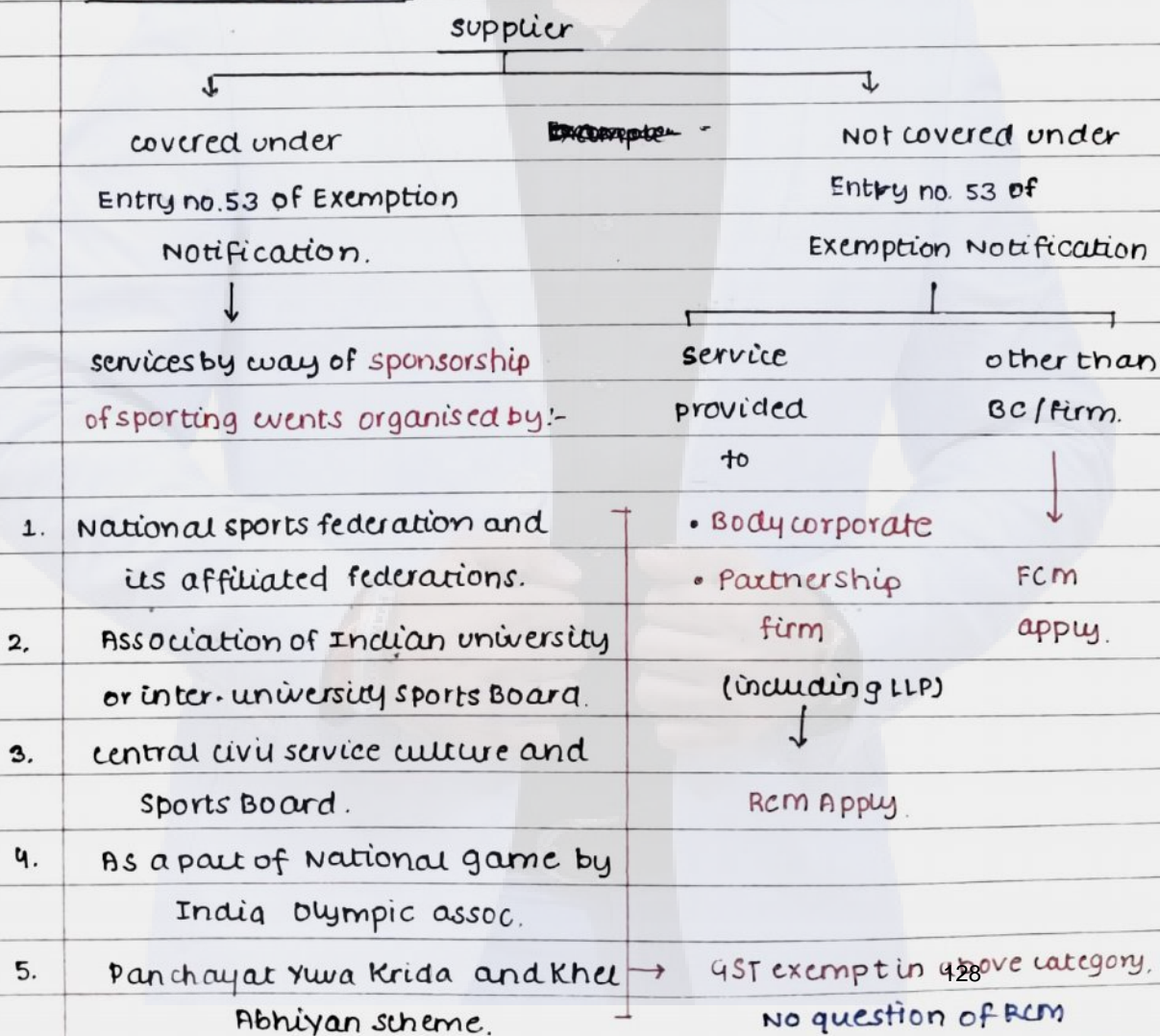
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Sec 9(3)

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

RCM in case of services

1. Sponsorship services.



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Example → Decide which person is liable to pay GST in following independent cases, where recipient is located in taxable territory.

a). Mr. A sponsor Indian football league organised by ITC Ltd.

Supplier → ITC Ltd.
 Recipient → Mr. A. } FCM shall apply as Mr. A is not B.c. / partnership firm.

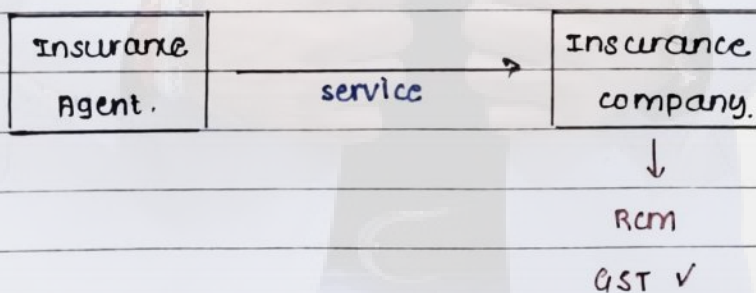
b). IPL sponsored by TATA Ltd.

Supplier → IPL organiser }
 Recipient → TATA Ltd. } RCM apply.

c). Miss Shina Ambani provided sponsorship service to another Indian love cricket academy, a LLP.

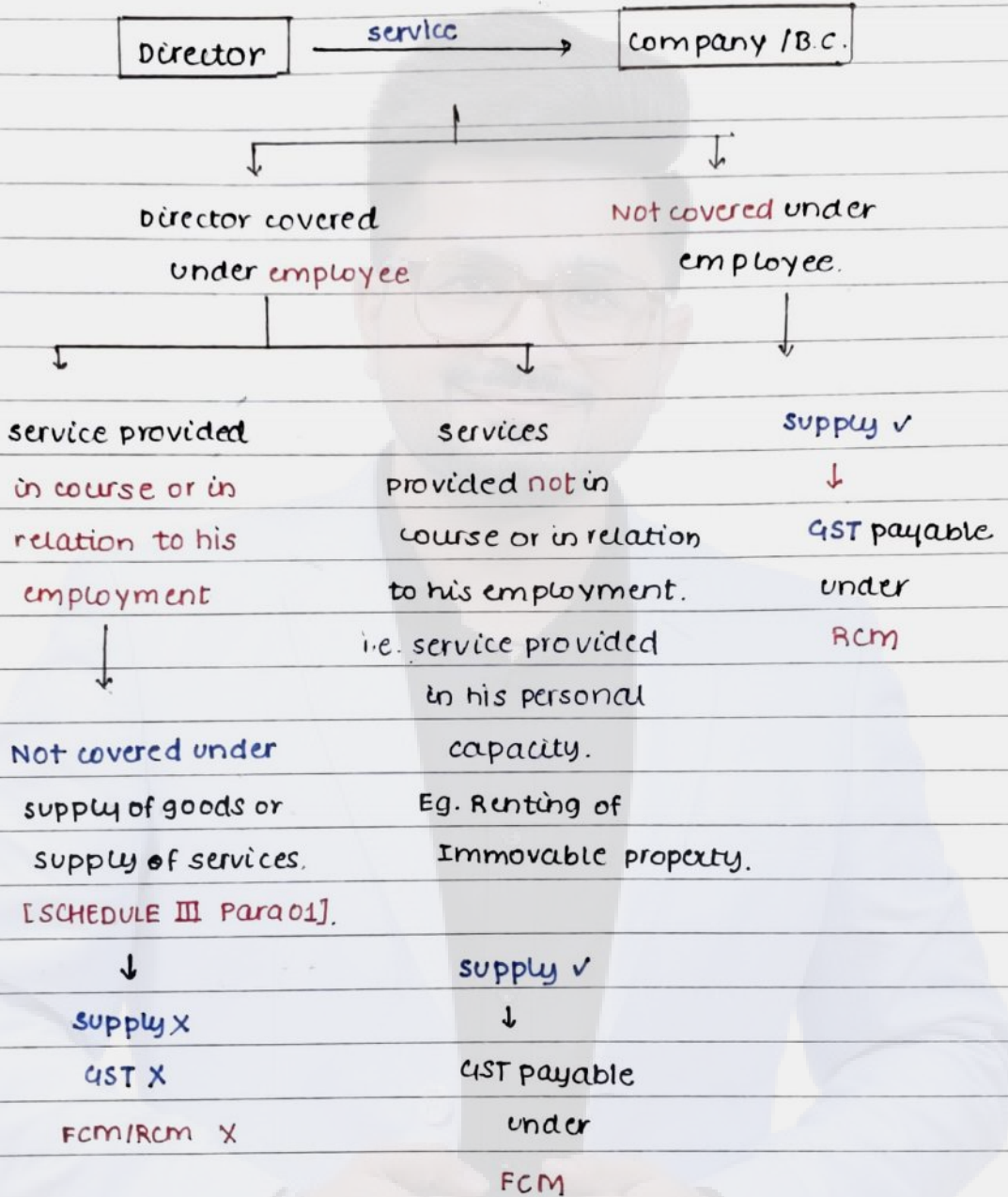
→ supplier → Miss Shina
 Recipient → Indian love cricket academy (LLP) } RCM apply.

2. Insurance Agent service.



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3. Service by Director



Example-

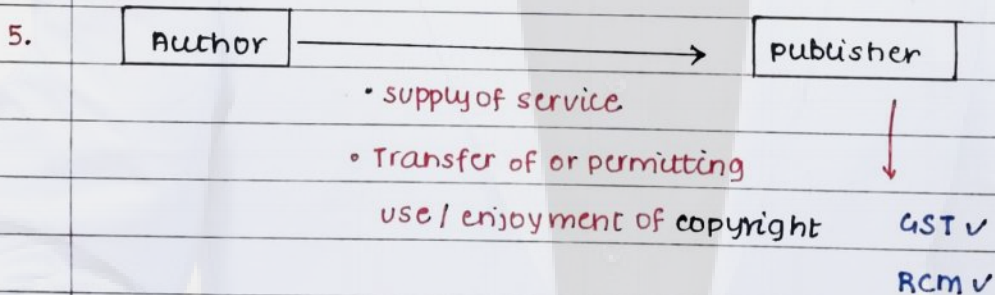
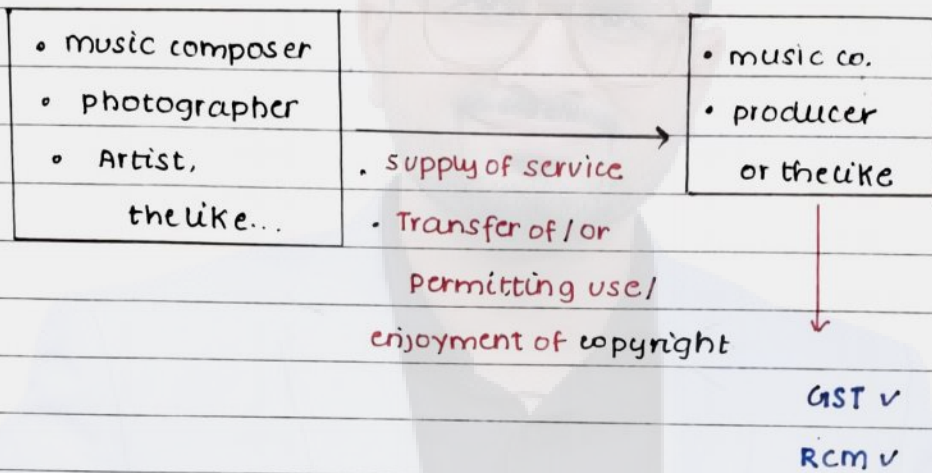
Gopal is a whole-time director of V Ltd. Salary is ₹ 150000 p.m. Besides, he gets sitting fees for Board meetings. Amount paid for sitting fees for Dec 2020 to March 2024 is ₹ 50000. for 5 meetings. Find out GST liab. for Gopal and V Ltd.

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Solution → 150000 - NO GST liab.

50000 - Rcm will be applicable, v4 utd. pay GST liab.

4. copyright service



Note - Rcm not applicable if,

a) Author has taken registration under GST, files declaration in [FORM ANNEX-01] with CGST/SST commissioner that he is opting for **Forward charge** and that he will not withdraw this option within **1 year** from the date of exercising this option.

b) Author makes declaration [FORM ANNEX-02] on the invoice, issued by him to the publisher.

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Example - 1.

Mr. PR Rehman is a music composer in Mumbai, he has composed new music. The use of new music is allowed to music co. (5911 Records), in lieu of lumpsum consideration. You are required to find out following -

a) who is liable to pay GST?

→ Music co. pays GST under RCM

b) What if the music co. is located in Toronto (non-taxable territory), then who is liable to pay GST?

→ Supplier (PR Rehman) will pay GST under FCM, provided there is an export of service., and if all conditions are fulfilled → NO GST on export.

Example 2

Kumar Vishwas, a writer and author of "Koi Deewana Keha hai" temporarily transfer copyright of his published book to Pinku Publications Ltd. for a consideration. Discuss who is liable to pay GST on such copyright service under following 2 situations -

1. Kumar Vishwas is unregistered under GST.

→ Pinku Publications Ltd. will pay GST under RCM on behalf of Kumar V.

2. Kumar Vishwas is registered under GST, as he is engaged in supply of other goods/services.

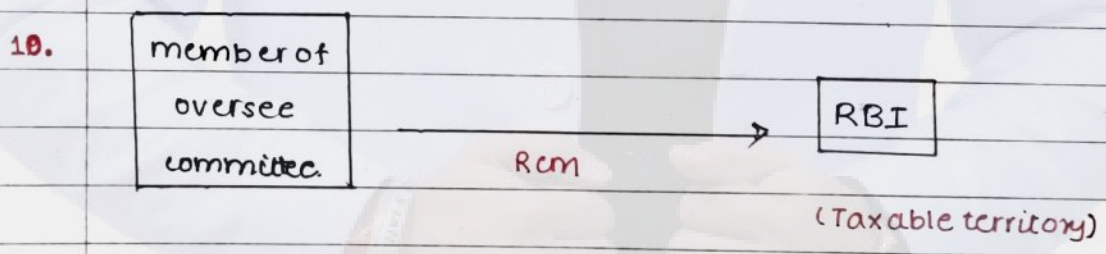
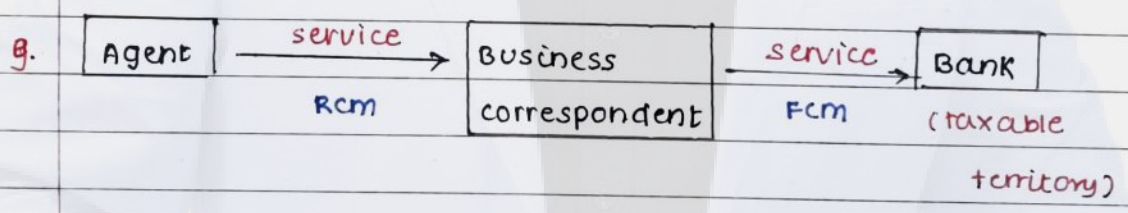
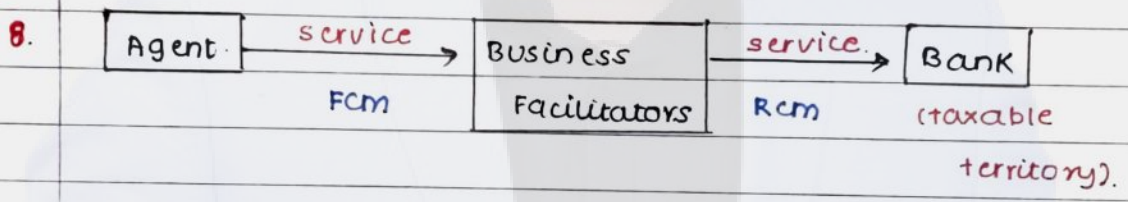
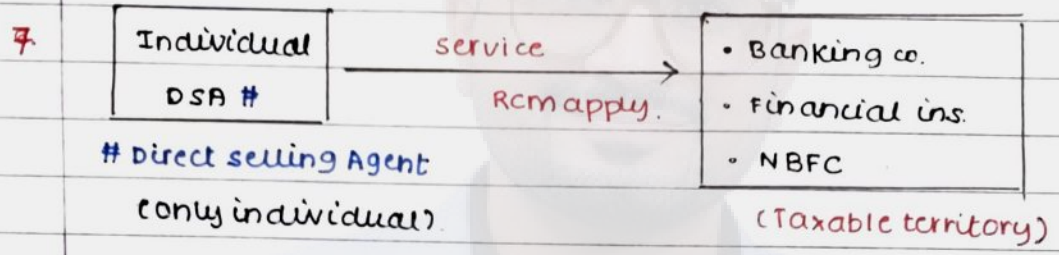
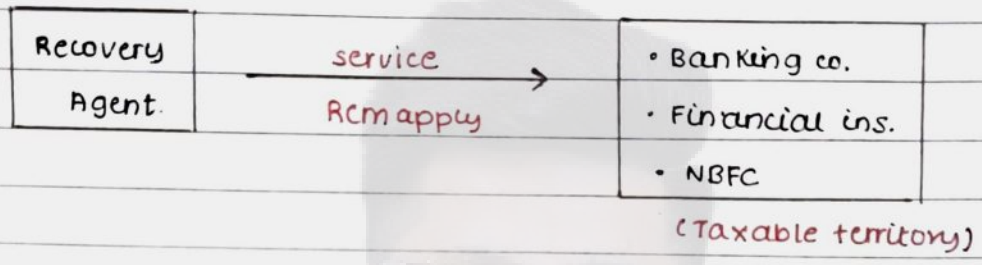
RCM will not apply if -

1. Author has taken GST regn + File ANNEX-01 FORM + opt for FCM + 1 year vesting period.

2. Author makes declaration (FORM ANNEX-02) on invoice, issued by him to publisher

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6. Service related to Banking sector



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Example 1 - M/s Sakshi Associates, a recovery agent (located in Chennai). empanelled by SBI, local Head office, Chennai.

Following service of M/s Sakshi Associates in the month of NOV 2020 as follows -

- a) Fees of ₹2,25,825 for supply of service in relation to recovery of dues from the defaulting borrowers at the place of buss./occupation and if such borrowers are unavailable at place of buss. then, at his/her residence.

→ RCM applies, SBI pays GST

- b) supply of service with regard to demand for recovery or taking possession of security from defaulting borrowers for which separate fees charged from the bank ₹55175.

Assume GST rate → 18% Answer the following -

Is it supply of service? → Yes, supply of service

If so, who is liable? → SBI

what will be GST liability?

$$225825 + 55175 = 281000 \times 18\%$$

$$= ₹50,580/-$$

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Example 2 → 1) SBI Bank has app. Mr. A as DSA, to provide services of tele-calls for potential customers and persuade them to avail services of our bank and also to provide advertisement related to this service for which SBI paid remuneration of ₹50000 to Mr. A.

whether services provided by Mr. A, who is liable to pay GST?

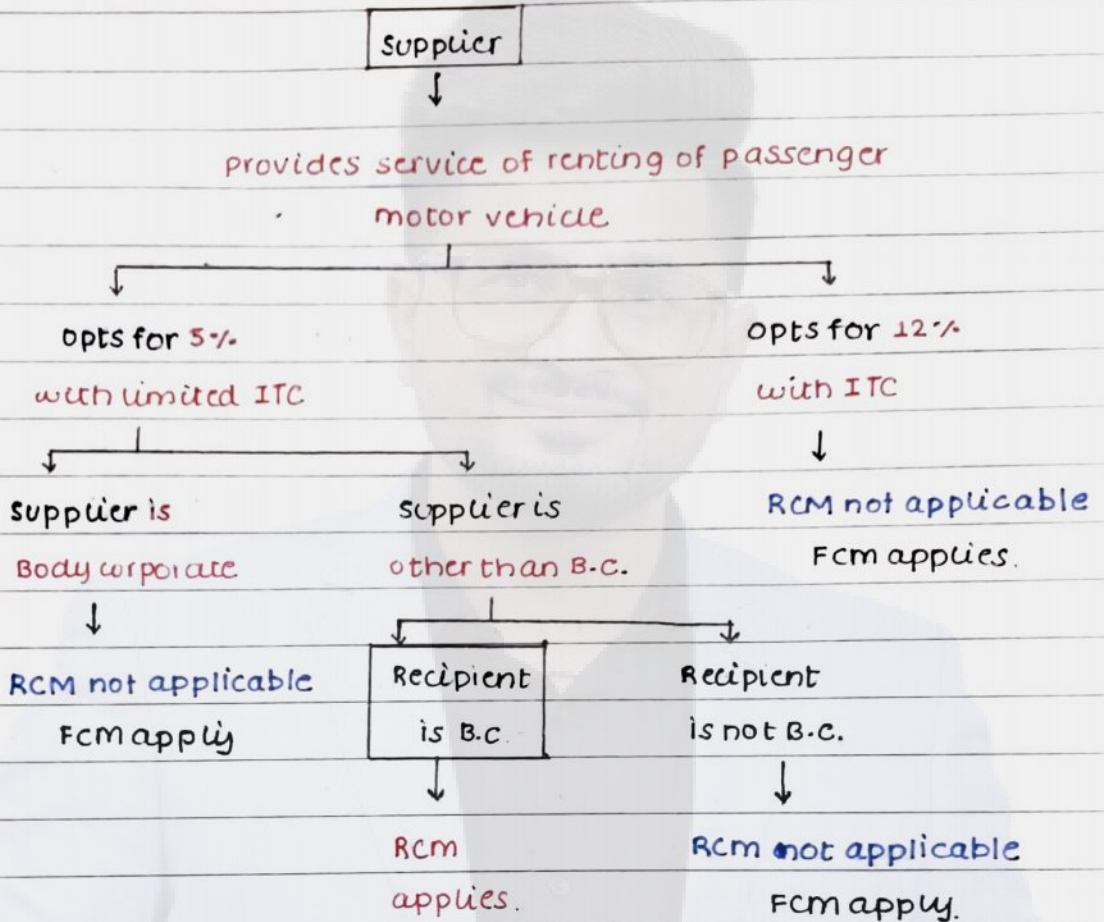
→ RCM applies, SBI pays GST liability.

2). what will be your answer, if SBI appoints ABC Ltd. for the said service?

→ FCM applies, because RCM will not be applicable to Body corporate DSA.

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11. Renting of Passenger motor vehicle



Example- Rahul is GST registered normal supplier engaged in the supply of service of renting of passengers' vehicle. It is supplying renting services charging GST at 5% to its non-corporate clients.

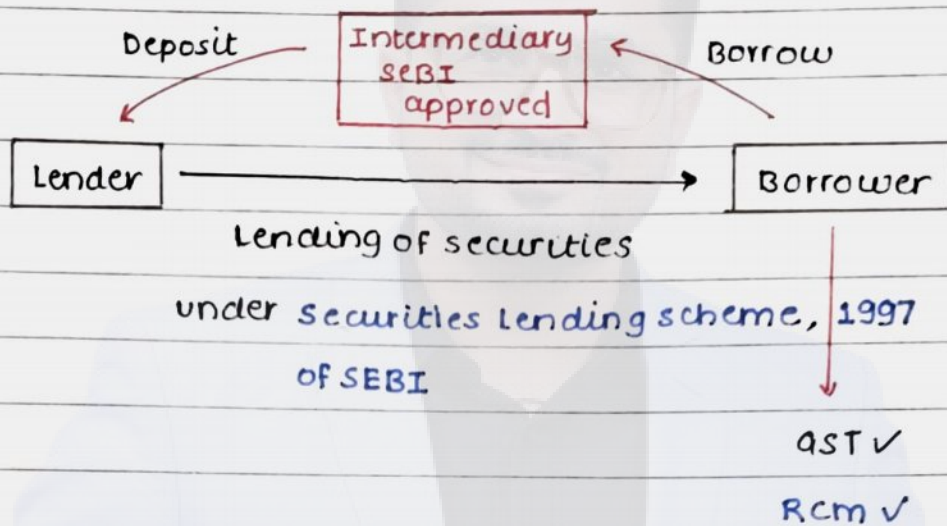
→ RCM will not apply because service is provided to non-body corporate.

He has got a contract for supply of service to A Ltd. (Body.corp). whether this supply will attract GST in hands of recipient.

→ RCM applicable, because service is provided to Body-corporate.

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12.

Lending of securitiesExample-

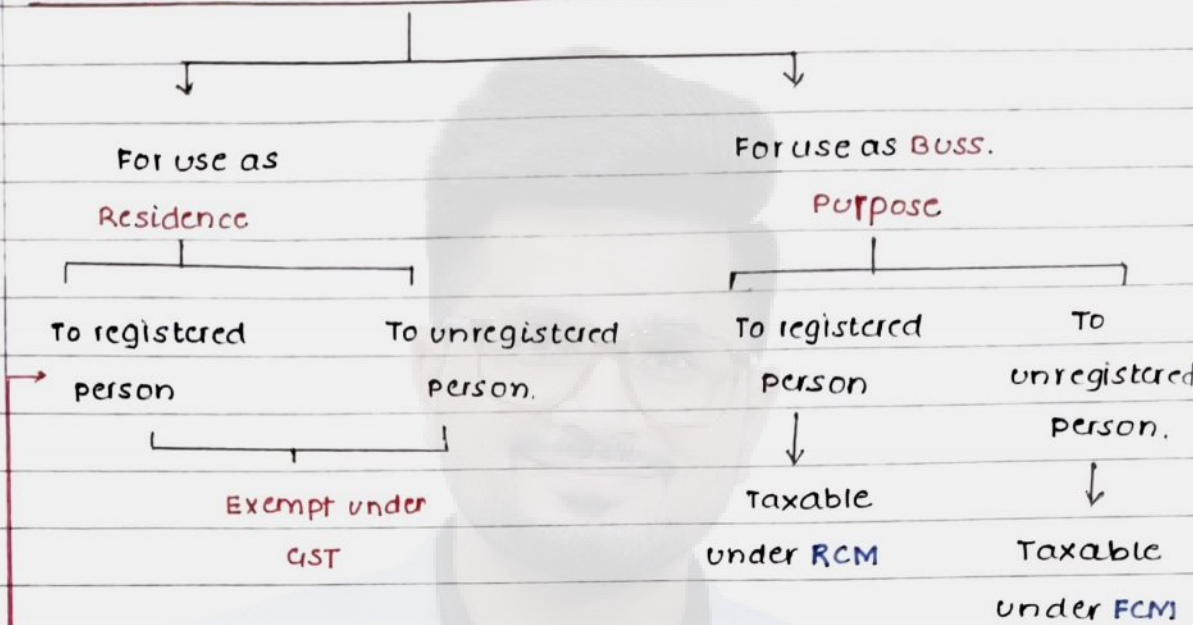
P Ltd. is the owner of 20,000 shares of TATA Ltd. has lent out these shares to Q Ltd. through SEBI approved intermediary in terms of Securities Lending scheme, 1997. For this lending activity, P Ltd. will be getting due consideration from Q Ltd.

Who is liable to pay GST?

→ Borrower (Q Ltd.) shall be liable to pay GST under RCM.

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13. Renting of Residential dwelling



→ Two conditions for exemption

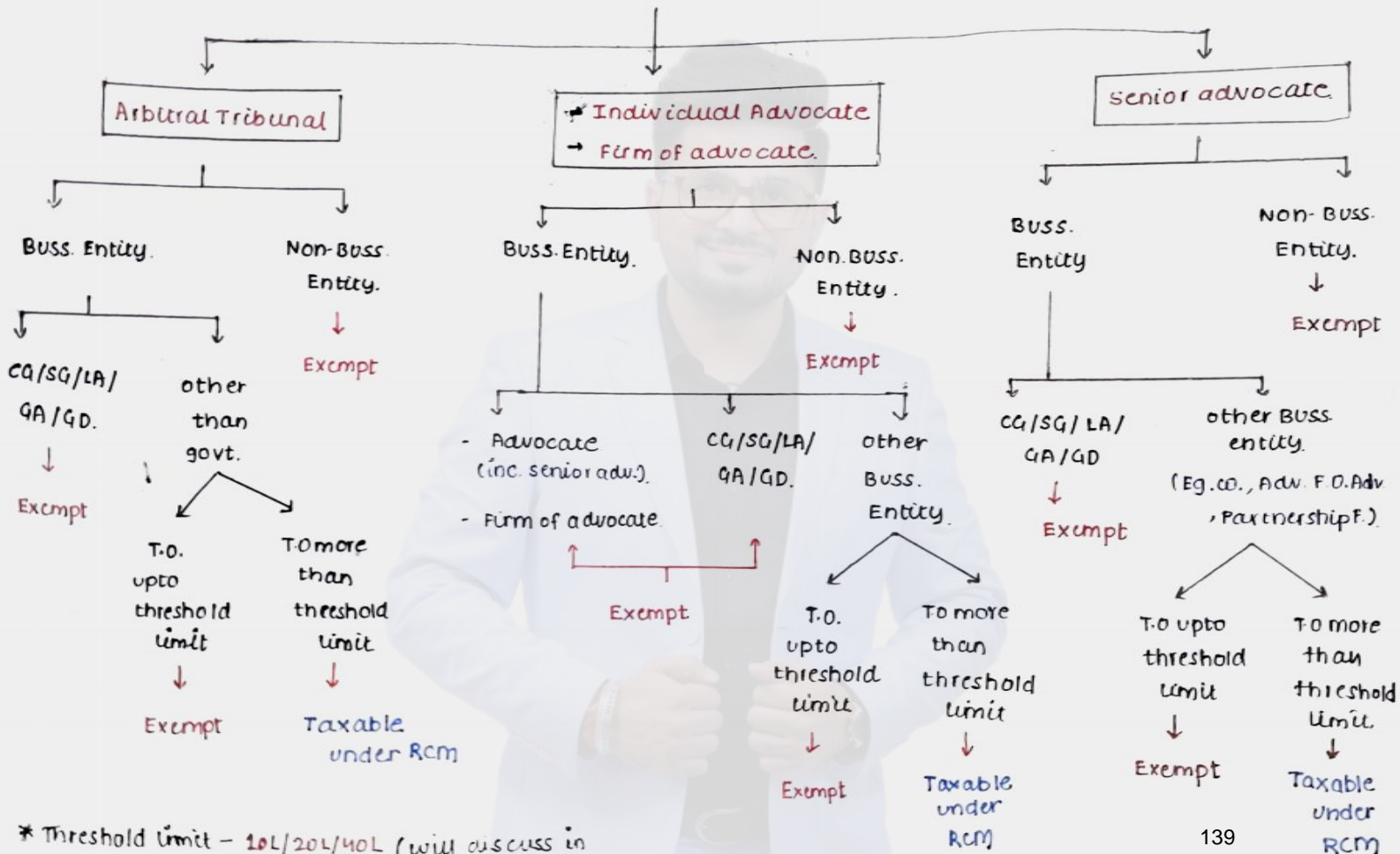
1. use for personal purpose
2. Amt. transfer i.e Rent from his personal A/c.

Example- Mr. Vg provides service of renting of residential dwelling to Mr. Pg and charge 40000 p.m rent.

Who is liable to pay GST in the following cases -

- (i) Mr. Pg. (URP) - use for Res. purpose. **Exempt.**
- (ii) Mr. Pg (URP) - use for Buss. purpose. **Taxable under FCM. (Mr. Vg).**
- (iii) Mr. Pg. (R.P.) - use for Res. purpose, Amount debited from personal A/c. **Exempt**
- (iv) Mr. Pg (R.P.) - use for Buss. purpose - **Taxable under Rcm (Mr. Pg).**

service provided by



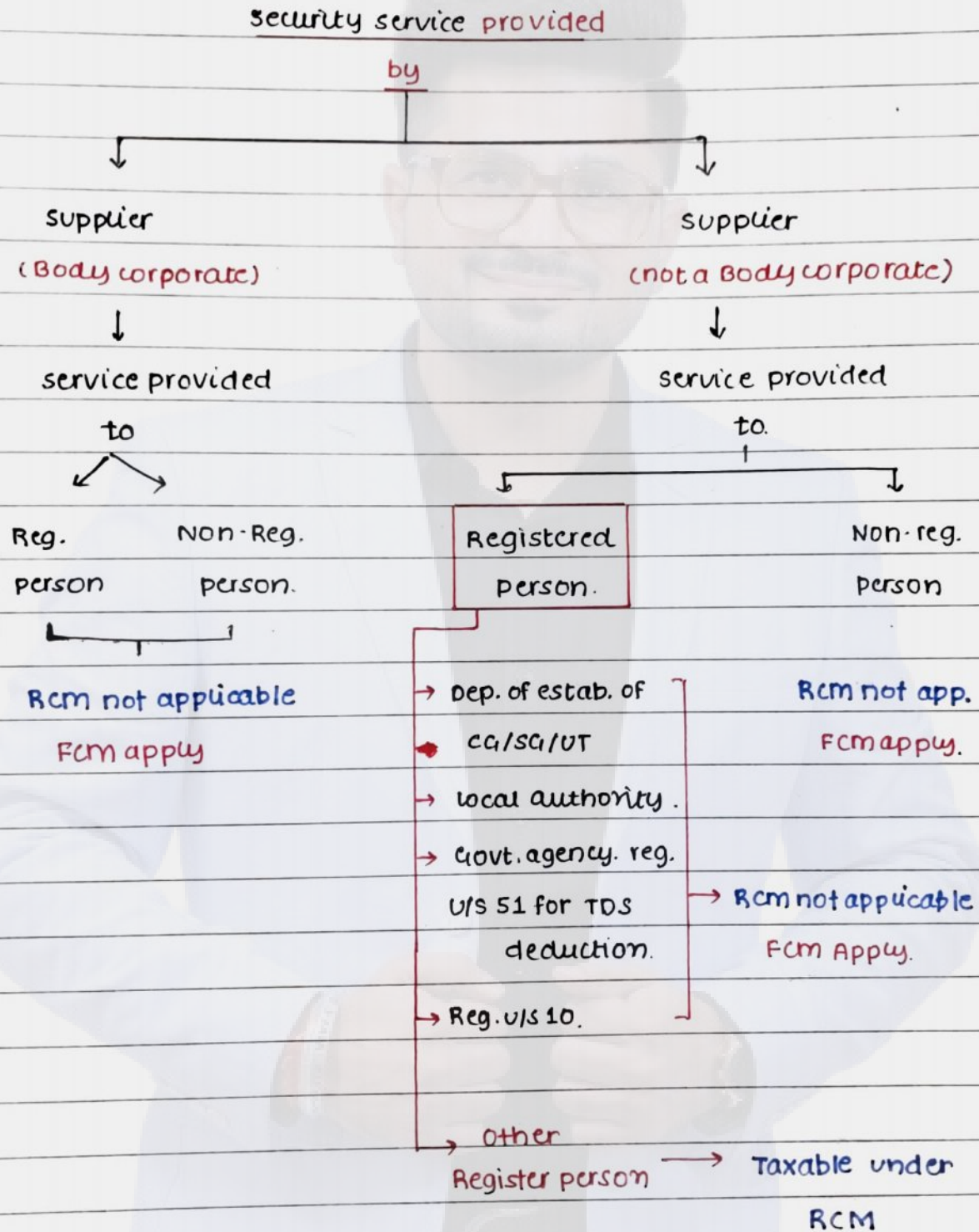
* Threshold limit - 10L/20L/40L (will discuss in registration ch.)

Page No. Date Example-

	Service provider	Service receiver	Fees charged	whether GST levied or not?
1)	VG and Co. (Firm of Adv.)	RIL Ltd. (T.O. - 1 crore)	₹ 10 Lakh.	✓ - RCM GST pay. RIL Ltd.
2)	Mr. VG (Senior Adv.)	Mr. PG (Non-Buss. Entity)	₹ 2 Lakh.	X (exempt)
3)	Mr. VG (Advocate).	PG and Co. (Firm of Adv.) T.O - 70 Lakh.	₹ 15 Lakh	X (exempt)
4)	Mr. VG (Senior Adv.)	Mr. PG, (Adv.) (T.O - 4 Lakh)	₹ 2 Lakh.	X (exempt).
5)	Arbitral Tribunal	Mr. VG (Personal Dispute)	₹ 5 Lakh	X (exempt).

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16. Security service (Security guard)



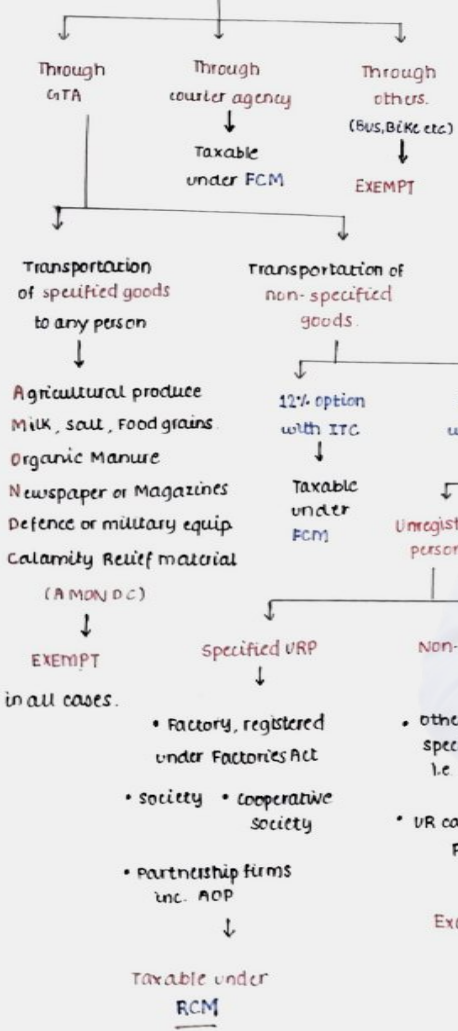
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Example -

security service provided by.	security service provided to.	Taxable under FCM or RCM
VG Ltd.	Mr. A (Reg. person).	FCM
VG Ltd.	PG Ltd. (Reg. person)	FCM.
VG (Individual).	VG Ltd. (Reg. Person).	RCM
VG (Individual).	local authority.	FCM
VG (Individual)	Mr. PG. (registered under comp. scheme	FCM
Mr. VG.	Central govt. (Reg.).	FCM.

CA VIVEK GABA

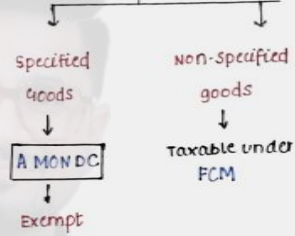
By Road



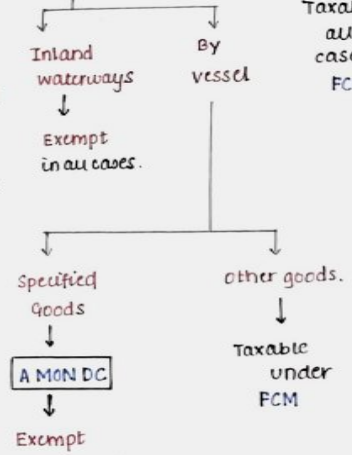
GTA services provided to

- Department or est. of CG/SC/UT
- Local authority.
- Govt. agencies, which has taken registration only for TDS deduction

By Rail



By Water



By Air

Taxable in all cases under FCM

RCM not applicable if :-

- The supplier has taken registration under eGST Act, 2017 and exercised the option to pay tax on service of GTA in relation to transport of goods supplied by him under forward charge, AND.
- The supplier has issued tax invoice to the recipient charging GST at the applicable rates and has made the prescribed declaration on such invoice issued by him

Services provided by CG/SQ/UT/LA

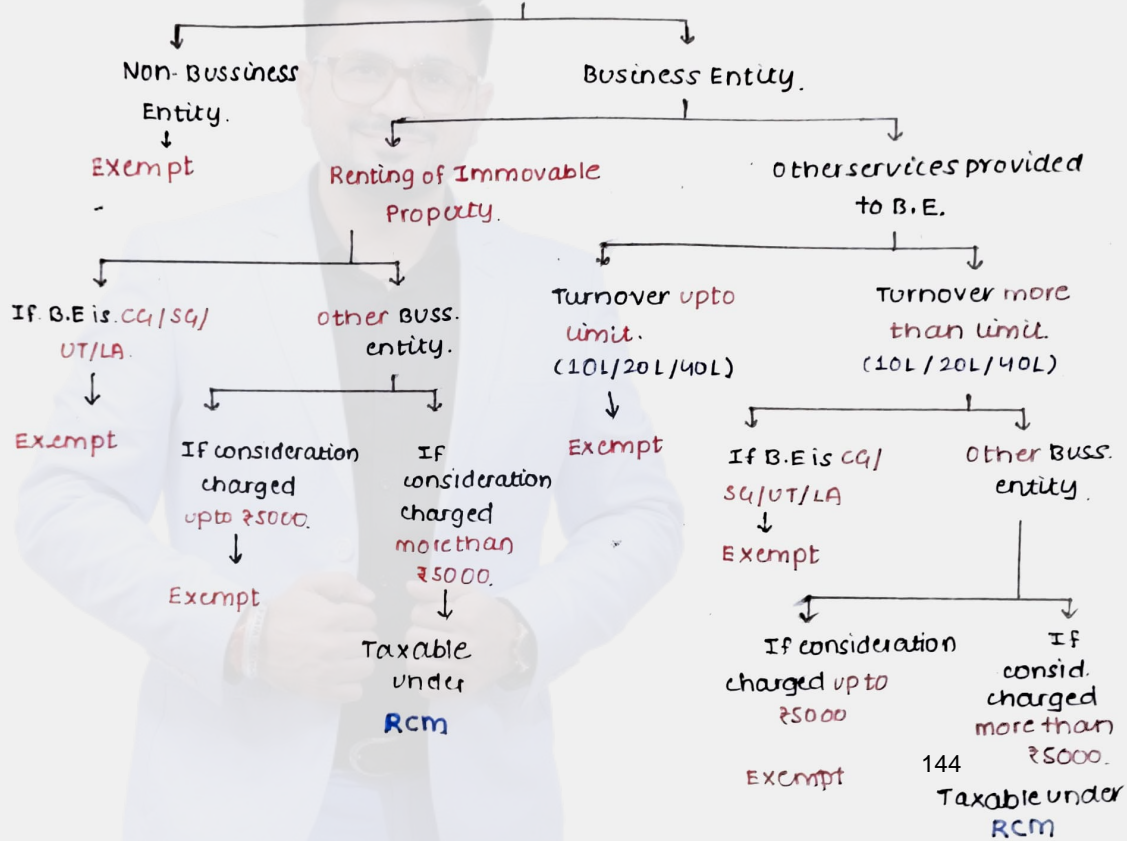
- Services provided by Department of Post.
- service related to an aircraft or vessel.
- Transportation of goods /passengers.

↓
TO ANY PERSON
↓
Taxable under "FCM"

Amendment

Service provided by railway department is now taxable under FCM.

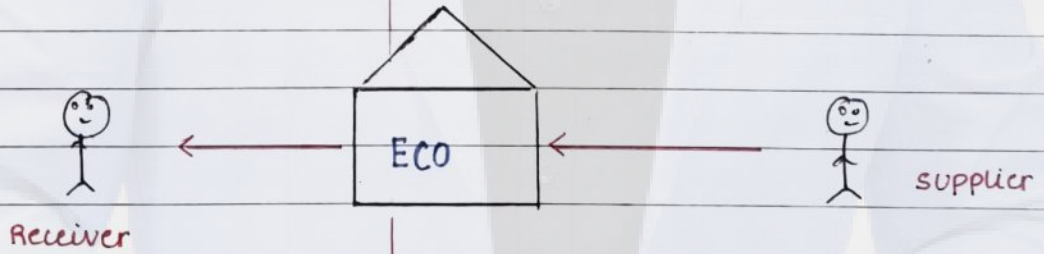
Other services (like renting, banking, visa, Telecommunication etc.)



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* Section 9(5) : ECO is liable to pay GST

<p>⇒ Always ECO is liable to pay GST.</p>	<p>→ Passenger Transportation * (ola, UBer, RedBus etc.)</p>
<p>• ECO is liable to pay</p>	<p>→ Providing accomodation (oyo, Make my Trip etc)</p>
<p>IF supplier T.O. upto threshold limit</p>	<p>→ Housekeeping (urban company).</p>
	<p>→ Restaurant service (swiggy, zomato)</p>
<p>• supplier is liable to pay</p>	<p>Restaurant situated in hotel where rent upto 7500/day</p>
<p>IF supplier T.O. more than threshold limit.</p>	<p>Restaurant situated in hotel where Rent > 7500/day</p>
	<p>↓</p> <p>ECO is liable to pay GST</p>
	<p>↓</p> <p>supplier is liable to pay GST</p>



- All goods
 - other than 4 services (mentioned above)
- ↓
- Always supplier is liable to pay GST.
 - section 9(5) not applicable.
 - ECO will collect TCS @ 1%.
 - subject to registration.

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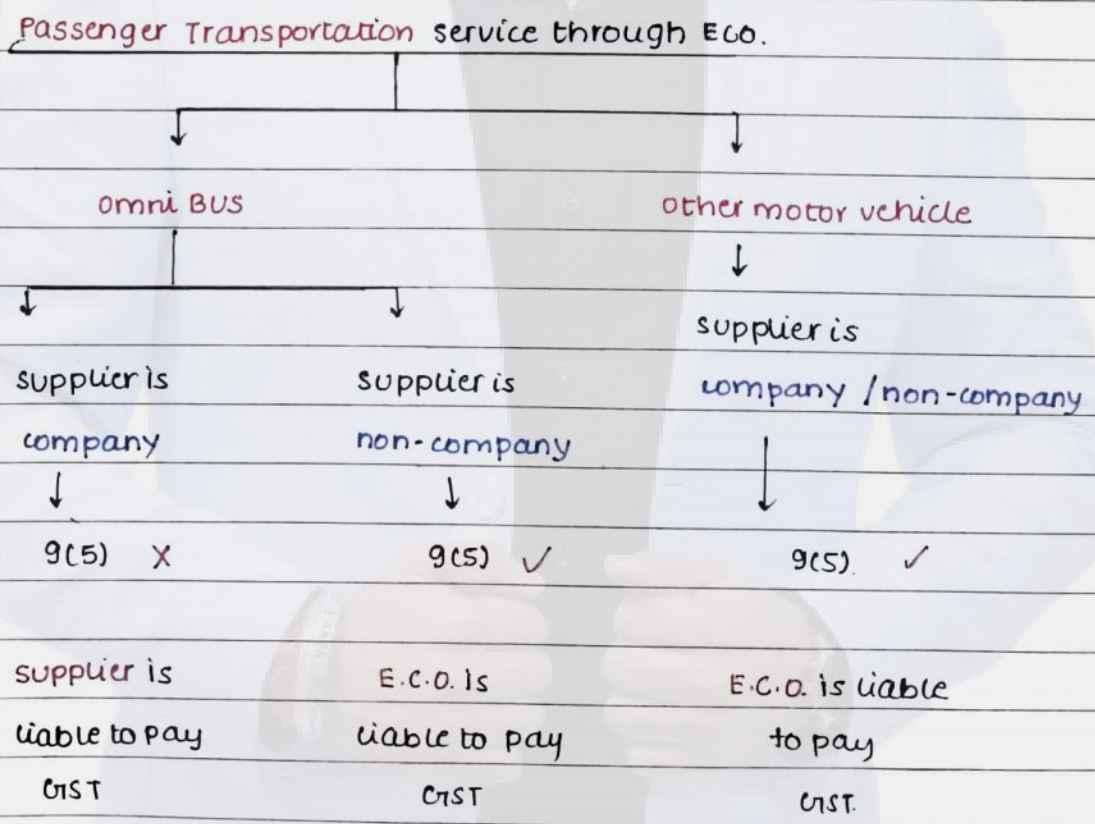
Note :- sec 9(5).

old entry - service by way of transportation of passengers by radio taxi, motor cab, motor cycle, omnibus or any other motor vehicle.

change in old law - same as above except omnibus.

New law - services by way of transportation of passengers by an omnibus. **except** person supplying such service through E.C.O is a company.

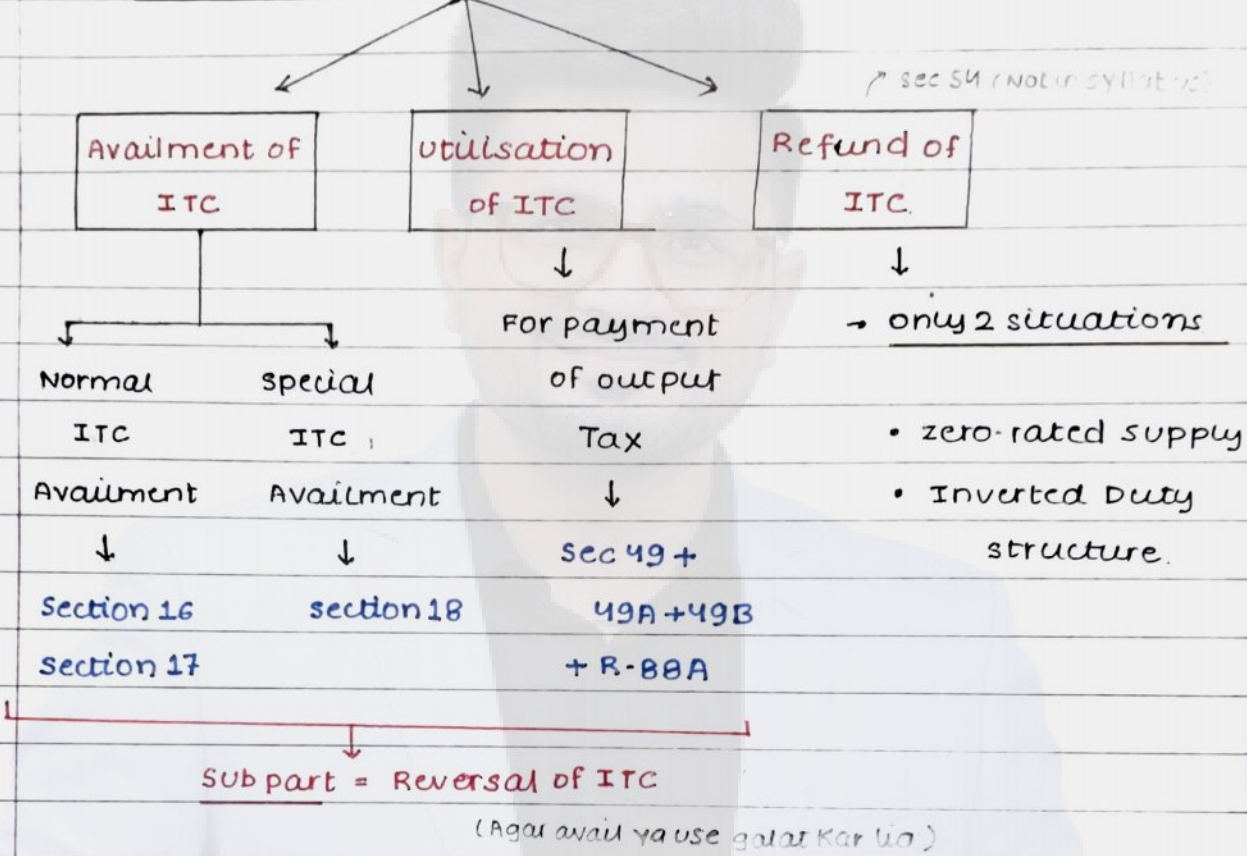
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Input Tax Credit

3 Main concepts Related to ITC



• Availment Related provisions.

Section 16 : Eligibility and conditions for taking ITC.

Section 17 : Apportionment of ITC and Blocked ITC

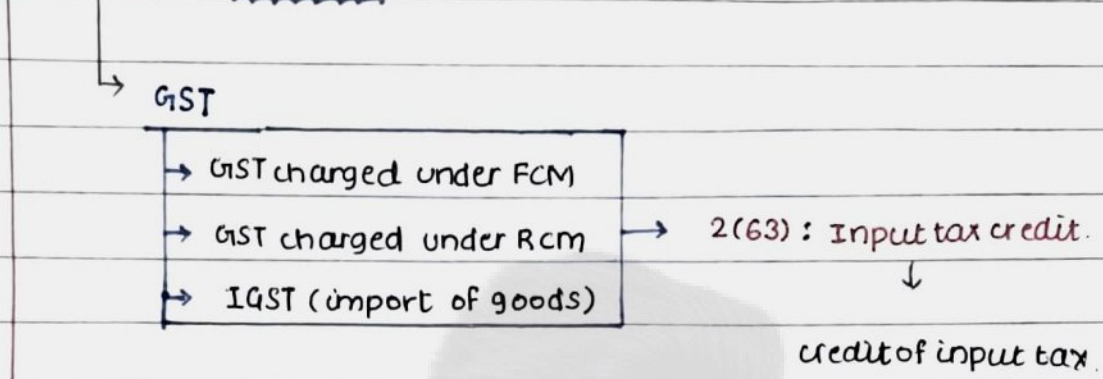
Section 18 : Availability of ITC in special circumstances.

Section 19 : ITC in case of Job-worker

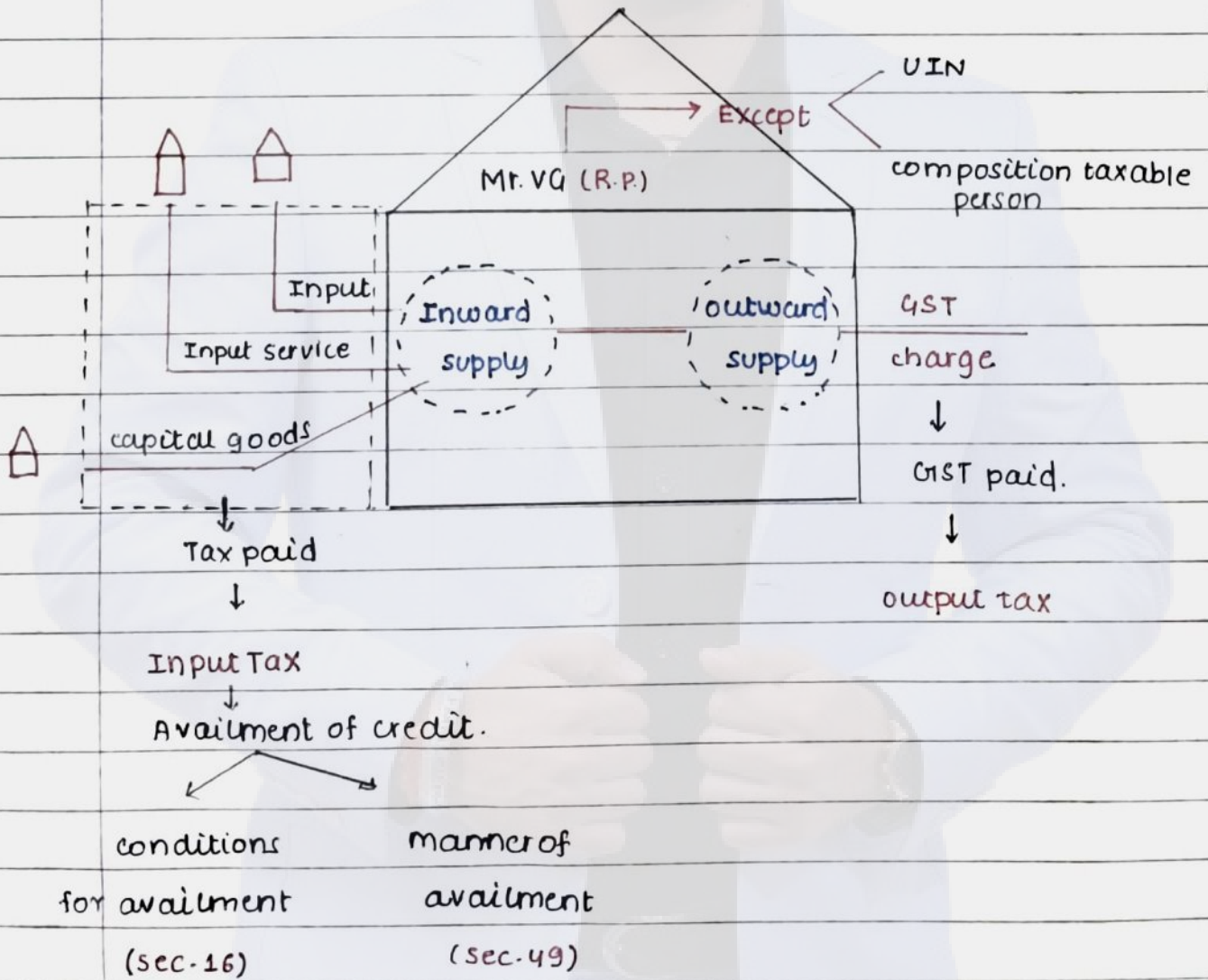
Input Tax - Sec 2(62)

CA VIVEK GABA

7703880232,
8882090148,
9318492718



Any GST charged on any supply made to a Registered Person except composition tax	IGST + charged on import of goods	Any GST payable under RCM
--	-----------------------------------	---------------------------



[self-assessed in the Return] - which shall be credited in E. cr. ledg. of R.P.

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* Relevant definitions related to GST

1) Input

means any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business.

2) Input service

means any service used or intended to be used by a supplier in the course or furtherance of business.

3) conveyance

includes vessel, an aircraft and a vehicle.

4) capital goods

means goods, the value of which is capitalised in the books of account and which are used or intended to be used in the course or furtherance of business.

5) Exempt supply

means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt and includes non-taxable supply.

6) Inward supply

in relation to a person, shall mean receipt of goods or services or both, with or without consideration.

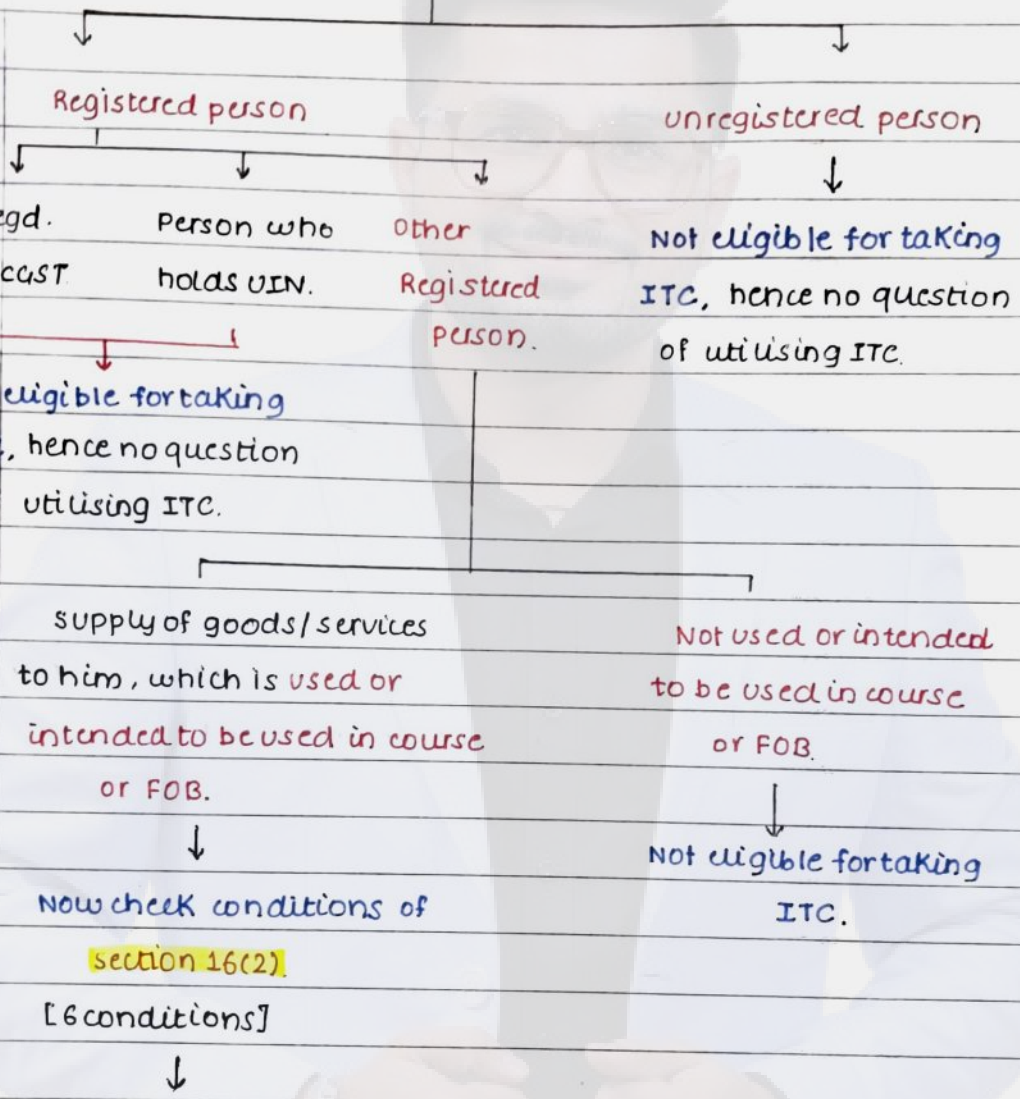
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*

Section-16(1)



Person



(1) a. Possession of tax paying document. (Sec 16(2) + Rule 36)

↳ It can be availed on the basis of any of the following documents:-

- Invoice or revised invoice issued by supplier
- Self-invoice issued by recipient in case of RCM
- Debit note issued by supplier

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- Bill of entry or similar document under custom.
- ISD invoice.

The documents on the basis of which ITC is being taken should contain **atleast** following details -

- Amount of tax charged.
- Description of goods or services.
- Total value of SOG or SOS.
- GSTIN of supplier and recipient.

- (2) **Details of invoice / debit notes uploaded by supplier in his GSTR-1 or using IFF AND details communicated in the Form GSTR-2B.**

The above concept has been illustrated as follows-

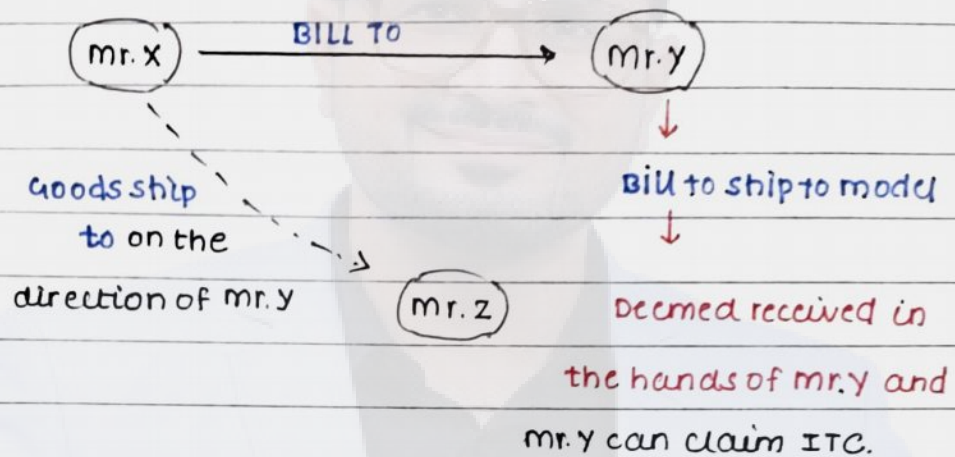
ITC on invoices / DN which have been furnished by the suppliers in their GSTR-1 and reflected in GSTR-2B of recipient.	→	Full ITC can be claimed on such invoices / DN. if all other conditions of availing ITC are fulfilled.
--	---	--

ITC on Invoice / D.N which have not been furnished and not reflected in GSTR-2B .	→	NO ITC can be claimed on such invoice / D.N.
---	---	---

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(3) Receipt of goods and/or services

The registered person taking the ITC must have received the goods and/or services.

"Bill to ship to" model

- (4) Details of ~~the said supply~~ ITC in respect of the said supply communicated to the registered person under sec 38
Not Restricted.

- (5) **Tax leviable on supply actually paid to Govt.**

- If FCM - then supplier
- If RCM - then receiver

- (6) The registered person taking ITC **must have filed his return in GSTR-3B under sec 39.**

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CRUX of sec 16(1) + 16(2)

अगर किसी person में ITC claim करना है तो, नीचे दी गई सारी conditions satisfy honi chahiye -

- (1) Person → Registered under GST Except section 10 and UJN.
- (2) Goods or services - used or intended to be used in the business.
- (3) Receiver ke haath me Tax invoice hona chahiye
- (4) Factory / office me goods receive ho gaye ho.
- (5) supplier ne GSTR-1 me invoice upload kr die ho and communicated with GSTR-3B
- (6) Govt. ko tax pay kr dia ho.
- (7) Receiver ne GSTR-3B me return file kr di ho.
- (8) ITC restricted ITC na ho.
- (9) sec 17(5) me cover na ho.
↳ ITC blocked

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• Proviso

Imp. Point 01 - where goods against an invoice are received in lots or installments, the registered person shall be entitled to take credit upon receipt of the last lot or installment.

Imp. Point 02 :- Availability of ITC to recipient has been dependend on payment of tax by the supplier.

If the recipient fails to pay amount of supply along with the tax payable within 180 days from the date of invoice, the recipient will be liable to pay along with ~~interest~~ output tax liability, an amount equal to ITC with interest @ 18% p.a. from beginning upto the date of payment.

under
4STR-3B

when Receiver subsequently pays the amount, then he can re-avail ITC.

* Section 16(3)

Where registered person claimed depreciation on the tax component of the cost under prov. of Income Tax Act, 1961 the ITC on such tax component shall not be allowed.

"Double Benefit nahi milega"

Eg. cost of plant and machinery. = 400,000

GST @ 18% = 72000

472000

400,000

72000.

claim dep. u/s 32
of Income Tax Act

Either claim ITC
or depreciation

(Claiming ITC is more beneficial)

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* Section 16(4) : Time limit for availing ITC

ITC on invoices pertaining to a F.Y. or debit notes issued in a F.Y. can be availed any time :-

- a) Till 30 Nov of the succeeding year
or
b) date of filing of relevant annual return
whichever is EARLIER.

Example-1

Invoice issued = 16/3/2023

value = 800,000 @ 5%

GST = 40000.



20000 ITC not availed due to
misplace of invoices.

can he avail ITC after that? what is the last date to claim ITC?

F.Y - 22-23

Last date = 30 NOV, 2023

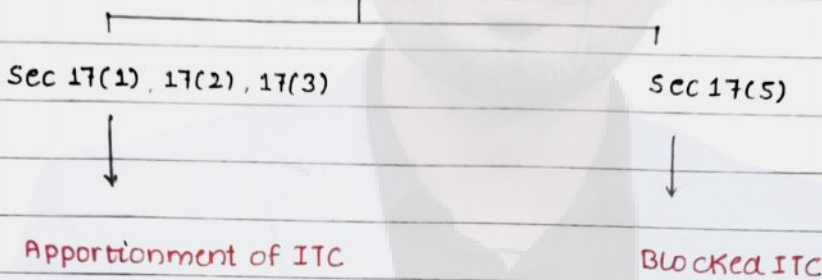
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* Section 41 (Analysis)

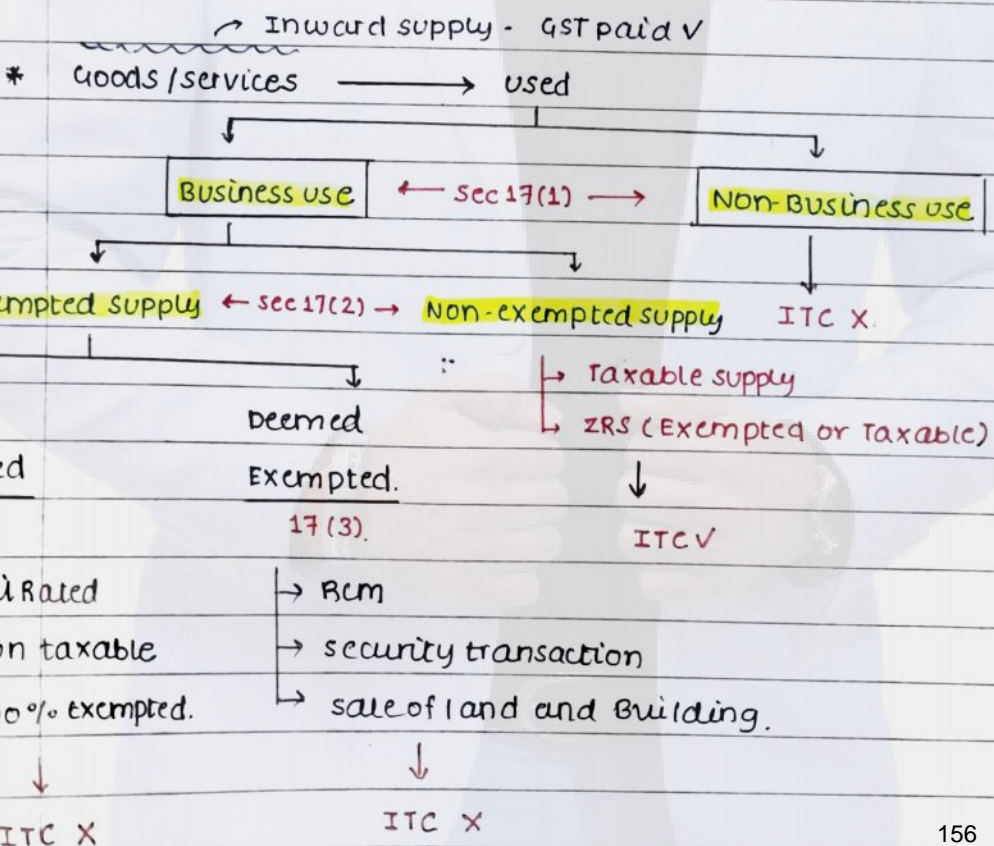
ITC shall be allowed finally (not provisionally).

- ITC availed by R.P. but the tax payable whereon has not been paid by the corresponding supplier, Recipient shall reverse ITC along with interest.

* Section 17

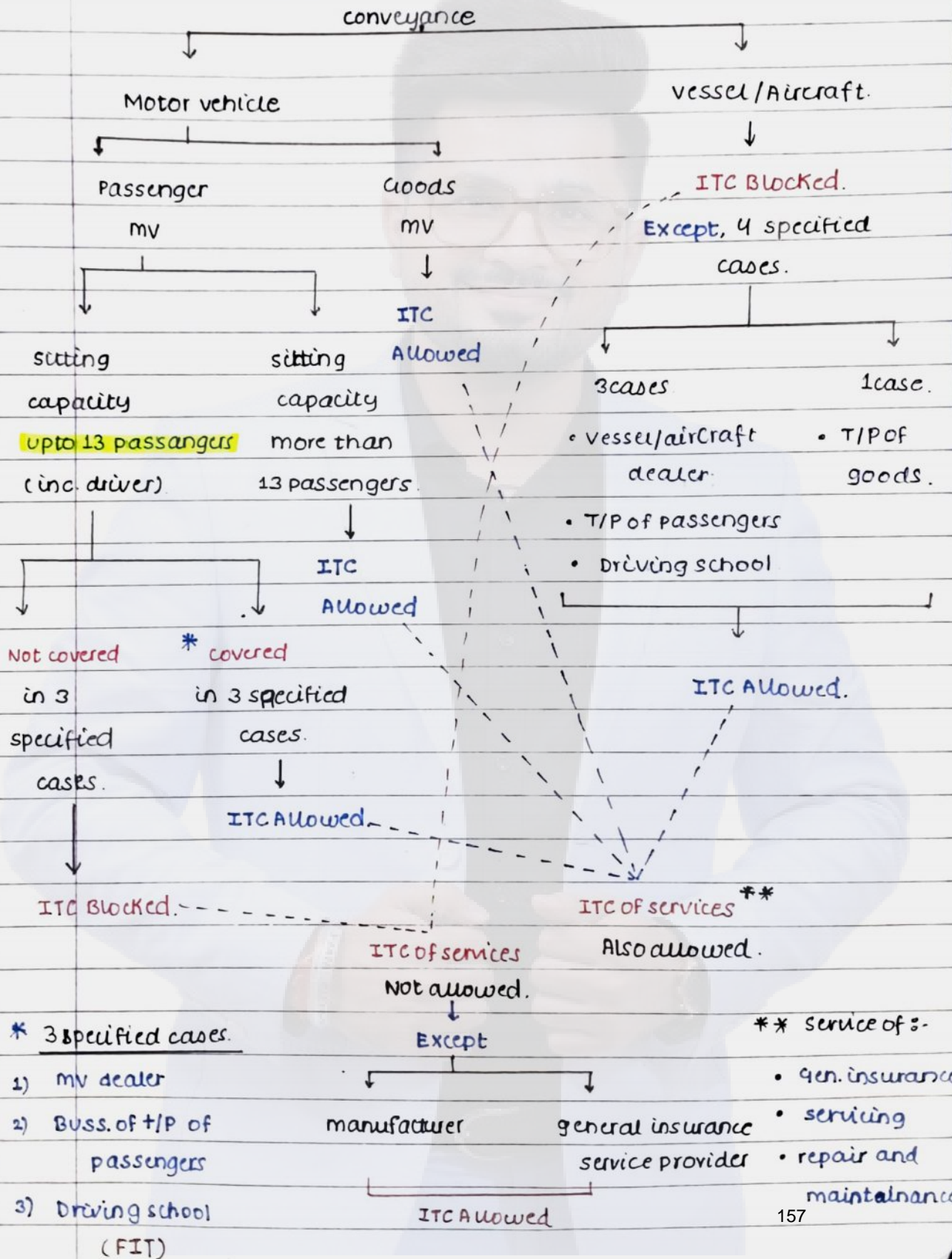


→ Analysis of sec 17(1) + sec 17(2) + sec 17(3)



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* Analysis of sec 17(5) (a)/(aa)/(ab).



* 3 specified cases.

- 1) mv dealer
- 2) Buss. of T/P of passengers
- 3) Driving school (FIT)

** Service of :-

- Gen. insurance
- servicing
- repair and maintenance

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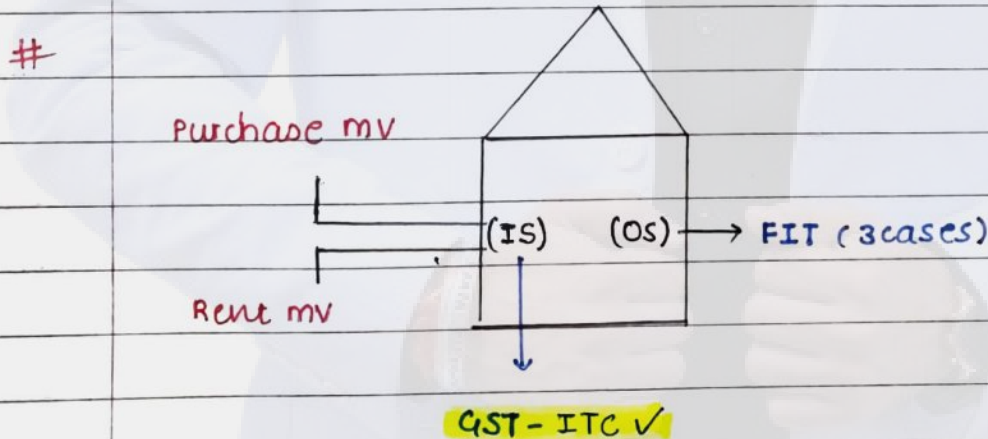
CRUX

→ ' Jahan mv/v/a ka ITC Allowed hai, vahan unke lie service ka bhi ITC Allowed hoga!

→ Jahan MV/VIA Ka ITC not allowed hai, vahan unke lie service ka bhi ITC not allowed hoga!
Except manufacturer / Gen. Insurance.

NOTE -1 Demo car → ITC ✓
(car for Test Drive).

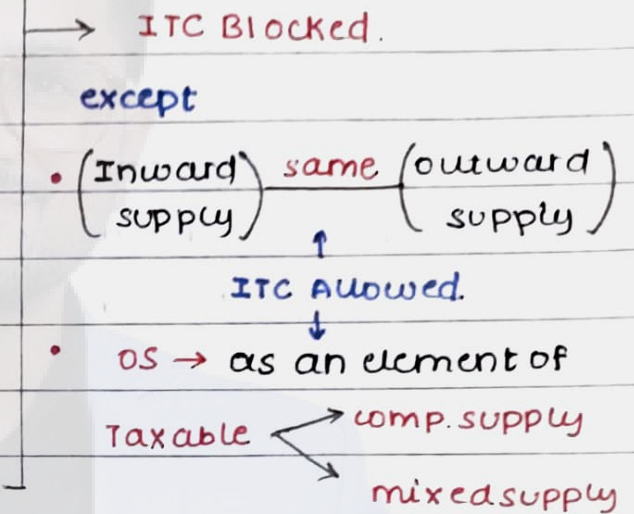
NOTE-2 Agar mv/v/a FIT wale 3 specified cases me purchase or Rent par lia hai → ITC ✓
Agar FIT me cover nahi hai, to nahi purchase or nahi Rent ki Inward supply par ITC milega. → ITC X



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* Section 17(5)(b)

- (i) Foods and Beverages
- outdoor catering
- Beauty treatment
- Health service.
- cosmetic and plastic surgery
- Life Insurance
- Health Insurance.
- Renting/Hiring/Leasing
 of mv/V/A.



↳ To clause (a)/(aa)

me cover hai, jiske ITC Block hai.

- (ii) membership of club / health and fitness centre.

→ ITC Blocked.

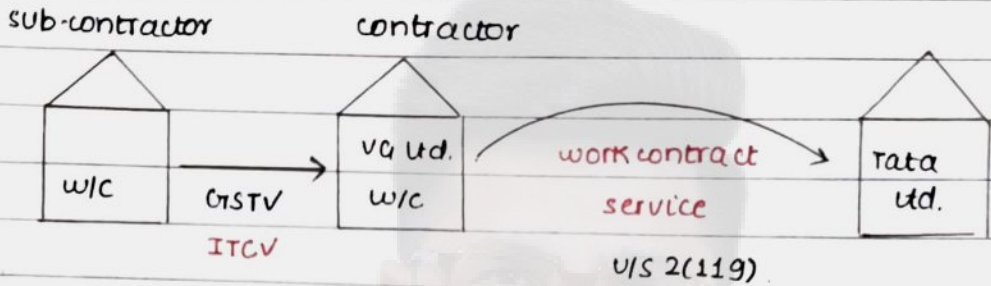
- (iii) Travel benefits extended to employee.

* Exception to (i) / (ii) / (iii)

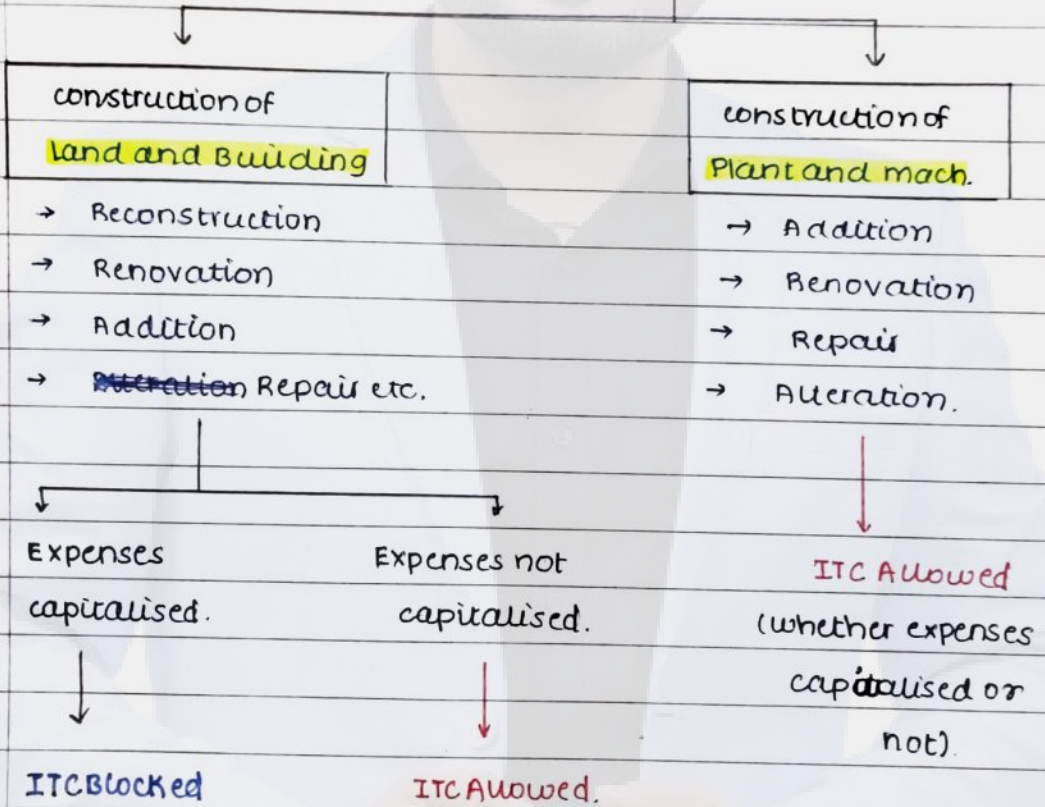
ITC Allowed → goods/services provided by employer to employee under statutory obligation.

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* Section 17(5)(c) and (d)



* Because inward and outward supply same hai.



- Except :-
- 1) Land and Building & civil structures
 - 2) Telecommunication towers.
 - 3) Pipelines laid outside the factory premises

Plant and mach. does not include ↑

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If labour and material, i.e. goods or services or both are procured for construction of immovable property (other than plant and mach.)

↳ ITC blocked under clause (d).

17(5)(e) → Goods or services or both on which tax is paid under composition scheme. [sec(10)]

17(5)(f) → Goods / services received by non-resident person (taxable person).
except
↳ on goods imported by him.

17(5)(g) → Goods / services used for personal consumption.

17(5)(h) →

- goods lost, stolen, destroyed.
- goods written off
- goods disposed by way of gift or free sample

17(5)(i) → Tax paid as per sec 74, 129, 130.

Ammendment

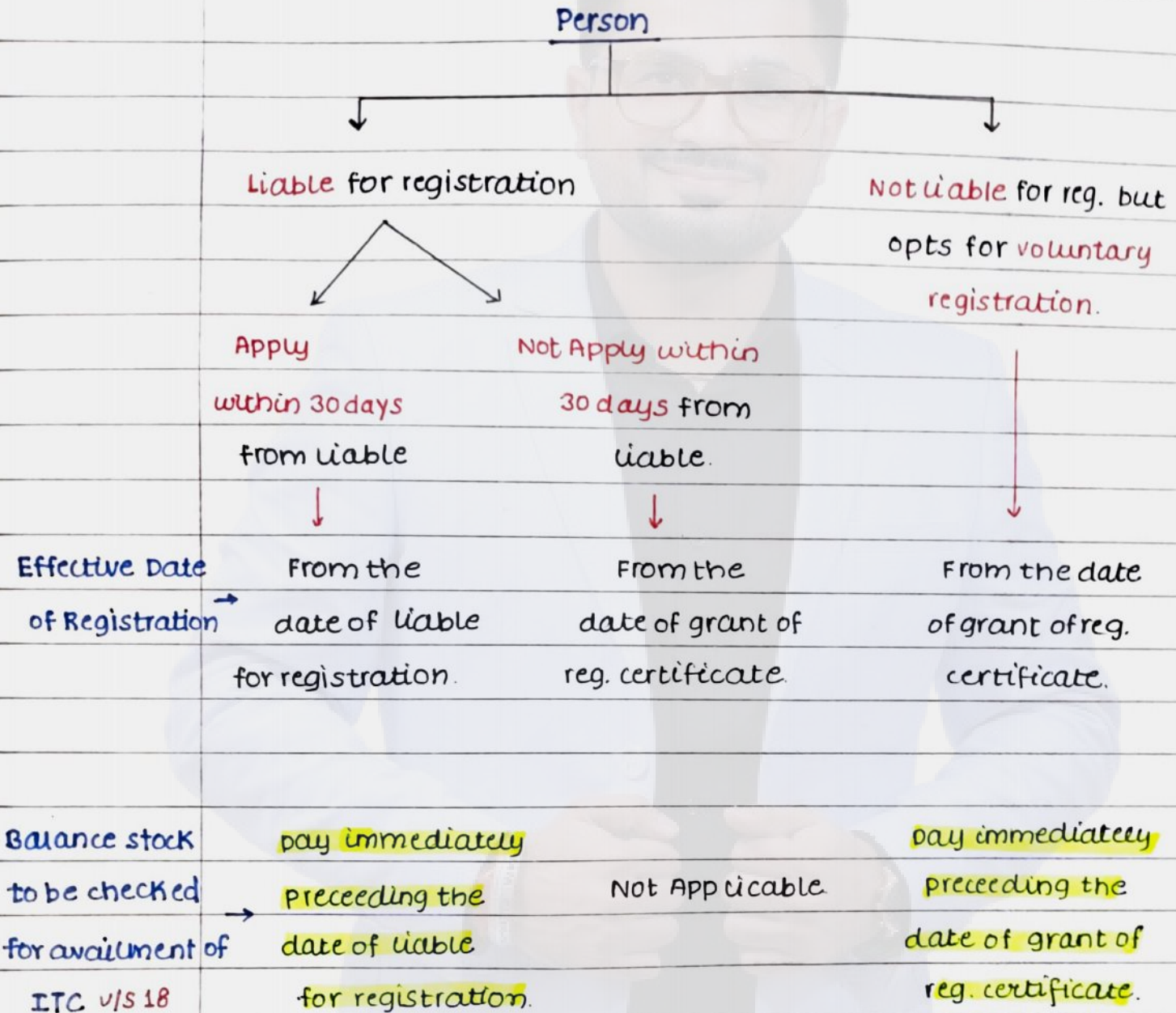
ITC shall not be available in respect of goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligation under CSR (Corporate Social Responsibility).

↳ referred in sec 135 of companies Act, 2013.

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Effective Date of Registration

(Gst me kis din se registered maane jaayenge)

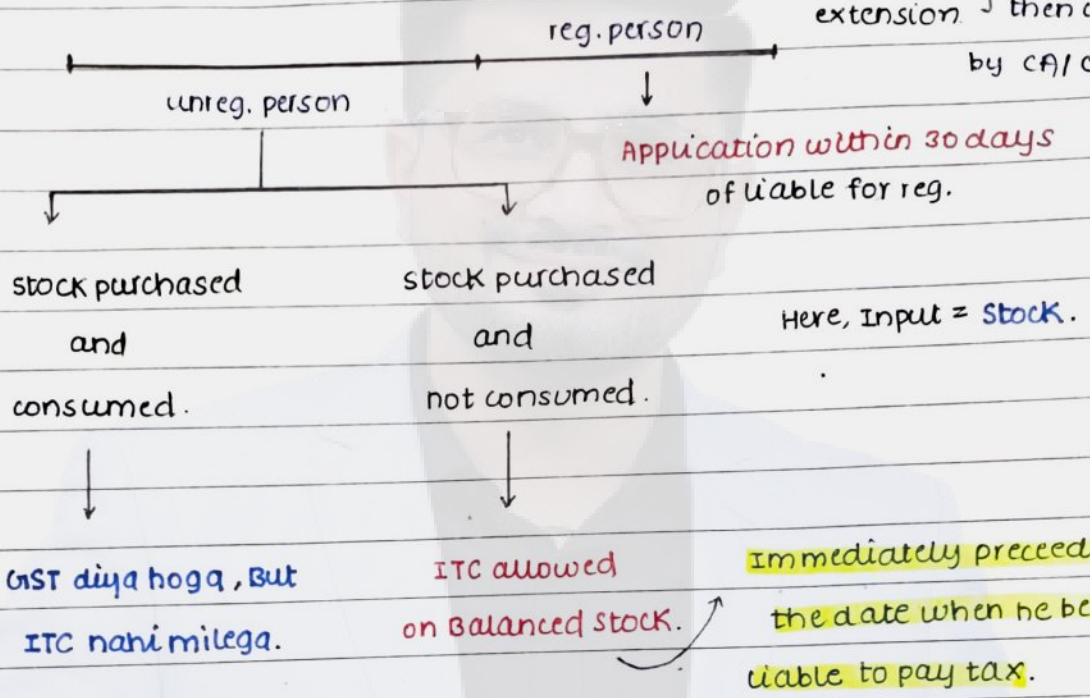


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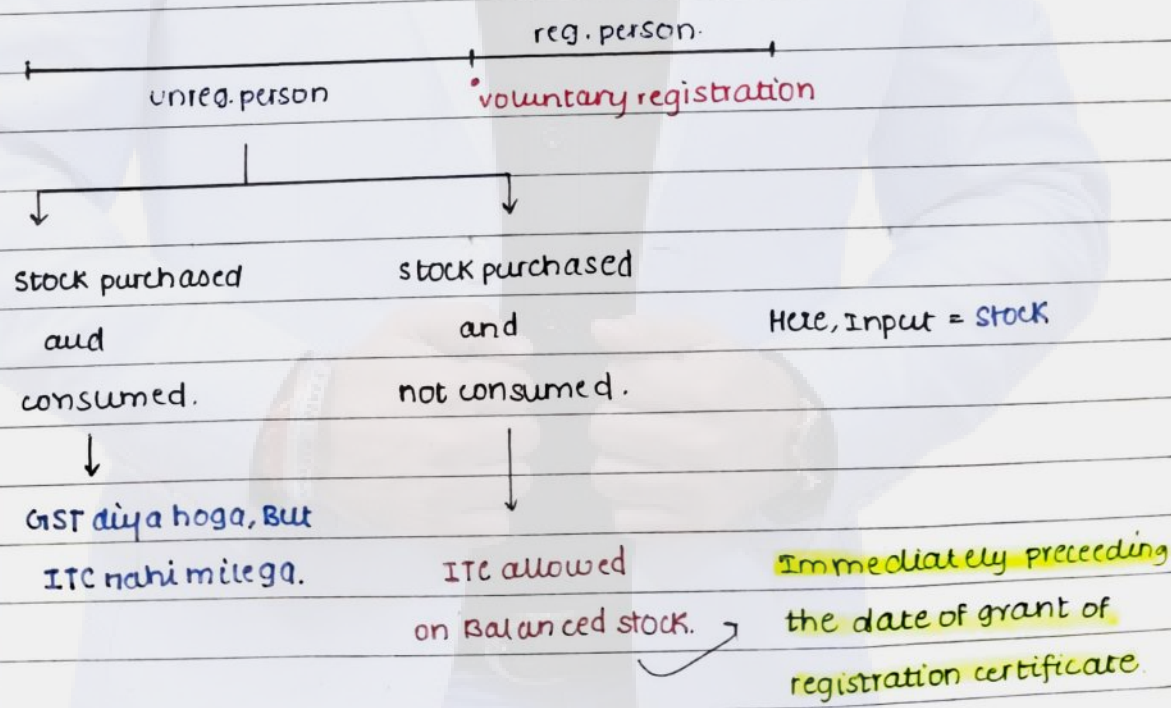
* Section 18(1) : Availability of credit in special circumstances

18(1)(a) + Rule 40 → Declaration → GST ITC 01 within 30 days + extension } If ITC > 2 Lakh, then certify by CA/CMA

(a).

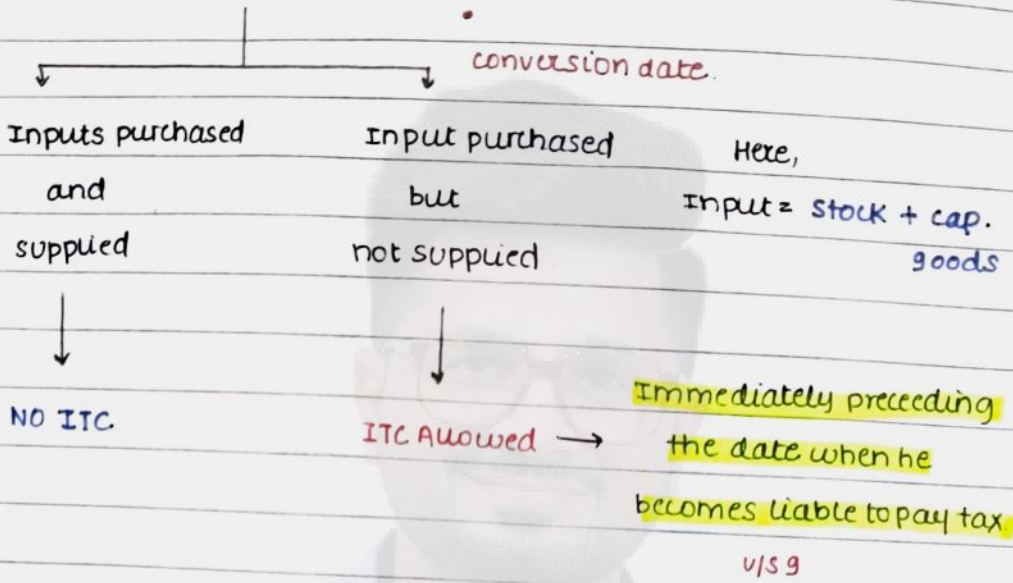


(b).



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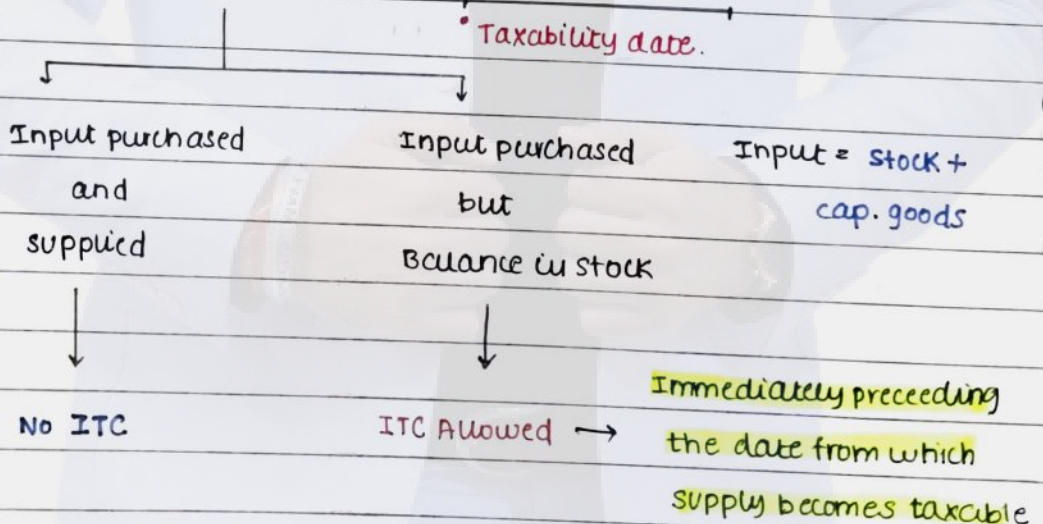
(c). composition scheme normal scheme.



→ ITC allowed on capital goods but after deduction of prescribed %age.
(Rule 40) ↙

ITC on capital goods	xxx
(-) 5% each quarter or part	xxx
ITC Allowed	xxx.

(d). Exempted supply Taxable supply.



→ ITC allowed on capital goods also but after reduction of prescribed %age. (5% each quarter or part thereof)

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- Section 18(2) → Time limit : ITC claim → upto 1 year from the date of issuance of Tax invoice.

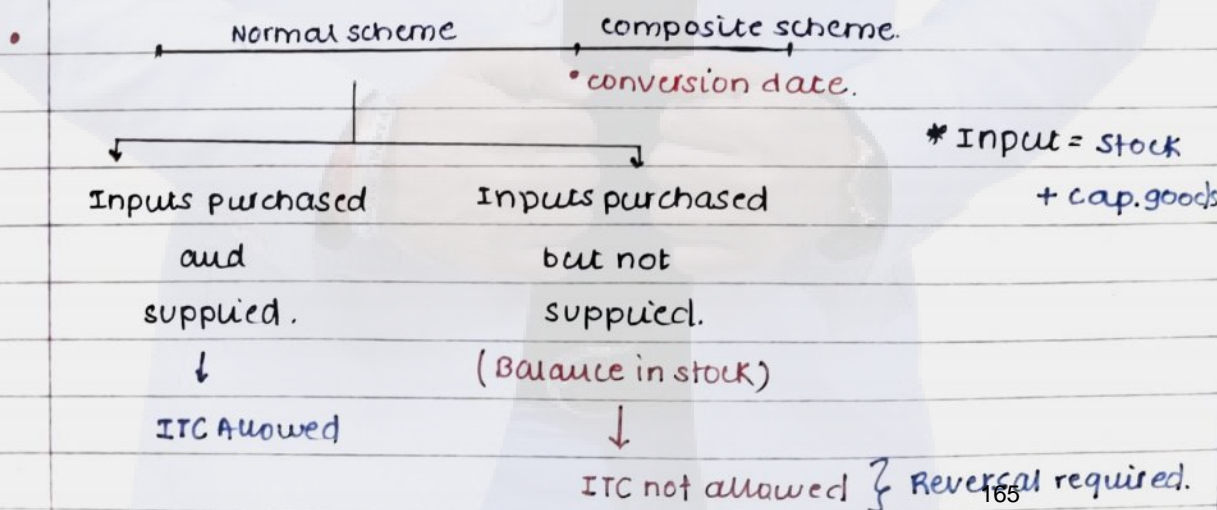
[For all cases of 18(1)]

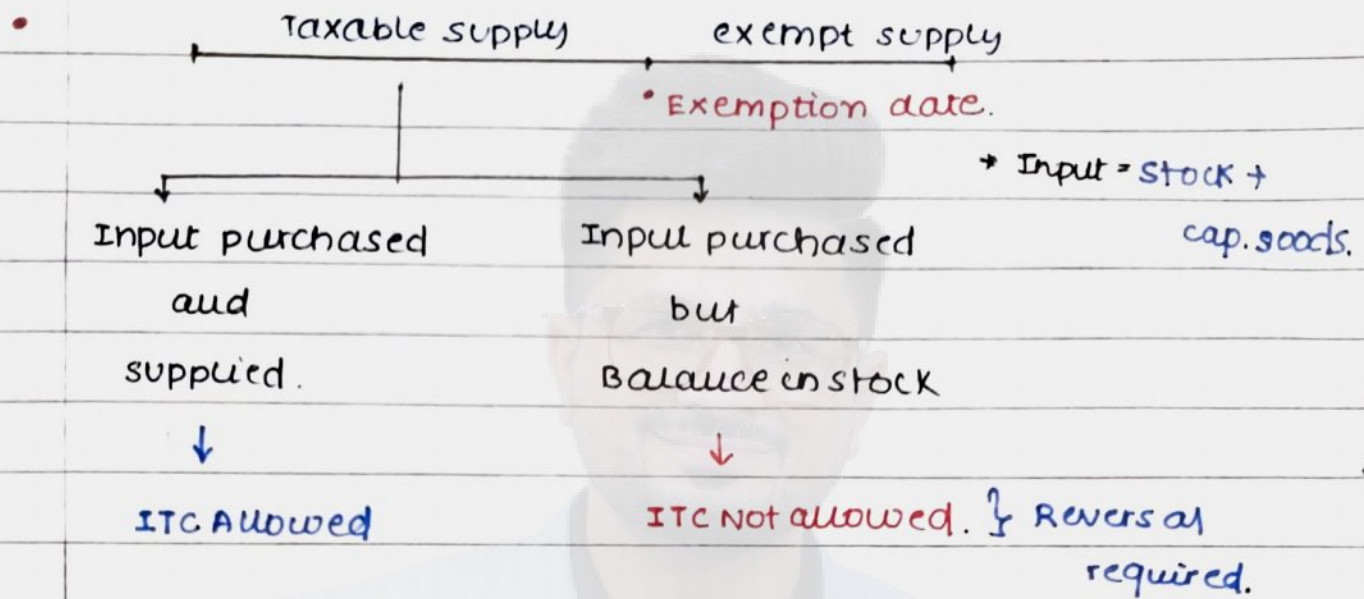
- * Section 18(3) + Rule 41 + Declaration → GST ITC 02 + NO time limit must certify by CA/CMA (NO limit on ITC).

Not Reversal
forexam.

- In case of amalgamation, merger, demerger, succession of companies, unutilised ITC can be carried forward to amalgamated, resulting co.
- In the case of demerger, ITC will be apportioned in the ratio of value of assets of new unit as specified in demerger scheme.
 - ↳ means value of entire assets of the ~~bus~~ business irrespective of whether ITC availed thereon or not.

- * Section 18(4) + Rule 44 + Declaration → GST ITC 03 (NO time limit) certify by CA/CMA (NO ITC limit)





Rule 44 applies, same as above.

* Section 18(6) + Rule 40.

In case of supply of capital goods or plant and mach. on which ITC has been taken, the regd. person shall pay an amount equal to ITC, taken on said capital goods or plant and mach. reduced by 5% for every quarter or part thereof. OR

tax on transaction value of such cap. goods or plant and mach., determined vis vis. whichever is HIGHER.

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CRUX → Reversal or availment of ITC in case of capital goods.

18(1)	18(4)
<u>Availment of ITC on cap. goods</u>	<u>Reversal of ITC on cap. goods</u>
Composition → Normal.	Normal → Composition
Exempted supply → Taxable supply.	Taxable supply → Exempted supply.
Total GST paid on cap goods xx (-) 5% each quarter or part. (xx)	Total ITC x Remaining useful life
<u>ITC Availed</u> xxx	60. } "Itna ITC reverse hoga" Ignore Part month

→ Questions

Q1. Sec 18(1)(b) - Mr. A applies for voluntary registration on 22 Nov and obtained registration on 25 Nov. He has stock on following two dates -

Date	Op. Bal units	Purchased units	Sold units.	Closing stock units
21 Nov.	12000	20000	8000	24000
24 Nov.	24000	5000	15000	14000.

On 24 Nov, Mr. A also purchased plant and mach. for ₹200000 @ 28%. Mr. A purchased goods at uniform rate throughout the year i.e. ₹100/unit. plus GST at 18%.

You are required to calculate eligible ITC to Mr. A. 167

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Solution → Goods as on date of grant of registration

$$= 14000 \times 100 \times 18\%$$

$$= ₹252,000. \rightarrow \text{ITC.}$$

• capital goods par iscase me ITC nahi milta.

Q2 Section 18(1)(c) - Mr. C, a registered taxable person was paying tax at composition scheme upto 30 July, However, w.e.f. 31 July, Mr. C became liable to pay tax under regular scheme.

Other information-

- Input on 30 July for 354000 (inclusive of GST paid @ 18%)
- capital goods purchased for ₹500000 (invoice date- 22 April, GST @ 18%) (exclusive of GST)
Find eligible ITC to Mr. C.

Solution -
$$\frac{354000 \times 18}{118} = ₹54000.$$

$$= 500,000 \times 18\% - (₹90,000 \times 5\% \times 2 \text{ quarter}). \rightarrow \text{ITC}$$

$$= ₹90,000. - 90000 = 01000. \leftarrow$$

Q3. sec 18(4) - The goods manufactured by V Ltd., have been exempted from GST w.e.f. 1 May. Earlier these goods were liable to GST @ 6% and following info. provided on 30 April:-

- 1) Input costing 112000 (inc. of GST) are in stock. 168

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- 2) ITC on capital goods lying in the stock \rightarrow 72000.
these goods were purchased on 1 Aug.
calculate total ITC to be reversed.

Solution-

$$\frac{112000 \times 12}{112} = 12000.$$

$$72000 \times \frac{51m}{60m} = 61200.$$

73200 - ITC reversed.

- Q4. Sec 18(6) - VQ Ltd. purchased a machine on 6/7/20 from PQ Ltd, for ₹10,00,000. (Exc. of GST) paying GST @ 18% on the same. It availed ITC on the GST paid on the machine and started using it for manufacturing of goods. The machine was sold on 18/10/21 for ₹600,000 (exc. of GST) as a 2nd Hand machine to XY Ltd. GST rate on supply @ 18%.
calculate reversal amount of ITC.

Solution \rightarrow GST paid on purchase = $10,00,000 \times 18\%$
 $= 180000.$

Asset used for = 6 quarters.

$\rightarrow 180000 \times 5\% \times 6 = 54000.$

$\bullet 180000 - 54000 = ₹126,000$

or

$\bullet 600,000 \times 18\% = ₹108000.$

₹126000 - ITC reverse.

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Payment of GST

- **Section 49** : Payment of GST liability, Interest and Penalty
- **Section 50** : Interest on delayed payment
- **Section 51** : TDS collection
- **Section 52** : TCS collection

+

Linked with **Rule 85, 86, 87 and 88**

1. Due date of payment is 20th/24th/22nd of **next month**
Jab point of taxation nikala, uske next month ki 20th ko.
2. Return can't be filed without payment of GST.
3. No further return without previous.
4. Generate payment challan **GST PMT 06** → valid for 15 days
↖ (For payment of GST)
5. Payment mode → **E-credit ledger**

↖ **E-cash ledger**

Payment deposit in e-cash ledger in

following mode -

- Net Banking
- Debit card
- credit card
- RTGS
- NEFT
- IMPS etc.

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6. Payment over the counter, maximum of ₹10000

7. All the taxpayers will get 3 Electronic Ledger namely -

- E-liability ledger (Rule 85)
- E-credit ledger (Rule 86)
- E-cash ledger (Rule 87)

* Difference b/w E-liability / E-credit / E-cash ledger

	E-liability ledger	E-credit ledger	E-cash ledger
1.	Booking of liab. of R.P. ↳ Debit in E.L.L. Discharge of liability. ↳ credit in E.L.L.	ITC availed ↳ credit in E.C.L. ITC utilized. ↳ Debit in E.C.L.	Deposit by R.P. ↳ credit in E.C.L. Payment by R.P. ↳ Debit in E.C.L.
2.	All the <u>liabilities</u> of Taxable person under this Act, shall be recorded and maintained in E.L.L. - self-assessed liabilities - Determined by proper officer in any proceedings. - created by portal itself. → (Int may arise time to time, liability arise due to mismatch.	ITC self assessed in the return of a R.P. shall be credited to this E-credit ledger <u>Purpose</u> - Amount available in E-cr. ledger may be used for - • "output tax liab" (FCM only) • Discharge of tax dues. (only FCM liab.) • Discharge of other dues (including RCM)	• deposit through challan GST PMT 06 • specified mode of payment - - Internet Banking - Debit/Credit card. - NEFT/RTGS - OTC payment (by cash, cheque - max 10000 per challan) • Additional deposit on E-cash ledger. - T.P.S as deposited by recipient. - TCS as to be deposited by Eco.

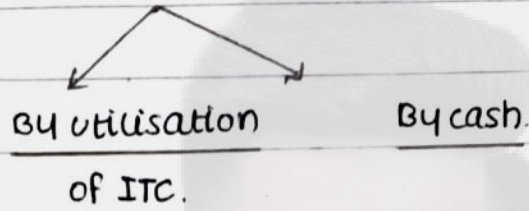
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	E-liability ledger	E-credit ledger	E-cash ledger
3.	Order of discharge of the liability -	• manner (49(5), 49A, 49B, 88A)	• utilisation of E-cash ledger
- 1st	self assessed liab. (tax and other dues of previous tax periods)	order manner IGST 1st-IGST then CGST or SGST	→ Discharge of tax dues → Discharge of other dues.
- 2nd	self-assessed liab. (tax/other dues of current tax period)	(any manner) CGST. 1st - CGST 2nd - IGST	Note - R.P. is allowed to t/f deposit from any major/minor head to another major/minor head.
- lastly,	other liab. (tax/other dues). (liab. determined u/s 73 or 74)	SGST/ UTGST 1st - SG/UT 2nd - IGST	↓ manner of t/f. ↓
		Rule 88A: Blocking of ITC. ↳ P.O. can restrict a R.P. from using E.C.L.	GST PMTOG to be submitted.
		unblocking of ITC (2 situations) - unblocking by commission - Post 1 year, blocking will cease automatically.	

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CRUX -

Payment: (GST + other dues).



• Tax dues.
(only FCM)

✓ ✓

• other dues-

- Int.
- Penalty
- other amt.
- Rcm liab.

X ✓

• Format of e-cash ledger [cross-utilisation is now possible by PMT-09]

- major/minor heads
- distinct person (SAME PAN).

major Head

minor Head

major Head	minor Head				
IGST	Tax	Int.	Penalty	cess	others.
CGST	Tax	Int.	Penalty	cess	others
SGST/UTGST	Tax	Int.	Penalty	cess.	others
CESS.	Tax	Int.	Penalty	cess	others.

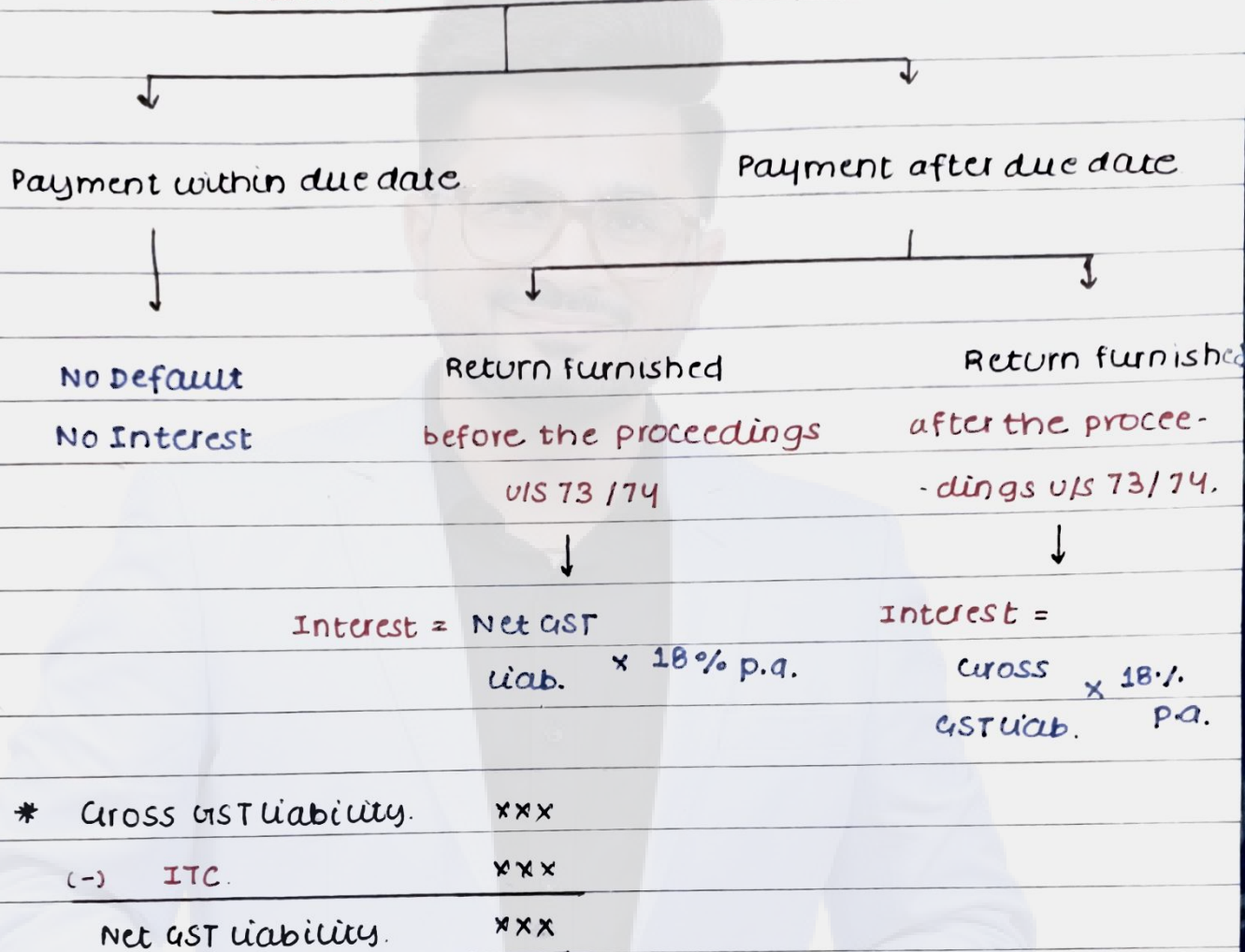
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	E-liability ledger [Sec 49(7) + R-85]	E-credit ledger [Sec 49(2) + R-86]	E-cash ledger [49(1) + R-87]
Form	GST PMT 01 Part A → Return related liab. Part B → Other liab	GST PMT 02	GST PMT 05
Debit's.	<ul style="list-style-type: none"> • Tax + Int. + late fee + other dues (Payable as per return) • Tax + Int. + late fee + others (determined by p.o) • Tax + Int. (arise due to mismatch) • Int. (accruing time-to-time) 	<ul style="list-style-type: none"> - Discharge of liabilities. - Any refund of ITC claimed u/s 54. 	<ul style="list-style-type: none"> - Discharge of liabilities. - any refund claimed from e-cash ledger.
Credit's.	Discharge of payment	ITC earned in the tax period.	Deposits made through TDS, TCS.
Any discrepancy coming to notice	Communication with dept. Form GST PMT 04	GST PMT 04	GST PMT 04

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Section 50 : Interest on delayed payment



* Interest period - from the day succeeding the day on which such tax was due to be paid, to the date of payment.

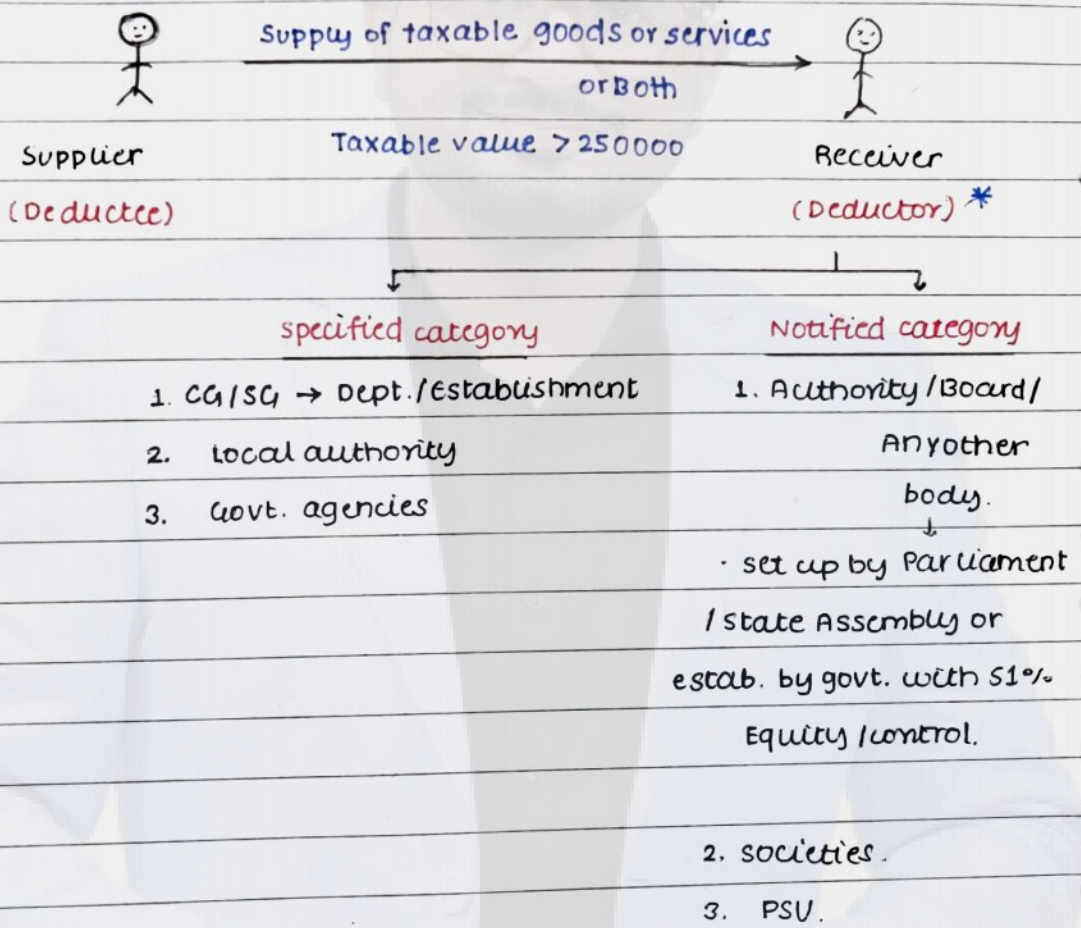
(Due date ke agle din se lekar payment ki date tak)
Payment ki date bhi count hogi.

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section 51 : Tax deduction at source (TDS)

Exception

1. Auth. under ministry of defence
2. PSU → PSU
3. Tax deductor → Tax deductor.



* Note

Location of supplier	← → different hai	location of
+ Place of supply		Recipient.

↓
TDS provisions shall not apply

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* Deductor		
Stage of Deduction	Rate of TDS	Value
→ Payment mode or	Total 2%	Amt. in invoice xxx
→ Payment credited	1% CGST 1% SGST	(-) GST or cess (xxx) Value for TDS deduction xxx

others.

- TDS payment = 10th of next month
(payment through challan)
- Compulsory Registration for TDS deductor u/s 24.
- File TDS return → GSTR 7 → 10th of next month
- TDS certificate → GSTR-7A → within 5 days.
- In case of failure to deduct TDS → pay interest @ 18% p.a.
and penalty u/s 122 → 10000 or default Amt.
(Higher)
- Late payment → ₹100 per day max- ₹5000.
- The refund to the deductor or the deductee arising on account of excess or erroneous deduction shall be dealt with in accordance with provisions of Sec 54
Provided, that no refund to the deductor shall be granted, if the amount deducted has been credited to e-cash ledger of the deductee.

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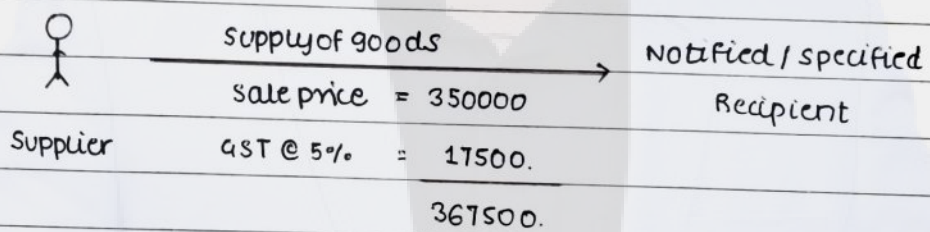
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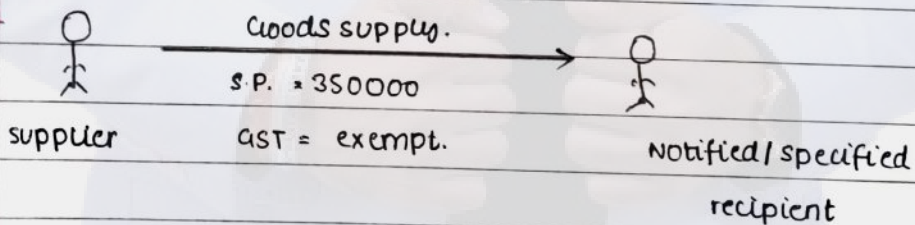
Important Points

No TDS on rated / exempted supply. It means TDS applies on taxable supplies or services or both and not on "All taxable supplies"

Please note that, Taxable supplies is defined in sec 2(108) which cover all supplies that are leviable to tax (even if exempt u/s 11) but taxable goods or services require to enquire whether goods or services are taxable or exempt. If they are exempt, TDS will not apply.

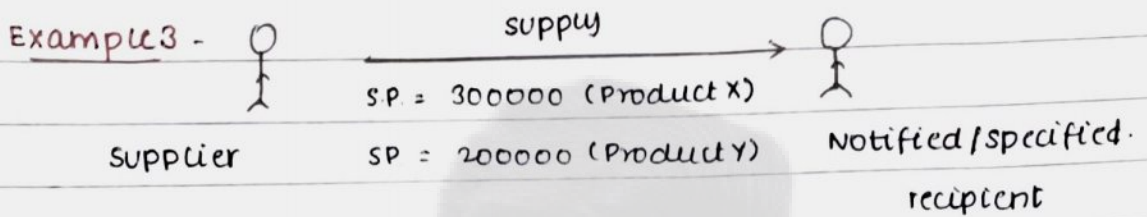
Example 1-

Solution- $367500 - 17500 = 350000$
 $\times 2\%$
7000 \rightarrow TDS

Example 2

Solution- No TDS, as supply is exempt.

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$$\text{GST @ 5\% (A)} = 15000$$

$$\text{GST @ nil rate (B)} = -$$

$$515000$$

Solution - Product Y - NO TDS.

$$\begin{aligned} \text{Product X} - 315000 - 15000 &= 300000 \times 2\% \\ &= 6000 \rightarrow \text{TDS.} \end{aligned}$$

Example \rightarrow If the location of supplier and place of supply = Delhi.
and, location of recipient = Punjab.

Solution - No TDS provisions shall apply.

Section 52 : Tax collection at source (TCS)

Concept - TCS refers to the tax which is collected by ECO when a supplier supplies goods or services through Eco and payment for that supplies is collected by Eco.

Purpose - The purpose of TCS is just to enable the govt. to have a trail of transactions and to monitor and verify the compliances.

Tax collector - Eco (third party), the one who is receiving consideration of supply.

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* Eco fulfilling the following conditions are liable for TCS -

- 1). Eco is not made liable to pay GST.
- 2). Eco is collecting consideration of supply from recipient and then remitting to supplier.

• Supply transaction - No value limit.

$$\text{Rate} = 0.5\% + 0.5\% (1\%)$$

• Collection procedure - 1) collect tax and then deposit to govt. on monthly basis (10th of next month).

2) Furnish.

• monthly statement - GSTR 8

• Annual statement - GSTR 9B

• In case of default

(TCS not collected or collected but not paid or late paid)

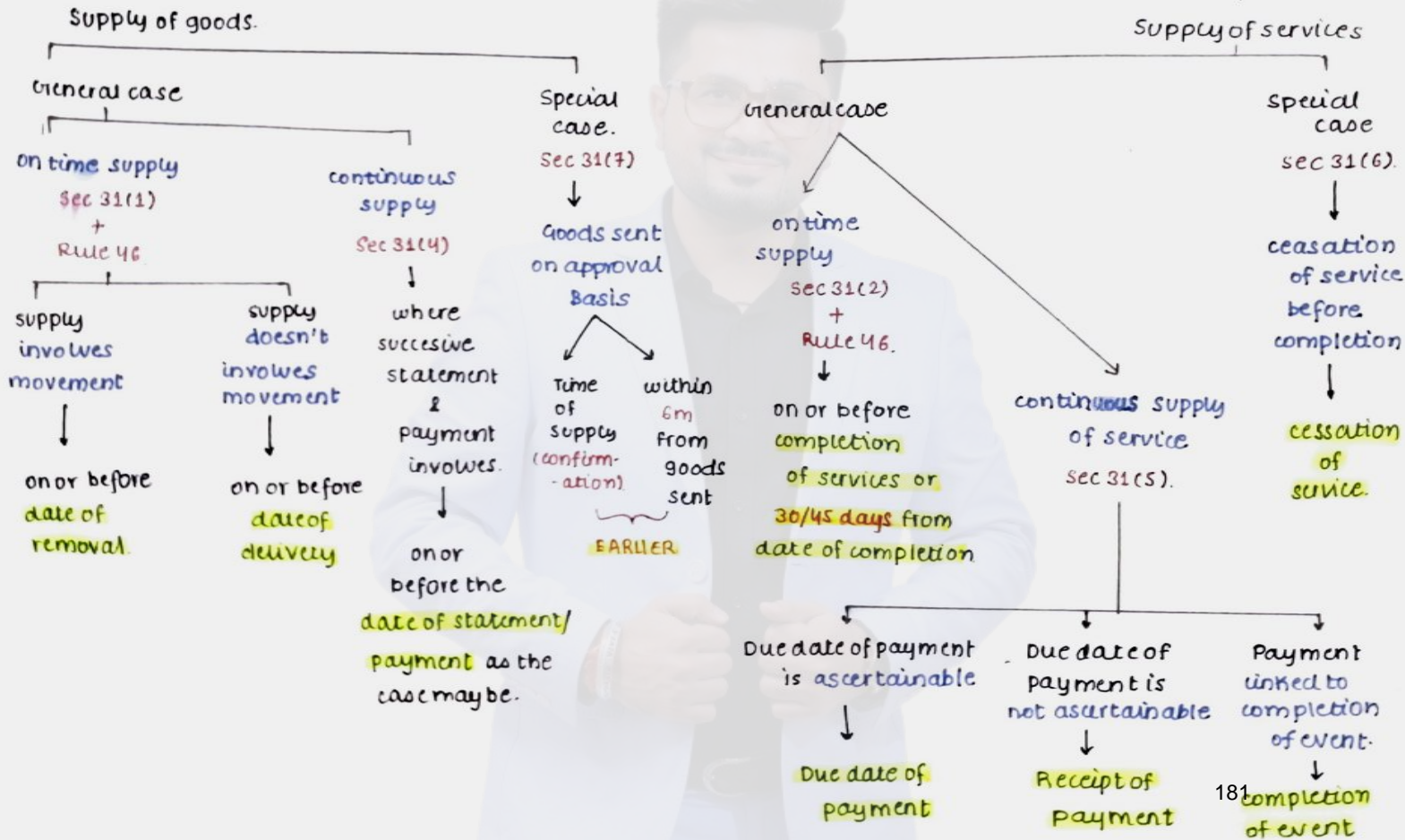
↓

Int. @ 18% p.a to be paid + TCS amount

Tax Invoice/Debit note /credit note

Analysis of section 31

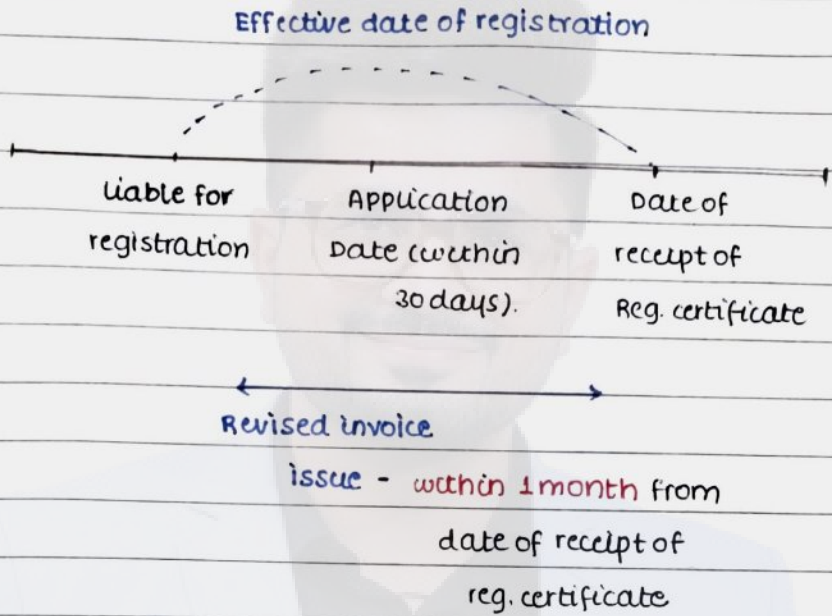
Supply (Invoice issue Kab Karna hai)



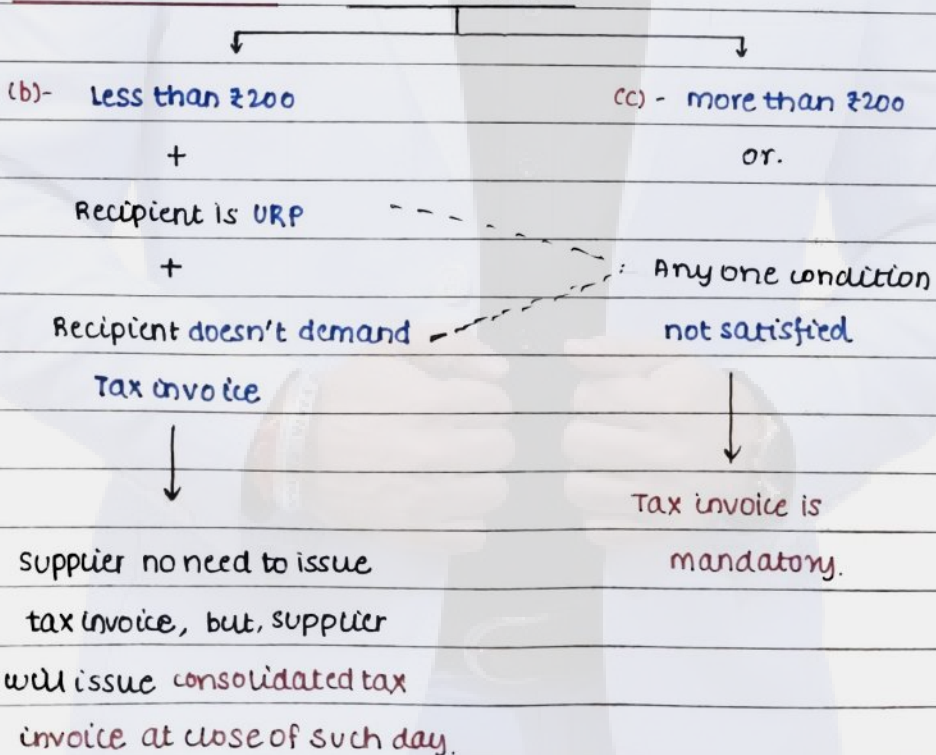
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* Section 31(3) (Analysis of its sub-sections)

• Sec 31(3)(a)



• Sec 31(3)(b) and (c) - value of supply



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Example-

Penku owns a departmental store and is GST registered dealer regd. as a normal tax payer. The following information is noted from his record pertaining to Dec 2021.

Item	Purchase	Amt. charged before GST.	Ans- Invoice
Body wash	Y (URP)	180.	consolidated
Fair and lovely	Vivek (RP)	1000.	Tax invoice
Shampoo	A (URP)	1500.	Tax invoice
Face wash	B (URP).	250.	Tax invoice
Shaving cream	C (URP), demand Tax invoice.	110.	Tax invoice
Nail polish.	D (URP).	190.	consolidated.
Powder	E (RP).	100.	Tax invoice
* Toothpaste	G (URP).	200.	Tax invoice
Nail polish.	E (RP v/s 10)	150.	Tax invoice

only C wants Tax invoice and assume no other receiver of goods wants tax invoice.

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• Sec 31(3)(d) & (e)

(d) In case of advance payment → Supplier will issue-
Receipt voucher

(e) Advance payment received, but → Refund voucher
subsequently no supply is made.

• Sec 31(3)(f) & (g)

(f) In case of RCM → Receiver's obligation
self invoice (if supplier is URP)

(g) RCM wala making → RCM wala receiver issue
payment of supply. Karega payment voucher.

* Rule 48 : manner of issue of Tax invoice

In case of supply of goods -

original - Buyer
duplicate - Transporter
Triplicate - supplier } 3 copies.

In case of supply of service -

original - recipient
duplicate - supplier

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* Rule 55: Delivery challan

Delivery challan is to be issued instead of invoices in situations as follows-

- Supply of liquid gas (at the time of removal: Quantity not known)
- Goods transportation: for Job work
- Goods transportation: other than by way of supplies
- such other supplies → as may be notified.

copies of challan - 3 copies.

original → consignee

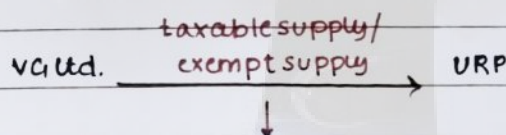
duplicate → Transporter

triplicate → Consignor

* Rule 46A : Invoice-cum Bill of supply

where a registered person is supplying taxable as well as exempted goods or services or both to an unregistered person,

a single "invoice-cum-bill of supply" may be issued for all such supplies.



single "invoice cum bill of supply" issue

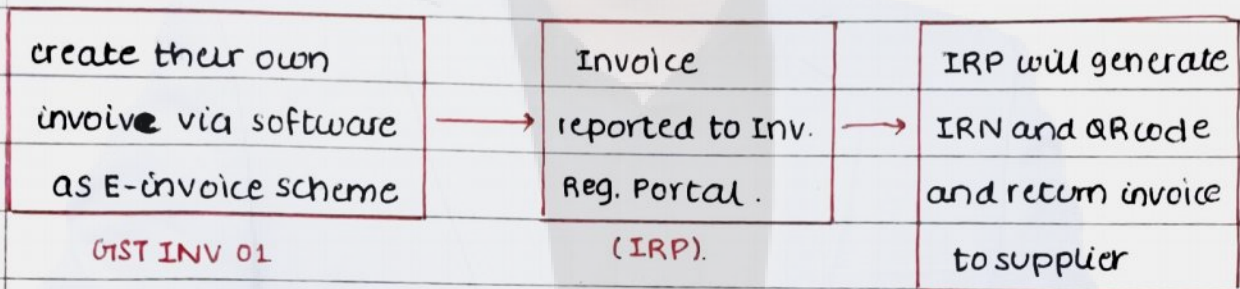
Karsakte hai.

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E-invoice vs Dynamic QR code

→ Some important points related to E-invoice

- E-invoice is not mandatory, only notified person are enable to Issue E-invoice.
- E-invoice is not generation of invoice by GOVT. Portal.



• Benefits/Advantages of E-invoice

- 1) Auto-reporting of invoice into GST return.
- 2) Auto-generation of E-way Bill.
- 3) Reduction in errors
- 4) Easy payment
- 5) cost-reduction
- 6) Reduction of tax-evasion
- 7) Elimination of fake invoices.

Difference b/w Invoice vs Dynamic QR code.

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Particulars.	E-invoice	Dynamic QR code.
• Notification no.	N/No. 13/2020 CT + N/No. 05/21	N/No. 14/2020 CT
• Type of transactions covered	supplies made by regd person to another regd person (B2B supplies). [Export also covered].	supplies made by regd person to unregd person (B2C supplies) [Export not covered].
• Threshold limit. who will be covered Based on PAN.	Regd. person (GST tax payer) having A.T.O more than 5 crores in any prec. year from 17-18 onwards.	Regd. person (GST tax payer) having A.T.O more than 500 crores in any preceding year from 17-18 onwards.
• QR code made available by:	QR code would be generated by IRP and returned against e-invoice reported to IRP.	QR code will be generated by supplier himself either on point of sale (POS), machine or invoice used.
• Payment of QR code	To verify whether invoice has been reported or not.	To enable payment using UPI by mobile application by scanning the QR code.

Q1. If any entity's T.O. crosses the threshold limit for e-invoice during F.Y. , then what date shall be statement generating e-invoice.?

Ans- If preceding year's T.O. beginning from 17-18, exceeds the prescribed limit in a F.Y. it would be required to generate E-invoice from beginning of the next year.

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→ Exemptions from E-invoice

- 1) SEZ units.
- 2) Insurer/Banking companies / Financial Institutions inc. NBFC.
- 3) Goods Transportation Agency (GTA)
- 4) Supplier of Passenger Transportation service.
- 5) Cinema Hall ticket.
- 6) Govt. department and local authority.

Exemptions / Non-requirements of Dynamic QR code

Dynamic QR code is not applicable to an invoice issued to an unregistered person by following supplies -

- 1) Insurer / Banking co. / Financial Institutions inc. NBFC.
- 2) GTA
- 3) Supplier of Passenger Transportation service.
- 4) Cinema Hall ticket
- 5) OIDAR service supply
- 6) In case of export.

• Requirement to furnish HSN code in "Tax invoice"



A.T.O in preceding FY.	No. of digits	
upto 5 crore	4 digits.	In respect of supply of goods / services or both. B2B → mandatory B2C → optional
more than 5 crore	6 digit.	whether supply to ↗ RP 188 ↘ VRP

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However for certain goods, (having particular HSN) - 8 digits HSN



shall be mentioned on Tax invoice.

9 goods - chemicals.

* Important content for Tax-invoice

- 1) Name, address, and GSTIN of supplier
- 2) consecutive serial no. and date of issue
- 3) Name, address and GSTIN of recipient (if registered)
- 4) HSN/SAC code
- 5) Description of goods or services
- 6) Quantity in case of goods
- 7) Total value of supply
- 8) Taxable value of supply.
- 9) Place of supply.
- 10) Tax payable on Reverse charge Basis.

Section 34 + Rule 53 : concept of Debit note / credit note

Both issued by supplier to receiver. ←

A) credit note - If taxable value in Tax invoice is found to exceed,
Taxable value in respect of such supply.

- GST charged on taxable value found exceed.
- Goods supplied are returned by recipient.
- Goods supplied are found to be deficient.

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Time limit to issue credit note -

Details of CN shall be issued till the end of month of Nov following the end of F.Y. in which supply was made.

i.e. 30th November of next year

or

Actual date of furnish of Annual Return

} EARLIER

B) Debit Note - (supplementary invoice)

- Taxable value in "Tax invoice" is found to be less than tax invoice in respect of such supplies.
 - GST charged in Tax invoice is found to be less than GST payable in respect of such supplies.
- No time limit to issue in case of Debit note.

NOTE

- Assessee/supplier can issue more than one credit note/debit note for one tax invoice.
- Supplier can issue only one credit/debit note for more than one tax invoice.

CRUX

value/Rate kam hai → increase karne hai → Debit note

value/Rate zyada hai → decrease karne hai → credit note

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Return under GST

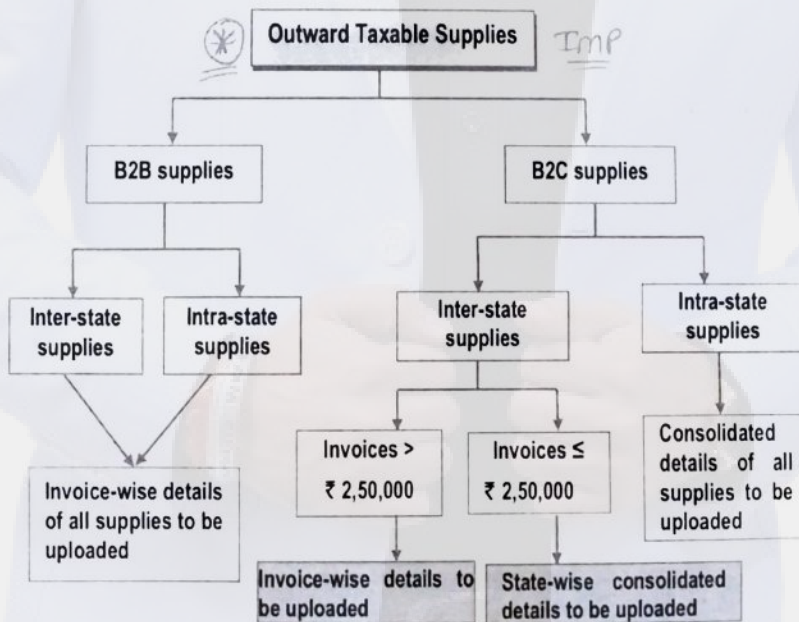
List of Return / statements under GST

Return / Statement	Periodicity/ Description	Who Files?	Date for filing
GSTR-1	Monthly statement of outward supplies of goods and/or services	Person registered under regular scheme (including a casual taxable person)	Due date prescribed in the Act is 10 th day of the next month. However, presently, the same is being extended to 11 th day of the next month.
	Quarterly statement of outward supplies of goods and/or services	Registered persons opting for QRMP Scheme (including a casual taxable person)	13 th day of the month succeeding the quarter has been notified as the due date
GSTR-3B	Monthly return	Person registered under regular scheme including casual taxable person	20 th of the month.
	Quarterly return	Registered persons opting for QRMP Scheme including casual taxable person	22 nd or 24 th of the month depending upon the State or Union Territory in which they are registered
GSTR-4	Return for a financial year	Registered person paying tax under composition scheme	30 th April of the next financial year
GST CMP-08	Quarterly Statement for payment of self-assessed tax	Registered person paying tax under composition scheme	18 th day of the month succeeding the quarter
GSTR-5	Monthly return	Registered non-resident taxpayer	13 th day of the next month or within 7 days after expiry of registration, whichever is earlier
GSTR-5A	Monthly return	Registered person providing OIDAR services from a place outside India to a non-taxable online recipient	20 th day of the next month

20-21.
1/4/20-31/3/20¹
↓
30/4/201

GSTR-6	Monthly return	Input service distributor (ISD)	13 th day of the next month
GSTR-7	Monthly return	Registered person required to deduct tax at source	10 th day of the next month
GSTR-8	Monthly statement	E-commerce operator required to collect tax at source	10 th day of the next month
GSTR-9	Annual return	Registered person other than an ISD, tax deductor/tax collector, casual taxable person and a non-resident taxpayer	31 st December of the next financial year
GSTR-9A	→ <u>below</u>		
GSTR-10	Final return	Taxable person whose registration has been surrendered or cancelled	Within three months of the date of cancellation or date of order of cancellation, whichever is later.
GSTR-11	Details of <u>inward supplies</u>	Persons who have been issued a Unique Identity Number (<u>UIN</u>)	

GSTR 9A Annual Return Composition scheme 31st December of next financial year



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Question-

M/s Gauri Shiva, a R.P in Punjab, supplier of goods taxable at 12% in the state of Punjab and Haryana. He furnish following details in relation to independent supplies made by him in quarter ending June 2023

Supply	Recipient	R.P./U.R.P	Nature	Value	Invoice wise/ consolidated?
1	A	R.P.	Intra	220000	Invoice wise
2.	B	RP	Inter	255000	Invoice-wise
3.	C	URP	Intra	180000	consolidated
4.	D	URP	Intra	260000	consolidated
5.	M	URP	Inter	300000	Invoice-wise
6.	N	URP	Inter	50000	consolidated
7.	O	URP	Inter	250000	consolidated
8.	P	URP	Inter	280000	Invoice-wise
9.	Q	RP	Intra	150000.	Invoice-wise

Ques- Mr. X is a GSTR.P. supplier of goods in UP. Being a normal supplier, he is liable to file GSTR1 and GSTR 3B. Discuss manner of furnishing GSTR-1 and GSTR-3B under following cases-

	Sep 23	Oct 23	NOV 23	DEC 23
outward	Yes	Yes	NO.	NO
Inward.	Yes	Yes.	YES	NO.
Gross tax payable.	800000	500000	NU	NU
ITC claimed.	(200000)	(700000)	(500000)	NU
Net Tax payable.	100,000	NU.	NU.	NU.
Requirement of filing				
GSTR-01 →	Yes	Yes	Yes	Yes
GSTR 3B →	Yes	Yes	Yes	Yes
manner of filing-				
GSTR-01 →	Portal	Portal	Portal or SMS	Portal or SMS
GSTR 3B →	Portal	Portal	Portal	Portal or SMS

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NOTE - GSTR-01 need to be filed even if there is no Business activity in tax period.

→ File Nil statement.

Ques- Mr. C, a regd person in U.P. does not file GSTR-01 for the month of June 2020, But he wants to file GSTR-1 for month of July 2020. Is it possible?

Ans - No, he is not allowed to file GSTR-01 for month of July, 2020.

Ques- A is a regd. person in state of Gujarat. He uploads GSTR-3B every month. During month of February, 2024 He is out of India and no transaction is made during this month. He is of the view that there is no need to upload GSTR-3B for the month of Feb, 2024. Is he correct.

Ans- Even if there is no transaction, he still needs to file Nil Return.

Ques- Mr. C, R.P. in Rajasthan, does not file GSTR-3B for the month of June, 2023, But wants to file GSTR-3B for month of July 2023. Is it possible?

Ans- No, as per Sec 39(10), for filing returns, previous return has to be filed.

Ques- B is a regd. dealer in Kerala, as a normal tax payer for F.Y. 23-24 but on Jan, 24 He decided to opt for composition scheme and for that purpose submitted online intimation. Is he liable to upload GSTR-01 for the month Jan, 2024?

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Ans- Yes, even if he filed intimation in Jan, he will get composition scheme from 1 April, 2024.
So, he has to upload GSTR01 for the month Jan, 2024

* Important points.

Registered person is not allowed to furnish GSTR-01 :-

- 1) Return/Statement not furnished in Form GSTR-1 or GSTR-3B for the preceding ~~year~~ month.

	<u>Preceding month</u>	<u>Next month</u>
GSTR-1	X	X
GSTR-1	✓	✓
GSTR-3B	X	X (GSTR-1 not allowed)
GSTR-3B	✓	✓ (GSTR-1 allowed).

- 2) Not furnished BANK details as per Rule 10A.

- 3) If person opting QRMP and GSTR-1 and 3B not filed in preceding quarter, then GSTR-1 not allowed in next quarter.

- 4) Mismatch with GSTR-1 and GSTR-3B.

- 5) Mismatch with GSTR-2B and GSTR-3B.

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Q.R.M.P. Scheme

- optional return filing scheme
- Quarterly Return
- monthly payment.

• Eligibility.	Tax payers having aggregate T.O. of upto 5 crores in preceeding financial year.
• conditions to be fulfilled for becoming eligible.	• Tax must have furnished the last return , as due on the date of exercising such option.
• Manner of exercising option	• Tax payer can opt in for any quarter from 1st day of 2nd month of preceeding quarter to the last day of first month of quarter for which option is being exercised. Eg- For July-sep. : 1 May - 31 July time.
• validity of option once exercised.	Taxpayers are not required to exercise their option every quarter. where such option is exercised once, they shall continue to furnish return as per selected option for future tax periods, unless they revise the said option.

options for making monthly payment of tax under Q.R.M.P. scheme.

- Fixed sum method
- self assessment ¹⁹⁶ method

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* Opting for QRMP scheme is GSTIN-wise.

This means that a person may avail QRMP scheme option for some GSTIN(s) and not for other GSTIN(s).

→ Rectification or errors/omissions

- Revision of return. X
- Rectification on account of scrutiny, audit, inspection or enforcement activities. X
- Rectification in subsequent return. ✓

→ maximum time limit for rectification

30 Nov of next F.Y.

or

Actual date for filing annual return.

whichever is earlier.

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* GST practitioner (GSTP)

↳ means any person who has been approved u/s 48 to act as practitioner.

→ What are the functions that GSTP can perform on the GST portal on behalf of tax payer?

• GSTP authorised by R.P. can do the following on his behalf :-

1) Furnish statement u/s 37 (GSTR-1)

2) Furnish Return u/s 39 (GSTR-3B/4/5/6/7)

u/s 44 (Annual return GSTR 9/9A)

u/s 45. (Final Return GSTR 10).

• other functions :-

1) Deposit E-cash ledger

2) Furnish details of Form GSTR-04 (Job worker challan)

3) Furnish information for generation of EWB.

4) Filing application for ammendment/cancellation of registration.

5) Filing refund application

6) Filing intimation to pay tax u/s 10 or withdrawal u/s 10.

Note

- The responsibility of correctness of any particular furnished in the return or other details filed by GSTP shall continue to rest with the registered person, on whose behalf such return and details are furnished.

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• Eligibility conditions for GSTP : Rule 83(1)

A person can apply for enrolment as GSTP if he :-

- | | |
|------------------------------------|---|
| 1) Indian citizen | 2) Person of sound mind. |
| 3) Is not adjudicated as insolvent | 4) Is not convicted by any competent court. |

+

satisfy any one of the following conditions:-

- He is retired judge of commercial tax dept. of any SG or retired judge of CBIC.
- He has enrolled as sales tax practitioner or TRP under old law for 5 years or more.
- He has passed -
 - Graduate / Post graduate from Indian university.
 - Degree of any foreign university which is recognised by Indian university.
 - Final exams of CA/CS/CMA.

• Manner of enrolment {Rule 83(1) + 83(3)}

Apply over common portal for enrolment (GST-PCT-01)



P.O. check eligibility of person for enrolment of GSTP.



Issuance of enrolment certificate. (GST PC2-02)



Enrolment is permanent unless cancelled.

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→ cancellation of Enrolment

GST officer is entitled to remove GSTP if he is found guilty of misconduct.

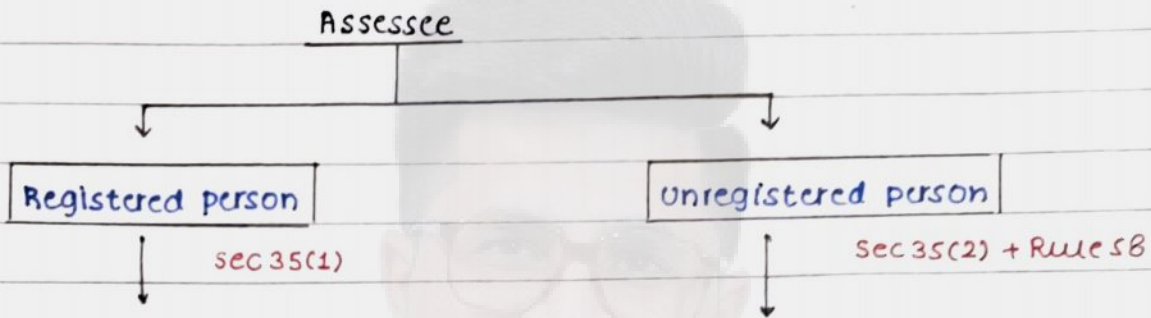
- Manner →
 - SCN of such misconduct. (GST PCT-03)
 - Reply by GSTP.
 - Removal order (GST PCT 04).

↓
If GSTP aggrieved, then appeal
to commissioner.

(within 30 days).

→ Surrender of enrolment

- 1) surrender application over portal. (GST PCT 06)
- 2). Enquiry by commissioner.
- 3). Enrolment cancellation order (GST PCT 07)

Page No. Date Accounts and Records (section 35)Types of Books of Accounts :-

- Production / manufacturing of goods
- Inward / outward supplies.
- Balance stock of goods
- ITC availed.
- output tax paid or payable
- # others as may be prescribed.

- owner of warehouse or transporter.

↓
maintain details of :-

- consignor
- consignee
- other relevant as may be prescribed.

others as may be prescribed (For reg. person only).

- goods or services imported or exported.
- supplies covered under RCM with documents.
- Advance received / paid.
- Name / address of supplier, Receiver, Transporter and warehouse.

* Location of maintenance of Books of Accounts.

- ↳ At principle place of business. (mentioned in certificate of registration).

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- where **more than one place of business**, is specified in the certificate of registration,

Accounts relating to each place of buss. shall be kept at such place of buss.

Mode :- manual or electronic.
(at the option of regd. person).

Rule 57 :- 1) A proper back-up of all e-records shall be maintained.

2) upon demand, Regd. person shall make available records in hard copy or e-copy.

3) Upon demand, access to e-records shall be provided and password shall also be shared.

* Power of commissioner

Not relevant

Commissioner may notify class of person for :-

Additional Books

of Accounts.

Sec 35(3).

Relaxation in Books

of Accounts

Sec 35(4)

* Penal provision sec 35(6).

If any default arise v/s 35(1) or 35(2) then punishment

v/s 73 or 74

(will discuss in CA Final).

Page No. Date Section 36.Time limit for maintaining Books of Accounts -

72 months From date of annual GST return.

Eg. FY- 20-21 → due date of annual return = 31/12/2021.
 + 6 years
 31/12/2027

* who is the party for appeal and revision?

1 year after disposal

or.

72 months (6 years) from the date
of Annual GST return.} whichever is
Later

Eg- • case related to FY 20-21.

a) 30/6/27 (case disposal date). + 1 yr = 30/6/28.

b). 31/12/2021 + 6 yrs = 31/12/27.

whichever is Later → 30/6/28.

• case related to FY- 20-21.

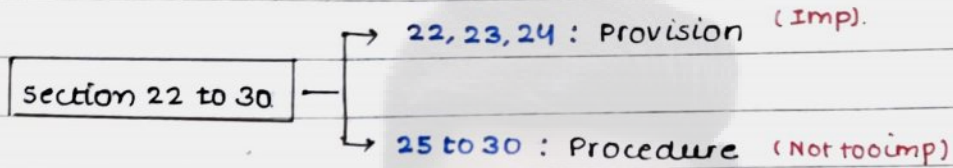
a) 30/6/2025 (case disposal date). + 1 yr = 30/6/2026.

b). 31/12/2021 + 6 yrs. = 31/12/2027

whichever is later → 31/12/2027.

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Registration under GST



- Sec 22- Person liable for registration
- Sec 23- Person not liable for registration
- Sec 24- Compulsory / Mandatory Registration.

• Nature of registration

- The registration in GST is **PAN based** and **state specific**.
- One registration per state/UT.
However, a business entity having separate place of buss. in a state may obtain separate registration for such place of business.
- GST identification number called GSTIN - **15-digit number** and certificate of registration incorporating therein this GSTIN is made available to applicant on GSTN common portal.
- Registration under GST is non tax specific i.e single registration for all taxes. i.e CGST, SGST/UTGST, I GST and cesses. (Sec 26)

Analysis of section 22/23/24

Section 22

Person liable for registration

CRUX of threshold limit → applicable state wise for Intra-state

Aggregate Turnover in C.F.Y

Manipur	Pondicherry	other states
Mizoram	Sikkim	(J/K, Assam,
Tripura	UK	Haryana,
Nagaland	AP	UP, Delhi
MMNT	Telangana	etc)
	Meghalaya	
	PSU/ATM	

7 specified goods	10L	20L	20L
other goods	10L	20L	40L
Services	10L	20L	20L
Goods and services	10L	20L	20L

Section 23

Person not liable for registration

1. Exclusively supply of exempted goods or services. (100% exempt)
2. Agriculturists.
3. Person making only reverse charges supplies (i.e. supplies of RCM)
4. Inter-state supply of services (taxable) upto 20 Lakhs.
5. Inter-state taxable supply of notified Handicraft or Handmade upto 20 Lakhs.
6. casual taxable person making inter-state taxable supply of handicraft goods upto 20 Lakhs.
7. supplier of services other than specified u/s 9(5) through ECO upto 20 Lakhs.
8. supplier of goods who supply Intra-state through Eco upto 10L/20L/40L (threshold limit)

Section 24

compulsory / Mandatory registration

1. Inter-state supply of goods or services.
 - Except:
 2. casual taxable person who does not have a fixed place of buss. in state / UT from where he wants to make supply
3. Person receiving supply on which tax is payable by recipient on RCM basis (i.e. receiver of service)
 - Except:
 4. Non-resident taxable person (NRTD)
 5. ECO who collects TCS u/s 52
 6. EGO who liable to pay GST u/s 9(5).
 7. TDS deductor
 8. Agent of same principle.
 9. OIDAR service provider
 10. Input Service Distributor (ISD)
 11. Person supplying online money gaming.
 12. supplier of services other than covered u/s 9(5) 205
 13. supplier of goods through ECO

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* Section 25

• Where and when to apply for registration?

- Person who is liable to be registered u/s 22 or 24
 - in every such state/UT in which he is so liable.
 - within 30 days from date on which he becomes liable to registration.

- Casual taxable person or non-resident taxable person
 - in every state/UT in which he is so liable.
 - atleast 5 days prior to commencement of business.

- A person who makes supply from territorial waters of India
 - in coastal state/UT where nearest point of appropriate baseline is located.
 - within 30 days from date on which he becomes liable to registration.

* Section 26 : Deemed registration

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

Rejection of application for registration/UIN under SGST/UTGST Act is deemed to be rejection of application for registration under CGST Act,

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* Section 27 : special provision for grant of registration
in case of NRTP and CTP

Before going into nuances of registration provision of CTP and NRTP, let's first understand the meaning of CTP and NRTP.

casual taxable person

There may be a case where a person has regd. business in some state in India, but wants to effect supplies from some other state in which he doesn't have any fixed place of buss.

Such person needs to register in a state from where he seeks to supply as a "CTP".

CST Act defines CTP as a person who occasionally undertakes transactions involving supply of goods or services or both in the course of FOB, whether as a principle, agent or in any other capacity, in a state / UT where has no fixed place of business.

Further he cannot exercise the option to pay tax under composition levy.

Eg. Krishnadev and Co. engaged in supplying taxable goods, is regd in Rajasthan. It wishes to participate in a 5 days buss. exhibition being held in Delhi.

In this case, Krishnadev and Co. has to obtain regd. as CTP in Delhi.

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Non resident taxable person

A person who is **foreigner** and occasionally wants to effect taxable supplies from any state in India needs registration for the same.

Such person needs to register in the state from where he seeks to supply as a NRTP.

CGST Act defines **NRTP** as any person who occasionally undertakes transaction involving supply of goods or services or both, whether as a principle or agent or in any other capacity, but who has **no fixed place of buss. or residence in India**.

Further he **cannot** exercise the option to pay tax under **composition levy**.

Based on aforesaid definitions, following points must be considered -

1. CTP might be registered with regard to his fixed place of business in some other state/UT, while **NRTP does not have fixed place of business / residence in India at all.**
2. CTP has to undertake transactions **in course of FOB** whereas, **NRTP need not to undertake transactions in course of FOB.** (Buss. test is absent in definition of NRTP).

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• Special Registration provisions of CTP and NRTP

GST law prescribes special procedure for **registration** as well as for **extension of operation period** for **CTP** and **NRTP**.

They have to apply for registration **atleast 5 days in advance** before making any supply, Also, registration is granted or period of operation is extended **only after they make advance deposit** of estimated tax liability.

Special Regd procedure is as follows-

- (A) Both CTP and ~~NP~~ NRTP have to **compulsorily** get registered under GST irrespective of threshold limit, atleast 5 days prior to commencement of business.
- (B) As per sec 25(6), every person must have **PAN** to be eligible for registration.
since NRTP will generally not have PAN of India, he may be granted registration on the basis of **other prescribed documents**.
↳ NRTP has to submit **self-attested copy of a valid passport**. along with **application signed by his authorised signatory** who is an Indian Resident having a valid PAN.

However, in case of business entity, incorporated or established outside India. **application** for registration shall be submitted along with its **tax identification no.** or **unique no.** on the basis of entity is identified by Govt. of that country or its PAN, if available.

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- Application will be submitted by **N RTP** in a different prescribed form i.e. **GST REG 09**

where as,

CTP will submit application for registration in Form **GST REG 01** (his reg'n will be PAN based).

- Period of validity of reg'n certificate granted to CTP/N RTP

valid for :-

- (i) Period specified in registration application, or
- (ii) **90 days** from effective date of registration.

↓
whichever is EARLIER.

- validity can be extended further by a period **not exceeding 90 days** by making an application **before the end of validity** of registration granted to him.

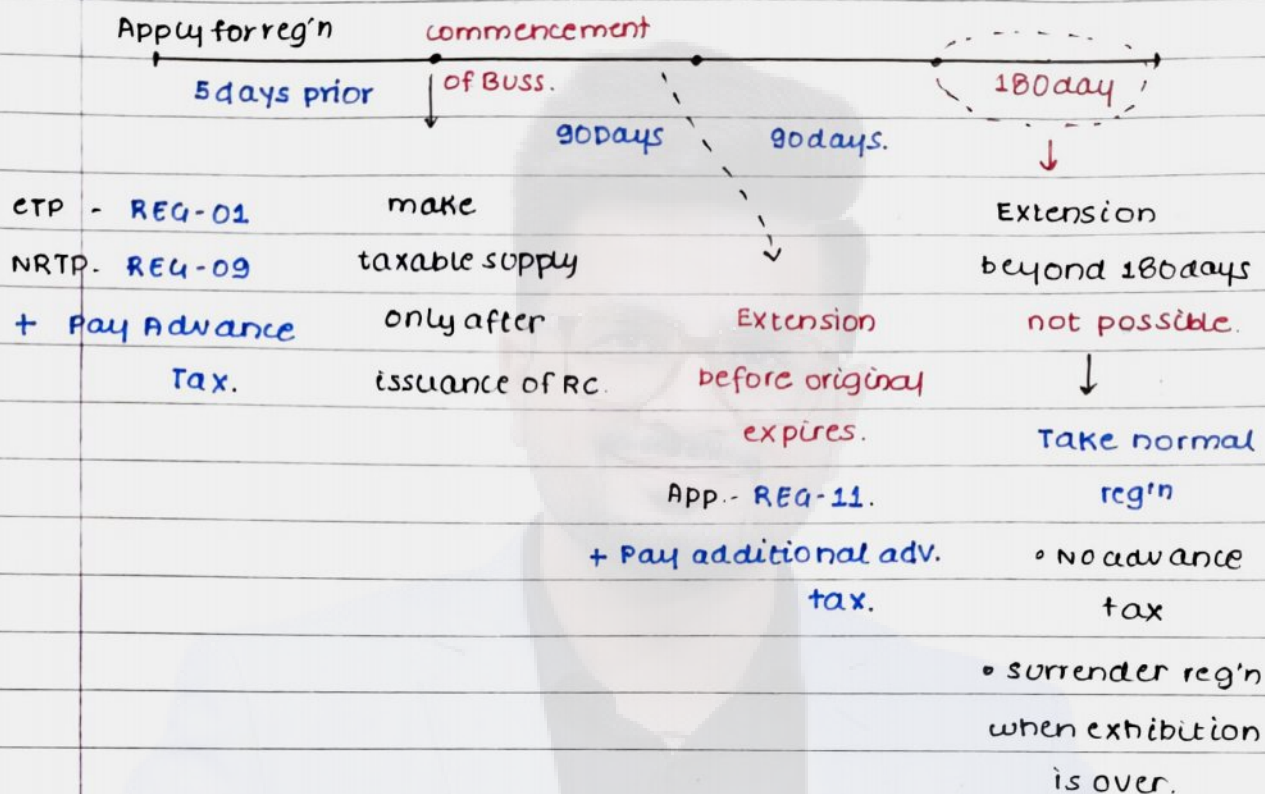
- Advance deposit of tax

At the time of submitting registration application, CTP/N RTP are required to **make an advance deposit of tax** in an amount equivalent to **estimated tax liability** of such person for the period for which registration is sought.

- Registration of participants of long-running exhibitions
In case of long-running exhibitions (for a period more than 180 days),
Taxable person **cannot be treated as CTP**, and thus, such person would be required to obtain reg'n as normal taxable person.

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CRUX

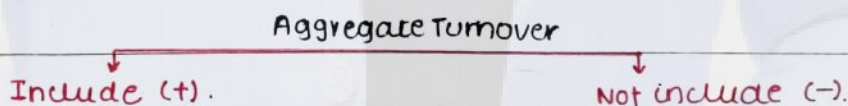


* Aggregate Turnover (A.T.)

A.T. is a crucial parameter for deciding eligibility of supplier to avail benefit of **threshold exemption** from reg'n and eligibility for **composition scheme**.

↳ (discussed earlier)

Turnover is total volume of business.



- | | |
|--|---|
| <ul style="list-style-type: none"> • value of all outward supplies <ul style="list-style-type: none"> - Taxable supplies - Exempt supplies - Export - Inter-state supplies of person having same PAN | <ul style="list-style-type: none"> • CST/SST/UTAST/IST • compensation cess • value of Inward supplier under RCM. |
| <ul style="list-style-type: none"> • Interest / Discount | |

be computed on all India basis.

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◦ CRUX (Aadhar Authentication).

App- OK +	App- OK +	App- OK	App - not OK	App - not OK
Aadhar not required.	Aadhar req. and OK.	Aadhar req. but failed.	Aadhar req. and OK.	Aadhar req. but failed.
↓	↓	↓	↓	↓
RC = 7 days	7 days	30 days	7 days from reply	30 days. from reply

* Section 25 -(Balance part)

- (2) Person having multiple POB in a state/UT, may have separate registration for each POB.
- (3) Person though not liable u/s 22/24, may get voluntarily registered.
- (4) Person has obtained /required to obtain multiple regⁿ in one/multiple state - establishment of Distinct Person.
- (5). Person has obtained /required to obtain regⁿ with respect to an establishment has another establishment in other state/UT.
- (6) PAN is mandatory for registration, TDS deductor may have TAN in order to be eligible for grant of regⁿ.

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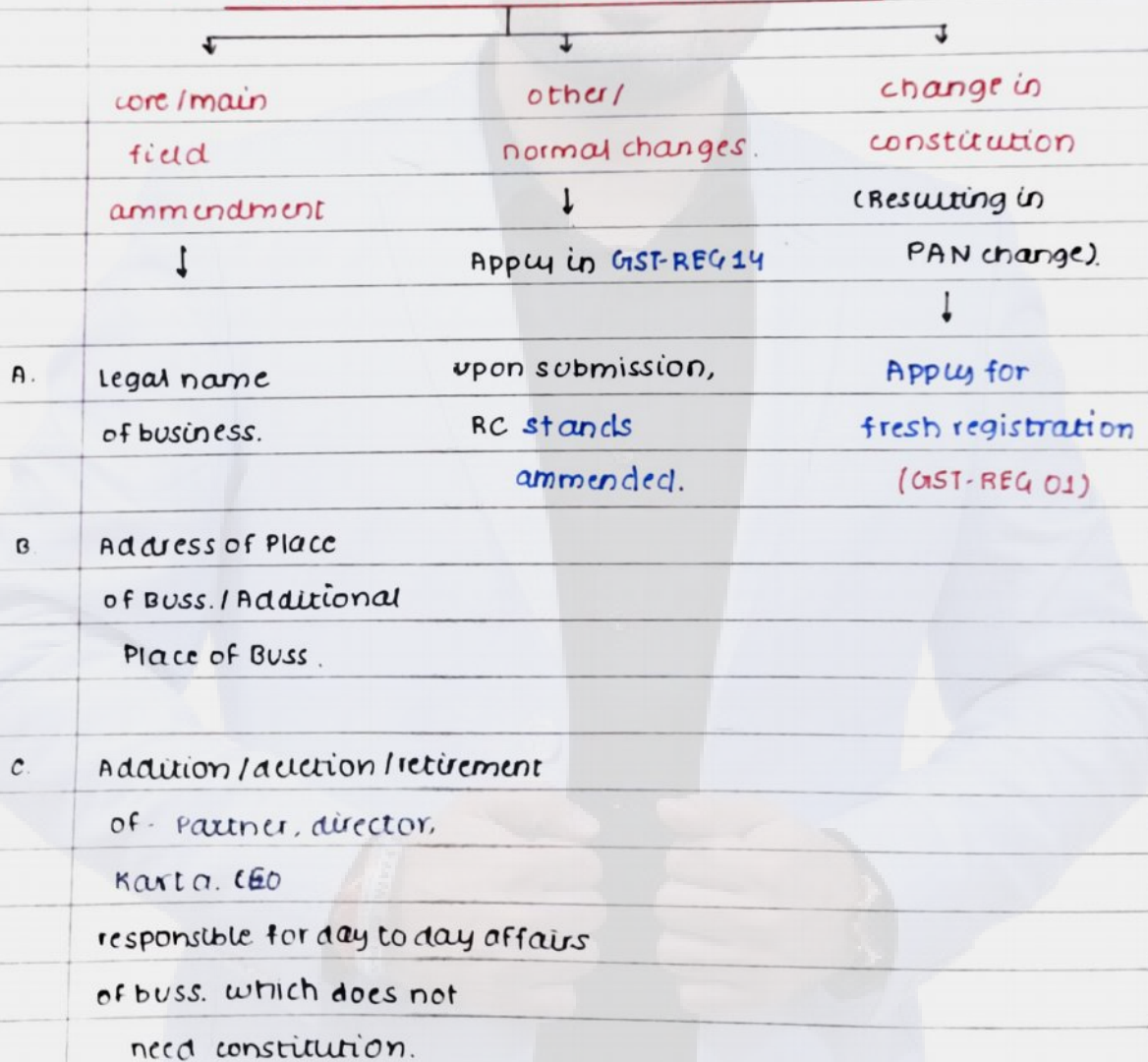
- (6A) - R.P. shall undergo authentication/ furnish proof of aadhar no. / furnish alternate and viable means of identification.
- (6B) - same as above (Individual)
- (6C) - others - all type of authorised signatory, managing and authorised partners, Karta shall undergo auth. from 1/4/20.
- (6D) * (6A) - (6B)(6C), not applicable to person notified.
- (7) NRTP- App. - REG-09 + self attested copy of passport.
- 5 days prior to commencement of buss.
- (8) Person fails to obtain regⁿ → PO may register him suo moto.
- (9) ⇒
- * Person notified under (6D) - i.e. 6B, 6C of sec 25 shall not apply to a person who is -
- Not a citizen of India, or
 - A department / establishment of GOI/SOI, or
 - A local authority, or
 - A statutory body, or
 - A PSU's, or
 - A person applying for regⁿ u/s 25(9) i.e for UIN.

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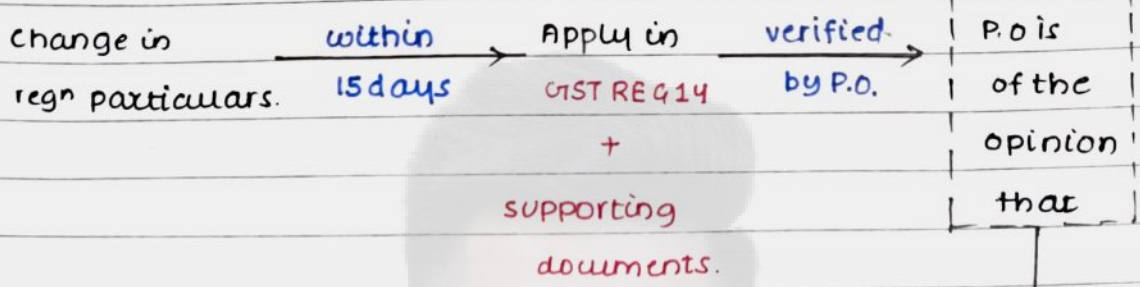
25(9)- Specialised agency of UN, foreign embassy and class of notified person shall be granted UIN for the purpose of refund.

APP form - GST REG-13 (Post verification, P.O. may assign UIN within 3 working days)

* Section 28: Amendment of Registration



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Ammendment warranted & + DOCS completed and correct.

↓
Approved ammendment within 15 days

↓
Issue ammendment order **GST-REG 15**

↓
R.P. reply (REG-04). and reply satisfactory.

↓
Approved ammendment

↓
Issue order **GST-REG-15**

Ammendment not warranted + DOCS not completed / incorrect.

↓
serve **SCN (REG-03)** within 15 days.

• To show cause within 7 days.

(why application shall not be rejected)

↓
Reply not satisfactory OR NO reply.

↓
Reject application.

and pass order **GST-REG-15**

* If no action by P.O. (Proper officer) within specified time. (15 days), RC shall stand ammended and ammended RC made available to R.P.

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Note-1 Amendment effective from date of **submission of application** except by commissioner order.

Note-2 change in mobile no./e-mail address only after verification through OTP.

Imp * Section 29: cancellation / suspension of Registration
(Rule 20 to 22 and 44).

↗ Yaha P.O. or assessee dono cancel karwa sakte hai.

Sec 29(1): P.O. may suo moto / on application by R.P. or by his legal hier, (in case of death). cancel registration where :-

- (1) Business discontinued / transferred, fully.
- (2) change in constitution. (Amalgamation, demerger).
- (3) Taxable person, no longer liable u/s 22/24, or intend to opt out of voluntary regn u/s 25(3).

↗ Yaha P.O. cancel kara sakta hai.

Sec 29(2): P.O. may cancel registration where -

- a) R.P. has contravened such provisions of act/rules:-

Rule 21 :-

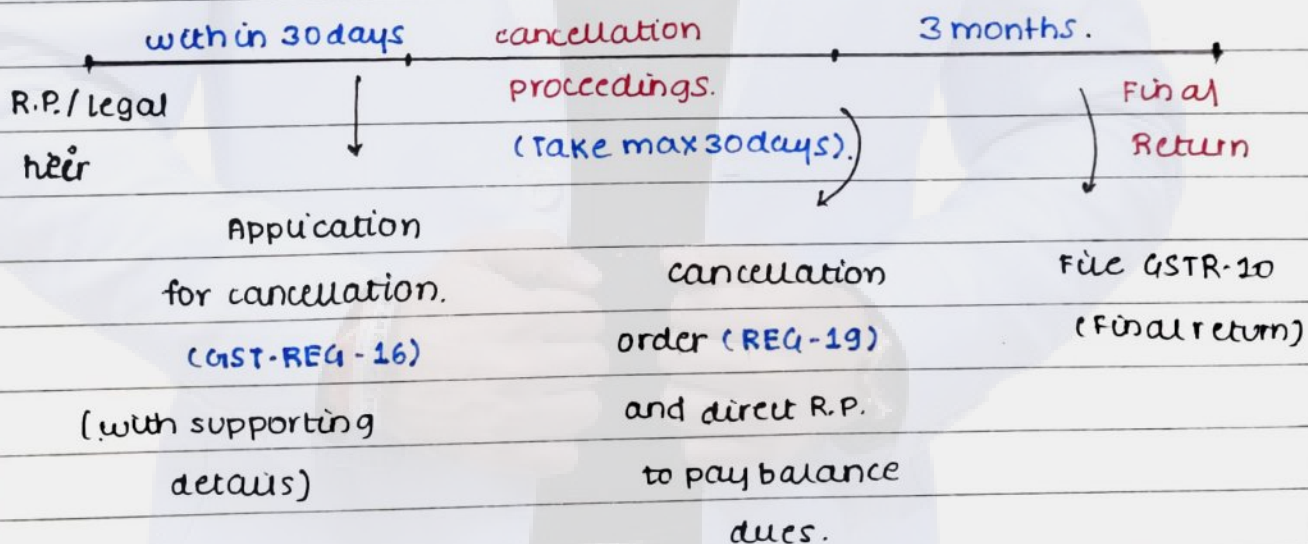
- No Business from declared POB
- Issue Invoice / BOS without supply of Goods, services or Both.
- violates provision of R-10A (Bank details)
- violates provision u/s 16 and Rules (ITC).
- Furnish incorrect details in GSTR-1
- Violate provisions of R-86B (Restriction on ITC utilisation in E-cr-ledger).

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- (b) composition taxable person - No return from more than 3 months from due date of GSTR-7
- (c) Normal Taxable person - No return for continuous 6 months.
- No return for continuous 2 quarters (if QRMP).
- (d). voluntary registration - Buss. not commenced in 6 months.
- (e). Registration obtained by fraud, wilful mistatement / suppression of fact.

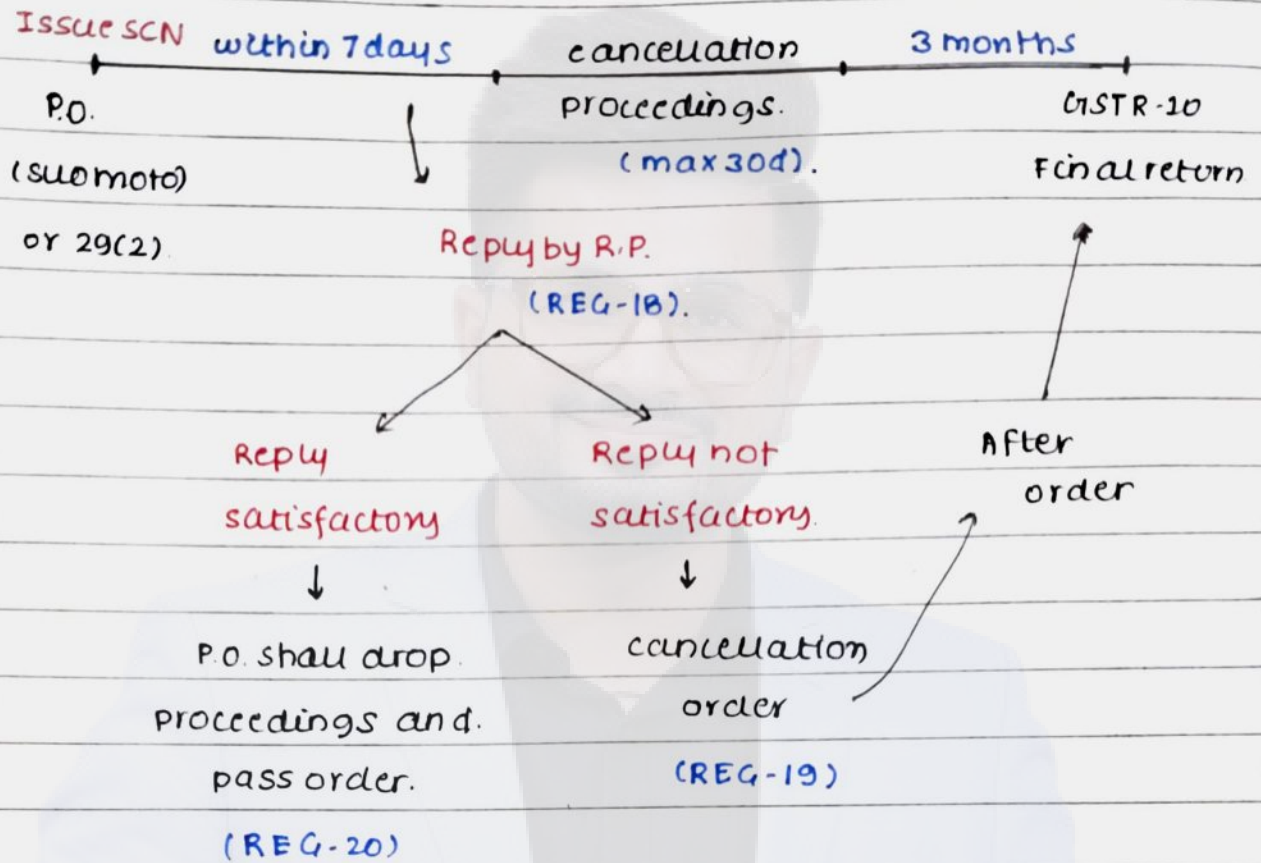
* Procedure of cancellation

Case I - cancellation by R.P.



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case 2 : cancellation by P.O.



sec 29(3) - cancellation of registration not to affect liability to pay tax and dues under this Act, for any period prior to date of cancellation whether or not determined before or after cancellation.

sec 29(4) - cancellation under suST Act, deemed cancellation under cgST Act.

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* Section 30 : Revocation of registration

(Proper officer).



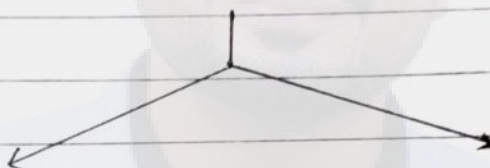
Registration cancelled by P.O. (suo moto).



Revocation application (GST-REG 21)

(within 90 days + extension)

→ 180 days.



P.O. satisfied
(TAKE max 30 days).



Revoke cancellation.



Issue order in
"REG-22"

P.O. not satisfied.



Issue SCN (REG-23).

(within 7 days)



R.P. will reply in

REG-24 within 30 days



P.O. satisfied.

P.O. not satisfied.



Reject application



order passed.

REG-05.

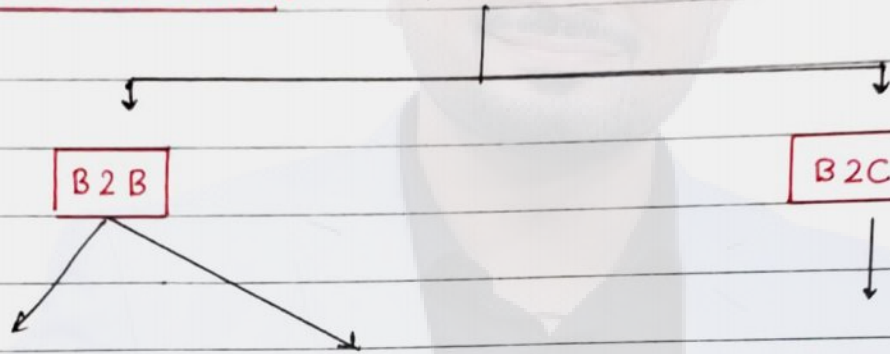


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Place of supply

(Refer Saransh BOOK)

Section 10 of IGST Act: supply of goods.



POS =

Location where goods terminate i.e. destination point

supply does not involve movement of goods. location where goods delivered. i.e. delivery point

POS = location of address of receiver mentioned in invoice

If not mentioned, location of supplier

"(Receiver jahan supply vahan, Receiver kaha, nahi pata. supplier jahan, POS vahan)" supply.

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Date

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Input tax credit (continue).* Rule 86A : Restrictions on utilisation of ITC

Commissioner/officer who is empowered to impose restrictions on utilisation of ITC available in electronic credit ledger, if he has reasons to believe that such ITC has been fraudulently availed or is ineligible:-

The restrictions can be imposed in following circumstances:-

- (i). ITC has been availed by the registered person on the basis of tax invoice / debit note / prescribed docs.
- issued by non-existent reg. person (supplier). or supplier not conducting any buss. from the place declared. , or
 - without actual receipt of goods or services or both. , or
 - in respect of any supply, the tax in respect of which has not been paid to the govt.
- (ii). person availing ITC has been found non-existent or not to be reg. conducting any buss. from registered place of buss.
- (iii). reg. person availing ITC is not in the possession of tax invoice / debit note / prescribed documents.

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- Such restriction can be imposed for a period upto 1 year from the date of imposing such restrictions.

However, commissioner/officer can withdraw such restriction if he is satisfied that conditions for imposing restrictions no longer exist.

Rule 86B : Restriction on use of amount available in E-cr. ledger

Applicability - Registered person having value of taxable supply (other than exempt supply and zero-rated supply) in a month exceeding ₹50 lakhs.

Where, value of taxable supply in a month is upto 50 lakh, the restriction would not be applicable.

Nature of restriction imposed-

R.P. to whom the said rule is applicable, amount available in electronic-credit ledger shall be utilised only to the extent of 99% of output-tax liability, while discharging such tax liability.

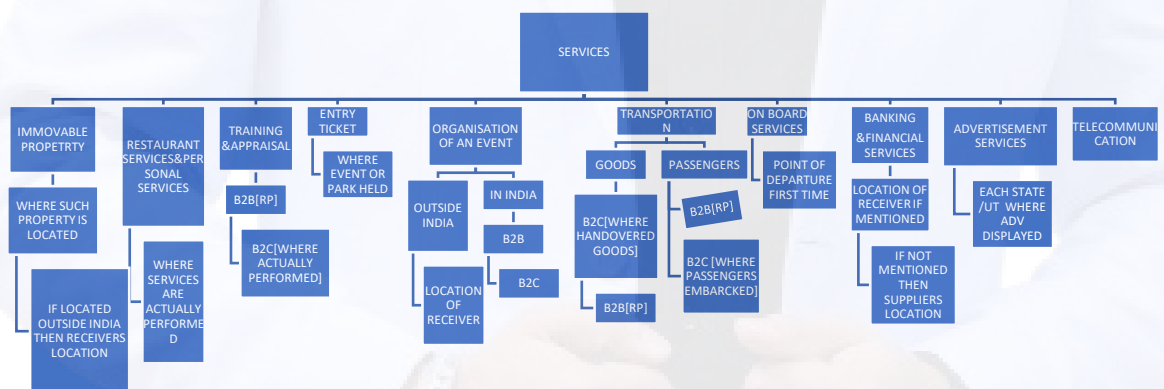
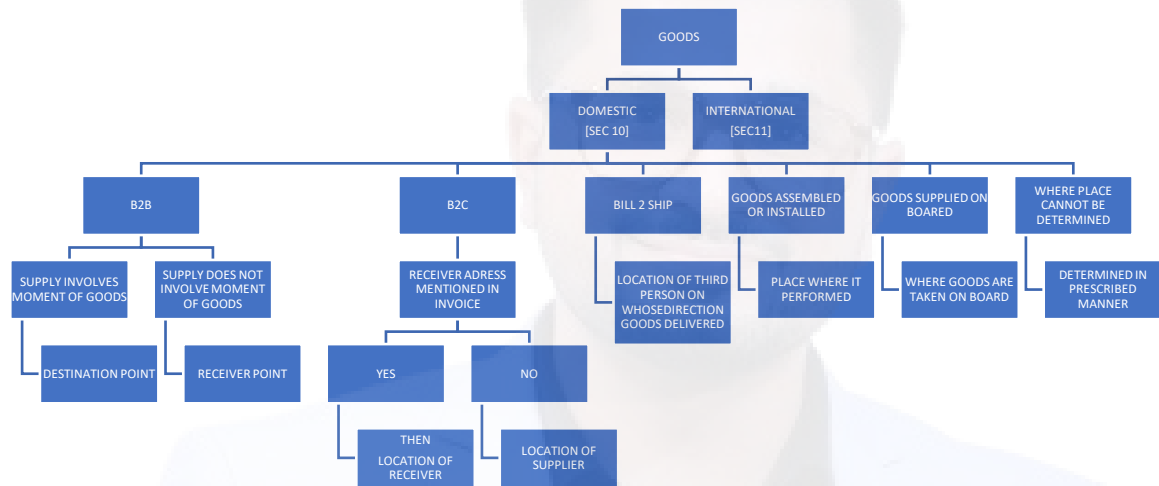
Balance 1% of output tax liab. needs to be discharged from electronic-cash ledger.

* Exceptions to Rule 86-B

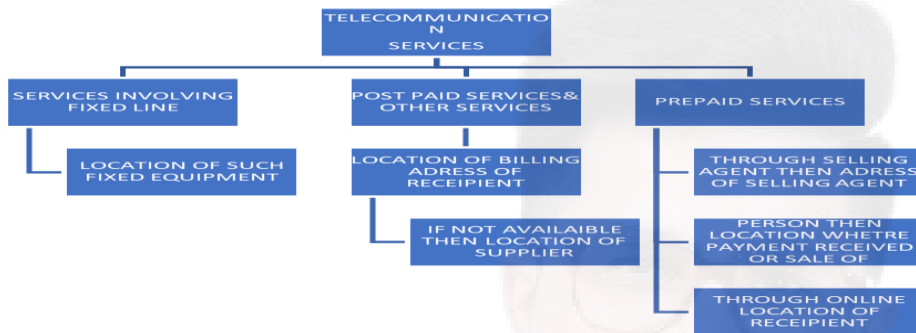
- 1). Payment of a sum more than ₹1 lakh as Income Tax in each of the last 2 FYs

- 2). Receipt of refund amount of **more than 1 LAKH** on account of **unutilised ITC** during **P.F.Y.**
- 3). Payment of output tax liability through electronic cash ledger **in excess of 1%** of total output tax liability, in current F.Y.
- 4) Specified registered persons.
- Govt. Department
 - Local authority.
 - Public sector undertaking
 - Statutory Body.
-

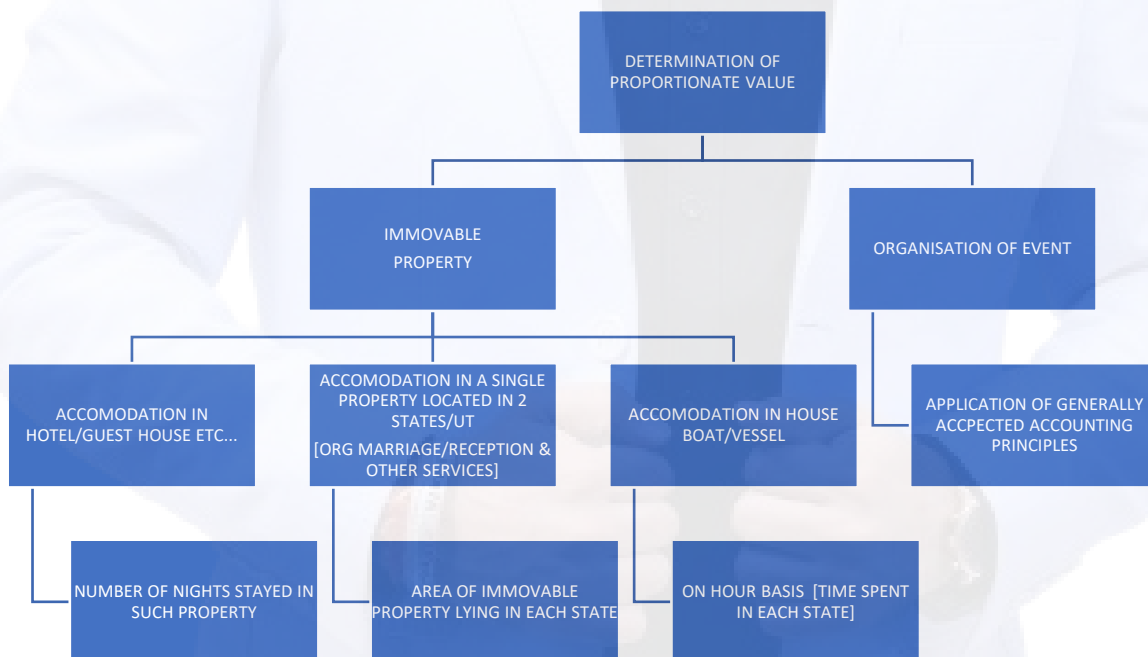
PLACE OF SUPPLY



TELECOMMUNICATION SERVICES



WHERE SUPPLIES TAKES IN MORE THAN ONE STATE THEN PLACE OF SUPPLY SHALL BE DETERMINED IN PROPORTIONATE BASIS



Such person shall furnish the details of those inward supplies of taxable goods and/or services on which refund of taxes has been claimed in **Form GSTR-11, along with application for such refund claim.**



(b) When UIN is issued for purposes other than refund of taxes paid

Such person shall furnish the details of inward supplies of taxable goods and/or services as may be required by the proper officer in **Form GSTR-11.**

8. DEFAULT/DELAY IN FURNISHING RETURN [SECTIONS 46 & 47]

(i) Notice to return defaulters [Section 46 read with rule 68]

A notice in prescribed form is issued, electronically, to a registered person who fails to furnish return under section 39 [Normal Return] or section 44 [Annual Return] or section 45 [Final Return] or section 52 [TCS Statement]. The notice requires the registered person to furnish the return within 15 days, failing which the tax liability will be assessed under section 62, based on the relevant material available with the proper officer. In addition to tax so assessed, applicable interest and penalty will also be payable.

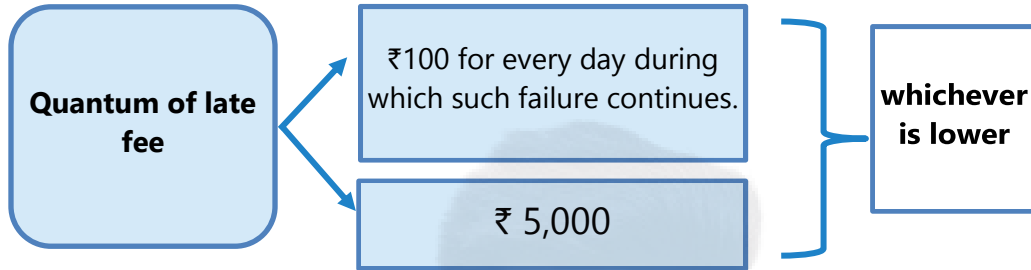


(ii) Late fees for delay in filing return [Section 47]

Late fee is applicable for delay in furnishing of return / details of outward supply as per the provision of section 47.

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

- (A)** Statement of Outward Supplies [Section 37]
- (B)** Returns (including returns under QRMP Scheme) [Section 39]
- (C)** Final Return [Section 45]
- (D)** ***TCS Statement [Section 52]***



It may be noted that the late fee payable by a registered person for delayed filing of a return and/or annual return under section 47 is with reference to only the CGST Act. An equal amount of late fee is payable by such person under the respective SGST/UTGST Act as well. Hence, the late fee amount mentioned herein pertains to both CGST as well as SGST/UTGST.

Rationalisation of late fees for delayed filing of Forms GSTR-1, GSTR-3B, GSTR-4, GSTR-7 and GSTR-9

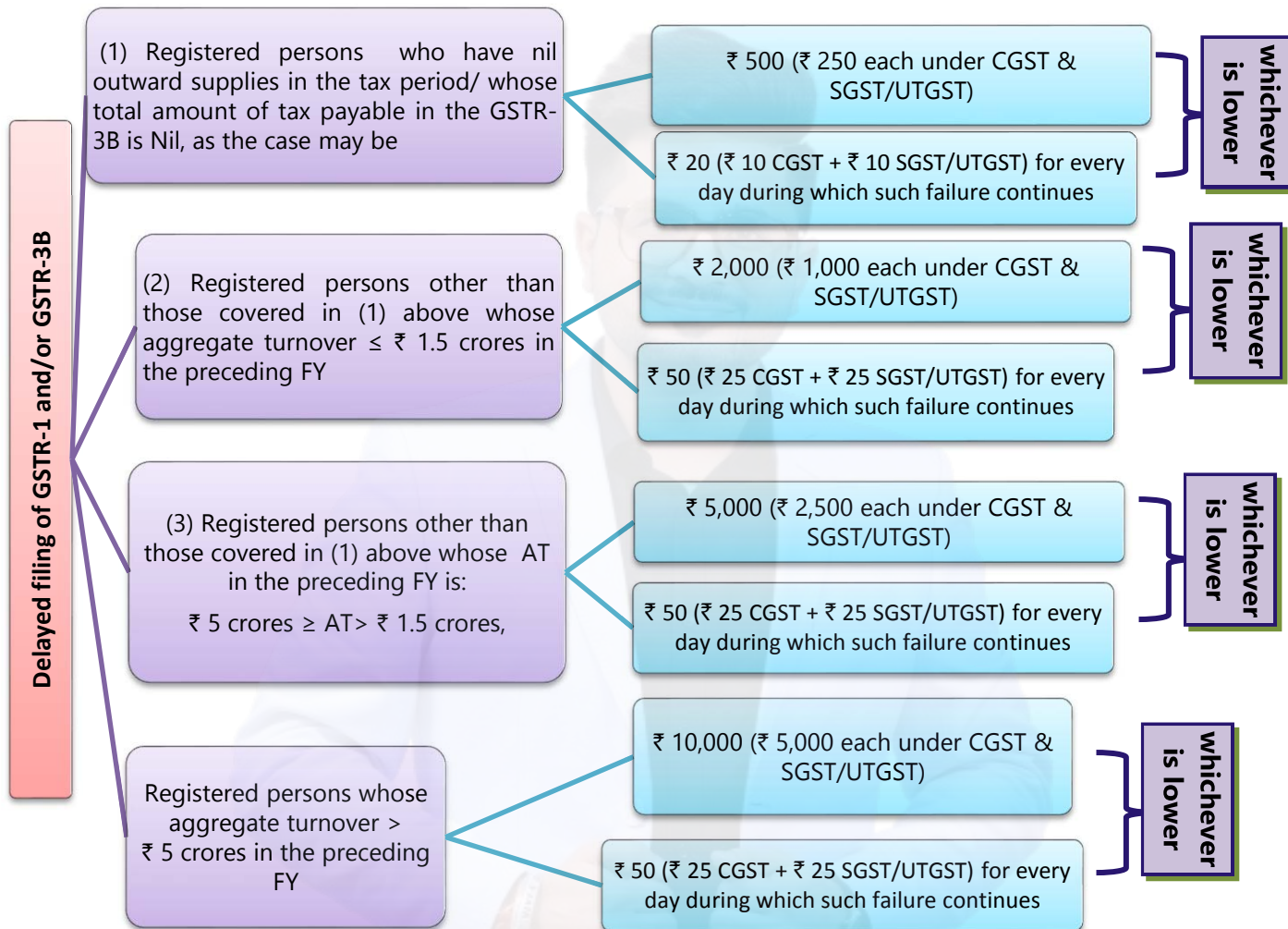
The late fee can be waived off partially or fully by the Central Government [Section 128¹⁸]. In view of this, late fees for delayed filing of Forms GSTR-1, GSTR-3B, GSTR-4, GSTR-7 and GSTR-9 have been rationalized¹⁹ as follows:

(i) For delayed filing of GSTR-1 and/or GSTR-3B:-

Amount of late fee payable under section 47 by the registered person who fail to furnish Form GSTR-1 and/or Form GSTR-3B by the due date, shall be as follows:

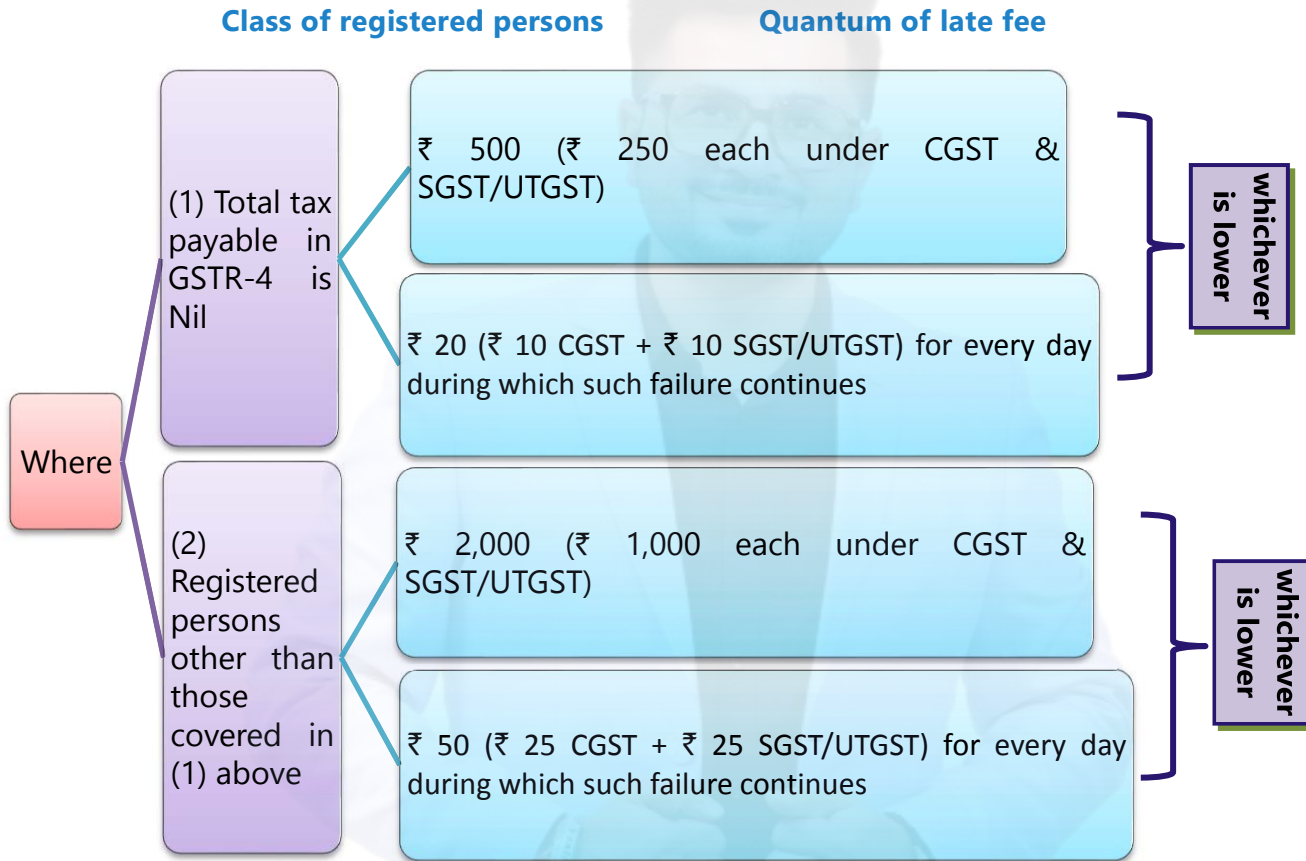
¹⁸ Section 128 has been discussed at the Final level.

¹⁹ vide Notification No. 4/2018 CT dated 23.01.2018, Notification No. 73/2017 CT dated 29.12.2017, Notification No. 76/2018 CT dated 31.12.2018, Notification Nos 19-22/2021 CT all dated 01.06.2021 and Notification No. 07/2023 CT dated 31.03.2023

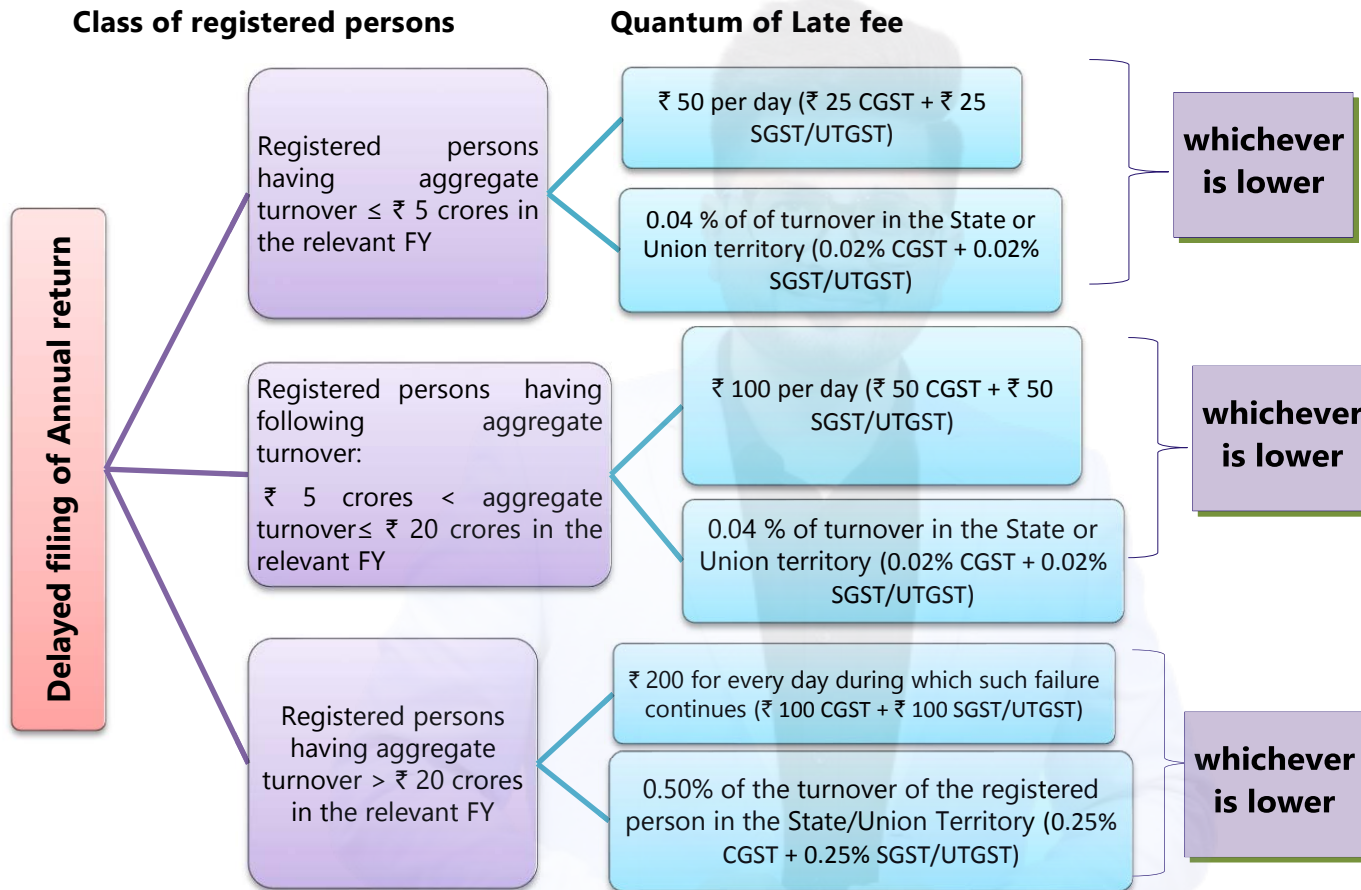


(ii) For delayed filing of GSTR-4:-

Amount of late fee payable under section 47 by a composition supplier who fails to furnish Form GSTR-4 by the due date, shall be as follows:

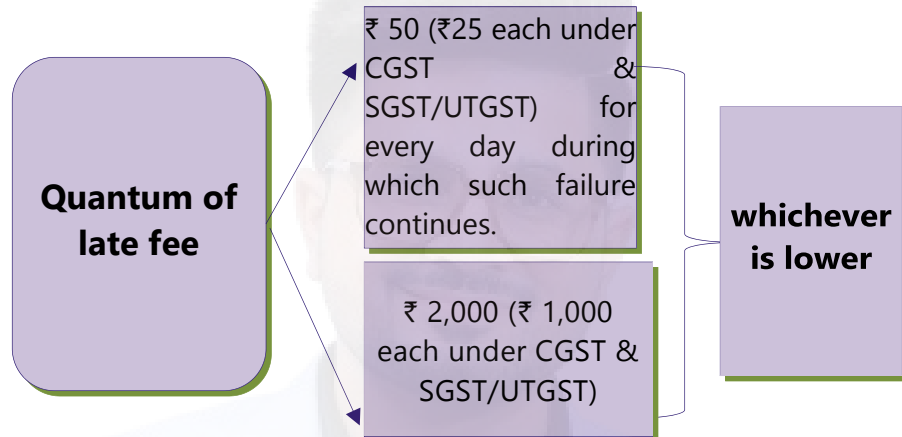


(iii) For delayed filing of GSTR-9:-



(iv) For delayed filing of GSTR-7:-

Total amount of late fee payable under section 47 by any registered person, required to deduct tax at source under the provisions of section 51 for delayed filing of GSTR-7, shall be as follows:



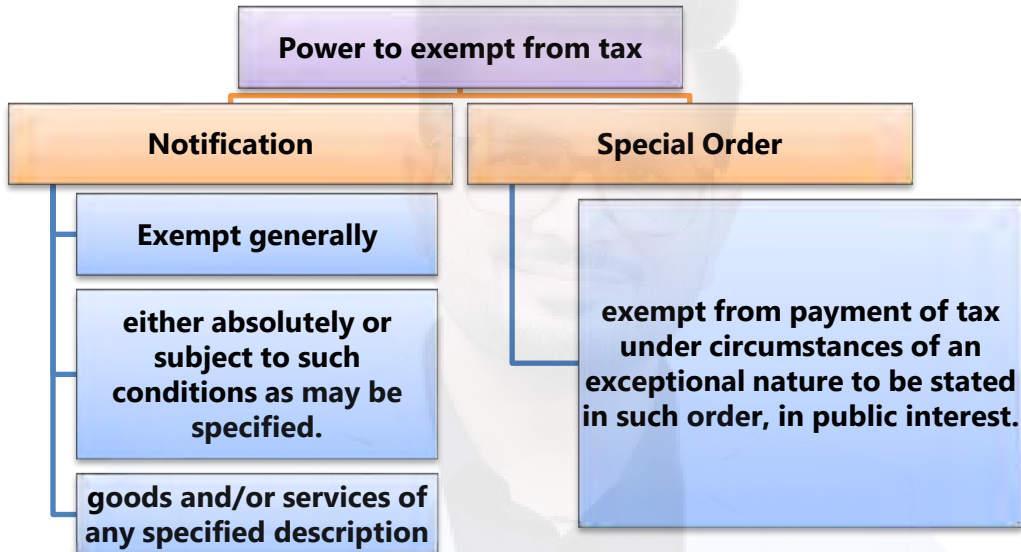
9. GOODS AND SERVICES TAX PRACTITIONERS [SECTION 48]

Section 48 provides for the authorisation of an eligible person to act as approved Goods and Services Tax Practitioner (GSTP). A registered person may authorise an approved GSTP to furnish information, on his behalf, to the Government. The manner of approval of GSTPs, their eligibility conditions, duties and obligations, manner of removal and other conditions relevant for their functioning have been prescribed in the rules 83, 83A and 84.

GSTN provides 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.

Standardized formats have been prescribed for making application for enrolment as GSTP, certificate of enrolment, show cause notice for disqualification, order of rejection of application of enrolment, list of approved GSTPs, authorisation letter and withdrawal of authorisation. A GSTP enrolled in any State or Union Territory shall be treated as enrolled in the other States/Union territories.

1. Power to exempt from tax [Section 11 of the CGST Act/ section 6 of IGST Act]



2. List of services exempt from GST

	Exempt Services
Services related to charitable and religious activities	<p>Charitable activities BY an entity registered under section 12AA/12AB of Income-tax Act.</p> <p>Services by a person by way of-</p> <p>(a) conduct of any religious ceremony;</p> <p>(b) renting of precincts of a religious place meant for general public, owned/managed by institutions/entities/trusts, registered under section 12AA/12AB/10(23C)(v) of the Income tax Act or body/authority covered under section 10(23BBA) of the said Act, except where-</p> <p>(i) charges for renting of rooms ≥ ₹ 1,000 per day;</p>

Jagran, Satsang, Religion Path etc



Further, training or coaching in all forms of arts, culture or sports is covered under this entry, namely, dance, music, painting, sculpture making, literary activities, theatre, etc. of any school, tradition or language or any of the sports.

- (ii) charges for **renting of premises**, community halls, kalyanmandapam, open area, etc. **are ≥ ₹ 10,000** per day;
- (iii) charges for **renting of shops/spaces** for business/commerce are **≥ ₹ 10,000** per month.

Services by a specified organisation [KMVN/Haj Committee] **in respect of a religious pilgrimage** [Haj and Kailash Mansarovar Yatra].

Training/coaching in

- (a) **recreational activities relating to arts/culture, by an individual or**
- (b) **sports by charitable entities registered under section 12AA or 12AB of the Income-tax Act.**

Agriculture related services

Loading, unloading, packing, storage or warehousing of rice.
Warehousing of minor forest produce.



Services by way of storage/ warehousing of cereals, pulses, fruits & vegetables.

Artificial insemination of livestock (other than horses).

Carrying out an **intermediate production process as job work** in relation to cultivation of plants & rearing of animals [except horses], for food, fibre, fuel, raw material or other similar products or agricultural produce.



Services relating to cultivation of plants & rearing of animals [except horses], for food, fibre, fuel, raw material or other similar products or agricultural produce by way of –

- (a) agricultural operations directly related to production of any agricultural produce including **cultivation, harvesting, threshing, plant protection or testing;**
- (b) supply of **farm labour;**

Threshing



Kumaon
Mandal
Vikas
Nigam



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Agriculture Machinery

- (c) processes carried out at an agricultural farm including tending, pruning, etc. and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market;
- (d) renting or leasing of agro machinery or vacant land with/without a structure incidental to its use;
- (e) loading, unloading, packing, storage or warehousing of agricultural produce;
- (f) agricultural extension services;
- (g) services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale/purchase of agricultural produce.

Education services

Services provided BY an educational institution (EI):

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

Common For All

Services provided TO an EI, by way of,-

- (i) transportation of students, faculty and staff;
- (ii) catering, including any mid-day meals scheme sponsored by the Central Government (CG), State Government (SG) or Union Territory (UT);
- (iii) security/cleaning/housekeeping services performed in such EI;

These exemptions are only applicable to an institution providing services by way of pre-school education & education up to higher secondary school or equivalent.

UP to 12th Education

- (iv) services relating to admission to, or conduct of examination by, such EI;

- (v) supply of online educational journals or periodicals. This exemption is only applicable to an institution providing services by way of education as part of a

Colleges ONLY

#. आगमन वार्ड
Exempt
• UP Board, CBSE Board.

G 32

	<p>curriculum for obtaining qualification recognised by any law for time being in force.</p>
<p>Health care services</p>	<ul style="list-style-type: none"> • Health care services BY a clinical establishment/ authorized medical practitioner/ para-medics <i>However, nothing in this entry shall apply to the services provided by a clinical establishment by way of providing room [other than Intensive Care Unit (ICU)/Critical Care Unit (CCU)/Intensive Cardiac Care Unit (ICCU)/Neo natal Intensive Care Unit (NICU)] having room charges exceeding ₹ 5000 per day to a person receiving health care services.</i> • Transportation of a patient in an ambulance BY any person other than specified above. <p>Service BY a veterinary clinic in relation to Health care of animals/birds</p>
<p>Services provided by Government</p>	<p>Services by Governmental Authority (GA) by way of any activity in relation to any function entrusted to a Municipality /Panchayat under article 243W/ 243G of Constitution</p> <p>Services by the CG/SG/UT/Local Authority (LA) excluding following services—</p> <ul style="list-style-type: none"> (a) services by Department of Posts; (b) services in relation to an aircraft/a vessel, inside/outside precincts of a port/airport; (c) transport of goods/passengers; or (d) any service, other than 'specified services' above, provided to business entities. <p><i>Services by the Department of Posts by way of post card, inland letter, book post and ordinary post (envelopes weighing less than 10 grams).</i></p> <p>Services provided by CG/SG/UT/LA to a business entity (BE)</p>

(a) to (c) hereinafter referred as 'specified services'

with an aggregate turnover of up to such amount in the preceding FY as makes it eligible for exemption from registration under the CGST Act, 2017. This exemption is not applicable to **specified services** and **renting of immovable property service**.

Services provided by CG/SG/UT/LA **to another** CG/SG/UT/LA. This exemption is not applicable to **specified services**.

Services provided by CG/SG/UT/LA **where consideration for such services does not exceed ₹ 5,000**. This exemption is not applicable to **specified services****.

In case of **continuous supply of service*, the exemption shall apply only where the consideration charged for such service does not exceed **₹ 5,000 in a FY**.

Supply of service by a Government Entity (GE) to CG/SG/UT/LA/any person specified by CG/SG/UT/LA against consideration received from CG/SG/UT/LA, in the form of grants.

Services by an old age home run by CG/SG/an entity registered under section 12AA/12AB of Income-tax Act to its residents (aged ≥ 60 years) against consideration upto ₹ 25,000 per month per member, provided that the consideration charged is inclusive of charges for boarding, lodging and maintenance.

Services supplied by CG/SG/UT to their undertakings or PSUs by way of guaranteeing the loans taken by such undertakings or PSUs from the banking companies and financial institutions.

Services provided by CG/SG/UT/LA by way of-

- (a) registration required under any law for the time being in force;
- (b) testing, calibration, safety check or certification relating to protection or safety of workers, consumers or public at large, including fire license, required under any law for the time being in force.



	<p>Services provided by CG/SG/UT/LA by way of issuance of passport, visa, driving license, birth certificate or death certificate.</p>
<p>Forestry riches, sound river systems, minerals, oil, a favorable climate, and other natural resources all contribute to the quality of the land. Agriculture is essential for providing food</p>	<p>Services provided by CG/SG/UT/LA by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable to CG/SG/UT/LA under such contract.</p>
	<p>Services provided by CG/SG/UT/LA by way of assignment of right to use natural resources to an individual farmer for cultivation of plants & rearing of all life forms of animals [except horses], for food, fibre, fuel, raw material or other similar products.</p>
<p>X</p>	<p>Services provided by CG/SG/UT by way of deputing officers after office hours or on holidays for inspection or container stuffing or such other duties in relation to import export cargo on payment of Merchant Overtime charges.</p>
<p>X</p>	<p>Services supplied by a SG to Excess Royalty Collection Contractor (ERCC) by way of assigning the right to collect royalty on behalf of SG on the mineral dispatched by the mining lease holders subject to specified conditions.</p>
<p>X</p>	<p>Services provided by rehabilitation professionals recognised under the RCI Act, 1992 by way of rehabilitation, therapy or counselling and such other activity as covered by the said Act at medical establishments, educational institutions, rehabilitation centers established by CG/SG/UT/an entity registered under section 12AA/12AB of the Income-tax Act, 1961.</p>
<p>Construction services</p>	<p>Pure labour contracts of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works pertaining to the beneficiary-led individual house construction or enhancement under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana.</p>

EXEMPTIONS FROM GST

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<p style="text-align: center; font-size: 2em; color: green;">X</p>	<p>Services supplied by Electricity Distribution Utilities by way of construction, erection, commissioning, or installation of infrastructure for extending electricity distribution network upto the tube well of the farmer/agriculturalist for agricultural use.</p>
	<p>Pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex.</p>
	<p>Supply of TDR, FSI, long term lease (premium) of land by a landowner to a developer are exempted subject to the condition that the constructed flats are sold before issuance of completion certificate and tax is paid on them.</p> <p>Exemption of TDR, FSI, long term lease (premium) shall be withdrawn in case of flats sold after issue of completion certificate, but such withdrawal shall be limited to 1% of value in case of affordable houses and 5% of value in case of other than affordable houses.</p>
<p>Services of transport of passengers (with/ without accompanied belongings)</p>	<p>Such services provided by –</p> <ul style="list-style-type: none"> (a) air in economy class, embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located in West Bengal; (b) non-air conditioned contract carriage other than radio taxi, for transportation of passengers, excluding tourism, conducted tour, charter or hire; or (c) stage carriage other than air- conditioned stage carriage. <p>However, nothing contained in items (b) and (c) above shall apply to services supplied through an ECO, and notified under section 9(5) of the CGST Act.</p> <p style="text-align: center; font-size: 2em; color: green;">X</p> <p>Such services provided to CG by air, embarking from or terminating at a Regional Connectivity Scheme (RCS) airport, against consideration in the form of viability gap funding. This</p>

	<p>exemption shall apply only till expiry of a period of 3 years from date of commencement of operations of the RCS airport as notified by the Ministry of Civil Aviation.</p> <p>Such services provided by—</p> <ol style="list-style-type: none"> (a) railways in a class other than first class/an air-conditioned coach; (b) metro, monorail or tramway; (c) inland waterways; (d) public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and (e) metered cabs or auto rickshaws (including e-rickshaws). <p>However, nothing contained in item (e) above shall apply to services supplied through an ECO, and notified under section 9(5) of the CGST Act.</p>
Goods transportation services	<p>Services by way of transportation of goods-</p> <ol style="list-style-type: none"> (a) by road except the services of— <ol style="list-style-type: none"> (i) a goods transportation agency (GTA); (ii) a courier agency; (b) by inland waterways. <p>Exempt transportation of goods by rail/ vessel/ by GTA in a goods carriage</p> <ul style="list-style-type: none"> • Agricultural produce • milk, salt and food grain including flours, pulses and rice • organic manure • newspaper or magazines registered with the Registrar of Newspapers • Defence/ military equipments • relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap <p>Services provided by a GTA to an unregistered person, including an unregistered casual taxable person, except following recipients, namely: -</p>

	<ul style="list-style-type: none"> (a) a factory registered under Factories Act, (b) society registered under Societies Act, (c) Co-operative society, (d) body corporate and (e) partnership firm including AOP; (f) registered casual taxable person.
	<p>Services provided by a GTA, by way of transport of goods in a goods carriage, to, -</p> <ul style="list-style-type: none"> (a) a Department or Establishment of the CG/SG/UT; or (b) local authority; or (c) Governmental agencies, which has taken registration only for the purpose of deducting tax under section 51 and not for making a taxable supply of goods or services.
Banking and financial	<p>Services by way of—</p> <ul style="list-style-type: none"> (a) extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services); (b) inter se sale or purchase of foreign currency amongst banks or authorised dealers of foreign exchange or amongst banks and such dealers. <p>Services provided by a banking company to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY).</p> <p>X Services by an acquiring bank, to any person in relation to settlement of an amount upto ₹ 2,000 in a single transaction transacted through credit card, debit card, charge card or other payment card service.</p> <p>X Services by an intermediary of financial services located in a multi services SEZ with International Financial Services Centre (IFSC) status to a customer located outside India for international financial services in currencies other than Indian rupees.</p>

<p>Services of Life insurance business</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	<p>Such services by way of annuity under the National Pension System by Pension Fund Regulatory and Development Authority of India (PFRDA) under PFRDA Act, 2013.</p> <p>Such services by the Army, Naval and Air Force Group Insurance Funds to members of the Army, Navy and Air Force, respectively, under the Group Insurance Schemes of CG.</p> <p>Services of life insurance provided/agreed to be provided by the Central Armed Police Forces (under Ministry of Home Affairs) Group Insurance Funds to their members under the Group Insurance Schemes of the concerned Central Armed Police Force.</p> <p>Such services by the Naval Group Insurance Fund to the personnel of Coast Guard under the Group Insurance Schemes of CG.</p> <p>Such services under following schemes-</p> <p>(a) Janashree Bima Yojana; (A)</p> <p>(b) Aam Aadmi Bima Yojana;</p> <p>(c) Life micro-insurance product** as approved by the Insurance Regulatory and Development Authority (IRDA), having maximum amount of cover of ₹ 2,00,000;</p> <p>(d) Varishtha Pension BimaYojana;</p> <p>(e) Pradhan Mantri Jeevan Jyoti BimaYojana;</p> <p>(f) Pradhan Mantri Jan DhanYogana;</p> <p>(g) Pradhan Mantri Vaya Vandana Yojana.</p>
<p>General insurance business</p> <p>X</p>	<p>Such services under following schemes –</p> <p>(a) Hut Insurance Scheme;</p> <p>(b) Cattle Insurance under Swarnajayanti Gram Swarozgar Yojna⁷⁰;</p> <p>(c) Scheme for Insurance of Tribals;</p>

<p style="text-align: center; color: green; font-size: 2em;">X</p>	<ul style="list-style-type: none"> (d) Janata Personal Accident Policy and Gramin Accident Policy; (e) Group Personal Accident Policy for Self-Employed Women; (f) Agricultural Pumpset and Failed Well Insurance; (g) premia collected on export credit insurance; (h) Restructured Weather Based Crop Insurance Scheme (RWCIS), approved by the Government of India and implemented by the Ministry of Agriculture; (i) Jan Arogya Bima Policy; (j) Pradhan Mantri Fasal Bima Yojana (PMFBY); (k) Pilot Scheme on Seed Crop Insurance; (l) Central Sector Scheme on Cattle Insurance; (m) Universal Health Insurance Scheme; (n) Rashtriya Swasthya Bima Yojana; (o) Coconut Palm Insurance Scheme; (p) Pradhan Mantri Suraksha BimaYojna; (q) Niramaya Health Insurance Scheme implemented by the Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999. (r) Bangla Shasya Bima.
	<p style="background-color: #e0f0ff; padding: 5px;">Services provided to CG/SG/UT under any insurance scheme for which total premium is paid by CG/SG/UT.</p> <p style="text-align: right; color: green; font-weight: bold; font-size: 1.2em;">(C)</p> <p>Services by way of reinsurance of the insurance schemes specified in (A) or (B) or (C) above.</p>
<p>Services provided by specified bodies</p> <p style="text-align: center; color: green; font-size: 2em;">X</p>	<p>Services by the Employees' State Insurance (ESI) Corporation to persons governed under the ESI Act, 1948.</p> <p>Services provided by the EPFO to the persons governed under the Employees Provident Funds (EPF) & Miscellaneous Provisions Act, 1952.</p>

X	<p>Services by CMPFO to persons governed by Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948.</p>
	<p>Services by NPS Trust to its members against consideration in the form of administrative fee.</p>
<p>Pension schemes</p>	<p>Services by way of collection of contribution under:</p> <ul style="list-style-type: none"> • Atal Pension Yojana • any pension scheme of SG
<p>Business facilitator/correspondent</p> <p style="text-align: center;">X</p>	<p>Services by the following persons in respective capacities –</p> <ol style="list-style-type: none"> (a) business facilitator/business correspondent to a Banking Co. with respect to accounts in its rural area branch; (b) any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in entry (a); or (c) business facilitator/business correspondent to an insurance company in rural area.
<p>Services provided to Government</p> <p style="text-align: center;">X</p> <p style="text-align: center;">X</p> <p style="text-align: center;">X</p>	<p>Following services provided to the CG/SG/UT/LA/GA/GE by way of any activity in relation to any function entrusted to a Panchayat/Municipality under articles 243G/243W of the Constitution:</p> <ul style="list-style-type: none"> • Pure services • Composite supply of goods and services in which the value of supply of goods constitutes not more than 25% of the value of the said composite supply. <p>Service provided by Fair Price Shops to CG/SG/UT by way of sale of food grains, kerosene, sugar, edible oil, etc. under Public Distribution System (PDS) against commission/margin.</p> <p>Services provided to CG/SG/UT under any insurance scheme for which total premium is paid by CG/SG/UT.</p> <p>Services provided to CG/SG/UT administration under any training programme for which 75% or more of the total expenditure is borne by CG/SG/UT administration.</p>

<p>Leasing services</p> <p>X</p>	<p>Upfront amount payable in respect of service by way of granting of long term lease of 30 years, or more of industrial plots/plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations or Undertakings or by any other entity having 20% or more ownership of CGS/SG/UT to the industrial units/developers in any industrial/financial business area subject to specified conditions.</p>							
<p>Legal services</p>	<table border="1"> <thead> <tr> <th data-bbox="419 552 835 614">Service provided by</th> </tr> </thead> <tbody> <tr> <td data-bbox="419 624 835 1014"> <ul style="list-style-type: none"> Arbitral tribunal Partnership firm of advocates or an individual as an advocate other than a senior advocate by way of legal services Senior advocate by way of legal services </td> </tr> </tbody> </table>	Service provided by	<ul style="list-style-type: none"> Arbitral tribunal Partnership firm of advocates or an individual as an advocate other than a senior advocate by way of legal services Senior advocate by way of legal services 	<table border="1"> <thead> <tr> <th data-bbox="842 552 1265 614">To</th> </tr> </thead> <tbody> <tr> <td data-bbox="842 624 1265 685">any person other than BE</td> </tr> <tr> <td data-bbox="842 695 1265 946">BE with an aggregate turnover up to such amount in the preceding FY as makes it eligible for exemption from registration under the CGST Act</td> </tr> <tr> <td data-bbox="842 956 1265 1014">CG/SG/UT/LA/GA/GE</td> </tr> </tbody> </table>	To	any person other than BE	BE with an aggregate turnover up to such amount in the preceding FY as makes it eligible for exemption from registration under the CGST Act	CG/SG/UT/LA/GA/GE
Service provided by								
<ul style="list-style-type: none"> Arbitral tribunal Partnership firm of advocates or an individual as an advocate other than a senior advocate by way of legal services Senior advocate by way of legal services 								
To								
any person other than BE								
BE with an aggregate turnover up to such amount in the preceding FY as makes it eligible for exemption from registration under the CGST Act								
CG/SG/UT/LA/GA/GE								
<p>Legal services provided by a partnership firm of advocates/ individual as an advocate other than a senior advocate to another advocate/ partnership firm of advocates providing legal services</p>								
<p>Sponsorship of sports events</p>	<p>Sponsorship of sporting events organised -</p> <p>(a) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, State, zone or Country;</p> <p>(b) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat;</p> <p>(c) by the Central Civil Services Cultural and Sports Board;</p> <p>(d) as part of national games, by the Indian Olympic Association; or</p>							

	(e) under the Panchayat Yuva Kreedha Aur Khel Abhiyaan Scheme.
Skill Development services	<p>Services provided by, _</p> <p>(a) National Skill Development Corporation (NSDC) set up by Gol;</p> <p>(b) Sector Skill Council (SSC) approved by NSDC;</p> <p>(c) assessment agency approved by SSC/NSDC</p> <p>(d) a training partner approved by SSC/NSDC</p> <p>in relation to-</p> <p>(i) the National Skill Development Programme implemented by NSDC; or</p> <p>(ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or</p> <p>(iii) any other Scheme implemented by NSDC.</p>
X	Services of assessing bodies empanelled centrally by DGT, Ministry of Skill Development and Entrepreneurship by way of assessments under the SDI Scheme.
✓	Services provided by training providers (Project implementation agencies) under DDUGKY implemented by Ministry of Rural Development, Gol by way of offering skill or vocational training courses certified by the National Council for Vocational Training (NCVT).
Performance by an artist	Services by an artist by way of a performance in folk or classical art forms of music/ dance/ theatre, if the consideration charged for such performance is not more than ₹ 1,50,000. This exemption shall not apply to service provided by such artists as a brand ambassador.
Right to admission to various events	<p>Services by way of admission to:</p> <p>(i) museum, national park, wildlife sanctuary, tiger reserve or zoo</p>

	<p>(ii) protected monument declared under the Ancient Monuments and Archaeological Sites & Remains Act 1958/any of the State Acts, for the time being in force.</p> <p>(iii) following events/places where the consideration for right to admission is not more than ₹ 500 per person:</p> <p>(a) circus, dance, or theatrical performance including drama or ballet;</p> <p>(b) award function, concert, pageant, musical performance or any sporting event other than a recognised sporting event;</p> <p>(c) recognised sporting event;</p> <p>(d) planetarium.</p>
<p>Services by an unincorporated body or a non-profit entity registered under any law for the time being in force</p>	<p>Services by unincorporated body/ non-profit entity to its own members as reimbursement/share of contribution:</p> <p>(i) As a trade union</p> <p>(ii) for providing exempt activity</p> <p>(iii) up to an amount of ₹ 7,500 per month per member for sourcing of goods/services from a third person for the common use of its members in a housing society/residential complex</p> <p>Services provided by such entity/body engaged in-</p> <p>(i) activities relating to the welfare of industrial/agricultural labour or farmers; or</p> <p>(ii) promotion of trade, commerce, industry, agriculture, art, science, literature, culture, sports, education, social welfare, charitable activities and protection of environment,</p> <p>to its own members against membership fee upto ₹ 1000/- per member per year.</p>
<p>Other exempt services</p>	<p>Transfer of a going concern, as a whole or an independent part thereof.</p> <p>Services associated with transit cargo to Nepal and Bhutan (landlocked countries).</p>

Services by way of renting of residential dwelling for use as residence **except where the residential dwelling is rented to a registered person.**

Explanation — For the purpose of exemption under this entry, this entry shall cover services by way of renting of residential dwelling to a registered person where, –

- (i) the registered person is proprietor of a proprietorship concern and rents the residential dwelling in his personal capacity for use as his own residence; and**
- (ii) such renting is on his own account and not that of the proprietorship concern.**

X Services by way of transportation of goods by an aircraft from a place outside India upto the customs station of clearance in India.

X Services by way of transportation of goods by an aircraft from customs station of clearance in India to a place outside India. This exemption is available till 30.09.2022.

X Services by way of transportation of goods by a vessel from customs station of clearance in India to a place outside India. This exemption is available till 30.09.2022.

Services by way of giving on hire –

- (a) to a state transport undertaking (STU), a motor vehicle meant to carry more than 12 passengers;
- (aa) to a local authority, an Electrically operated vehicle (EOV) meant to carry more than 12 passengers; or
- (b) to a GTA, a means of transportation of goods.
- (c) motor vehicle for transport of students, faculty and staff, to a person providing services of transportation of students, faculty and staff to an educational institution providing services by way of pre-school education and education upto higher secondary school or equivalent.

	Service by way of access to a road or a bridge on payment of toll charges.
	Transmission/distribution of electricity by an electricity transmission/ distribution utility.
X	Services provided by an incubatee up to a total turnover of ₹ 50 lakh in a FY provided:- (a) total turnover had not exceeded ₹ 50 lakh during the preceding FY; and (b) a period of 3 years has not elapsed from the date of entering into an agreement as an incubatee.
X	Taxable services, provided or to be provided, by a Technology Business Incubator/ Science and Technology Entrepreneurship Par (TBI/STEP) recognised by NSTEDB or bio- incubators recognised by BIRAC.
	Services by way of collecting or providing news by an independent journalist, PTI or United News of India.
	Services of public libraries by way of lending of books, publications or any other knowledge-enhancing content or material.
	Services by an organiser to any person in respect of a business exhibition held outside India.
	<i>Tour operator service, which is performed partly in India and partly outside India, supplied by a tour operator to a foreign tourist, to the extent of the value of the tour operator service which is performed outside India. However, value of the tour operator service performed outside India shall be such proportion of the total consideration charged for the entire tour which is equal to the proportion which the number of days for which the tour is performed outside India has to the total number of days comprising the tour, or 50% of the total consideration charged for the entire tour, whichever is less.</i>

Further, in making the above calculations, any duration of time equal to or exceeding 12 hours shall be considered as one full day and any duration of time less than 12 hours shall be taken as half a day.

Services by way of **pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling** of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables.

Services provided by the **National Centre for Cold Chain Development** under the Ministry of Agriculture, Cooperation and Farmer's Welfare by way of **cold chain knowledge dissemination**.

Services by a **foreign diplomatic mission** located in India.

Services by way of granting National Permit to a goods carriage to operate through-out India/ contiguous States

Services by way of **providing information under the RTI Act.**

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

- an **individual as a player, referee, umpire, coach or team manager** for participation in a sporting event organised by a RSB;
- another RSB.**

Services by way of **public conveniences** such as provision of facilities **of bathroom, washrooms, lavatories, urinal or toilets.**

Above services have been exempted from both CGST and IGST. Apart from these services, list of services exempt from IGST also include following services:

Services received from a provider of service located in a non-taxable territory by –

- CG/SG/UT/LA/GA/ an individual **in relation to any purpose other than commerce, industry or any other business or profession;**
- an entity registered under section 12AA/12AB of the Income-tax Act, 1961 for the purposes of providing charitable activities; or

Tour operator service, which is performed partly in India and partly outside India, supplied by a tour operator to a foreign tourist, to the extent of the value of the tour operator service which is performed outside India. However, value of the tour operator service performed outside India shall be such proportion of the total consideration charged for the entire tour which is equal to the proportion which the number of days for which the tour is performed outside India has to the total number of days comprising the tour, or 50% of the total consideration charged for the entire tour, whichever is less.

- (ba) way of supply of online educational journals or periodicals to an educational institution other than an institution providing services by way of-
 - (i) pre-school education and education up to higher secondary school or equivalent; or
 - (ii) education as a part of an approved vocational education course;
 - (c) a person located in a non-taxable territory.
- However, the exemption shall not apply to –
- (i) OIDAR services received by persons specified in entry (a) or entry (b); or
 - (ii) services by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India received by persons specified in the entry.

Services received by the RBI, from outside India in relation to management of foreign exchange reserves.

Services provided by a tour operator to a foreign tourist in relation to a tour conducted wholly outside India.

Services supplied by an establishment of a person in India to any establishment of that person outside India, which are treated as establishments of distinct persons provided the place of supply of the service is outside India.

X Import of services by UN or a specified international organisation for official use of UN or the specified international organisation.

X Import of services by Foreign diplomatic mission or consular post in India, or diplomatic agents or career consular officers posted therein subject to specified conditions.

X Services provided by an intermediary when location of both supplier and recipient of goods is outside the taxable territory subject to specified conditions.



TEST YOUR KNOWLEDGE

1. ✓ Examine whether the following independent intra-State services are exempt from GST:

(a) Legal services provided by BMC & Partners, Delhi, a partnership firm of advocates, to Vastukaar Enterprises, Delhi, providing architect services (with preceding financial year's aggregate turnover as ₹21 lakh).

ENE

(b) Minimum balance charges collected by Dhanvarsha Bank from current account and saving account holders.

ENE.

2. Shiva Medical Centre, a Multi-speciality hospital, is a registered supplier in Mumbai. It hires senior doctors and consultants independently, without entering into any employer-employee agreement with them. These doctors and consultants provide consultancy to the in-patients (patients who are admitted to the hospital for treatment) without there being any contract with such patients. In return, they are paid the consultancy charges by Shiva Medical Centre.

However, the money actually charged by Shiva Medical Centre from the in-patients is higher than the consultancy charges paid to the hired doctors and consultants. The difference amount retained by the hospital, i.e. retention money, includes charges for providing ancillary services like nursing care, infrastructure facilities, paramedic care, emergency services, checking of temperature, weight, blood pressure, etc.

The Department took a stand that senior doctors and consultants are providing services to Shiva Medical Centre and not to the patients. Hence, their services are not the health care services and must be subject to GST. Further, GST is applicable on the retention money kept by Shiva Medical Centre.

You are required to examine whether the stand taken by the Department is correct.

3. ✓ Vedanta Hospital, Gurgaon has its own restaurant in the basement of hospital premises - Annapurna Bhawan - which supplies food to its in-patients (patients admitted in the hospital) as per the advice of the doctor/nutritionist. Annapurna Bhawan also supplies food to other patients (who are not admitted) or their

attendants or visitors. The food is prepared by the employees of the hospital and nothing is outsourced to any third-party vendors. Vedanta Hospital is of the view that all services provided by a clinical establishment are exempt from GST and thus, it is not liable to pay any tax. You are required to test the correctness of the view taken by Vedanta Hospital.

4. ✓ Indian Institutes of Management (IIM), Indore organizes a placement drive for the students studying in the campus. Many multinational companies register for the placement program and pay the registration fee of ₹ 1,00,000. IIM, Indore is of the view that such consideration received from multinational companies for participating in the placement program is exempt from GST. Explain whether the view taken by IIM, Indore is correct.

5. India Corporations Ltd., a Public Sector Undertaking (PSU), has taken loan from a banking company - Wellness Bank Ltd. The loan was guaranteed by the Central Government. India Corporations Ltd. defaulted in the repayment of such loan. Examine whether the services of guaranteeing of loan by the Central Government, in the given case, is liable to GST.

6. British High Commission, chief diplomatic mission of the United Kingdom, is located in India and is providing advisory services to the students willing to travel to UK for further studies. The mission has organized a seminar for such students and a registration fee of ₹ 5,000 per student has been charged from the students for the same. You are required to determine whether the advisory services provided by British High Commission are liable to GST.

7. ✓ Explain in brief whether the below mentioned independent cases of supply of services provided are exempt or taxable under GST law, providing very brief reasoning:

(i) Himalayan Wanderers Campsite, a registered entity under GST, has fixed up various tents in Shimla, for lodging purposes being offered to tourists and trekkers. The details of tents rented by Himalayan Wanderers Campsite on 8th December is as under:

No. of tents rented	Amount of rent charged per tent per day	Nature of occupancy
10	₹ 600	Single
15	₹ 1000	Double

- TE
- (ii) *Fables Infotech LLP, a limited liability partnership firm having registered place of business in Hyderabad under GST, entered into a contract with Neeta Services for providing air-conditioned mini vans for 1 year for transportation of its female employees working in night shifts to be picked up from designated spots every day at 9.00 p.m. except weekends and dropped to the office. The same female employees were again picked up from office at 6.30 a.m. every morning except weekends and dropped back at the same spots from where they were picked up.*
- TE
- (iii) *HumTum Services Limited, registered under GST, provided catering services to Baljatan Anganwadi, an educational institute providing pre-school education amounting to ₹ 2,50,000 in the month of February.*
- TE
- (iv) *50 women from different cities pursuing diploma in management courses, participated in the 'Leadership Program' designed especially for women for a duration of 9 months by IIM, Bangalore (a certificate as to their participation was awarded to each one of them after the completion of the programme).*
- TE
- (v) *Mr. Ashok rented his residential flat to his friend Dr. Kishore, who is not registered under GST for use as his medical clinic at a monthly rent of ₹ 15000.*

8. *Determine whether GST is payable in respect of each of the following independent services provided by the registered persons:*

- (1) *Fees of ₹ 10,000 charged from office staff for in-house personality development course conducted by Mungerilal College providing education as part of a curriculum for obtaining a qualification recognised by Indian law.*
- (2) *Bus fees of ₹ 2,500 per month collected from students by Rosemary College providing education as part of a curriculum for obtaining a qualification recognised by Indian law.*
- (3) *Housekeeping service provided by M/s. Clean Well to Himavarsha Montessori school, a play school, for cleaning its playground and classrooms for ₹ 25,000 per month.*
- (4) *Info link supplied 'Tracing Alphabets', an online educational journal, to students of UKG class of Sydney Montessori School for ₹ 2,000.*

9. *Sarva Sugam Charitable Trust, a trust registered under section 12AB of the Income – tax Act, 1961, provides the following information relating to supply of its services for the month of August:*

Particulars	Amount (₹)
Renting of residential dwelling for use as a residence to Mr. Soham, an unregistered person T.E.	18,00,000
Renting of rooms for devotees (Charges per day ₹750) T.E.	6,00,000
Renting of kalyanamandapam (Charges per day ₹15,000) T.E.	12,00,000
Renting of community halls and open space (Charges per day ₹ 7,500) T.E.	10,75,000
Renting of shops for business (Charges per month ₹9,500) T.E.	4,75,000
Renting of shops for business (Charges per month ₹ 12,000) T.E.	7,50,000

Compute the GST liability of Sarva Sugam Charitable Trust for the month of August assuming that the above amounts are exclusive of GST and rate of GST, wherever applicable, is 18%.

Note: The rooms/ Kalyanamandapam/ halls/ open space/ shops owned by the trust are located within the precincts of a religious place, meant for general public, owned by the trust.

10. *Mr. Nagarjun, a registered supplier of Chennai, has received the following amounts in respect of the activities undertaken by him during the month of September:*

S. No.	Particulars	Amount (₹)
(i)	Amount charged for service provided to recognized sports body as selector of national team T.E.	50,000
(ii)	Commission received as an insurance agent from insurance company T.E.	65,000

(iii)	Amount charged as business correspondent for the services provided to the urban branch of a nationalized bank with respect to savings bank accounts	15,000
(iv)	Service to foreign diplomatic mission located in India	28,000
(v)	Funeral services	30,000

He received the services from an unregistered goods transport agency for his business activities and paid freight of ₹ 45,000.

Note: All the transactions stated above are inter-State transactions and also are exclusive of GST.

You are required to calculate gross GST liability (ignoring ITC provisions) of Mr. Nagarjun for the month of September assuming that the rate of GST, wherever applicable, is 18% except the GTA services where the applicable rate of GST is 5%. Working notes should form part of your answer.

11. Vividh Pvt. Ltd. is a supplier of goods and services at Bangalore, registered in the State of Karnataka, having turnover of ₹ 200 lakh in the last financial year. It has furnished the following information for the month of June.

Particulars	Amount (₹) excluding GST
Services provided by way of a labour contract for repairing a single residential unit otherwise than as a part of residential complex	13,00,000
Fee received from students of a competitive exam training academy run by Vividh Pvt. Ltd.	5,40,000
4 buses each with a seating capacity of 72 passengers given on hire to State Transport Undertaking	6,00,000
Rent paid to Local Municipal Corporation for premises taken on rent for competitive exam training academy	2,50,000
Goods transport services received from a registered GTA which has opted to pay tax itself @ 12%	1,80,000

Compute gross GST liability including tax payable under reverse charge (ignoring ITC provisions) of Vividh Pvt. Ltd. for the month of June assuming that the above amounts are exclusive of GST and rate of GST, wherever applicable, is 18% unless otherwise mentioned.

12. "Chanakya Academy" is registered under GST in the State of Uttar Pradesh. The Academy runs the following educational institutions:

- (i) 'Keshav Institute of Technology' (KIT), a private engineering college in Ghaziabad. KIT also runs distance learning post graduate engineering programmes. Exams for such programmes are conducted in select cities at centres appointed by the KIT. All the engineering courses including the distance learning post graduate engineering programme run by KIT are recognised by the law [The All India Council for Technical Education (AICTE)].
- (ii) 'Little Millennium', a pre-school in Lucknow.
- (iii) 'Bright Minds', a coaching institute in Kanpur. The Institute provides coaching for Institute of Banking Personnel Selection (IBPS) Probationary Officers Exam.
- (iv) 'Spring Model' a higher secondary school affiliated to CBSE Board.

The Academy provides the following details relating to the expenses incurred by the various institutions run by it during the period April to September:

S. No.	Particulars	KIT	Little Millennium	Bright Minds	Spring Model
		(₹)	(₹)	(₹)	(₹)
(i)	Printing services for printing the question papers (paper and content are provided by the Institutions)	2,50,000		1,50,000	2,00,000
(ii)	Paper procured for printing the question papers	4,30,000		2,58,000	3,44,000

(iii)	Honorarium to paper setters and examiners (not on the rolls of the Institution)	5,00,000			
(iv)	Rent for exam centers taken on rent like schools etc., for conducting examination	8,00,000		1,00,000	
(v)	Subscription for online educational journals [Little Millennium has taken the subscription for online periodicals on child development and experiential learning]	4,00,000	80,000	2,20,000	2,40,000
(vi)	Hire charges for buses used to transport students and faculty from their residence to the institutions and back	4,80,000	5,50,000	1,30,000	7,50,000
(vii)	Catering services for running a canteen in the campus for students (Catering services for KIT include a sum of ₹ 60,000 for catering at a student event organised in a	3,20,000	2,60,000	1,80,000	5,00,000

	banquet hall outside the campus)				
(viii)	Security and housekeeping services for the institution(s) (Security and housekeeping services for Spring Model include a sum of ₹ 80,000 payable for security and housekeeping at the student event organised in a banquet hall outside the campus)	6,00,000	4,00,000	3,75,000	4,65,000

With the help of the above details, determine the amount of GST payable, if any, (ignoring ITC provisions) on goods and services received during April to September by the various educational institutions run by the 'Chanakya Academy'; all the amounts given above are exclusive of taxes, wherever applicable.

Note: Rate of GST on goods is 12%, catering service is 5% and on other services is 18%.

13. M/s A2Z, a proprietary firm registered under GST, is engaged in providing various services under one roof. The firm provides the following information pertaining to supplies made/input services availed by it during the month of March:

S. No.	Particulars	Amount (₹)
1.	Amount collected for loading, unloading, packing and warehousing of potato chips	15,000

2.	<i>Fees paid for yoga camp conducted by a charitable trust registered under section 12AB of the Income-tax Act, 1961 for employees of the firm</i>	20,000
3.	<i>Interest received on fixed deposits with APNA Bank by the firm</i>	30,000
4.	<i>Professional services provided to foreign diplomatic mission located in India</i>	50,000
5.	<i>Recovery agent services provided to ABC Finance Ltd. - an NBFC located in Delhi</i>	1,00,000
6.	<i>Security services (by way of supply of security personnel) provided to XYZ Ltd. - a registered person under GST</i>	80,000
7.	<i>Receipts from running an educational institution (a Senior Secondary School) for services provided to its students (including receipts for providing residential dwelling service of ₹ 18,20,000 by the institution to the students)</i>	35,00,000
8.	<i>Supply value including cost of fuel for provision of renting of motor vehicle for transportation of passengers' service to NPS Ltd.</i>	88,000

Determine the GST liability (inclusive of liability for the supplies received also) of M/s A2Z for the month of March with necessary explanation for treatment of each item. Rate of tax for both inward and outward supply is CGST and SGST @ 9% each except for the service of renting a vehicle for transportation of passengers for which CGST and SGST @ 2.5% each is applicable. All the supplies are intra-State only. All amounts given hereunder are exclusive of GST.

4. *A2X Services Limited, registered under GST, is engaged in providing various services to various educational institutions. The company provides the following information in respect of services provided during the month of April:*

S. No.	Description of services provided
(i)	Transportation of students & staff of 'Shiksha University', a Deemed University
(ii)	Catering services provided to 'Rank CBSE School'
(iii)	Security personnel services provided to 'Win CBSE School', for its annual sports day held at SAI Sports Complex owned by Government of India
(iv)	Supply of online periodical science journal to 'Merit CBSE School' for its higher secondary students
(v)	Services, in relation to placement of students, to 'SKILL', a Government recognized vocational training college

Comment on the taxability or otherwise of the above transactions under GST law. State the correct legal provisions for the same.



ANSWERS

1. (a) Services provided by a partnership firm of advocates or an individual as an advocate other than a senior advocate, by way of legal services to a business entity with an aggregate turnover up to such amount in the preceding financial year as makes it eligible for exemption from registration under the CGST Act, 2017, are exempt from GST vide *Notification No. 12/2017 CT (R) dated 28.06.2017* (hereinafter referred to as exemption notification).

Since in the given case, services are being provided by the partnership firm of advocates - BMC & Partners to a business entity - Vastukaar Enterprises whose aggregate turnover in the preceding FY exceeded

₹ 20 lakh i.e. the threshold limit for registration applicable to a service provider in Delhi, said services are not exempt from GST.

- (b)** Services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services) are exempt from GST vide exemption notification.

However, service charges/ fees, documentation fees, broking charges, administrative charges, entry charges or such like fees or charges collected over and above interest on loan, advance or a deposit are not exempt and are liable to GST.

In view of the above, minimum balance charges collected by Dhanvarsha Bank from current account and saving account holders are not exempt and are liable to GST.

- 2.** No, the stand taken by the Department is not correct.

Services by way of health care services by a clinical establishment, an authorised medical practitioner or para-medics are exempt from GST vide exemption notification.

Health care services have been defined to mean any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India and includes services by way of transportation of the patient to and from a clinical establishment, but does not include hair transplant or cosmetic or plastic surgery, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma.

Circular No. 32/06/2018 GST dated 12.02.2018 has clarified that the entire amount charged by the hospitals from the patients including the retention money and the fee/payments made to the doctors etc., is towards the healthcare services provided by the hospitals to the patients and is exempt from GST. In view of the same, GST is not applicable on the retention money kept by Shiva Medical Centre.

The circular also clarifies that services provided by senior doctors/ consultants/ technicians hired by the hospitals, whether employees or not,

are also healthcare services exempt from GST. Hence, services provided by the senior doctors and consultants hired by Shiva Medical Centre, being healthcare services, are also exempt from GST.

3. Services by way of health care services by a clinical establishment, an authorised medical practitioner or para-medics are exempt from GST vide exemption notification. *Circular No. 32/06/2018 GST dated 12.02.2018* has clarified that food supplied by the hospital canteen to the in-patients as advised by the doctor/nutritionists is a part of composite supply of healthcare services and is not separately taxable. Thus, it is exempt from GST. However, other supplies of food by a hospital to patients (not admitted) or their attendants or visitors are taxable.

In view of the same, GST is not applicable on the food supplied by Annapurna Bhawan to in-patients as advised by doctors/nutritionists while other supplies of food by it to patients (not admitted) or their attendants/visitors are taxable.

4. Indian Institutes of Management Act, 2017 (IIM Act, 2017) empowers IIMs to (i) grant degrees, diplomas, and other academic distinctions or titles, (ii) specify the criteria and process for admission to courses or programmes of study, and (iii) specify the academic content of programmes. Resultantly, all the IIMs fall under purview of “educational institutions” as they provide education as a part of a curriculum for obtaining a qualification recognized by law for the time being in force.

Further, the services provided by an educational institution to its students⁷¹, faculty and staff are exempt from GST vide exemption notification.

However, in the given case, services have been provided by the educational institution (viz. IIM, Indore), to the multinational companies. Therefore, the same is not exempt from GST.

5. Services supplied by Central Government, State Government, Union territory to their undertakings or Public Sector Undertakings (PSUs) by way of

⁷¹ As per *Circular No. 82/01/2019 GST dated 01.01.2019*, services provided by IIMs to their students who are enrolled for long duration programs (1 year or more) for which they are awarded diploma/ degree certificate duly recommended by Board of Governors as per the power vested in them under the IIM Act, 2017, under such long duration programs are exempt from GST.

▼
guaranteeing the loans taken by such undertakings or PSUs from the banking companies and financial institutions are exempt from GST vide exemption notification.

In the present case, Central Government has guaranteed the loan taken by India Corporations Ltd. [a PSU], from Wellness Bank Ltd., [a banking company]. Consequently, services provided by the Central Government, in the form of guarantee of loan, are exempt from tax.

6. Services by a foreign diplomatic mission located in India are exempt from GST vide exemption notification. Hence, in the given case, advisory services by British High Commission located in Delhi to the students are exempt from GST.
7.
 - (i) **Taxable:** Since there is no specific exemption with respect to services provided by a campsite for lodging purposes, services provided by Himalayan Wanderers Campsite are liable to GST.
 - (ii) **Taxable:** Service of transport of passengers provided by Neeta Services are liable to GST since such services are being provided in a contract carriage which is air-conditioned.
 - (iii) **Exempt:** Since catering services provided to an educational institution providing pre-school education are exempt from GST, HumTum Services Limited is not liable to pay GST.
 - (iv) **Taxable:** Since short duration programs provided by IIMs are not any qualification recognized by law, GST is payable in the given case.
 - (v) **Taxable:** Since residential dwelling is rented for use other than residence, GST is payable on the same.
8. (1) Services provided by an educational institution to its students, faculty and staff are exempt from GST vide exemption notification. Educational Institution has been defined to mean, *inter alia*, an institution providing services by way of education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force.

Since Mungerilal College provides education as part of a curriculum for obtaining a qualification recognised by Indian law, the services

provided by it to its staff by way of conducting personality development course would be exempt from GST, it being an educational institution.

- (2) Since Rosemary College provides education as a part of a curriculum for obtaining a qualification recognised by Indian law, the transport services provided by Rosemary College to its students are exempt from GST.
- (3) Services provided to an educational institution, by way of, *inter alia*, house-keeping services performed are exempt from GST vide exemption notification provided such services are performed in such educational institution. However, such exemption is available only when the said services are provided to an educational institution providing services by way of pre-school education and education up to higher secondary school or equivalent.

In view of the above discussion, house-keeping services provided to Himavarsha Montessori Play School are exempt from GST since housekeeping services have been performed in such play school itself.

- (4) Services provided to an educational institution by way of supply of online educational journals or periodicals is exempt from GST vide exemption notification. However, such exemption is not available to an educational institution providing services by way of pre-school education and education up to higher secondary school or equivalent.

Therefore, supply of online journal to students of UKG class of Sydney Montessori School is not exempt from GST.

9. Renting of precincts of a religious place meant for general public, owned/managed by, *inter alia*, an entity registered as a charitable trust under section 12AA/12AB of the Income-tax Act are exempt from GST vide exemption notification. However, said exemption is not available if:
 - (i) charges for rented rooms are ₹ 1,000 per day or more;
 - (ii) charges for rented community halls, Kalyan mandapam, open area are ₹ 10,000 per day or more;
 - (iii) charges for rented shops are ₹ 10,000 per month or more.

Further, services by way of renting of residential dwelling for use as residence to an unregistered person are also exempt vide exemption notification.

Computation of GST liability of Sarva Sugam Charitable Trust for August

Particulars	Value (₹)	GST @ 18% (₹)
Renting of residential dwelling for use as residence to an unregistered person [Exempt vide exemption notification]	18,00,000	Nil
Renting of rooms for devotees [Exempt since charges per day are below ₹1,000]	6,00,000	Nil
Renting of Kalyanamandapam [Taxable since charges per day exceed ₹10,000]	12,00,000	2,16,000
Renting of community halls and open spaces [Exempt since charges per day are below ₹ 10,000]	10,75,000	Nil
Renting of shops for business [Exempt since charges per month are below ₹10,000]	4,75,000	Nil
Renting of shops for business [Taxable since charges per month exceed ₹ 10,000]	7,50,000	<u>1,35,000</u>
Total		3,51,000

10. Computation of gross GST liability of Mr. Nagarjun

Particulars	Value (₹)	IGST (₹)
<i>Supplies on which Mr. Nagarjun is liable to pay GST under forward charge</i>		
Amount charged for service provided to recognized sports body as selector of national team [Note 1]	50,000	9,000

Commission received as an insurance agent from insurance company [Note 2]	Nil	Nil
Amount charged as business correspondent for the services provided to the urban branch of a nationalised bank with respect to savings bank accounts [Note 3]	15,000	2,700
Services provided to foreign diplomatic mission located in India [Note 4]	28,000	5,040
Funeral services [Note 5]	Nil	Nil
<i>Supplies on which Mr. Nagarjun is liable to pay GST under reverse charge</i>		
Services received from GTA [Note 6]	45,000	<u>2,250</u>
IGST payable (Since all the transactions are inter-State transactions, IGST is payable on the same.)		18,990

Notes:

- (1) Services provided to a recognized sports body by an individual only as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a recognized sports body are exempt from GST vide exemption notification. Thus, service provided as selector of team is liable to GST.
- (2) Commission for providing insurance agent's services is liable to GST. However, the tax payable thereon is to be paid by the recipient of service i.e., insurance company, under reverse charge in terms of *Notification No. 13/2017 CT (R) dated 28.06.2017*⁷². Thus, Mr. Nagarjun will not be liable to pay GST on such commission.
- (3) Services provided by business correspondent to a banking company with respect to accounts in its rural area branch are exempt from GST

⁷² Provisions relating to reverse charge mechanism have already been discussed in detail in Chapter 2 – Charge of GST in this Module of the Study Material.

vide exemption notification. Thus, such services provided in respect of urban area branch will be taxable.

- (4) While services provided by a foreign diplomatic mission located in India are exempt from GST vide exemption notification, services provided to such mission are taxable.
- (5) Funeral services being covered in Schedule III of CGST Act are not a supply and thus, are outside the ambit of GST.
- (6) GST on services provided by a GTA to, *inter alia*, a registered person is payable by the recipient of service i.e., the registered person, under reverse charge in terms of *Notification No. 13/2017 CT (R) dated 28.06.2017* except where GTA is registered and has exercised the option to itself pay tax on said services⁷³. Since in the given case, GTA is unregistered, it could not have exercised the option to pay tax and thus, GST is payable @ 5% under reverse charge mechanism by the recipient – Mr. Nagarjun.

11. Computation of gross GST liability of Vividh Pvt. Ltd.

Particulars	Value of supply (₹)	GST @ 18% (₹)
Services provided by way of labour contracts for repairing a single residential unit otherwise than as a part of residential complex [Services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex are exempt vide exemption notification. Labour contracts for repairing, are thus, taxable.]	13,00,000	2,34,000
Fee received from students of competitive exam training academy	5,40,000	97,200

⁷³ Provisions relating to reverse charge mechanism have already been discussed in detail in Chapter 2 – Charge of GST in this Module of the Study Material.

[Fee received from students of competitive exam training academy is taxable as it is not an educational institution since competitive exam training does not lead to grant of a recognized qualification.]		
Buses each with seating capacity of 72 passengers given on hire to State Transport Undertaking [Services by way of giving on hire to a state transport undertaking (STU), a motor vehicle meant to carry more than 12 passengers, are exempt from GST vide exemption notification.]	6,00,000	Nil
<i>Services on which tax is payable under reverse charge:</i>		
Rent paid to Local Municipal Corporation [GST is payable under reverse charge in case of renting of immovable property services supplied by a local authority to a registered person.]	2,50,000	45,000
GTA services availed [Since GTA has opted to pay tax @ 12%, tax is payable under forward charge by GTA only and not by Vividh Pvt. Ltd.]	1,80,000	Nil
Gross GST payable		3,76,200

- 12.** Exemption notification exempts select services provided to an educational institution. Here, the “**educational institution**” means an institution providing services by way of-
- (i) pre-school education and education up to higher secondary school or equivalent;
 - (ii) education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;

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(iii) education as a part of an approved vocational education course;

The select services which are exempt when provided to an educational institution are-

- (i) transportation of students, faculty and staff;
- (ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory;
- (iii) security or cleaning or house-keeping services performed in such educational institution;
- (iv) services relating to admission to, or conduct of examination by, such institution;
- (v) supply of online educational journals or periodicals.

However, the services mentioned in points (i), (ii) and (iii) are exempt only when the same are provided to an educational institution providing services by way of pre-school education and education up to higher secondary school or equivalent.

Also, the supply of online educational journals or periodicals is not exempt from GST when provided to-

- (i) pre-school education and education up to higher secondary school or equivalent; or
- (ii) education as a part of an approved vocational education course.

Further, services by way of giving on hire motor vehicle for transport of students, faculty and staff, to a person providing services of transportation of students, faculty and staff to an educational institution providing services by way of pre-school education and education upto higher secondary school or equivalent is exempt⁷⁴.

In the given case, all the engineering courses including the distance learning post graduate engineering programme run by KIT are recognised by the law [The All India Council for Technical Education (AICTE)]. Therefore, since KIT imparts education as a part of a curriculum for obtaining a qualification

⁷⁴ as per Entry 22 of Notification No. 12/2017 CT (R)

recognised by the Indian law, the same is an educational institution in terms of the exemption notification.

Similarly, Little Millennium and Spring Model, being a pre-school and a higher secondary school respectively are also educational institutions in terms of the exemption notification.

However, Bright Minds, being a coaching centre, training candidates to secure a banking job, is not an educational institution in terms of the exemption notification. Hence, none of the select services (mentioned above) will be exempt when provided to Bright Minds.

In the light of the foregoing provisions, the amount of GST payable on goods and services received by these educational institutions during April to September is computed as under:

Particulars	KIT	Little Millennium	Bright Minds	Spring Model
	(₹)	(₹)	(₹)	(₹)
Printing services for printing the question papers (paper and content are provided by the Institutions)	Exempt [Services provided to educational institution in relation to conduct of examination]		27,000 [1,50,000 x 18%]	Exempt
Paper procured for printing the question papers [Supply of select services to educational institutions is exempt and not supply of goods to such educational institutions]	51,600 [4,30,000 x 12%]		30,960 [2,58,000 x 12%]	41,280 [3,44,000 x 12%]

Honorarium to paper setters and examiners (not on the rolls of the educational institution)	Exempt [Services provided to educational institution in relation to conduct of examination]			
Rent for exam centres taken on rent like schools etc., for conducting examination	Exempt [Services provided to educational institution in relation to conduct of examination]		18,000 [1,00,000 x 18%]	
Subscription for online educational journals [Little Millennium has taken the subscription for online periodicals on child development and experiential learning]	Exempt	14,400 [80,000 x 18%]	39,600 [2,20,000 x 18%]	43,200 [2,40,000 x 18%]
Hire charges for buses used to transport students and faculty from their residence to the institutions and back	86,400 [4,80,000 x 18%]	Exempt	23,400 [1,30,000 x 18%]	Exempt
Catering services for running a canteen in	16,000	Exempt	9,000	Exempt

<p>the campus for students [Catering service provided to pre-school and the higher secondary school is exempt irrespective of whether the same is provided within or outside the premises of the pre-school and the higher secondary school]</p>	<p>[3,20,000 x 5%]</p>		<p>[1,80,000 x 5%]</p>	
<p>Security and housekeeping services for the institution(s) [Security and housekeeping service provided to pre-school and the higher secondary school for the student event organised in a banquet hall will be taxable as only the security and housekeeping service provided within the premises of the pre-school and the higher secondary school are exempt.]</p>	<p>1,08,000 [6,00,000 x 18%]</p>	<p>Exempt</p>	<p>67,500 [3,75,000 x 18%]</p>	<p>14,400 [80,000 x 18%]</p>

Total GST payable on goods and services received	2,62,000	14,400	2,15,460	98,880
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13. Computation of GST liability of M/s A2Z for the month of March:

S. No.	Particulars	CGST (₹)	SGST (₹)
1.	Loading, unloading, packing and warehousing of potato chips [Loading, unloading, packing and warehousing of agricultural produce is exempt. However, potato chips is not an agricultural produce.]	1,350 [15,000 × 9%]	1,350 [15,000 × 9%]
2.	Fees paid for yoga camp [Services provided by a charitable trust registered under section 12AB of the Income-tax Act by way of advancement of yoga are exempt.]	--	--
3.	Interest received on fixed deposits [Services of extending fixed deposits in so far as the consideration is represented by way of interest are exempt.]	--	--
4.	Professional services provided to foreign diplomatic mission located in India [Not specifically exempt.]	4,500 [50,000 × 9%]	4,500 [50,000 × 9%]
5.	Recovery agent services provided to ABC Finance Ltd., an NBFC [Since such services are being provided to an NBFC, tax on the same is payable]	--	--

	by recipient - ABC Finance Ltd. - under reverse charge (RCM). ^{75]}		
6.	Security services provided to XYZ Ltd., a registered person [Since such services are being provided by a non-body corporate to a registered person, tax on the same is payable by recipient - XYZ Ltd. - under reverse charge (RCM) ⁷⁶ .]	--	--
7.	Receipts from running an educational institution (including receipts for residential dwelling service) [Services provided by an educational institution and services by way of renting of residential dwelling for use as residence are exempt.]	--	--
8.	Renting of motor vehicle service [Since services of renting of motor vehicle including cost of fuel with tax payable @ 2.5% CGST/SGST is being provided by a non-body corporate to a body corporate, tax on the same is payable by recipient – NPS Ltd. – under RCM ⁷⁷ .]	--	--
	Total GST liability	5,850	5,850

⁷⁵ Provisions relating to reverse charge mechanism have already been discussed in detail in Chapter 2 – Charge of GST.

⁷⁶ Provisions relating to reverse charge mechanism have already been discussed in detail in Chapter 2 – Charge of GST in this Module of the Study Material.

⁷⁷ Provisions relating to reverse charge mechanism have already been discussed in detail in Chapter 2 – Charge of GST in this Module of the Study Material.

14.

S. No.	Particulars	Taxability
(i)	Transportation of students and staff of deemed university [Taxable since transportation services provided to an educational institution are exempt only if such institution provides pre-school education or education up to higher secondary school or equivalent.]	Taxable
(ii)	Catering services provided to "Rank CBSE School" [Catering services provided to an educational institution providing pre-school education or education up to higher secondary school or equivalent are exempt.]	Exempt
(iii)	Security services to "Win CBSE School" for its annual sports day held at SAI Sports complex [Security services provided to an educational institution providing pre-school education or education up to higher secondary school are exempt provided such services are performed in the premises of such institution. However, in this case, security services are being provided outside the school campus, and hence the same are taxable.]	Taxable
(iv)	Supply of online periodical science journal to school for its higher secondary students [Taxable since educational institutions providing service by way of pre-school education and education upto higher secondary school or equivalent are not eligible for exemption in respect of supply of online educational journals.]	Taxable
(v)	Services in relation to placement of students, to Government recognized vocational training college [Taxable since only services related to admission and conducting exams are exempt for vocational educational institutions.]	Taxable