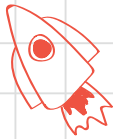
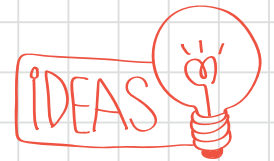
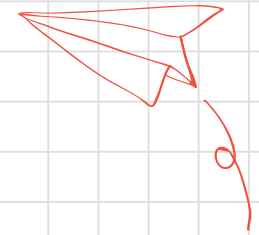


Index



SR N.	Chapter	Page
1	Introduction	1.1 to 1.6
2	Concept of Supply	2.1 to 2.17
3	Charge of GST	3.1 to 3.16
4	Time of Supply and Value of Supply	4.1 to 4.6
5	Input Tax Credit	5.1 to 5.8
6	Registration	6.1 to 6.4
7	Exemption	7.1 to 7.3
8	Invoices	8.1 to 8.6
9	Returns	9.1 to 9.6
10	Payment	10.1 to 10.2
11	E-way Bill	11.1 to 11.3
12	TDS/TCS	12.1 to 12.2
13	Accounts	13.1 to 13.2

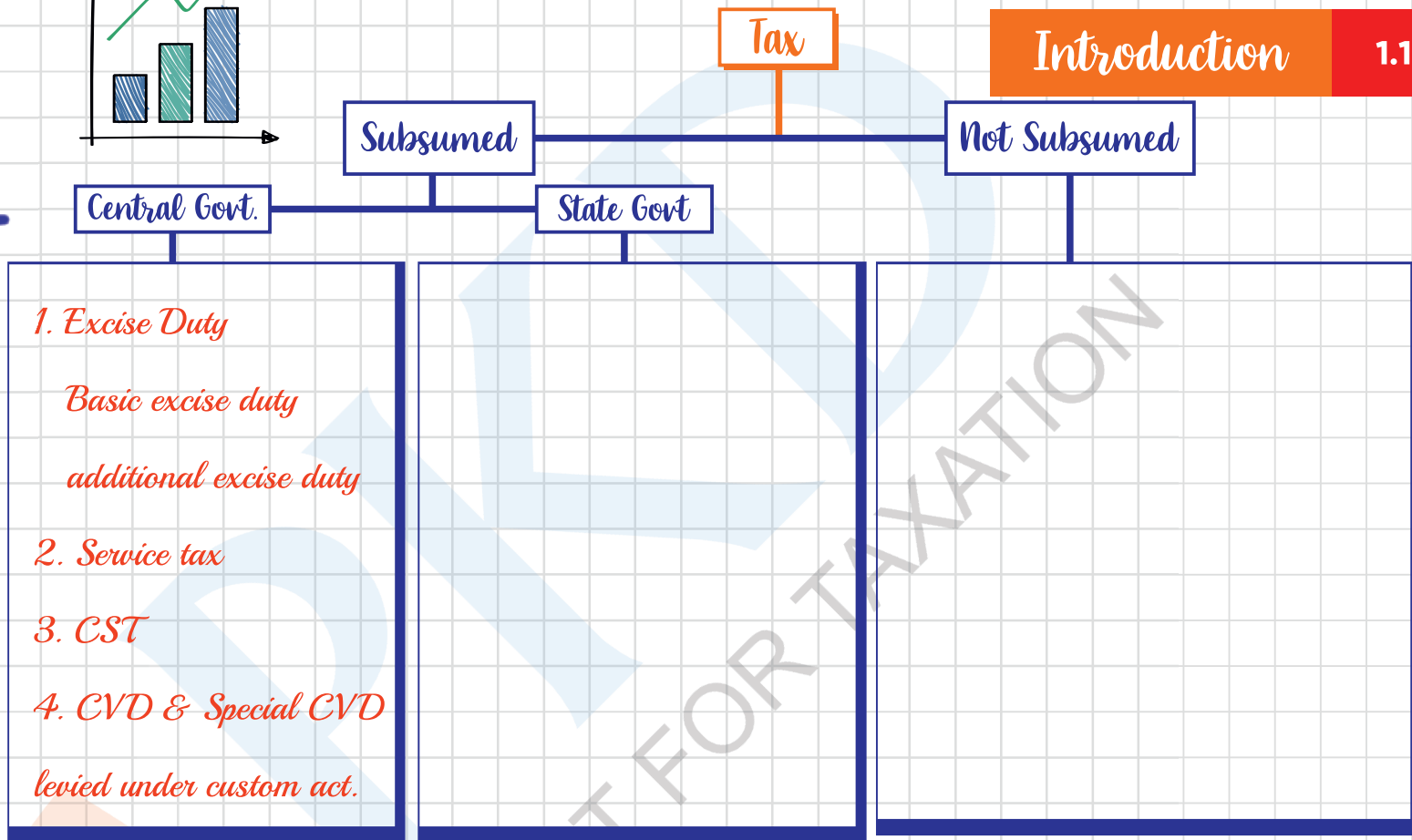
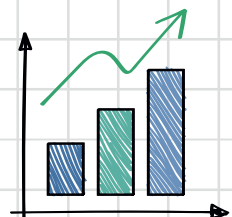
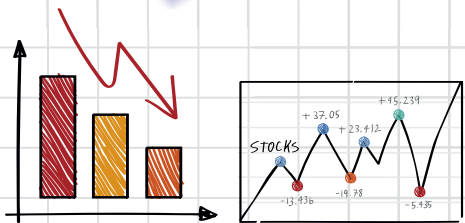


Students Name :

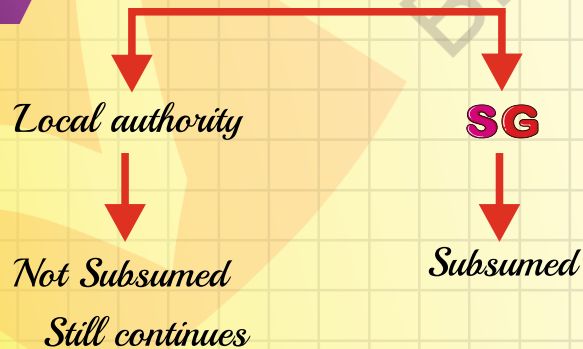
Mobile No. :



GST



Entertainment Tax



eg.
 Movie Ticket
 Local authority 10%
 Entertainment Tax
 GST → CGST 9%
 → SGST 9%
 Total

C1 - 3 GST is a destination based tax



Taxation before 01/07/2017:

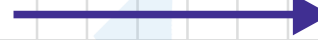
Maharashtra Seller



Gujarat Buyer

Taxation after 01/07/2017:

Maharashtra Seller

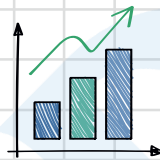


Gujarat Buyer

$$IGST = CGST + SGST$$
$$18\% = 9\% + 9\%$$

C1 - 4 Sale

Sale



Within the state
Intra - State

from one state to another
Inter - State

Outside India

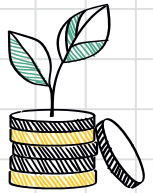


No GST

C1 - 5 Imports - Basic



Imports



Goods
Customs Act

Services
Not covered under Customs Act

Goods

Liquor for human consumption



Opium, hemp, Narcotics



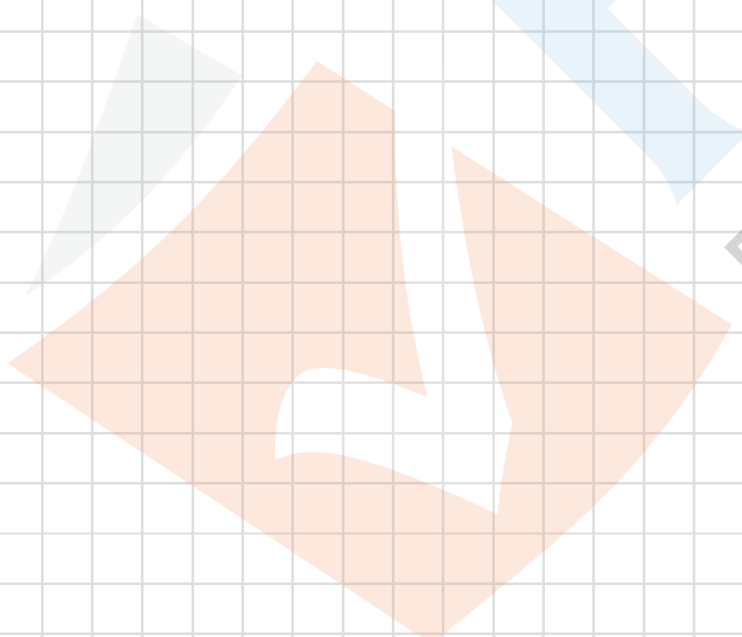
Tobacco



Others goods

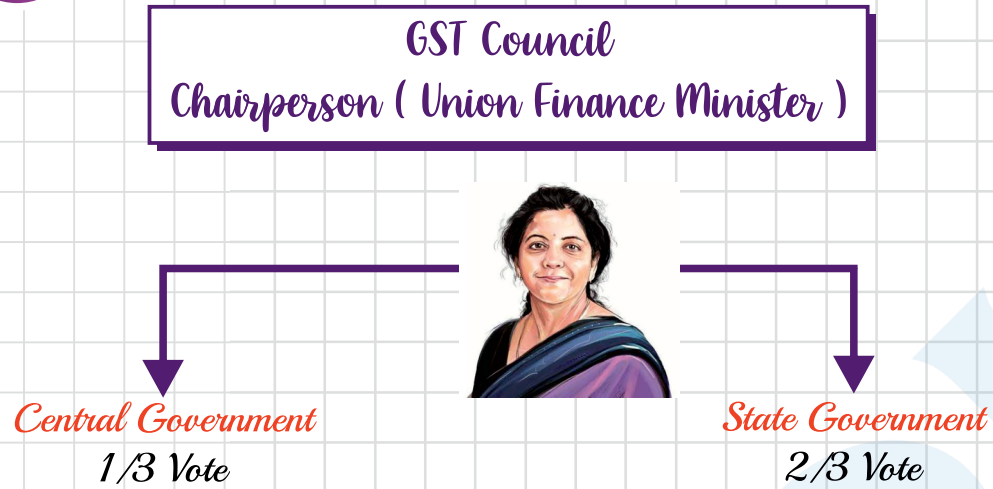


Petroleum Products



BEST FOR TAXATION

C1 - 7 GST Council



50% of total members = Quorum

Decision : majority 3/4 th
i.e. 75%

Functions

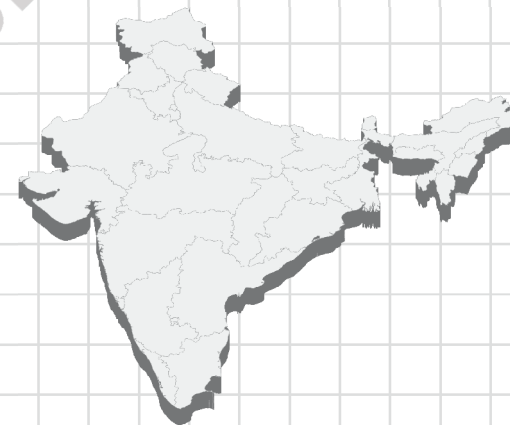
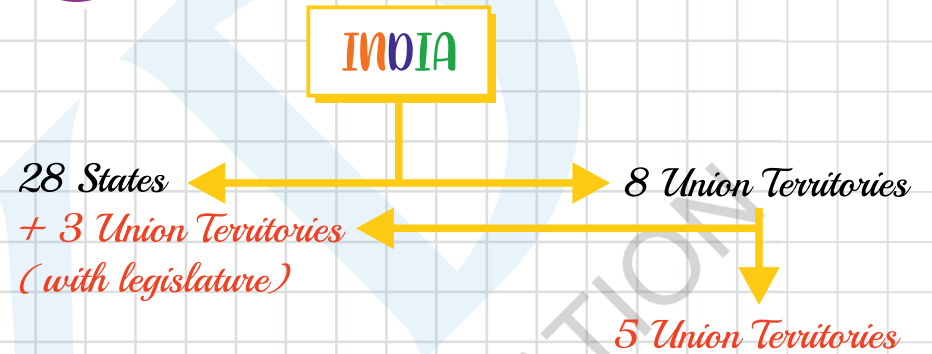
To make recommendation
to union and states
on imp issues

Recommend the date
on which GST be levied on
petroleum product

11 Special Category States

Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram,
Nagaland, Sikkim, Tripura, J&K, Himachal Pradesh, Uttarakhand

C1 - 8 India



1. For constitutional changes refer Rambaan

2. Which tax shall be lined

<i>Particulars</i>	<i>Tax</i>
<i>Sale within Delhi</i>	
<i>Sale within Andaman Nicobar</i>	
<i>Sale Maharashtra to Gujrat</i>	
<i>J & K to Ladakh</i>	
<i>Sale within Maharashtra</i>	
<i>Andaman Nicobar - Chandigadh</i>	







7(1) Supply includes

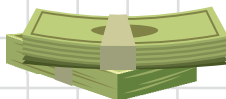
7(1) a: supply includes all forms of supply made or agreed to be made by a person for **C** in the course of **B**.

7(1) aa: supply (association ↔ members)

7(1) b: I of services for **C**

whether **B** : ✓

B : ✗



7(1) c: supply without consideration.

Such I **C** = ✗

7(1A)

Once it is a supply it is either supply of

G or **S**.

Ref: C2 - 10

7(2) : Not a supply

7(2) a: Neither supply of **S** nor **G**

BEST FOR TAXATION

C2 - 2 Concept of FCM and RCM

Concept of FCM and RCM

Forward Charge Mechanism

Reverse Charge Mechanism

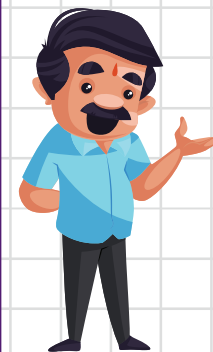
Concept of Supply

C2 - 3 Concept of ITC

For the month of November (Motabhai)

<i>Inputs</i>	<i>Outputs</i>
<i>Purchased : A : 100 + 18</i>	<i>Sale : 200 + 20</i>
<i>B : 200 + 20</i>	<i>(Product C)</i>
<i>C : 150 + 15</i>	
<i>ITC = 53</i>	<i>Tax : 20</i>

While claiming ITC, there is no one to one correlation. Also it does not matter whether product B and A are lying in stock. Once inputs are purchased in that month itself, ITC is available.



Concept of deemed distinct person

Stock transfer between deemed distinct person



eg. 1

Option 1 : One Registration for Pune & Nagpur

Option 2 : Separate Registration for Pune & Nagpur

Option 1



Pune
Reg 1



Nagpur
Reg 1

Option 2



Pune
Reg 1



Nagpur
Reg 2

eg. 2



Maharashtra
Reg 1



Delhi
Reg 2

eg. 3



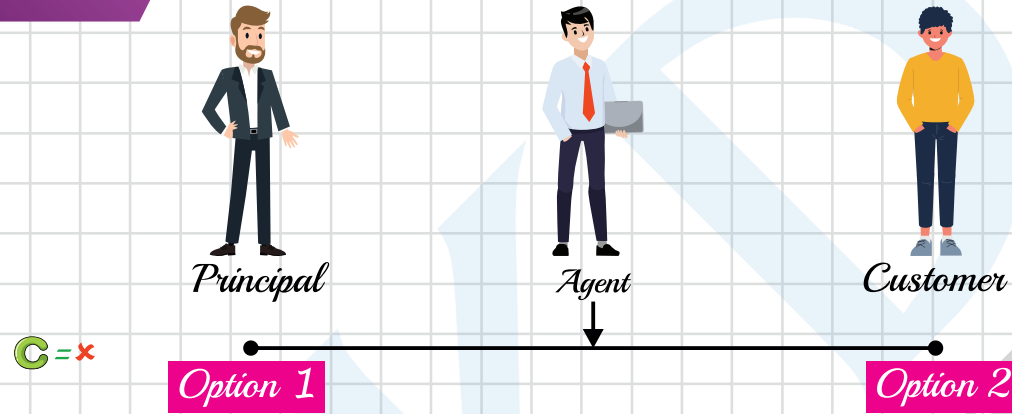
Maharashtra
Reg 1



Branches in same state : Option of single or separate registration.
Branches in diff. state : compulsory separate registration

BEST FOR TAXATION

A P



BEST FOR TAXATION

A P

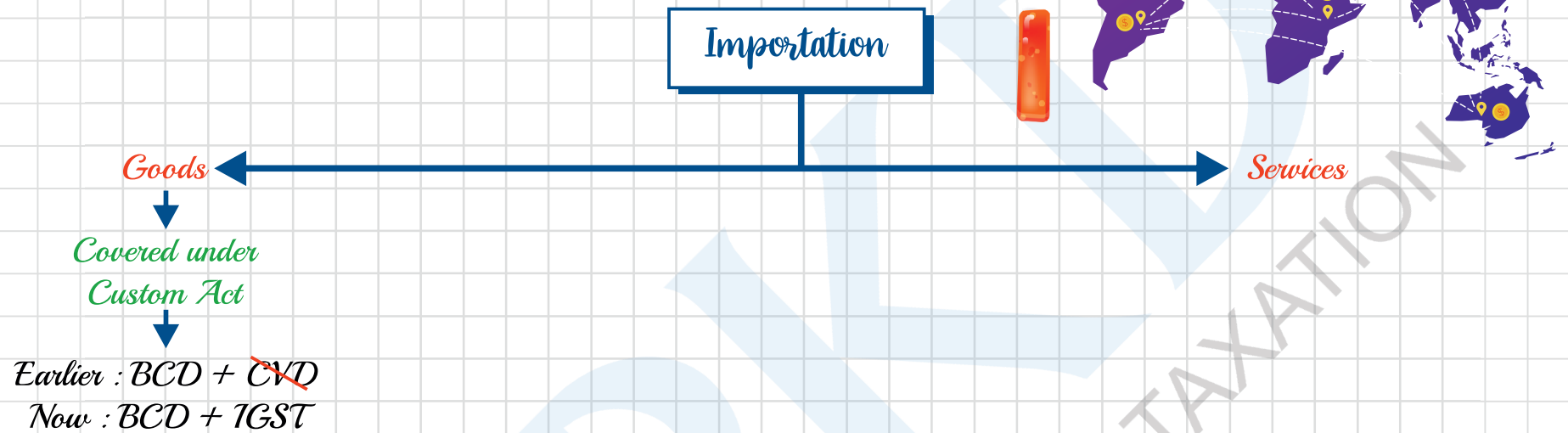
DCA
(DCA guarantee the payment to principal)

Agent enters the supply chain

Agent does not enter the supply chain



BEST FOR TAXATION

**Notes :**

1. Importation is treated as Inter state supply under GST
2. “**I** को **B** और **C** मे से एक का साथ जरूरी है।”
3. 7 (1)(b) : Importation of services for consideration whether or not in the course of business will be treated as supply.
4. As per sch I, importation of service in course or furtherance of business by related person will be treated as supply even if without **C**.
5. **I** = Importation, **C** = Consideration, **B** = in course of and furtherance of Business
6. BCD = Basic Customs Duty
7. CVD = Countervailing Duty

C = x

BAR

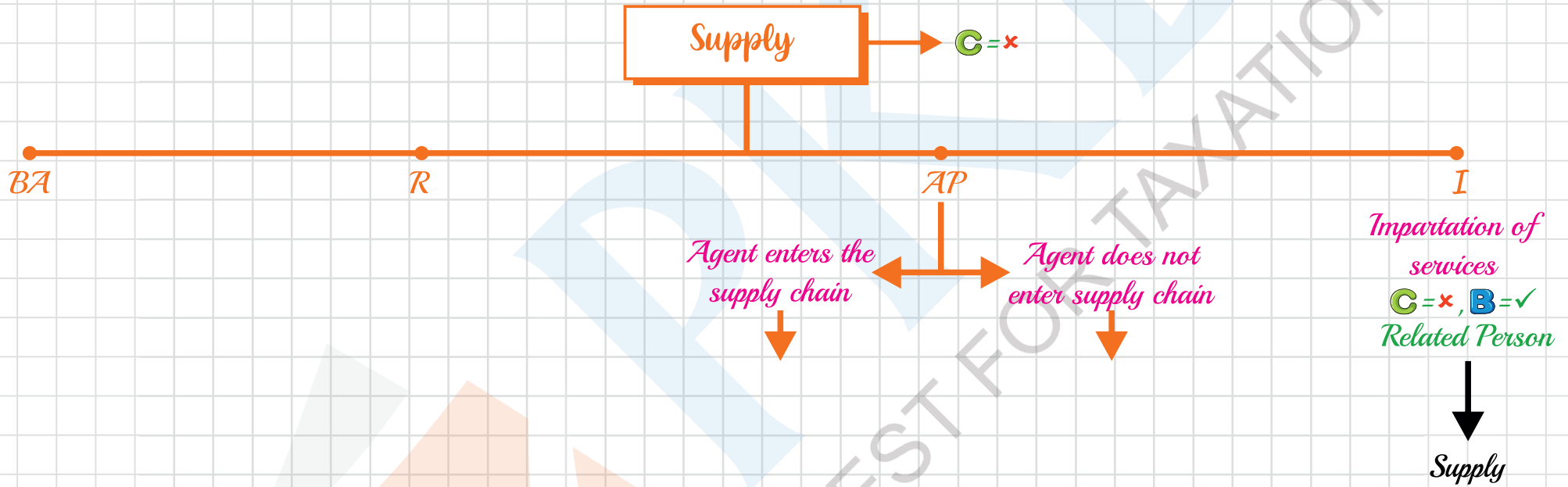
AP

I

BA : Business Asset R : Related person or deemed distinct person

AP : Agent / Principal

I : Importation



C2 - 9 Works Contract

Works Contract
(contract involving goods and services)

works contract for
immovable property

eg. contractor for
construction of building.

covered in schedule II
treated as supply of **S**

works contract for
movable property

eg. Maintenance
contract for AC

not covered in schedule II
Section 8 will help to
decide whether it is
G or S



C2 - 10 Schedule II

Immovable Property
sale of immovable property i.e. sale of offices/houses

Building (Flat/ offices)

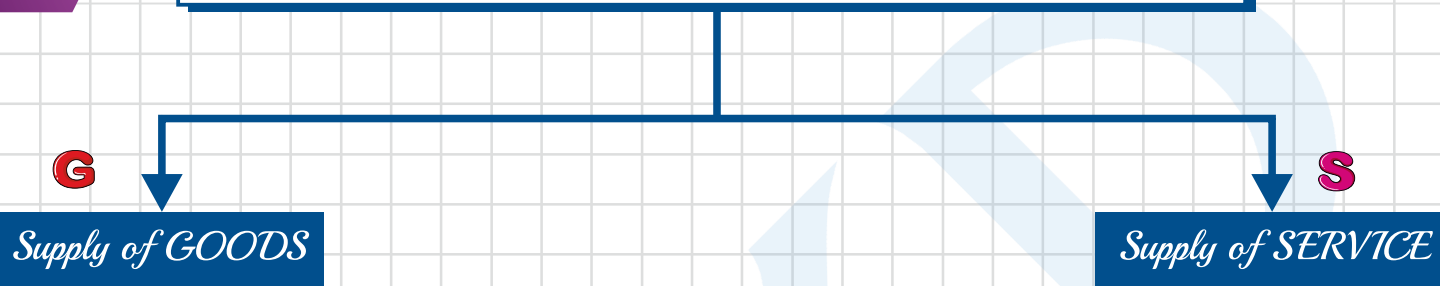
Sale of Land

Consideration
before completion

Consideration
after completion

GST - x
No levy
of GST

completion = completion certificate **or** first occupancy ↓



- 1) Transfer of title of goods
- 2) Transfer of title of goods at future date
 - a) Sale under hire purchase
 - b) Sale on return basis
 - c) Sale on approval basis
- 3) Disposal of business assets
(permanent disposal)
- 4) Stock in hand during the closing of business or cancellation of registration
stock = supply of goods
- 5) Permanent transfer of Intellectual Property Right
- 6) Ready made software or package of software of goods

- 1) Sale of undivided share in goods
- 2) Right to use goods
- 3) Lease / Rental of Land
- 4) Lease/Rental of building
- 5) Job work /process/Treatment of goods of other person
- 6) Use of business assets for private use
- 7) Renting of Land
- 8) Renting of building
- 9) Renting of other Immovable property like telecom towers
- 10) Sale of Immovable property when Consideration in part or full is received before completion.
- 11) Works contract for immovable property
- 12) Commitment Charges
- 13) Non compete fees
- 14) Liquidated damages/ Penalty
- 15) Sale of food non alcoholic beverages in Restaurant
- 16) Temporary Transfer of IPR
- 17) Designing of software Customised Softwares
- 18) Licence to use software



Schedule III : Neither supply of **S** or **G**

C2 - 12 Schedule III

“ ECG ठीक नहीं तो funeral, मरने के बाद, property और lottery का क्या करोगे। ”

E :

C :

G :

Funeral :

Property :

Lottery :

(Note : Lottery and gambling are liable for GST)



C2 - 13 Actionable Claim

Actionable Claim
(Covered in definition of Goods)

Lottery, Betting, gambling

Other actionable claim



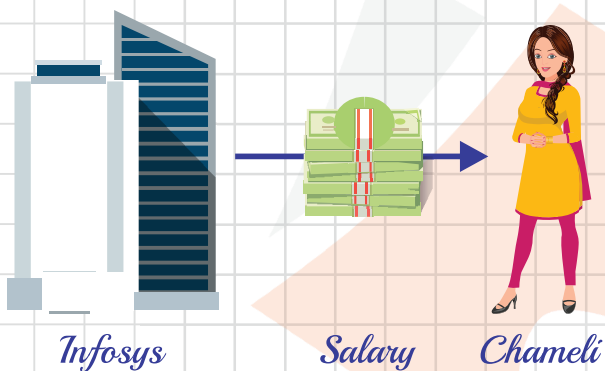
eg. Unsecured debt beneficial Int in movable property

Prerequisite

In course of employment

Not in course of employment

Gift without C



Note : Forfeiture of salary or Bond money for leaving job before agreed time → not supply → no GST
 (these is contract, ∴ not supply)

BEST FOR TAXATION

Important Circulars

1. Buy one get one free



₹100 ₹100 — GST

Buy 1 get 1 free: appears to be free, but 2 products are sold at price of one product. as there is Consideration It is a supply.

2. Free samples & Gifts

3.1

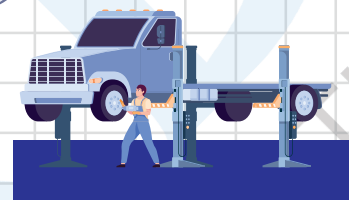


Radhe (Deemed Distinct Person)

Repair and Maintenance



Buyer 1 Gujarat



Repair Service



Buyer 2 Maharashtra

- 1. Supply between deemed distinct person
- 2. GST on repair service
- 3. No GST on conveyance value

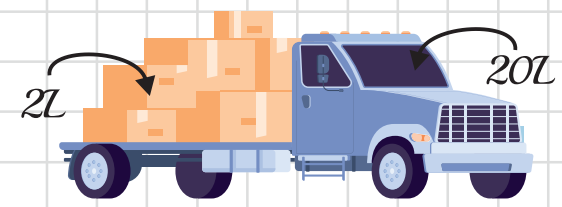
3.2



Radhe (Deemed Distinct Person)



Buyer 1 Delhi

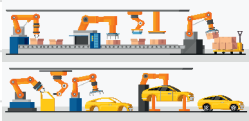


Buyer 2 Mumbai



3.3

Mumbai



Factory



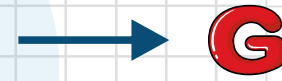
Car Sent



Showroom

1. On car there will be GST.
Conveyance for further supply / sale are liable for GST.

4.2



Supply of printed Envelop, Letter head, Printed boxes, Tissue, Napkins.

4.3

Activity of bus body building



4.1 Supply Under GST



Incase of printing books / Pamphlets / Brochure where content is & supplied by publisher
Supply of paper for printing service is principal supply.

4.4

Retreading of tyres



4.5

In Patient



food



*composite supply
exempt*



visitors



taxable

Hospital canteen

4.6

Kangna



DONATION

Donation Trust

Kangna



DONATION

Money to Trust



We thank Kangna
for the donation.



Not a C

Thank you



*Supply
taxable*

Advertisements

Note : For more circulars refer Rambaan

C2 - 16 Composite and Mixed Supply

Composite and Mixed Supply - Section 8



Composite supply 8(a)



Mixed supply 8(b)



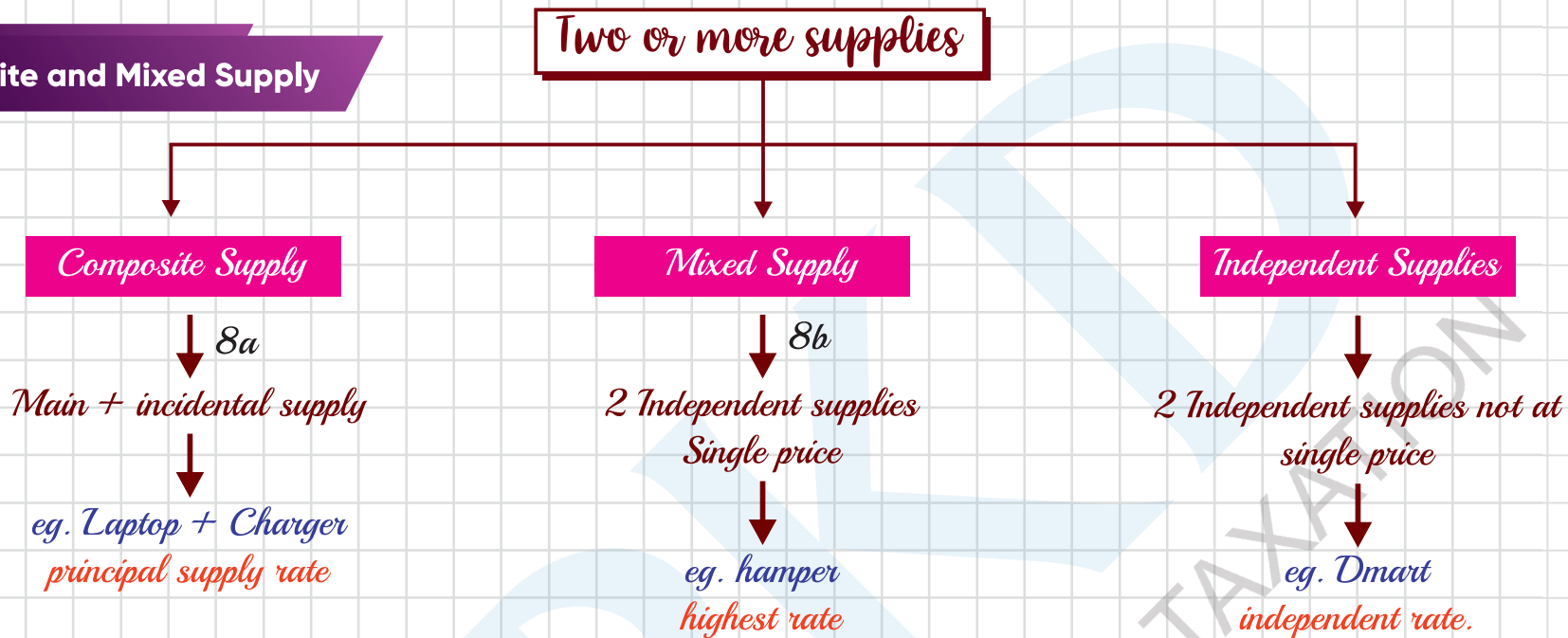
Single price



Principle supply = Transportation of passenger



TAX INVOICE		D*Mart	
Invoice to:		Invoice#	52148
		Date	01 / 02 / 2020
SL.	Item Description	GST	Amount
1.	Green Peas	0 %	XXX
2.	Maida	2.5 %	XXX
3.	Notebook	6 %	XXX
4.	Vaseline	9 %	XXX
Thank you for your business		Sub Total:	XXX
		Tax:	XXX
Payment Info:		Total:	XXX
Account #: 1234 5678 9012		Authorised Sign	
A/C Name: Lorem Ipsum			
Bank Details: Add your bank details			





1. Definition of Goods:

G

Note: no GST on sale of shares/securities because they are not goods.

Copyright, Trademark, Patent (TPR) are Goods though they are intangible.

2. Definitions of Services S

Services:

eg. Commission, Bank charges.

3. Money

Transaction in money.

1. 1000 cash → DD.

2. For making the above DD, bank charges 100.

3. 100000 ₹ → US \$

4. For above, commission ₹ 1000

5. Sale of shares ₹ 5,00,000

6. On sale of shares, brokerage in paid

7. PKD took loan from Bank of ₹ 50,00,000

8. Processing fee of ₹ 23,000

9. Bank takes interest on loan.

4. Consideration

(+) Monetary

(+) Non monetary

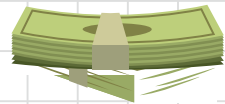
(+) Inducement

(-) Security deposit

(+) Security deposit only if
adjusted against consideration.

(+) Subsidy: Non-Govt.

(-) Subsidy: Govt.



Liability to pay GST

Forward Charge (FCM)

Reverse Charge (RCM)

E Commerce (ECO)

Sec 9(1)

Sec 9(2)

RCM v/s 9(5)

sometimes ECO liable to pay tax in case of notified services

1. Transportation of passenger



2. Hotel accommodation

Hotel registered

Hotel not registered



3. House keeping

Supplier registered

Supplier not registered



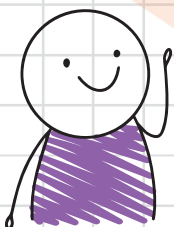
4. Restaurant Services

Restaurant, eating joints located at specified location

Other Restaurants



Note: Specified premises means premises providing hotel accommodation services having declared tariff of any unit of accommodation above 7500/- per unit per day.



C3 - 3 Restaurant services provided through ECO



4. Restaurant Services

Restaurant, eating joints located at specified location

Other Restaurants

Not covered u/s 9(5) actual supplier liable to pay GST

Covered u/s 9(5) ECO liable to pay GST

ECO should collect TCS

ECO need not collect TCS.

ECO can pay such GST

Such restaurant services for ECO

Such restaurant services for Restaurant

$$ATO \text{ of Restaurant} = TO \text{ of own sale} + TO \text{ through ECO}$$





<i>Sr. No.</i>	<i>Description of Service</i>	<i>Supplier</i>	<i>Recipient</i>
1.	<i>Goods transport agency in respect of transportation of goods by road. (if the recipient is a factory registered society, a co-operative society, any person registered under CGST/IGST/SGST/UTGST Act, a partnership firm (including AOP) any casual taxable person, anybody corporate.)</i>	<i>GTA (who has not given declaration for FCM)</i>	<i>Specified Recipient</i>
2.	<i>Individual advocate or a firm of advocates by way of legal services senior advocate</i>	<i>Advocate (senior Advocate or firm of advocates)</i>	<i>Business entity In taxable territory</i>
3.	<i>Service provided by Arbitral tribunal to a business entity whose turnover in preceding FY exceeds Threshold Limit (If individual Advocates supply services to business entity whose turnover in last FY does not exceed Threshold Limit then supply is exempt)</i>	<i>An arbitral tribunal</i>	<i>Business entity located in taxable territory</i>
4.	<i>Sponsorship Services</i>	<i>Any person</i>	<i>Body corporate/Firm / LLP in taxable territory</i>



Govt



Shop




Rent



Sr. No.	Description of Service	Supplier	Recipient
5.	<p>Services supplied by CG/SG/LA by way of services to business entity excluding-</p> <ul style="list-style-type: none"> □. renting of immovable property, □. Services specified below- <ul style="list-style-type: none"> a. Services by the Department of Posts by way of speed posts, post 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. 	CG/ SG /VT / LA	Business entity in taxable territory
5A.	services by CG/SG/LA by way of renting of immovable property to a registered person	CG/ SG /VT / LA	Any registered person
5AA	Renting of residence for residential purpose	Any Person	Any Registered Person
6.	Directors remuneration / fees other than salary	A director	Company or Body corporate



Sr. No.	Description of Service	Supplier	Recipient
7.	<p><i>Insurance Agent Service</i></p> 	<p><i>An Insurance agent</i></p>	<p><i>Insurance company located in taxable territory</i></p>
8.	<p><i>Services of recovery agent</i></p>	<p><i>Recovery Agent</i></p>	<p><i>Banks, Financial institution/NBFC</i></p>
9.	<p><i>Music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright services relating to original literary dramatic musical or artistic works to a Publisher, music company, producer</i></p>	<p><i>Music composer, photographer, artist or the like</i></p>	<p><i>Publisher, music company, producer or the like located in the taxable territory</i></p>
9A.	<p><i>Supply of services by an author However the provisions of RCM will not apply when the author who is registered under the Act and has filed a declaration that he shall pay tax under FCM.</i></p>	<p><i>Author who is not opting for</i></p>	<p><i>Publisher in taxable territory</i></p>
10.	<p><i>Supply of services by the members of the Overseeing Committee (Overseeing Committee is constituted by RBI)</i></p>	<p><i>Members of the overseeing committee constituted by the RBI</i></p>	<p><i>RBI</i></p>



Sr. No.	Description of Service	Supplier	Recipient
11.	<p>Services supplied by individual Direct selling Agents (DSAs)</p>	<p>Individual direct selling agents (DSAs) other than a body corporate / firm or LLP</p>	<p>A banking company or a NBFC, located in the taxable territory.</p>
12.	<p>Services of business facilitator or business correspondent provided to a bank (Intermediary Services)</p>	<p>Business facilitator</p>	<p>Bank located in TT</p>
13.	<p>Services supplied by an agent to the business correspondent</p>	<p>An agent of Business Correspondent</p>	<p>A business correspondent, located in the taxable territory</p>
14.	<p>Security Services provided by security personnel to a registered person.</p>	<p>Security services (Any person other than a body corporate)</p>	<p>A registered person in TT</p>
15.	<p>Services provided by way of renting of a motor vehicle provided to a body corporate</p>	<p>Any person other than a body a body corporate, paying GST@ 5%.</p>	<p>Any body corporate located in the taxable territory.</p>



<i>Sr. No.</i>	<i>Description of Service</i>	<i>Supplier</i>	<i>Recipient</i>
16.	<i>Services of lending of Securities Lending Scheme, 1997 ("Scheme") of Securities and Exchange Board of India ("SEBI"), as amended.</i>	<i>Lender</i>	<i>Borrower i.e. a person who borrows the securities under the Scheme through an approved intermediary of SEBI.</i>



Rent


Reliance
 Industries Limited

1. GTA : Goods Transport Agency

Transportation of a by road: exempt service.
but transportation of G by GTA: taxable.

GTA issues a consignment letter.



Factory



GTA supplier

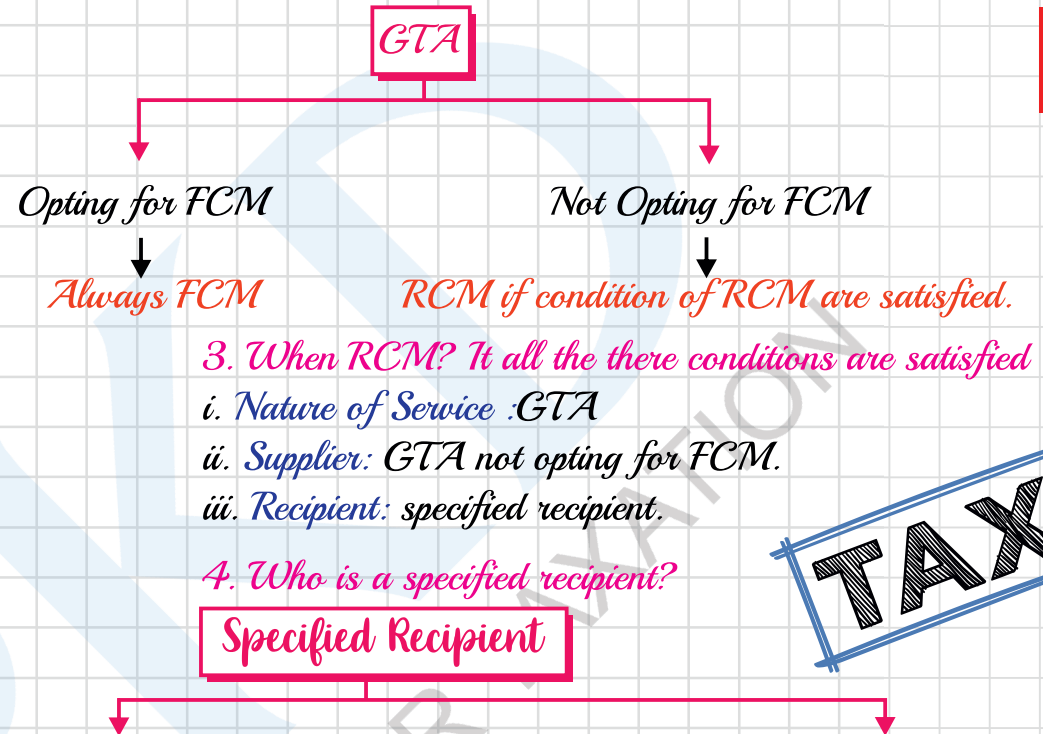


Consignee

1. Who is recipient?

Person who pays freight is treated as recipient.

2. What are tax rates.





3. Renting of motor vehicles



Tax Rates

12%

with TTC

always FCM

5%

No TTC

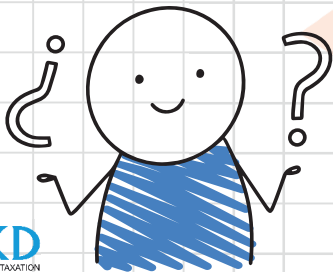
Sometimes RCM

1. When RCM? If following 3 conditions satisfied

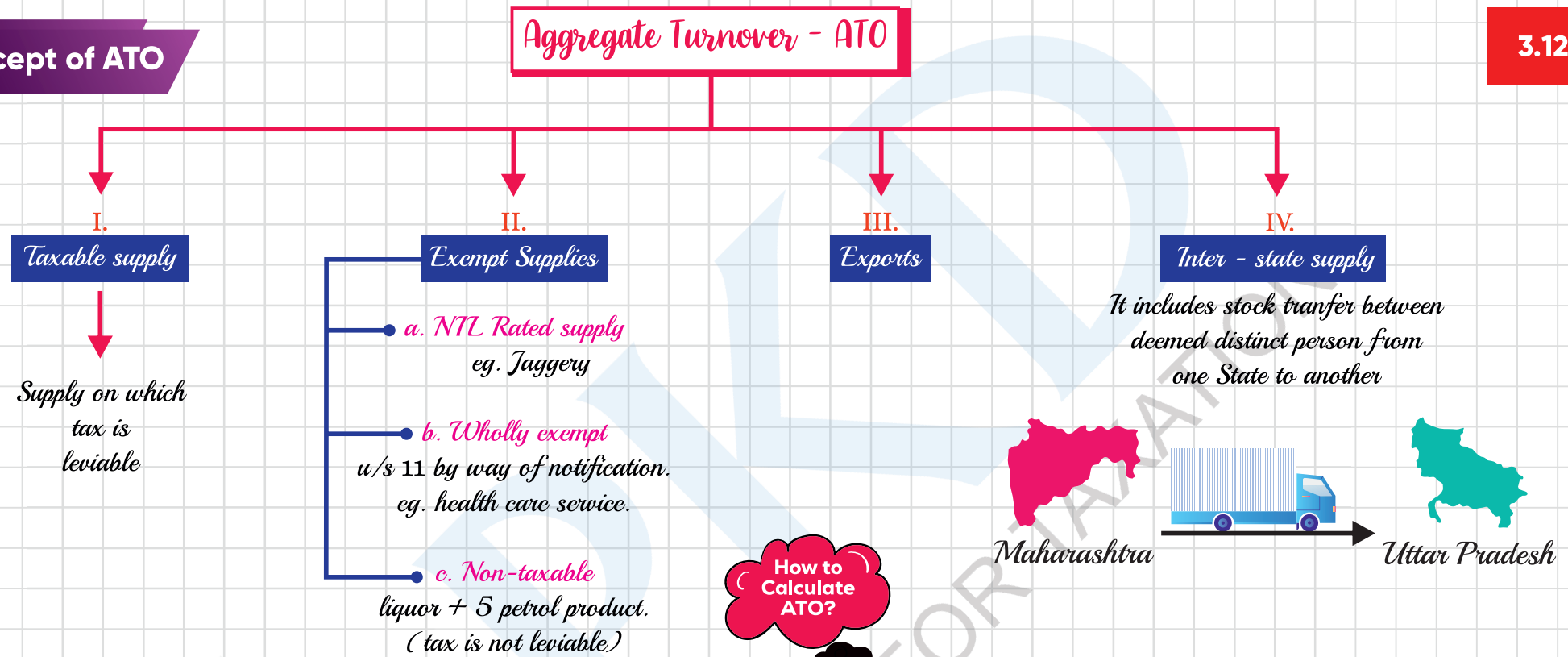
Nature of service: *motor vehicle service* renting of motor vehicle along with fuel cost.

Supplier: *Any person Other than body corporate + Paying GST @ 5%*

Recipient: *Any body corporate.*



BEST FOR TAXATION



How to Calculate ATO?

Notes:

1. GST - Tax excluded while calculating ATO.
2. Inward supplies i.e Purchase on which tax is paid under RCM: *excluded*.
3. ATO is calculated on PAN basis for whole of India.
4. While calculating ATO:
Int. on Loan or Advance will not be counted.
5. While Calculating ATO taxes other than GST will be considered.
6. Outward supply on which tax is payable by recipient will be added in ATO



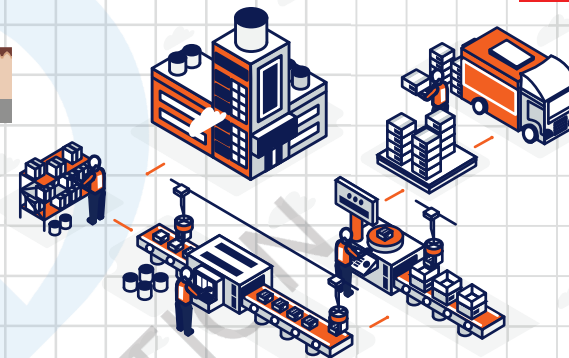
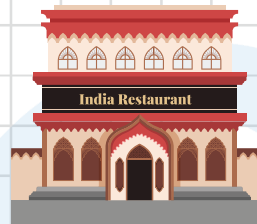
10 (1) & 10 (2) - Composition Scheme for goods

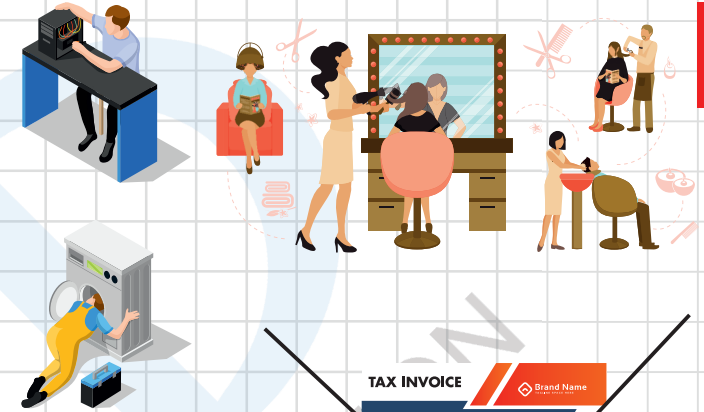
Exclusive Goods
 ↓
 Trader : 1% on taxable TO
 or Mfg : 1% on total TO

Conditions & Restrictions

G + S
 ↓
 (Marginal Services)
 ↓
 1%
 (Trader or Mfg)

Restaurant Services
 ↓
 5% on total TO





1. ATO of last FY does not exceeds 50 lakh (same for all states)
2. Rate 6% (CGST 3% + SGST 3%)
3. ITC ✗
4. Cannot collect tax from recipient ✗
5. Cannot issue tax invoice. ✗
6. Issue BOS ✓
7. No Inter state outward supply / NO export ✗
8. Cannot sell through ECO ✗
9. RCM tax on inward supply U/S 9(3) and 9(4) to be paid at normal rates.
10. Assume current year TO 80L - → upto 50L - comp-scheme = NO ITC
↘ above 50L i.e. on 30L, normal rate = ITC ✓
11. Cannot be manufacturer of notified **G** / & supplier of notified **S**
12. Branch 1 } either all in composition Or
 Branch 2 } all outside composition = should be applied uniformly.
 Branch 3 }
13. Not in supply of non-taxable / .
14. Inter State inward supply allowed. ✓
15. Taxpayer can remain in composition till he attains TO of 50 Lakhs. After that normal tax.
16. Notified **G** = ice cream, edible ice (whether or not containing coco, Pan Masala or Tobacco Products, Aerated Waters, Fly ash bricks, building bricks, bricks of fossil meals, Earthen or roofing tiles

[Earlier fly ash aggregate was treated as notified goods only if its content was more than 90%]

TAX INVOICE Brand Name

Invoice to: **Mr. John Doe** Invoice # **12345**
 Mr. John Doe, 123 Main St., New York, NY 10001. Date: 01/01/2020

Sl. No.	Item Description	Price	Qty	Total
1	Consultation Fee	\$50.00	1	\$50.00
2	Diagnosis of symptoms	\$100.00	3	\$300.00
3	Interview of medical history	\$100.00	2	\$200.00
4	Various laboratory tests	\$50.00	1	\$50.00
Total				\$500.00

Thank you for your business. Tax Total: \$500.00
 GST Total: \$30.00
 Total: \$530.00

Terms & Conditions: Consultation fee is non-refundable. All services are provided on a best-effort basis. Payment is due within 30 days of invoice date.

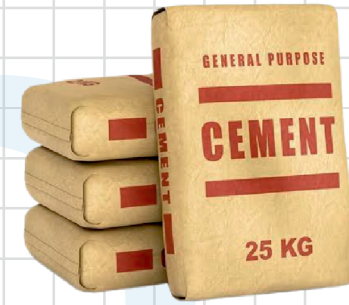
Authorized Sign: _____



RCM u/s 9(4)

Applicable to Builder

Supplier (unregistered) → Builder (Supplier)



RCM in 3 cases

Input and input services
(other than cement)

As per CGST, Builder
should purchase

80%
Registered
supplier

20%
Allowed
from
unregistered.

If Builder / Promoter purchase
more than 20% from unregistered
supplier, then on that extra purchase,
Builder will pay Tax under RCM @ 18%

Cement

100% cement is to be
purchased from
registered supplier.

Any purchase from
unregistered supplier
will be liable for
tax under RCM @ 28%

Capital Goods

100% capital goods to be
purchased from
registered supplier.

Any purchase from
unregistered supplier
will be liable under
RCM (tax) @
applicable rate





G

Section 31(1) : Goods

1. When Movement of **G** is involved



Before or at the time of removal of **G**

2. No Movement of **G** is involved



When **G** are made available

3. Continuous supply of **G** eg. gas through pipeline



Periodical statement or periodical payment

4. Sale on approval basis



When supply takes place or within 6m from dispatch date



S

Section 31(2) : Services

1. Service

I = within 30 days (45 days = Bank, FI, NBFC)

2. If Service is stopped (Cessation)

I = Date on which service is ceased.

3. Continuous supply of **S**. (Continuous **S** or **S** for more than 3.5 Months)

a) Due date of payment is ascertainable.

I = on/ before due date of payment.

b) due date is not ascertainable.

I = date of receipt of payment

c) payment is linked to completion of event

Chameli - books a flat

1. Booking Time: 20%

2. 1st slot = 30%

3. 2nd slot = remaining

I = date of happening of event.



TOS

Sec 12 (Goods)

I. FCM

a) Composite supplier

TOS: I date

actual I or I as per

sec 31

Payment recorded or bank date

credited to

or bank

b) Other supplier.

TOS = I date [No. 66/2017 dated 15/11/2017]

No. tax liabilities when payment is received

Think from Suppliers PoV

Sec 13 (Services)

I. FCM

a) I raised within time

TOS = T date or P date ↓

b) I not raised within time

TOS = P date or S date ↓

Payment recorded or bank date

credited to

or bank

c) Excess payment upto ₹ 1000 is received

TOS = Next I date

II. RCM

Think from Recipient PoV

II. RCM

a) For associated enterprises.

TOS = Date of P

or

Date of receipt of services

b) For others

TOS = Date of making payment

or

6th day from I

TOS

Date of payment

or 31st day

from I

or

Date of receipt of G. ↓

Recorded in books

debited from bank

III. Voucher

Supply identifiable

TOS = date of issue of Voucher

Supply not identifiable

TOS = date of redemption of Voucher

IV. Residual case

Person = registered ie. returns are to be filed

TOS = due date of return

Person: unregistered

TOS = date of payment of GST.

Think from Suppliers PoV

III. Voucher

Supply identifiable

TOS = date of issue of Voucher

Supply not identifiable

TOS = date of redemption of Voucher

Person = registered ie. returns are to be filed

TOS = due date of return

Person: unregistered

TOS = date of payment of GST.

V. Additional consideration

TOS = date of receipt of additional consideration.

Think from Suppliers PoV

V. Additional consideration

TOS = date of receipt of additional consideration.

15(1) Transaction value

- i. When persons are unrelated and
- ii. Price is the sole consideration

♦ If above both conditions are not satisfied then value as per valuation Rules (CA Final)

15(2) Incidental Exp.

1. Taxes:

- GST Tax ✗
- Other Tax ✓
- TCS ✗
- Kerala Flood cess ✗

15(3)

Discount

1. Known & shown in invoice
Deduct from TV

2. Known but not shown

3. Not known at the time of supply
not to be deducted from TV



Notes :

- ♦ If interest is waived off do not add it in taxable.
- ♦ Generally, interest would be taken as inclusive of GST.
- ♦ If non-govt subsidy is not linked to price of supply (given lumpsum), it should not be added in TV
TV = Taxable Value

GST on which value?



Discount v/s 15(3)

DISCOUNT

I. Known and shown
in invoice

Such discount can
be deducted



II. Known at time of supply
but not shown

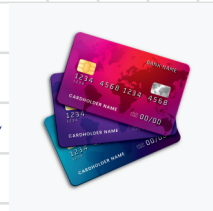
Such discount can
be deducted

1. Known at the time of supply
2. Discount can be linked to various invoices
3. The recipient has reversed the proportionate TTC

III. Not known at the
time of supply

Such discounts are
not deducted from
Taxable value.

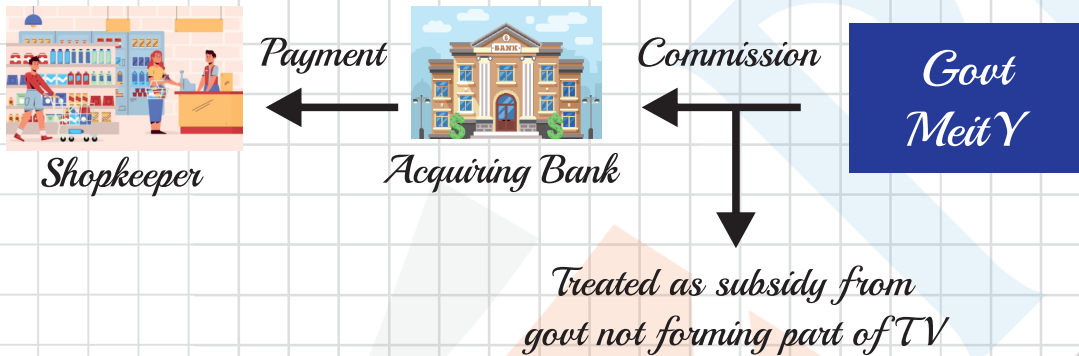
1. Commission paid by govt to promote Rupay debit cards and BHIM UPI



a. Generally



b. Rupay debit cards/BHIM UPI BHIM



Note: MeitY = Ministry of Electronics and Information Technology

2. Non Claim Bonus – NCB



Insurance company supplier



Car insurance
Premium
20000 + GST



Policy holder
Recipient

- gives no claim bonus (NCB) because you did not claim any money
 - in year 2 premium =
 - now GST payable on
 - For POV insurance co 2000 is like discount, **NCB can be deducted as a discount u/s 15(3)**
 - POV of policy holder – Policy holder get benefit of 2000. The Policy holder is not under contractual obligation for not claiming insurance claim
- ∴ There is no consideration, no supply and no GST.
By getting 2000 policy holder cannot refrain from claim



Basic Of ITC



AC for Business



Input Tax

- Tax on Inward Supply Purchase within state
- Outside State
- Imports of G
- Tax paid under RCM

ये Bucket क्या है?



Rules for claiming ITC

1. Sec 16(1)

only a registered person can claim ITC

2. Sec 16(2)

If following 6 conditions are satisfied then you can claim ITC

- 1) Possession of tax paying document
- 2) Receipt of G/S.
- 3) Supplier should pay tax to Govt.
- 4) Recipient should file GST return.
- 5) Invoices should be reflected in GSTR2B of recipient



6) ITC is available only if the details of ITC are not restricted u/s 38.

3. Some Important Points

1. If goods are rec in Installment ITC available on receipt of last installment.
2. Bill to X, ship to Y model. It is allowed for G and S

3. Cap-Goods - 16(3)



4. Harshad Mehta Story

Payment of value + tax should be done within 180 days from I date. Else ITC shall be reversed. it will be added in output liability ledger + 18% Int. from date of utilising ITC

5. Time limit to claim ITC

6. Rule 86B

If monthly T/O of taxable supply exceeds 50 lakh then discharge 99% of liability using ITC and 1% by cash.

7. Rule 86A

Commission can restrict use of e-credit ledger if he has reasons to believe that ITC has been claimed fraudulently.

8. Some inputs are blocked credit 17 (5)



} ITC

C5 - 3 Rule 36 (4)

Rule 36 (4)



Radhe can claim ITC only if invoices are reflected in GSTR - 2B. U/S 16 (2)

As per section 16(2) (c) tax should actually be paid to government

1. One of the conditions for recipient to claim ITC u/s 16(2) is that supplier has paid taxes to Govt. Also ITC should reflect in GSTR-2B

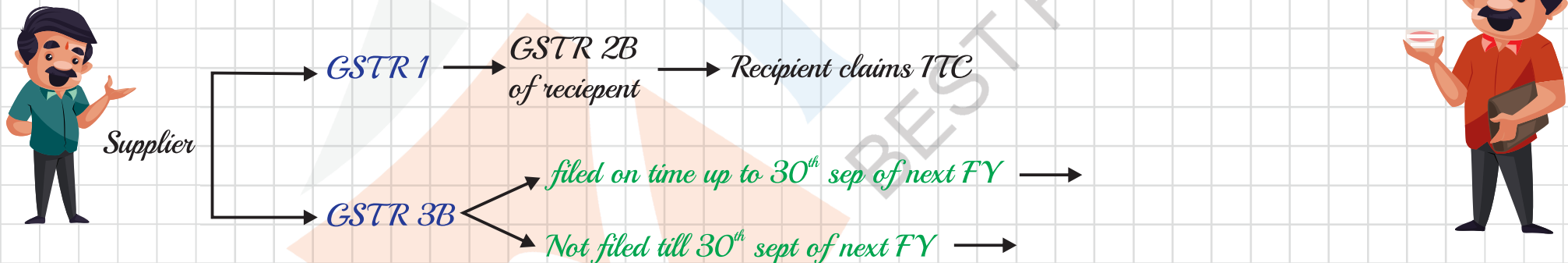


However supplier filed GSTR-1 but not filed GSTR-3B till 30th Sept of the next FY then recipient should reverse ITC with interest.

Rule 37A- when to reverse ITC?

- *No need for recipient to reverse ITC immediately*
- *Wait for your supplier to file his GSTR-3B till 30th Sept of next FY (FY 23-24 - 30th Sept 24)*
- *If GSTR-3B not filed by supplier till 30th Sept 24 then Recipient should reverse ITC by 30th Nov of the next FY along with interest.*

2. Diagrammatic presentation



3. In future whenever supplier pays the tax i.e. GSTR-3B

Recipient must pay value + tax amount to supplier within 180 days from I date

Harshad Mehta Story/180 days



Payment of Invoice done within 180 days

Payment of I is not done within 180 days

Some Exceptions to this rule

- Supplies on which tax is payable under reverse charge
- Deemed supplies without consideration
- Additions made to the value of supplies on account of supplier's liability, in relation to such supplies, being incurred by the recipient of the supply



When does it apply

Taxpayer who's
monthly taxable
supply exceeds 50 lakh
eg. Raman (Feb month)

Inter-taxable supply = 100 lakh (sale)
(sale) (18%)

What does it say

99% of GST liability discharged by
i) using e. credit ledger
and balance 1% by paying in cash.

86B -Not Applicable when: (exceptions)

- 1) If in last 2 FY, Income tax paid in each year exceeds 1,00,000.
- 2) Rule 86 B NA to Govt.
- 3) Already GST refund is received in exceeds of 1,00,000.
- 4) If during the FY. cumulative 1% of liability already paid in cash in earlier months.

eg. Upto April to Aug, GST liability -30,000,000
Paid in cash: 1,00,000

In Sept, Rule 86B -NA
because 1% of 30,000,000
= 30,000.

Already 1,00,000 means more than 1% paid in cash.



<i>Input Tax</i>	<i>To Pay</i>	<i>What Liability</i>
1. <i>IGST</i>		
2. <i>CGST</i>		
3. <i>SGST</i>		
4. <i>UTGST</i>		

How to use the Bucket?



Situation I:

Non tax paying mode to tax paying mode

Eg. unregistered → Registered

Composition → Regular scheme

Exempt G → Taxable G

- Stock**
- *future sale pay tax to govt*
 - *Can claim ITC stock*
 - *If already registered can claim reduced ITC on capital goods [Reduction 5% per quarterly]*
 - *Conditions invoice should not older than 1 year*

Situation II:

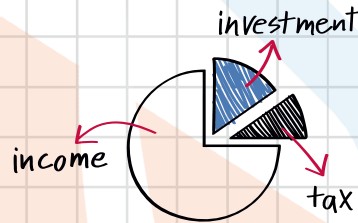
Tax paying mode to non tax paying mode

Eg. Regular scheme → composition

Taxable G → exempt

Registered → unregistered

- Stock**
- *Future sale no tax*
 - *ITC to be reversed*
 - *If no invoice take it market value*
 - *CG / PM assume useful life 60m (fixed by Act)*
 - *Remaining life ITC to be reversed*

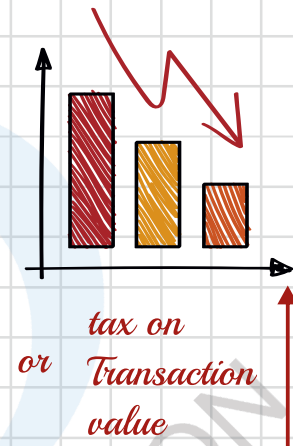


Situation III:

CG / PM sold

CG / PM

- *Pay tax = ITC Reversal (reduced ITC) 5% per quarter*
- *tax on Transaction value*
- *Moulds/dies/jigs/ furniture sold as scrap*
- *Pay tax = tax on transaction value*



Situation IV:

Sale/merger/amalgamation

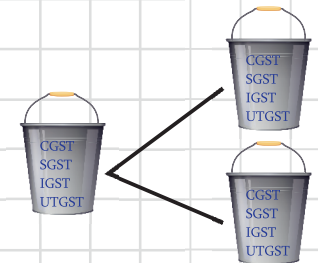
The zero entity can take bucket

1. *Change in constitution*
2. *There is transfer asset/ liability*
3. *Unutilised balance in e credit ledger can be transfer*

Situation V:

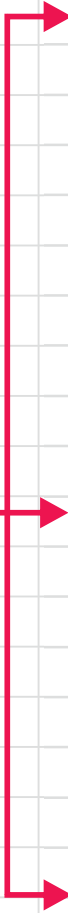
Single reg → Multiple registration

Unutilised ITC can be split between separate registration on the basis of asset held.





Registration

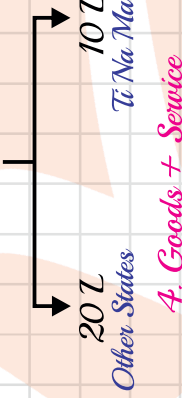


Section 22

- 1. Based on ATO
- 2. Only Goods



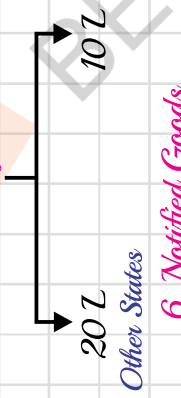
- 3. Only Services



- 4. Goods + Service



- 5. Handicraft Goods



- 6. Notified Goods

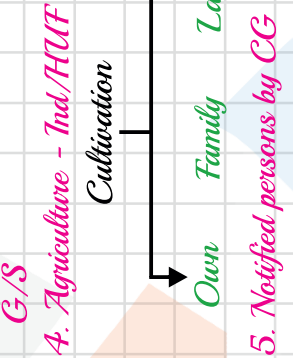


- 7. Goods + Int on loan Treated as exclusive G.

Notes :
Ti - Tripura
Na - Nagaland
Ma - Manipur
Mi - Mizoram

Section 23

- 1. Exempt from registration
- 2. Exclusive supplier of non-taxable G/S
- 3. Exclusive supply of exempt G/S



- 5. Notified persons by CG

- i. Inter state supply of S
- ii. inter state supply of handicraft goods.
- iii. CTP → Selling handi goods
- iv. Supplier - covered under RCM.
- v. Supply S through ECO.

(i to v) not covered under compulsory registration. But covered u/s 22.

AP is MUST
Arunachal Pradesh
Punacherry
Meghalaya
Uttarakhand
Sikkim
Telangana

Section 24

- 1. It is compulsory registration
- 2. Not dependent on ATO
- 3. Following persons are covered U/S 24

- 1. Inter state supply of G

Exception :

- a. Inter state supply of S
- b. Handicraft notified goods

- 2. CTP

Exception : Handicraft / Notified goods

- 3. NRTP

- 4. Person - Tax - RCM

Recipient has compulsory regn. ECO which is liable to collect TCS

- 6. Persons selling goods through ECO

Exception : Selling S through ECO

- 7. Eco's are liable to pay u/s 9(5)

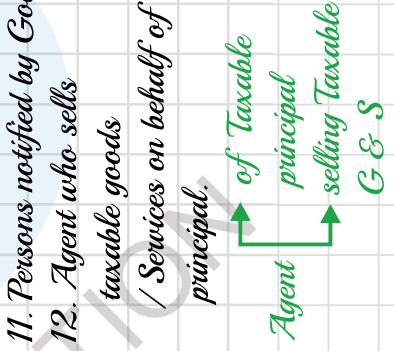
- 8. OTDAR : Online Database access & Retrieval services (Final)

- 9. ISD : Input services distributor (Final)

- 10. Persons liable to deduct TDS (Final)

- 11. Persons notified by Gout.

- 12. Agent who sells taxable goods / Services on behalf of principal.



Notes :-

C6 - 2 When to apply for Registration?

Registration u/s 22 or 24

*Apply within 30 days from date
You become liable for registration*

CTP /NRTP

*Apply at least 5 days prior to start
of business.*

Voluntary Registration

Apply any time

C6 - 3 Effective date of Registration

Applicable for Registration

Within 30 days

*Effective
date =*

Revised Tax Invoice -

After 30 days

*Effective
date =*

Revised Tax Invoice -

C6 - 4 State wise Registration

Branches in same state : Option of single or separate registration.

Branches in diff. state : compulsory separate registration

Note : SEZ and DTA always require separate registration even if in same state.



*Pune
Reg 1*



*Nagpur
Reg 2*



*Maharashtra
Reg 1*



*Delhi
Reg 2*

Registration Process
Form Reg 01



Fill in the form
Part A

Checking by PO

(PO will verify the application)



PAN → verified from
CBDT database

Email/Mobile → Taken from
CBDT these are
linked to PAN.

TRN = Temporary reference no.
(communicated on email /mo)

Use TRN + fill Part B

PPOB, APOB

Business details
Bank details, Aadhar



Relaxation
within 45
days of RC
or
due date GSTR

Mandatory
for aadhar
authentication

Notes : PPOB - Principal Place of Office

APOB - Additional Place of Business

Now : Biometric Aadhar authentication introduced in Gujarat as a pilot project.

all ok

RC within
7 days

not ok

1. aadhar authentication note done.
then PO will do site visit within 30
days of application and issue RC within 30 days.

2. Other Queries

PO issue notice within 7 days

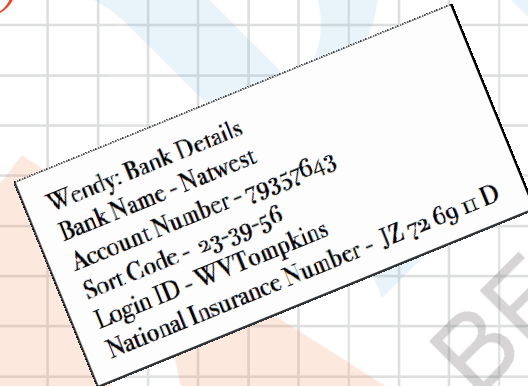
tax payer to give clarification
within 7 days

all ok

issue RC
within
7 days

not ok

reject RC and
record reasons
in writing





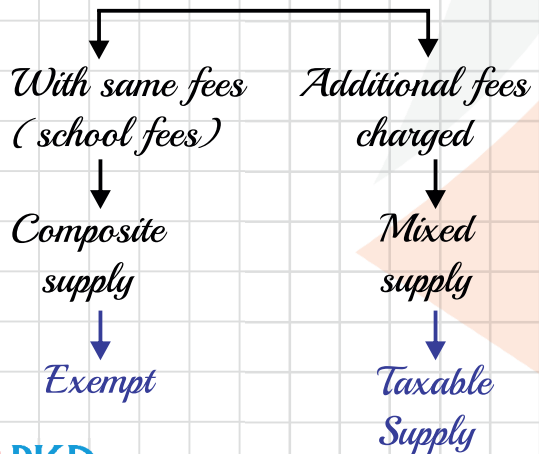
Service by educational institute to students faculty exempt staff
+
Services of conduct of entrance exam are exempt

~~GST~~

Output Services - Educational Institutes Providing

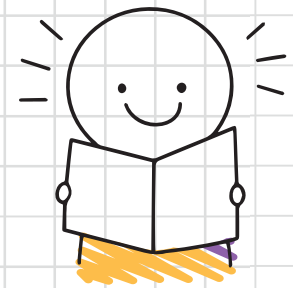


I.
Providing Pre school upto HSC - Higher Secondary Course
Pre school + school+ HSC
TB / SSC / CBSC any board
Boarding school
Edu + stay+ food
Compact supply Principal supply education
8a
Entire supply is exempt
Extra Curricular Activities



II.
Providing qualifications recognised in India
Qualifications should be recognised in India
If institute gives qualifications which is not recognised in India but in foreign country **taxable**
Course which provides dual recognition
Ie. One recognised in India other not recognised in India mixed supply **taxable**
Private coaching taxable
Because they do not provide any qualification that is recognised under any law eg. SPC Coaching
Coaching for engineering,
Coaching classes for 12th std
IIM Indian Institute Management
Long duration course (1 year or more)
Degree/ diplomas which are recognised **exempt**
Short duration course (less than 1 year) **taxable**
(Particular certificate not recognised)
Maritime Training Institute
Provide courses recognised by the merchant supply act 1958
Exempt
Institute likes IIT / IIM etc campus interview
Institute collect charges from corporates for placement **taxable**

III.
Providing vocational training course
Vocational training courses
Course in designated trades as covered in Apprentice Act exempt
Eg. Electrician, Wireman, Photographer, Beautician etc. Gardening, Painter
Modular employee skill course exempt
ITI/ITC Industrial Training Institute
Industrial Training Centre
Private ITI
Course designated trade (Apprentice Act) trade **exempt**
Other courses **taxable**
Gov ITI
Course in designated trade **exempt**
Other courses **exempt**
(All courses exempt because supplier is govt.)



Input Services - Services to educational institute there are exempt

1.

1. Transportation of students, faculty and staff
2. Catering including mid day meals sponsored by government
3. Security or housekeeping services performed in the premises of the educational institution



Exempt only for pre school & HSC



2.

1. Services relating to admission or conduct of examination



Exempt for all 3 Institutes



3.

1. Supply of online educational Journals and periodicals



Only to educational Institutes providing recognized qualification





VII - All 3 conditions to be satisfied

Situations when tax Invoice / BOS not to be issued

- 1) supply value upto 200 and
- 2) Buyer/receipt - is unregistered and
- 3) Recipient does not need an invoice

VIII - Debit & Credit note

1. Already I is issued

You want to ↓ value = Debit Note

You want to ↑ value = Credit Note

2. Debit notes should be recorded in GST Return

3. Consolidated Dr notes and cr notes can be issued.

Motabhai raised I on Radhe

I₁ I₂ I₃ → FY 23-24

Dr₁ Dr₂ Dr₃ → Individual Debit notes

Consolidated debit note for one year



Documents in case of RCM

Tax liability is on recipient
RCM 9(3) & 9(4)

Supplier is registered

Supplier Tax Invoice

Recipient payment voucher

Supplier is not registered

Recipient → Issue tax Invoice on himself

→ Payment voucher

4. Reasons for issue of Debit Note

5. Reasons for issue of Credit Note

Apply within 30

effective : Date when you are liable for reg
Retro spectire reg issue revised tax invoice
consolidated revised tax invoice

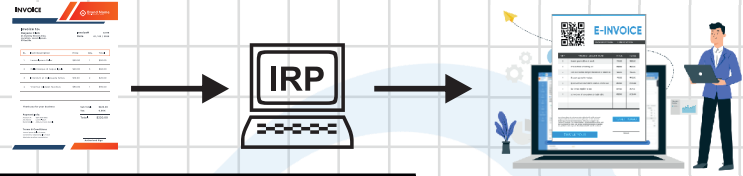
*Not applied within
30 days*

effective date : date when RC is received
cannot issue revised tax invoice.

BEST FOR TAXATION

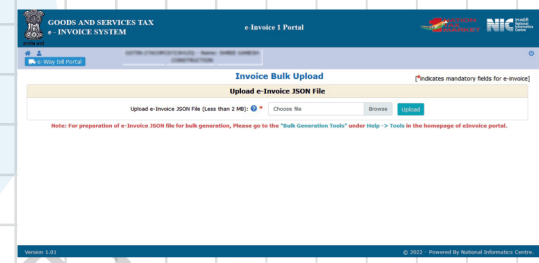
C8 - 3 E - Invoicing

E - Invoicing

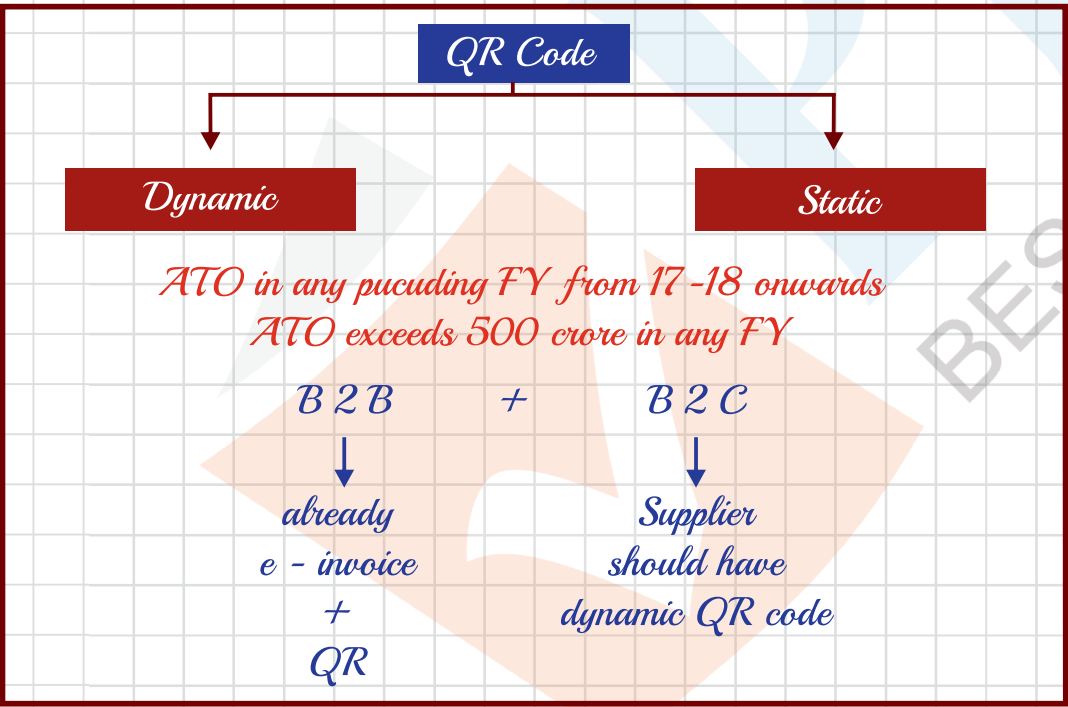
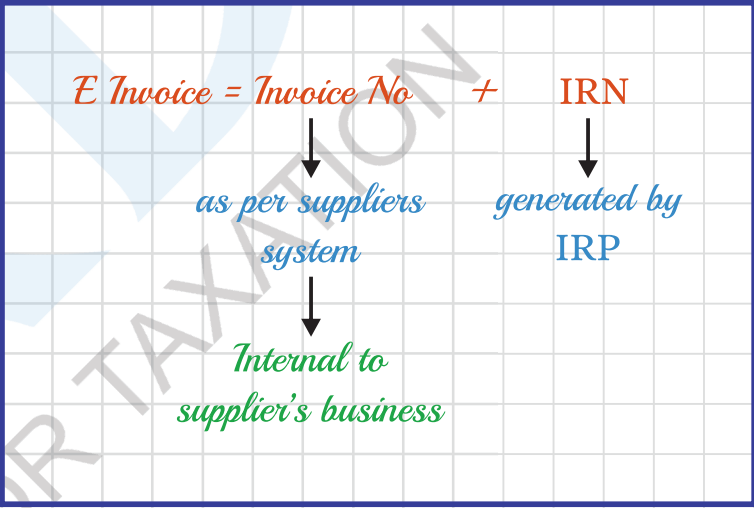
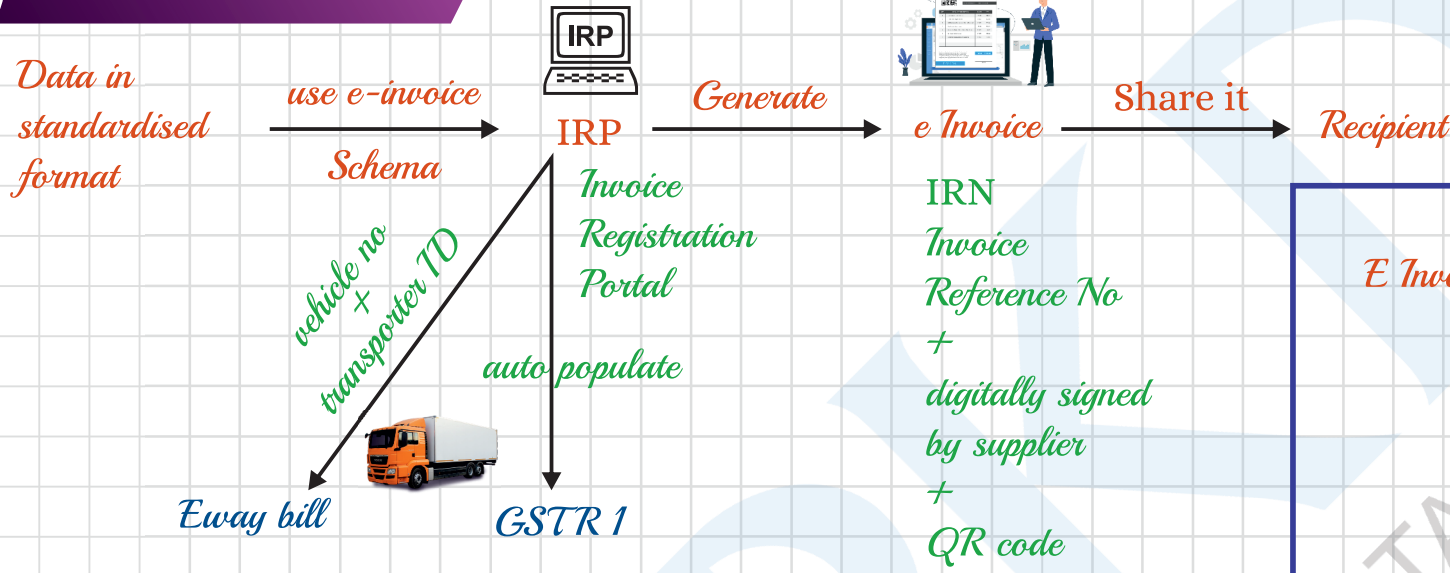


When applicable

Exemption



BEST FOR TAXATION





Option for return filling (If ATO not exceeding 5 Cr)

*Option I -
no QRMP*

	<i>GSTR - 1</i>	<i>GSTR - 3B</i>
<i>January</i>		
<i>February</i>		
<i>March</i>		



Recipient can claim monthly ITC

*Option II -
QRMP*

	<i>GSTR - 1 Quarterly</i>	<i>GSTR - 3B Quarterly</i>	<i>Monthly Payment</i>	<i>Option to file IFF</i>
<i>January</i>				
<i>February</i>				
<i>March</i>				

*GSTR 2A/2B will be updated quarterly
Radhe will have to delay the claim of ITC, so IFF option introduced.*

IFF	GSTR - 1	IFF
January		
February		
March		

Max Invoices upto Rs. 50,00,000 can be in a month IFF.

BEST FOR

GSTR-1 : Outward Supply Return

- Monthly → Jan → 11th Feb → GSTR 2A/2B
- QRMP → (Jan+Feb+Mar) → 13th April
↳ Option of TFFC for timely reflection in 2A/2B
- NTL → GSTR - 1 → Mandatory
- Details in GSTR - 1

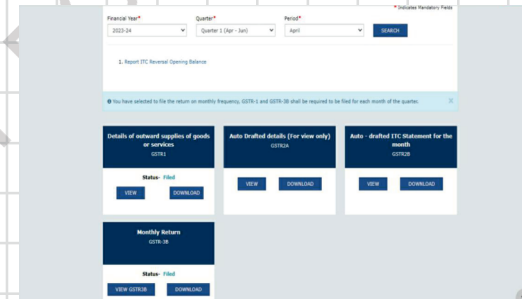
1. B2B
(Invoice wise)

B2C
Invoice wise not required
invoice wise of B2C - above 2.5L
(Inter - state)

2. Invoices + Revised invoices + credit notes + debit notes to be filled in GSTR 1

GSTR - 3B

- Monthly Returns
- (+) Payment of fees *Mandatory
- Sales + Purchase (summarised)
- GST Payable - ITC = Balance Payable in cash
- Filing nil return = Mandatory
- Due dates :
Monthly : Jan → 20th Feb + Taxes Payment
QRMP : (Jan + Feb + Mar) + Monthly Payment
Quarterly Return (22nd or 24th next month)
- Filing of previous period GSTR - 3B is Mandatory



Normal Tax Payer (other than composition)

*ATO of last year
exceeds 5 crores*

*GSTR 1 : 11th of next month
GSTR 3B: 20th of next month
GSTR 9 : 31st Dec of next FY*

*ATO of last years
not exceeding 5 crores*

Monthly

*GSTR 1 : 11th of next month
GSTR 3B: 20th of next month
GSTR 9 : 31st Dec of next FY*

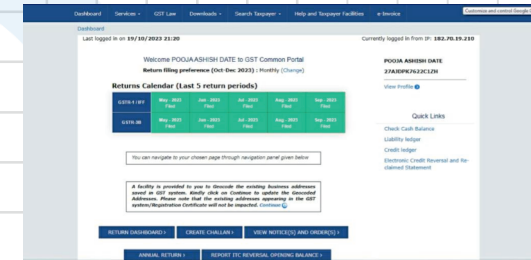
Quarterly

*GSTR 1 : 13th of next month
GSTR 3B: 22nd or 24th next month*

Payment monthly

*Fixed
Sum*

*Self
Assessment*



Returns for composition supplier

- They file *yearly Return GSTR-4*
- *due date of GSTR-4 – 30th April of next FY.*
- *FY 23-24 GSTR-4-due date 30th April 24*
- *Payment is done on quarterly basis.*
 - A/M/J → CMP 08 → due date 18th July (challan)*
 - J/A/S → CMP 08 → due date 18th Oct.*
 - O/N/D → CMP 08 → due date 18th Jan.*
 - J/F/M → CMP 08 → due date 18th April.*
- *Submitting NTL CMP 08 is mandatory*

- 1. Normal Return – Yearly GST-4 30th April next year*
- 2. Payment – OTR- CMP 08- 18th of next month after the quarter*
- 3. Annual Return- Yearly GSTR-9A- 31st Dec of next year*



E cash ledger



E credit ledger

Debit Amount (DR)	Credit Amount (CR)
To Pay Liabilities Tax RCM Tax Interest Penalty Fees	1) By Cash deposited 2) By TDS / TCS

Debit Amount (DR)	Credit Amount (CR)
1) Payment of output tax via IGST, CGST, SGST, UTGST, cess. 2) RCM 3) Int/Penalty	1) By Cash deposited 2) By TDS / TCS

Rules

1. It is maintained **major and minor head wise**.
2. Shifting of amt-**cross utilization from any major head or minor head allowed** as per section 49(10) using form PMT-09
3. Now as per FA 2022 amt can be shifted from one **deemed distinct person to another**.
However there is no unpaid liability in E liability register of the person from where excess amt is transferred.
4. If the ledger is debited for paying liabilities like tax/RcmTax/Penalty/Int etc

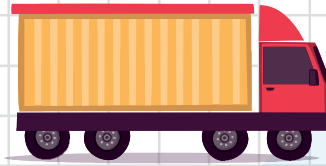
Rules

1. It is maintained major and minor head wise
2. **ITC utilization rules** will apply.
IGST Tax – used for IGST and CGST/SGST any order
any proportion
CGST Tax – used CGST and IGST
SGST Tax – used SGST and IGST
UTGST Tax – used UTGST and IGST
3. It can be debited only for paying Tax liability. Cannot be used for ~~RCM tax, Penalty, Int, Fees~~





Maharashtra



Uttar Pradesh

<i>When</i> →	<i>Movement of goods of value above ₹50,000 (whether supply / not)</i>
<i>When</i> →	<i>(1) Registered person - causing movement of goods generally supplier * If supplier unregistered - then recipient (2) Transporter (by road)</i>
<i>Value</i> →	<i>Invoice → Value as per sec 15 + GST Delivery Challan → Value mentioned on the delivery challan E-way bill only if value exceeds ₹50,000.</i>
<i>Exceptions</i> →	<i>Even if value exceeds ₹50,000 no EWB in following cases ↳ Job Work ↳ Handicraft goods</i>

Acceptance of EWB

Generated by supplier $\xrightarrow{\text{communicated to}}$ recipient
 Generated by recipient $\xrightarrow{\text{communicated to}}$ supplier

} have to accept EWB

72 hours from details made available or delivery of goods ↓
 if no communication of acceptance / rejection
 ↳ deemed to be accepted

Mistakes in EWB

(cannot be edited / corrected)
Cancel E-way bill within 24 hrs from generation
Generate new E-way bill

E-way Bill - EWOB 01

Part A

Filled by person
causing movement

Supplier / Name
Recipient / Name, details
Goods / Details

Sometimes filled by ECO
transporter (if they
are authorised so)

Temporary No is
generated

Part B

Filled by the
transporter

Details:
Vehicle No.

E-way bill can be
generated only after
filling Part B

Part B is not / furnished

- G transported upto 50 km within the state
- consignor to transporter
- transporter to consignee

Trans shipment

trif of goods from one conveyance to other update vehicle details
(any no. of times within validity period)
Even modes of transportation can be updated



Transporter 1

Transporter 2

City X $\xrightarrow{\text{Transp1}}$ City Y $\xrightarrow{\text{Transp2}}$ City Z

PKD
BEST FOR TAXATION

PKD
BEST FOR TAXATION



PKD
BEST FOR TAXATION



BEST FOR TAXATION

