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GST

Chart Book



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Expanded Form of Abbreviations used in Chart Book

Abbreviation	Meaning	SEZ	Special Economic zone
ACD	Additional Customs duty	GSTIN	Goods & service tax identification number
GTA	Goods Transport Agency	RC	Registration certificate
ECO	Electronic Commerce Operator	POB	Place of business
BE	Business Entity	AA	Aadhaar authentication
TT	Taxable Territory	OIDAR	Online Information Data Base Access and Retrieval
RP	Registered Person	UIN	Unique Identification number
URP	Unregistered Person	WD	Warding dogs
DSA	Direct Selling Agent	SCN	Show cause notice
NBFC	Non-Banking Financial Corporations	RBA	Resident Before Association
FI	Financial Institutions	HSN	Harmonised System of Nomenclature.
FC	Forward Charge	QR	Quick Dynamic
CTP	Casual Taxable Person	QRMP	Quarterly return monthly payment
NRTP	Non-resident Taxable Person	EBB	E-way bill
TS	Taxable supply	OOBH	Opportunity of being heard
PFY	Preceding Financial Year		
CFY	Current Financial Year		
PO	Proper officer		
GSTN	Goods & service tax network		
ISD	Input Service Distributors		
IFF	Invoice Furnishing Facility		

Extra Supporting Material Demo videos, Digital Books & PDFs

Questionnaire



Questioner Discussion



Questioner Digital Smart Book



MCQ PDF

Amendments



Amendment Discussion



Amendment PDF



Correction pages if any

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Basic Concept of GST

BODY OF GST LAW

The body of law of GST comprises of the following-

1. Acts
 - a. Central Goods and Services Tax (CGST) Act, 2017
 - b. Integrated Goods and Services Tax (IGST) Act, 2017
 - c. Union Territory Goods and Services Tax (UTGST) Act, 2017

- a. State Goods and Services Tax (SGST) Act, 2017 [28 States+3UTs deemed to be States]
- a. GST (Compensation to States) Act, 2017

2. Rules

- a. Central Goods and Services Tax (CGST) Rules, 2017
- b. Integrated Goods and Services Tax (IGST) Rules, 2017
- c. Union Territory Goods and Services Tax (UTGST) Rules, 2017 for 5 UTs
- d. State Goods and Services Tax (SGST) Rules, 2017 [31]

3. Notifications

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

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

Constitution of GST Council

Constitution- The GST Council shall consist of the following members, namely-

- (a) The Union Finance Minister is the Chairman;
- (b) The Union Minister of State in charge of Revenue or Finance is the Member;
- (c) The Minister in charge of Finance or Taxation or any other Minister nominated by each State Government & UTs with Legislatures are the Members.

The Members of the GST Council referred to clause (c) above shall, as soon as may be, choose one amongst themselves to be the Vice-Chairperson of the Council for such period as they may decide.

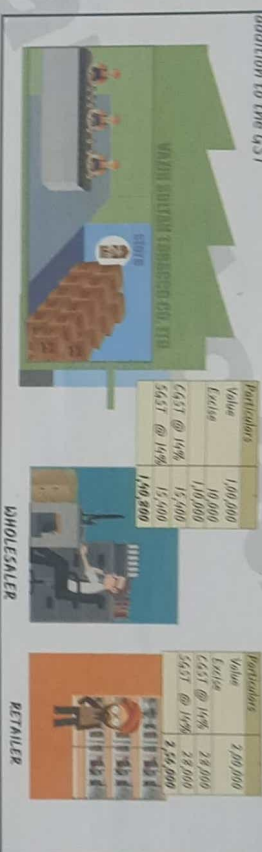
Taxes on Opium, Indian Hemp and other Narcotic Drugs and Narcotics

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

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

TAX ON TOBACCO AND TOBACCO PRODUCTS

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



RECOMMENDATION OF GST COUNCIL

The Goods and Services Tax Council shall make recommendations to the Union and the States on-

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

SPECIAL CATEGORY OF STATE

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

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

MANNER OF UTILIZATION OF ITC IN GST

INWARD SUPPLY

OUTWARD SUPPLY

1. 1GST	First	Any	Any
2. CGST	First	CGST	SGST
3. SGST	First	Second	Second

Note:- CGST cannot be used against SGST/UTGST or vice-versa

Framework of GST

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

CONCEPT & PRINCIPLE OF GST

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

Constitutional Amendments

Article 366 (2A)	GST means "Any tax on supply of goods or Services or both except taxes on supply of the Alcoholic Liquor for human consumption"
Article 266A	Concurrent powers to both, Parliament and State Legislatures is given to make laws with respect to GST
Article 269A	Provides exclusive power to the Parliament to legislate with respect to Inter-State trade or commerce i.e. integrated tax (IGST) (Including imports)

Benefits of GST

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

Taxes to be Subsumed in GST

Central Taxes

State Taxes

- Central Excise duty
- Additional excise duty
- Excise duty levied under Medicinal & Toilettries preparation Act
- Additional Customs duty(ADC)
- Service Tax
- Surcharges & Cesses
- Central Sales Tax
- State VAT/Sales Tax
- Central Sales Tax
- Purchase Tax
- Entertainment Tax (other than those levied by local bodies)
- Luxury Tax
- Entry Tax (All forms)
- Taxes on lottery, betting & gambling
- Surcharges & Cesses

Taxes not subsumed under GST

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

Charge of GST & Concept of Supply

Section 9 :- Charging Section

Levy

Charge

9(1) - Intra-State Supply of Goods or services or Both
 5(1) GST Act 3 - Inter-State Supply of Goods or Services or Both

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

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

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

Sec 9(2) :- Levy on Petroleum Products from Notified date :- Supply of petroleum crude, high speed diesel, petrol, natural gas and ATF shall be levied from the notified date on recommendation of GST Council.
 Note: Still levy of GST on such products is not notified
 Analysis: The type of levy existing or to be continued after GST

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

SEC 2 (56) "INDIA"

MEANS THE TERRITORY OF INDIA

SEC 2 (114) "UNION TERRITORY"
 Means the territory of -

- Territory of India (State and the UTs.)
- Its
 - ↳ Territorial Waters, ↳ seabed and Islands
 - ↳ sub-soil underlying such waters,
 - ↳ continental shelf, ↳ EEZ or any other maritime zone as defined in the Territorial Waters, Continental Shelf, EEZ and Other Maritime Zones Act, 1976
 - ↳ Chandigarh
- Air space above its territory & territorial waters (F) and Other territory

SEC 2 (80A) :- Online Gaming

Means offering of a game on internet or electronic network & includes online money gaming

SEC 2 (102A) :- Specified actionable claim

Means actionable claim involved in/by betting, casinos, gambling, horse racing, lottery or online money gaming.

Value

As per Sec 15 of CGST Act, 2017

Rate

GST Rate	0%	0.125%	1.5%	2.5%	6%	9%	14%
SST Rate	0%	0.125%	1.5%	2.5%	6%	9%	14%
Total	0%	0.25%	3%	5%	12%	18%	28%

Sec 2(84) "Person" - Includes

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

Type of Supply

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

Collection

In such manner as may be prescribed (Detail discussion in subsequent chapter)

Person Liable to Pay Tax

Sec 2(107) "Taxable person" - Includes
 "Taxable person" means a person who is registered or liable to be registered u/s 22 or section 24

Forward Charge Sec 9(1)	Taxable Person making Intra State- Supply
Reverse Charge Sec 9(3)&(4)	Recipient of Supply
E-Commerce Sec 9(5)	E-Commerce Operator

Deemed Distinct Persons : Sec 25 CGST Act

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

Sec 2(94) "Registered person" - includes
 means a person -
 ↳ who is registered under section 25
 ↳ but does not include a person having a Unique Identity Number

Sec 2 (105) "Supplier"
 means person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier

Provision:- Supplier includes person arranging supply of specified actionable claims & also who owns/operates/manages e-platform for supply.

Sec 2(93) "Recipient"

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

Business includes [Sec 2(17)]

Any trade, Profession, Adventure, Labor, Any Other similar commerce, vocation, activity

Whether or not for pecuniary benefit.

Any activity or transaction in nature of Sub Clause (a)

Whether or Not

Provision by a Club or Association or Society or Any Such body of facilitates or benefits to its members.

Services supplied by a person as a holder of an office which has been accepted by him

In course of furtherance of his trade, Profession, Vocation

Any activity or transaction in connection with or incidental or ancillary to Sub- Clause (a)

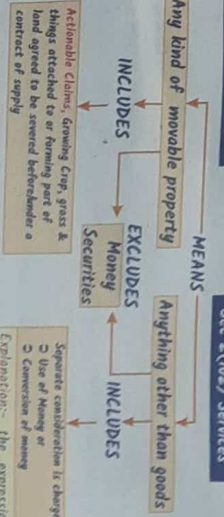
Supply or acquisition of goods including capital goods & service in connection with Commencement or Closure of business

Admission for a consideration of person to any premises

Activity of a race club including by way of taker or a licensee to book maker or activities or licensed book maker in such club and

Any activity or transaction under taken by CAS/SA local authority in which they are engaged as public authorities.

Sec 2 (32) Goods



Sec 2(02) Services

Both
 Includes following type of contracts:
 1) Works contract
 2) Catering and restaurant etc.

Sec 7 - Supply

Sec 7(a) = Supply Includes

Supply of goods / Services with consideration

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

- Such as**
- Sale
 - Transfer
 - Barter
 - Exchange
 - Disposal
 - Licence
 - Rental
 - Lease

Made or Agreed to be made



Supply of goods / service without consideration [Deemed supply]

Sec 7(b) Import of Services

Import of service

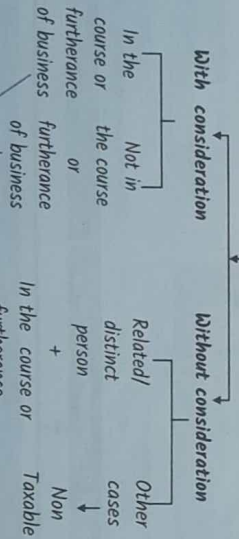
- For consideration
- Whether or not in the course or furtherance of business

Import of Goods	Import of goods governed by Custom Act / valuation as per customs act ACD 3(7), 3 (9) / Inter State Supply/Importer is liable to pay tax
Import of Service	Import of service governed by IGST Act/ valuation u/s 15 of CGST Act / Inter state supply/ recipient is liable to pay tax

Analysis

Import of Business	Taxable
Import of Services other than business	Import by individual (detailed discussion under Exemption Charitable Trust Import by others Taxable)

Import of Service (Analysis)



Schedule I

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

Schedule II

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

Schedule III

- Services by an employee to the employer in the course of or in relation to his employment. Note:- requisites provided by the employer to the employee, in terms of contractual agreement entered into between the employer and the employee, will not be subjected to GST when the same are provided in terms of the contract between the employer and employee.
- Compensation for provident fund termination - Non Taxable as it is in relation to employment.
 - Non compete fees received by an employee from employer - Taxable as it is not in the course of or in relation to employment.
 - Casual labour appointed on daily basis for wages - Non Taxable as it is in relation to employment contract
 - Directors Remuneration a) If TDS under IT Act is deducted u/s 192 - Not a Supply b) If TDS under IT Act is deducted u/s other sec - Supply

Sec 7(2)(a) = Supply Excludes

Schedule III (Transaction not to be treated as supply)

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

Analysis	Sale of land and Building	Not treated as supply as per sch III, No GST
	Rental, Leasing licensing of Land & Building	Treated as Supply GST Payable
	Sale of Building before completion certificate or its occupancy whichever earlier	Treated as supply para 5(B), Sch II GST payable

Clarification 177109/2022 GST:
 Sale of land either as it or after development like levelling, laying down of drainage, water & electricity lines is also sale of land and not attract GST.
- Actionable claims, other than specified actionable claims.

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

As per NN 14/2017 - Services under Article 243G & 243JA of Panchayats & Municipality and Services of granting liquor license against consideration in the form of license fee by SG are neither supply of goods nor supply of services. This notification is retrospectively applicable from 1st July 2017

As per NN 14/2017 - Services under Article 243G & 243JA of Panchayats & Municipality and Services of granting liquor license against consideration in the form of license fee by SG are neither supply of goods nor supply of services. This notification is retrospectively applicable from 1st July 2017	Neither treated as SOG/SOG	Neither treated as SOG/SOG
2) License fees of application fees for application fees for other	SOS & Liable to application fees for	GST

By Any person [other than individual]



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

Explanation:- the person and its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions inter se shall be deemed to take place from one such person to another



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

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

<p>Para 1 : Transfer of goods</p> <p>Supply of goods</p> <ol style="list-style-type: none"> Transfer of title in goods Transfer of Title in goods on future date (Ex. Hire Purchase) <p>Hire Purchase Sale</p>	<p>Para 2 : Land & Building</p> <p>Supply of Service</p> <p>Any lease, tenancy, easement, license to occupy land</p> <p>Supply of Service</p> <p>Any lease, letting of building including commercial, industrial complex for business / commerce either wholly or partly</p> <p>Note: Sale of land & building not treated as supply as per schedule 3 other than construction intended for sale (cf para 5(B))</p> <p>Residential House Rented for Rental</p> <p>Hotel</p> <p>Supply liable to GST as renting of immovable property</p>	<p>Supply of Service</p> <p>Transfer of right in goods or undivided share in goods without transfer of title in goods</p> <p>Ex. Hire Purchase Sale</p>	<p>Supply of Service</p> <p>Restaurant, catering or any supply of service where food/drink is supplied for consideration.</p> <p>Catering</p>	<p>Para 3 : Treatment or process</p> <p>Supply of Service</p> <p>Any treatment or process which is applied to another person's goods</p> <p>Process of Job worker</p> <p>Job worker</p> <p>Dispatch to Owner</p>	<p>Para 4 : Transfer of business asset</p> <p>Supply of goods</p> <p>Permanent transfer of Business Asset- If goods as a part of the asset are permanently transferred or disposed off</p> <p>Supply of Service</p> <p>Temporary transfer of business assets- If goods as a part of business asset are put to any private use or are used for any purpose other than business</p>	<p>Para 5 : Following activities always treated as supply of service under GST</p> <ol style="list-style-type: none"> Renting of immovable property Construction of complex, building, civil structure including a complex, building intended for sale to buyer. But in following case it shall not be treated as supply- when entire consideration has been received - after completion certificate / - It's 1st occupation whichever is earlier <p>Note :- Construction - It includes addition, alteration, replacement, remodeling of any existing civil structure</p> <p>Construction of Service Intended for sale before completion</p> <p>1) before completion 40,00,000 20,00,000</p> <p>2) after completion 20,00,000</p> <p>3) after completion 20,00,000</p> <table border="1"> <tr> <td>20,00,000</td> <td>Taxable value for GST = 98 Lacs</td> </tr> <tr> <td>20,00,000</td> <td>Taxable Value = 98 Lacs</td> </tr> <tr> <td>30,00,000</td> <td>Net taxable As per S4A - 110</td> </tr> </table>	20,00,000	Taxable value for GST = 98 Lacs	20,00,000	Taxable Value = 98 Lacs	30,00,000	Net taxable As per S4A - 110
20,00,000	Taxable value for GST = 98 Lacs											
20,00,000	Taxable Value = 98 Lacs											
30,00,000	Net taxable As per S4A - 110											

Sec 2(19) : Works contract

Building, Construction, Fabrication, Completion, Erection,	Installation, Fitting Out, Improvement, Modification, Repair,	Maintenance, Renovation, Alteration or Commissioning
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of any immovable property

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

Sec 8 : Composite Supply & Mixed Supply

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

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

Definition - Composite Supply

Composite Supply as per Sec 2 (30) : means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both or any combination thereof

- ▶ which are naturally bundled and
- ▶ supplied in conjunction with each other in ordinary course of business one of which is a principal supply

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

Definition - Mixed Supply

Mixed Supply as per Sec 2 (74) : means

- ▶ Two or more individual supplies of goods or services or any combination thereof
- ▶ Made in conjunction with each other by a taxable person for a single price
- ▶ Where such supply does not constitute a composite supply

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

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IMPORTANT CLARIFICATIONS

Circular No.:- 1/1/2017

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

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

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

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

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

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



Circular No.:- 21/21/2017

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

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

Clarification:-

1) It shall not be treated as supply of goods, not supply of services, hence no IGST is levied,

2) However, applicable CGST/IGST/SGST shall be leviable on further supply of these goods!



Circular No.:- 57/21/2018

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

Clarification:- (1) Supply by Principal to Agent, where Agent shall issue, for further supply, Invoice in his name:- Agent shall be covered under Para 3, Schedule 1

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

(2) Supply by Agent to Principal, where goods being procured by Agent on behalf of Principal, Invoice in his name:- Agent shall be covered under Para 3, Schedule 1

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

Circular No.:- 116/35/2019

Issue:- Whether GST is leviable on the service of displaying of named plates of donor in the premises of charitable organisations receiving donations/ gifts from individual donors?

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

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

3- Purpose is philanthropic (i.e., it leads to no commercial gain) and not advertisement.

4- No obligation on part of recipient to do anything

5- Hence, No GST on such activity



Circular No.:- 44/2018

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

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

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

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

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

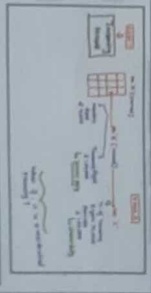
➤ To an Incoming tenant = Taxable

➤ To a New Tenant = Taxable

➤ To a New Tenant (for Residential Property) = Exempt

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

6- Merely because a transactional supply involves execution of Docs. (Inquire registration, pay fees, and stamp duty), would't preclude them from scope of supply.



Circular No.:- 11/11/2017

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

(1) Printing of books, pamphlets, brochures, annual reports, and the like
(2) Supply of Printed envelopes, letter cards, printed box, napkin, wall papers etc, printed with designs, logs, etc

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

Clarification

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

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

3- Supply of Printed envelopes, letter cards, etc, printed with design, logs, etc = SOG (Predominant supply is goods, and supply of printing of the content, supplied by recipient, is Ancillary to the Principal supply of goods)

Circular no. 172/04/2022

Any perquisites provided by employer to its employees:

➤ If terms of contract = Not supply under Schedule III,
➤ If not in terms of contract = If value exceeds ₹50,000, it is taxable under Para 2 of Schedule 1

Circular no. 178/10/2022

Parameters for taxability under GST:

➤ Contractual relationship between supplier & recipient
➤ Express or implied promise from supplier for services under para 5(c) of sch III the payment cannot be assumed
➤ Independent arrangement or activity
➤ If payment not represent object, it cannot be consideration

a) Liquidated damages: Normally no express or implied agreement, thus not taxable, but are taxable in certain cases.

b) Compensation for cancellation of coal blocks: not given under contract between govt & allottee, hence not taxable

c) Cheque dishonour fine/ penalty: Never implied or express offer, hence not taxable

d) Penalty imposed for violation of Law: No agreement between govt and violator, hence not taxable

e) Forfeiture of salary or payment of bond amount: These amounts are not consideration for tolerating the act, hence not taxable

f) Compensation for not collecting toll charges: compensation received are treated as supply

g) Late payment surcharge or fees: Late payment with interest, fee, fine, penalty are naturally bundled hence assessed as principle supply

h) Fixed Capacity charges for Power: These are charged as sale of electricity which is exempt

i) Cancellation charges: Assessed as principal supply & same rate is applicable to service contract

Circular no. 190/02/2023

Incentives paid by Ministry of electronic & Information Technology (MeitY) to acquiring bank under incentives schemes for promotion of digital payments are treated as Subsidy hence not taxable

Circular No. 146/08/2023

Activity of holding of shares of subsidiary company by holding company cannot be treated as a supply of services by a holding Co. & cannot be taxed since shares are neither goods nor services.

Circular No. 201/31/2023

➤ Supply of food/beverages in cinema hall is taxable as 'restaurant service', if:

a) food or beverages are supplied as part of a service, &
b) supplied independent of the cinema exhibition service.

➤ If sale of cinema ticket & food & beverages are bundled together as composite supply, entire supply will attract GST rate of exhibition of cinema.

Reverse Charge Mechanism & ECO



Sec 9(3) : Reverse Charge under notified cases

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

Sec 2(98) : Reverse Charge

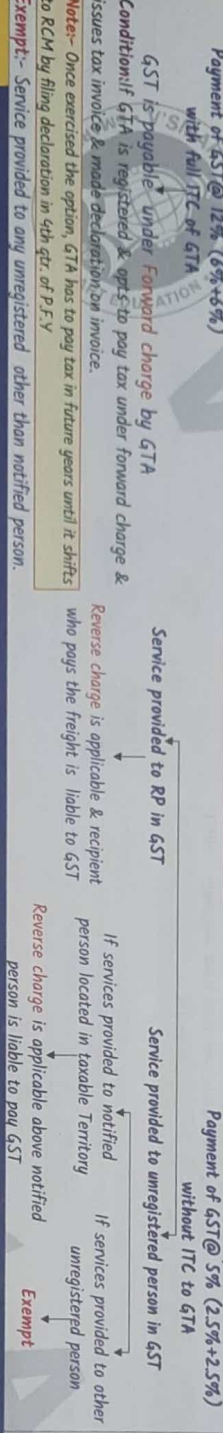
means the liability to pay tax by the recipient of supply of goods or services or both instead of the supplier of such goods or services or both under section 9(3) or 9(4), or under section 5(3) or 5(4) of the Integrated Goods and Services Tax Act.

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

Transport and Motor Vehicle Sector

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



2. Renting of motor vehicle

Service

any person other than body corporate (Does not issue an invoice charging CGST @ 6% and SGST 6% to the service recipient)

Any body Any body corporate located in taxable territory

Liability

Important Remark:-

Renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged

Goods transported service by road [Refer Entry 1]

Renting of M.V. designed to transport goods (e.g. truck tractor etc.)

Forward Charge is applicable

cost of fuel included in a consideration

Supplier of service

Any person other than body corporate

Recipient

Any body corporate in taxable territory

Forward Charge is applicable

If above both conditions are fulfilled

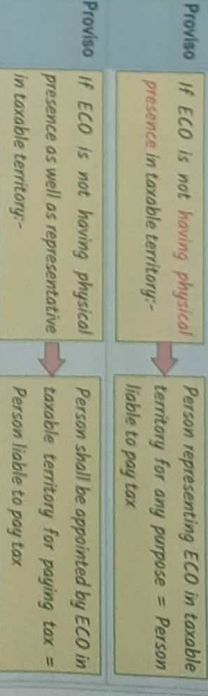
RCM is applicable & recipient body corporate is liable to pay tax

Forward charge is applicable

Sec 9(5) - ECO liability of E-commerce operator

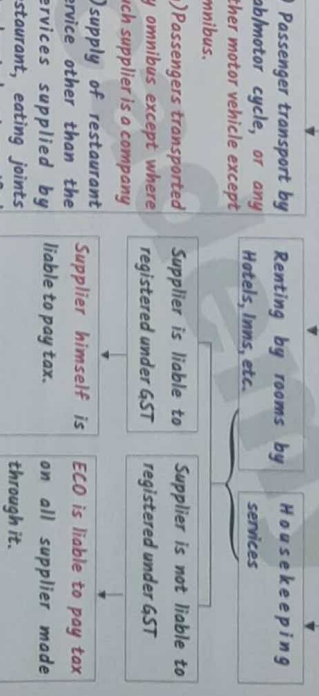
If there is intangible supply of specified services through ECO,
 the tax on such supply shall be paid by ECO &
 All provisions of act shall apply to that ECO as if he is the person liable to pay tax in relation to such supply.

Note:- Here, Services are notified by govt. on recommendations of the council



Definition u/s 2(45) :- Electronic Commerce Operator (ECO) means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.

9(5) ECO



Student Notes:-

For all supplies made through ECO

Whether supplier is registered or not ECO is liable to Pay 100% tax.

Legal Sector

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

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

Important Remark:-

RCM if all following conditions are fulfilled	Forward Charge in any of the cond's of RCM not fulfilled	Exemptions (No FC / RCM)
1) Only if legal services supplied by advocate	All other services supplied by Advocate	-
2) Services must be supplied by Individual Advocate/Senior Advocate Firm of Advocate	Legal services supplied by Advocate company CA/CS/CMA or other consultant	-
3) Service is supplied to business entity	-	Services supplied to ⊕ B.E. having Agg. TD below threshold in P.R.V. ⊕ Non business entity ⊕ C&S/CA/NTI Govt. Entity
4) Recipient (B.E.) is located in taxable territory	If recipient is located in non-taxable territory	-

Arbitral Tribunal

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

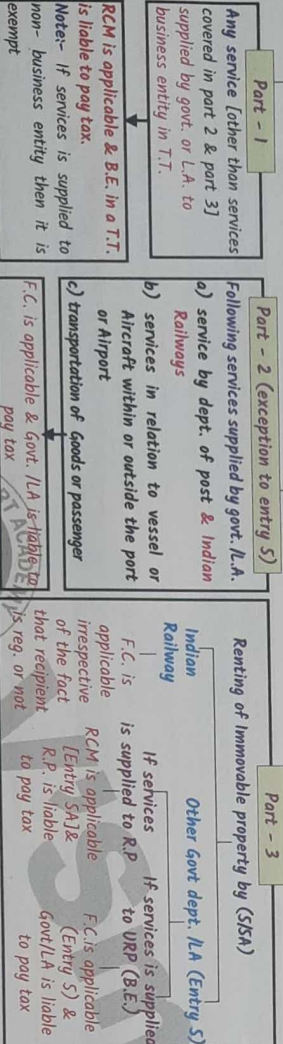
Government Service Sector

5. Government
 Any Services provided by Government or Local authority to business entity other than 1) renting of immovable property 2) Service by Department of Post & Ministry of Railways (Indian Railways); Aircraft, Vessels/inland ferries/pre-dictors of port/airport. 3) Service in relation to transportation of goods or passengers. Any business entity located in the taxable territory

Government

6. Renting of immovable property by CG (Excluding Ministry of Railways to any registered person (Indian Railways), S.G, UT or LA
 Any registered person

Important Remark:- Supply of service by Govt or Local Authority (Entry S & SA)



Notes:- Above provision also apply to parliament, State Legislature, court & tribunals

Renting of Residential Dwelling

7. Renting of Residential Dwelling
 Services by Any Person to a registered person Any Registered Person

Analysis:-

Sl. No	Property	Used for	Recipient	Now
1	Residential	Residence	Unregistered	Exempt
2	Residential	Residence	Registered	Taxable under Reverse Charge
3	Residential	Commercial	Registered	Taxable under Reverse Charge
4	Residential	Commercial	Unregistered	Taxable under Forward Charge
5	Commercial	Commercial	Any Person	Taxable under Forward Charge

Construction Service Sector

Sl. No	Property	Used for	Recipient	Now
8.	Construction (FSI etc.)	Transfer of development rights or Floor Space Index (FSI) for construction of a project	by any person to promotor	Promotor
Construction (Lease)	Long term lease of land (30 years or more) by any person to promotor against consideration in the form of upfront amount for construction of a project			Promotor

Insurance & Banking Service Sector

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

Important Remark
 RCM if all following conditions are fulfilled
 1) Only service supplied by Insurance Agent to Insurance Company
 2) Insurance Agent is licensed under Insurance Act.
 Forward Charge in any of the cond's of RCM not fulfilled
 Other suppliers like actuary etc. supplies services to Insurance company
 Insurance Agent not licensed under Insurance Act

10. Recovery agent

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

11. Members of Overseeing committee

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

12. DSAs

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

Important remark
 RCM if all following conditions are fulfilled
 RCM is applicable only if services is supplied by individual DSA
 Forward Charge in any of the cond's of RCM not fulfilled
 If service is supplied by body corporate, partnership or LLP Firm
 If recipient is Financial Institution or any other person
 If recipient is located in non-taxable territory

13. Business Facilitator

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

Important remark

RCM if all following conditions are fulfilled	Forward Change in any of the cond's of RCM not fulfilled	Exemptions
1) RCM is applicable only if supplier is Business facilitator	1) If supplier is ↳ Business correspondent or ↳ other	business facilitator to a banking company with respect to accounts in its rural area branch
2) Recipient is banking company only	2) If service is supplied to others like insurance company, FI or NBFC etc.	
3) Recipient is located in taxable territory	3) Banking company located in non taxable territory	

14. Agent of Business Correspondent

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

Business correspondent located in Taxable Territory

Un-organised to Organised Service Sector

15. Sponsorship

Sponsorship Service by any person to any body corporate or partnership firm located in taxable territory.

Such body corporate or Partnership Firm located in a Taxable territory.

RCM if all following conditions are fulfilled

Forward Change in any of the cond's of RCM not fulfilled

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

16. Director of company

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

Such company or body corporate

17. Security Services

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

Registered Person located in Taxable Territory

RCM if all following conditions are fulfilled

Forward Change in any of the cond's of RCM not fulfilled

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

Copyright Service Sector

18. Copyright service

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

Music company, producer or the like, located in the taxable territory

Important remark

RCM if all following conditions are fulfilled	Forward Change in any of the cond's of RCM not fulfilled
1) Copyright relating to original dramatic artistic or musical work	If it is not related to original word
2) Supplier - music composer, photographer or artist	In other case
3) recipient should be music company, producer or like	In case of other recipient
4) Music company or producer in taxable territory	If they are in non taxable territory

19. Copyright relating to literary

Transfer or permitting use or enjoyment of a copyright relating to original literary work by an author to publisher

A Publisher located in the taxable territory

Important Remark- Copyright Lentry 9)

RCM if all following conditions are fulfilled

Forward Change in any of the cond's of RCM not fulfilled

Special remark

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

Other Service Sector

20. Lending of security

Lending of securities by lender to borrower

Borrower i.e. a person who borrows the securities

Circular No.:- 17709/2022

Issue:- The Question which arose for consideration is whether RCM is applicable on
1) Services of renting of motor vehicle designed to carry passengers or
2) Service of transportation of passengers

RCM would apply on renting of vehicles if the body corporate use in the manner as it likes subject to agreement with the person providing vehicle on rent.
RCM would not apply on transportation of passengers if body corporate avails said service for specific journeys or voyages and does not take vehicle on rent for any period of time.

Circular No.:- 2011/3/2023

Services supplied by director to company or body corporate in his private or personal capacity such as renting of immovable property are not taxable under RCM.
But if supplied by director as or in capacity of director, it is taxable under RCM.

Composition Scheme

Section 2(6) :- Aggregate Turnover

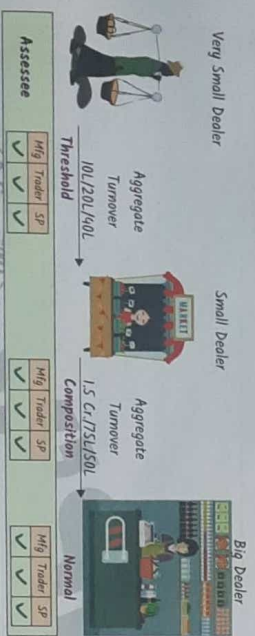
means the aggregate value of

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

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

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

Analysis - Threshold, composition & Normal Scheme



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

means the aggregate value of

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

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

Sec 10(1) - Applicability:

- Applicable to 'R.P.', whose Aggregate T_{to} in P.F.Y is not exceeding -
- > 75 lakhs - For special category states (Other than H.P./Assam/J&K)
- > 150 lakhs - all other states (including H.P./ Assam / J&K)

Sec 10(2) - Marginal Service

- Provided that a Manufacturer/Catering & Restaurant / Trader- May supply services of value upto 10% of T_{to} in a State / UT in P.F.Y or ₹ 5 Lakhs whichever is higher. (Limit is statewise)

Note - while calculating T_{to} in State/UT above, excludes interest on loans/slack, etc.

Sec 10

Sec 10(2A) - Applicability :-

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

Sec 10(2A) - Eligibility Conditions -

- Person opting for the scheme u/s 10(1) (Manufacturer/ Catering & Restaurant / Trader) cannot supply any service (Taxable / exempt), except as allowed in proviso 2 to sec 10(1). (Limit is statewise)
- Not engaged in SOG/SOS, which are Non-taxable under GST Act.
- Not engaged in SOG, through an ECO, collecting TCS u/s 52.
- Not a manufacturer of Notified Goods.*
- Neither a CTP nor NRTTP

*Notified Goods= Ice cream & other edible ice / Pan Masala / Aerated water/ tobacco & tobacco substitutes, Fly ash bricks, Fly ash aggregates, Fly ash blocks]

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

Sec 10(2A)

means a supply of any goods or services or both

- which attracts nil rate of tax or
- which may be wholly exempt from tax
- includes non-taxable supply

2(47) : Exempt Supply

means a supply of any goods or services or both

- which attracts nil rate of tax or
- which may be wholly exempt from tax
- includes non-taxable supply

Procedure - Composition Scheme

Procedure - Rule-3 Intimation by UR= Pay tax under Composition Levy in part B of FORM- GST REG-01. (Considered only after grant of reg.)

Intimation by RP= Electronically file an intimation in FORM-CMP-02, prior to commencement of FY, for which option exercised.

Any intimation i.e. any place of business in a State/UT= deemed to be an intimation i.e.0 all other place of business registered on same PAN.

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

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

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

Rule-62

- File statement- Quarterly till 18th of month following the quarter. (CMP-03)
- File Return (GSTR-4)- Annually till 30th April of the following year.

Rule-80

- File Return (GSTR-9A)- Annually

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

Agg. T_{to} of P.F.Y. [For deciding eligibility of composition levy]

Example:- Aggregate T_{to} of XYZ Ltd. in P.F.Y. is ₹32 Lakhs which includes interest on Loans/Deposits ₹ 3 lakhs. Whether composition levy is available in C.F.Y?

Ans:- Agg. T_{to} = 152L - 3L = 149 L Hence, XYZ Ltd. is eligible for composition Levy.

Agg. T_{to} of C.F.Y. [For deciding withdrawal of composition Levy in C.F.Y.]

Example:- XYZ Ltd. has opted composition levy in C.F.Y. Last T_{to} of P.F.Y. is less than 150L/RS/ISOL. Till September of C.F.Y. Agg. T_{to} of XYZ Ltd. is ₹155 lakhs which includes 10 lakhs for interest on loan/ deposits; state whether composition levy of XYZ Ltd. has lapsed in month of September or still it can pay tax under composition Levy?

Ans:- Agg. T_{to} = 155 L - 10 L = ₹145 Lakhs

Hence, XYZ Ltd. can still continue composition levy upto 5 lakhs after September.

T_{to} in State/UT [For calculation of composition Tax 1%, 5%, 6% under composition levy]

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

- Tradeable supply of goods ₹20 Lakhs
- Taxable supply of service ₹2 Lakhs
- Exempt supply of service ₹1 Lakh
- Interest on Loans/Deposit ₹0.5 Lakhs

Calculate GST payable in 1st quarter under composition levy

Note :- Short-term service provided in 1st quarter is within marginal limit as per proviso 2

Ans:- GST payable = 1% [20+2+1L] = ₹23 lakhs Note:- Interest excluded

Registration	Not required	Compulsory	Compulsory
GST Invoice	Not required	Bill of supply	Tax Invoice
GST Records	Not required	Limited Extent	As prescribed under this Act.
ITC	Not required	NO	Yes
GST Return	Not required	1) GSTR -4, GSTR - 9A 2) Quarterly Statement - CMP-08 3) Payment of Tax - Quarterly	GSTR -1, 2 & 3, Monthly Quarterly for notified category

GST Rate under Composition Scheme

Rule - 7 = Rates:-	CGST	SGST	Total	Basis for Calculation
a- Manufacturer	0.5%	0.5%	1%	Turnover in State/UT (T.S. + Exempt+ Nil rate)
b- Catering & Restaurant	2.5%	2.5%	5%	Turnover in State/UT
c- Trader	0.5%	0.5%	1%	Turnover of taxable SOG & SOG in the State/UT
d- R.P. not eligible u/s 10(1)	3%	3%	6%	Turnover of SOG & SOG in the State/UT (T.S. + Exempt+ Nil rate)

Both are Optional Scheme.

Special Category States= Arunachal Pradesh, Assam, J&K, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh & Uttarakhand

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

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

Sec. 10(4) - Other Conditions:-

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

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

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

Rule-5 Conditions/ restrictions:-

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

Example:- ABC Ltd. has turnover in state of Maharashtra in P.F.Y. is ₹30 lakhs. Turnover includes ₹ 7 lakhs for interest on loans/deposits. Whether ABC Ltd. is eligible for C.L. in C.F.Y.? Also, what is the amount of marginal limit of service available in C.F.Y.?

Ans:- 1) Agg. T_{to} = 80 Lakhs - 7 lakhs = 73 lakhs T_{to} in state only [Branch 1]

ABC Ltd. is eligible for composition levy in C.F.Y.

2) Marginal limit of service = 73L X 10% or ₹ 7.3 Lakhs

For calculation of Marginal limit of service [10% of T_{to} in state of P.F.Y. or 5 lakhs, whichever ever is higher]

Continuing the above Example of ABC Ltd. where marginal limit of C.F.Y for supply of service = ₹ 7.3 lakhs in C.F.Y., till September ABC Ltd. made supply of goods of ₹ 7.5 lakhs and supply of service ₹ 9 lakhs (Includes interest ₹ 2 lakhs)

Whether Composition Levy stands withdrawn in C.F.Y. or it will be continued?

Ans :- 1) Agg. T_{to} till Sep = 75L + (9L - 2L) = 82 Lakhs 2) Use of marginal limit of service = 9 L - 2L = 7 Lakhs. Therefore ABC Ltd. can still continued composition Levy

Time of Supply



CA Vishal Bhatnagar

TOS IN CASE OF ASSOCIATED ENTERPRISES

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

TOS : As per 2nd Proviso of sec 13(3), in case of supply by associated enterprises,

- where the supplier of service is located outside India,
- the time of supply shall be the*
- date of entry in the books of account of the recipient of supply or
 - the date of payment, whichever is earlier

Section 31- Invoice for supply of goods

Normal Case

As per Sec 31 a registered person supplying taxable goods invoice shall be issued before or at the time of	As per Sec 31 a registered person supplying taxable services invoice shall be issued, before or after the provision of service
(a) removal of goods for supply to the recipient, where the supply involves movement of goods; or	but not beyond 30 days (in case of banks or financial institution within 45 days) from the date of supply of service shall issue the invoice
(b) delivery of goods or making available thereof to the recipient, in any other case	

Time of Supply u/s 12 & 13

	Sec 12 :- TOS for supply of goods	Sec 13 :- TOS for Supply of Service	
Forward charge or outward supply	<p>Earlier of</p> <ul style="list-style-type: none"> ➔ Date of issue of Invoice or ➔ Last Date of issue of Invoice <p>Note : As per NN 66/2017, TOS of goods is not on date of Receipt of advance for supplier other than composition dealer & supplier of specified actionable claim</p>	<p>(a) If Invoice is issued within time</p> <p>(b) If Invoice is not issued within time</p> <p>(c) If TOS cannot be determined as per (a) or (b)</p>	<p>Date of invoice or Date of Receipt, whichever is earlier</p> <p>Date of Completion or Receipt whichever is earlier</p> <p>Date when Recipient shows receipt of service in his books</p>
RCM or Inward Supply	<p>Sec 12(3) : TOS is on</p> <p>(a) Date of Receipt of goods, or</p> <p>(b) Date of Payment,</p> <p>(c) 31st Day from Supplier's Invoice</p> <p>whichever is earlier</p> <p>Note : If (a) (b) or (c) is not possible then date of Entry in Books of Accounts</p>	<p>Sec 13(3) : TOS is on</p> <p>(a) Date of Payment, or</p> <p>(b) 61st Day from Supplier's Invoice</p> <p>whichever is earlier</p> <p>Note : If (a) or (b) is not possible then date of Entry in Books of Accounts</p>	
Payment upto ₹1000 in excess of Invoice	<p>Proviso to Sec 12(2) and 13(2) : TOS is on at the option of Supplier, on the date of issue of next invoice in which such payment is adjusted</p>		
Vouchers	<p>Sec 12(4) and 13(4) : TOS is on</p> <p>(a) If Supply is identifiable - Date of Issue of Vouchers</p> <p>(b) In Other Cases - Date of Redemption of Vouchers</p>		
Residual Cases	<p>Sec 12(5) and 13(5) : TOS cannot be determined in any of the above section, then</p> <p>(a) In case Periodical returns is to be filed - Date on which such return is filed</p> <p>(b) In Other Cases - Date of Payment of Tax</p>		
Interest/Late Fees or Penalty for delay payment for consideration	<p>Sec 12(6) and 13(6) : TOS is on</p> <p>➔ Date on which Supplier receives the addition in value</p>		

Notes:

1) **Date of Payment received**

- ➔ Date of book entry, or
- ➔ Credited to Bank

Which ever is earlier

ii) **Date of Payment (RCM) =**

- ➔ Date of Payment entered in books of accounts, or
- ➔ Date of debit to bank

Which ever is earlier

Section 15 - Value of Supply



Sec 15(1)

Value of = Transaction value

Taxable Supply

Price actually paid or payable for Supply

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

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



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

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

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

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

Sec 15(2)

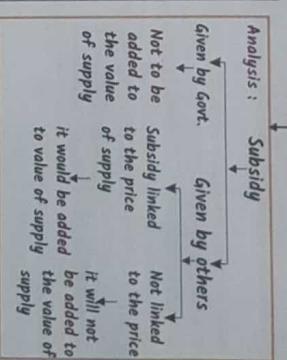
Inclusion to Transaction Value

Interest, late fee penalty for delay payment of consideration

Interest, late fee, penalty
Interest, Late fee, Penalty for delay or deposits
It is SOI
It is taxable but exempted

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

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



Sec 15(3)

Deduction of discount

Any discount given after supply

Any discount given before or at the Time of Supply
Deductible from value

Deduction allowed before supply or Not Agreed at the Time of supply
Deduction not allowed if Agreed

Staggered discount (Buy more, save more offers):- Generally shown in the invoice, to be excluded
Periodic year end discount:- Generally not shown on invoice since given at year end such discount are excluded from value of supply subject to fulfillment of conditions u/s 15(3)(b).
Secondary discounts (not known at TDS):- Such discount shall not be excluded from value of supply since not known at TDS & 15(3)(b) condition not satisfied.

Important Clarification

Circular no.186/18/2022

Issue:- Whether No Claim Bonus allowed by insurance company can be considered as consideration for supply, for agreeing to refrain from the act of lodging insurance claim during the previous year(s)?

Clarification:
➤ It is clarified that there is no supply provided by the insured to insurance company in form of agreeing to the obligation to refrain from the act of lodging insurance claim during the PY
➤ Hence No Claim Bonus cannot be considered as a consideration for any supply.

Issue:- Whether No Claim Bonus provided by insurance company to the insured can be considered as an admissible discount for the purpose of determination of value of supply of insurance service provided by insurance company to insured?

Clarification:
➤ It is clarified that No Claim Bonus (NCB) is a permissible deduction u/s 15(3)(a) of CGST Act to calculate the value of supply of insurance services.
➤ Accordingly, if the deduction on account of NCB is provided in the invoice, GST shall be leviable on actual insurance premium amount, payable by policy holders to insurer, after deduction of NCB mentioned on the invoice.

Circular no. 76/50/2018

Issue:- Issue: TCS under Income-Tax Act, 1961 not includible in the taxable value for the purpose of GST

Clarification: To determine the value of supply under GST, tax collected at source (TCS) under the IT Act, 1961 would not be includible as it is an interim levy not having the character of tax.



SEC 49 : Payment of Tax

E-Cash Ledger

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

Proviso :- Special Payment made for ODAAR or Online money gaming- If a person is providing ODAAR services to NTOAR or online money gaming services to any person in India are permitted to make their payments through the international money transfer system of SWIFT network.

Rule 87 :- Tax Payment Challan

1) OTC - cover the counter payment by cash, cheque or DD Limit:- ₹ 10,000 per challan per tax period No Limit:-	Other aspects relating to challan
<ul style="list-style-type: none"> Government Department, P.O. & other authorised P.O. To recover of dues from any person registered or not During any investigation or enforcement activity 	<p>CPIN- 1. CPIN stands for Common portal Identification Number.</p> <p>2. It is created for every Challan successfully generated by the taxpayer.</p> <p>3. It is a 14-digit unique number to identify the challan.</p> <p>4. CPIN remains valid for a period of 15 days.</p>
2) E-Challan validity is for 15 days	CPIN- 1. It stands for Challan Identification number (CIN)
3) Payment may be made by unregistered person through temporary identification no.	2. It is generated by authorised bank/RBI
4) When amount is successfully credited in government A/c. A CIN - 18 Digit [Challan Identification no.] will be generated when payment is actually received by such collecting bank which will be indicated in the challan.	3. It is a 14-digit unique number to identify the relevant Govt. A/c
5) On receipt of CIN from the collecting bank, the same amount is credited into the e-cash ledger	3. It is indication of successful payment of account
6) If CIN is not generated after payment made, the person can make representation in Form PMT-07 but if bank fails to communicate details of CIN, then E cash ledger may updated by a Scroll of RBI	4. CIN is communicated by authorised bank to taxpayer as well as to GSTN
7) Date of credit into the govt. (C.G.S.G.) A/c is deemed to be the date of debit to the amount of the taxable person	5. It is 18 digit number that is '4 digit CPIN plus 4 digit bank code.

Utilization of Major and minor Head

As per Sec 49 a registered person may transfer any amount of tax, interest, penalty, fee or any other amount available in the e-cash ledger under the act.

- To the e-cash ledger for integrated tax, central tax, state tax or UT or cess
- To the e-cash ledger for integrated tax, central tax, state tax or UT of DDP (s. 25(4) & 25(5)).

In Form GST PMT-09, Hence if a taxpayer has wrongly paid CGST instead of SGST, he can now rectify the same using FORM PMT-09 by reallocating the amount from the CGST Head to the SGST Head.

Debit Amount (DR)	Credit Amount (CR)
<ul style="list-style-type: none"> Any deposit made towards tax, interest, penalty, late fee etc. with internet banking, RTGS, fund transfer etc. Remaining credit balance amount after payment of above tax etc. will be refunded to taxable person. 	<ul style="list-style-type: none"> Any deposit made towards tax, interest, penalty, late fee etc. with internet banking, RTGS, fund transfer etc. TDS/TCS claimed

E-Credit Ledger

49(2) Amount assessed in E-credit Ledger	49(4) Utilization of E-Credit
The ITC as Self-assessed in the return of a registered person shall be credit to his E-Credit ledger.	It may be used for only making payment toward Output Tax

Utilization of cash ledger	Utilization of Credit ledger	Manner of utilization of ITC [Sec 49(5) + Sec 49(4) + Sec 49(8)]
Tax dues	✓	1. IAST 2. CGST 3. SGST
Interest	✓	1. IAST 2. CGST 3. SGST
Penalty	✓	1. IAST 2. CGST 3. SGST
Fees	✓	1. IAST 2. CGST 3. SGST
Other Amt.	✗	2) It should be noted that CGST cannot be used against SGST/IGST or vice-versa

Electronic Credit Ledger

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

Refund

49(6) Refund of excess balance in E-cash ledger or E-credit ledger is available in following manner:-

A) E-Cash Ledger :- Immediately allowed on filing the application of Refund

B) E-Credit Ledger:- a) Refund is available in only following Two cases

- ITC of zero rated supply
- Inverted tax rate

b) registered person deposits the amount of erroneous refund sanctioned to him along with interest & penalty. the amount of erroneous refund shall be re-credited to the E-Credit ledger by the proper officer by an order made in FORM GST PMT-03A.

Rule 84A- Conditions of use of amount available in electronic credit ledger

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

- tax invoices or debit notes or others
- issued by non-existent RP(supplier) or RP not doing business from registered place;
- without receipt of goods or services or both; or
- ITC avail in respect tax which has not been paid by supplier

c) The RP taking ITC is non-existent or not doing business from registered place

d) not in possession of a tax invoice or debit note or etc.

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

Electronic Liability Register

Discharge of Tax Liability Sec 49(7) & (8)

- All liabilities shall be recorded and maintained in an Electronic Liability Register
- Order of Discharge -
 - Self-assessed tax, and other dues related to Returns of Previous Tax Period
 - Self-assessed tax, and other dues related to the Return of the Current Tax Period
 - Any other amount payable under this Act including the demand for recovery of tax

Utilization of Electronic Liability Register	Debit Amount (DR)	Credit Amount (CR)
<ul style="list-style-type: none"> Amount payable towards tax, interest, fees etc. Any other Due Amount payable towards output tax 	<ul style="list-style-type: none"> Electronic cash ledger Electronic Credit ledger 	

Certain liability only to be discharge through cash ledger

- The amount deducted under sections 17(1), or the amount collected under section 52(TCS), or
- the amount payable on reverse charge basis, or
- the amount payable under section 10,
- any amount payable towards interest, penalty, fee or any other amount under the Act

Reduction in penalty

The amount of penalty imposed or liable to be imposed shall stand reduced partly or fully, as the case may be, if the taxable person makes the payment of tax, interest and penalty specified in the show cause notice or demand order and the electronic liability register shall be credited accordingly.

Rule 88B- Restrictions on use of amount available in electronic credit ledger

The RP shall not use the amount available in E-Cr. ledger to discharge his liability towards output tax in excess of 99% of such tax liability.

In cases where the value of taxable supply other than exempt supply and zero-rated supply, in a month exceeds ₹ 50 lakhs.

Interest on Delayed payment of tax (Sec 50 & Rule 88B)

Scenario	Period for which interest is payable	Amount on which interest liability has to be computed	Rate
If tax has been belatedly paid on account of delayed filing of return, before uptothe date of payment	Interest to be paid from next day of due date of return	cash ledger (net output tax after adjusting ITC + RCM)	18%
In all other cases where interest is payable on delay in PGT covered by Sec 50(D)	Period starting from the date on which such tax was due to be paid till the date such tax is paid	Amount of tax which remains unpaid	18%
Where interest is payable on the amount of ITC wrongly availed and utilized covered by Sec 50(C)	Period starting from the date of utilization of such wrongly availed ITC till the date of reversal of such credit or PGT in respect of such amount	Amount of Input tax credit wrongly availed and utilized	18%

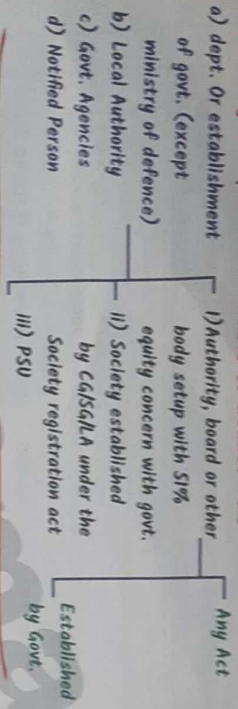
Circular No. 192/04/2023: While calculating interest under Rule 88B of the CGST Rules consider the total Input Tax Credit (ITC) available in your E-credit ledger. This includes the credit from IGST, CGST and SGST combined, not just IGST.



CA Yashwanth

Section 51 :- TDS

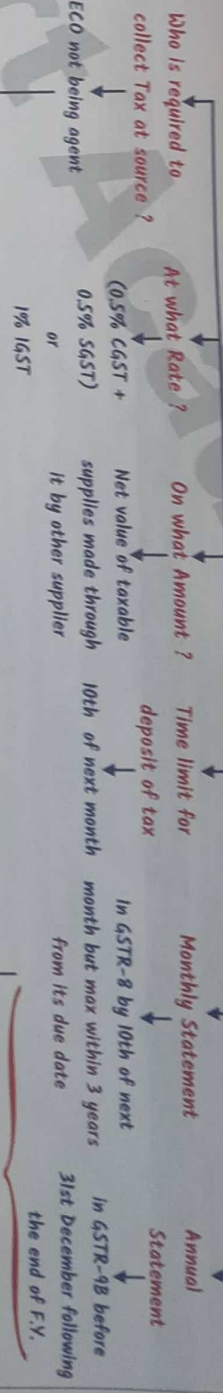
Following recipients are liable to deduct TDS



TDS provisions shall not apply to supply between one person to other person as specified above

- TDS RATE: 1% CGST + 1% SGST or 2% IGST
- Total value of taxable supplies > ₹ 2,50,000 under a contract
- Tds to be deducted from - the payment made or credited to supplier of taxable goods &/ services
- Time limit to deposit = within 10 days of end of month in which TDS is deducted
- Deductor shall furnish return = GSTR 7
- TDS certificate to be furnished to deductee - GSTR -7A
- Deductee can claim credit of TDS in his electronic cash ledger
- Interest on delay deposit of TDS = 18% p.a.
- Excess/Erroneous deduction of TDS = Refund in accordance with provision of section 54
- No refund if TDS is credited to the electronic cash ledger of deductee
- Deductor has to be compulsorily registered without any threshold limit
- Amount in default shall be determined as per sec 73 or 74
- TDS not to be deducted in following case -
 - Supplier in state A, place of supply in State A & Recipient is in state B.
 - Total value of Taxable supply <= ₹ 2,50,000 under a contract
 - When recipient is Authorities under ministry of Defence
 - When tax is to be paid under RCM by recipient i.e. deductee
 - When payment is made to unregistered supplier
 - when payment relates to the Cess component.
 - receipt of exempted goods &/or services
 - Goods on which GST is not leviable
 - All activities specified in schedule III irrespective of value

Section 52:- TCS



Where consideration is collected by ECO for supplies made through it

➔ Net value of taxable supplies

= Aggregate value of Taxable supplies (other than services notified u/s 9(S)) made during month by all registered persons through ECO (-) aggregate value of taxable supplies returned to suppliers during month

➔ Net value of taxable supplies are calculated for each supplier separately on monthly basis. No TCS if net value is nil or negative

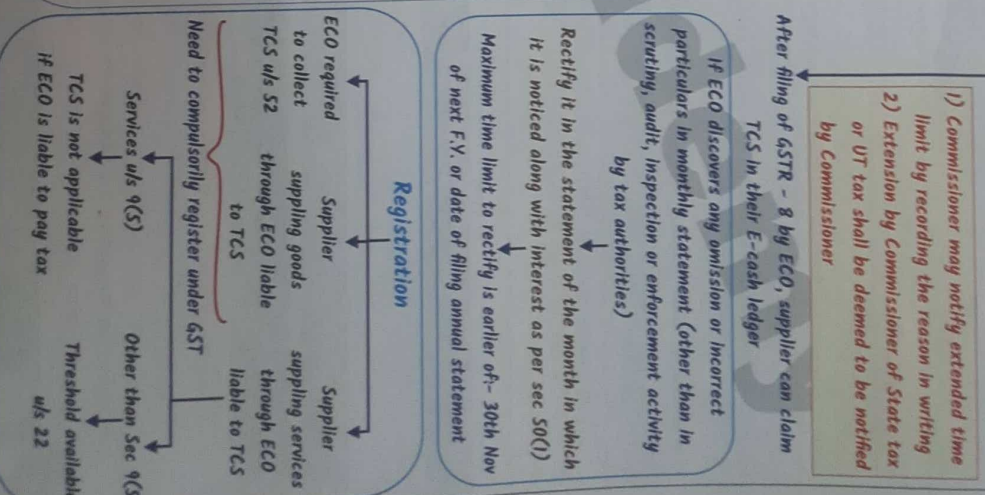
CBIC Clarification - collection of TCS by Tea Board respectively from the Sellers (i.e. tea producers) on the net value of supply of tea

auctioneer on net value of supply of services (i.e. Brokerage)

Some cases where TCS provisions are not applicable-
1. If supplier of services is not liable for registration, ECO is not required to collect tax at source on supplies made through it.
2. On Exempt supplies
3. On supplies made by composition taxpayer as he cannot make supplies through ECO u/s 10(2)(d)
4. On Import of goods or services or both as it is covered under RCM

Exceptions to services notified u/s 9(S) where TCS provisions are applicable to ECO :-
a) Renting of accommodation by hotel who is liable to register u/s 22(i)
b) Housekeeping services by supplier who is liable to register u/s 22(i)
c) Restaurant services at specified premises where declared tariff is > ₹7500 per unit per day

Some other provisions relating to TCS:-
1. Foreign ECO not having place of business in India would be liable to TCS where supplier & customers are in India & shall register in each State / UT.
2. ECO has to obtain separate registration for TCS through already registered under GST.
3. Cir. No. 19/06/2023- If multiple ECOs are involved in a single transaction of supply, then who is liable for compliances u/s 52 including TCS collection in following cases:-
1) Supplier-side ECO who finally releases the payment to supplier.
2) Buyer-side ECO while making payment to supplier.
4. ECO is required to register for TCS in each State/ UT in which suppliers listed on their platform are located
5. TCS is not required to be collected when a supplier is selling through his own website
his own product
goods purchased from different vendors & then sold under own billing
6. Services notified u/s 9(S)



Input Tax Credit

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

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

Sec 2(9) Capital Goods : Means goods, the value of which is capitalised in the book of account of the person claiming the input tax credit and which are used or intended to be used in the course or furtherance of business

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

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

Sec 16 : Eligibility & Conditions for ITC

1) Eligibility criteria-

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

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

a)	He is in possession of a Tax Invoice/ debit note
aa)	the details of the invoice or debit note has been furnished by the supplier in GSTR -1 and such details have been updated in GSTR - 2B of recipient.
b)	He has received the Goods/Services/Both (For Bill to Ship to- it shall be deemed to be received ➤ Goods- When goods are delivered by supplier ➤ Services- When services are provided
(Ba)	The details of input tax credit in respect of the said supply communicated to such registered person under section 38 has not been restricted
c)	Tax charged on such supply = has been actually paid to Govt. by the supplier
d)	He has furnished return u/s 39 Proviso 1 :- ITC if goods are received in lots :- Where the goods against an invoice are received in lots or instalments, the registered person shall be entitled to take credit upon receipt of the last lot or instalment Proviso 2 :- Payment for the invoice to be made within 180 days (Rule 37) 1. Default : Failure by Recipient to pay (wholly or partly) to the supplier the within 180 days from Invoice date. 2. Consequence : Amount equal to the ITC availed proportionate to amount not paid to supplier shall be paid by him along with interest payable u/s 50. 3. Details to be furnished : Details of defaulted supply, value not paid, ITC availed to be mentioned in FORM GSTR-3B for the month immediately after the expiry of 180 days from Invoice date. 4. Regain of Credit : Regain when payment is made to supplier (below time limit N.A. for regaining of ITC) 5. Non Applicability : This provision not applicable a) Tax payable under RCM b) Deemed supplies without consideration [Sch.1] c) Value of supplies on account as per sec 15(2)(b)

3) When depreciation is claimed on tax component-

Where the registered person has claimed depreciation on the tax component of the cost of capital goods and plant and machinery under the provisions of the Income-tax Act, 1961, the input tax credit on the said tax component shall not be allowed.

4) Time limit of availing ITC-

- A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both
- after the **30th day of November** following the end of financial year to which such invoice or debit note pertains or
- **furnishing of the relevant annual return**, whichever is earlier.

Rule 36- Documents Requirement :-

- 1) ITC availed on the basis of following docs -
Invoice by supplier/ Invoice by recipient (RCM)/ Debit note/ Bill of entry/ Revised Invoice/ Docs. by ISD.
- 2) Mandatory Requirement in Invoice - Details of tax, descriptions of goods or service, value of supply, GSTIN & place of supply.
- 3) No ITC - if tax has been paid & demand is confirmed because of fraud etc.
- 4) No input tax credit shall be availed by a registered person in respect of invoices or debit notes the details of which are required to be furnished under section 37(1) unless -
(a) the details of such invoices or debit notes have been furnished by the supplier in the statement of outward supplies in FORM GSTR-1 or using the IFF, and
(b) the details of **input tax credit in respect of** such invoices or debit notes have been communicated to the registered person in FORM GSTR -2B.

SEC 38 : FURNISHING DETAILS OF INWARD SUPPLIES & INPUT TAX CREDIT

- ITC not available under section 38 as per GSTR - 2B if the supplier
➤ is having new registration (upto the prescribed time period)
- has defaulted in tax payment and default has continued for the prescribed time period
- has tax paid in GSTR-3B lower than output tax shown in GSTR-1 by the prescribed limit
- has taken more ITC in GSTR -2B than in GSTR - 2B than in GSTR - 3B by the prescribed limit
- has paid higher proportion of taxes from his credit than what is allowed as per law
- other notified persons

Sec 41 :- Claim of ITC and Provisional acceptance thereof

The taxpayer shall self-assess and claim ITC in GSTR 3B. It further provides that in case the taxpayer has claimed ITC of GST which is not paid/ deposited by the corresponding supplier, than the taxpayer / recipient shall reverse the ITC along with interest. The recipient shall be eligible to re-claim the ITC reversed, on payment of GST by the supplier.

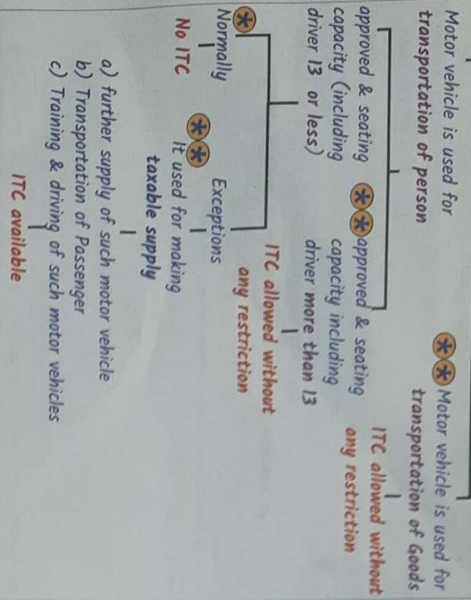
Rule 37A: Reversal of ITC in the case of non-payment of tax by the supplier and reavallment thereof-

- If the registered person has availed ITC & supplier furnished his GSTR 1 & if supplier has not furnished outward supplies in GSTR 3B till the 30th Sep, then the registered person shall reverse ITC in form GSTR 3B on or before 30th Nov following the end of FY.
- If ITC is not reversed by Registered person, then amount shall be payable with interest u/s 50
- If supplier furnishes GSTR 3B subsequently, registered person may re avail the amount of ITC.

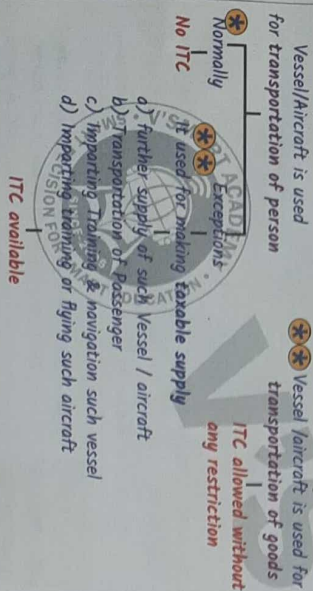


C.V. Venkatesh

Motor vehicles



(aa) Vessel & Aircraft



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

- General insurance
- Service
- Repairs & Maintenance
- Leasing/Renting/Hiring (covered in clause (b))

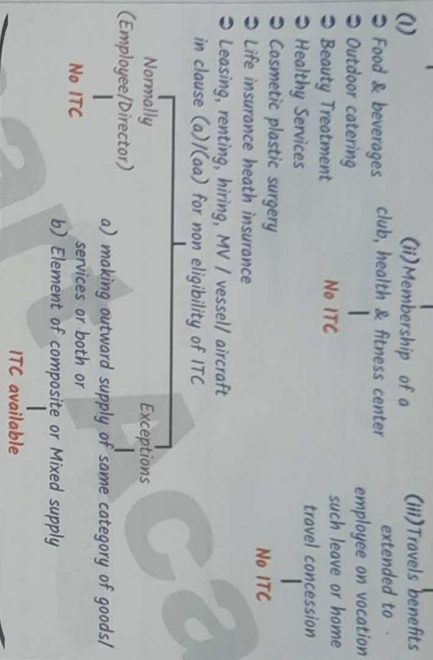
If MV/Vessel/Aircraft used in the business

If MV/Vessel/Aircraft is manufacturer's final product

ITC is available for above notified services

ITC Not available
ITC available

(b) Goods services used in business not eligible for ITC (mostly for employee, director, guest etc.)



Proviso

Provided that the input tax credit in respect of such goods or services or both shall be available, where it is obligatory for an employer to provide the same to its employees under any law for the time being in force.

- Circular no. 172/09/2022 : Proviso after Sec 17(S)(b)(iii) i.e ITC of goods or services shall be available, which are obligatory for an employer to provide to its employees is applicable to the whole of Sec 17(S)(b).
- Circular No. 206/81/2023 : Input services in same line of business include transport of passengers or renting of motor vehicle with operator & not leasing of motor vehicles without operator which attracts GST for sale of motor vehicle

Free Sample and gift treatment under GST
Not a supply as no consideration is included but

ITC taken on such goods

It shall be treated as supply

Value - Rule 31

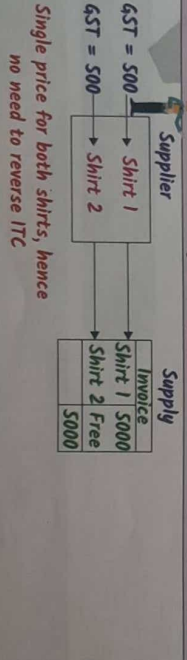
ITC - available

ITC not taken

don't take it

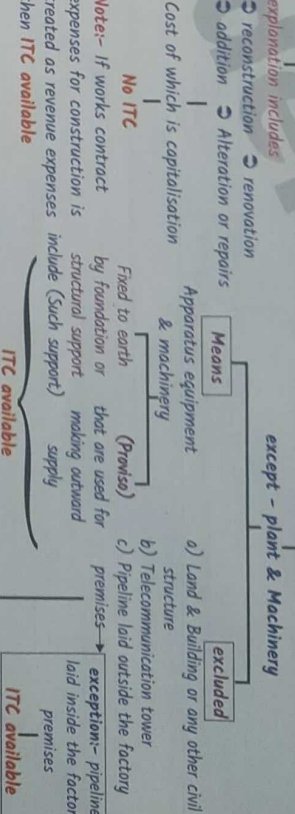
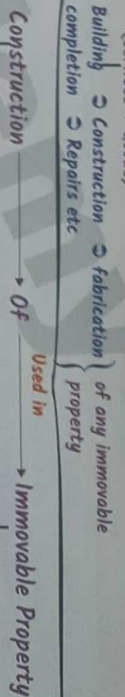
u/s 17(S)(4)

Buy one, Get One offer



Construction Sector

- Works Contract (Services + Goods)
 - Building
 - Construction
 - Repairs etc
 - completion
- Construction
 - renovation
 - Alteration or repairs
- Goods/Services or both



This are excluded from P&M hence if work contract services or goods taken for such immovable property then ITC is not available

Exceptions

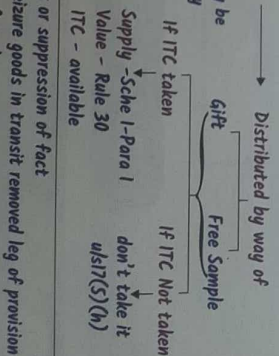
- except where it is an input services for further supply of works contract service (Who provides output works contract service has purchase any sub-contract's services then he is eligible for ITC credit on such work contract)
- Making outward supply of the same category

Other Points

Explanation

e) Goods or services or both on which tax has been paid under sec 10	374 composition supplier के composition tax, invoice में त्याग कर देता है, जो नहीं देता वह बिना 50, recipient को उस Tax को credit नहीं मिलेगा	No ITC	(Remark - ITC available on imported goods by NRRP)
f) Goods or services or both received by NRRP		No ITC	
f <i>a</i>) Goods &/or services received by taxable person, which are used/intended to be used for activities relating to his obligations under CSR referred to in section 135 of Companies Act, 2013		No ITC	
g) Goods or services or both used for personal consumption		No ITC	
h) Goods	lost, destroyed, stolen, written off	written off	Distributed by way of gift
	Transit loss	Store loss	
	Processed loss (Sec 17(S)(4))		
	If ITC taken	If ITC Not taken	
	Reverse the ITC or add in output tax liability	Don't take it	
	Sec 17(S)(4)		
1) Tax paid accordance with the provisions of sec 74, 129, 130			

Sec 74-Misstatement or suppression of fact
Sec 129-detention, seizure goods in transit removed leg of provision
Sec 130-Confiscation of goods



Sec 18 : Availment or Reversal of Credit

Sec 18(1) Availment of Credit

Person applied or registration within 30 days & becoming liable for registration

Person obtaining voluntary registration

Person entitled for ITC on

- Input as such held in stock
- Inputs contained in semi-finished goods
- Inputs contained in finished goods held in stock

No benefit on Capital goods

If person liable for registration

On the date immediately preceding the date from which he becomes liable to pay tax

Voluntary Registration

on the date immediately preceding the date of registration

Important Comment - If person failed to apply for reg within 30 days then he is not eligible to take such ITC.

As per Sec 18(2) person is not entitled to take ITC if supply of input or capital goods is after expiry of 1 year from the date of issue of tax invoice.

Registered person switching from composition levy to normal tax payment supplies becoming a taxable supply

Person entitled for ITC on

- Input as such held in stock
- Inputs contained in semi finished goods
- Inputs contained in finished goods held in stock
- Capital goods [ITC = Input tax - 5% per qtr. or part there of from the date of invoice.]

Composition to normal : on the date immediately preceding the date from which person become liable to pay tax under normal scheme

Exempt to taxable : on the date immediately preceding the date from which such supply become taxable.

Imp provisions of rule 40 :

- Declaration in form GST ITC of within 30 days (empower the commissioner to extend the time period for submission of such declaration)
- If the aggregate claim amt is more than ₹ 2,00,000 it should be duly certified by practicing CA or CMA

Sec 18 (3) Transfer of ITC

In case of - Sale, Amalgamation, Lease, Transfer of business

In case of Demerger

The Registered person shall transfer his unutilized ITC in Ecr ledger of transferee

Registered person apportion his ITC in ratio of Value of asset transferred to demerged unit

"Value of assets" means the value of the entire assets of the business, whether or not input tax credit has been availed thereon

Conditions

- There is a specific provision for transfer of liabilities
- Conditions of Rule 41
 - declaration of details in the form GST ITC 02 for transfer of credit.
 - Certification of transfer of liabilities from CA/CMA
 - Acceptance of transferred credit by transferee on common portal
 - inputs & capital goods so transferred are duly accounted by transferee in his books of Ac

Reversal of Credit

Sec 18(4) Reversal of credit in Special Cases

Registered person switching from normal scheme of payment of tax to composition Scheme

Taxable supply becomes exempt Supply

Cancellation of Registration

1) Amt to be reversed is equivalent to ITC on

- Input as such held in stock
- Inputs contained in semi finished goods
- Inputs contained in finished goods held in stock
- Capital goods [Reversal on prorata basis pertaining to remaining useful life in a month (taking useful life as 5 yrs.

After reversal balance if any in Ecr. ledger shall lapse

Illustration: Capital goods have been in use for 4 years, 6 month and 15 days.

The useful remaining life in months = 5 months ignoring a part of the month

Input tax credit taken on such capital goods = C

Input tax credit attributable to remaining useful life = C multiplied by 5/60

Rule 44 : Procedure & conditions

- Reversal of inputs shall be determined with corresponding invoices. If invoice is not available then reversal is based on prevailing market price of inputs.
- Reversal of ITC shall be calculated separately for CGST, SGST & IGST.
- Reversal amt. will be added in output tax liability & details to be furnished in GST ITC 03

Sec 18 (5) : Reversal of credit on supply of Capital Goods/ Plant & Machinery on which ITC has been taken

1) If capital goods or plant & machinery on which ITC has been taken are supplied [Removed as such by way of sale transfer barter etc.] then registered person shall pay higher of the following

- Payment = ITC - 5% per quarter or part thereof OR
 - GST on transaction value
- 2) In case of refractory bricks, moulds & dies, jigs & fixtures, supplied as a scrap then person may pay tax on transaction value instead of above 2 options.

REGISTRATION

Sec 22 Persons liable for registration

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

Analysis:- Read with proviso

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

- 1) Proviso - In following cases 40 Lakh limit is not applicable (Only 10/20 L limit is available)
- required to take compulsory registration
 - Person who taken voluntary registration.
 - Supply of i) Ice-cream or edible ice ii) Pan Masala iii) All Tobacco & Tobacco product
 - Fly ash bricks;
 - Fly ash aggregates;
 - Fly ash blocks
 - Person deemed exclusive supplier of goods even if he has received interest or discount (Exempt SOS) on loan advances, deposit
- 2) Supply made by agent on the behalf of principals to be added in aggregate turnover of agent
- 3) Supply made by job worker on the behalf of principals not to be added in aggregate turnover of JO
- 4) When business carried on by a taxable person transferred, whether on account of succession or otherwise then Transferor/successors shall take new registration.

Sec 23, Persons not liable for Registration

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

Sec 2(77) of "agriculturist" means an individual or a HUF who undertakes cultivation of land -

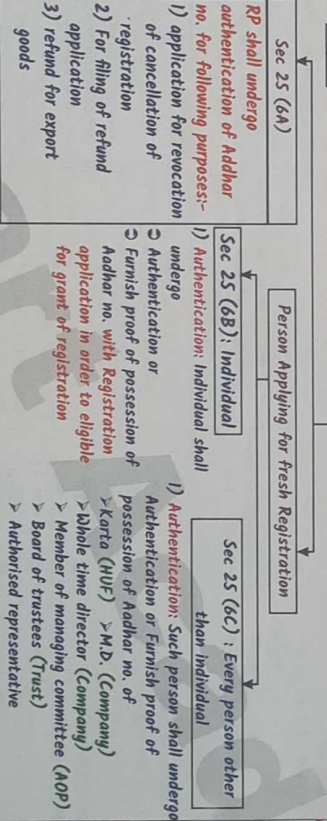
- by own labour, or
- by the labour of family, or
- by servants on wages under own or family supervision

Sec 24- Compulsory Registration

- Persons making any inter-State taxable supply
 Exceptions: Following category of person not required to register for inter-State taxable supply eventhough aggregate TD less than ₹ 2000 lakhs
 - Persons making inter-State supplies of taxable services
 - Person making inter-State taxable supplies of handicraft goods
 - Jobworker engaged in making inter-state supply of services
- Casual taxable persons making taxable supply
 Exceptions: CTP making taxable supplies of handicraft goods & handmade shawls, stoles etc. (eligible for 10L/20L/40L threshold)
- Persons who are required to pay tax under reverse charge
- Person who are required to pay tax under Sec 9(5) -ECO
- Non-resident taxable persons making taxable supply
- Persons who are required to deduct tax under section 51, whether or not separately registered under this Act

Sec 25 Procedure for registration

Sec 25 - Authentication (Aadhar) Process under GST



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

- Persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise (agent issuing own invoice)
- Input Service Distributor, whether or not separately registered under this Act
- every electronic commerce operator, who is required to collect tax at source u/s 52
- persons who supply goods or services or both, other than supplies specified under Sec 9(5) through such ECO who is required to collect tax at source u/s 52.
 Exceptions:- 1) Person making supply of services through ECO is exempted from obtaining registration till threshold (subject to condition)
 2) Persons supplying goods through ECO is exempted from obtaining registration till threshold (subject to condition)
- every person supplying OIDAR services from a place outside India to a person in India, other than a RP.
- every person supplying online money gaming from a place outside India to a person in India; and
- Any other person notified by C.G.

Concept of CTP and N RTP

CTP = a person who occasionally RTP = any person who undertakes transactions

- Involving supply of SOG or SOS
- in the course or furtherance of business.
- whether as principal, agent or in any other capacity, but who has no fixed place of business or residence in India.

Registration provisions

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

Return provisions

GSTR-1, GSTR-3B

GSTR-5

ITC of all ITCs is available

ITC only on imported goods is available

Important Comments

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

Particulars	where	when
Person who is liable to be registered under section 22 or section 24	In every such ST/UT in which he is so liable	within 30 days from the date on which he becomes liable to registration
Units in SEZ or SEZ Developer	shall apply for a separate registration for units in SEZ & outside the SEZ in a same ST or UT	at least 5 days prior to the commencement of business
A casual taxable person or a non-resident taxable person	in every such State/UT in which he is so liable	at least 5 days prior to the commencement of business
PAN		
Registration in State		
Voluntary Registration		
DDP		
Bank Details		
Issue of Registration Certificate (Rule 10)		

- Person shall have a PAN in order to be eligible for grant of registration
 - Exceptions: (a) A Person required to deduct TDS (b) A N RTP
- Normally single registration in a state shall be allowed but Separate registration if multiple place of business within a State/UT may be granted
- A person who is not liable to be registered under section 22 or section 24 may get himself registered voluntarily. All the provision of this act is applicable.
- Already discussed in sec 25(4) and 25(5)
- Rule 10A -> RP (Person liable to TDS/STCS & sumo to registration) shall furnish Bank A/c details after obtaining certificate of registration & a GSTIN but earlier of:
- within 30 days from date of grant of registration or
 - before furnishing FORM GSTR-1 or IFC
1. certificate of registration in FORM REG-06 and GSTIN of IS digit.
2. Display of RC and GSTIN on the name board at the entry and in a prominent location at his Principal POB and additional POB.
3. Effective date of registration:
- Application files from Liability date
 - Registration Effective from within 30 days
 - Date on which the person becomes liable to registration
 - Not within 30 days

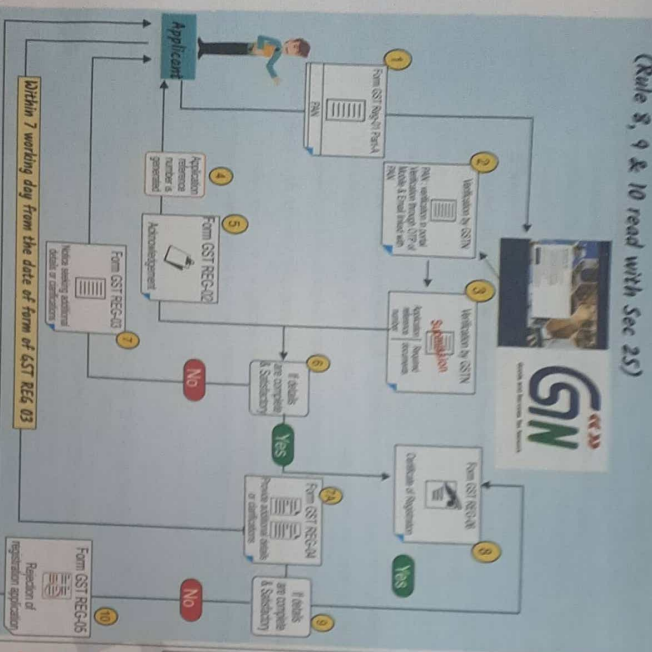
AA not applicable to 25(6B)

Physical verification of business premises

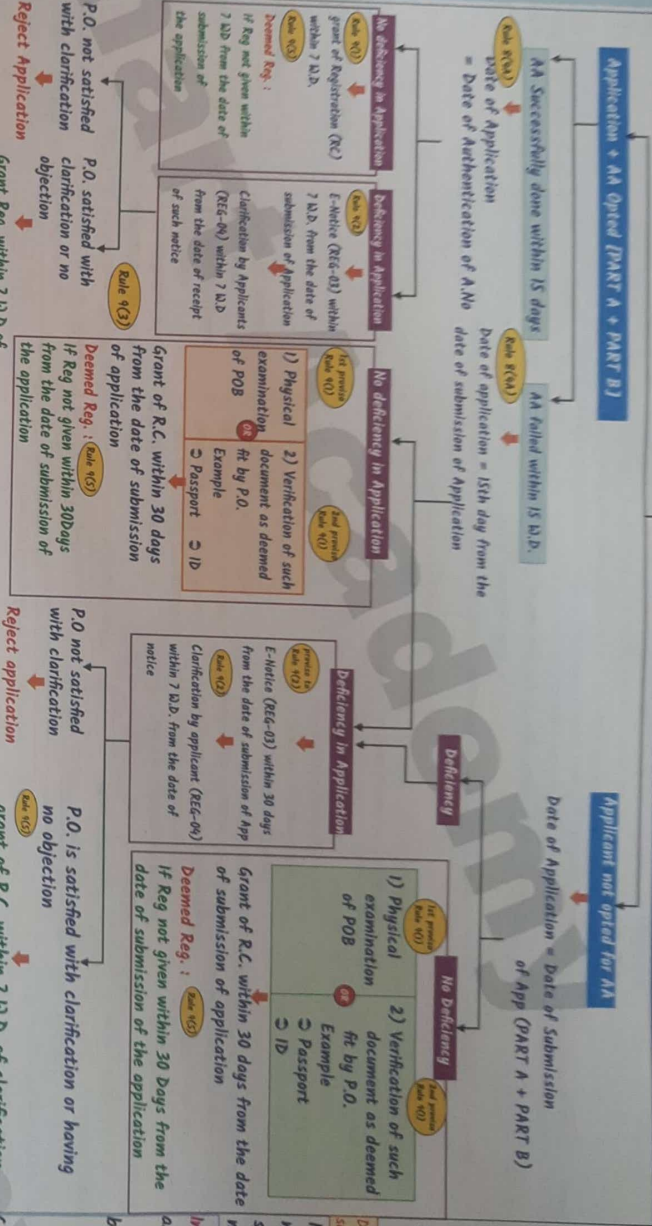
- not a citizen of India or a Local Authority
- a Department or establishment of the CG or SG, or a Statutory Body or Undertaking or a Public Sector
- If physical verification of POB is needed after grant of registration:- PO may get it done & verification report & other documents with photos, shall be uploaded in REG-30 within 15 working days following date of such verification.
- If physical verification of POB is needed before grant of registration:- PO shall get it done & verification report & other documents with photos shall be uploaded in REG-30 at least 5 working days prior to completion of time period to grant reg.

Procedure of Registration

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



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



- #### Persons liable to obtain UIN
- Any specialized agency of the UN Organization or any Multilateral Financial Institution and organization notified under the UN consulate or embassy of foreign countries and any other person notified by the Commissioner
 - Defense Contractor(CSD), as a person who shall be entitled to claim 50% refund
 - It is for Refund of taxes on the notified supplies of goods or services received by them, as may be prescribed.

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

Sec 26 - Deemed Registration

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

Sec 28 - Amendment of Registration

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

Core Field	Non Core Field
Legal name of business	Address of Place/Principals Business
Partners or directors, Karta, Managing Committee	Boards of Trustees, Chief Executive Officer
Partners or directors, Karta, Managing Committee	Boards of Trustees, Chief Executive Officer
Partners or directors, Karta, Managing Committee	Boards of Trustees, Chief Executive Officer

the no-e-mail address authorized signatory can be amended only after verification through Portal.

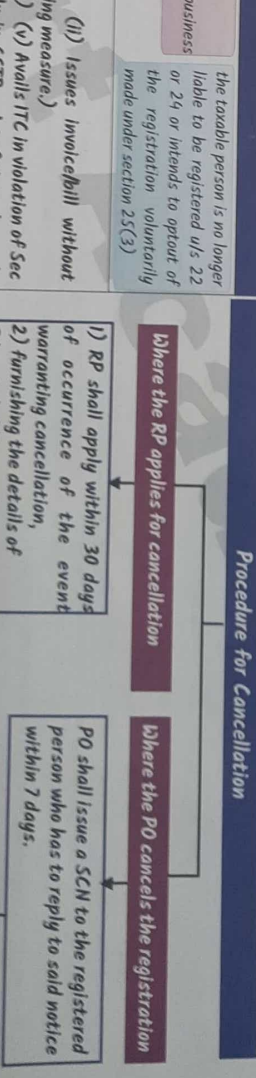
Sec 29 - Cancellation of Registration

- Business discontinued**
- Transferred fully for any reason including death of the proprietor
- Annulled with other legal entity
- Damaged or otherwise disposed of

Sec 30 - Revocation of Cancellation of Registration

- RP whose reg. is cancelled by P.O. apply for revocation **Subject to rule 10(3)**
- Extension by Commissioner or an authorised officer - not below the rank of AC or JC for further upto 180 days
- On application P.O. may revoke cancellation or reject application
- Revocation under SAST/UTGST act shall deemed to revocation under CGST/IGST Act.

Procedure for Cancellation



- #### Where the RP applies for cancellation
- RP shall apply within 30 days of occurrence of the event warranting cancellation,
 - furnishing the details of inputs held in stock or inputs contained in semi-finished/goods held in stock and of capital goods held in stock
- on the date from which cancellation of registration is sought, liability thereon, payment, if any made & relevant documents.
- Proceedings shall be dropped
- Where instead of replying to SCN, person furnishes all pending returns & makes full payment of tax along with interest & late fee.
- Cancelation order shall be issued within 30 days of reply to SCN where registration is liable to be cancelled

Proper officer (PO) shall issue the order of cancellation within 30 days of submission of application for the same.

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

Exemption Related to Health Care

Health Care

SI.No.	MEANS	INCLUDES	EXCLUDES
SI.No. 74 (Imp)	a) Health Care Services by a clinical establishment, an authorized medical practitioner or paramedics. b) Ambulance Service by others Provided that nothing in this entry shall apply to the services provided by a clinical establishment by way of providing room (other than ICU/CCU /ICCU / NICU) having room charges exceeding `5000 per day to a person receiving health care services."	Any service by way of Diagnosis or Treatment of illness, injury, or pregnancy or Care in any recognized system of medicines in India (Eg. Allopathy, Yoga, Naturopathy, Ayurveda, Homeopathy, Siddha, Unani)	by way of transportation of the patient to and from a clinical establishment (Ambulance Service) except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma.
SI.No. 46 (Imp)	Health Care or Animal or Birds Service by Veterinary Clinic	1) Hiring of senior Dr/J consultant/ technicians independently by hospital 2) Retention money taken by hospital 3) Food supplied to the admitted patient	Food supplied to Non-admitted patient and attendant Supply to Doctor/Staff Outsourced by hospital to outdoor caterers
SI.No. 74A (Imp)	Service provided by professional by way of rehabilitation, therapy or counseling at medical establishment, Educational Institution, Govt. Center or charitable institution under sec 12AA or 12AB etc.	Exemption	Taxable

Exemption Charitable and Religious Sector

SI.No. 1 **(Imp)** Services - entity u/s 12AA/12AB of Income tax Act By way of charitable activities

Core or counselling	Public Health by way of	A treatment of	Prevention environment
<ul style="list-style-type: none"> Terminally ill person Person with physical or mental disability Affected with HIV/AIDS Person addicted with narcotics or drugs etc. 	<ul style="list-style-type: none"> Public awareness Preventive health Family planning Prevention of HIV infection 	<ul style="list-style-type: none"> Religion or spirituality or Yoga educational programs or skills development relating to abandoned, orphaned or homeless children physically mentally abused person prisoners persons over age of 65 years residing in a rural area 	<ul style="list-style-type: none"> includes watershed forest & wildlife Prevention environment

Religious Activities - Conduct of Religious Ceremony

SI.No. 13 (Imp)	SI.No. 60
<p>Religious Activities - Conduct of Religious Ceremony</p> <p>Owned or manage by an entity registered as a - charitable or - religious trust</p> <p>Sec 12AA/12AB, Sec 10(23C)(v), Sec 10(23BBA) Tax Act</p>	<p>Services provided by specified organization with respect to Kailash Mansarovar and Haj Pilgrimage exempted</p>

Exemption in Agriculture Sector

a) Agricultural operations directly related to production of any A.P. including cultivation, harvesting, threshing, plant protection or seed testing.	<ul style="list-style-type: none"> food, fibre, fuel, raw material or other products all life-forms of animals, except the rearing of horses 	<ul style="list-style-type: none"> agricultural produce (A.P.): means any produce of agriculture on which neither no processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market.
b) Supply of farm labour		
c) Processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, bulk packaging etc. which do not alter essential characteristics of A.P		
d) Renting or leasing of agro machinery or vacant land with or without a structure incidental to its use.		
e) Loading, unloading, packing, storage or warehousing of A.P.		
f) Agricultural extension services.		
g) Services by any APMC or Board or services provided by a commission agent for sale or purchase of A.P.		

Agriculture Produce	Non-Agriculture Produce	Agriculture Produce	Non-Agriculture Produce	Agriculture Produce	Non-Agriculture Produce
<ul style="list-style-type: none"> Tomato Grams 	<ul style="list-style-type: none"> Tomato Ketchup Pulses 	<ul style="list-style-type: none"> Sugar Cane Paddy 	<ul style="list-style-type: none"> Sugar & Jaggery Raw Cotton Potato 	<ul style="list-style-type: none"> Potato Chips 	<ul style="list-style-type: none"> Green Cotton Golden Cotton Potato Chips
<ul style="list-style-type: none"> Rearing of Animals Cow 	<ul style="list-style-type: none"> Dunk 	<ul style="list-style-type: none"> Milk Pasteurization 	<ul style="list-style-type: none"> Pasteurized Milk 	<ul style="list-style-type: none"> Non-Agriculture Produce 	<ul style="list-style-type: none"> Non-Agriculture Produce
<ul style="list-style-type: none"> Grains 	<ul style="list-style-type: none"> Processing 	<ul style="list-style-type: none"> Wheat 	<ul style="list-style-type: none"> Flour 	<ul style="list-style-type: none"> Processing 	<ul style="list-style-type: none"> Non-Agriculture Produce

SI.No. 55 (Imp) Exemptions on intermediate production processes	Carrying out an intermediate production process as job work in relation to agriculture
SI.No. 57 (Imp) Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables.	
SI.No. 24 (Imp) Services of Loading, Unloading, warehousing, packing, storage of Rice.	
SI.No. 24A Warehousing of minor forest produce	
SI.No. 24B "Services by way of storage or warehousing of cereals, pulses, fruits and vegetables.	
SI.No. 54A (Imp) Services by way of Artificial insemination of live stock other than horses	

Exemption is not available in following cases

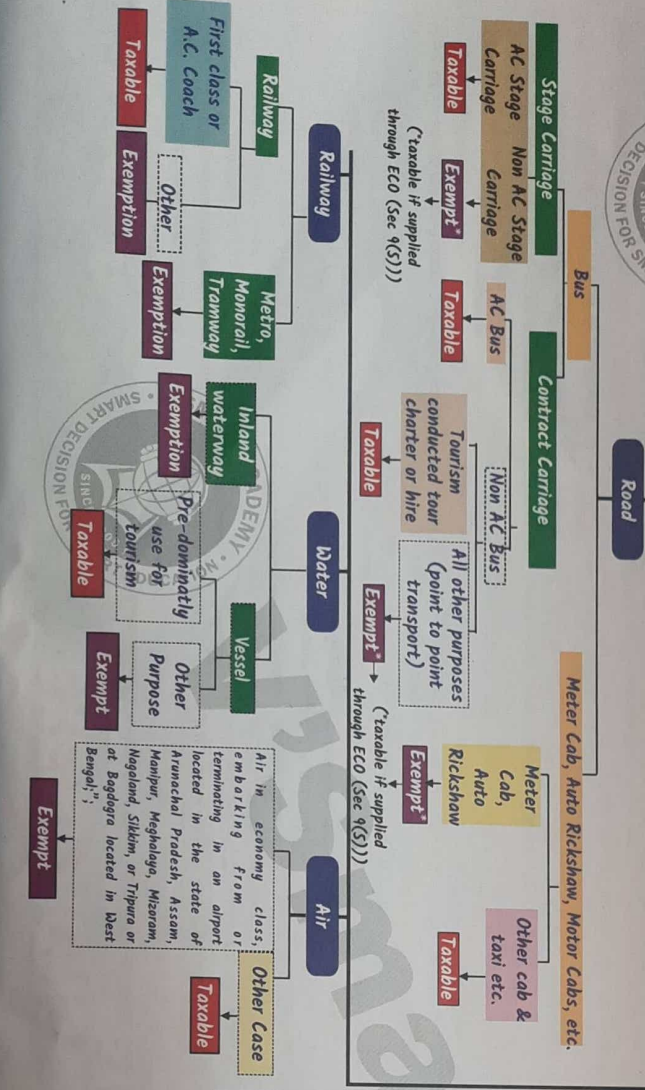
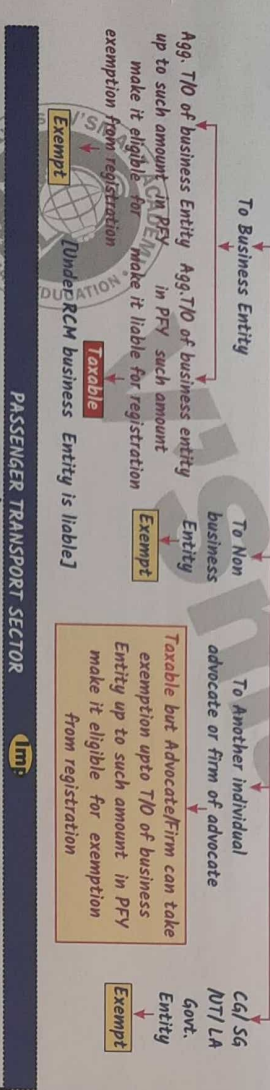
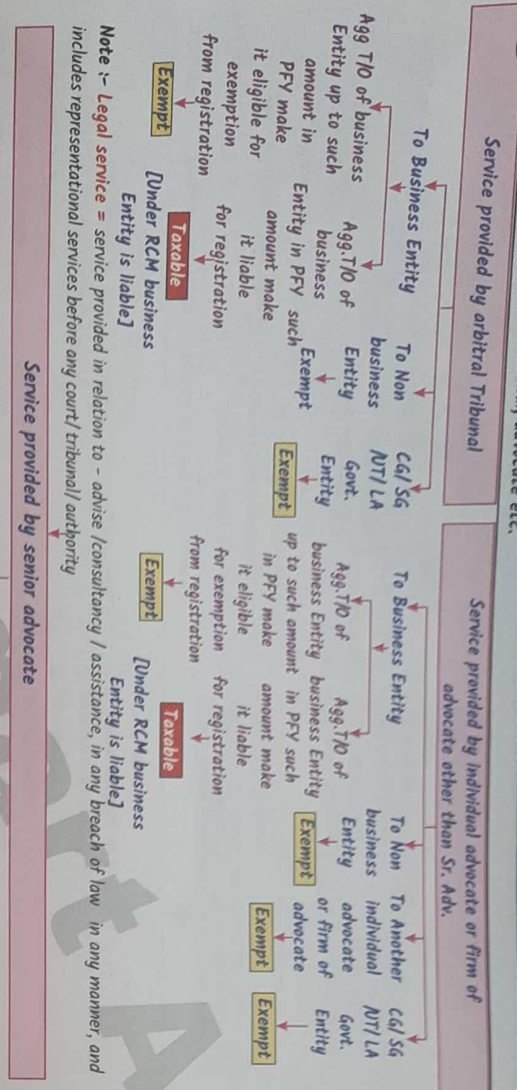
Renting of Rooms where charges are more per day

Renting of Premises, Community halls, kalaymondapom or open area and the like where charges are more per day

Renting of Shops or other spaces for business or commerce where charges are more per month

SINo. 45 Legal Services by arbitral tribunal, advocate etc.

Exemption in Legal Sector



SINo. 12 Renting of residential dwelling for use of residence except where the residential dwelling is rented to a registered person Nho. IS/2022, under this entry, Registered person is proprietor of proprietary concern & rents the residential dwelling on his own account.

SINo.	Text
SINo. 21B	Service provided by GTA to department or establishment of government or local authority or government agency who taken registration for the purpose of deducting TDS u/s 51 and not making any other taxable supply.
SINo. 22	Services by way of giving on hire- (a) to a state transport undertaking, a motor vehicle meant to carry more than 12 passengers; or (aa) to a local authority, an Electrically operated vehicle (EOV) meant to carry more than 12 passengers. (b) to a goods transport agency, a means of transportation of goods. (c) to students, faculty & staff of an edu. inst. providing services by way of pre-school education upto higher secondary school
RENTING OF IMMOVABLE PROPERTY	
<p>EXEMPTION IN BANKING AND FINANCIAL SECTOR</p> <p>(a) Interest or discounting On extending Deposits Loan Advances</p> <p>(b) Interest sale or Purchase of Foreign Currency Amongst Bank Dealer Amongst Bank & Dealer</p> <p>Except:- Interest involved in credit card services</p> <p>All other services of Bank / FIN/BFC are taxable</p>	
SINo. 34	Services by an acquiring bank, to any person in relation to settlement of an amount upto ₹ 2000 in a single transaction transacted through credit card, debit card, charge card or other payment card service.
SINo. 27A	Services provided by a banking company to - Basic Saving Bank Deposit account holders under Pradhan Mantri Jan Dhan Yojana

SINo.	Text
SINo. 27	Consideration - Interest or discounting On extending Deposits Loan Advances
SINo. 27A	Services provided by a banking company to - Basic Saving Bank Deposit account holders under Pradhan Mantri Jan Dhan Yojana

Service Taken by Educational Institution	Exemption
1) Transportation of students, faculty or staff 2) Catering 3) Security, cleaning or house keeping 4) Supply of online education as Journal or periodicals	Exempt only if supplied to School Exempt only if supplied to Colleges etc. Exempt if supplied to all education Institute
5) Service relating to admission to or conduct of examination	Pre-school or Higher or Secondary school Colleges, universities or institution providing education for qualification recognized by law. Approved Vocational courses of NCVT or SCVT Central and State Educational Boards to the extent of conduct of examination to the students.

Exemptions in Education Sector

Service supplied by Educational Institution

Exemption

- Any service supplied by such educational institutional to its student and faculty or staff. (e.g. education fees lab change, lab charges, transportation, catering etc.
- Service by way of Conduct examination against entrance fees

Taxability Any Service supplied to any person other than student faculty or staff by such educational institutional then it is taxable eg. 1) Auditorium of school given to other for seminar
2) Placement services to corporate
3) Franchisees fees to various franchisees.

Circular No. 117/56/2019

Maritime Training Institutes and their training courses are approved by the DG of Shipping which are duly recognised under the provisions of the Merchant Shipping Act, 1958

Therefore, it is educational institutions under GST Law and their courses are exempt from levy of GST.

Circular No. 149/05/2021

The definition of Educational State Boards (including NBE):-

Following clarifications are issued with respect to Central or State Boards (including NBE):-

S.No.	Services	Taxability
1	Conducting entrance examination for admission to educational institution by charging fee.	Exempt
2	Input services taken for conducting such entrance examination for students.	Exempt
3	Accreditation of educational institutions or professional so as to authorise them to provide their respective services.	Taxable

Service - performance by Artist - Folk or classical

For Musical Dance Theater

Consideration ≤ 1,50,000

Exception - service as brand/ambassador

Service - Admission by Entertainment event

(a) Circus
dance
Theatrical Performance

(b) Award Function
Concert
Pageant
Musical Performance
Non-recognised sporting event

Consideration < 500

Service = Training or Coaching in Recreational activities relating to

(a) Museum
National Park
Wildlife sanctuary
Tiger reserve

(b) Sport by art or culture by an individual registered u/s 12AA or 12AB of I.T. Act

Access to Road or bridge on Payment of toll

SI. No. 23 Access to Road or bridge on Payment of toll

SI. No. 61A Granting National permit to goods carriage & to operate through India.

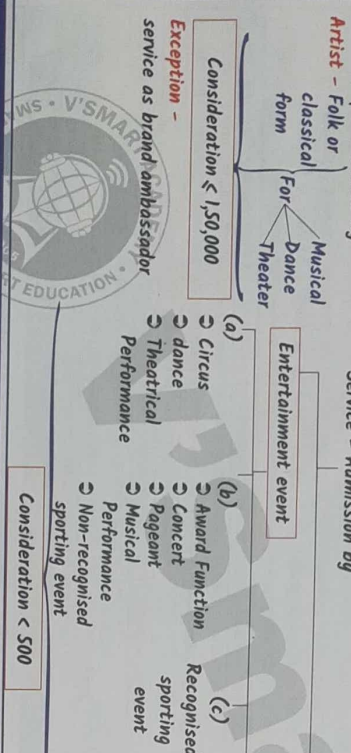
Services by the Central Government, State Government, Union territory or local authority excluding the following services-

(a) services by the Department of Posts & Ministry of Railways (Indian Railways);

(b) services in relation to an aircraft, or a vessel, inside or outside the precincts of a port or an airport;

(c) transport of goods or passengers; or

(d) any service, other than services covered under entries (a) to (c) above, provided to business entities.



Services provided by government to Business Entity

SI. No. 61 Service provided by Govt/LA by way of Issuance of passport, visa driving licence, Birth Certificate or Death Certificate

SI. No. 9C Service Provided by Govt. Entity against consideration in form grants to another Govt. or LA, received from Govt./LA

SI. No. 9D Services by an old age home run by Govt. Entity reg. u/s 12AA or 12AB, to its resident (Age 60 years or more) (Consideration upto ₹25000 per month per member) (Consideration includes boarding/food/maintenance charges)

Access to Road or bridge on Payment of toll

SI. No. 23 Access to Road or bridge on Payment of toll

SI. No. 61A Granting National permit to goods carriage & to operate through India.

Services by FOREIGN DIPLOMATIC MISSIONS IN INDIA

SI. No. 59 All services provided by a foreign diplomatic mission located in India

Important Comments: Taxable Services: Services provided by office or establishment of an international organization.

SI. No. 24C Services by the department of post by way of post card, inland letter, book post and ordinary post (envelopes weighing less than 10 grams).

SI. No. 61 Service provided by Govt/LA by way of Issuance of passport, visa driving licence, Birth Certificate or Death Certificate

SI. No. 9C Service Provided by Govt. Entity against consideration in form grants to another Govt. or LA, received from Govt./LA

SI. No. 8 Service provided by Govt. or LA to another Govt. or LA.

SI. No. 62 Fines or liquidated damage for tolerating non performances of Contract

SI. No. 65 Merchant overtime charges for inspection of Import containers by custom officers.

SI. No. 65A Services by way of providing information under the Right to Information Act, 2005

SI. No. 7 Service provided by Govt/Local Authority to Business Entity where its Agg. TTD less than such amount in P.Y. make it eligible for exemption from reg.

SI. No. 9 Service provided by Govt/LA where GAC per service (per invoice) does not exceeds ₹ 5000 in a case where continuous supply of service the limit is ₹5000 in a F.Y

Exception: above exemption not applicable to (a) Services covered under above clause (a) to (c) of SI.No. 6

SI. No. 47 Service provided by Govt/LA by way of Registration required under any law

(a) Registration required under any law

(b) Testing, calibration, safety, check for protection or safety of worker, consumer or public at large

SI. No. 62 Fines or liquidated damage for tolerating non performances of Contract

SI. No. 65 Merchant overtime charges for inspection of Import containers by custom officers.

SI. No. 65A Services by way of providing information under the Right to Information Act, 2005

Services provided to Government	
1)	Services provided by fair price shop
2)	Supply of pure services & composite supplies (where value of goods constitutes ≤ 25% of total value of supply) made to Govt. or LA in relation to functions entrusted under article 243G or 243M)
3)	Services provided to a Governmental Authority by way of - (a) water supply (b) public health (c) sanitation conservancy (d) solid waste management (e) slum improvement & upgradation
4)	Insurance scheme where total premium is paid by Government
5)	Training program to Government where for which 75% or more expenditure is borne by Government.
6)	Passenger transport Service by air where boarding or termination at a regional connectivity scheme, Airport avails the consideration in the form of viability gap funding.

EXEMPTION IN SPORT SECTOR

SI. No. 68	Service Provided to recognized Sport Body by - a) An individual as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a recognized sports body; b) Another recognised sports body;
SI. No. 53	Sponsorship of Certain Sport Events (Read From Notes)
SI. No. 82	Admission to events organised under FIFA world cup 2017
SI. No. 9A	Services Provided by and to FIFA
SI. No. 94A	Services Provided by and to FIFA at its subsidiary directly, indirectly related to event under FIFA U-17 Women's World cup 2020 to be hosted in India whenever rescheduled.
SI. No. 94B	Services provided by and to Asian Football Confederation (AFC) and its subsidiaries directly or indirectly related to any of the events under AFC Women's Asia Cup 2022 to be hosted in India.
SI. No. 82A	Service by way of right to admission to the event organised under FIFA U-17 Women's World cup 2020 [whenever rescheduled.]
SI. No. 82B	Services by way of right to admission to the events organised under AFC Women's Asia Cup 2022

Other Exemption

SI. No. 30	Services provided by Employees State Insurance Corporation
SI. No. 31	Services provided by Employees Provident Fund Organisation (EPFO) to persons governed under the Employees Provident Funds and Miscellaneous Provisions Act, 1952.
SI. No. 31A	Services Provided by coal mines Provident fund organisation
SI. No. 31B	Services Provided by National Pension system
SI. No. 58	Services provided by National Centre for Cold Chain Development under Ministry of Agriculture, Cooperation and Farmer's Welfare by way of cold chain knowledge dissemination.
SI. No. 38	Services by way of collection of contribution under any pension scheme of the State Governments.
SI. No. 41	Service by State government Industrial Development Corporations Upfront amount in respect of service by way of granting of long term lease of 30 years, or more) of industrial plots or plots for development of infrastructure for financial business, Provided by the SG Industrial Development Corporations or Undertakings or by any other entity having 20% or more ownership of CG, SG, UT to industrial units or developers in any industrial or financial business area.
SI. No. 19C	Satellite Launch Services
SI. No. 25	Transmission or Distribution of Electricity
SI. No. 37	Collection of Contribution under Atal Pension Yojana
SI. No. 70	Service Provided under SDI Scheme
SI. No. 71	Training Service under Deen Dayal Upadhyaya Grameeenkaushalya Yojana
SI. No. 44	Service Provided by Incubatee

Exemption in Construction Sector

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

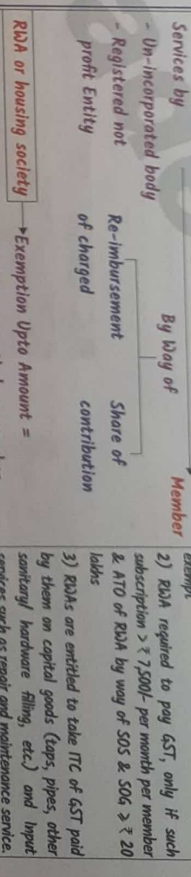
Exemption in Life/General Insurance Sector

SI. No. 28	Services of Life Insurance Business
SI. No. 29	Services of Life Insurance Business
SI. No. 29A	Services of Life Insurance Business
SI. No. 35	Specified General Insurance Scheme
SI. No. 36	Service Provided by Incubatee
SI. No. 36A	Services by way of reinsurance

SI. No. 29B	Services of life insurance provided or agreed to be provided by the Central Armed Police Forces (under Ministry of Home Affairs) Group Insurance Funds to their members under the Group Insurance Schemes of the concerned Central Armed Police Force.
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Miscellaneous

SI. No. 2	Transfer of a Going Concern
SI. No. 52	Organization of Business Exhibition Outside India
SI. No. 77	Exemption - Services by RDA to Members
SI. No. 77A	Services by Un-incorporated body - Registered not profit Entity



SI. No. 39	Intermediary Service - Read From Notes
SI. No. 39A	Services by an Intermediary of financial services
SI. No. 48	Services recognised by Biotechnology Industry Research Assistance Council
SI. No. 49	by way of collecting or providing news by - An Independent Journalist, Press Trust of India or United News of India;
SI. No. 50	Public Library Service
SI. No. 76	Public Services - by way of public conveniences such as provision of facilities of Bathroom, Washrooms, Lavatories, Urinal or Toilets.
SI. No. 98	Exempting Supply of Services associated with Transit Cargo to Nepal & Bhutan
SI. No. 52A	Exempt certain supplies to NIPCL

Circular no. 190/02/2023:

Accommodation services by Defence mess to person other than business DMFT set up by SGs are Governmental Authorities & eligible entity are exempt & such services are qualified as services by govt. for some exemptions

Circular no. 206/8/2023

Supply of pure services & composite supplies by way of horticulture / horticulture works (where value of goods constitutes ≤ 25% of total value of supply) made to CPWD are eligible for exemption.

Circular no. 177/09/2022

It is clarified that Services of NF are covered under health care and thus exempt.

- Tickets purchased for transportation from one point to another irrespective of ferry is owned/operated by PSU are exempt
- If transportation takes place over pre-determined route on a pre-determined schedule. However, if it is hired for period of time, it is taxable
- Fee charged from prospective students for entrance/admission/issuance of migration certificate are exempt.
- Additional fee collected through higher toll charges from vehicles not having Fastag is also exempt.
- Services provided by the guest anchors in lieu of honorarium are taxable
- Movement of empty containers from Nepal and Bhutan, after delivery of goods there is a service associated with the transit cargo to Nepal and Bhutan, hence it is exempt.
- Services of sanitation & conservancy services are provided by Indian Army or any other Govt Department are taxable.
- Renting of trucks and other freight vehicles with driver for a period of time is a service of renting of transport vehicles with operator are taxable.
- Location charges/preferential location charges (PLC) paid upfront, in addition to the lease premium for long term lease of land constitute part of upfront amount charged are exempt

Circular no. 206/8/2023

Services of sanitation & conservancy services are provided by Indian Army or any other Govt Department are taxable.

Renting of trucks and other freight vehicles with driver for a period of time is a service of renting of transport vehicles with operator are taxable.

Location charges/preferential location charges (PLC) paid upfront, in addition to the lease premium for long term lease of land constitute part of upfront amount charged are exempt

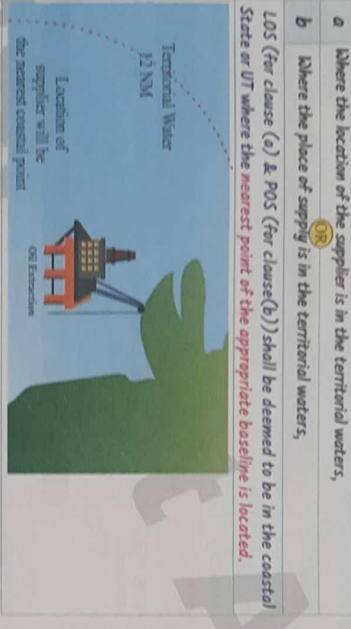
IGST Act, 2017 (Place of Supply)

Section 7 : Inter-State Supply

- (1) Inter-State S06 (within India):- Subject to Sec 10, supply of goods, where the Location Of The Supplier (LOS) and the Place Of Supply (POS) are in
 - (a) two different States
 - (b) two different Union territories; or
 - (c) a State and a Union territory,
 shall be treated as a supply of goods in the course of inter-State trade or commerce.
- 2) Inter-State S05 (within India):- Subject to Sec 12, supply of services, where the Location Of the Supplier (LOS) and the Place Of Supply (POS) are in
 - (a) two different States
 - (b) two different Union territories; or
 - (c) a State and a Union territory,
 shall be treated as a supply of services in the course of inter-State trade or commerce.
- 3) Inter-State Supply (S06 or S05 outside India):- Supply of goods or services or both,
 - (a) when the supplier is located in India and the POS is outside India
 - (b) or by a SEZ developer or a SEZ unit
 in the taxable territory, not being an inter-State supply and not covered elsewhere in this section.

Section 8 : Intra-State Supply

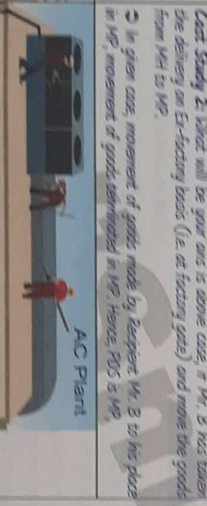
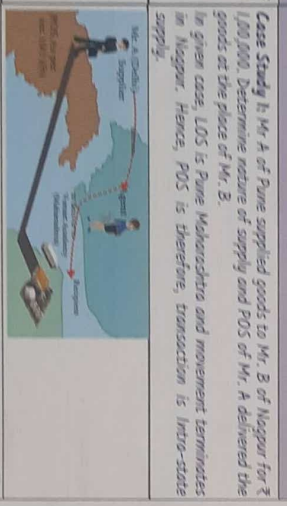
- 1) Intra State S06:- Subject to the Sec 10, supply of goods where the LOS & POS of goods are in
 - the same State or
 - same Union territory
 shall be treated as intra-State supply
 - 2) Intra State S05:- Subject to the Sec 12, supply of services where the LOS & POS of services are in
 - the same State or
 - same Union territory
 shall be treated as intra-State supply
- Notwithstanding anything contained in this Act,
- a Where the location of the supplier is in the territorial waters,
 - b Where the place of supply is in the territorial waters,



POS for supply of Goods

Sec 10 :- Place of Supply of Goods other than imported or export goods

S.No.	Mixture of Supply	Parties Involved	Place of Supply
a)	Mixture of Supply	Supplier Recipient Party other person	Location of the goods when the movement of goods terminates for delivery to the recipient
b)	Bill-to-Skip-to-Sale	Supplier Recipient Third Person (Billing Address)	Principal place of Business of Third person,
c)	Direct movement of Goods	Supplier Recipient	Location of goods at the time of delivery to the recipient
d)	Installation and Assembly of Goods at Site	-	Place of installation or assembly of Goods
e)	Goods are supplied on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle	-	Location at which such goods are taken on board



Note :- Where the place of supply of goods cannot be determined, the POS shall be determined as per the prescribed Sec 10(2)

Sec 12 (1) - Pos where LOS and LOR of Services in India

Sec	Description of Service	Place of Supply	Supply to RP
12(2)	General rule for all services except covered in 12(3) to 12(14)	(i) Address in records does not exist - POS=LOR (ii) POS = Place of performance	Supply to unregistered person
12(5)	Training and performance appraisal	Place where event is actually held & if held outside India - POS = LOR	POS =
12(7)	Organization of events including ancillary services, sponsorship	Place of performance	Location of such registered person
12(8)	Rule 5 prescribed for supply of services attributable to different States or Union territories, of Sec 12(7)	Basis of apportionment	
12(9)	In case of service services are supplied to a person other than a RP, the event is held in India in more than one ST/UT and a consolidated amount is charged absence of any contract or agreement for separately collecting transportation of goods, mail or courier	Should be determined by application of the GAAP	
12(10)	Passenger transport service	POS = Place where goods are handed over for their transportation Exception :- Right to passage for future & embarkation - not known - POS as per 12(2)	
12(13)	Insurance service	POS = LOR of service in records of insurance Co.	
12(14)	Service directly related to immovable property including agents, experts, lodging in hotels, inn, accommodation for functions & ancillary services	POS = Place where immovable property is located or intended to be located if immovable property located outside India - POS=LOR	
12(15)	Rule 4:- The supply of services attributable to different States or Union territories, under section 12(3)	Basis of apportionment & Value of services	
12(16)	In case of service (i) By way of lodging accommodation by a hotel, inn, guest house, club or campsite, and services ancillary to such services (except cover in (ii)) (ii) a single property located in two or more contiguous States or Union territories or both, and services ancillary to such services (iii) In all other services in relation to immovable property including any immovable property for organizing any marriage or reception etc.	area of the immovable property lying in each State or Union territory time spent by the boat or vessel in each such State or Union territory,	
12(17)	Restaurant catering, personal grooming fitness, beauty treatment, health services including plastic surgery	POS=Place where service is actually performed.	
12(18)	Admission to events or amusement park & ancillary Services	POS=Place where event actually held or park is located.	
12(19)	Service on board a conveyance	POS= Location of 1st scheduled point of departure of that conveyance for the journey.	
12(20)	Supply of telecom services including data transfer, broadcast, cable or DTH	(a) POS=Location of installation (b) Billing Address exists - POS=LOR (c) Supply through agent/distributor - POS=Address of agent/distributor supply to final consumer - POS=Location of payment record, or voucher sold.	
12(21)	(a) Fixed lease or cable line (b) Postpaid mobile, internet, DTH (c) Prepaid mobile, internet, DTH	(a) POS=LOR if address available otherwise POS=LOR (b) POS=LOR if address available otherwise POS=LOR (c) POS=LOR	
12(22)	Proviso - Prepaid - electronic payment	POS=LOR	
12(23)	Rule 6 is prescribed supply of services attributable to different ST/UT, under sub section (1) of section 12 of the said Act, In case of service the leased circuit is installed in more than one ST/UT and a consolidated amount is charged. In in proportion to the number of the absence of any contract or agreement for separately collecting Labeling on intermediary points lying in the ST or UT	Basis of apportionment	
12(24)	Banking & Financial Sector including stock broking Advertisement services to print, or local authority	POS=LOR if address available in records of supplier else, POS=LOR POS=Each of such ST/UT where advertisements broadcasted, run, played	

TAX INVOICE, DEBIT NOTE & CREDIT NOTE



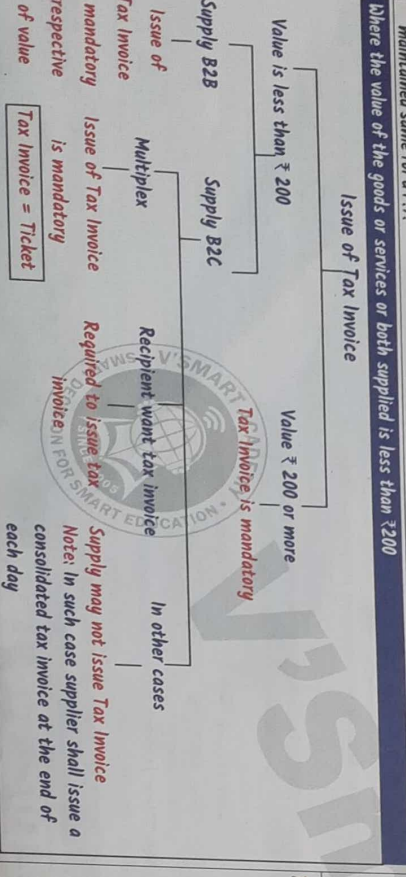
Particular Tax Invoice : Supply of goods Tax Invoice : Supply of Service

Normal case	Issue Invoice - On or before a) If movement involved- At the time of removal b) In other case - At the time of delivery or made available	Issue Invoice - On or before a) Provision of services- within 30 days from completion b) Bank/FINBFC/Insurer- within 45 days from completion c) Insurer/ Bank/ FINBFC/ Telecom/ other notified person where service is provided to distinct person (DDP), i) When Supplier records in books of Ac ii) Last date of qtr, whichever is earlier
Continuous supply of goods / services	Invoice shall be issued before or at the time of each such successive statement or each such successive payment is received	a) Due date of payment ascertainable in contract - on such date b) If due date not ascertainable - date of payment received c) If events are fixed in contract - Last date of completion of such event
Supply on sale or return/ Approval basis	a) Before/dt the time of supply [i.e. approval given by recipient] b) 6 months from the date of removal	At the time when supply ceases & such invoice only to the extent supply made before such cessation
Cessation of SOS		

Government may specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed.
 (b) subject to the condition mentioned therein, specify the categories of services in respect of which—
 (i) any other document deemed to be a tax invoice or
 (ii) tax invoice may not be issued.

Content of Invoice & Voucher	1) Total value	2) Taxable value	3) Rate of tax	4) Amount of tax charged	5) Place of supply	6) Address of delivery	7) Reverse charge applicable	8) Signature of digital Signature	9) Nature of document	10) Quick Response (QR) Code
a) Name, Address and GSTIN (if) HSN code										
b) Consecutive Number Series										
c) Date of Issue										
d) Name of address & GSTIN or UIN of recipient										
e) Other details of Unregistered recipient										
f) Declaration that not required to prepare an invoice as per rule 48(4)										

Notes : 1) Consecutive serial number shall not exceed 16 characters for tax invoice in onemultiple series shall be maintained same for a F.Y.
 Where the value of the goods or services or both supplied is less than ₹200
 Issue of Tax Invoice



Manner of Issuing Tax Invoice Rule 48-

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

E-Invoicing

1) Meaning: 'E-invoicing' essentially involves reporting details of specified GST documents to a government notified portal and obtaining a reference number.

2) Applicability: All registered businesses with an Agg. Tlo (Based on PAN) in any P.F.Y from 2017-18 onwards greater than ₹5 crore (Hereinafter referred to as 'notified persons') will be required to issue e-invoices.

3) Obtaining IRN: These invoices will then be reported to 'Invoice Registration Portal (IRP)'. On such reporting, IRP will generate a unique 'Invoice Reference Number (IRN)', digitally sign it and return the e-invoice to the supplier. A GST e-invoice will be valid only with a valid IRN. IRN is unit 64 - character hash

4) Documents covered by E-invoice: Invoices, Credit notes and debit notes, when issued by notified persons (to registered persons (B2B) or for the purpose of exports) are covered under e-invoice.

5) Non-requirement of E-invoice: B2C invoices, Invoices issued by ISD, Import of goods (Bills of Entry).

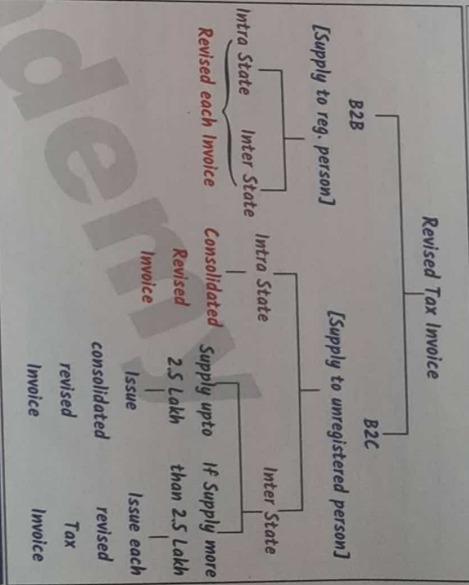
6) E-Invoice Increase of Reverse Charge: If the invoice issued by a notified person is in respect of supplies made by him tax on which is payable under reverse charge under sec 9(3), e-invoicing is applicable. On the other hand, where specified category of supplies are received by notified person from unregistered persons Attracting reverse charge under section 9(4) or Through import of services, e-invoicing doesn't arise/ not applicable.

7) Exemption from e-invoicing: Following entities are exempt from the mandatory requirement of e-invoicing:

- A Government Department, A Local Authority,
- Special Economic Zone units
- Insurer or banking company or financial institution including NBFC
- GTA supplying services in relation to transportation of goods by road in a goods carriage
- Supplier of passenger transportation service
- Person supplying services by way of admission to exhibition of cinematography films in multiplex screens

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

Consolidated revised tax invoice
 Registered person may issue a consolidated revised tax invoice in respect of all taxable supplies made to a recipient who is not registered under the Act during such period.
 2. In the case of Inter-State supplies, where the value of a supply does not exceed two lakh and fifty thousand rupees, to unregistered person



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

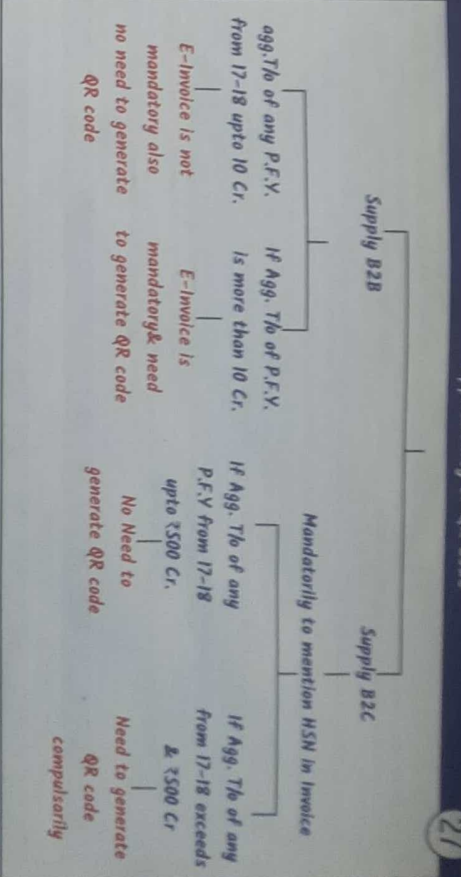
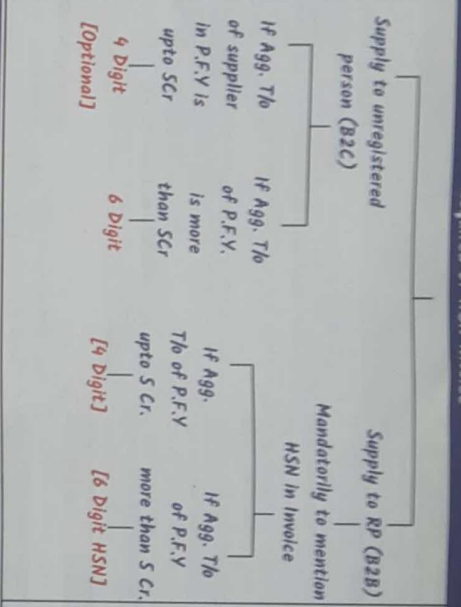
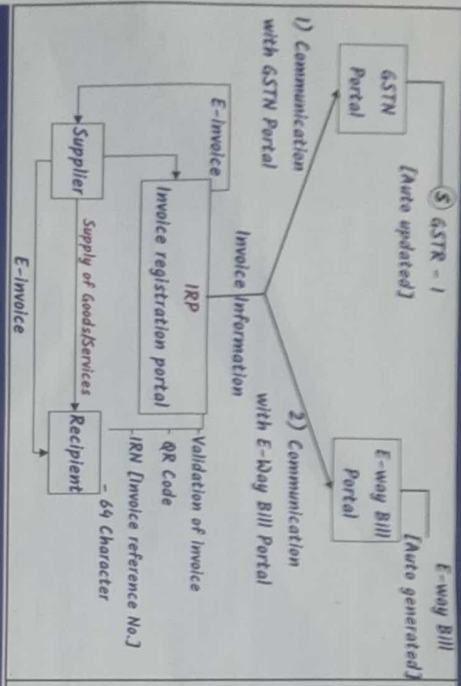
person is supplying taxable as well as exempted supply a single "Invoice-cum-bill of supply" may be issued for all such supplies.

Circular no. 186/18/2022

It is clarified that exemption from generation of E-Invoices is for the entity as a whole & not restricted to nature of supply (ie either SOG or SOS)

Circular no. 198/10/2023

RP, whose turnover exceeds e-invoicing limit, is required to issue e-invoices for supplies made to such Govt. Departments or establishments/ Government agencies/ local authorities/ PSUs, etc. which are registered solely for TDS u/s SI.

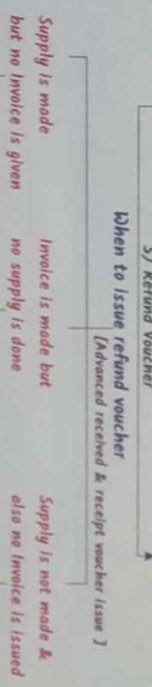


VOUCHERS

Receipt Voucher A registered person shall, on receipt of advance if, at the time of receipt of receipt of advance, rate of tax/nature of supply is not services or both, issue a Receipt Voucher evidencing receipt of such payment.

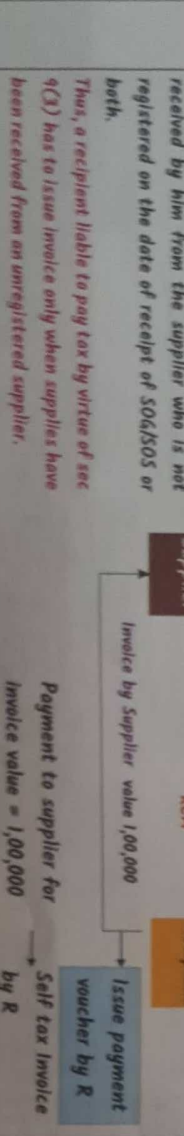
Where at the time of receipt of advance	tax shall be paid at the rate of 18%, same shall be treated as inter-State supply
(i) Rate of tax is not determinable	
(ii) Nature of supply is not determinable	

Refund Voucher Where on receipt of advance payment with respect to any supply of goods or services or both the registered person issues a Receipt Voucher, but subsequently



no tax invoice is issued in pursuance thereof, the said registered person may issue to the person who had made the payment, a Refund Voucher against such payment.

Payment Voucher A RP who is liable to pay tax under reverse charge [Under section 9(3)(c) of the CGST Act] shall issue an invoice in respect of SOG/SOS or both received by him from the supplier who is not registered on the date of receipt of SOG/SOS or both.



Sec 34 - Credit Note & Debit Note

Credit Notes [Sec.34 (1) & 34(2)]

- One or more tax invoice for Taxable Value or Tax charged in that Tax Invoice is found to exceed the Taxable Value, or tax payable in respect of such supply, or
- Where the goods supplied are returned by the recipient, or
- Where Goods supplied are found to be deficient

Time Limit : Details of Credit in the Return for the month during which such credit note has been issued, -

- 30 th day of Nov following the end of FY in which such supply was made, or
- the date of filing of the relevant annual return, whichever is earlier

Debit Notes [Sec. 34(3)]

One or more tax invoice for Taxable Value or Tax charged in that Tax Invoice is found to be less than the Taxable Value or Tax payable in respect of such supply & Qty received is more than in declared invoice.

Notes: Debit note includes Supplementary Invoice

Details of Debit in the Return for the month during which such Debit Note has been issued.

Tax Invoices in Special Cases (Rule 54)

Supplier of taxable service	Document in lieu of the tax invoice	Mandatory Information
Insurer/Banking company/Financial Institution, including NBFC	Optional Information	Address of the recipient of taxable service
Supplier of passenger transportation service	Optional Information	Address of the recipient of taxable service
Admission to Exhibition of cinematography films in multiplex screens	Optional Information	Address of the recipient of taxable service

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

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

RETURN

Statement / Return

Statement

Normal Return

Other Return

Section 37	Section 38	Section 39	Section 44	Section 40	Section 45
Outward Supply	Inward Supply	Regular return	Annual return	First Return	Final Return
GSTR -1 following Month/Qt. (QRP) following Month	GSTR - 2B Auto Generated	Person Form Due date	Regular taxable person GSTR-3B next Month	First Tax Period	De-registration
Maximum within 3 time limit		Regular taxable person GSTR-3B next Month	Regular taxable person GSTR-3B next Month	First return shall cover all outward supplies from the date from which he becomes liable for registration	Final return shall be furnished within 3 months of the date of cancellation
Comment :- Composition tax payer required to filed quarterly statement		Person Form Due date	Regular taxable person GSTR-3B next Month	First return shall cover all outward supplies from the date from which he becomes liable for registration	Final return shall be furnished within 3 months of the date of cancellation

Outward and Inward Supply Statement (Sec 37 & Sec 38)

Type of taxable person	Form No.	Periodicity	Due date	Not Applicable to
Every registered person (Incl. CTP)	GSTR-1	Monthly (Details of outward supplies)	11th of the next month	(a) Composition taxpayer (b) NRTP (c) ISD (d) Person liable to TDS & TCS (e) OIDAR

Details of Outward Supply
 Invoice
 ↳ Inter-State and Intra-State supplies made to RP, and
 wise details
 ↳ Intra-State supplies with invoice value more than ₹ 2.5L made to URP
 Consolidated
 ↳ Intra-State supplies made to URP for each rate of tax, and
 details
 ↳ State wise Intra-State supplies with invoice value upto ₹ 2.5L made to URP for each rate of tax
 30th Nov or Date of Annual return

Furnishing of Returns [Sec 39]

Type of taxable person	Form No.	Periodicity	Due date	Not Applicable to
Every registered person	GSTR-3B	Monthly (or a part of the month)	20th of the next month	(a) Supplier of OIDAR services (b) Composition taxpayer (c) NRTP (d) ISD (e) Person deducting TDS & TCS

2) Return by Composition taxpayer (Sec. 39(2) and rule 62)

Type of taxable person	Form No.	Periodicity	Due date
Composition taxpayer	GSTR-4	Yearly (or part thereof)	30th April following the end of such F.Y.

3) Annual Return

Type of taxable person	Form No.	Periodicity	Due date
Registered Normal taxpayer	GSTR-9	Annual Return	31st Dec of next F.Y.

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

4) Final Return

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

First Return (Sec 40)

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

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

- Restriction on furnishing GSTR -1 or IFF :-
- (a) RP (Monthly Scheme): Can not furnish GSTR-1 or IFF if he has not furnished the return in FORM GSTR-3B for preceding month
 - (b) RP (QRMP Scheme): Can not furnish GSTR-1 or IFF if he has not furnished the return in FORM GSTR-3B for preceding tax period
 - (c) If intimation is issued under Rule 88C(1) :- RP cannot furnish GSTR-1 or IFF for a subsequent tax period, unless he deposits intimated amount or furnishes a reply to explain it
 - (d) If intimation is issued under rule 88D(1) :- RP cannot file GSTR-1 or IFF for subsequent tax period, unless he pays such excess ITC or furnishes a reply to explain it.
 - (e) Bank details under rule 10A:- RP cannot file GSTR-1 or IFF, if he has not furnished details of bank account as per rule 10A.

Late fee u/s 47 for delayed filing of GSTR-1 and/or GSTR-3B

- 1) RP - GSTR -1 = Nil or GSTR 3B = Nil
 ₹20 per day (i.e. ₹10 per day each under CGST & SGST) but max.=₹500 (i.e. 250 under CGST & SGST each)
- 2) RP other than those covered in (1) above (i.e. there is outward supply in GSTR -1 or tax payable as per GSTR-3B)
 Agg. Tlo of ≤ ₹ 1.5 Cr.
 ₹50 per day (i.e. ₹25 per day each under CGST & SGST) but max.= ₹2000 (i.e. 1000 under CGST & SGST each)
 Agg. Tlo more than 1.5 Cr but ≤ 5 Cr. in PY
 ₹50 per day (i.e. ₹25 per day each under CGST & SGST) but max.= ₹3000 (i.e. 2500 under CGST & SGST each)

Late fee u/s 47 for delayed filing of GSTR - 4 under Composition scheme

- 1) If Total tax payable in GSTR-4 is Nil
 ₹20 per day (i.e. ₹10 per day each under CGST & SGST) but maximum=₹300 (i.e. 250 under CGST & SGST) each
- 2) If RP other than in (1) above
 ₹50 per day (i.e. ₹25 per day each under CGST & SGST) but maximum=₹2000 (i.e. 1000 under CGST & SGST) each

Late fee u/s 47 for failure to furnish annual return by due date [INDIA. 0712023- CT dt. 31/03/2023]

- 1) Registered persons having an aggregate turnover ≤ ₹5 Cr. in relevant F.Y.
 ₹50 per day (i.e. ₹25 per day each under CGST & SGST) but maximum= 0.04% (i.e. 0.02 % under CGST & SGST) of Tlo in State or UT
- 2) Registered persons having an aggregate turnover of > ₹5 Crores & and ≤ ₹20 Crores in relevant F.Y.
 ₹100 per day (i.e. ₹50 per day each under CGST & SGST) but maximum=0.04% (i.e. 0.02 % under CGST & SGST) of Tlo in State or UT
- 3) Registered persons having an aggregate turnover of > ₹20 Crores in relevant F.Y.
 ₹200 per day (i.e. ₹100 per day each under CGST & SGST) but 0.50% of the turnover in State/UT (0.25 % under CGST & SGST) each

Late fee u/s 47 for delayed filing of GSTR - 7 by person liable to deduct tax at source u/s 11

- ₹50 per day (i.e. ₹25 per day each under CGST & SGST) but maximum=₹2000 (i.e. 1000 under CGST & SGST) each

Goods and Service Tax Practitioners

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

Eligibility Criteria for GSTP

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

Activities which can be undertaken by a GSTP

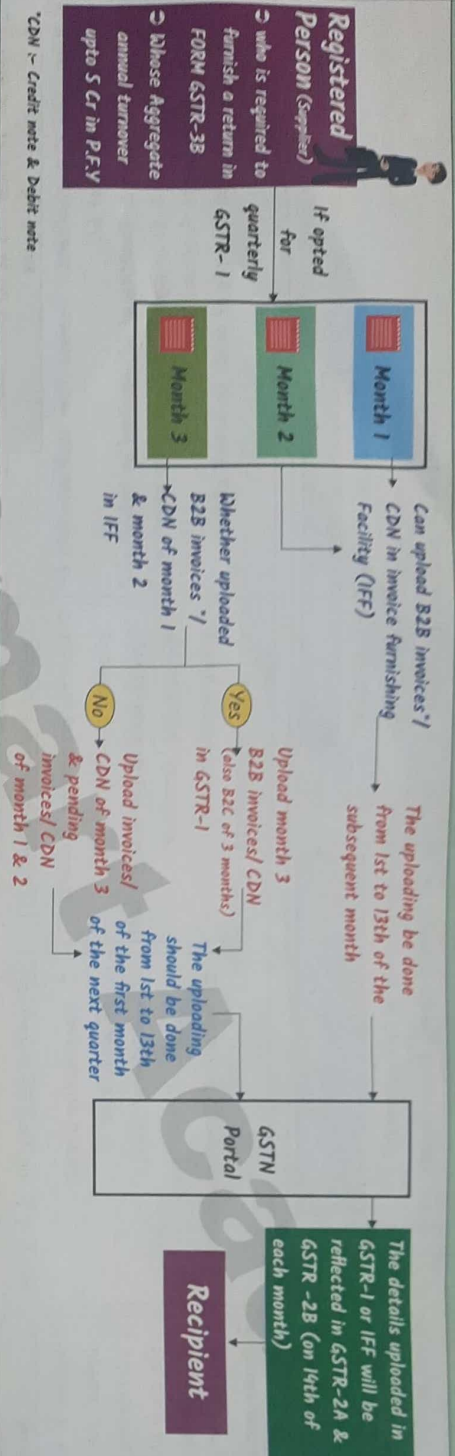
- (a) furnish the details of outward supplies;
 - (b) furnish monthly, quarterly, annual or final return;
 - (c) make deposit for credit into the electronic cash ledger;
 - (d) file a claim for refund;
 - (e) file an application for amendment or cancellation of registration;
 - (f) furnish information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



QRMP SCHEME

(This new Scheme will be effective from 01.01.2021)

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



QRMP - Monthly Payment & Interest Liability

Registered Person (Supplier)
(Whose Aggregate annual turnover upto 5 Cr in P.F.Y.)

1. Fixed Sum Method (FSM)
OR
2. Self-Assessment Method (SAM)



Interest under QRMP scheme

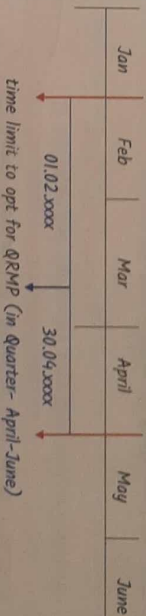
Sr. No.	Scenario	Interest to be paid
1	Monthly payment (i.e. 2 Month) For FSM & SAM	Nil
2	Tax liability mentioned in pre-filled form GST PMT-06 is not paid by 25th of the following month	18% of the tax liability (from 26th of the following month till the date of payment)
3	Final Tax Liability (i.e. 2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

Important Points

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

Rule 61A: Manner of opting Quarterly return

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



How to avail QRMP From 1st Jan 21

Auto migration by portal (For 1st Qtr of the scheme)	GSTR-1 opted	Desired option
Upto 1:Scr	Quarterly	Quarterly
Upto 1:Scr	Monthly	Monthly
>1:Scr upto 5:Scr	Monthly	Quarterly

Note 1 -> The taxpayers are suggested to file the return for October 2020 in November

Note 2 -> Such registered persons are free to change the option as above, if they so desire, from 5th of December, 2020 to 31st of January, 2021.

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

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

2nd Month of Quarter:
The tax liability is Nil, OR The balance in the electronic cash ledger is adequate for the tax liability for the same month.

2021:
Tax paid in Cash in March, 21
Tax required to be paid in each of the months - April and May, 21

CGST 50	CGST 50
SGST 50	SGST 50
IGST 80	IGST 80
Cash ----	Cash ---

Here the taxpayer can pay the tax liability by considering the tax liabilities on inward and outward supplies and as per the ITC available. There are certain conditions where no tax needs to be paid:

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

reminding tax liability for the first two months

Final Tax Liability has not been paid within quarterly GSTR-3B due date

The final tax liability for the first two months is higher than the tax amount paid through pre-filled form GST PMT-06, and such excess liability has been paid within quarterly GSTR-3B due date

Final Tax Liability has not been paid within quarterly GSTR-3B due date

18% of the tax liability (from 26th of the following month till the date of payment)

18% of the tax liability (from 26th of the following month till the date of payment)

ACCOUNTS & RECORDS



CA Vishal Bhatnagar

Registered Person

General

Sec 35 (1): Books of Accounts

- Books of accounts to be kept & maintained at -
 - Principal Place of business
 - Additional place of business
- Books found at unregistered premises - deemed to belong to registered person

Sec 35 (1): Accounts and Records

Accounts [Sec 35(1)]

- Production of goods
- Inward/outward supply of GIs
- Stock of goods
- Output tax payable (Not required for composition Scheme)
- ITC availed
- Other particulars
- Goods kept at other than declared location - deemed as supply & tax payable thereon

Records & Documents [GST Rules]

- Goods/services imported or exported
- Supplies attracting payment of tax on RCM along with relevant documents like invoices, Challan, Credit & Debit Note & Vouchers etc.
- Advances received, paid and adjusted
- Required to keep particulars of name & complete address of supplier, recipient & premises where goods are stored

Special Cases

Owner/Operator of Godown/Warehouse

Registered

Unregistered

Obtain unique enrollment number

Sec 35(2): shall maintain records of the consignor, consignee and other relevant details of the goods in such manner as may be prescribed

Rule 58(4): maintain books of accounts

- with respect to the period for which particular goods remain in the warehouse,
- particulars relating to dispatch, movement, receipt and disposal of such goods

Rule 58(5): store the goods in such manner that they can be identified item-wise and owner-wise and shall facilitate any physical verification or inspection by the proper officer on demand

Transporter

Registered

Unregistered

Obtain unique enrollment number

Sec 35(2): shall maintain records of the consignor, consignee and other relevant details of the goods in such manner as may be prescribed

Rule 58(4): shall maintain records of

- Goods transported, delivered and goods stored in transit by him alongwith the
- GSTIN of the registered consigner and consignee for each of his branches.

Rule 58(A): IF transporter is Registered in more than one State/ UT - May apply for unique common enrollment number for EODB

P=every principal

Rule 56(1): Records to be maintained by Agent

- Particulars of Authorization received from each principal to receive or supply of GIs
- Description value & Quantity of GIs received on behalf of P
- Description value & Quantity of GIs supplied on behalf of P
- Details of accounts furnished to P
- Tax paid on receipts/ supply of goods on behalf of P

Rule 56(2): Records to be maintained by Manufacturer

- Monthly production accounts showing quantity of RM/ service used in the manufacture
- Quantitative details of goods manufactured, waste and by products

Rule 56(3): Records to be maintained by Supplier of Services

- Quantitative details of goods used in provision of service
- Details of input service
- Details of services supplied

Rule 56(4): Records to be maintained by Works Contractor

- Names & Address of person on whose behalf the works contract is executed
- Description, value & Qty. of GIs received for each W.C.
- Description, value & Qty. of GIs utilized for each W.C.
- Details of payment received for each W.C.
- Name and address of suppliers

Rule 56(7): Records to be maintained by C&F Agent

- Maintain true & correct records of goods handled on behalf of registered person
- Produce details as required by proper officer

Procedure for maintenance of A/C

- Records may be in electronic form
- Proper backup of electronic Records
- Records to be produces to officer on demand along with files and passwords
- No Entry to be erased over written
- Manual Records- serially numbered

Sec 35(6) - Consequences for failure to maintain books of accounts

- Non accounted GIs - regarded as deemed supply & tax payable thereon
- Provisions of Section 73 and 74 shall apply

Sec 36 - Retention of Accounts

- Till the expiry of 72 months from due date furnishing of annual return
- If subject matter is for appeal/ revision - retention shall be later of -
 - 1 year after its final disposal of appeal/ revision
 - 72 months from due date of furnishing AR

E-way Bill is a compliance mechanism
 ↳ Where in by way of a digital interface
 ↳ The person causing the movement of goods

upload the relevant information prior to commencement of movement of goods
 ↳ Generates E-way Bill on GST Portal

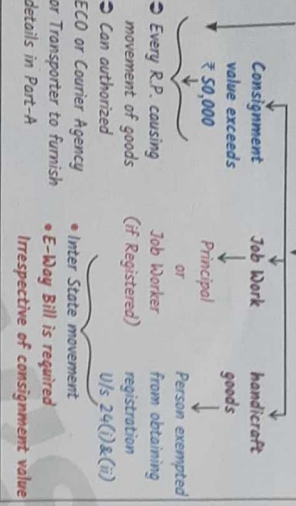
Hassle free movement
 ↳ Track movement of goods
 ↳ Control tax evasion
 ↳ Eliminate State boundary checkpoint

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

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

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

When :- Consignment value exceeds ₹ 50,000
 Mandatory Generation
 (Even if consignment value is ₹ 50,000 or less)



Determination of Value

Mandatory generation of E-way Bill if Value exceeds ₹ 50,000

- Determined as per Section 15
- Declared in Invoiced Bill of Supply/Delivery Challan
- Issued in respect of said consignment

Includes GST Value of Exempt Supply of goods

Excludes Value of Exempt supply of goods

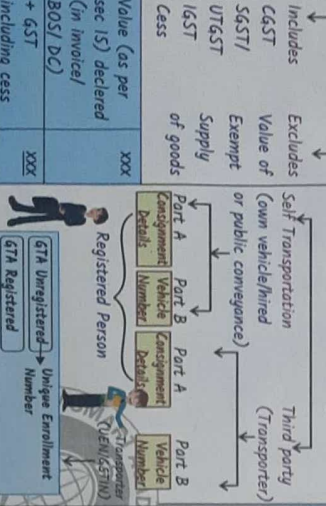
Value (as per sec 15) declared (in Invoiced/BOS(DC))

+ GST XXX

including cess XXX

If amount > 50K → XXX

Exclude: value of exempt goods (Increase of Invoice cum BOS)



Details in E-way Bill

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

Think GST

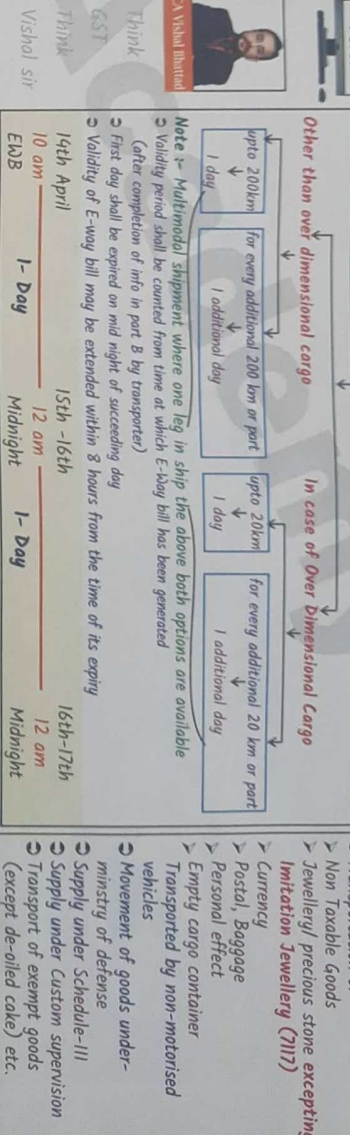
Think

Think

Visual sir

E-way Bill Portal

CA Vishal Bhambhani



Non-Requirement of E-way Bill

- Transportation of Non Taxable Goods
- Jewellery/ precious stone excepting Imitation Jewellery (7117)
- Currency
- Postal, Baggage
- Personal effect
- Empty cargo container
- Transported by non-motorised vehicles
- Movement of goods under- ministry of defence
- Supply under Schedule-III
- Supply under Custom supervision
- Transport of exempt goods (except de-oiled cake) etc.

Documents to be carried by Person in charge

The person in charge of a conveyance shall carry—

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

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

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

Inspection of E-way Bill

Rights of Commissioner

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

Rights of person

- If vehicle detained for more than 30 mins transporter may upload the information in Form GST EWB-06 on common portal

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

Part A (Summary) - within 24 hrs of inspection

Part B (Final) - within 3 days of inspection

[Extension available for further 3 days]

Transshipment of Goods

↳ Consignor / Recipient (who has furnished Part A) or Transporter can assign the E-way Bill to another registered transporter to update Part B of E-way bill for further movement of goods.

Note:- only 1 EWB is required

Acceptance/Rejection/cancellation of E-way Bill

Acceptance/ Rejection

- by the Recipient (if registered) or supplier
- within 72 hours
- Before delivery of goods (whichever is earlier) or else
- Deemed Acceptance

Cancellation of E-way bill

- Goods not transported
- Goods not transported as per details furnished
- Goods transported
- Goods not transported

Non Compliance of E-way Bill

- Cancellation to be done within 24 hours
- Cannot be cancelled if verified in transit

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

No person shall be allowed to furnish information in Part A in respect of any outward movement of goods of a Registered person, who

- Being composition registered person, has not furnished Statement for 2 consecutive quarters.
- Being person other than (a) has not furnished returns for a consecutive period of 2 tax periods
- Being person other than (a) has not furnished GSTR-1 for any two months/ quarters
- Being a person whose registration has been suspended under rule 21A (1) (2) (2A)

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