

इशारांश

LAST MILE REFERENCER FOR

FINAL COURSE

PAPER 5

INDIRECT TAX
LAWS



Board of Studies (Academic)

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

New Delhi

Saransh Last Mile Referencer

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Preface

Board of Studies (Academic), the student wing of the Institute, does not leave any stone unturned in providing best-in-class services to its students. It imparts quality academic education through its value added study materials and other publications like revision test papers, suggested answers and mock test papers. BoS (Academic) also conducts Live Virtual Classes through eminent faculty for its students across the length and breadth of the country.

In a pursuit to provide quality academic inputs to the students to help them grasp the intricate aspects of the subjects, the Board of Studies (Academic) has been publishing crisp and concise capsules in its monthly Students' Journal "The Chartered Accountant Student" wherein the concepts and provisions are presented in attractive colours in the form of tables, diagrams and flow charts for facilitating easy retention and quick revision of topics.

To reach out to its students across the nation, the BoS (Academic) has come out with Saransh for Final Paper-5: Indirect Tax Laws. This booklet encapsulates significant provisions of (i) Goods and Services Tax and (ii) Customs & Foreign Trade Policy (FTP), by way of diagrams, flow charts, tables and pictorial representation.

However, the students are advised to refer the Study material, Bare Act, Rules and Regulations and FTP for thorough and comprehensive study and revision. Under no circumstances, this booklet substitutes the detailed study of the material provided by the Board of Studies.

The subject matter of Goods and Services Tax of this booklet is based on the provisions of the Central Goods and Services Tax Act, 2017 and Integrated Goods and Services Act, 2017 as amended by the notifications and circulars issued as well as with the amendments made by the Finance (No. 2) Act, 2024, upto 28.02.2025. *Unless otherwise specified, the section numbers and rules referred to in the Goods and Services Tax pertain to CGST Act and CGST Rules respectively (except Chapter 5: Place of Supply, where the section numbers and rule numbers pertain to IGST Act and IGST Rules).*

The subject matter of Customs & FTP is based on the customs laws as amended by the Finance (No. 2) Act, 2024 (amendments which have become effective till 28.02.2025) and significant notifications and circulars issued till 28.02.2025.

This booklet will facilitate the reader to grasp the significant provisions of Indirect tax laws and serve as a ready reckoner. This booklet will surely enable the readers in easy retention and quick revision of Indirect Tax Laws.

Happy Reading!

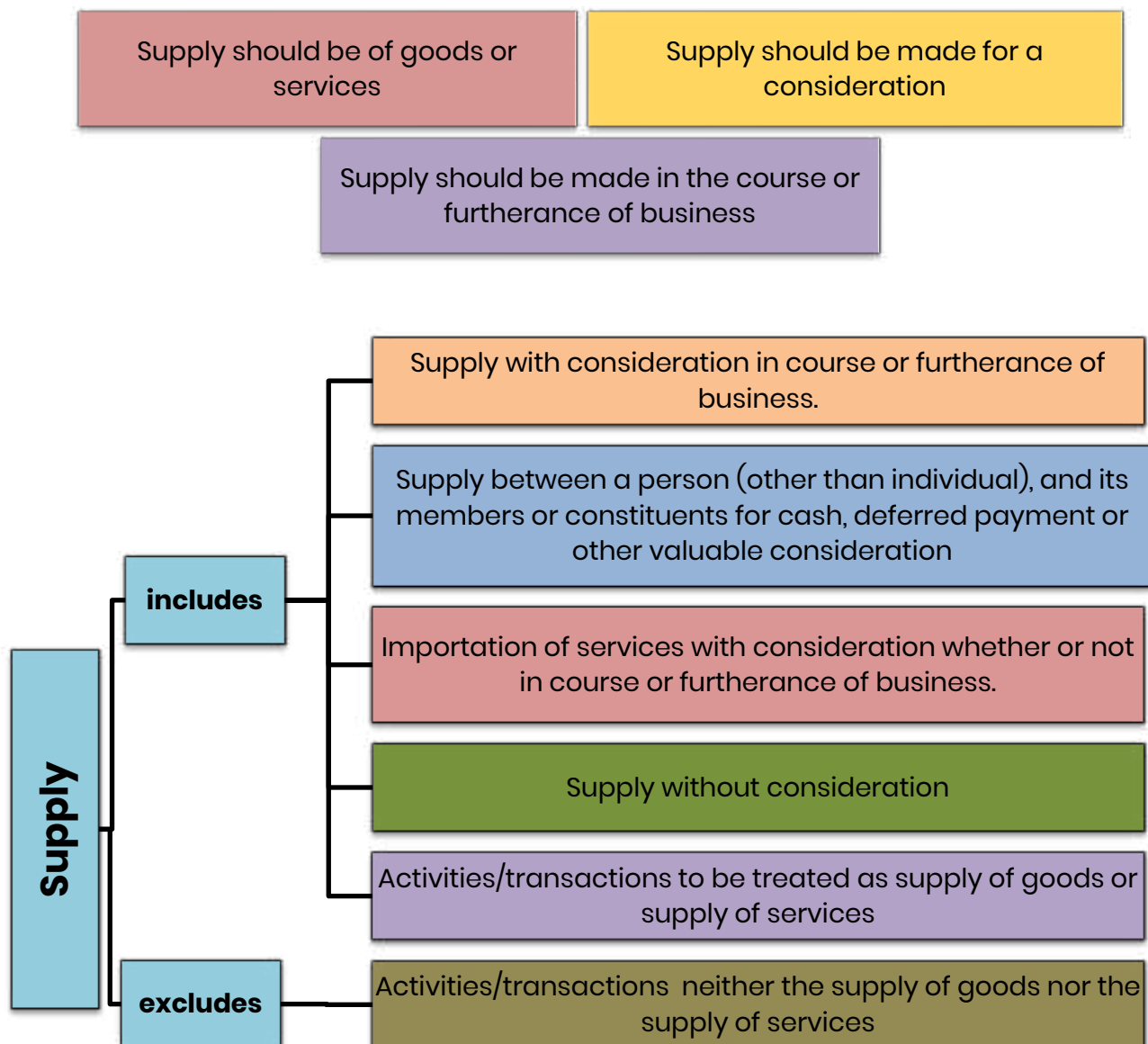


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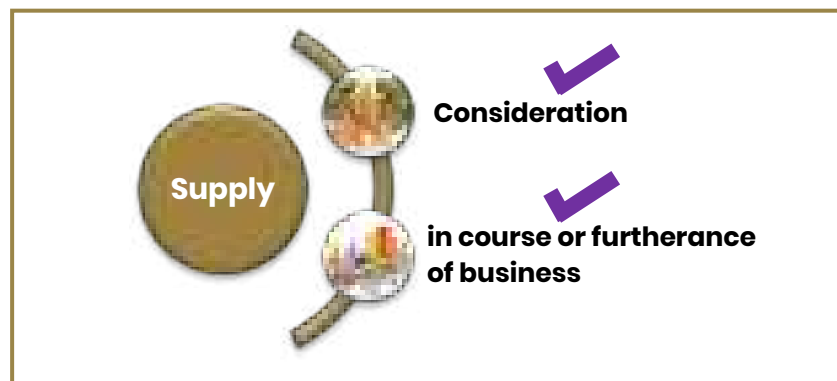
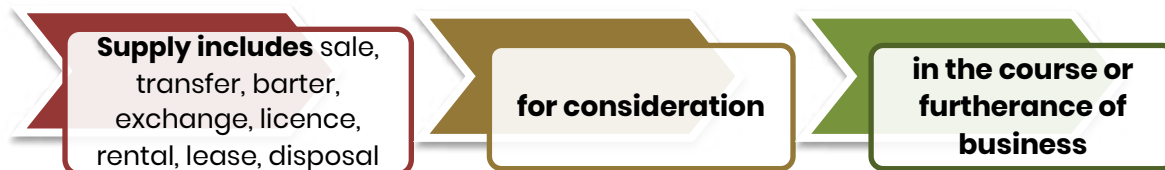
SUPPLY UNDER GST

Scope of Supply under GST

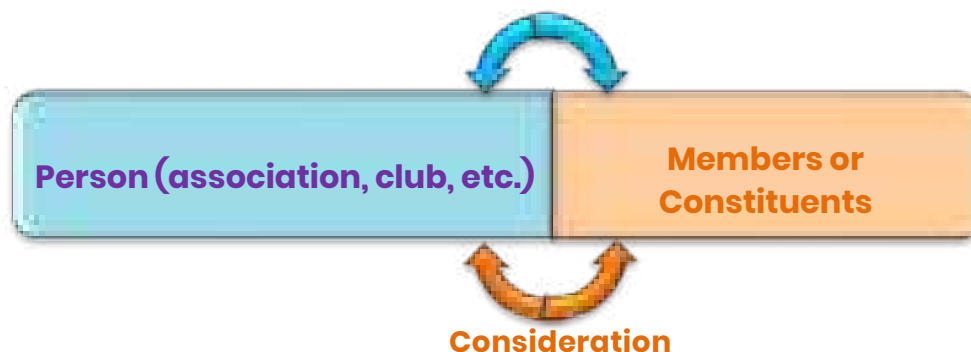


Sub-sections of section 7 alongwith related Schedules have been summarised as follows:

1. Supply for consideration in course or furtherance of business [Section 7(1)(a)]

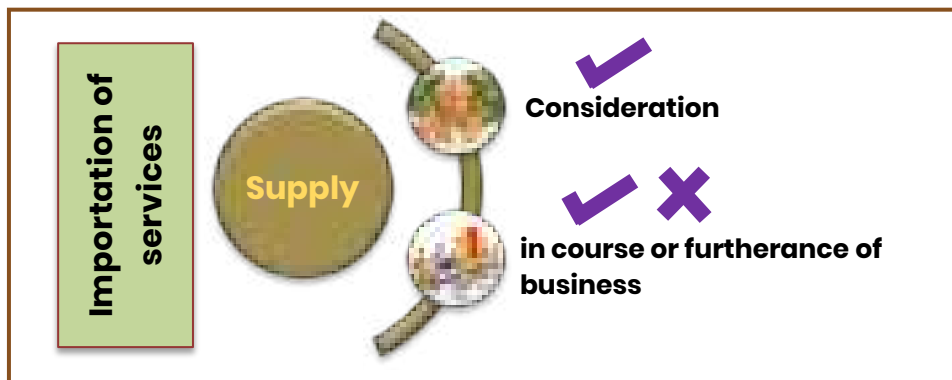


2. Activities/transactions between a person, other than an individual, and its members or constituents for valuable consideration [Section 7(1)(aa)]



3. Importation of services for consideration whether or not in course or furtherance of business [Section 7(1)(b)]

Supply should be in course or furtherance of business. The exception to said rule – import of services is deemed as supply even if the same has been imported not in course/furtherance of business.

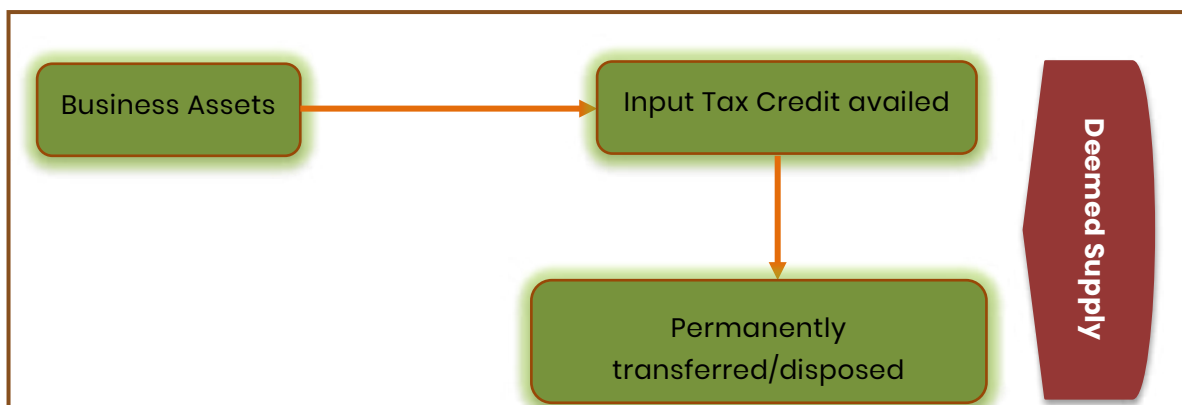


4. Supply without consideration – Deemed Supply [Section 7(1)(c) read with Schedule I]

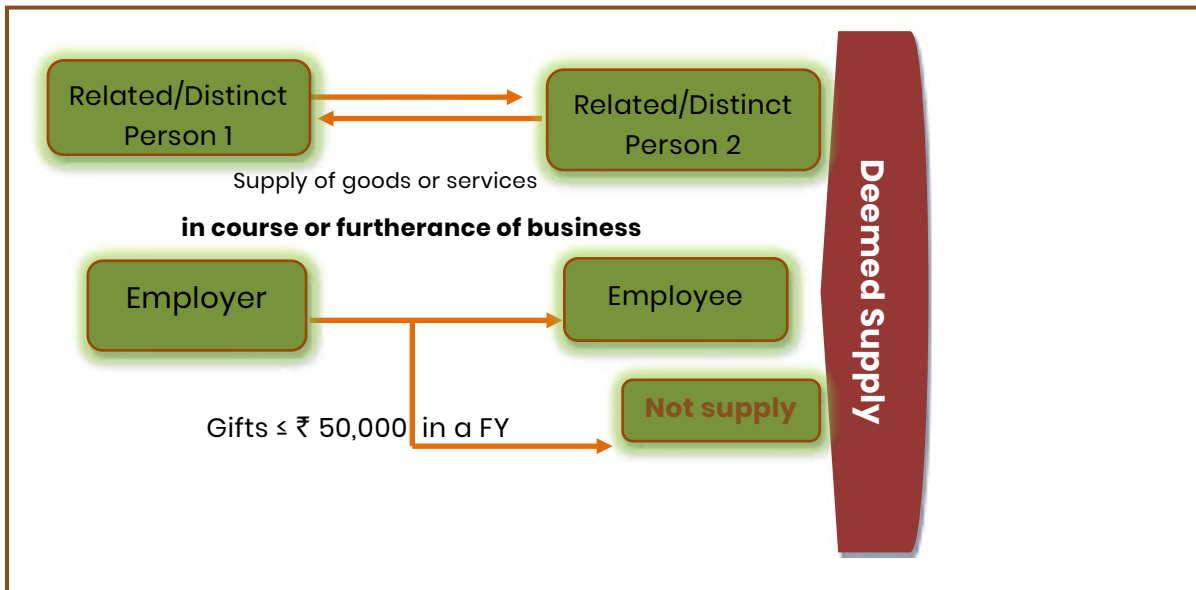
This includes all supplies made to a taxable or non-taxable person, even if the same is without consideration. These are specifically mentioned in Schedule I appended to the CGST Act.

As per Schedule I, in the following four cases, supplies made without consideration will be treated as supply under section 7:

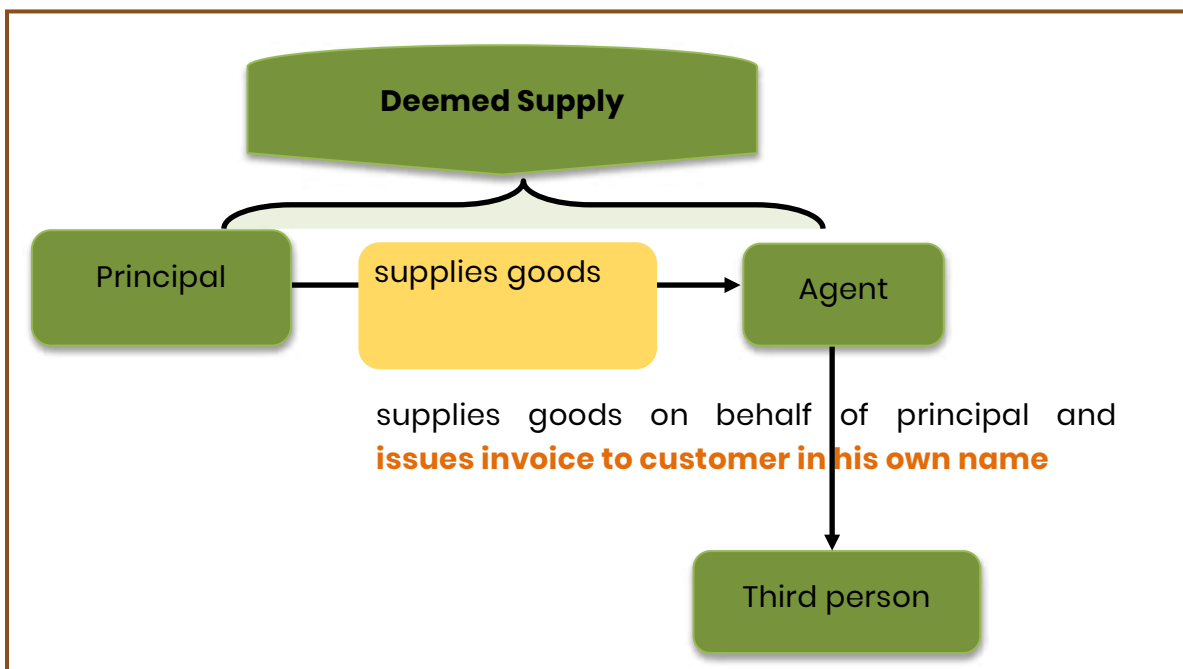
I. Permanent transfer/disposal of business assets

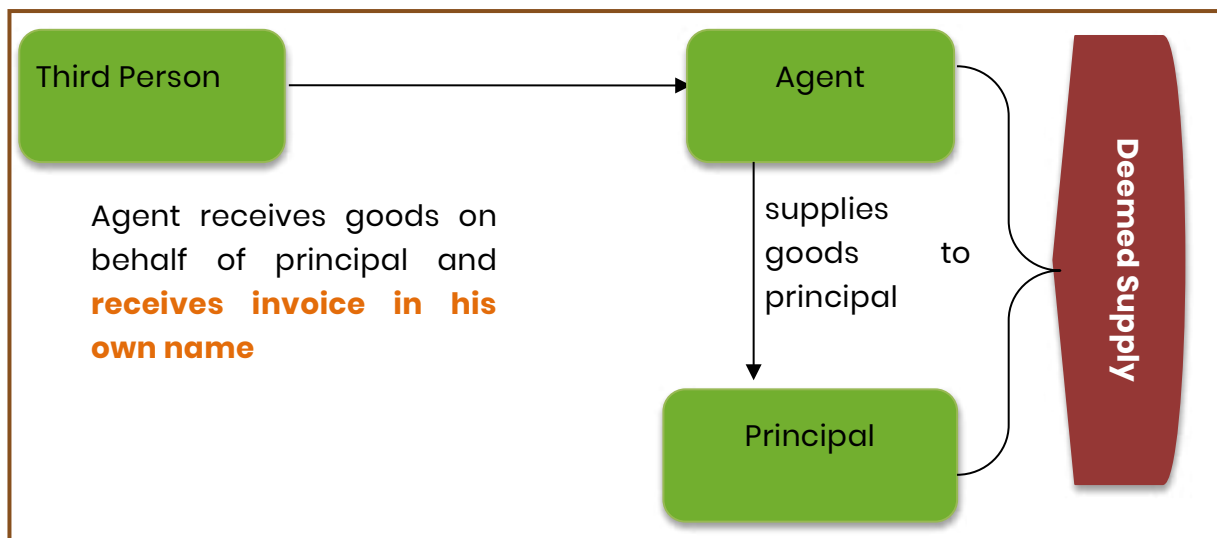


II. Supply between related persons or distinct persons

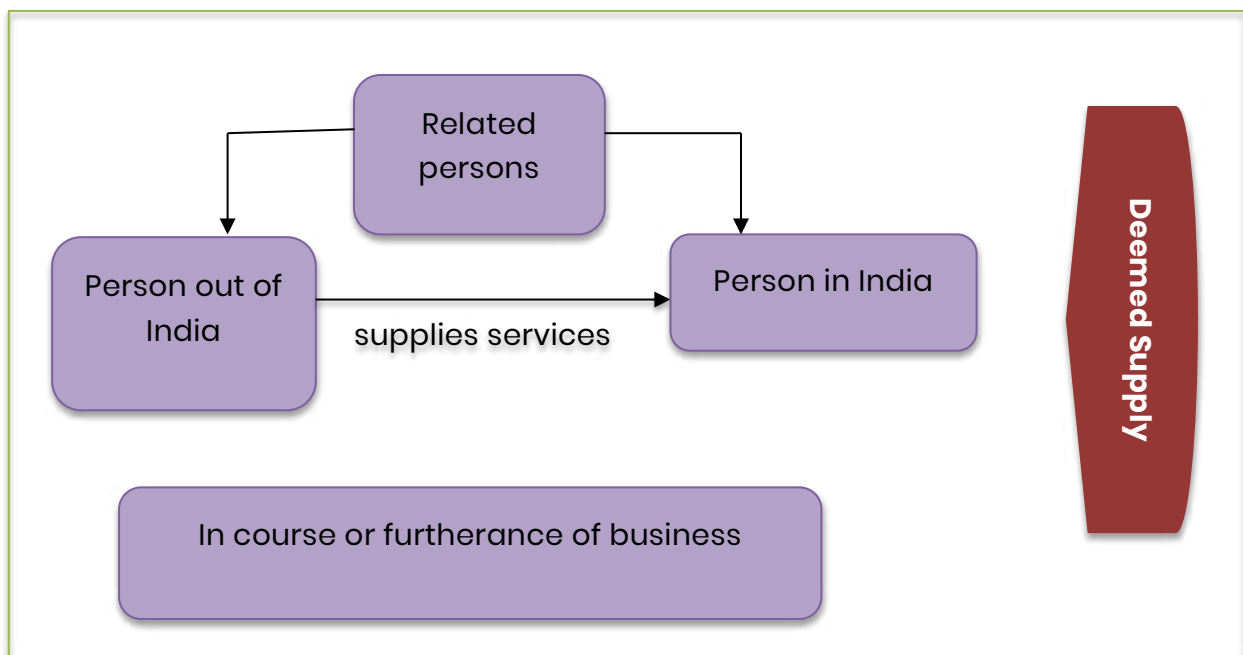


III. Supply between principal and agent



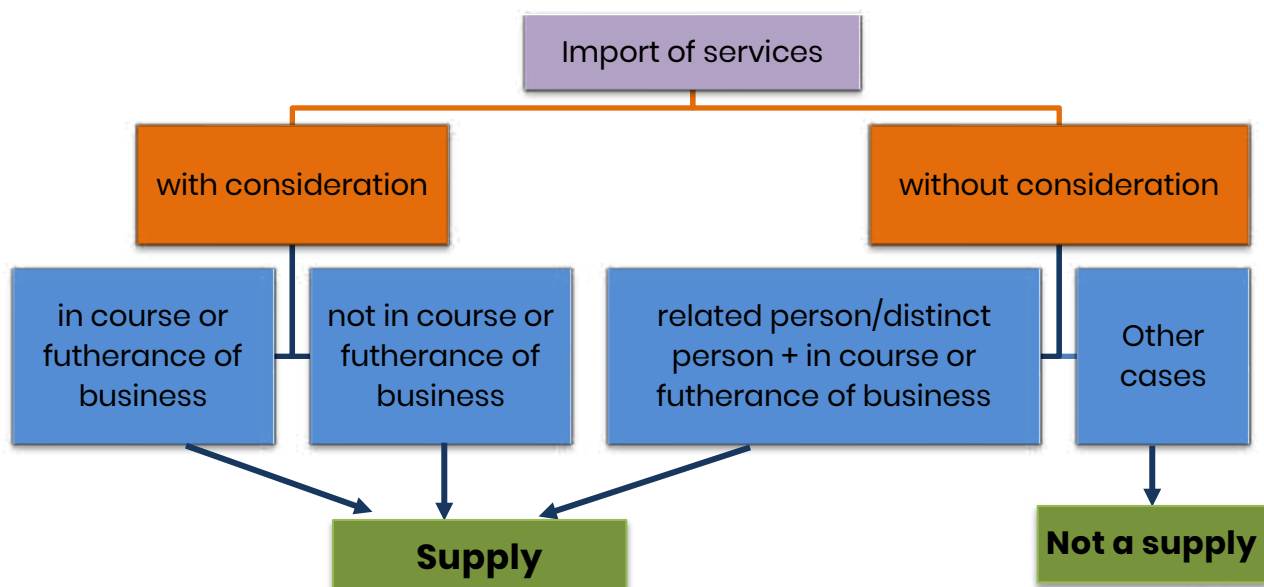


IV. Importation of services



The combined provisions relating to import of services [as stipulated under section 7(1)(b) and section 7(1)(c) read with Schedule I] have been depicted in the diagram as under:

IMPORT OF SERVICES



5. Activities or transactions to be treated as supply of goods or supply of services [Section 7(1A) read with Schedule II]

Para No.	Activity/ Transaction	Type	Supply of goods/ services
1.	Transfer	(i) Title in goods (ii) Title in goods under an agreement that property shall pass at a future date.	Goods
		Right/undivided share in goods without transfer of title in them	Services
2.	Land and Building	Lease, tenancy, easement, licence to occupy land	Services
		Lease/ letting out of building including a commercial/ industrial/ residential complex for business/ commerce, wholly/ partly.	Services
3.	Treatment or Process	Applied to another person's goods	Services

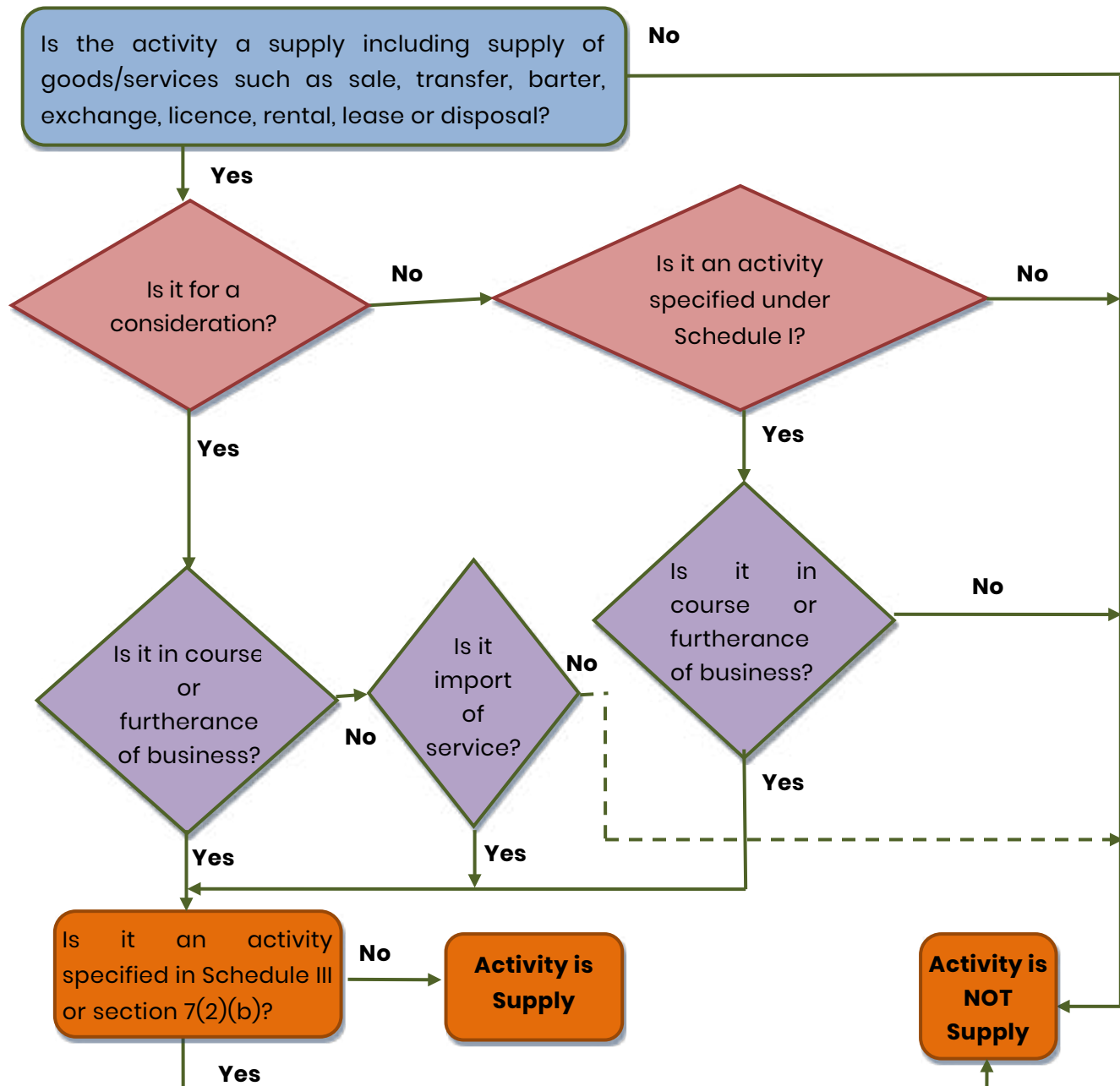
4.	Transfer of Business Assets	Goods forming part of business assets are transferred/disposed of by/under directions of person carrying on business so as no longer to form part of those assets	Goods
		Goods held/used for business are put to private use or are made available to any person for use for any purpose other than business, by/under directions of person carrying on the business	Services
		Goods forming part of assets of any business carried on by a person who ceases to be a taxable person, shall be deemed to be supplied by him, in the course or furtherance of his business, immediately before he ceases to be a taxable person. Exceptions: ☐ Business transferred as a going concern. ☐ Business carried on by a personal representative who is deemed to be a taxable person.	Goods
5.	Renting of immovable property		Services
	Construction of complex, building, civil structure, etc. Exception: Entire consideration received after issuance of completion certificate or after its first occupation, whichever is earlier.		
	Temporary transfer or permitting use or enjoyment of any intellectual property right		
	Development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of IT software		Services
	Agreeing to obligation to refrain from an act, or to tolerate an act or situation, or to do an act.		
	Transfer of right to use any goods for any purpose		
6.	Following composite supplies:- ☐ Works contract ☐ Supply of goods, being food or any other article for human consumption or any drink.		Services

6. Non-supplies under GST [Section 7(2)(a) read with Schedule III]

Para No.	Activities or transactions which shall be treated neither as a supply of goods nor a supply of services
1.	Services by an employee to the employer in the course of or in relation to his employment.
2.	Services by any court or Tribunal established under any law for the time being in force.
3.	(a) Functions performed by Members of Parliament, Members of State Legislature, Members of Panchayats, Members of Municipalities & Members of other local authorities; (b) Duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or (c) 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 and who is not deemed as an employee before the commencement of this clause.
4.	Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
5.	Sale of land and, subject to paragraph 5(b) of Schedule II, sale of building.
6.	Actionable claims, other than specified actionable claims.
7.	Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India.
8.	(a) Supply of warehoused goods to any person before clearance for home consumption. (b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.
9.	Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in co-insurance agreements, subject to the condition that the lead insurer pays the CGST, SGST, UTGST and IGST on the entire amount of premium paid by the insured.

10.	Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that the central tax, the State tax, the Union territory tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.
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Steps to determine whether an activity undertaken is supply or not.



7. Composite and mixed supplies

	
Composite Supply • Consist of two or more supplies • Naturally bundled • In conjunction with each other • One of which is principal supply • Tax liability shall be rate of principal supply • Example: Charger supplied alongwith mobile phones.	Mixed Supply • Consist of two or more supply • Not naturally bundled • Though can be supplied independently, still supplied together • Tax liability shall be the rate applicable to the supply that attracts highest rate of tax • Example: A gift pack comprising of chocolates, candies, sweets and balloons.

CHARGE OF GST

1. Extent & commencement of CGST Act/ SGST Act/ UTGST Act/ IGST Act

Applicability	CGST	SGST	UTGST	IGST
	Intra-State supply			Inter-State supply
States of India	✓	✓		✓
Union Territories with Legislature	✓	✓		✓
Union Territories without Legislature	✓		✓	✓

2. Levy and collection of CGST/IGST

Particulars	CGST	IGST
Levied on	Intra-State supplies of goods/services/both	Inter-State supplies of goods/services/both
Collected and paid by	Taxable person	
Supply outside purview of GST	Alcoholic liquor for human consumption and un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption.	
Value for levy	Transaction value under section 15 of the CGST Act	
Rates	Rates as notified by Government. Maximum rate of CGST can be 20%.	IGST rate= CGST rate + SGST/UTGST rate Maximum rate of IGST can be 40%.
Supplies on which tax would be levied w.e.f. a notified date	☐ petroleum crude ☐ high speed diesel ☐ motor spirit (commonly known as petrol) ☐ natural gas and ☐ aviation turbine fuel	
Tax payable under reverse charge	☐ Supply of goods or services or both, notified by the Government.	

	☐ Supply of specified categories of goods or services or both by an unregistered supplier to specified class of registered persons.
Tax payable by the electronic commerce operator	The Government may notify specific categories of services the tax on supplies of which shall be paid by electronic commerce operator (ECO) as if such services are supplied through it.

Services on which tax is payable under revers charge

S. No.	Category of supply of Services	Supplier of Service	Recipient of Service
1.	Supply of services of transportation of goods by road by GTA except where GTA exercises the option to pay tax under forward charge	Goods Transport Agency (GTA)	Any of the following: • Factory • Society • Co-operative society • Body corporate • Partnership firm • Casual taxable person • Registered Person (Referred as Specified recipient.)
	Exception: Services provided by a GTA to- (a) Department/ Establishment of CG/SG/UT; or (b) Local Authority (LA); or (c) Governmental agencies (GA), which has taken registration only for the purpose of deducting TDS.		
2.	Legal services	An individual advocate including a senior advocate/ firm of advocates.	Business entity
3.	Services by an arbitral tribunal	Arbitral tribunal	Business entity

4.	Sponsorship services	Any person other than a body corporate	Body corporate or partnership firm located in the taxable territory.
5.	Services by CG/ SG/UT/ LA excluding,- (1) renting of immovable property service, and (2) (i) services by Department of Posts/ Ministry of Railways (ii) services in relation to aircraft/vessel; (iii) transport of goods/ passengers.	CG/SG/UT/LA	Business entity
5A.	Renting of immovable property service	CG/SG/UT/LA excluding the Ministry of Railways	Registered person
5AA.	Renting of residential dwelling service	Any person	Registered person
5AB.	Renting of any immovable property other than residential dwelling	Any unregistered person	Registered person other than a person who has opted to pay tax under composition levy.
5B.	Services supplied by way of TDR or FSI (including additional FSI) for construction of a project	Any person	Promoter
5C.	Long term lease of land (30 years or more) against consideration in the form of upfront amount and/or	Any person	Promoter

	periodic rent for construction of a project		
6.	Services by a director of a company/ body corporate	Director	Company/ body corporate
7.	Services supplied by an insurance agent	Insurance agent	Person carrying on insurance business
8.	Services supplied by a recovery agent	Recovery agent	Banking company/ financial institution/NBFC
9.	Services of transfer or permitting the use or enjoyment of a copyright covered under section 13(1)(a) of the Copyright Act, 1957 relating to original dramatic, musical or artistic works	Music composer, photographer, artist, or the like	Music company, producer or the like
9A.	Services of copyright covered under section 13(1)(a) of the Copyright Act, 1957 relating to original literary works except where the author exercises the option to pay tax under forward charge	Author	Publisher
10.	Supply of services by the members of Overseeing Committee	Members of Overseeing Committee constituted by the RBI	RBI
11.	Services supplied by individual Direct Selling Agents (DSAs)	Individual DSAs other than a body corporate, partnership or LLP firm	Banking company/NBFC
12.	Services by business facilitator	Business facilitator	Banking company

13.	Services provided by an agent of business correspondent	An agent of business correspondent	Business correspondent
14.	Security services Exceptions: Services provided by a GTA to- (i) (a) Department/ establishment of CG/SG/UT; or (b) LA; or (c) GA, which has taken registration only for the purpose of deducting TDS. (ii) Registered composition supplier	Any person other than a body corporate	Registered person
15.	Renting of motor vehicle service Vehicle designed to carry passengers Cost of fuel is included in consideration charged from recipient	Non-body corporate who doesn't issue an invoice charging CGST @ 6% to service recipient.	Body corporate
16.	Services of lending of securities under Securities Lending Scheme, 1997	Lender	Borrower

 All the above services have also been notified for reverse charge under IGST Act vide Notification No. 10/2017 IT (R) dated 28.06.2017 as amended. In addition to them, following additional services are also notified by said notification for reverse charge under IGST purposes:

S. No.	Category of supply of service	Supplier of service	Recipient of Service
1.	Any service	Any person located in a non-taxable territory	Any person located in the taxable territory other than non-taxable online recipient.

3. Composition levy [Section 10]

Composition levy

- An option for specified categories of small taxpayers to pay GST at a very low rate on the basis of turnover.

Advantages

- Low rates of tax
- Hassel free simple procedures for such taxpayers
- Simple calculation of tax based on turnover
- A very simple annual return

Composition Levy

Composition levy provided under section 10(1) and 10(2)

Composition levy provided under section 10(2A)

Procedure for opting for the scheme

Category of persons	How to exercise option	Effective date of composition levy
New registration under GST	Intimation in the registration form	From the effective date of registration
Registered person opting for composition levy	Intimation in prescribed form	Beginning of the financial year

Turnover limit for composition levy

Turnover limit in preceding FY to opt for composition levy for goods

For Special Category States except Assam, Himachal Pradesh and J&K • ₹ 75 lakh

For remaining States • ₹ 1.5 crore

Turnover limit in preceding FY to opt for composition levy for services

Turnover for composition levy for services

• ₹ 50 lakh in preceding financial year

Conditions and restrictions for composition

Person opting for composition:

is neither a casual taxable person nor a non-resident taxable person

shall pay tax under section 9(3)/9(4) on inward supply

is not engaged in the manufacture of notified goods** (or notified services also in case of composition scheme for services)

shall mention the words “**composition taxable person, not eligible to collect tax on supplies**” at the top of the bill of supply issued by him

shall mention the words “composition taxable person” at a prominent place at his place of business

**** Goods notified for a registered person opting for composition scheme for goods are ice cream, pan masala, tobacco, aerated waters, fly ash bricks, fly ash aggregate, fly ash blocks, bricks of fossil meals or similar siliceous earths, building bricks, earthen or roofing tiles.**

Rates of tax

Composition scheme	Category of registered persons	Rate
For goods	Manufacturer	1% ($\frac{1}{2}\%$ CGST + $\frac{1}{2}\%$ SGST/UTGST) of turnover
	Restaurant service providers	5% ($2\frac{1}{2}\%$ CGST + $2\frac{1}{2}\%$ SGST/UTGST) of turnover
	Others	1% ($\frac{1}{2}\%$ CGST + $\frac{1}{2}\%$ SGST/UTGST) of turnover of taxable supplies
For services	All service providers except restaurant service providers	6% (3% CGST + 3% SGST/UTGST) of turnover

Who are NOT eligible to opt for composition scheme?

Registered person who is not eligible for composition scheme under section 10(1)	Registered person who is not eligible for composition scheme under section 10(2A)
Supplier engaged in making any supply of goods or services which are not leviable to tax i.e. non-taxable supplies	Supplier engaged in making any supply of goods or services which are not leviable to tax i.e. non-taxable supplies
Supplier engaged in making any inter-State outward supplies of goods or services	Supplier engaged in making any inter-State outward supplies of goods or services
Person supplying any services through an electronic commerce operator who is required to collect tax at source under section 52	Person supplying any services through an electronic commerce operator who is required to collect tax at source under section 52
Manufacturer of ice cream, pan masala, tobacco, aerated waters, fly ash bricks, fly ash aggregate, fly ash blocks, bricks of fossil meals or similar siliceous earths, building bricks, earthen or roofing tiles.	Manufacturer of notified goods or supplier of notified services

Supplier who is either a casual taxable person or a non-resident taxable person	Supplier who is either a casual taxable person or a non-resident taxable person.
Supplier of services, save as provided in section 10(1)**	

***A registered person opting for composition scheme for goods is allowed to supply services [other than restaurant services] alongwith supply of goods or supply of restaurant services of value not exceeding 10% of the turnover in the preceding financial year in a State/Union territory or ₹ 5 lakh, whichever is higher. Here, while computing turnover in a State/UT, interest on loans/deposit/advances will not be taken into account.*

Other points

Bill of supply shall be issued instead of tax invoice.

Tax shall not be collected from recipient of supply

Input tax credit shall not be availed

Composition Scheme if availed shall include all registered persons having same PAN

Penalty shall be imposed in case of irregular availment of the composition scheme



PLACE OF SUPPLY

A. PLACE OF SUPPLY OF GOODS OTHER THAN IMPORT AND EXPORT [SECTION 10 OF THE IGST ACT, 2017]

S. No.	Nature of Supply	Place of Supply
1.	Where the supply involves the movement of goods, whether by the supplier or the recipient or by any other person	Location of the goods at the time at which, the movement of goods terminates for delivery to the recipient
2.	Where the goods are delivered to the recipient or any person on the direction of the third person by way of transfer of title or otherwise	Principal place of business of such third person
3.	Where there is no movement of goods either by supplier or recipient	Location of such goods at the time of delivery to the recipient
4.	Where supply is made to unregistered persons and the address of such person is recorded in the invoice.	Location as per address of unregistered person recorded in the invoice (Simply mentioning the State of such person instead of complete address would be sufficient.)
5.	Where supply is made to unregistered persons and the address of such person is not recorded in the invoice	Location of the supplier
6.	Where goods are assembled or installed at site	Place where the goods are assembled or installed
7.	Where the goods are supplied on-board a conveyance like a vessel, aircraft, train or motor vehicle	Place where such goods are taken on-board the conveyance
8.	Where the place of supply of goods cannot be determined in terms of the above provisions	To be determined in the prescribed manner

B. PLACE OF SUPPLY OF GOODS IMPORTED INTO, OR EXPORTED FROM INDIA [SECTION 11 OF THE IGST ACT, 2017]

S. No.	Nature of Supply of Goods	Place of Supply
1.	Import	Location of importer
2.	Export	Location outside India

C. PLACE OF SUPPLY OF SERVICES WHERE LOCATION OF SUPPLIER AND RECIPIENT IS IN INDIA [SECTION 12 OF THE IGST ACT, 2017]

- (i) In respect of the following 12 categories of services, the place of supply is determined with reference to a proxy; rest of the services are governed by the default provision.

S. No.	Nature of Service	Place of Supply
1.	Immovable property related-services including accommodation in hotel/boat/vessel	☐ Location at which the immovable property or boat or vessel is located or intended to be located ☐ If located outside India: Location of the recipient
	If the immovable property or boat or vessel is located in more than one State	Each such State in proportion to the value of services provided in each State – Refer point (ii) below
2.	Restaurant and catering services, personal grooming, fitness, beauty treatment and health service	Location where the services are actually performed
3.	Training and performance appraisal	☐ B2B: Location of such registered person ☐ B2C: Location where the services are actually performed
4.	Admission to an event or amusement park	Place where the event is actually held or where the park or the other place is located

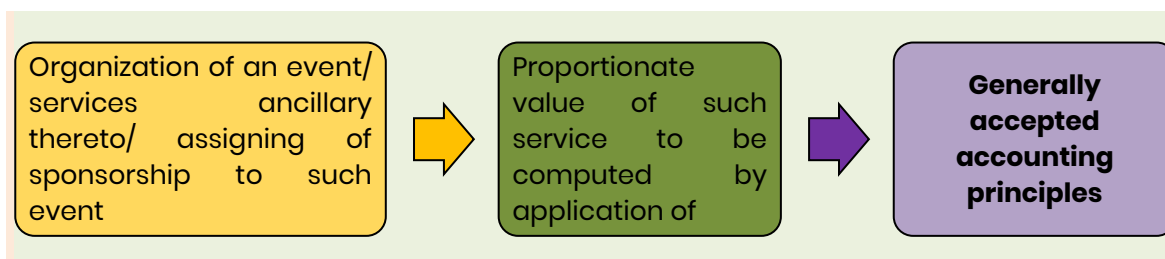
5.	Organisation of an event including ancillary services and assigning of sponsorship to such events	☐ B2B: Location of such registered person ☐ B2C: Location where the event is actually held
		If the event is held outside India: Location of the recipient
	If the event is held in more than one State (in cases of unregistered recipient)	Each such State in proportion to the value of services provided in each State – Refer point (iii) below
6.	Transportation of goods, including mails or courier	☐ B2B: Location of such registered person ☐ B2C: Location at which such goods are handed over for their transportation
7.	Passenger transportation	☐ B2B: Location of such registered person ☐ B2C: Place where the passenger embarks on the conveyance for a continuous journey
8.	Services on board a conveyance	Location of the first scheduled point of departure of that conveyance for the journey
9.	Banking and other financial services including stock broking	☐ Location of the recipient of services in the records of the supplier ☐ Location of the supplier of services if the location of the recipient of services is not available
10.	Insurance services	☐ B2B: Location of such registered person ☐ B2C: Location of the recipient of services in the records of the supplier
11.	Advertisement services to the Government	☐ Each of States/Union territory where the advertisement is broadcasted/displayed/run/disseminated

		☐ Proportionate value in case of multiple States – <i>Refer point (iv) below</i>
12.	Telecommunication services	☐ Services involving fixed line, leased and internet leased circuits, dish antenna etc: Location of such fixed equipment ☐ Post-paid mobile/ internet services: Location of billing address of the recipient and if the same is not available, location of supplier ☐ Pre-paid mobile/ internet/DTH services provided: • Through selling agent/ re-seller/ distributor: Address of such selling agent/ re-seller/ distributor in the records of supplier at the time of supply • By any person to final subscriber: Location where pre-payment is received or place of sale of vouchers • When payment made through electronic mode – Location of recipient in records of supplier ☐ Other cases: Address of the recipient in the records of the supplier and if the same is not available, location of supplier
	If the leased circuit is installed in more than one State	Each such State in proportion to the value of services provided in each State – <i>Refer point (v) below</i>

- (ii) Manner of determining proportionate value of immovable property related service attributable to different States/ Union territories – where the immovable property/ boat/ vessel is located – in the absence of a contract or agreement in this regard.

S. No.	Type of service in relation to immovable property	Factor determining the proportionate value of service
(a)	Service provided by way of lodging accommodation by hotel/ inn/guest house etc. and its ancillary services (other than the cases where such property is a single property located in 2 or more contiguous States/ Union territories or both)	Number of nights stayed in such property
(b)	All other services provided in relation to immovable property including organising any marriage or reception etc., accommodation in a single property located in 2 or more contiguous States or/and Union territories, services ancillary to such services	Area of the immovable property lying in each State/ Union territories
(c)	Services by way of lodging accommodation by a house boat or vessel and its ancillary services	Time spent by the boat or vessel in each such State/ Union territories, to be determined on the basis of declaration made by the service provider

- (iii) Manner of determining proportionate value of service relating to organization of event, attributable to different States/Union territories – where the event is held – in the absence of a contract or agreement in this regard

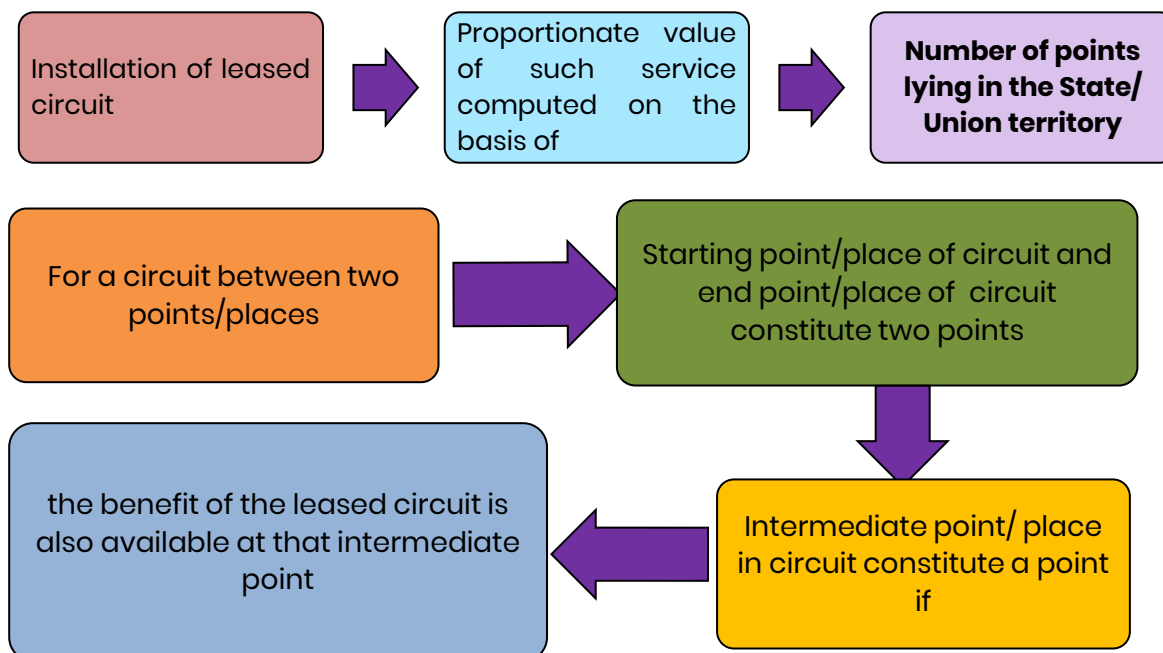


- (iv) Manner of determining proportionate value of advertisement service attributable to different States/Union territories – where the advertisement is broadcasted/ run /played/disseminated – in the absence of a contract or agreement in this regard

Sl. No.	Type of advertisement	Proportionate value of service
1.	Advertisements in newspapers and publications	Amount payable for publishing an advertisement in all the editions of a newspaper or publication, which are published in each State/Union territory
2.	Advertisements through printed material like pamphlets, leaflets, diaries, calendars, T-shirts, etc.	Amount payable for the distribution of a specific number of such material in each State/Union territory
3.	Advertisements in hoardings (other than those on trains)	Amount payable for the hoardings located in each State/ Union territory
4.	Advertisements on trains	Amount attributable to each State/Union territory calculated in the ratio of length of the railway track in each of such State/Union territory, for that train
5.	Advertisements on the back of utility bills of oil and gas companies, etc.	Amount payable to each State/Union territory for the advertisements on bills pertaining to consumers having billing addresses in each of such State/Union territory
6.	Advertisements on railway tickets	Amount attributable to each State/Union territory calculated in the ratio of number of Railway Stations in each of such State/Union territory
7.	Advertisements on radio stations	Amount payable to such radio station, which by virtue of its name is part of each State/Union territory
8.	Advertisement on television channels	Amount attributable to each State/Union territory calculated on the basis of the

		viewership of such channel in each of such State/ Union territory. Viewership figures for the last week of a given quarter as published by BARC can be used for calculating viewership for the succeeding quarter. Figures pertaining to more than one State/Union territory are apportioned in ratio of the populations of those States/Union territories, as per the latest Census.
9.	Advertisements in cinema halls	Amount payable to a cinema hall or screens in a multiplex in each State/ Union territory.
10.	Advertisements on internet It is deemed that such service is provided all over India.	Amount attributable to each State/Union territory calculated on the basis of the internet subscribers in each of such State/ Union territory. Internet subscriber figures for the last quarter of a given financial year as published by TRAI can be used for calculating the subscribers for the succeeding financial year. Figures pertaining to more than one State/Union territory are apportioned in the ratio of the populations of those States/Union territories, as per the latest census.
11.	Advertisements through SMS	Amount attributable to each State/Union territory calculated on the basis of the telecom subscribers in each of such State/ Union territory. Telecom subscribers figures in a telecom circle for a given quarter as published by TRAI can be used for calculating the subscribers for the succeeding quarter. Figures pertaining to a telecom circle comprising of more than one State/Union territory are apportioned in the ratio of the populations of those States/Union territories, as per the latest census.

- (v) Manner of determining proportionate value of service relating to installation of a leased circuit, attributable to different States/Union territories – where the circuit is installed – in the absence of a contract or agreement in this regard



- (vi) For the rest of the services other than those specified above, the default provision has been prescribed as under:

Default provision for the services other than the 12 specified services		
S. No.	Description of Supply	Place of Supply
1.	B2B	Location of such registered person
2.	B2C	☐ Where the address on record exists: Location of the recipient ☐ Other cases: Location of the supplier of services

D. PLACE OF SUPPLY OF SERVICES WHERE LOCATION OF SUPPLIER OR LOCATION OF RECIPIENT IS OUTSIDE INDIA [SECTION 13 OF THE IGST ACT, 2017]

- (i) In respect of the following categories of services, the place of supply is determined with reference to a proxy; rest of the services are governed by the default provision.

S. No.	Nature of Service	Place of Supply
1.	Services supplied in respect of goods which are required to be made physically available	Location where the services are actually performed
	Services supplied in respect of goods but from a remote location by way of electronic means	Location where the goods are situated at the time of supply of services
	<i>Above provisions are not applicable in case of goods that are temporarily imported into India for repairs/treatment/any process and exported after such repairs/treatment/any process without being put to any other use in India</i>	
2.	Services which require the physical presence of the recipient or the person acting on his behalf with the supplier of services	Location where the services are actually performed
3.	Service supplied directly in relation to an immovable property including accommodation in hotel, boat, vessel	Place where the immovable property is located or intended to be located
4.	Admission to or organisation of an event	Place where the event is actually held
If the above services are supplied at more than one location, i.e.		
(i) Goods & individual related		
(ii) Immovable property-related		
(iii) Event related		
At more than one location, including a location in the taxable territory		Location in the taxable territory
In more than one State		Each such State in proportion to the value of services provided in each State – Refer point (ii) below

5.	Services supplied by a banking company, or a financial institution, or a NBFC to account holders	Location of the supplier of services
	Intermediary services	
	Services consisting of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to a period of one month	
6.	Passenger transportation	Place where the passenger embarks on the conveyance for a continuous journey
7.	Services provided on-board a conveyance	First scheduled point of departure of that conveyance for the journey
8.	Online information and database access or retrieval services	Location of recipient of service

- (ii) Manner of determining proportionate value of service relating to (1) goods & individual (2) immovable property (3) admission to/organization of event attributable to different State/Union territories– where such services are supplied – in the absence of a contract or agreement in this regard

S. No.	Cases	Manner of computing the proportionate value of service
1.	Services relating to goods & individual	
	(a) Services supplied on the same goods	Equally dividing the value of service in each of the States/ Union territory where the service is performed
	(b) Services supplied on different goods	Considering the ratio of the invoice value of goods in each States/ Union territory, on which service is performed, as the ratio of the value of the service performed in each State/Union territory
	(c) Services supplied to individuals	Applying generally accepted accounting principles.
2.	Services directly relating to immovable property	In the same manner as is applicable for determining the proportionate value of services

		provided in relation to an immovable property under section 12(3)
3.	Services relating to admission to/organization of event	In the same manner as is applicable for determining the proportionate value of services provided in relation to organization of an event under section 12(7)

- (iii) For the rest of the services other than those specified above, a default provision has been prescribed as under:

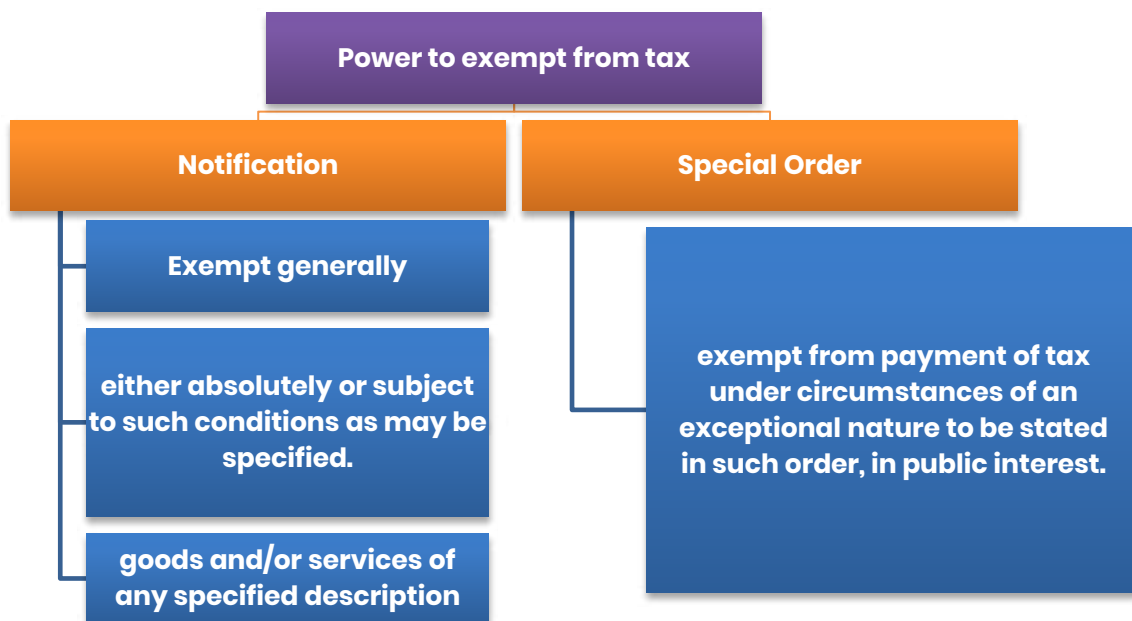
Default provision for the cross-border supply of services other than nine specified services		
S. No.	Description of supply	Place of Supply
1.	Any	☐ Location of the recipient of service ☐ Location of the supplier of service, if location of recipient is not available in the ordinary course of business

- (iv) Place of supply of services notified under section 13(13) of the IGST Act, 2017

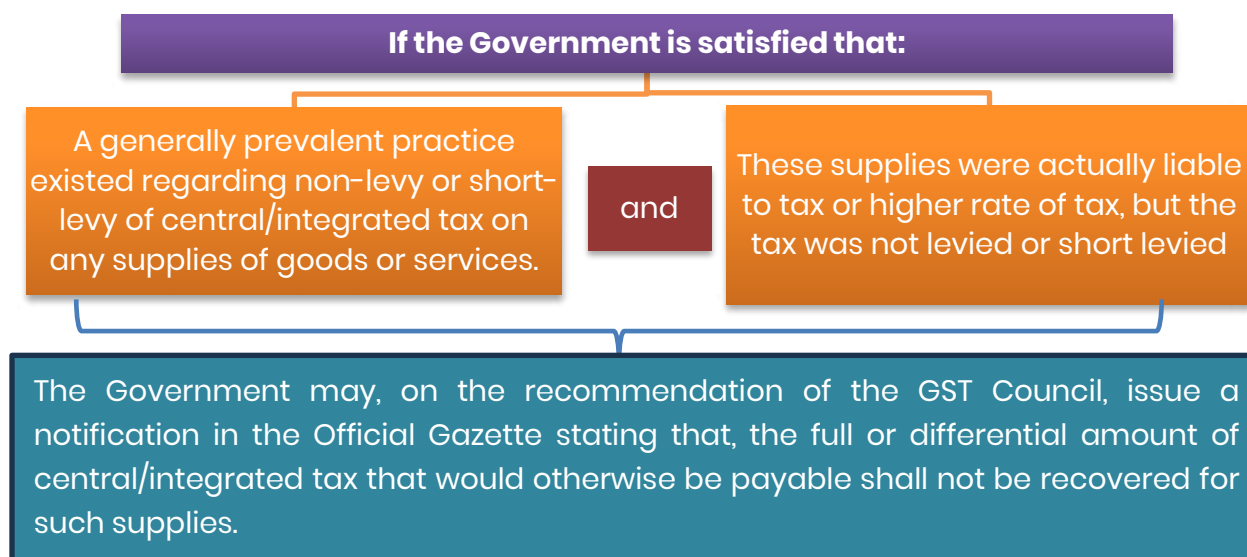
S. No.	Services notified	Place of supply
1.	Specified research and development services related to pharmaceutical sector supplied by a person located in taxable territory to a person located in the non-taxable territory	Location of recipient of services subject to fulfillment of specified conditions
2.	B2B maintenance, repair or overhaul services of aircrafts, aircraft engines/components/parts	Location of recipient of service
3.	B2B MRO services of ships and other vessels, their engines and other components/ parts	Location of recipient of service

EXEMPTIONS FROM GST

1. Power to exempt from tax [Section 11 of the CGST Act/ Section 6 of IGST Act]



2. Power not to recover GST not levied or short-levied as a result of general practice. [Section 11A of the CGST Act/ Section 6A of IGST Act]



3. List of services exempt from GST

	Exempt Services
Services related to charitable and religious activities	Charitable activities BY an entity registered under section 12AA/12AB of Income-tax Act.
	Services by a person by way of- (a) conduct of any religious ceremony; (b) renting of precincts of a religious place meant for general public, owned/managed by institutions/entities/trusts, registered under section 12AA/12AB/10(23C)(v) of the Income tax Act or body/ authority covered under section 10(23BBA) of the said Act, except where- (i) charges for renting of rooms $\geq$ ₹ 1,000 per day; (ii) charges for renting of premises , community halls, kalyanmandapam, open area, etc. are $\geq$ ₹ 10,000 per day; (iii) charges for renting of shops/spaces for business/commerce are $\geq$ ₹ 10,000 per month.
	Services by a specified organisation [KMVN/Haj Committee] in respect of a religious pilgrimage [Haj and Kailash Mansarovar Yatra].
	Training/coaching in (a) recreational activities relating to arts/culture, by an individual or (b) sports by charitable entities registered under section 12AA or 12AB of the Income-tax Act.
Agriculture related services	Loading, unloading, packing, storage or warehousing of rice.
	Warehousing of minor forest produce.
	Services by way of storage/ warehousing of cereals, pulses, fruits & vegetables.
	Artificial insemination of livestock (other than horses).
	Carrying out an intermediate production process as job work in relation to cultivation of plants & rearing of animals [except horses], for food, fibre, fuel, raw material or other similar products or agricultural produce.

	Services relating to cultivation of plants & rearing of animals [except horses], for food, fibre, fuel, raw material or other similar products or agricultural produce by way of – (a) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing; (b) supply of farm labour; (c) processes carried out at an agricultural farm including tending, pruning, etc. and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market; (d) renting or leasing of agro machinery or vacant land with/without a structure incidental to its use; (e) loading, unloading, packing, storage or warehousing of agricultural produce; (f) agricultural extension services; (g) services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale/purchase of agricultural produce.	
Education services	Services provided BY an educational institution (EI): - to its students, faculty and staff; - by way of conduct of entrance examination against consideration in form of entrance fee	
	Services provided TO an EI, by way of,- (i) transportation of students, faculty and staff; (ii) catering, including any mid-day meals scheme sponsored by the Central Government (CG), State Government (SG) or Union Territory (UT); (iii) security/cleaning/housekeeping services performed in such EI;	These exemptions are only applicable to an institution providing services by way of pre-school education & education up to higher secondary school or equivalent.
	(iv) services relating to admission to, or conduct of examination by, such EI;	

	(v) supply of online educational journals or periodicals. This exemption is only applicable to an institution providing services by way of education as part of a curriculum for obtaining qualification recognised by any law for time being in force.
	Services of affiliation provided by a Central or State Educational Board or Council or any other similar body, by whatever name called, to a school established, owned or controlled by the Central Government, State Government, Union Territory, local authority, Governmental authority or Government entity.
Health care services	Health care services BY a clinical establishment/ authorized medical practitioner/ para-medics However, nothing in this entry shall apply to the services provided by a clinical establishment by way of providing room [other than Intensive Care Unit (ICU)/Critical Care Unit (CCU)/Intensive Cardiac Care Unit (ICCU)/Neo natal Intensive Care Unit (NICU)] having room charges exceeding ₹ 5000 per day to a person receiving health care services. Transportation of a patient in an ambulance BY any person other than specified above.
	Service BY a veterinary clinic in relation to Health care of animals/birds
Services provided by Government	Services by Governmental Authority (GA) by way of any activity in relation to any function entrusted to a Municipality /Panchayat under article 243W/ 243G of Constitution Services by the CG/SG/UT/Local Authority (LA) excluding following services— (a) services by Department of Posts and the Ministry of Railways (Indian Railways); (b) services in relation to an aircraft/a vessel, inside/outside precincts of a port/airport; (c) transport of goods/passengers; or (d) any service, other than 'specified services' above, provided to business entities. } (a) to (c) hereinafter referred as 'specified services'

	Services by the Department of Posts by way of post card, inland letter, book post and ordinary post (envelopes weighing less than 10 grams).
	Services provided by CG/SG/UT/LA to a business entity (BE) with an aggregate turnover of up to such amount in the preceding FY as makes it eligible for exemption from registration under the CGST Act, 2017. This exemption is not applicable to specified services and renting of immovable property service .
	Services provided by CG/SG/UT/LA to another CG/SG/UT/LA. This exemption is not applicable to specified services .
	Services provided by CG/SG/UT/LA where consideration for such services does not exceed ₹ 5,000 . This exemption is not applicable to specified services** . **In case of continuous supply of service* , the exemption shall apply only where the consideration charged for such service does not exceed ₹ 5,000 in a FY .
	Supply of service by a Government Entity (GE) to CG/SG/UT/LA/any person specified by CG/SG/UT/LA against consideration received from CG/SG/UT/LA, in the form of grants.
	Services by an old age home run by CG/SG/an entity registered under section 12AA/12AB of Income-tax Act to its residents (aged ≥60 years) against consideration upto ₹ 25,000 per month per member, provided that the consideration charged is inclusive of charges for boarding, lodging and maintenance.
	Services provided by Ministry of Railways (Indian Railways) to individuals by way of – (a) sale of platform tickets (b) facility of retiring rooms/waiting rooms; (c) cloak room services; (d) battery operated car services
	Services provided by one zone/division under Ministry of Railways (Indian Railways) to another zone(s)/division(s) under Ministry of Railways (Indian Railways).
	Services provided by SPVs to Ministry of Railways (Indian Railways) by way of allowing it to use the infrastructure built and owned by them during the concession period against consideration and

	services of maintenance supplied by Ministry of Railways (Indian Railways) to SPVs in relation to the said infrastructure built and owned by the SPVs during the concession period against consideration.
	Services supplied by CG/SG/UT to their undertakings or PSUs by way of guaranteeing the loans taken by such undertakings or PSUs from the banking companies and financial institutions.
	Services provided by CG/SG/UT/LA by way of- (a) registration required under any law for the time being in force; (b) testing, calibration, safety check or certification relating to protection or safety of workers, consumers or public at large, including fire license, required under any law for the time being in force.
	Services provided by CG/SG/UT/LA by way of issuance of passport, visa, driving license, birth certificate or death certificate.
	Services provided by CG/SG/UT/LA by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable to CG/SG/UT/LA under such contract.
	Services provided by CG/SG/UT/LA by way of assignment of right to use natural resources to an individual farmer for cultivation of plants & rearing of all life forms of animals [except horses], for food, fibre, fuel, raw material or other similar products.
	Services provided by CG/SG/UT by way of deputing officers after office hours or on holidays for inspection or container stuffing or such other duties in relation to import export cargo on payment of Merchant Overtime charges.
	Services supplied by a SG to Excess Royalty Collection Contractor (ERCC) by way of assigning the right to collect royalty on behalf of SG on the mineral dispatched by the mining lease holders subject to specified conditions.
	Services provided by rehabilitation professionals recognised under the RCI Act, 1992 by way of rehabilitation, therapy or counselling and such other activity as covered by the said Act at medical

	establishments, educational institutions, rehabilitation centers established by CG/SG/UT/an entity registered under section 12AA/12AB of the Income-tax Act, 1961.
Construction services	Pure labour contracts of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works pertaining to the beneficiary-led individual house construction or enhancement under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana .
	Services supplied by Electricity Distribution Utilities by way of construction, erection, commissioning, or installation of infrastructure for extending electricity distribution network upto the tube well of the farmer/agriculturalist for agricultural use.
	Pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex .
	Supply of TDR, FSI, long term lease (premium) of land by a landowner to a developer are exempted subject to the condition that the constructed flats are sold before issuance of completion certificate and tax is paid on them. Exemption of TDR, FSI, long term lease (premium) shall be withdrawn in case of flats sold after issue of completion certificate, but such withdrawal shall be limited to 1% of value in case of affordable houses and 5% of value in case of other than affordable houses.
Services of transport of passengers (with/without accompanied belongings)	Such services provided by – (a) air in economy class, embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located in West Bengal; (b) non-air conditioned contract carriage other than radio taxi, for transportation of passengers, excluding tourism, conducted tour, charter or hire; or (c) stage carriage other than air- conditioned stage carriage . However, nothing contained in items (b) and (c) above shall apply to services supplied through an ECO, and notified under section 9(5) of the CGST Act.

	Such services provided to CG by air, embarking from or terminating at a Regional Connectivity Scheme (RCS) airport, against consideration in the form of viability gap funding. This exemption shall apply only till expiry of a period of 3 years from date of commencement of operations of the RCS airport as notified by the Ministry of Civil Aviation. Such services provided by— - railways in a class other than first class/an air-conditioned coach; - metro, monorail or tramway; - inland waterways; - public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and - metered cabs or auto rickshaws (including e-rickshaws). However, nothing contained in item (e) above shall apply to services supplied through an ECO, and notified under section 9(5) of the CGST Act.
Goods transportation services	Services by way of transportation of goods— - by road except the services of— - a goods transportation agency (GTA); - a courier agency; - by inland waterways. Exempt transportation of goods by rail/ vessel/ by GTA in a goods carriage - Agricultural produce - milk, salt and food grain including flours, pulses and rice - organic manure - newspaper or magazines registered with the Registrar of Newspapers - Defence/ military equipments - relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap Services provided by a GTA to an unregistered person, including an unregistered casual taxable person, except following recipients, namely: -

		(a) a factory registered under Factories Act, (b) society registered under Societies Act, (c) Co-operative society, (d) body corporate and (e) partnership firm including AOP; (f) registered casual taxable person.
		Services provided by a GTA, by way of transport of goods in a goods carriage, to, - (a) a Department or Establishment of the CG/SG/UT; or (b) local authority; or (c) Governmental agencies, which has taken registration only for the purpose of deducting tax under section 51 and not for making a taxable supply of goods or services.
Banking and financial	and	Services by way of— (a) extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services); (b) inter se sale or purchase of foreign currency amongst banks or authorised dealers of foreign exchange or amongst banks and such dealers.
		Services provided by a banking company to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY).
		Services by an acquiring bank, to any person in relation to settlement of an amount upto ₹ 2,000 in a single transaction transacted through credit card, debit card, charge card or other payment card service.
		Services by an intermediary of financial services located in a multi services SEZ with International Financial Services Centre (IFSC) status to a customer located outside India for international financial services in currencies other than Indian rupees.
Services of Life insurance business		Such services by way of annuity under the National Pension System by Pension Fund Regulatory and Development Authority of India (PFRDA) under PFRDA Act, 2013.

	Such services by the Army, Naval and Air Force Group Insurance Funds to members of the Army, Navy and Air Force, respectively, under the Group Insurance Schemes of CG.
	Services of life insurance provided/agreed to be provided by the Central Armed Police Forces (under Ministry of Home Affairs) Group Insurance Funds to their members under the Group Insurance Schemes of the concerned Central Armed Police Force.
	Such services by the Naval Group Insurance Fund to the personnel of Coast Guard under the Group Insurance Schemes of CG.
	Such services under following schemes- (A) (a) Janashree Bima Yojana; (b) Aam Aadmi Bima Yojana; (c) Life micro-insurance product as approved by the Insurance Regulatory and Development Authority (IRDA), having maximum amount of cover of ₹ 2,00,000; (d) Varishtha Pension BimaYojana; (e) Pradhan Mantri Jeevan Jyoti BimaYojana; (f) Pradhan Mantri Jan DhanYogana; (g) Pradhan Mantri Vaya Vandan Yojana.
General insurance business	Such services under following schemes – (B) (a) Hut Insurance Scheme; (b) Cattle Insurance under Swarnajaynti Gram Swarozgar Yojna; (c) Scheme for Insurance of Tribals; (d) Janata Personal Accident Policy and Gramin Accident Policy; (e) Group Personal Accident Policy for Self-Employed Women; (f) Agricultural Pumpset and Failed Well Insurance; (g) premia collected on export credit insurance; (h) Restructured Weather Based Crop Insurance Scheme (RWCIS), approved by the Government of India and implemented by the Ministry of Agriculture; (i) Jan Arogya Bima Policy; (j) Pradhan Mantri Fasal Bima Yojana (PMFBY); (k) Pilot Scheme on Seed Crop Insurance; (l) Central Sector Scheme on Cattle Insurance;

	(m) Universal Health Insurance Scheme; (n) Rashtriya Swasthya Bima Yojana; (o) Coconut Palm Insurance Scheme; (p) Pradhan Mantri Suraksha BimaYojna; (q) Niramaya Health Insurance Scheme implemented by the Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999. (r) Bangla Shasya Bima.
	Services provided to CG/SG/UT under any insurance scheme for which total premium is paid by CG/SG/UT. (C)
	Services by way of reinsurance of the insurance schemes specified in or (A) or (B) or (C) above.
	Insurance Services provided by the Motor Vehicle Accident Fund against contributions made by insurers out of the premiums collected for third party insurance of motor vehicles.
Services provided by specified bodies	Services by the Employees' State Insurance (ESI) Corporation to persons governed under the ESI Act, 1948.
	Services provided by the EPFO to the persons governed under the Employees Provident Funds (EPF) & Miscellaneous Provisions Act, 1952.
	Services by CMPFO to persons governed by Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948.
	Services by NPS Trust to its members against consideration in the form of administrative fee.
Pension schemes	Services by way of collection of contribution under: - Atal Pension Yojana - any pension scheme of SG
Business facilitator/correspondent	Services by the following persons in respective capacities – (a) business facilitator/business correspondent to a Banking Co. with respect to accounts in its rural area branch; (b) any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in entry (a); or

	(c) business facilitator/business correspondent to an insurance company in rural area.	
Services provided to Government	Following services provided to the CG/SG/UT/LA/GA/GE by way of any activity in relation to any function entrusted to a Panchayat/Municipality under articles 243G/243W of the Constitution:	
	- Pure services - Composite supply of goods and services in which the value of supply of goods constitutes not more than 25% of the value of the said composite supply.	
	Services provided to a Governmental Authority by way of—	
	(a) water supply; (b) public health; (c) sanitation conservancy; (d) solid waste management; and (e) slum improvement and upgradation.	
	Service provided by Fair Price Shops to CG/SG/UT by way of sale of food grains, kerosene, sugar, edible oil, etc. under Public Distribution System (PDS) against commission/margin.	
Leasing services	Services provided to CG/SG/UT under any insurance scheme for which total premium is paid by CG/SG/UT.	
	Services provided to CG/SG/UT administration under any training programme for which 75% or more of the total expenditure is borne by CG/SG/UT administration.	
Legal services	Service provided by	To
	- Arbitral tribunal - Partnership firm of advocates or an individual as an	any person other than BE
		BE with an aggregate turnover up to such

		advocate other than a senior advocate by way of legal services	amount in the preceding FY as makes it eligible for exemption from registration under the CGST Act
		• Senior advocate by way of legal services	CG/SG/UT/LA/GA/GE
		Legal services provided by a partnership firm of advocates/ individual as an advocate other than a senior advocate to another advocate/ partnership firm of advocates providing legal services	
Sponsorship of sports events		Sponsorship of sporting events organised – (a) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, State, zone or Country; (b) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat; (c) by the Central Civil Services Cultural and Sports Board; (d) as part of national games, by the Indian Olympic Association; or (e) under the Panchayat Yuva Kreedha Aur Khel Abhiyaan Scheme.	
Skill Development services		Any services provided by – (a) the National Skill Development Corporation (NSDC) set up by the GoI; (b) the National Council for Vocational Education and Training (NCVT); (c) an Awarding Body recognized by the NCVET; (d) an Assessment Agency recognized by the NCVET; (e) a Training Body accredited with an Awarding Body that is recognized by NCVET, (f) a Training Partner approved by NSDC, in relation to- (i) the National Skill Development Programme or any other scheme implemented by the NSDC; or (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or (iii) any National Skill Qualification Framework aligned qualification or skill in respect of which NCVET has approved a qualification package	

	Services of assessing bodies empanelled centrally by DGT, Ministry of Skill Development and Entrepreneurship by way of assessments under the SDI Scheme.	
	Services provided by training providers (Project implementation agencies) under DDUGKY implemented by Ministry of Rural Development, GoI by way of offering skill or vocational training courses certified by the National Council for Vocational Training (NCVT).	
Performance by an artist	Services by an artist by way of a performance in folk or classical art forms of music/ dance/ theatre, if the consideration charged for such performance is not more than ₹ 1,50,000 . This exemption shall not apply to service provided by such artists as a brand ambassador.	
Right to admission to various events	Services by way of admission to: (i) museum, national park, wildlife sanctuary, tiger reserve or zoo (ii) protected monument declared under the Ancient Monuments and Archaeological Sites & Remains Act 1958/any of the State Acts, for the time being in force. (iii) following events/places where the consideration for right to admission is not more than ₹ 500 per person: (a) circus, dance, or theatrical performance including drama or ballet; (b) award function, concert, pageant, musical performance or any sporting event other than a recognised sporting event; (c) recognised sporting event; (d) planetarium.	
Services by an unincorporated body or a non-profit entity registered under any law for the time being in force	Services by unincorporated body/ non- profit entity to its own members as reimbursement/share of contribution:	
	(i) As a trade union	(ii) for providing exempt activity
	(iii) up to an amount of ₹ 7,500 per month per member for sourcing of goods/services from a third person for the common use of its members in a housing society/residential complex	
	Services provided by such entity/body engaged in- (i) activities relating to the welfare of industrial/agricultural labour or farmers; or	

		(ii) promotion of trade, commerce, industry, agriculture, art, science, literature, culture, sports, education, social welfare, charitable activities and protection of environment, to its own members against membership fee upto ₹ 1000/- per member per year.
Other services	exempt	Transfer of a going concern , as a whole or an independent part thereof.
		Services associated with transit cargo to Nepal and Bhutan (landlocked countries).
		Services by way of renting of residential dwelling for use as residence except where the residential dwelling is rented to a registered person. Explanation1 – For the purpose of exemption under this entry, this entry shall cover services by way of renting of residential dwelling to a registered person where, – (i) the registered person is proprietor of a proprietorship concern and rents the residential dwelling in his personal capacity for use as his own residence; and (ii) such renting is on his own account and not that of the proprietorship concern. Explanation 2:- Nothing contained in this entry shall apply to– (a) accommodation services for students in student residences; (b) accommodation services provided by Hostels, Camps, Paying Guest accommodations and the like.
		Supply of accommodation services having value of supply less than or equal to ₹ 20,000 per person per month provided that the accommodation service is supplied for a minimum continuous period of 90 days.
		Services by way of transportation of goods by an aircraft from a place outside India upto the customs station of clearance in India.
		Satellite launch services
		Services by way of giving on hire – (a) to a state transport undertaking (STU), a motor vehicle meant to carry more than 12 passengers;

	(aa) to a local authority, an Electrically operated vehicle (EOV) meant to carry more than 12 passengers; or (b) to a GTA, a means of transportation of goods. (c) motor vehicle for transport of students, faculty and staff, to a person providing services of transportation of students, faculty and staff to an educational institution providing services by way of pre-school education and education upto higher secondary school or equivalent.
	Service by way of access to a road or a bridge on payment of toll charges.
	Transmission/distribution of electricity by an electricity transmission/ distribution utility.
	Supply of services by way of providing metering equipment on rent, testing for meters/transformers/capacitors etc., releasing electricity connection, shifting of meters/service lines, issuing duplicate bills etc., which are incidental or ancillary to the supply of transmission or distribution of electricity provided by electricity transmission or distribution utilities to their consumers.
	Services provided by an incubatee up to a total turnover of ₹ 50 lakh in a FY provided:- (a) total turnover had not exceeded ₹ 50 lakh during the preceding FY; and (b) a period of 3 years has not elapsed from the date of entering into an agreement as an incubate.
	Research and development services against consideration received in the form of grants supplied by – (a) a Government Entity; or (b) a research association, university, college or other institution, notified under clauses (ii) or (iii) of sub-section (1) of section 35 of the Income Tax Act, 1961. The condition to be fulfilled in this case is that the research association, university, college or other institution, notified under clauses (ii) or (iii) of sub-section (1) of section 35 of the Income Tax Act, 1961 is so notified at the time of supply of the research and development service.

	Taxable services, provided or to be provided, by a Technology Business Incubator/ Science and Technology Entrepreneurship Par (TBI/STEP) recognised by NSTEDB or bio- incubators recognised by BIRAC.
	Services by way of collecting or providing news by an independent journalist, PTI or United News of India.
	Services of public libraries by way of lending of books, publications or any other knowledge-enhancing content or material.
	Services by an organiser to any person in respect of a business exhibition held outside India.
	Tour operator service , which is performed partly in India and partly outside India, supplied by a tour operator to a foreign tourist, to the extent of the value of the tour operator service which is performed outside India. However, value of the tour operator service performed outside India shall be such proportion of the total consideration charged for the entire tour which is equal to the proportion which the number of days for which the tour is performed outside India has to the total number of days comprising the tour, or 50% of the total consideration charged for the entire tour, whichever is less. Further, in making the above calculations, any duration of time equal to or exceeding 12 hours shall be considered as one full day and any duration of time less than 12 hours shall be taken as half a day.
	Services by way of pre-conditioning, pre- cooling, ripening, waxing, retail packing, labelling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables.
	Services provided by the National Centre for Cold Chain Development under the Ministry of Agriculture, Cooperation and Farmer's Welfare by way of cold chain knowledge dissemination .
	Services by a foreign diplomatic mission located in India.
	Services by way of granting National Permit to a goods carriage to operate through-out India/ contiguous States

	Services by way of providing information under the RTI Act.
	Services provided to a recognised sports body (RSB) by- (a) an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organised by a RSB; (b) another RSB.
	Services by way of public conveniences such as provision of facilities of bathroom, washrooms, lavatories, urinal or toilets.
Above services have been exempted from both CGST and IGST. Apart from these services, list of services exempt from IGST also include following services:	
	Services received from a provider of service located in a non-taxable territory by – (a) CG/SG/UT/LA/GA/ an individual in relation to any purpose other than commerce, industry or any other business or profession ; (b) an entity registered under section 12AA/12AB of the Income-tax Act, 1961 for the purposes of providing charitable activities; or (ba) way of supply of online educational journals or periodicals to an educational institution other than an institution providing services by way of- (i) pre-school education and education up to higher secondary school or equivalent; or (ii) education as a part of an approved vocational education course; (c) a person located in a non-taxable territory. However, the exemption shall not apply to OIDAR services received by persons specified in entry (a) or entry (b).
	Import of services by an establishment of a foreign company in India, which is an airline company, from a related person or from any of its other establishments outside India, when made without consideration subject to specified conditions.
	Services provided by a tour operator to a foreign tourist in relation to a tour conducted wholly outside India.

	Services supplied by an establishment of a person in India to any establishment of that person outside India, which are treated as establishments of distinct persons provided the place of supply of the service is outside India.
	Import of services by UN or a specified international organisation for official use of UN or the specified international organisation.
	Import of services by Foreign diplomatic mission or consular post in India, or diplomatic agents or career consular officers posted therein subject to specified conditions.
	Services provided by an intermediary when location of both supplier and recipient of goods is outside the taxable territory subject to specified conditions.



TIME OF SUPPLY

Time of supply where Tax is payable under forward charge

Time of supply of goods [Section 12(2)]	Time of supply of services [Section 13(2)]
Earliest of the following: → Date of issue of invoice by the supplier or the last date on which he is required under section 31, to issue the invoice under section 31(1) with respect to the supply → Date on which the supplier receives the payment (entering the payment in books of account or crediting of payment in bank account, whichever is earlier) with respect to the supply – <i>presently irrelevant for purpose of payment of tax</i> No GST at the time of receipt of advance for supply of goods: In case of supply of goods by a registered person under forward charge (excluding composition supplier and registered persons making supply of specified actionable claims), GST is to be paid on the outward supply of goods on the date of issue of invoice or the last date on which invoice ought to have been issued in terms of section 31 [Notification No. 66/2017 CT dated 15.11.2017].	(a) Invoice issued within the time period prescribed under section 31 Earliest of the following: → Date of issue of invoice by the supplier → Date of receipt of payment (entering the payment in books of account or crediting of payment in bank account, whichever is earlier) (b) Invoice not issued within the time period prescribed under section 31 Earliest of the following: → Date of provision of service → Date of receipt of payment (entering the payment in books of account or crediting of payment in bank account, whichever is earlier) (c) When the above events are unascertainable → Date on which the recipient shows the receipt of services in his books of account

Time Limit for Raising Invoices

Supply of goods [Section 31(1)]	Supply of services [Section 31(2)]
Before or at the time of,- (a) removal of goods for supply to the recipient, where the supply involves movement of goods, or (b) delivery of goods or making available thereof to the recipient, in any other case	Before or after the provision of service but within 30 days [45 days in case of insurance companies/banking and financial institutions including NBFCs] from the date of supply of services

Time of supply where tax is payable under reverse charge

Time of supply of goods [Section 12(3)]	Time of supply of services [Section 13(3)]
<u>Earliest of the following:</u> → Date of receipt of goods, or → Date of payment as entered in the books of account of the recipient or the date on which the payment is debited from his bank account, whichever is earlier, or → 31st day from the date of issue of invoice by the supplier	<u>Earliest of the following:</u> → Date of payment as entered in the books of account of the recipient or the date on which the payment is debited from his bank account, whichever is earlier, or → 61st day from the date of issue of invoice, if issued by the supplier → Date of issue of invoice, if issued by the recipient i.e. within 30 days of receipt of services
Where the above events are not ascertainable, the time of supply shall be the date of entry in the books of account of the recipient of supply	
	<u>Import of service from associated enterprise</u> Date of entry in the books of account of the recipient or the date of payment, whichever is earlier

Time of supply of vouchers exchangeable for goods and services

Supply of vouchers exchangeable for goods and services [Sections 12(4) and 13(4)]

- (a) Supply of goods or services is identifiable at the time of issue of voucher
 - Date of issue of the voucher
- (b) Other cases
 - Date of redemption of the voucher

Time Of Supply Of Goods And Services In Residual Cases

Supply of goods and services in residual cases [Sections 12(5) and 13(5)] i.e where it is not possible to determine the time of supply under the other provisions

- (a) Where a periodical return is required to be filed
 - Due date of filing such return
- (b) Other cases
 - Date of payment of tax

Time of supply for addition in value by way of interest/ late fee/penalty for delayed payment of consideration

Addition in value by way of interest, late fee/penalty for delayed payment of consideration
 Time of Supply → Date on which the supplier receives such addition in value

Change in rate of tax

In case of change in rate of tax, determination of rate of tax depends upon three events namely,-

- ☐ Date of supply of goods or services,
- ☐ Date of invoice; and
- ☐ Date of receipt of payment

If any two of the above events occur before the change of rate, the time of supply is before the change of rate. If any two of them occur after the change of rate, the time

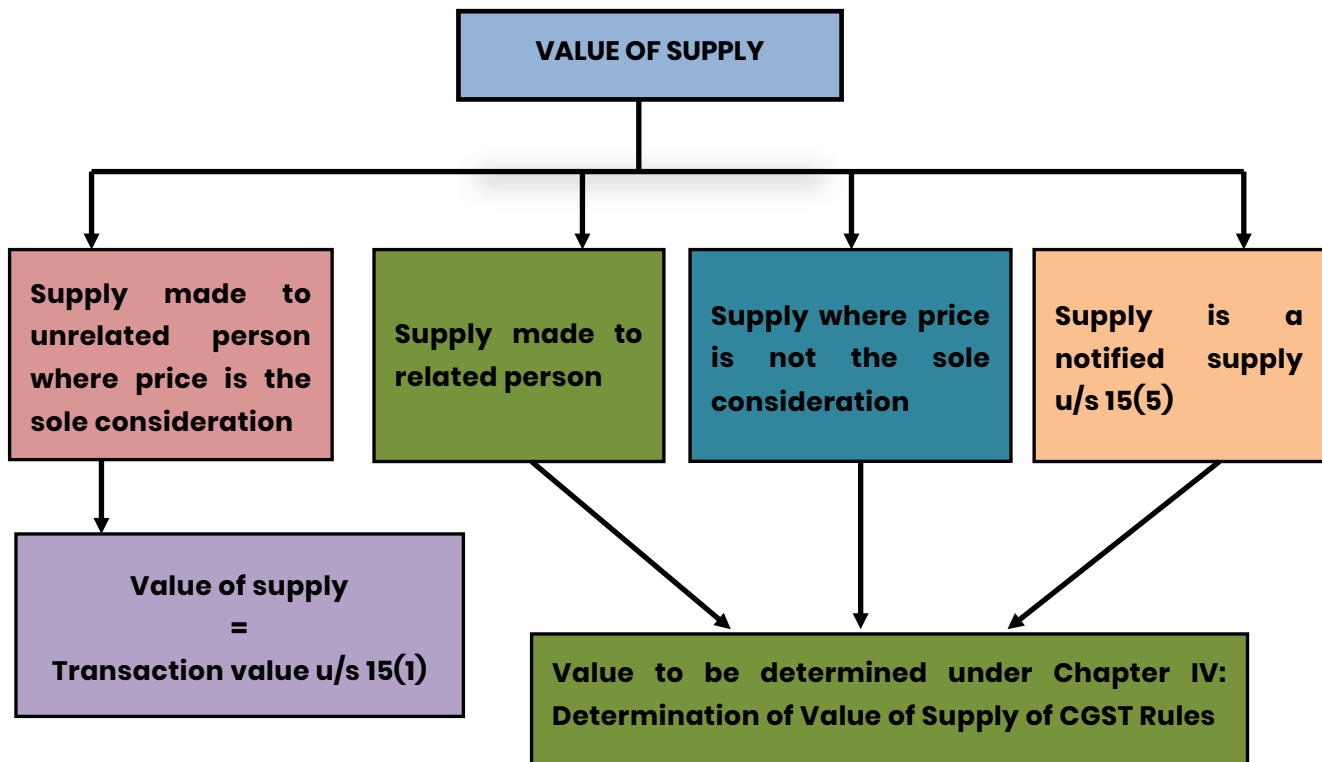
of supply is after the change of rate and the new rate becomes applicable to the supply. However, in case of supply of goods by a registered person (excluding composition supplier), GST is to be paid on the date of issue of invoice or the last date on which invoice ought to have been issued in terms of section 31 [Notification No. 66/2017 CT dated 15.11.2017].

Using this principle, time of supply of services, in case of change in rate of tax, can be determined as under:

Supply	Issue of invoice	Receipt of payment	Time of supply
BEFORE	BEFORE	AFTER	Date of issue of invoice
BEFORE	AFTER	BEFORE	Date of receipt of payment
BEFORE	AFTER	AFTER	Date of issue of invoice or date of receipt of payment, whichever is earlier
AFTER	AFTER	BEFORE	Date of issue of invoice
AFTER	BEFORE	AFTER	Date of receipt of payment
AFTER	BEFORE	BEFORE	Date of issue of invoice or date of receipt of payment, whichever is earlier



VALUE OF SUPPLY



Inclusions in value u/s 15(2)

- ⇒ Taxes other than GST
- ⇒ Third party payments made by recipient in relation to supply, which supplier was liable to pay and were not included in the price
- ⇒ Incidental expenses including anything done by the supplier in respect of the supply till delivery of goods/supply of services, if charged to recipient
- ⇒ Subsidies directly linked to price of supply other than the ones given by Central/State Governments
- ⇒ Interest/late fee/penalty for delay in payment of consideration

Exclusions from value u/s 15(2)

- ⇒ Discounts given before or at the time of supply and recorded in the invoice
- ⇒ Post supply discount/incentive, if known in advance & linked with invoices and proportionate input tax credit reversed by the recipient

VALUATION RULES
RULE 27: Consideration not wholly in money

Value shall be either of the following in the given order:

- open market value
- total of consideration in money + amount equal to the consideration not in money
- value of supplies of like kind and quality
- consideration in money + money value of non-monetary consideration computed as per rule 30 or 31 in that order.

RULE 28: Supply between distinct/related persons, other than agent

Value shall be either of the following in the given order:

- open market value
- value of supplies of like kind and quality
- value as per rule 30 or 31 in that order.
- ♦ Option to supplier to value goods sold as such by recipient $\Rightarrow$ Value = 90% of price charged by recipient to its unrelated customer
- ♦ Recipient eligible for ITC $\Rightarrow$ invoice value = open market value (taxable value)

RULE 29: Supply made/received through an agent

Value shall be either of the following in the given order:

- open market value or 90% of price charged by recipient to his unrelated customer for supplies of like kind and quality;
- value as per rule 30 or 31 in that order.

RULE 31A: Value of supply of lottery, chance to win in betting/ gambling/ horse racing in race club

Lottery organised by State Government - 100/128 of the face value of ticket OR 100/128 of the price as notified in the Official Gazette by the organising State, whichever is higher

Actionable claim in form of chance to win in betting, gambling or horse racing in a race club - 100% of the face value of the bet or the amount paid into the totalisator

Organising State - State Government which conducts the lottery either within the State or outside the State

RULE 30: Value based on cost

Value shall be 110% of cost of production/ acquisition/ provision of goods or services

RULE 31B: Value of supply in case of online gaming including online money gaming

= Total amount paid or payable to or deposited with the supplier by way of money or money's worth, including virtual digital assets, by or on behalf of the player.

Any amount returned/refunded to player including player not using the amount paid/deposited with supplier for participating in any event, shall not be deductible from the value of supply of online money gaming.

RULE 31: Residual method (Best Judgement Method)

Value shall be determined using reasonable means consistent with the principles and general provisions of section 15 & valuation rules. For services, rule 31 can be adopted before rule 30.

RULE 31C: Value of supply of actionable claims in case of casino

= Total amount paid or payable by or on behalf of the player for:

- (i) purchase of tokens, chips, etc., for use in casino; or
- (ii) participating in any event, including game, scheme, etc., in the casino, in cases where the token, chips, etc., are not required.

Any amount returned/refunded by the casino to the player on return of token, coins, chips, or tickets, or otherwise, shall not be deductible from the value of the supply of actionable claims in casino.

VALUATION RULES

RULE 32: Value in respect of certain specific supplies

⇒ **Purchase/sale of foreign currency:**

1st method:

Value = [Buying/Selling rate - RBI reference rate at that time] x total units of currency. If no RBI reference rate, value = 1% of INR received/provided. If the currencies exchanged are not in INR, value = lesser of the 2 amounts that would have been received by converting any of currencies into INR at RBI reference rate

OR 2nd method

Currency	Value
Upto ₹ 1,00,000	1% or ₹ 250 whichever is higher
From ₹ 1,00,001 to ₹ 10,00,000	₹ 1,000 + 0.5%
From ₹ 10,00,001	₹ 5,500 + 0.1% subject to maximum of ₹ 60,000

⇒ **Booking of tickets by air travel agent:** Value = 5% of basic fare for domestic bookings and 10% of the basic fare for international bookings.

⇒ **Life insurance business:** If amount allocated for investment is intimated - Value = Gross premium less amount allocated for investment;

Single premium annuity policies where amount allocated for investment is not intimated - Value = 10% of single premium;

Other cases - Value = 25% of premium in 1st year and 12.5% of premium in subsequent years;

Policy only towards risk cover - Value = Entire premium

⇒ **Buying & selling of second hand goods:** Value = Selling price - Buying price (ignore if value is negative); Purchase value of goods repossessed from unregistered borrower = Purchase price - 5% per quarter or part thereof from date of purchase till the date of disposal by the person making repossession

⇒ **Coupon/voucher:** Value = money value of supplies redeemable against such voucher/ coupon

⇒ **Notified services between distinct persons without consideration:** Value = Nil, if ITC is available

RULE 33: Supply as a pure agent

Costs incurred by the supplier as a pure agent of recipient shall be excluded from value

RULE 34: Rate of exchange for determination of value

Goods = Rate notified by CBIC under Customs Act on the date of time of supply of such goods;

Services = Rate as per GAAP on the date of time of supply of such services

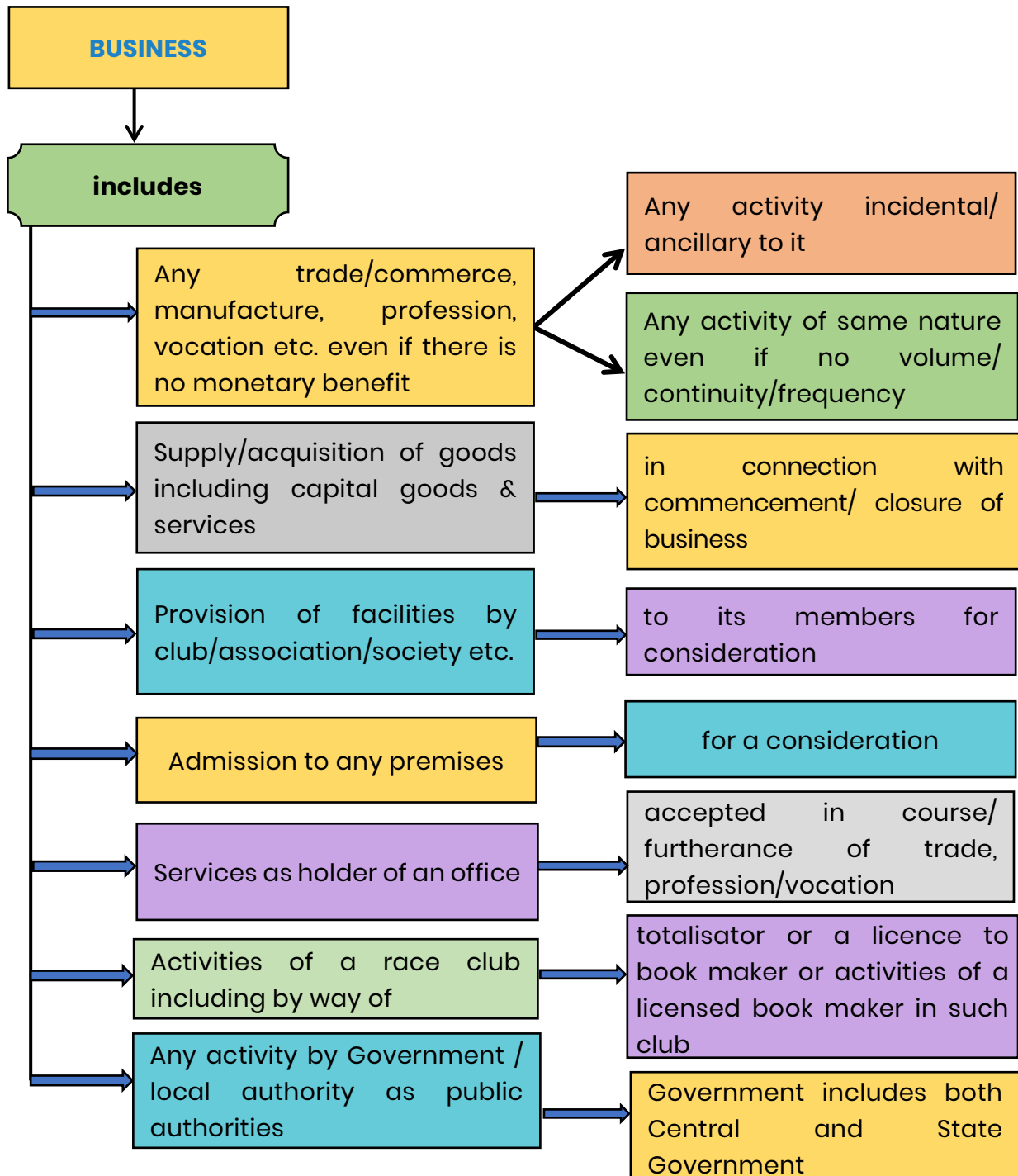
Rule 35: Value inclusive of taxes

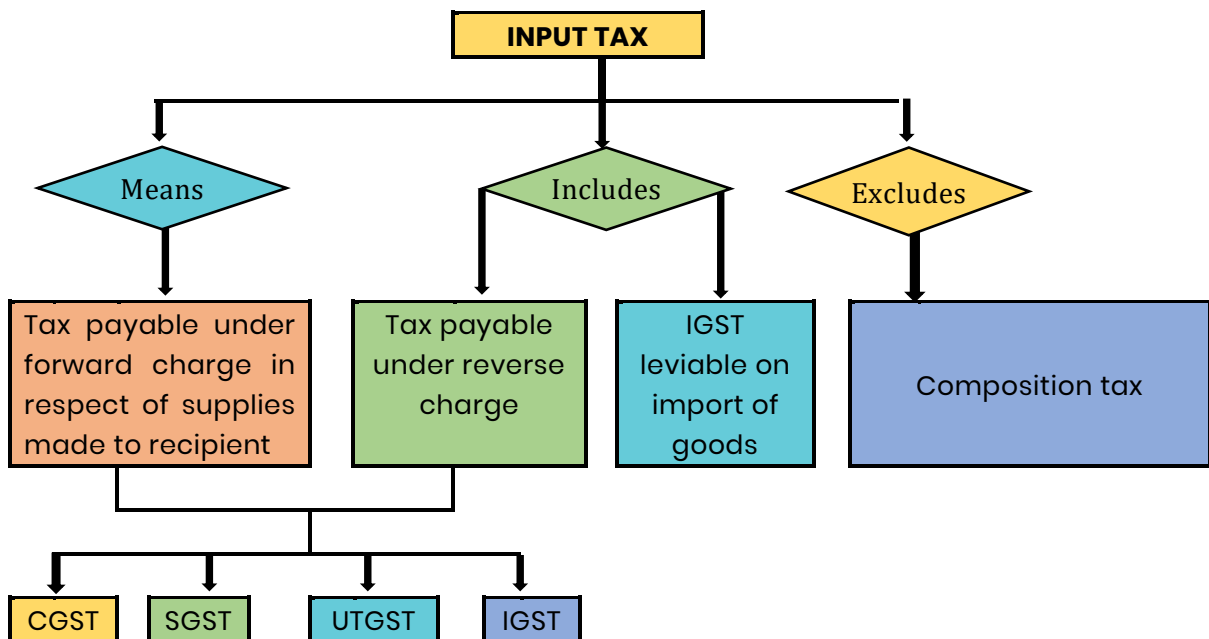
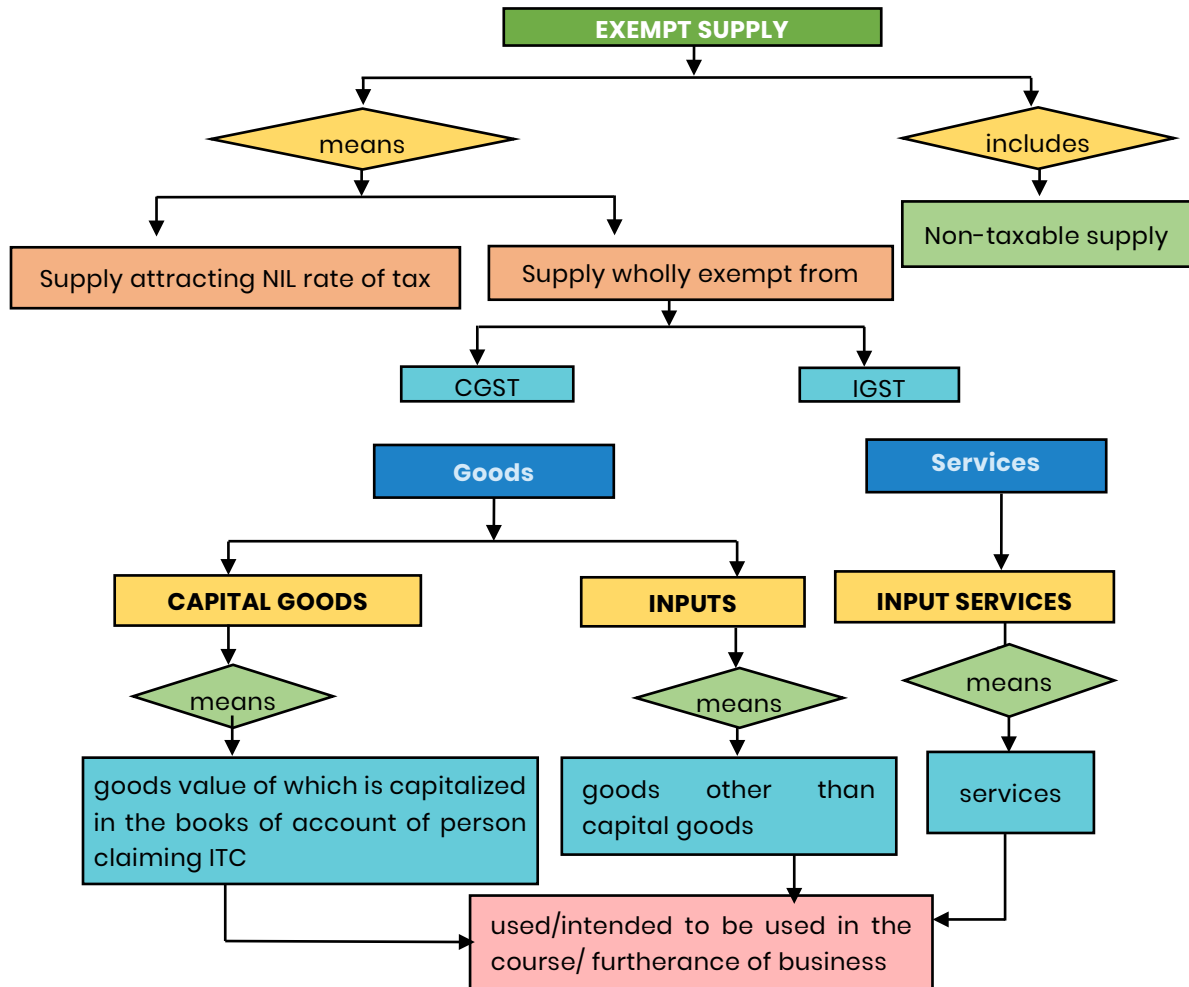
Where value of supply is inclusive of CGST, SGST/UTGST or IGST, the tax amount is calculated by making back calculations.

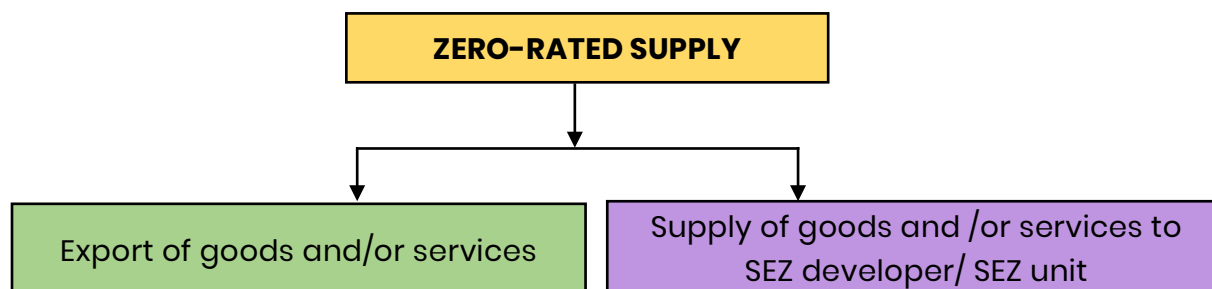
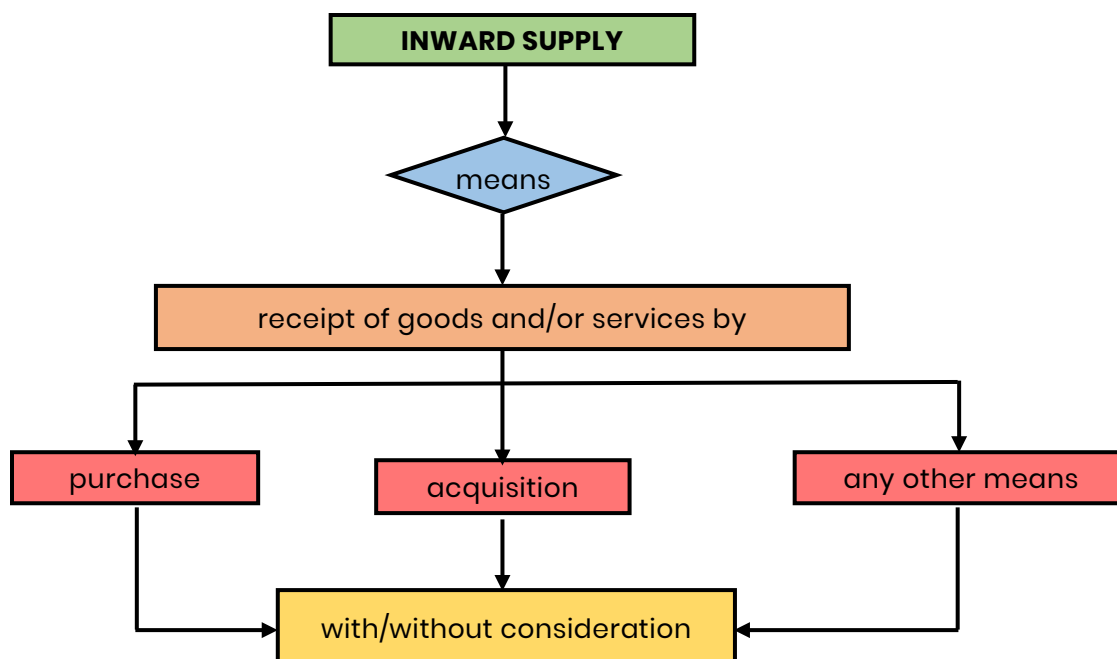
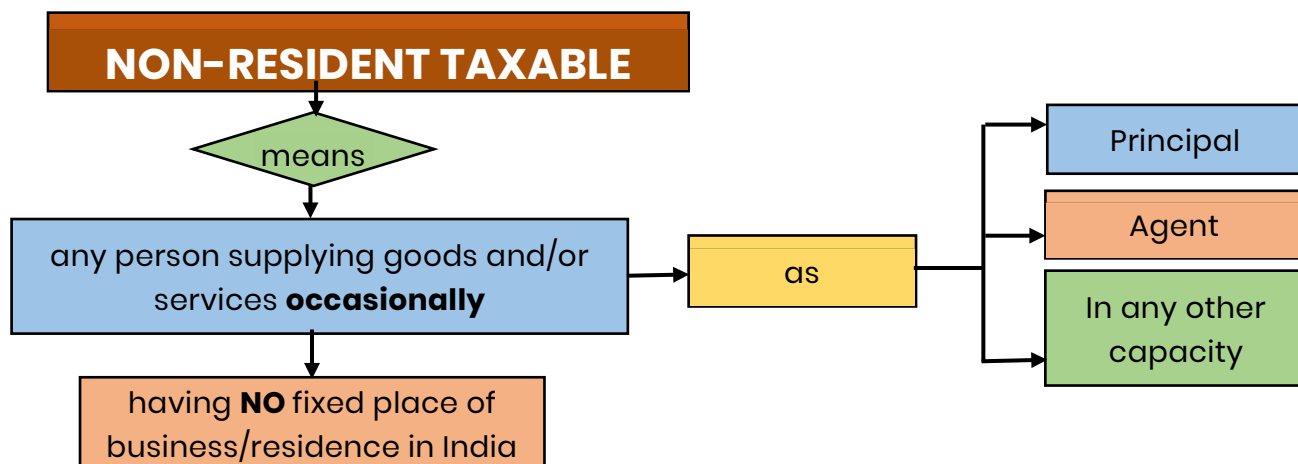
Tax amount = (Value inclusive of GST x GST rate in % of IGST or CGST, SGST/UTGST)/100 + sum of applicable GST rates in %)

INPUT TAX CREDIT

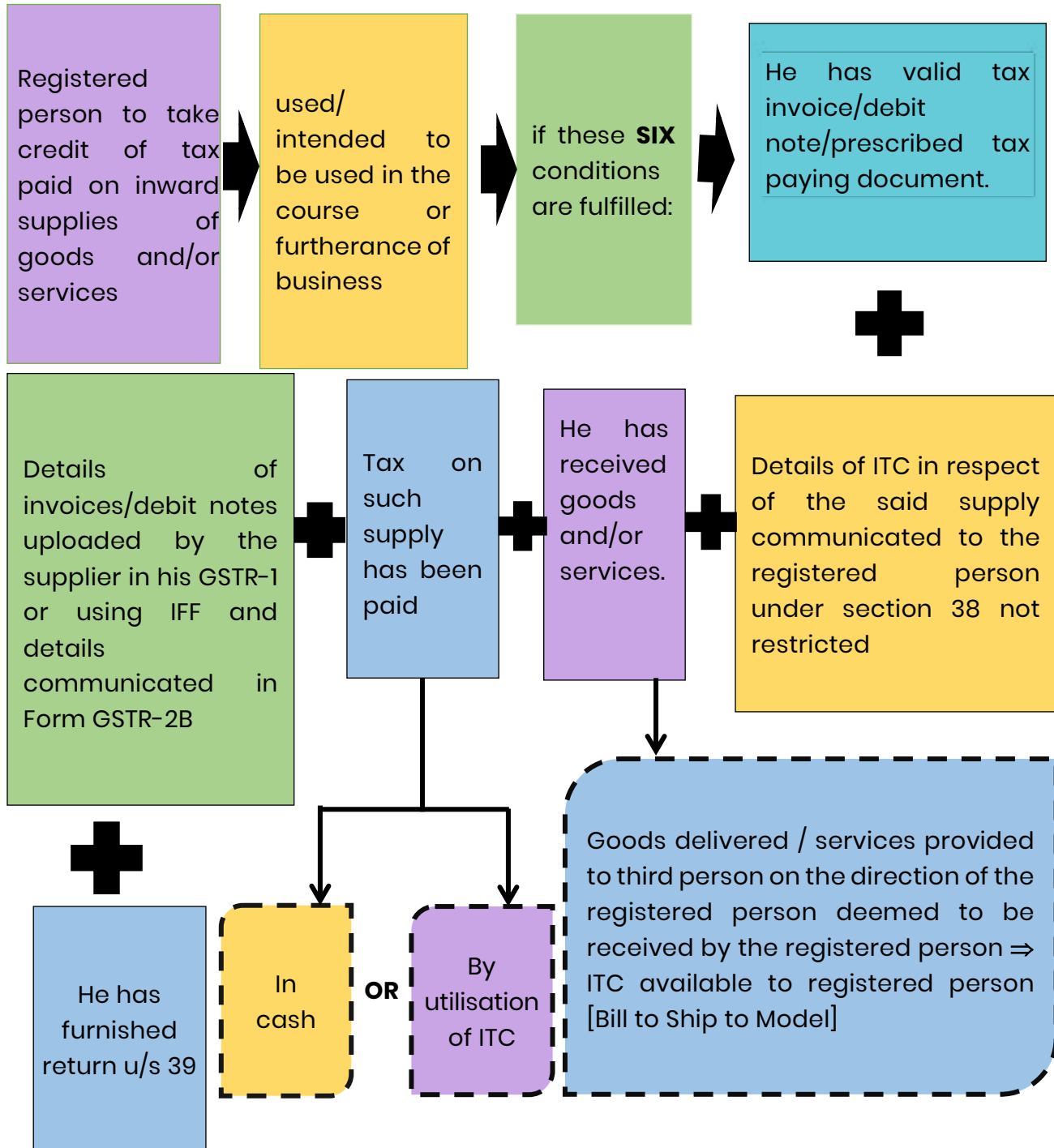
I. Definitions of certain key terms are summarized by way of diagrams as under:







II. Provisions of section 16 relating to eligibility and conditions for taking ITC read with relevant rules are summarized below:



If depreciation claimed on tax component

• ITC not allowed

Goods received in lots

• ITC allowed upon receipt of last lot

Time limit for availing ITC

• ITC pertaining to a particular FY can be availed by 30th November of next FY or filing of annual return, whichever is earlier.

Exception

Re-availment of ITC reversed earlier

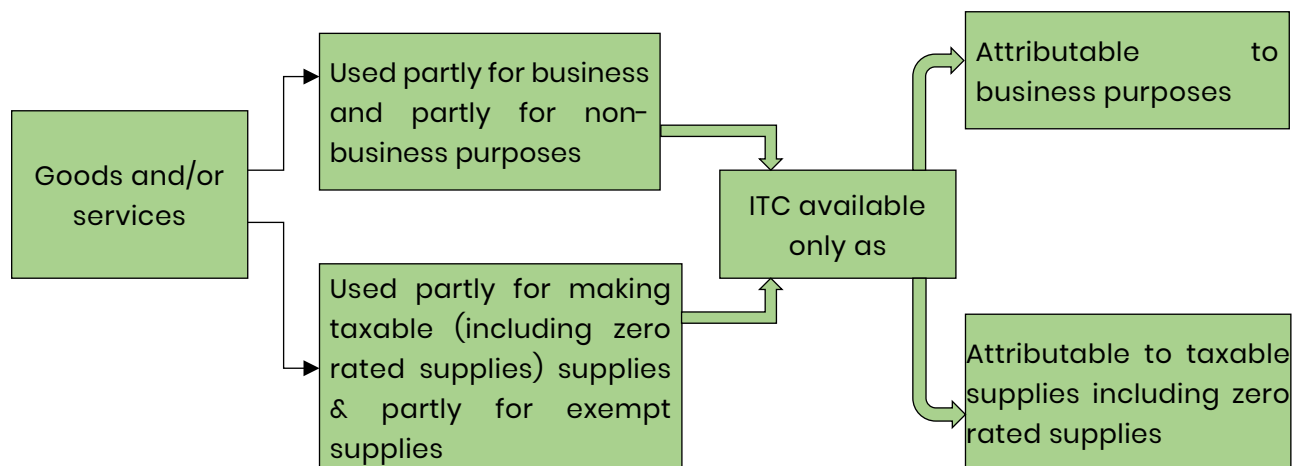
- ❖ Proportionate ITC to be reversed/paid with interest if whole/part of value + tax of goods and /or services is not paid within 180 days of the issuance of invoice.
- ❖ On payment, the ITC could be re-availed without any time limit.

EXCEPTIONS

- Reverse charge supplies
- Deemed supplies without consideration
- Additions made to value of supplies on account of supplier's liability being incurred by the recipient of the supply

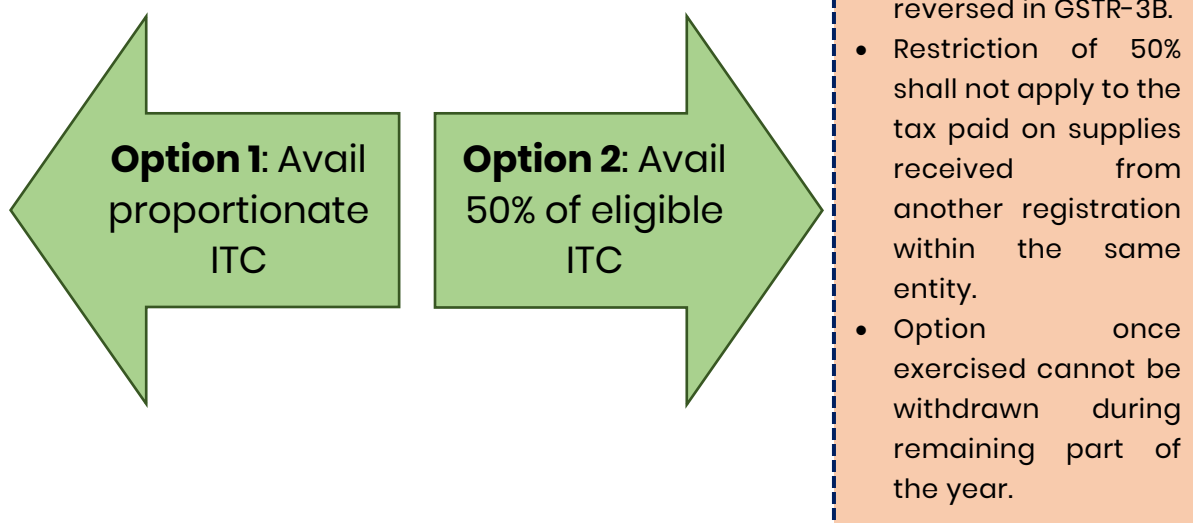
III. Provisions of section 17 relating to apportionment of credit and blocked credits read with relevant rules are summarized as under:

A. Apportionment of credit

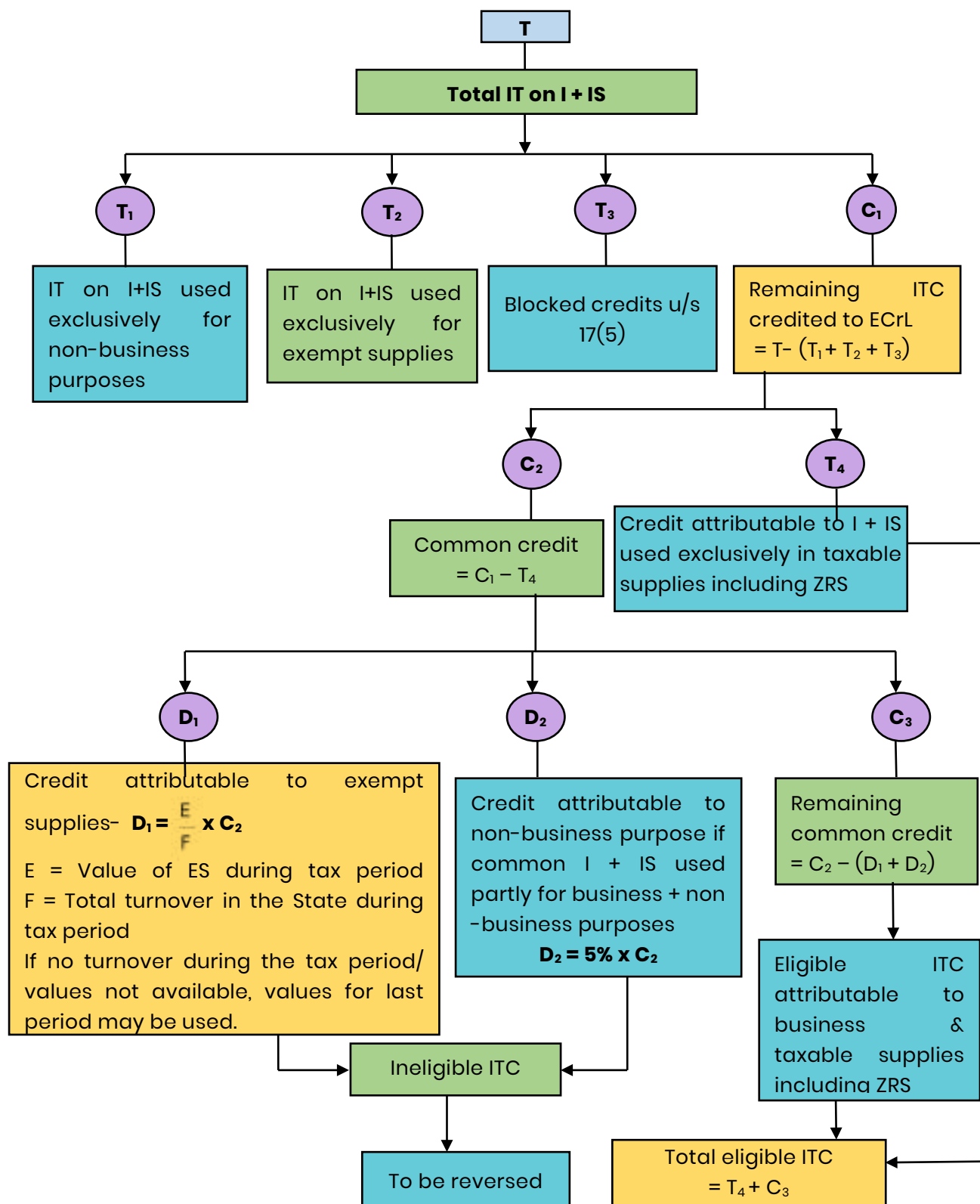


Exempt supplies include reverse charge supplies & transactions in securities and exclude activities specified in Schedule III except sale of land and sale of building when entire consideration is received post completion certificate/first occupation, whichever is earlier.

B. Special provisions for banking companies and NBFCs



C. Apportionment of common credit in case of inputs and input services

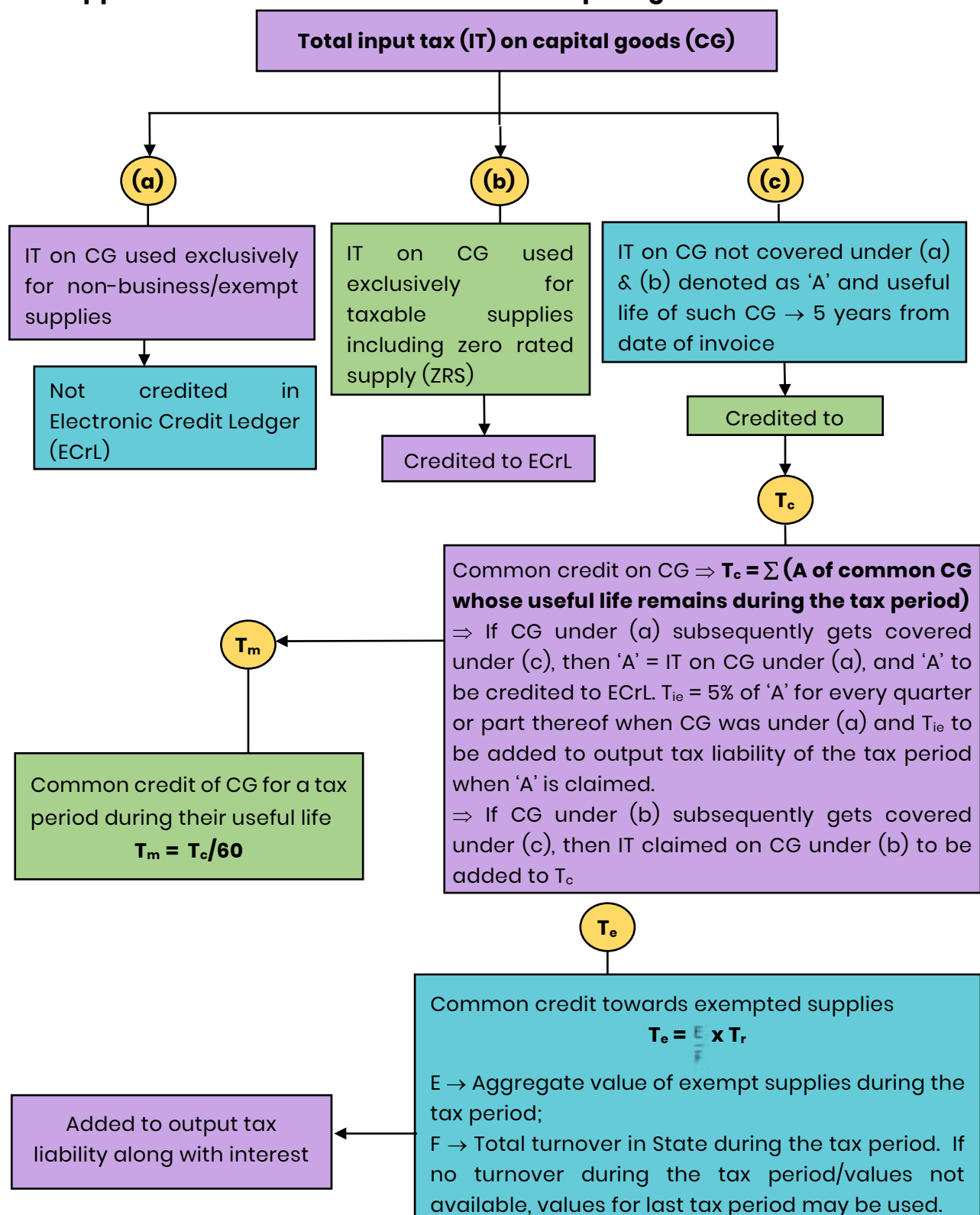


- C_3 will be computed separately for ITC of CGST, SGST/ UTGST and IGST.
- $\Sigma (D_1 + D_2)$ will be computed for the whole financial year, by taking exempted turnover and aggregate turnover for the whole financial year. If this amount is more than the amount already reversed every month, the differential amount will be reversed in any of the month till September of succeeding year along with interest @ 18% from 1st April of succeeding year till the date of payment.
- If this amount is less than the amount reversed every month, the additional amount paid has to be claimed back as credit in the return of any month till September of the succeeding year.

- Exempt supplies include reverse charge supplies & transactions in securities.
- Exempt supplies exclude (i) activities specified in Schedule III except sale of land and sale of building when entire consideration is received post completion certificate/first occupation, whichever is earlier, and supply of warehoused goods before clearance for home consumption* (ii) services of accepting deposits, extending loans/advances where the consideration is interest/discount and the same are provided by persons other than banking company/financial institution including NBFC, and (iii) the value of supply of Duty Credit Scrips specified in Notification No. 35/2017 CT (R) dated 13.10.2017
*Value of supply of warehoused goods before clearance for home consumption includes the value of supply of goods from Duty Free Shops at arrival terminal in international airports to the incoming passengers.
- Aggregate value of exempt supplies and total turnover exclude central excise duty, state excise duty, central sales tax and VAT.
- Value of exempt supply in respect of land and building is the stamp duty value and for security is 1% of the sale value of such security.

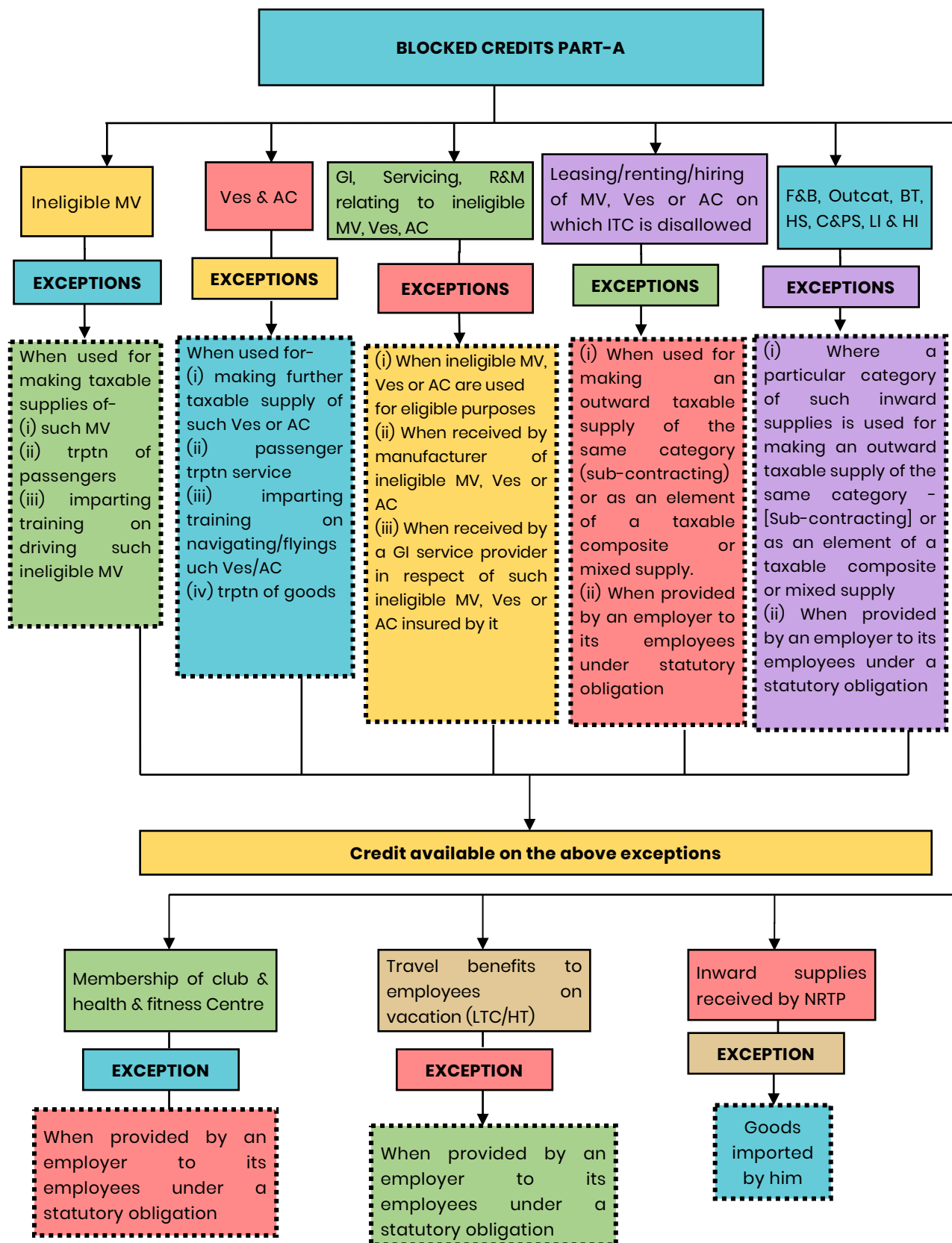
IT	=	Input tax
I	=	Inputs
IS	=	Input services
ECrI	=	Electronic Credit Ledger
ZRS	=	Zero rated supply
ES	=	Exempt supplies
CG	=	Central Government

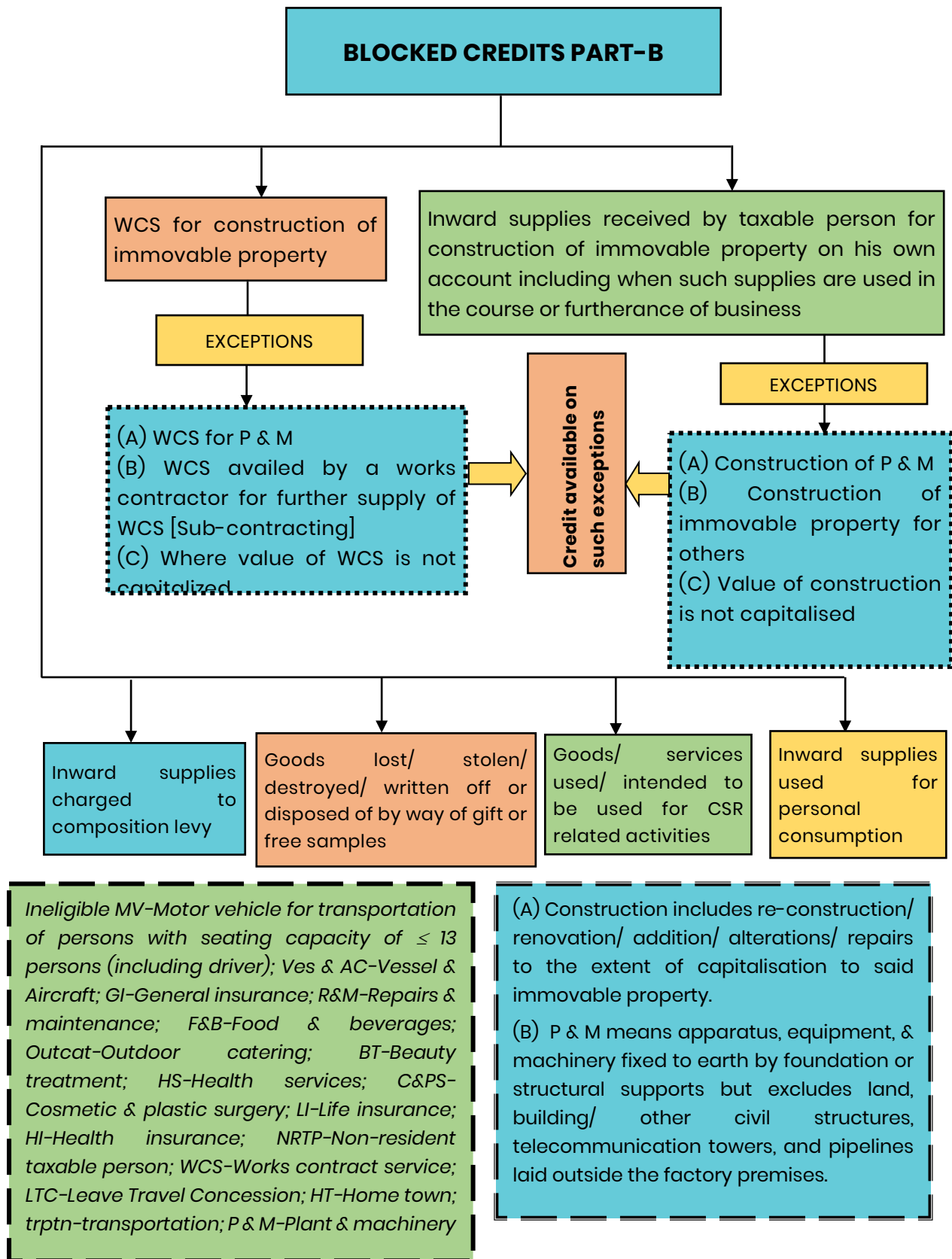
D. Apportionment of common credit on capital goods



- T_m is to be computed during the useful life of capital goods which is five years from the date of invoice.
 - T_{ie} and T_e are to be computed separately for ITC of CGST, SGST/ UTGST and IGST and declared in GSTR-3B
 - Exempt supplies include reverse charge supplies & transactions in securities.
 - Exempt supplies exclude
 - (i) activities specified in Schedule III except sale of land and sale of building when entire consideration is received post completion certificate/first occupation, whichever is earlier, and supply of warehoused goods before clearance for home consumption*
 - (ii) services of accepting deposits, extending loans/advances where the consideration is interest/discount and the same are provided by persons other than banking company/financial institution including NBFC, and
 - (iii) the value of supply of Duty Credit Scrips specified in *Notification No. 35/2017CT (R) dated 13.10.2017*
- *Value of supply of warehoused goods before clearance for home consumption includes the value of supply of goods from Duty Free Shops at arrival terminal in international airports to the incoming passengers.
- Aggregate value of exempt supplies and total turnover exclude central excise duty, state excise duty, central sales tax and VAT.
 - Value of exempt supply in respect of land and building is the stamp duty value and for security is 1% of the sale value of such security.

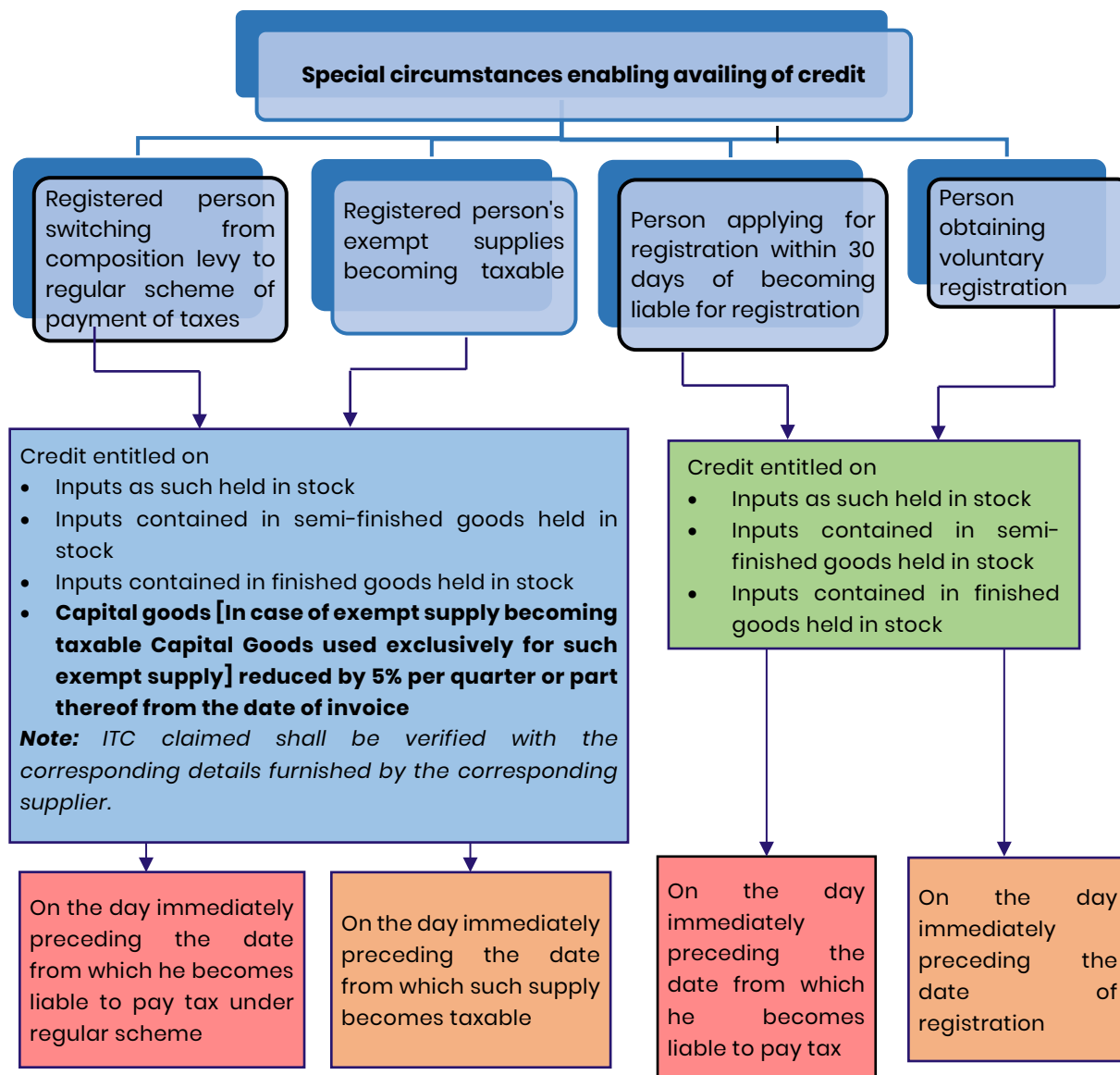






IV. Provisions of section 18 read with relevant rules are summarized as under:

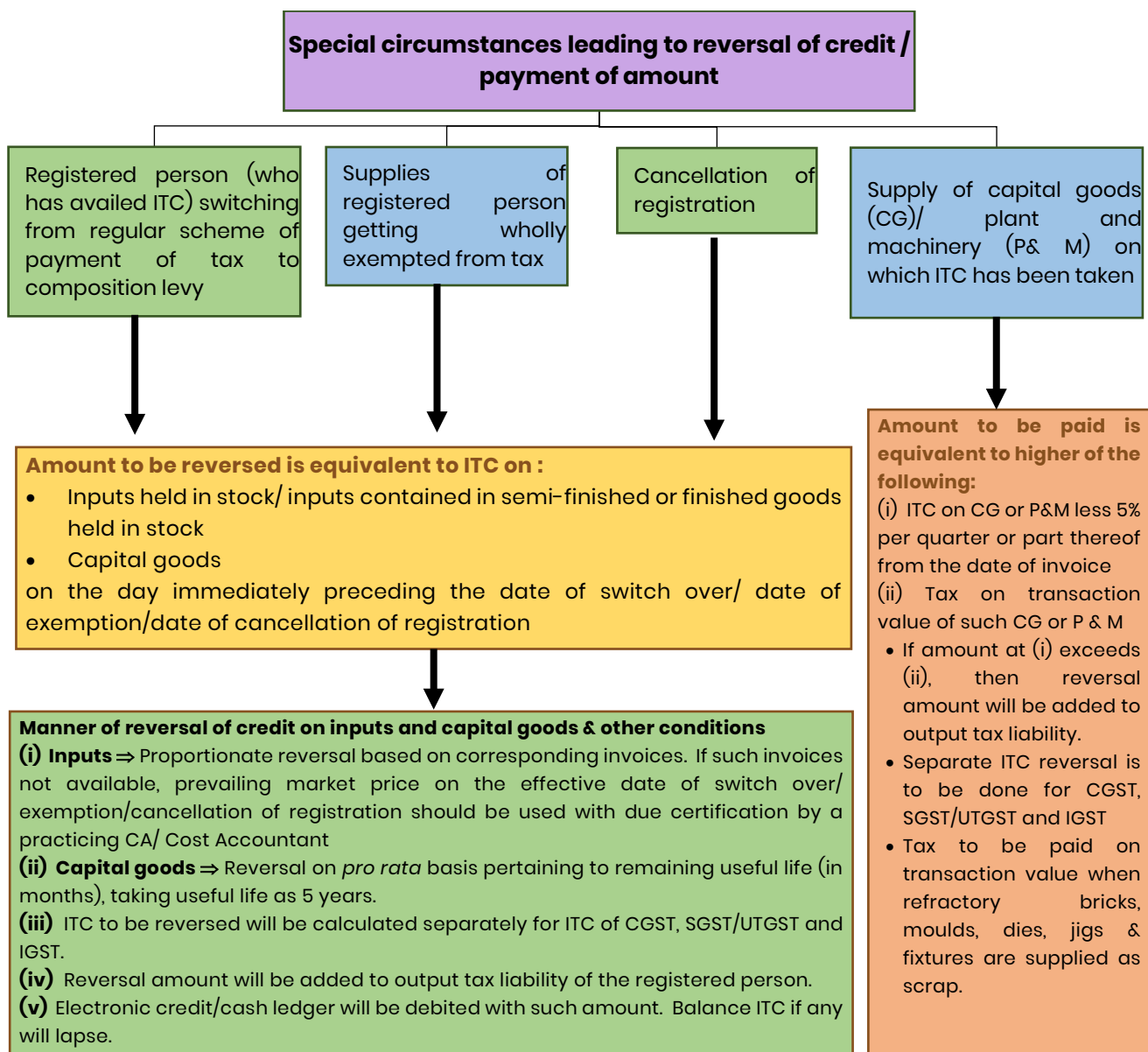
A. Special circumstances enabling availing of credit



ITC, in all the above cases, is to be availed within 1 year from the date of issue of invoice by the supplier.

Conditions for availing above credit:

- (i) Filing of electronic declaration giving details of inputs held in stock/contained in semi-finished goods and finished goods held in stock and capital goods on the days immediately preceding the day on which credit becomes eligible.
- (ii) Declaration has to be filed within 30 days from becoming eligible to avail credit.
- (iii) Details in (i) above to be certified by a CA/ Cost Accountant if aggregate claim of CGST, SGST/ IGST credit is more than ₹ 2,00,000.

B. Special circumstances leading to reversal of credit/payment of amount

Transfer of unutilised ITC on account of change in constitution of registered person

In case of sale, merger, amalgamation, lease or transfer of business, unutilised ITC can be transferred to the new entity if there is a specific provision for transfer of liabilities to the new entity. The inputs and capital goods so transferred should be duly accounted for by the transferee in his books of accounts.

In case of demerger, ITC is apportioned in the ratio of value of entire assets (including assets on which ITC has not been taken) of the new units as per the demerger scheme.

Details of change in constitution are to be furnished on common portal along with request to transfer unutilised ITC. CA/Cost Accountant certificate is to be submitted certifying that change in constitution has been done with specific provision for transfer of liabilities.

Upon acceptance of such details by the transferee on the common portal, the unutilized ITC is credited to his Electronic Credit Ledger.

Transfer of unutilised ITC on obtaining separate registrations for multiple places of business within a State/UT

Registered person having separate registrations for multiple places of business can transfer the unutilised ITC to any or all of the newly registered place(s) of business in the ratio of the value of assets held by them at the time of registration.

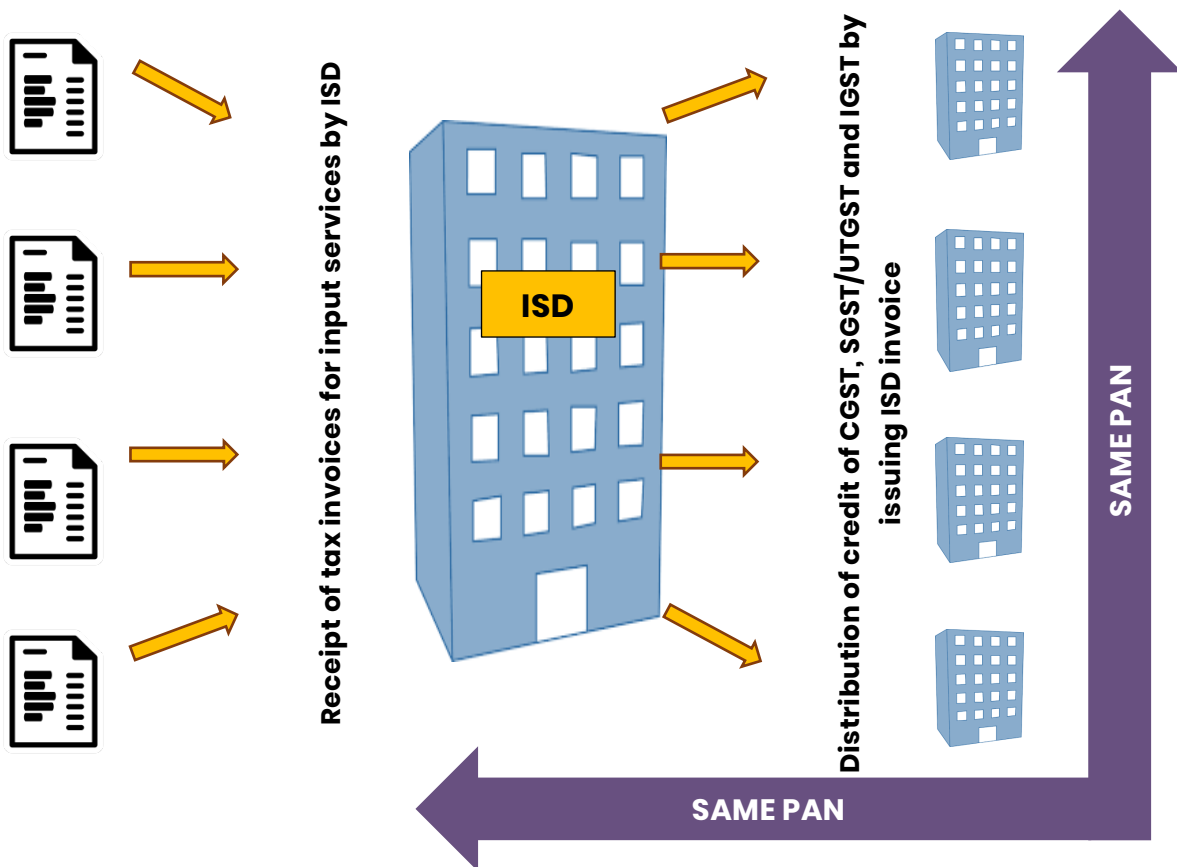
Value of assets means the value of the entire assets of the business irrespective of whether ITC has been availed thereon or not.

The registered person should furnish the prescribed details on the common portal within a period of 30 days from obtaining such separate registrations.

Upon acceptance of such details by the newly registered person (transferee) on the common portal, the unutilised ITC is credited to his electronic credit ledger.

V. Provisions of section 20 and 21 read with relevant rules are summarized as under:

ISD is basically an office meant to receive tax invoices towards receipt of input services and distribute the credit of taxes paid on such input services to supplier units (having the same PAN) proportionately.

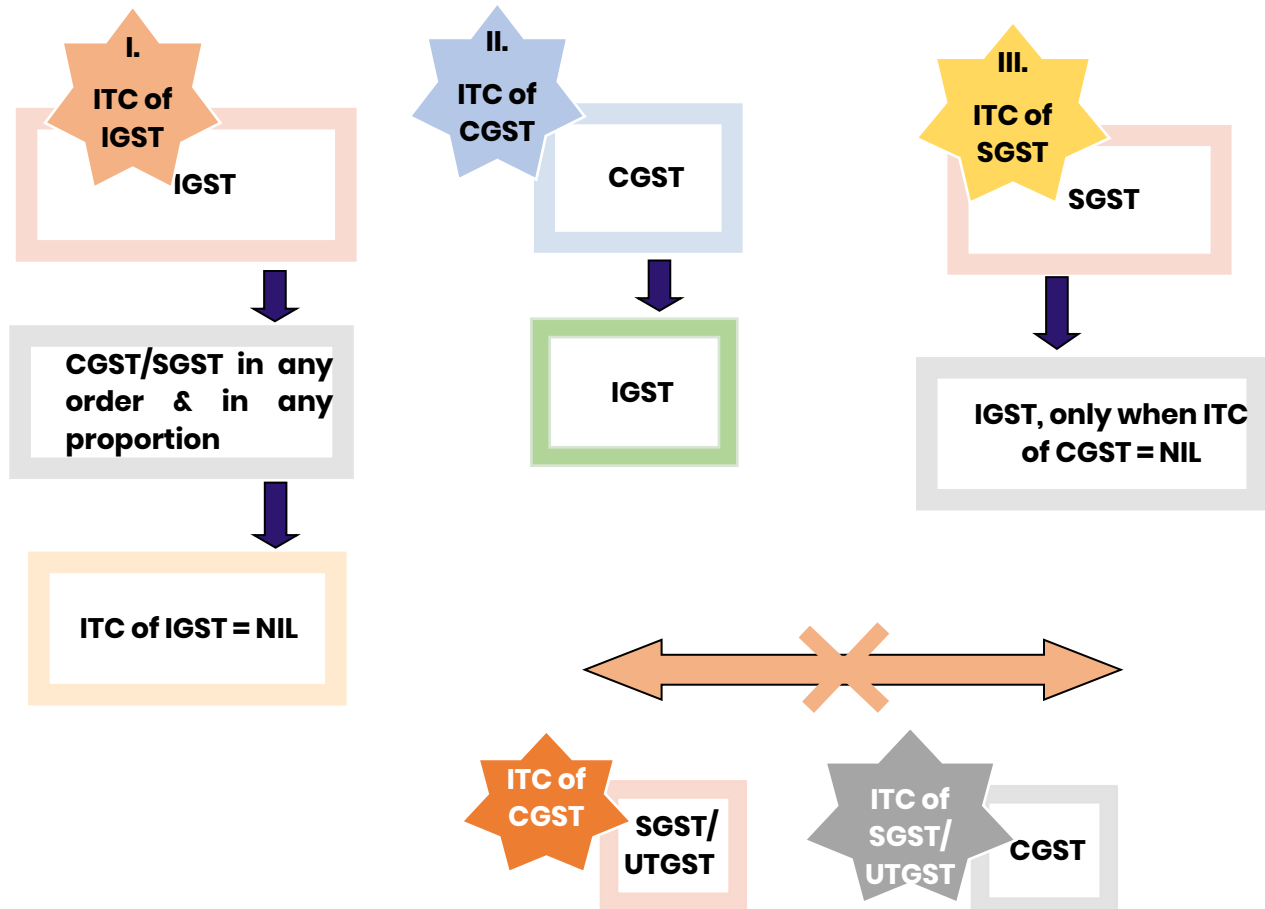


- ISD should issue an ISD invoice for distributing ITC. It should be clearly indicated in such invoice that it is issued only for distribution of ITC.
- The ISD needs to issue a ISD credit note, for reduction in credit if the distributed credit gets reduced for any reason.
- ITC available for distribution in a month is to be distributed in the same month.
- Details of distribution of credit and all ISD invoices issued should be furnished by ISD in monthly GSTR-6 within 13 days after the end of the month.

- ITC of input services is distributed only amongst those recipients to whom the input services are attributable.
- ITC is distributed amongst the operational units only **and in the ratio of turnover in a State/UT of the recipient during the relevant period to the aggregate of turnover of all recipients during the relevant period to whom input service being distributed is attributable.**
- Relevant period is previous FY or last quarter prior to the month of distribution for which turnover of all recipients is available.
- Distributed ITC should not exceed the credit available for distribution.

If the ISD has distributed excess credit to any recipient, the excess will be recovered from the recipient with interest as if it was tax not paid.

VI. Provisions relating to utilization of ITC are summarized as under:



REGISTRATION

Nature of registration

The registration in GST is PAN based and State specific.

One registration per State/UT.

However, a business entity having separate places of business in a State may obtain separate registration for such places of business .

GST identification number called “GSTIN” - a 15-digit number and a certificate of registration incorporating therein this GSTIN is made available to the applicant on the GSTN common portal.

Registration under GST is not tax specific, i.e. single registration for all the taxes i.e. CGST, SGST/UTGST, IGST and cesses.

Persons liable to registration

Those who exceed threshold limit

•Threshold limit elaborated separately in the diagram below.

In case of transfer of business on account of succession, etc.

•**transferee** liable to be registered from the date of succession of business

In case of amalgamation/ demerger by an order of High Court etc.

•**transferee** liable to be registered from the date on which Registrar of Companies issues incorporation certificate giving effect to order of High Court etc.



Aggregate Turnover will be computed on All-India basis for same PAN

Applicable threshold limit

States with threshold limit of ₹ 10 lakh for supplier of goods and/or services

• Manipur, Mizoram, Nagaland and Tripura

States with threshold limit of ₹ 20 lakh for supplier of goods and/or services

• Arunachal Pradesh, Meghalaya, Sikkim, Uttarakhand, Puducherry and Telangana

States with threshold limit of ₹ 20 lakh for supplier of services/both goods and services and threshold limit of ₹ 40 lakh for supplier of goods (Intra-State)

• Jammu and Kashmir, Assam, Himachal Pradesh, All other States

Compulsory registration in certain cases

Persons making any inter-State taxable supply

Casual taxable person who does not have a fixed place of business in the State or Union Territory from where he wants to make supply

A person receiving supplies on which tax is payable by recipient on reverse charge basis

Those ecommerce operators who are notified as liable for tax payment under section 9(5)

Non-resident taxable persons who do not have a fixed place of business in India

Persons who are required to deduct tax under section 51 (TDS)

A person who supplies on behalf of some other taxable person (i.e. an Agent of some Principal)

Suppliers other than notified under section 9(5) who supply through an e-commerce operator

Every e-commerce operator who is required to collect TCS

Every person supplying OIDAR services from a place outside India to a person in India other than a registered person

Input Service Distributor, whether or not separately registered

Person supplying online money gaming from a place outside India to a person in India

Person/ class of persons notified by the Central/ State Government

Persons not liable for registration

Person engaged exclusively in supplying goods/ services/ both not liable to tax/ wholly exempt from tax

Agriculturist limited to supply of produce out of cultivation of land

Persons making only reverse charge supplies except supplier of metal scrap

Persons making inter-State supplies of taxable services up to ₹ 20 lakh**

Persons making inter-State taxable supplies of notified handicraft goods and notified hand-made goods up to ₹ 20 lakh**

Casual Taxable Persons making inter-State taxable supplies of notified handicraft goods and notified hand-made goods up to ₹ 20 lakh**

Persons making intra-State supplies of goods through an ECO with aggregate turnover not exceeding threshold limit and not making supply in more than one State/UT, with one enrolment no.

Persons making supplies of services through an ECO [other than supplies specified under section 9(5)] with aggregate turnover up to ₹ 20 lakh**

**₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland

Where and by when to apply for registration?

Person who is liable to be registered under section 22 or section 24

- in every such State/UT in which he is so liable
- within 30 days from the date on which he becomes liable to registration

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

A person who makes a supply from the territorial waters of India

- in the coastal State/UT where the nearest point of the appropriate base line is located.
- within 30 days from the date on which he becomes liable to registration

Voluntary Registration and UIN

Voluntary Registration

Person not liable to be registered under sections 22/24 may get himself registered voluntarily.

Unique Identification Number (UIN)

In respect of supplies to some notified agencies of United Nations organisation, multinational financial institutions and other organisations, a UIN is issued.

Effective date of registration

Application submitted **within 30 days** of the applicant becoming liable to registration

Effective date is the date on which he becomes liable to registration

Application submitted after **30 days** of the applicant becoming liable to registration

Effective date is date of grant of registration

Deemed registration

Deemed registration

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

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

Procedure for registration

Part I

Every person liable to get registered and person seeking voluntary registration shall, before applying for registration, declare his Permanent Account Number (PAN) and State/UT in **Part A of FORM GST REG-01** on GST Common Portal.

PAN is validated online by Common Portal from CBDT database and is also be verified through separate OTPs sent to the PAN linked mobile number and e-mail address.

Temporary Reference Number (TRN) is generated and communicated to the applicant on the validated mobile number and e-mail address.

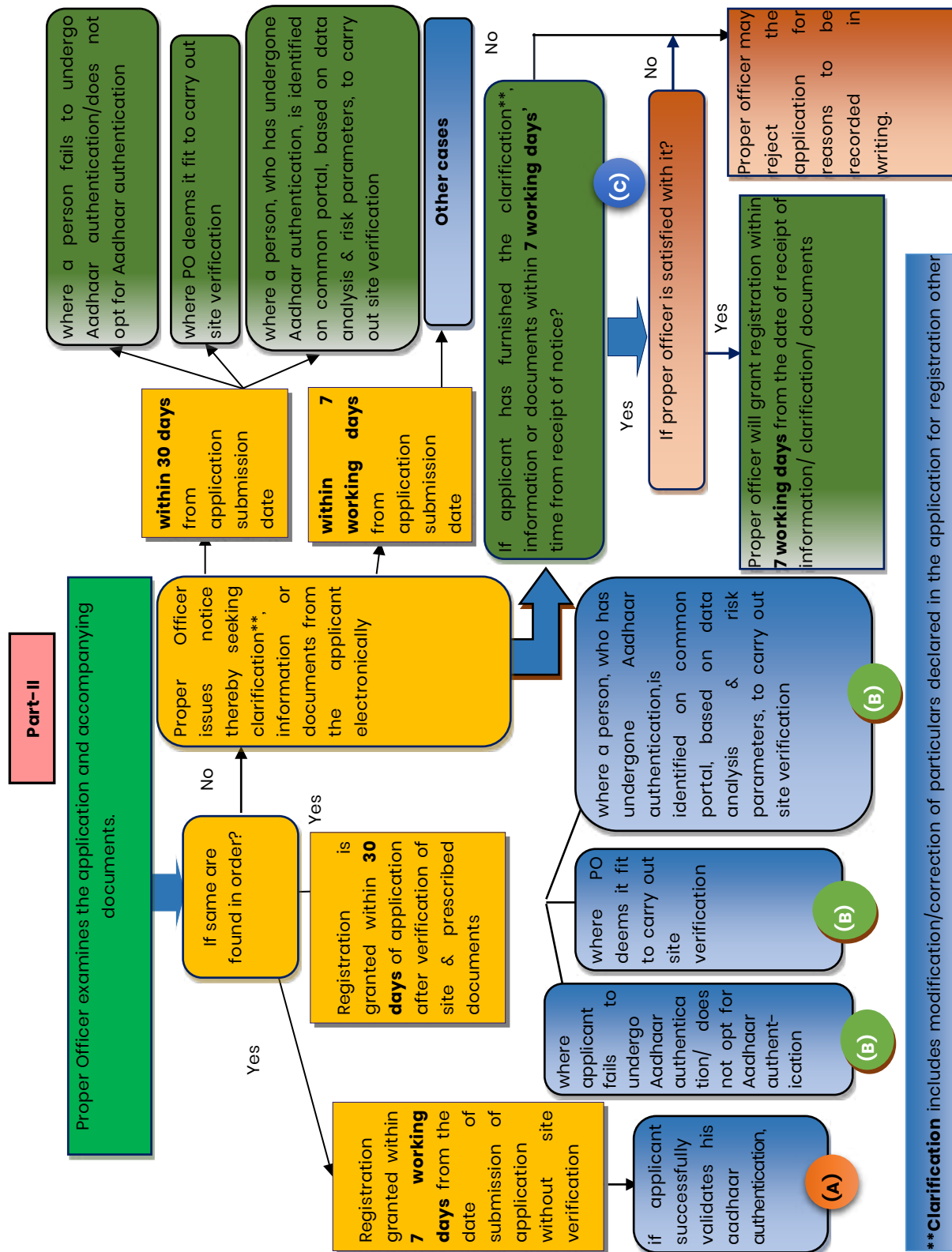
Using TRN, applicant shall electronically submit application in Part B of application form, along with specified documents at the Common Portal.

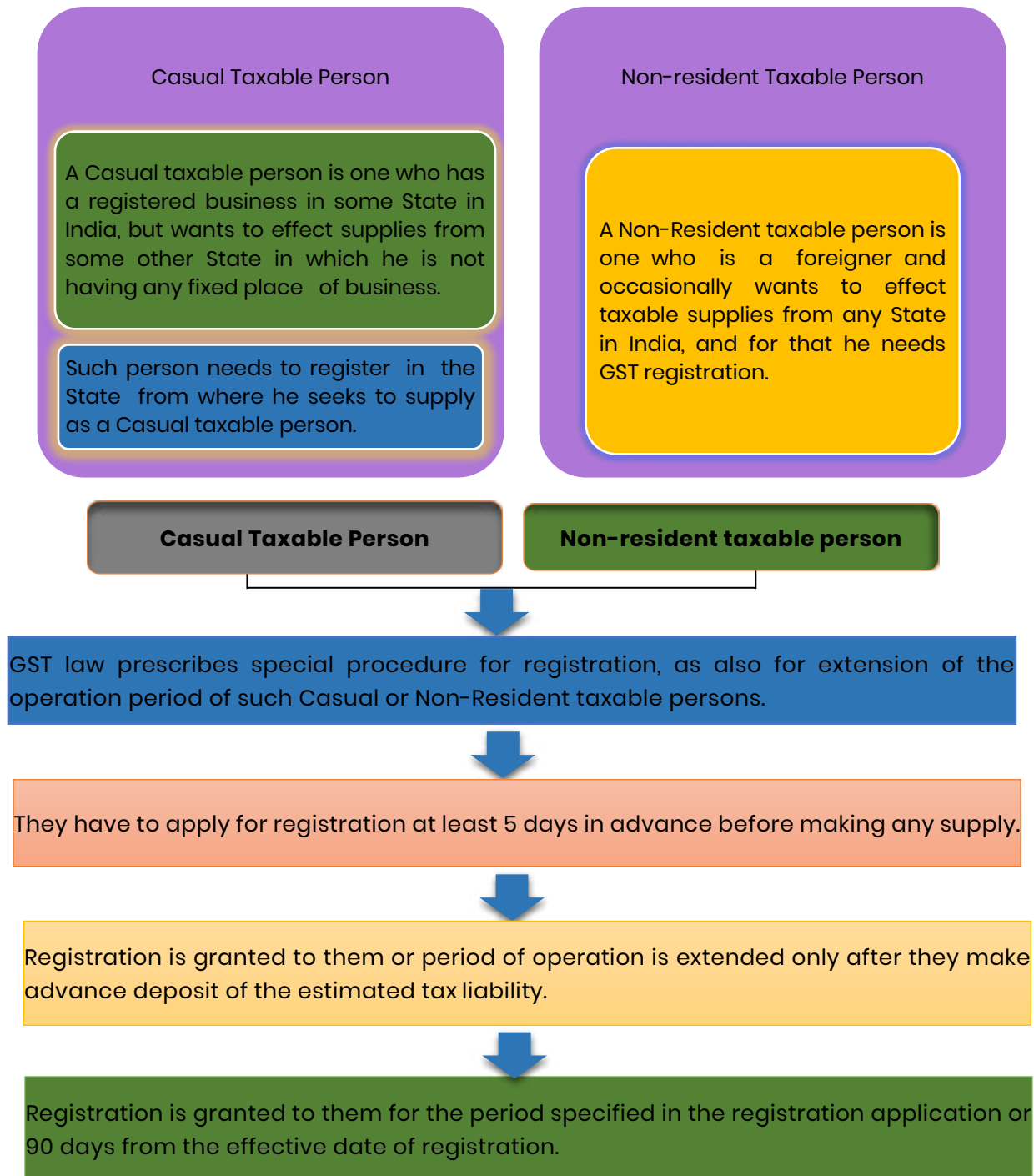
Part B of application contains the details, such as, constitution of business, jurisdiction, option for composition, date of commencement of business, reason to obtain registration, address of PPOB and nature of activity carried out therein, details of APOB, details of bank account(s), details of authorized signatory, aadhaar authentication, etc.

On receipt of such application, an acknowledgement in the prescribed form shall be issued to the applicant electronically. A **Casual Taxable Person (CTP)** applying for registration gets a TRN for making an advance deposit of tax in his electronic cash ledger and an acknowledgement is issued only after said deposit.*

Application shall be forwarded to the Proper Officer.

The procedure after receipt of application by the Proper Officer is depicted in Part II.



Special procedure for registration of CTP and N RTP

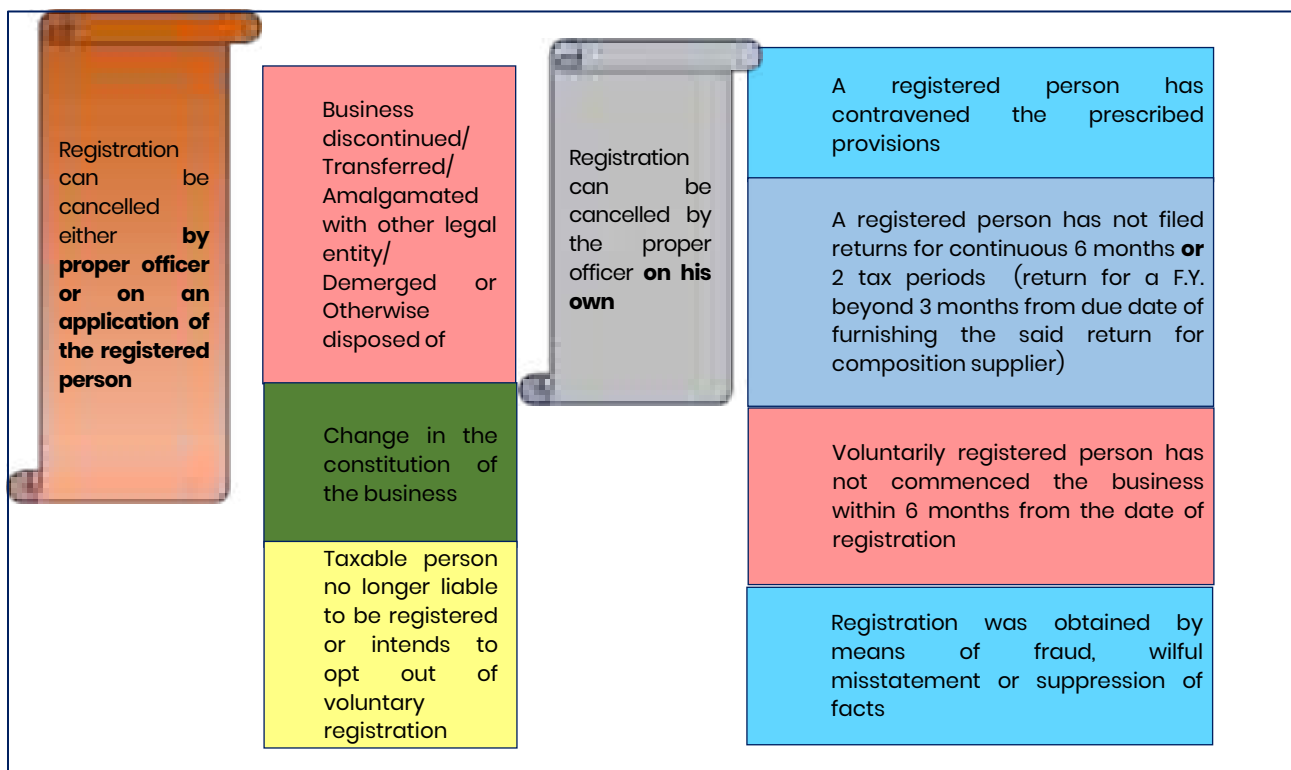
Amendment of Registration

Except for the changes in some core information in the registration application, a taxable person shall be able to make amendments without requiring any specific approval from the tax authority.

In case the change is core fields of information, the taxable person will apply for amendment within 15 days of the event necessitating the change. The Proper Officer, then, will approve the amendment within the next 15 days.

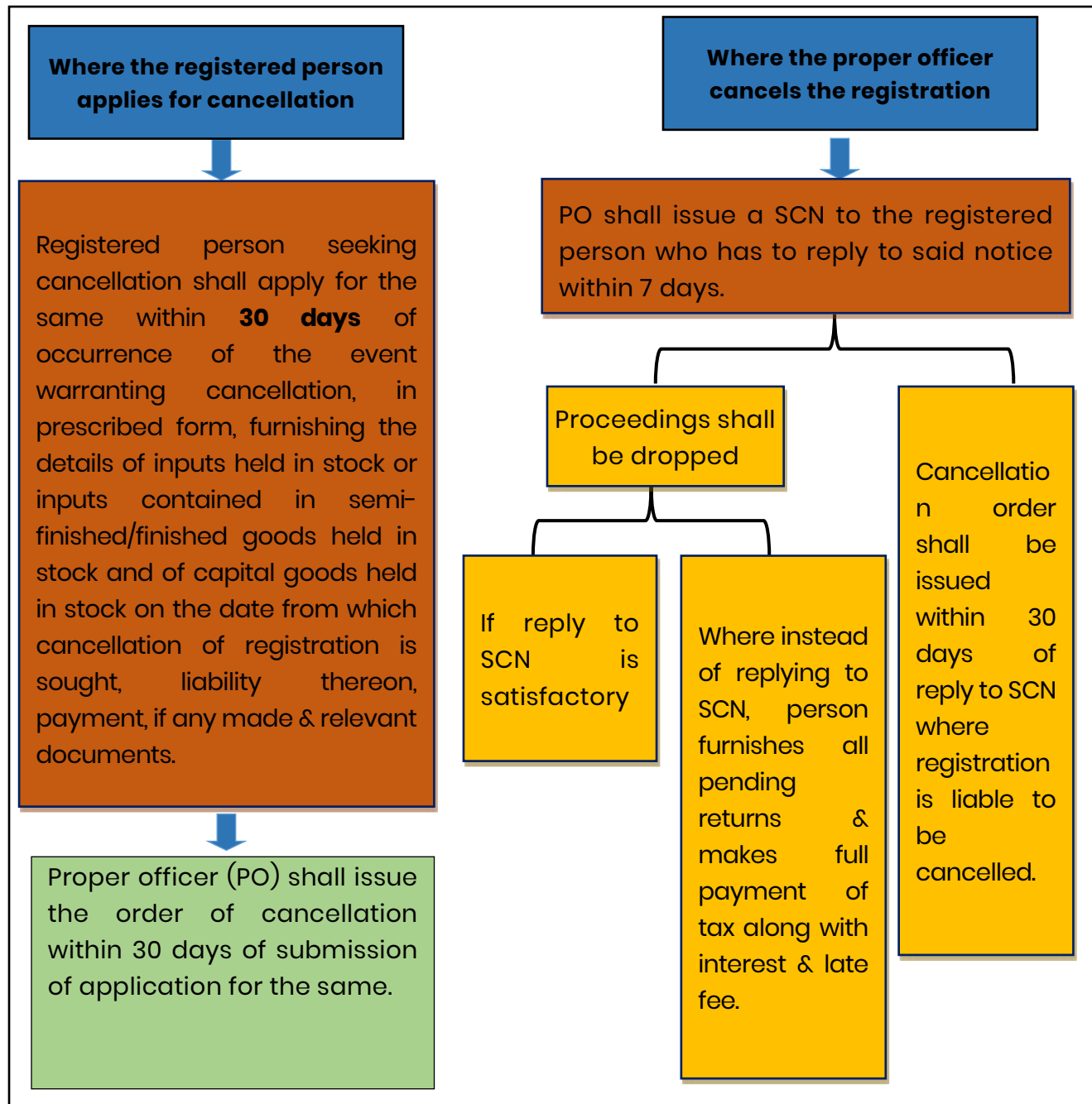
For changes in non-core fields, no approval of the Proper Officer is required, and the amendment can be affected by the taxable person on his own on the common portal.

Cancellation or suspension of registration and revocation of cancellation of registration



Once a registered person has applied for cancellation of registration or the proper officer seeks to cancel his registration, proper officer may suspend his registration during pendency of proceedings relating to cancellation of registration filed by such registered person.

Procedure for cancellation



Revocation of cancellation

In case where registration is cancelled *suo-motu* by the proper officer, the taxable person can apply within 90 days (extendible by 180 days by Commissioner or officer authorised not below the rank of Additional/Joint Commissioner) of service of cancellation order, requesting the officer for revoking the cancellation ordered by him.

However, before so applying, the person has to make good the defaults (by filing all pending returns, making payment of all dues and so) for which the registration was cancelled by the officer.

If satisfied, the proper officer will revoke the cancellation earlier ordered by him.

However, if the officer concludes to reject the request for revocation of cancellation, he will first observe the principle of natural justice by way of issuing notice to the person and hearing him on the issue.

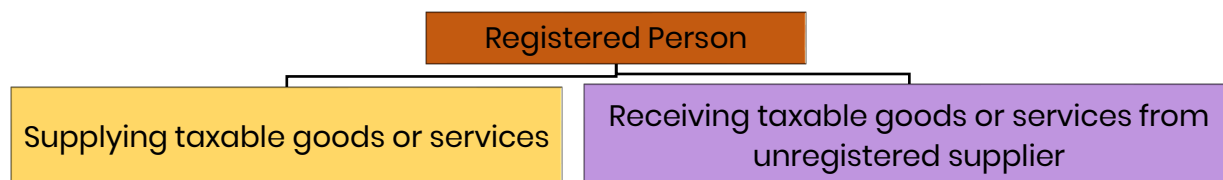
However, there shall be deemed revocation of cancellation upon furnishing of pending GST returns subject to the condition that the registration has not been cancelled by the proper officer under rule 22.

Revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed.

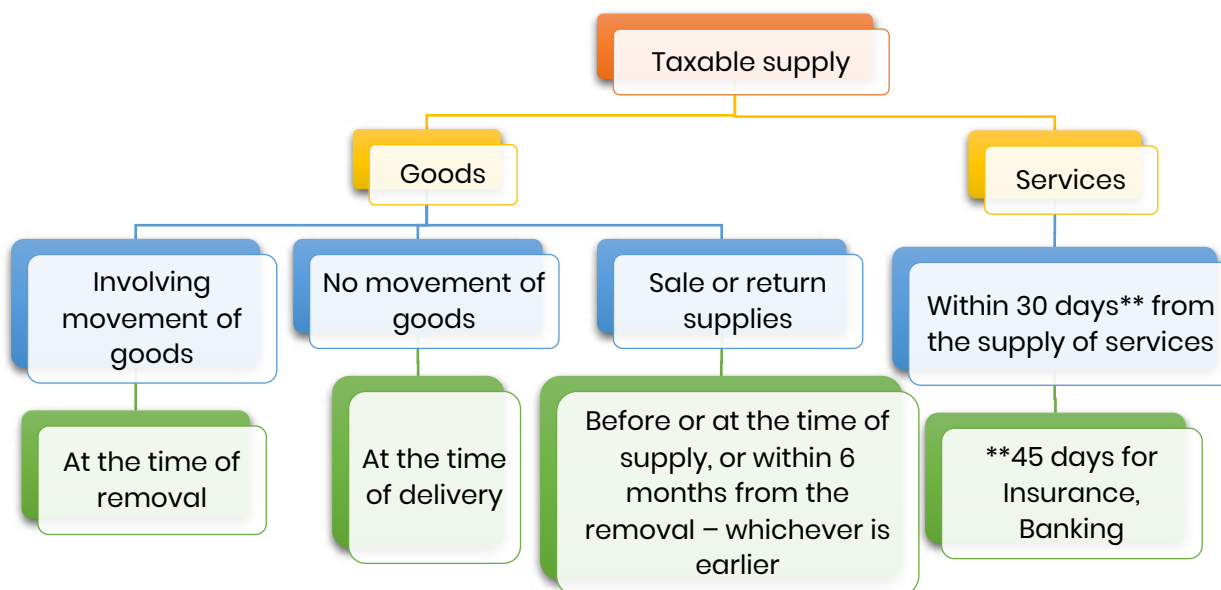


TAX INVOICE, CREDIT AND DEBIT NOTES

Who can raise a tax invoice?



Time limit for issuance of invoice



In case of continuous supply of goods

before/at the time each successive statements of accounts is issued or each successive payment is received

In case of continuous supply of services

due date of payment is ascertainable from the contract	on/before due date of payment
not so ascertainable	before/at the time of receipt of payment
payment is linked to the completion of an event	on/before the date of completion of that event

Important contents of tax invoice

Name, address & GSTIN of supplier

Name, address & GSTIN of registered recipient

Name & address of unregistered recipient alongwith delivery address, name & State code

Consecutive Serial Number & date of issue

HSN

Description of goods or services

Quantity in case of goods

Total Value of supply

Taxable Value of supply

Amount of tax charged

Tax rate – Central tax & State tax or Integrated tax, cess

Place of supply

Address of delivery where different than place of supply

Tax payable on reverse charge basis

Signature of supplier or authorised signatory – not req. if e-invoice issued as per IT Act, 2000

QR code having embedded IRN in it – in case if e-invoice issued

Manner of issuing the invoice

Supply of Goods	Supply of services
Triplicate	Duplicate
Original copy for recipient Duplicate copy for transporter; and Triplicate copy for supplier	Original copy for recipient; and Duplicate copy for supplier
The serial number of invoices issued during a month / quarter shall be furnished electronically in FORM GSTR-1.	

E-invoicing

A. Class of persons mandatorily required to issue e-invoice [hereinafter referred to as notified persons]

All registered businesses



with an aggregate turnover (based on PAN) greater than ₹ 5 crore



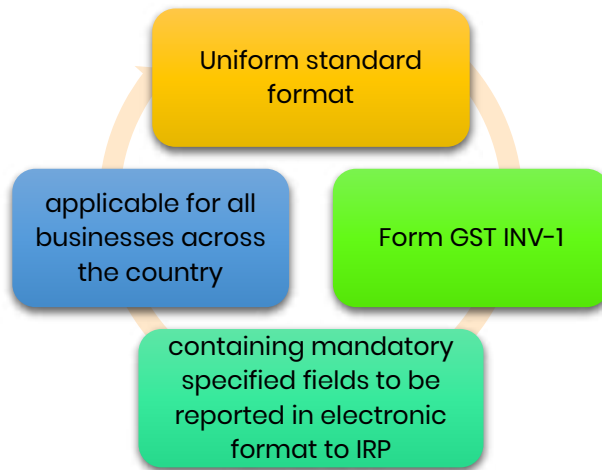
in any preceding financial year from 2017-18 onwards



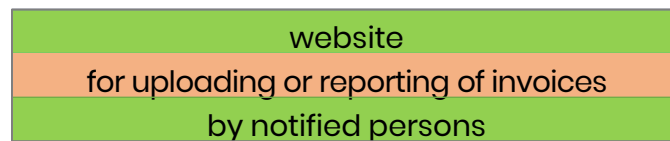
Required to issue E-invoice

B. Important terms

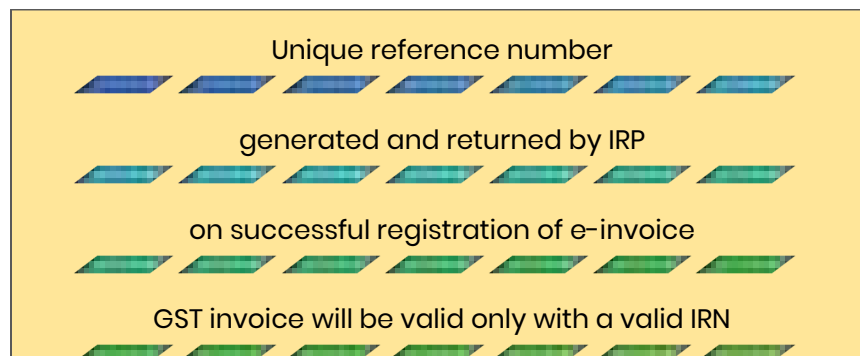
E-invoice schema



Invoice Registration Portal [IRP]



Invoice Reference Number [IRN]

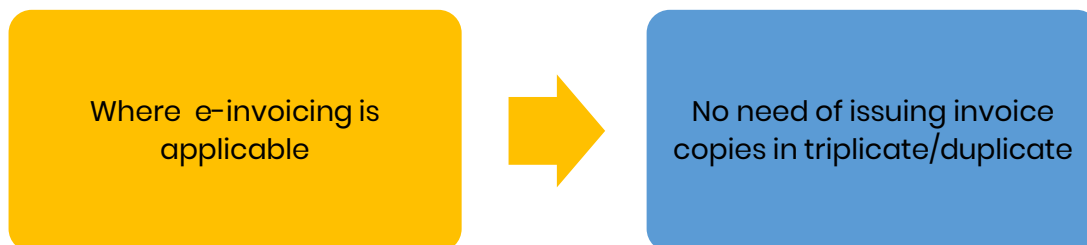
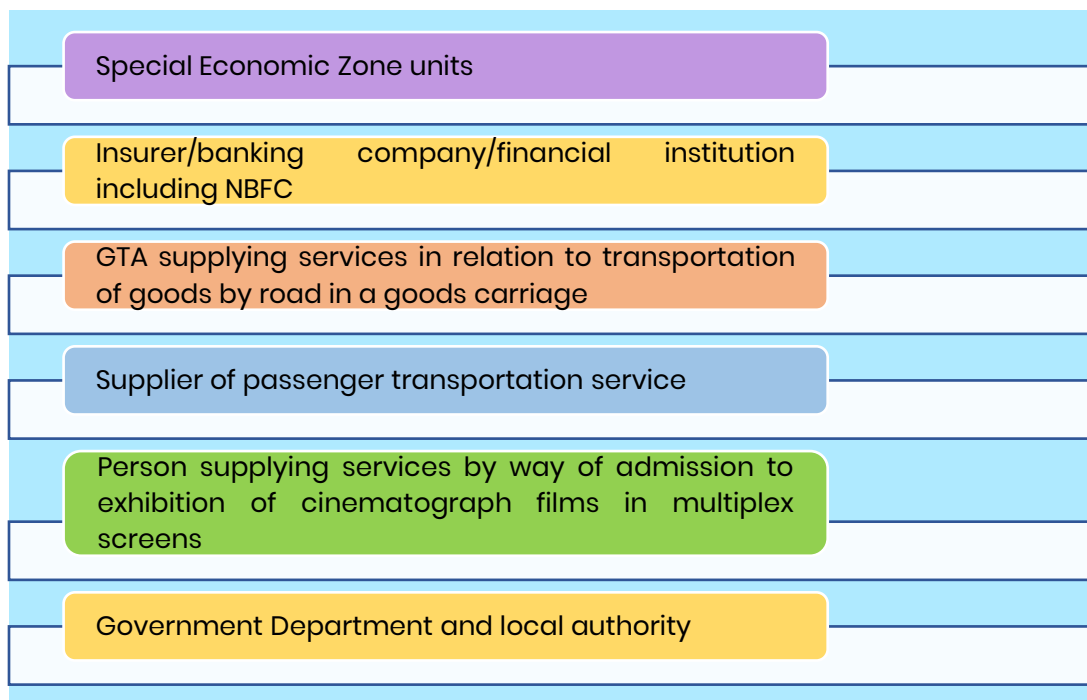
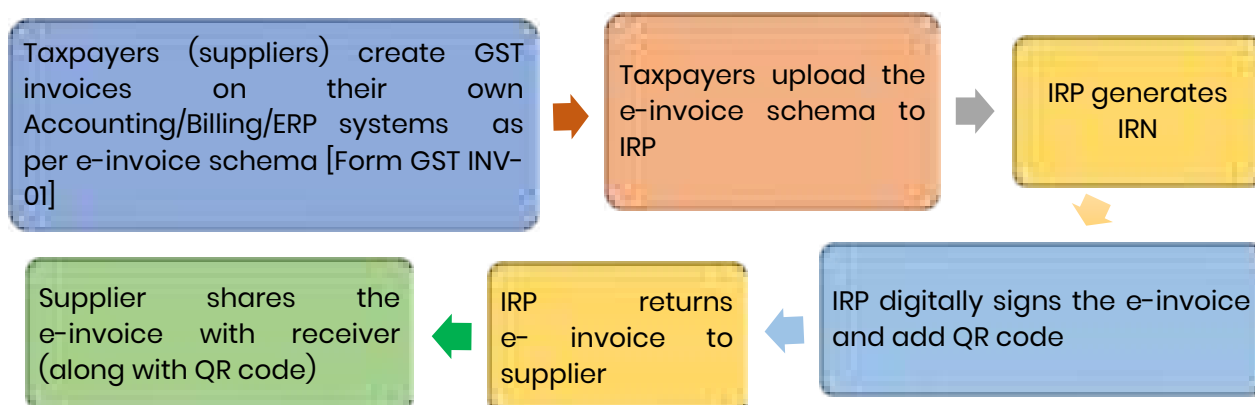


C. Advantages of e-invoicing

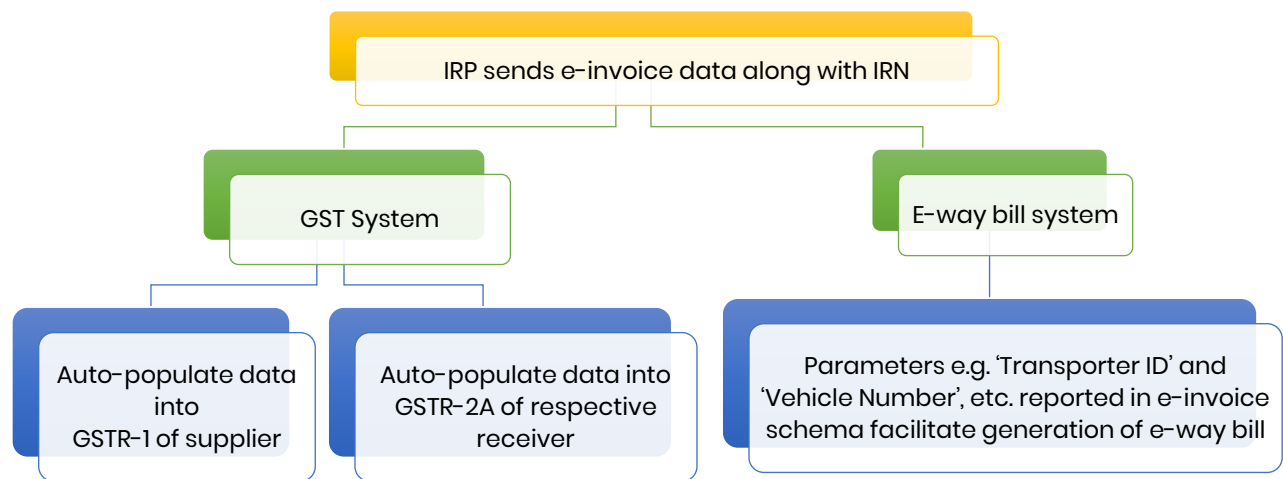
Auto-reporting of invoices into GST return
Auto-generation of e-way bill
Substantial reduction in transcription errors
Early payment
Cost reduction
Improved efficiency of business
Reduction of tax evasion
Elimination of fake invoices

D. Situations in which e-invoicing is applicable

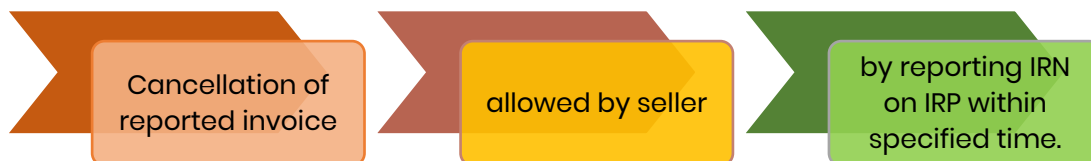
Supply of goods and/or services to a registered person by notified person [B2B supplies]	•Applicable
Exports by notified persons	•Applicable
B2C supplies by notified persons	•Not applicable
Invoices issued by Input Service Distributor	•Not applicable
Supplies made by notified person, tax on which is payable under reverse charge under section 9(3)	•Applicable
Where specified category of supplies are received by notified persons from unregistered persons [attracting reverse charge under section 9(4)] or through import of services	•Not applicable
Import of goods (Bills of Entry)	•Not applicable

E. No requirement of issuing invoice copies in triplicate/duplicate**F. Exemption from e-invoicing****G. Overall work flow of e-invoice**

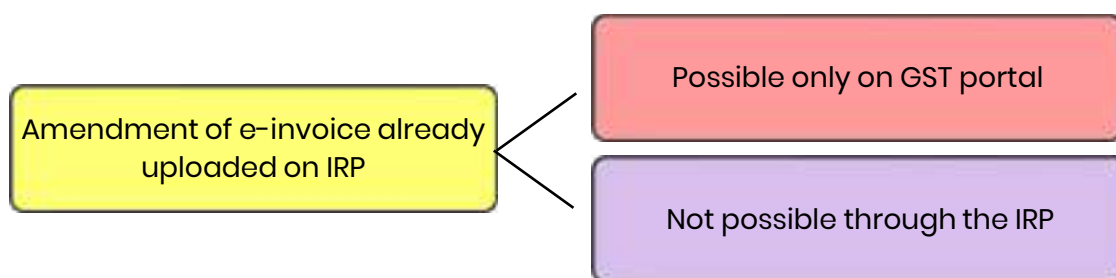
H. Generation of e-way bill/populating relevant parts of GST return through e-invoicing data



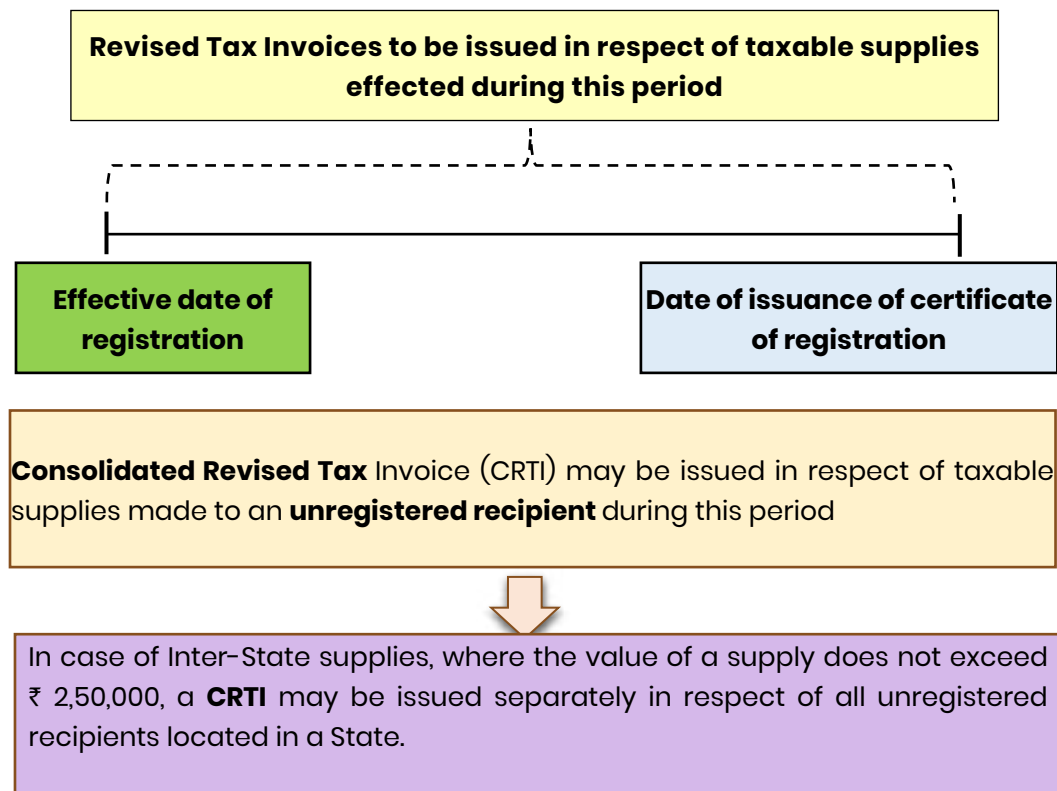
I. Cancellation of reported invoice



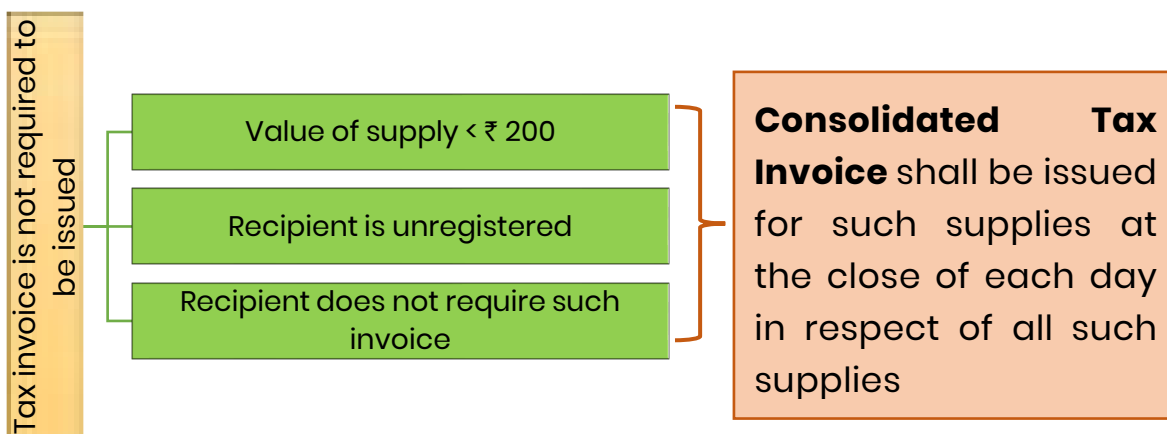
J. Amendment of reported invoice



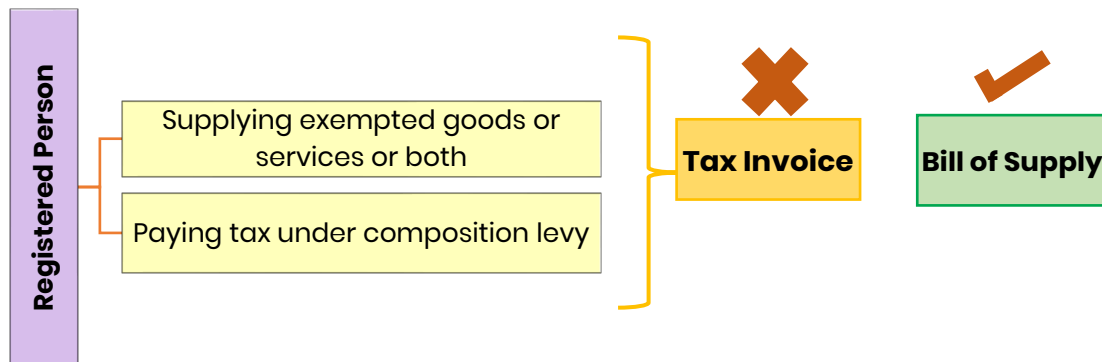
Revised Tax Invoice



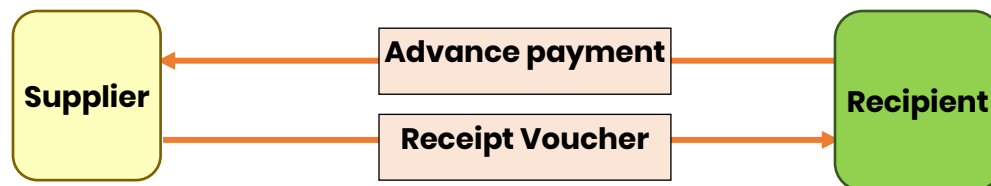
Consolidated Tax Invoice



Bill of Supply



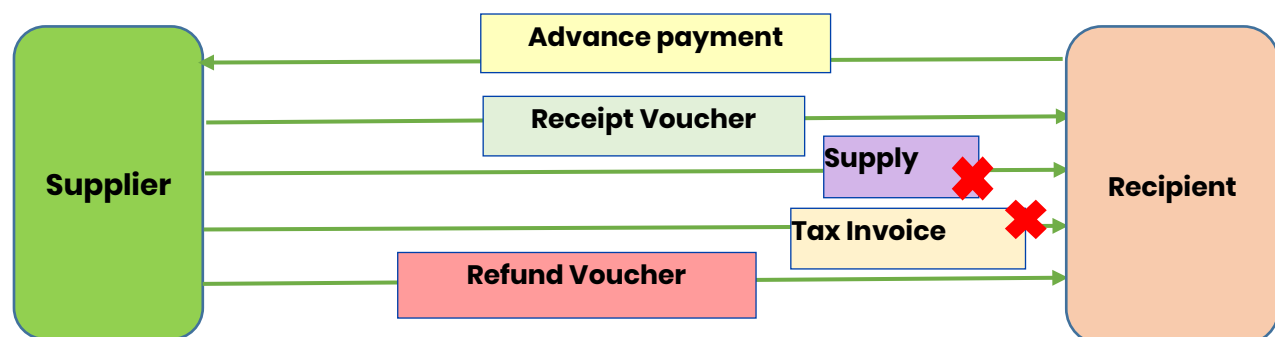
Receipt Voucher



Where at the time of receipt of advance, rate of tax/ nature of supply is not determinable

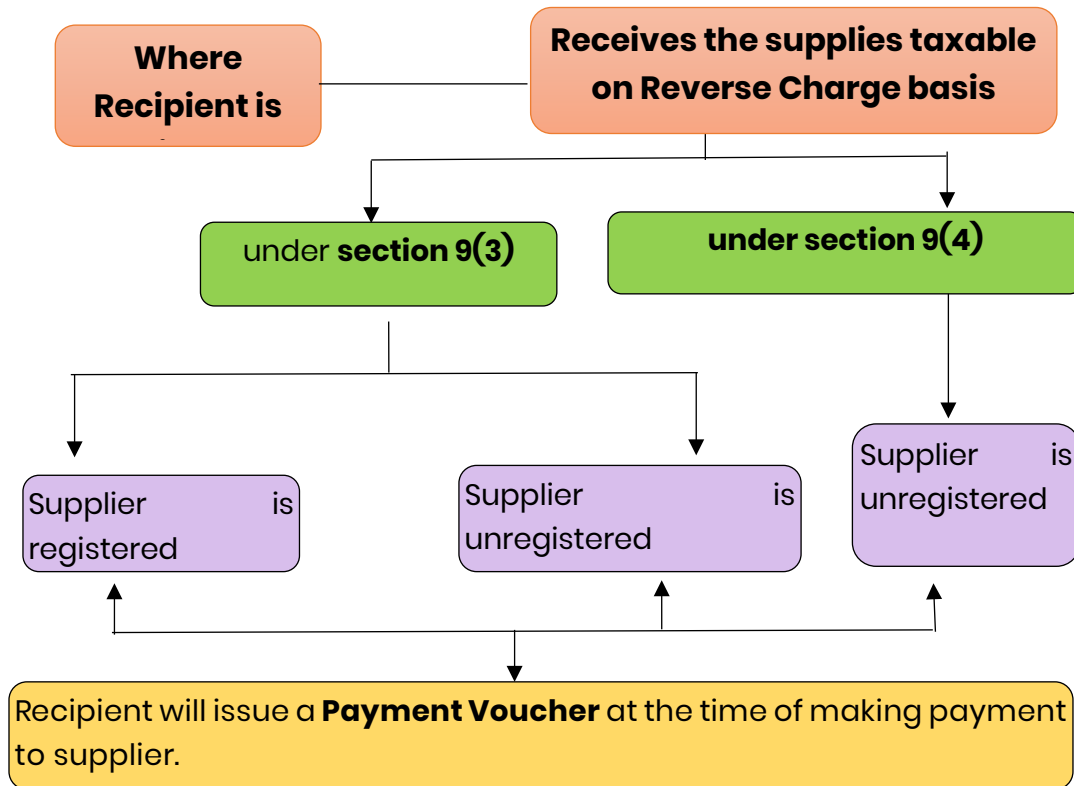
Where at the time of receipt of advance	
(i) rate of tax is not determinable	tax shall be paid at the rate of 18%
(ii) nature of supply is not determinable	same shall be treated as inter-State supply

Refund Voucher

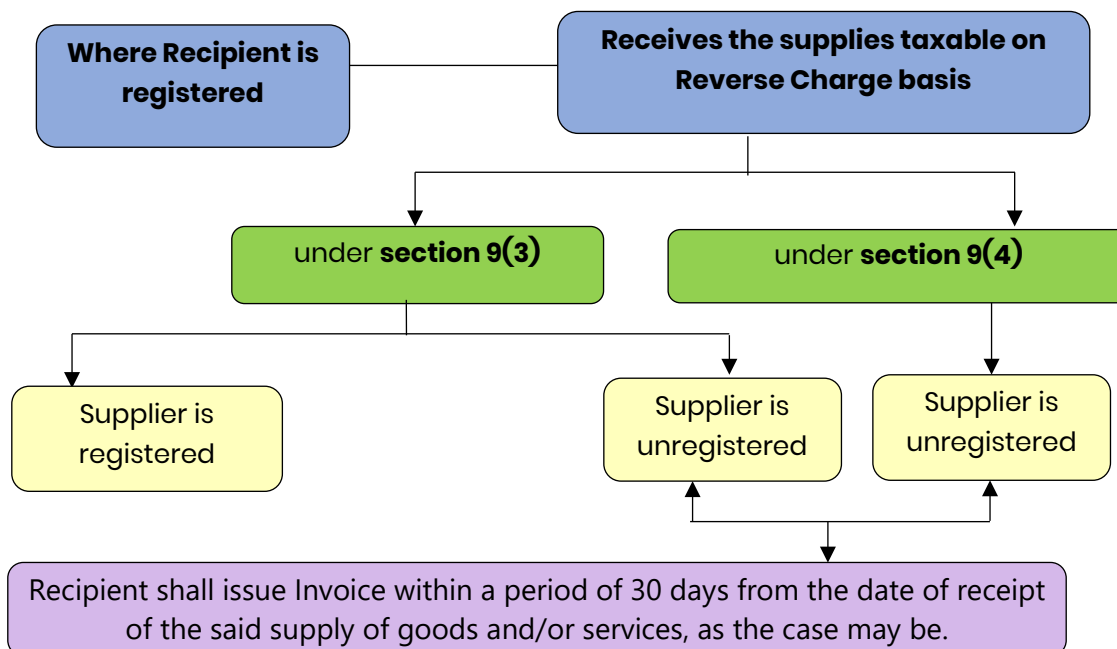


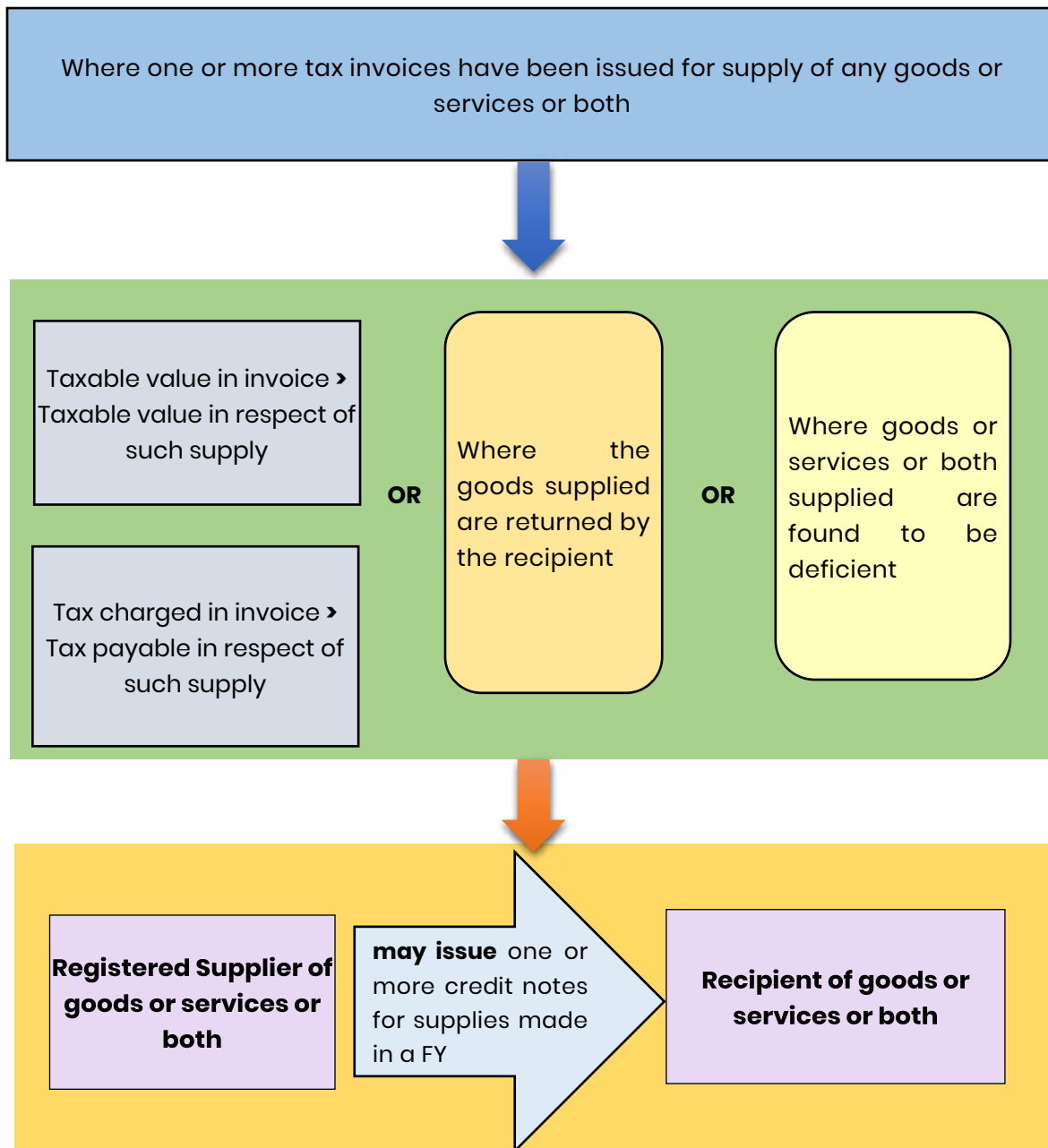
Invoice and Payment Vouchers

Payment Voucher



Invoice



Credit Notes

Debit Notes

Where one or more tax invoices have been issued for supply of any goods or services or both



Taxable value in invoice < Taxable value in respect of such supply

Tax charged in invoice < Tax payable in respect of such supply



**Registered Supplier of
goods or services or both**

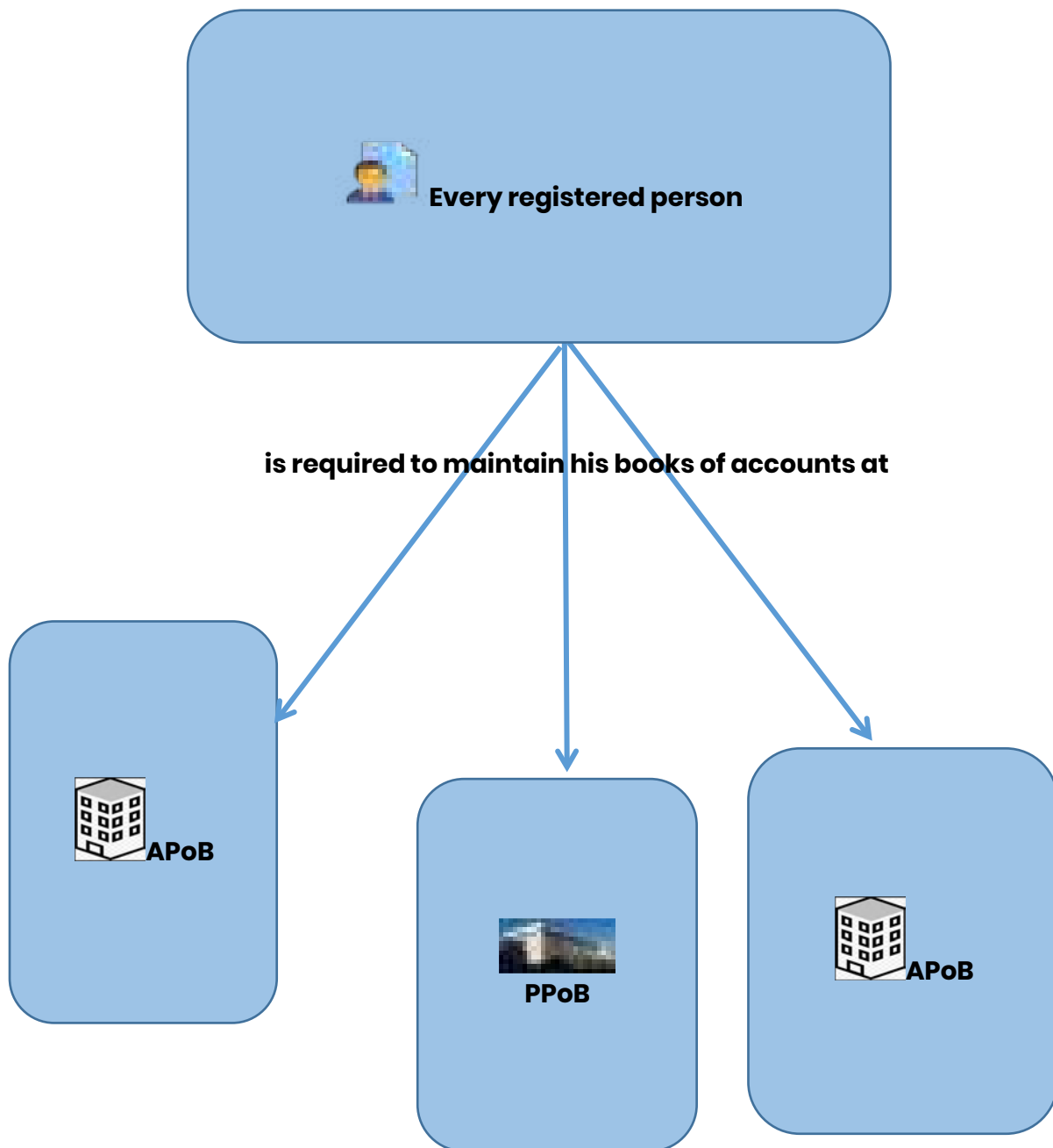
may issue one or more
debit notes for supplies
made in a FY

**Recipient of goods or
services or both**

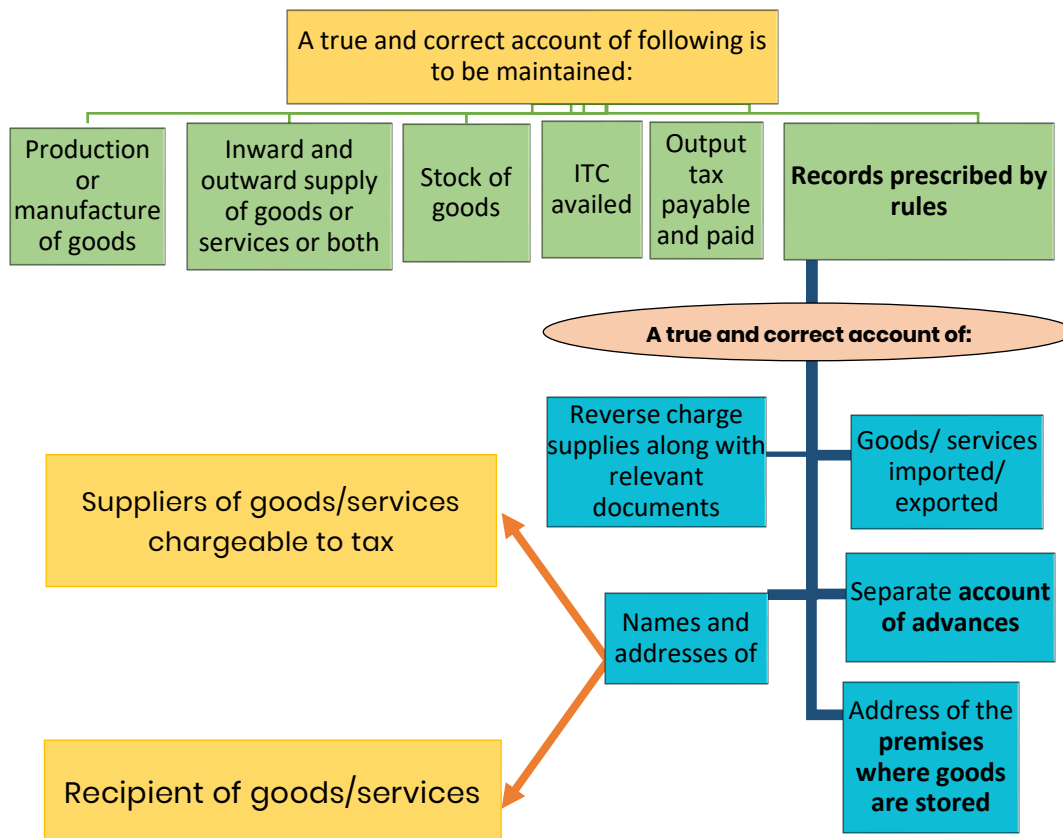


ACCOUNTS AND RECORDS; E WAY BILL

Who is required to maintain his books of accounts and at which place?



Accounts and records required to be maintained



Records which are to be maintained only by a supplier other than a supplier opting for composition levy

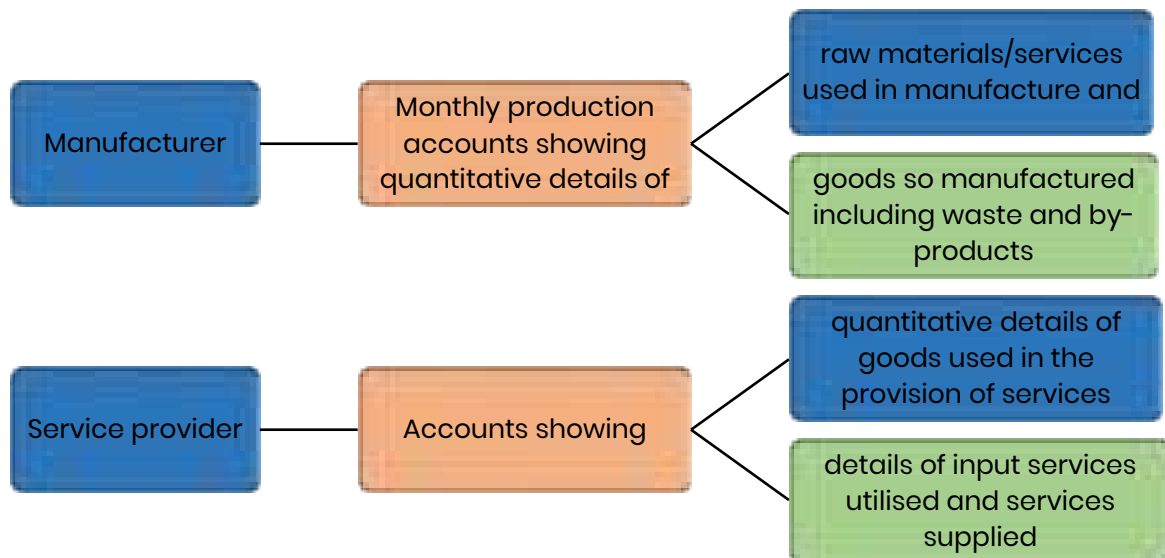
Account of stock of goods received and supplied including opening balance, receipt, supply, goods lost/stolen, destroyed, written off, gifted, free samples, stock balance.

Account of details of tax payable, collected and paid, ITC claimed, together with register of tax invoice, credit-debit notes, delivery challan issued/received during any tax period

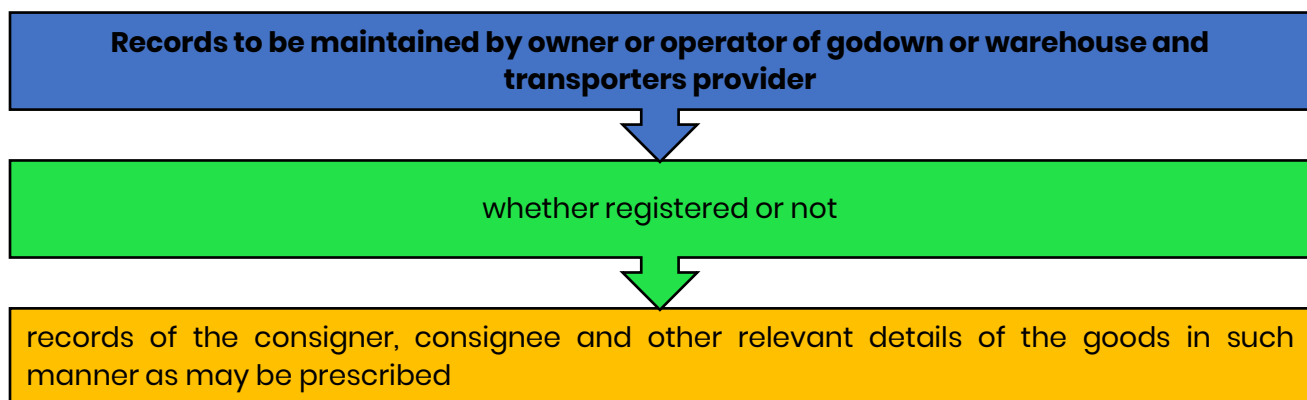
Records to be maintained by agent

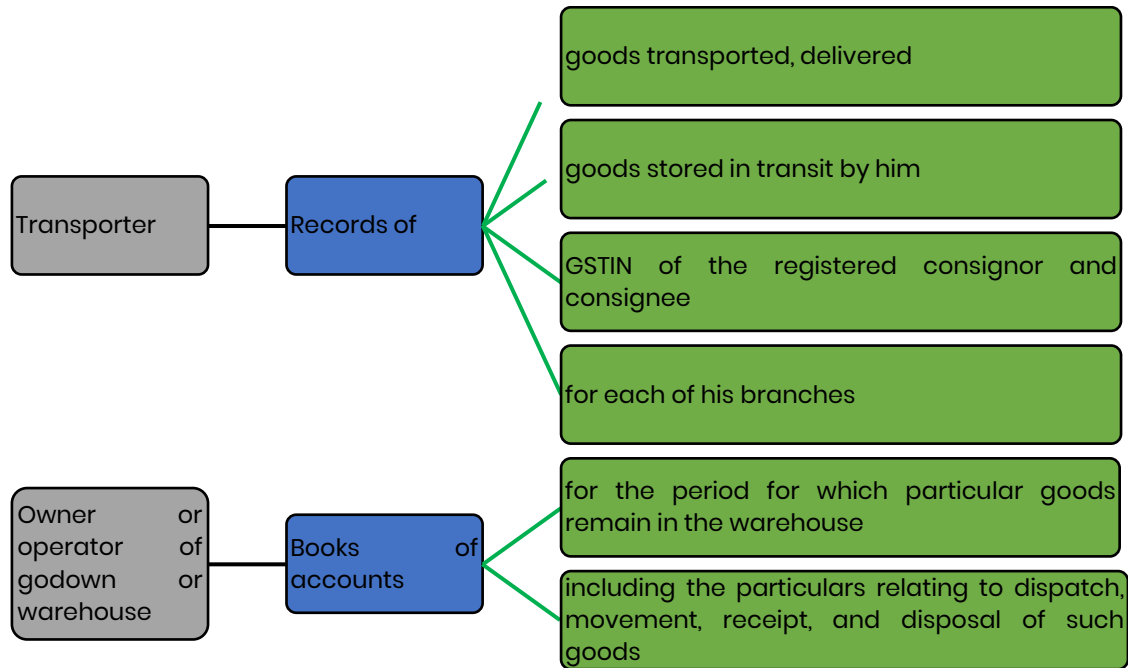


Records to be additionally maintained by a manufacturer and service provider

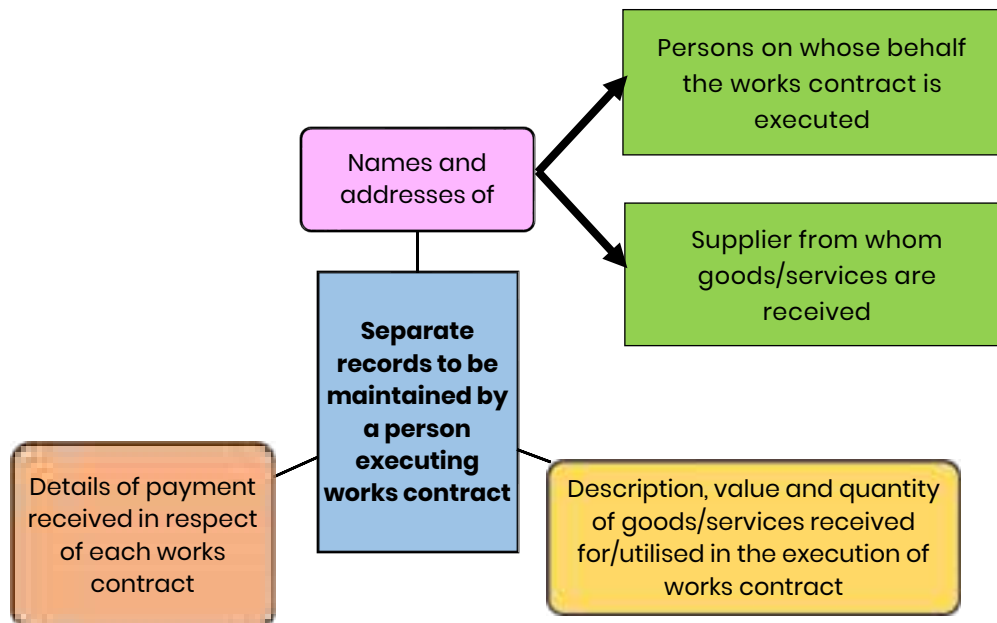


Records to be maintained by owner or operator of godown or warehouse and transporters provider

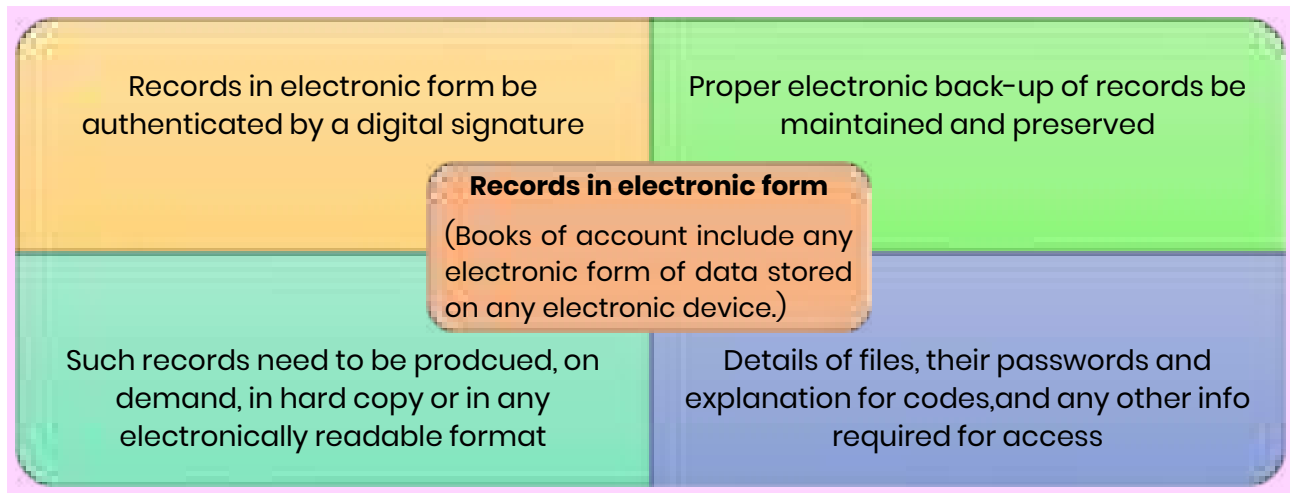




Separate records for works contract to be maintained by a person executing works contract



How the accounts and records will be maintained?



No entry to be erased/overwritten

Incorrect entries, other than those of clerical nature, be scored out under attestation and there after correct entry be recorded.

In case electronic records being maintained, a log of every entry edited or deleted shall be maintained.

Books of account maintained manually be serially numbered

Books of accounts, are required to be produced, on demand.

Failure to maintain the accounts

Failure to maintain the accounts

- PO shall determine the tax payable on the unaccounted goods and/or services, as if the same had been supplied by such person
- Provisions of section 74A shall, *mutatis mutandis*, apply for determination of such tax

Period of retention of accounts

72 months from the due date of furnishing of annual return for the year pertaining to such accounts and records

Where an appeal/ revision/ any other proceedings before any Appellate/ Revisional Authority or Appellate Tribunal or Court, or an investigation is going on

1 year after final disposal of such appeal/revision/proceedings/investigation
or

72 months from the due date of furnishing of annual return for the year pertaining to such accounts and records

whichever is later

E-Way Bill

Meaning of e-way bill and why is it required?	E-way bill is an electronic document generated on the GST portal evidencing movement of goods. Section 68 mandates that the Government may require the person in charge of a conveyance carrying any consignment of goods of value exceeding such amount as may be specified to carry with him such documents and such devices as may be prescribed. Rule 138 prescribes e-way bill as the document to be carried for the consignment of goods in certain prescribed cases.
When is required to be generated?	E-way Bill is mandatory in case of movement of goods of consignment value exceeding ₹ 50,000. Movement should be: (i) in relation to a supply; or (ii) for reasons other than supply; or (iii) due to inward supply from an unregistered person, Registered person causing movement of goods shall furnish the information relating to the said goods in Part A of Form GST EWB-01 before commencement of such movement. Exceptions to minimum consignment value of ₹ 50,000 ☐ Inter-State transfer of goods by principal to job-worker

	☐ Inter-State transfer of handicraft goods by a person exempted from obtaining registration	
Who causes movement of goods?	If supplier is registered and undertakes to transport the goods, movement of goods is caused by the supplier. If recipient arranges transport, movement would be caused by him. If goods are supplied by an unregistered supplier to a registered recipient, movement shall be caused by such recipient (known at time of commencement of movement of goods).	
Information to be furnished in e-way bill	Part A: to be furnished by the registered person** who is causing movement of goods.	Part B: to be furnished by the person who is transporting the goods.
	**However, information in Part-A may be furnished: ☐ by the transporter if authorised or ☐ by the e-commerce operator/courier agency, if authorised, where the goods are supplied through them.	
Who can generate the e-way bill?	E-way bill is to be generated by the registered consignor or consignee (if the transportation is being done in own/hired conveyance or by railways by air or by vessel) or the transporter (if the goods are handed over to a transporter for transportation by road). Where neither the consignor nor consignee generates the e-way bill and the value of goods is more than ₹ 50,000 it shall be the responsibility of the transporter to generate it.	
Other points	☐ Goods transported by railways shall be delivered only on production of e-way bill. ☐ E-way bill can be optionally generated even if consignment value is less than ₹ 50,000.	
Details of conveyance may not be furnished in Part-B	In case of intra-State movement of goods upto 50 km distance: ❖ from place of business (PoB) of consignor to PoB of transporter for further transportation or ❖ from PoB of transporter finally to PoB of the consignee.	
Transfer of goods to another conveyance	In such cases, the transporter or generator of the e-way bill shall update the new vehicle number in Part B of the EWB before such transfer and further movement of goods.	

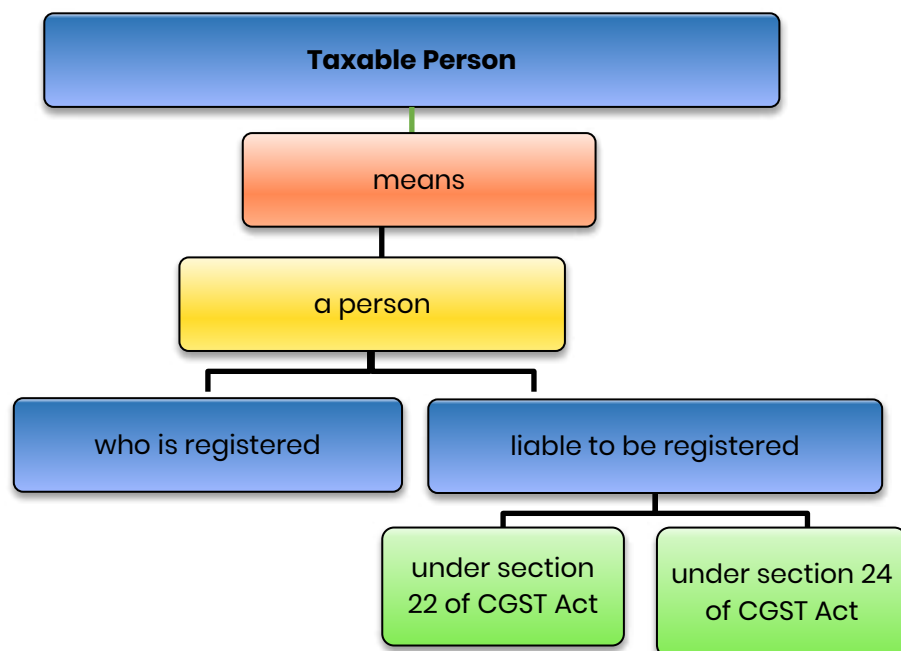
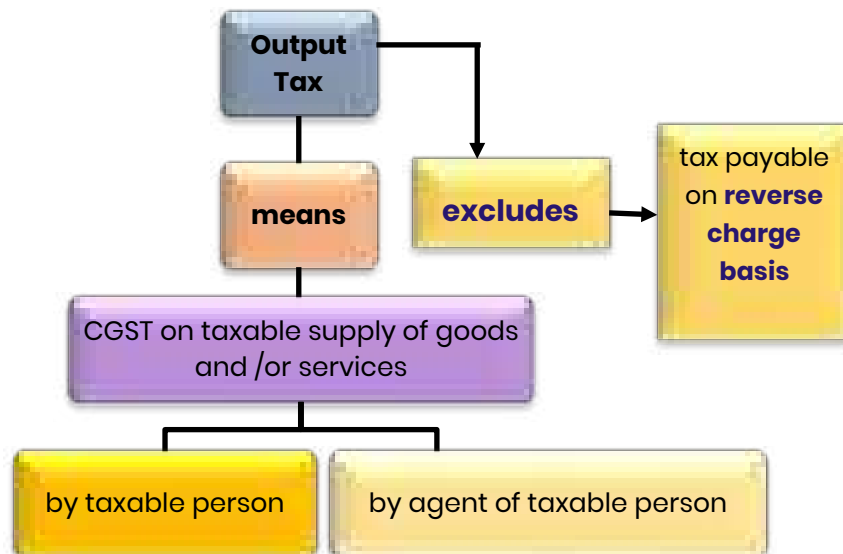
Persons, who are required to submit details electronically on the common portal to generate a unique enrolment number	❖ An unregistered person making Inter-State transport of handicraft goods, who is exempted from compulsory registration and required to generate E-way Bill irrespective of consignment value. ❖ An unregistered person opting to generate E-way bill.		
Consolidated E-way Bill in case of road transport	After e-way bill has been generated, where multiple consignments are intended to be transported in one conveyance, the transporter may indicate the serial number of e-way bills generated in respect of each such consignment electronically on the common portal and a consolidated e-way bill in Form GST EWB-02 may be generated by him on the said common portal prior to the movement of goods. Where the consignor/consignee has not generated the e-way bill in Form GST EWB-01 and the aggregate of the consignment value of goods carried in the conveyance is more than ₹ 50,000, the transporter shall generate individual Form GST EWB-01 on the basis of invoice or bill of supply or delivery challan and may also generate a consolidated e-way bill in Form GST EWB-02 prior to the movement of goods.		
Cancellation of e-way bill	E-way bill can be cancelled if either goods are not transported or are not transported as per the details furnished in the e-way bill. The e-way bill can be cancelled within 24 hours from the time of generation.		
Validity period of e-way bill/ consolidated e-way bill	Sl. No.	Distance within country	Validity period from relevant date
	1.	Upto 200 km	One day in cases other than Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship
	2.	For every 200 km or part thereof thereafter	One additional day in cases other than Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship

	3.	Upto 20 km	One day in case of Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship
	4.	For every 20 km or part thereof thereafter	One additional day in case of Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship
Acceptance/ rejection of e-way bill	The details of e-way bill generated shall be made available to the supplier (where information in Part A is furnished by recipient/transporter) or recipient (where information in Part A is furnished by supplier/transporter), if registered, on the common portal, who shall communicate his acceptance or rejection of the consignment covered by the e-way bill. In case, the supplier/ recipient does not communicate his acceptance or rejection within 72 hours of the details being made available to him on the common portal, or time of delivery of goods whichever is earlier, it shall be deemed that he has accepted the said details.		
Is e-way bill required in all cases?	E-way bill is not required to be generated in certain specified cases.		
Documents/ devices to be carried by person-in-charge of a conveyance	☐ invoice or bill of supply or delivery challan ☐ copy of the e-way bill in physical form or the e-way bill number in electronic form or mapped to a RFID embedded on to the conveyance except in case of movement of goods by rail or by air or vessel		
Verification of documents and conveyances	Commissioner or an officer empowered by him in this behalf may authorise the proper officer to intercept any conveyance to verify the e-way bill or the e-way bill number in physical form or electronic form for all inter-State and intra-State movement of goods. Physical verification of a specific conveyance can also be carried out by any officer, on receipt of specific information on evasion of tax, after obtaining necessary approval of the Commissioner or an officer authorised by him in this behalf.		

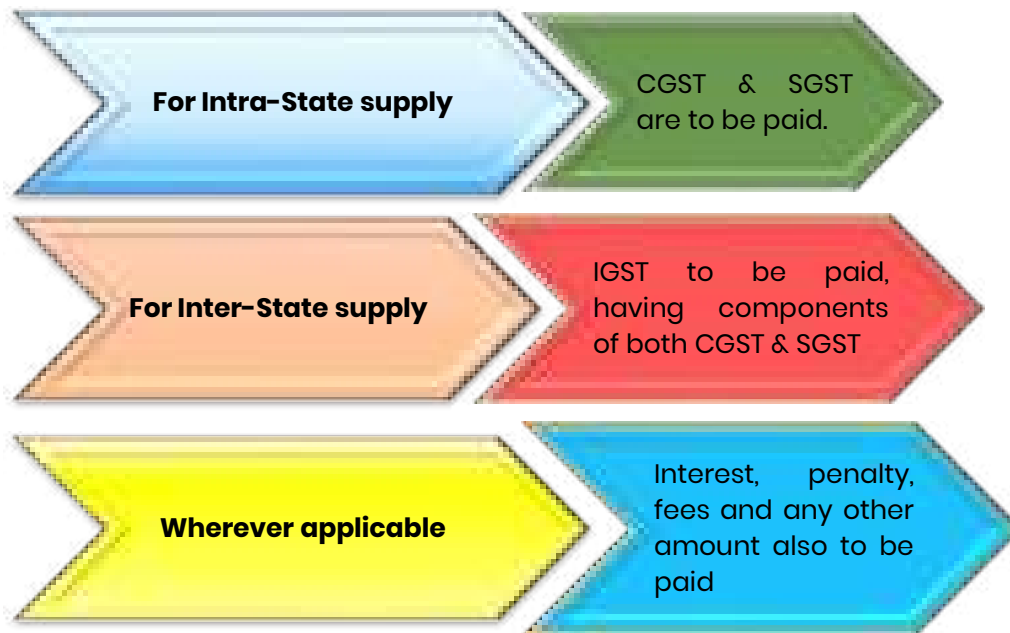
Inspection and verification of goods	A summary report of every inspection of goods in transit shall be recorded online on the common portal by the proper officer within 24 hours of inspection and the final report shall be recorded within 3 days of such inspection. Once physical verification of goods being transported on any conveyance has been done during transit at one place within the State or in any other State, no further physical verification of the said conveyance shall be carried out again in the State, unless a specific information relating to evasion of tax is made available subsequently. Where a vehicle has been intercepted and detained for a period exceeding 30 minutes, the transporter may upload the said information in on the common portal.
Restriction on furnishing of information in Part A of Form GST EWB-01	No person (including a consignor, consignee, transporter, an e-commerce operator or a courier agency) shall be allowed to furnish the information in Part A of Form GST EWB-01, in respect of any outward movement of goods of a registered person, who – (i) being a composition supplier has not furnished the statement for payment of self-assessed tax for 2 consecutive quarters, or (ii) being a person paying tax under regular scheme has not furnished the returns for a consecutive period of 2 tax periods, or (iii) being a person paying tax under regular scheme has not furnished GSTR-1 for any 2 months or quarters, as the case may be, or (iv) being a person whose registration has been suspended. However, Commissioner (jurisdictional commissioner) may, on sufficient cause being shown and for reasons to be recorded in writing, allow furnishing of the said information in Part A of Form GST EWB-01, subject to prescribed conditions and restrictions.

PAYMENT OF TAX

Definitions of Certain Key Terms



Payments to be made in GST regime



Key Features of Payment process

Electronically generated challan from GSTN common portal in all modes of payment and no use of manually prepared challan;

Facilitation for the tax payer by providing hassle free, anytime, anywhere mode of payment of tax;

Convenience of making payment online;

Logical tax collection data in electronic format;

Faster remittance of tax revenue to the Government Account;

Paperless transactions;

Speedy Accounting and reporting;

Electronic reconciliation of all receipts;

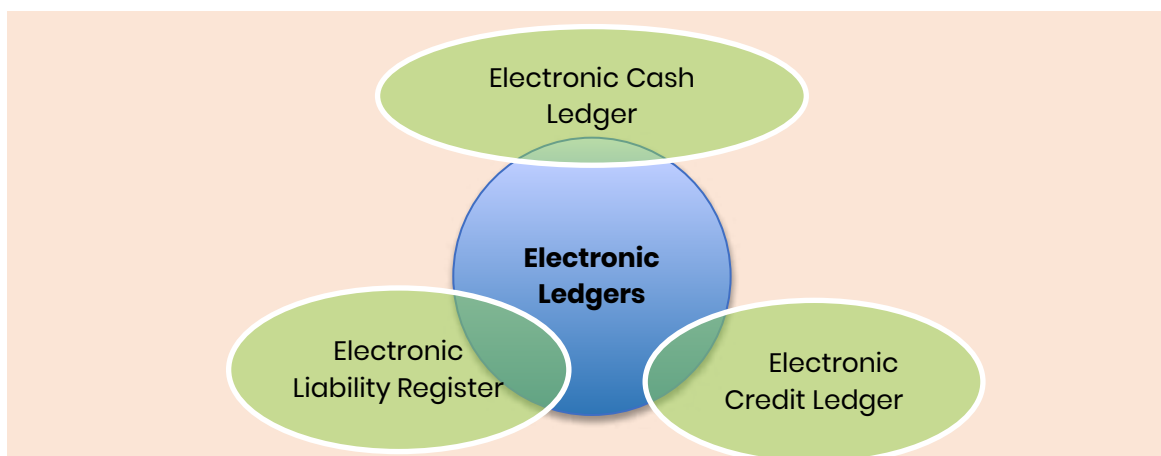
Simplified procedure for banks;

Warehousing of Digital Challan.

What are E-Ledgers/Registers?

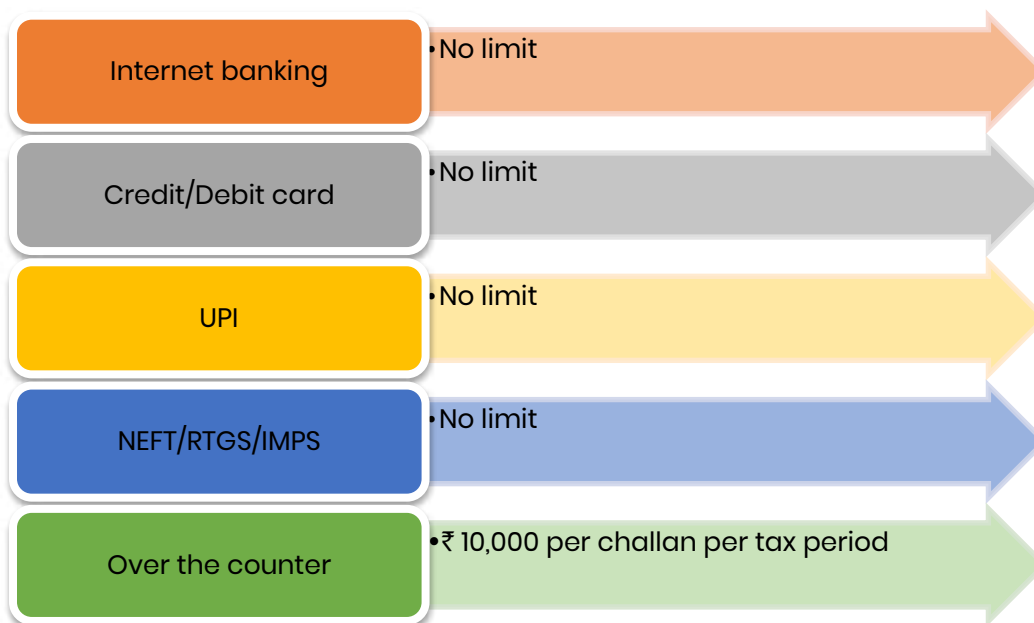
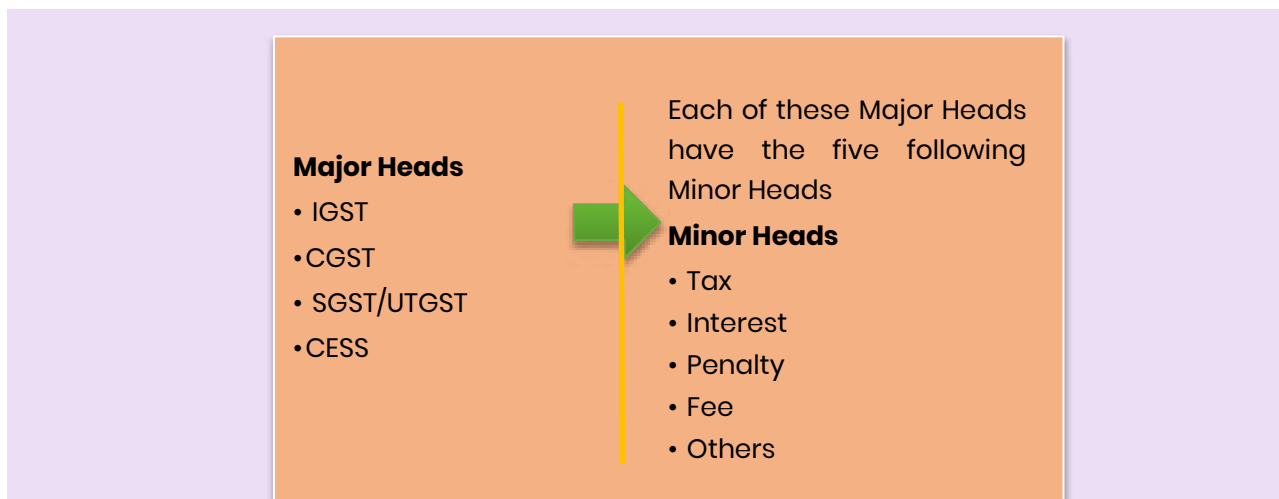
Electronic ledgers or E-Ledgers are statements of cash and input tax credit in respect of each registered taxpayer. In addition, each taxpayer shall also have an electronic liability register.

Types of Electronic ledgers/Registers



A. Electronic Cash Ledger



Modes of deposit in Electronic Cash Ledger**Major and minor Heads of payment****Date of deposit of tax dues**

Which date is considered as date of deposit of the tax dues ?		
(i)	Date of presentation of cheque	×
(ii)	Date of payment	×
(iii)	Date of credit of amount in the account of government by Debit of Electronic Cash Ledger/Electronic credit ledger	✓

B. Electronic credit ledger

Order of utilisation of input tax credit available in electronic credit ledger

ITC	Order of utilisation	
	(1)	(2)
IGST	IGST	CGST/SGST/UTGST- <u>any order</u>
ITC of IGST to be completely exhausted first, mandatorily		
CGST	CGST	IGST
ITC of CGST has been utilized fully before utilizing SGST for payment of IGST		
SGST/UTGST	SGST/UTGST	IGST

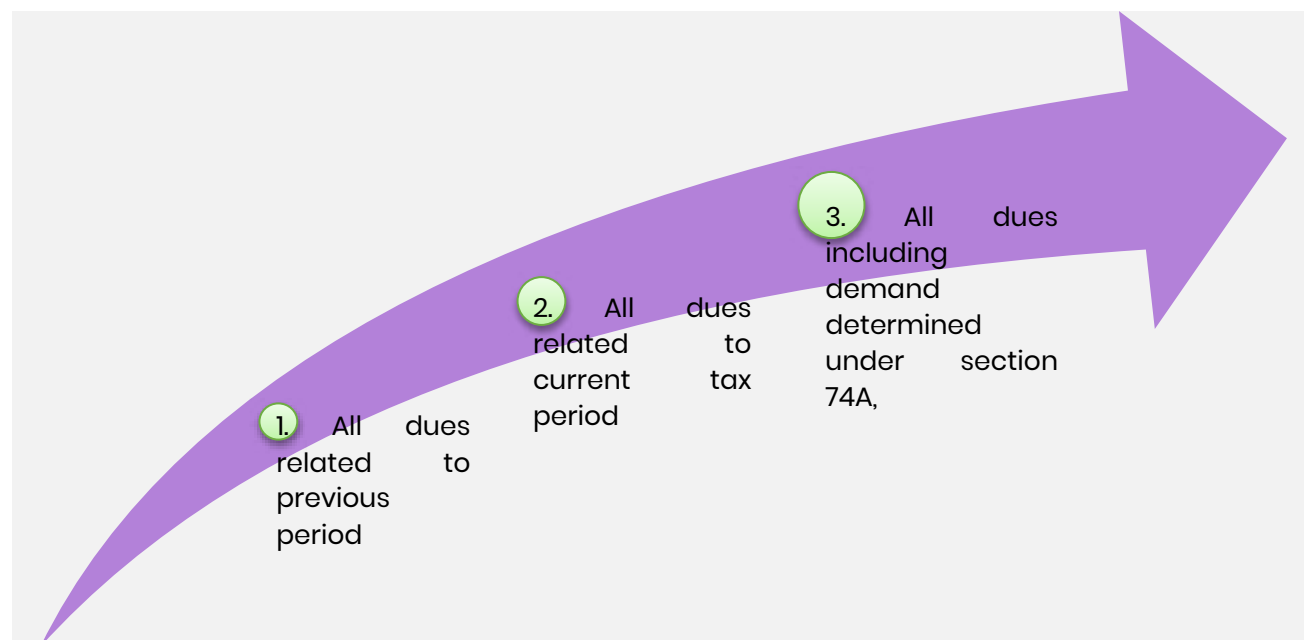


The CGST credit cannot be utilized for payment of SGST/UTGST.

The SGST/UTGST credit cannot be utilized for payment of CGST.

C. Electronic liability register

Order of discharge of liability of taxable person



Manner of making payment

Through debit of Electronic Credit Ledger	In cash, by debit in the Electronic Cash Ledger
Through debit of Credit Ledger of the tax payer maintained on the Common portal – ONLY Tax can be paid.	Payment can be made in cash, by debit in the Cash Ledger of the tax payer maintained on the common portal.

E-Ledgers

Electronic Cash Ledger

- It will reflect all deposits made in cash, and TDS/TCS made on account of the tax payer.
- This ledger can be used for making **ANY PAYMENT** towards tax, interest, penalty, fees or any other amount on account of GST.

Electronic Credit Ledger

- It will reflect Input Tax Credit as self-assessed in monthly returns.
- The credit in this ledger can be used to make payment of **ONLY TAX** i.e. output tax and not other amounts such as interest, penalty, fees etc.

Electronic Liability Register

- Electronic Liability Register will reflect the total tax liability of a taxpayer (after netting) for the particular month.

Payment of tax via Electronic Ledger

A. Electronic Cash Ledger

(Assume it as an account statement provided by bank, for easy understanding)

Debit Amount (DR)	Credit Amount (CR)
• Credit amount of this ledger may be used for payment of tax, interest, fees etc. • Remaining credit balance amount after payment of above tax etc. can be claimed as refund by taxable person.	• Any deposit made towards tax, interest, penalty, late fee etc. via internet banking, RTGS, IMPS/ fund transfer etc. • TDS/TCS claimed



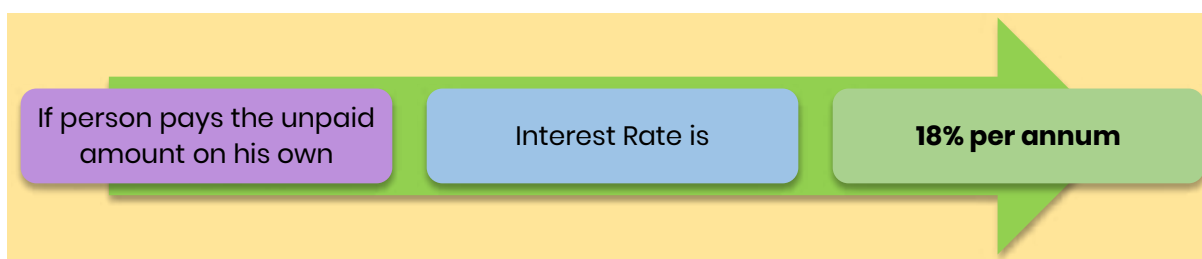
B. Electronic Credit ledger

Debit Amount (DR)	Credit Amount (CR)
Credit amount of this ledger may be used for payment of output tax viz IGST, CGST, SGST, UTGST in the prescribed order.	Input Tax credit as self-assessed in the return in the form of IGST, CGST, SGST, UTGST

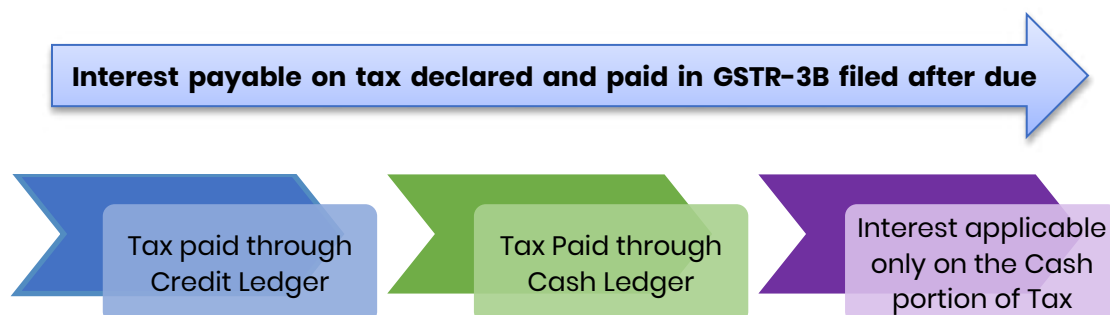
C. Electronic Liability Register

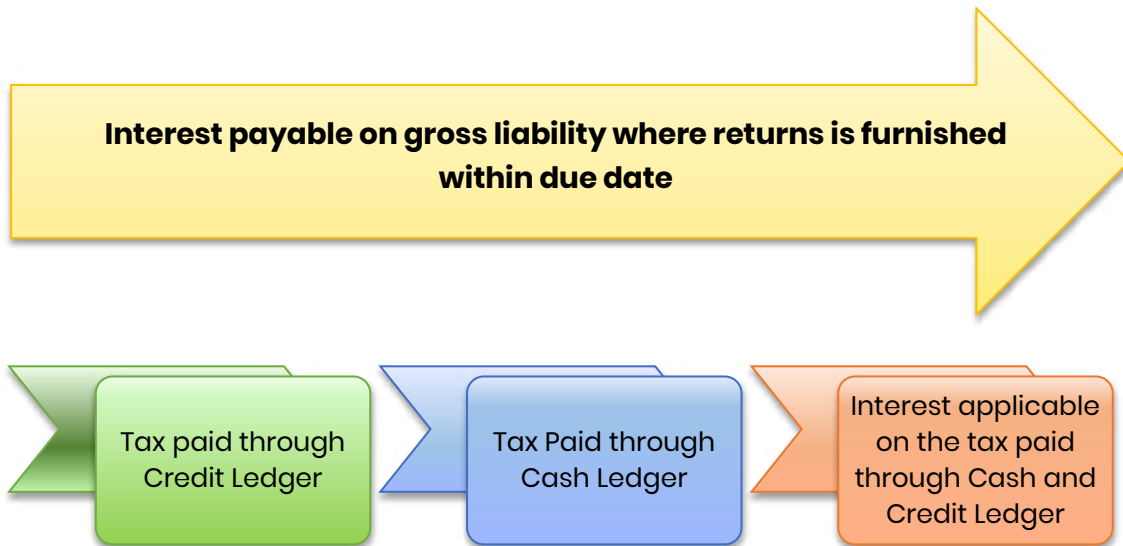
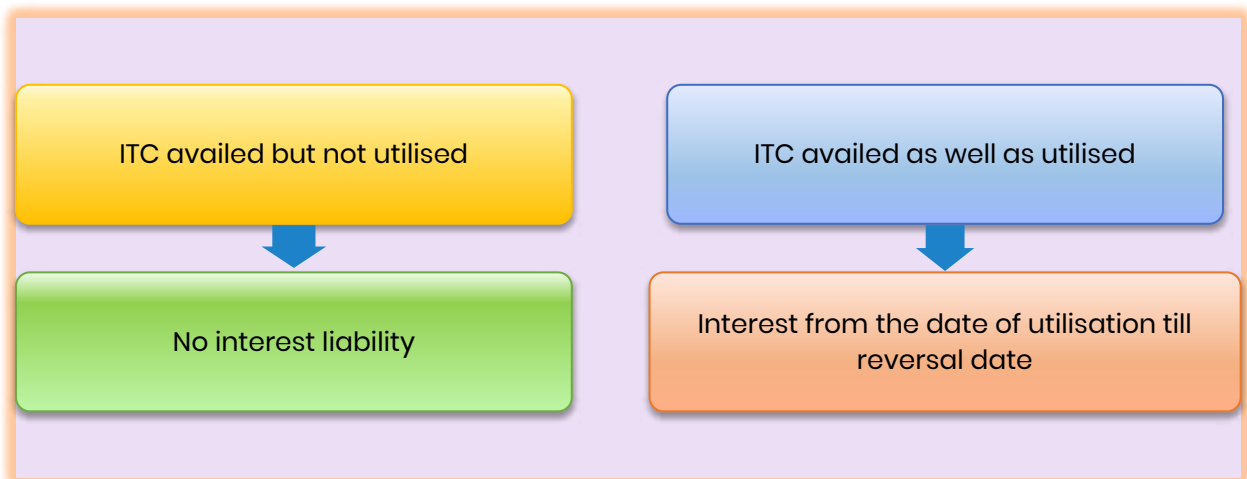
Debit Amount (DR)	Credit Amount (CR)
- Amount payable towards tax, interest, fees etc. - Tax or interest payable due to mismatch - Any other dues	Electronic cash ledger
Amount payable towards output tax	Electronic credit ledger

Interest on delayed payment of tax [Section 50]

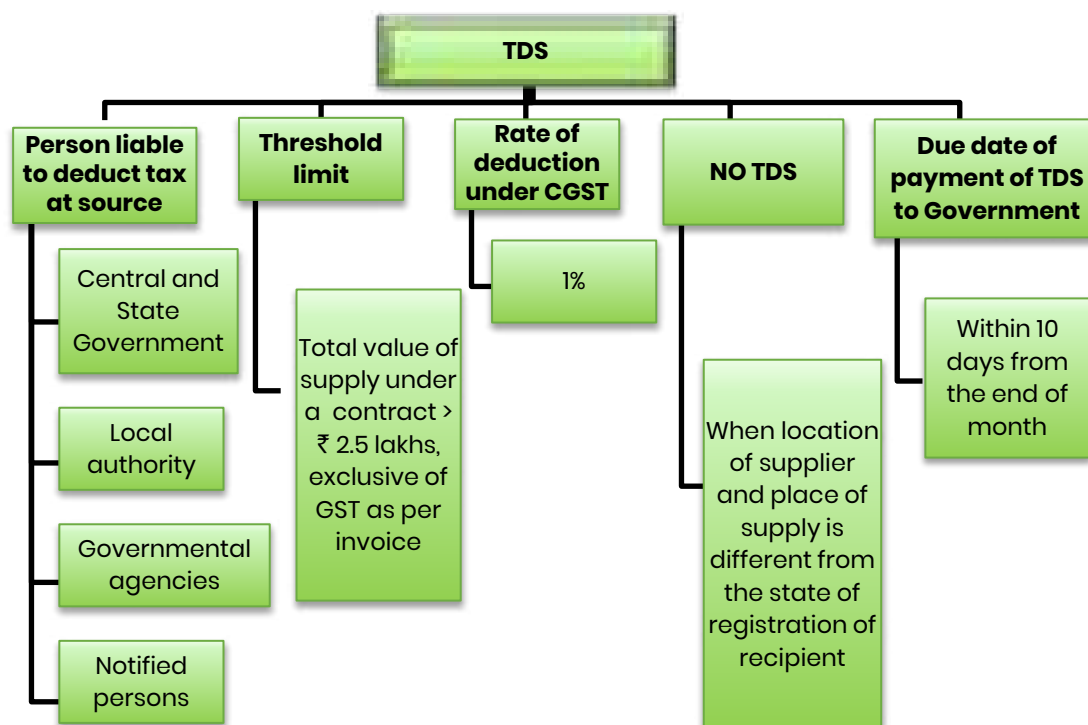
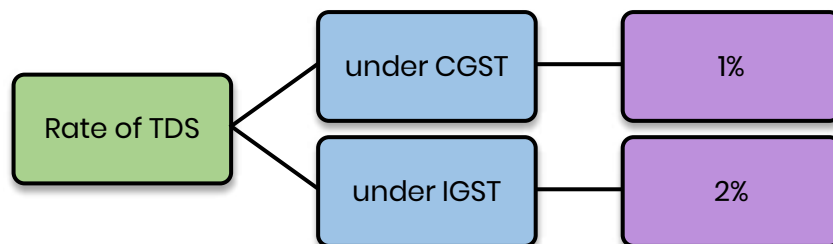


Interest payable on the net cash liability of taxes [Section 50(1)]



Interest payable on the gross tax liability [Section 50(1)]**Interest payable due to wrongful availment and utilisation of ITC [Section 50(3)]**

Rate of TDS



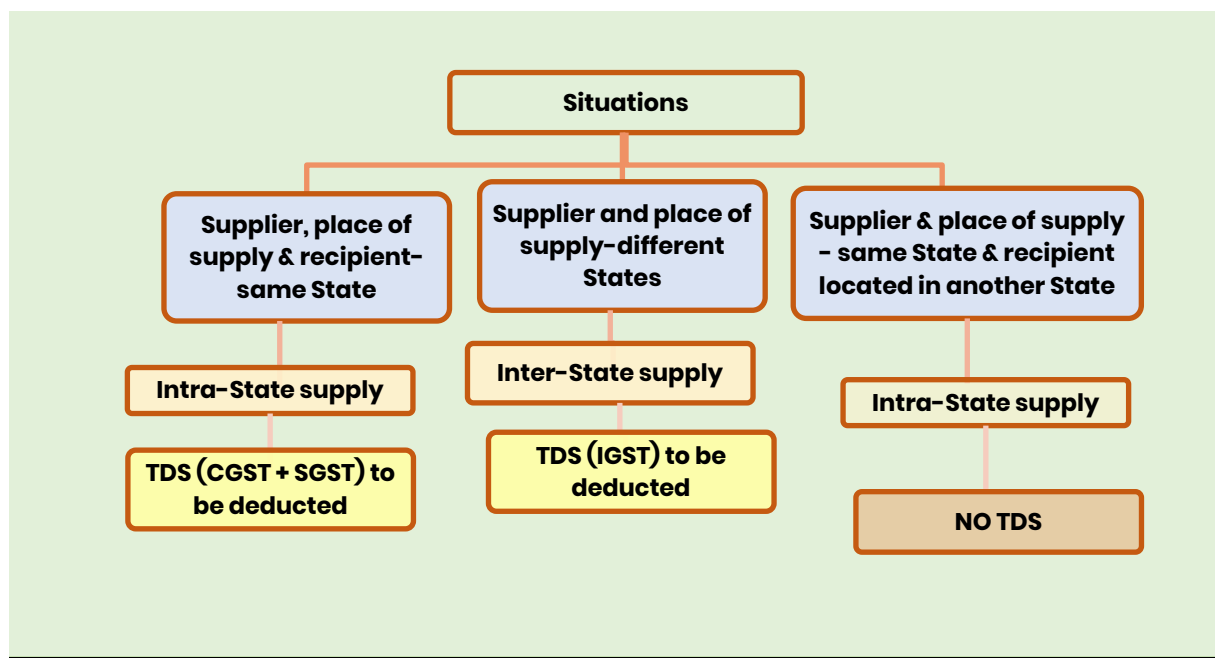
Manner of account of TDS by TDS deductor

1.	Such deductor need to get compulsorily registered under section 24 of the CGST/SGST Act.
2.	They need to remit such TDS collected by the 10 th day of the month succeeding the month in which TDS was collected.
3.	The amount deposited as TDS will be reflected in the electronic cash ledger of the supplier.

Manner of account of TDS by supplier

- ❖ Any amount shown as TDS will be reflected in the electronic cash ledger of the concerned supplier.
- ❖ He can utilize this amount towards discharging his liability towards tax, interest fees and any other amount.

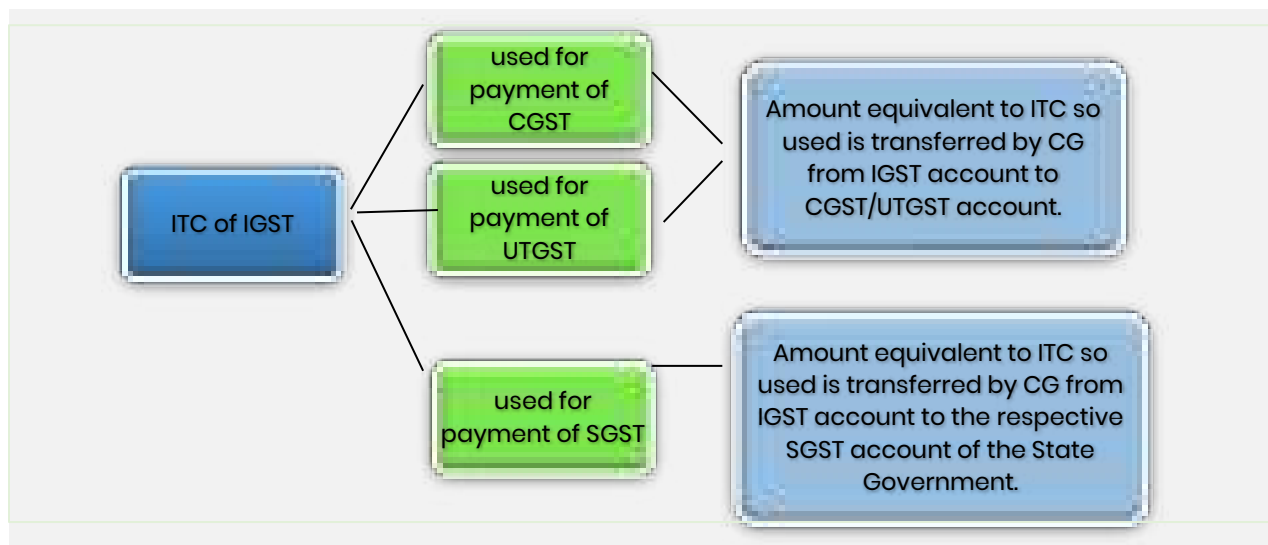
Applicability of TDS



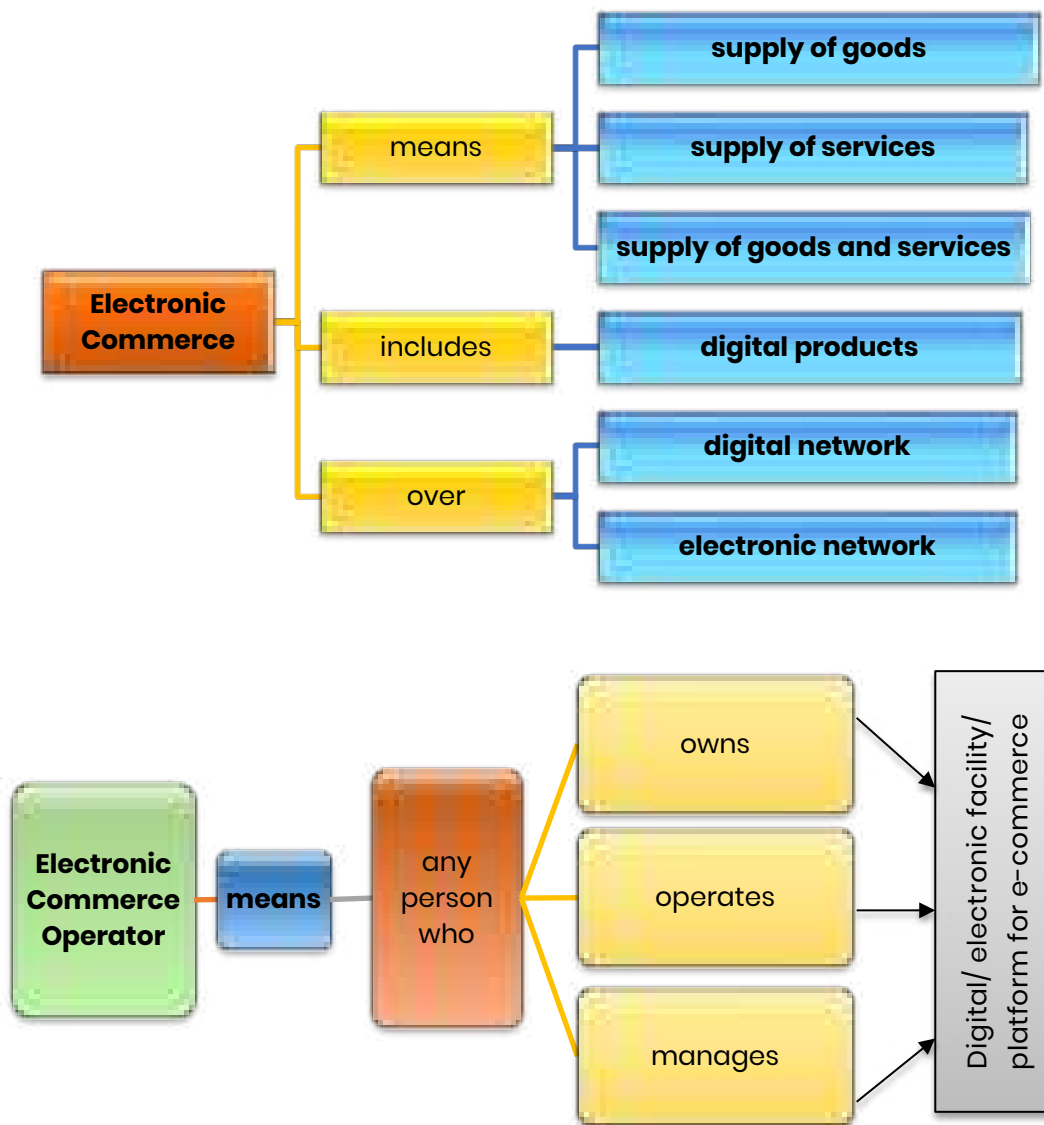
Consequences of not complying with TDS provisions

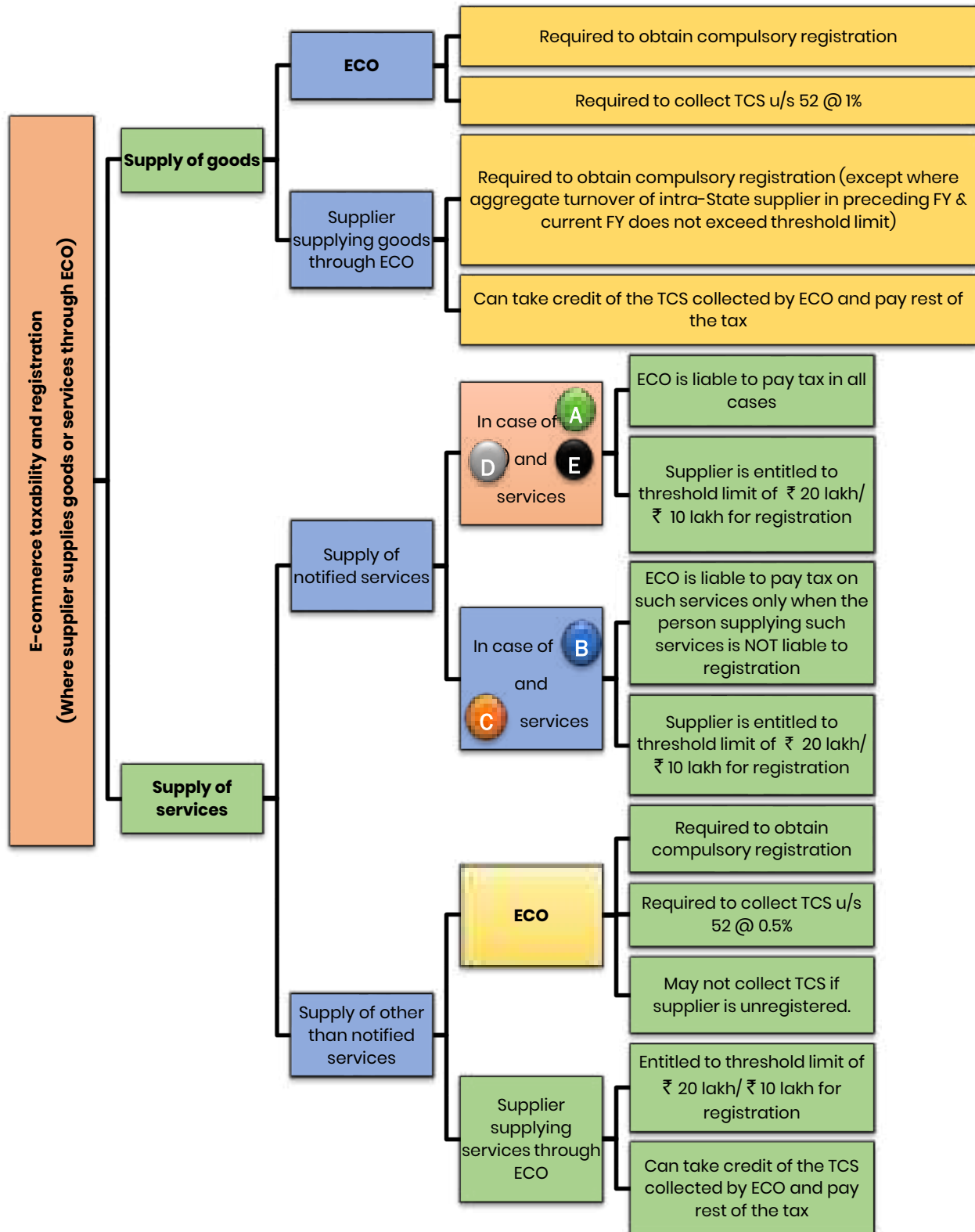
S. No.	Event	Consequence
1.	TDS not deducted	Interest to be paid along with the TDS amount; else the amount shall be determined and recovered as per the law
2.	TDS deducted but not paid to the Government or paid later than 10th of the succeeding month	Interest to be paid along with the TDS amount; else the amount shall be determined and recovered as per the law

Transfer of input tax credit [Section 53 of CGST Act & Section 18 of IGST Act]



ELECTRONIC COMMERCE TRANSACTIONS



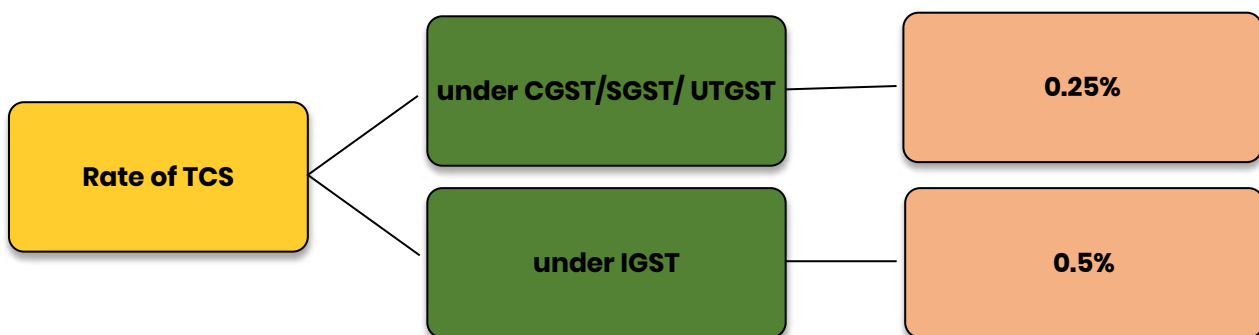


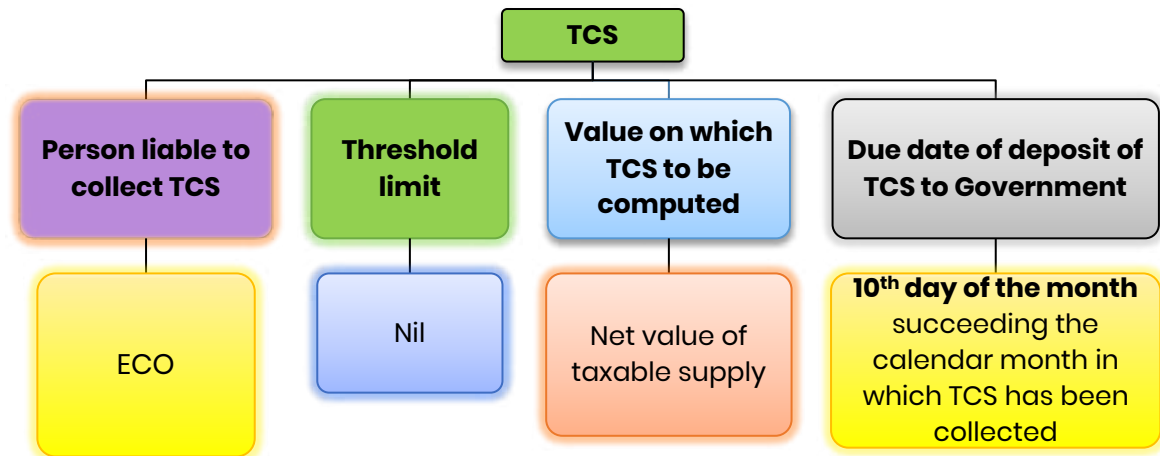
Where:

- A** services by way of transportation of passengers by a radio-taxi, motorcab, maxicab, motor cycle, or any other motor vehicle except omnibus;
- B** services by way of providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, except where the person supplying such service through electronic commerce operator is liable for registration under section 22(1).
- C** services by way of house-keeping, such as plumbing, carpentering etc, except where the person supplying such service through electronic commerce operator is liable for registration under section 22(1).
- D** supply of restaurant service other than the services supplied by restaurant, eating joints etc. located at specified premises.
- E** services by way of transportation of passengers by an omnibus except where the person supplying such service through electronic commerce operator is a company.

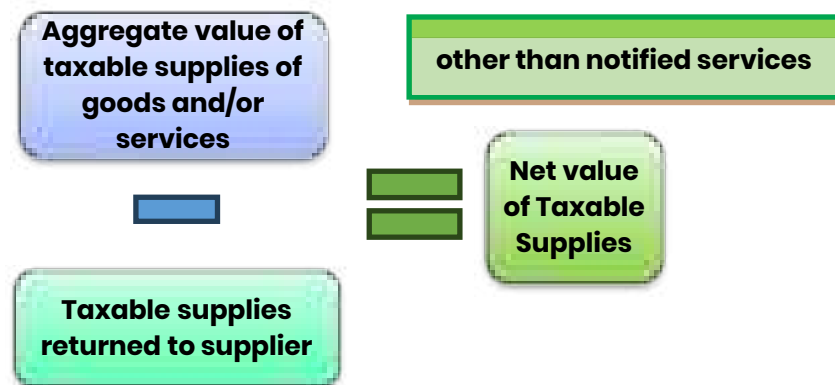
TCS PROVISIONS UNDER SECTION 52

Rate of TCS





Net Value of Taxable Supplies



RETURNS

1. Meaning of Returns

Return

A statement of information furnished by the taxpayer, to tax administrators, at regular intervals.

Filing of returns constitutes the most important compliance procedure which enables the Government/ tax administrator to estimate the tax collection for a particular period and determine the correctness and completeness of the tax compliance of the taxpayers.

2. Modes of filing Returns

All the returns are to be filed online.

Modes of filing return

GSTN portal (www.gst.gov.in)

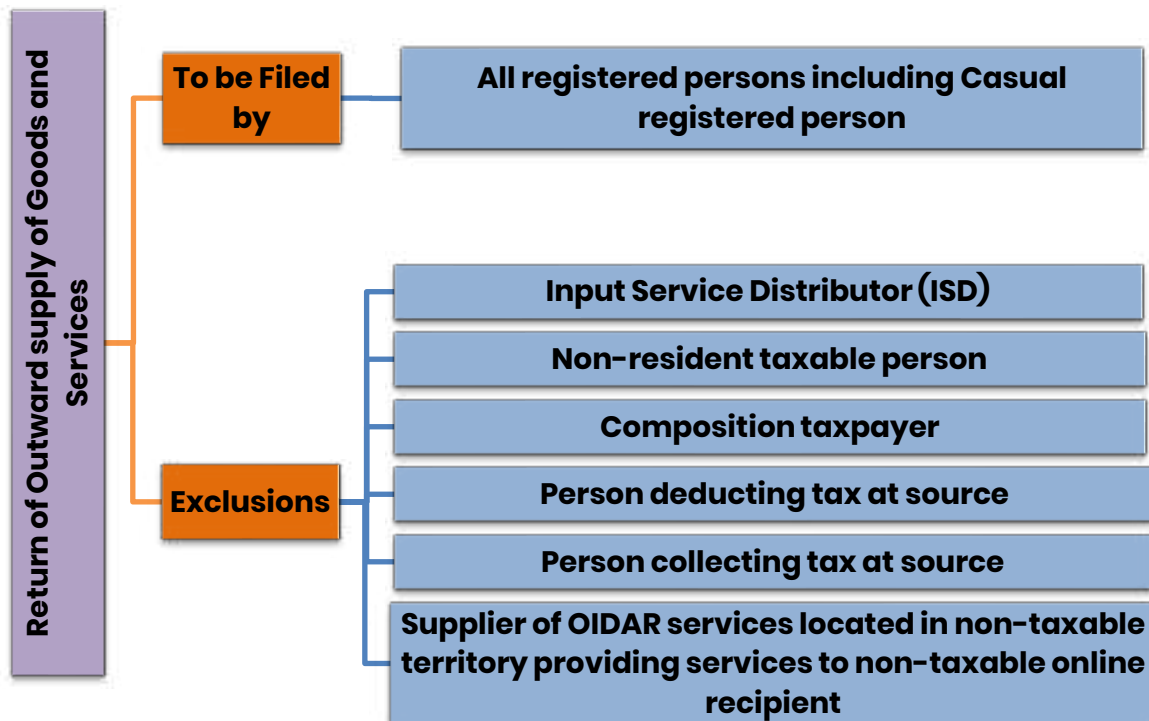
Offline utilities provided by GSTN

GST Suvidha Providers (GSPs)

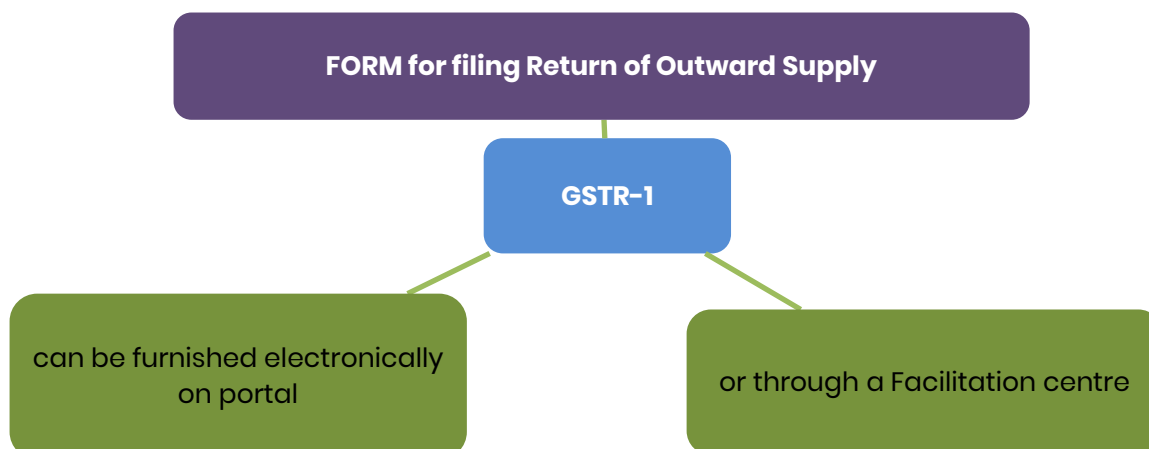


3. Furnishing details of outward supplies [Section 37 read with Rule 59]

Who is required to furnish the details of outward supplies?

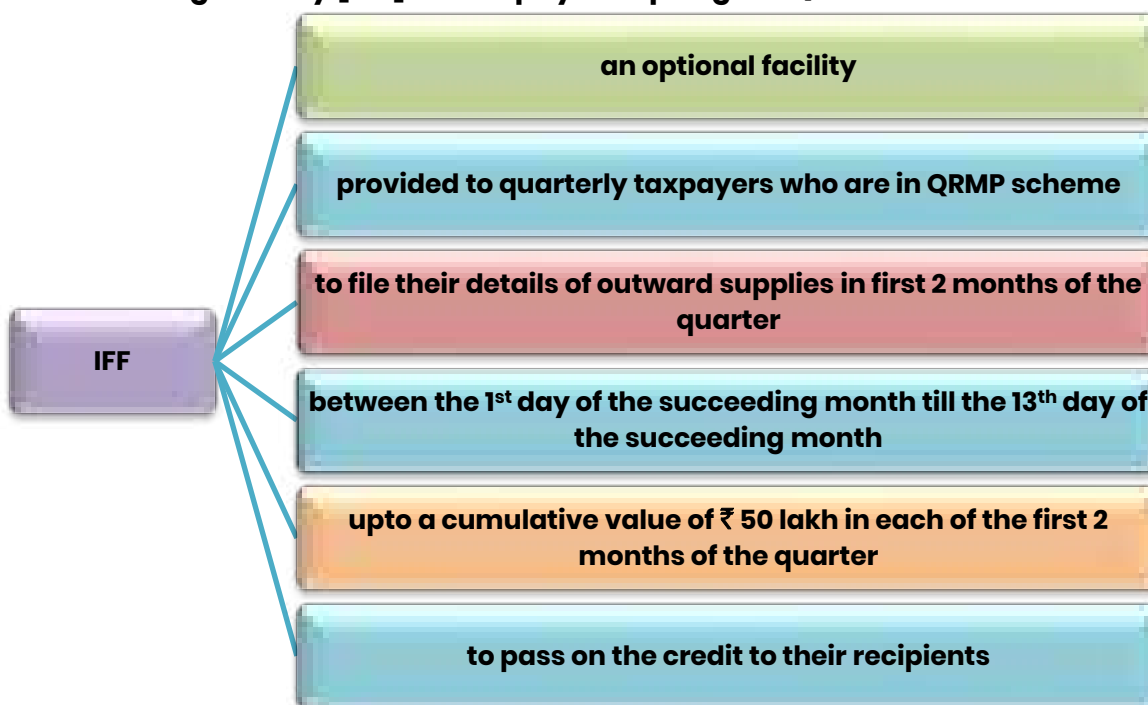


What is the form for submission of details of outward supplies?

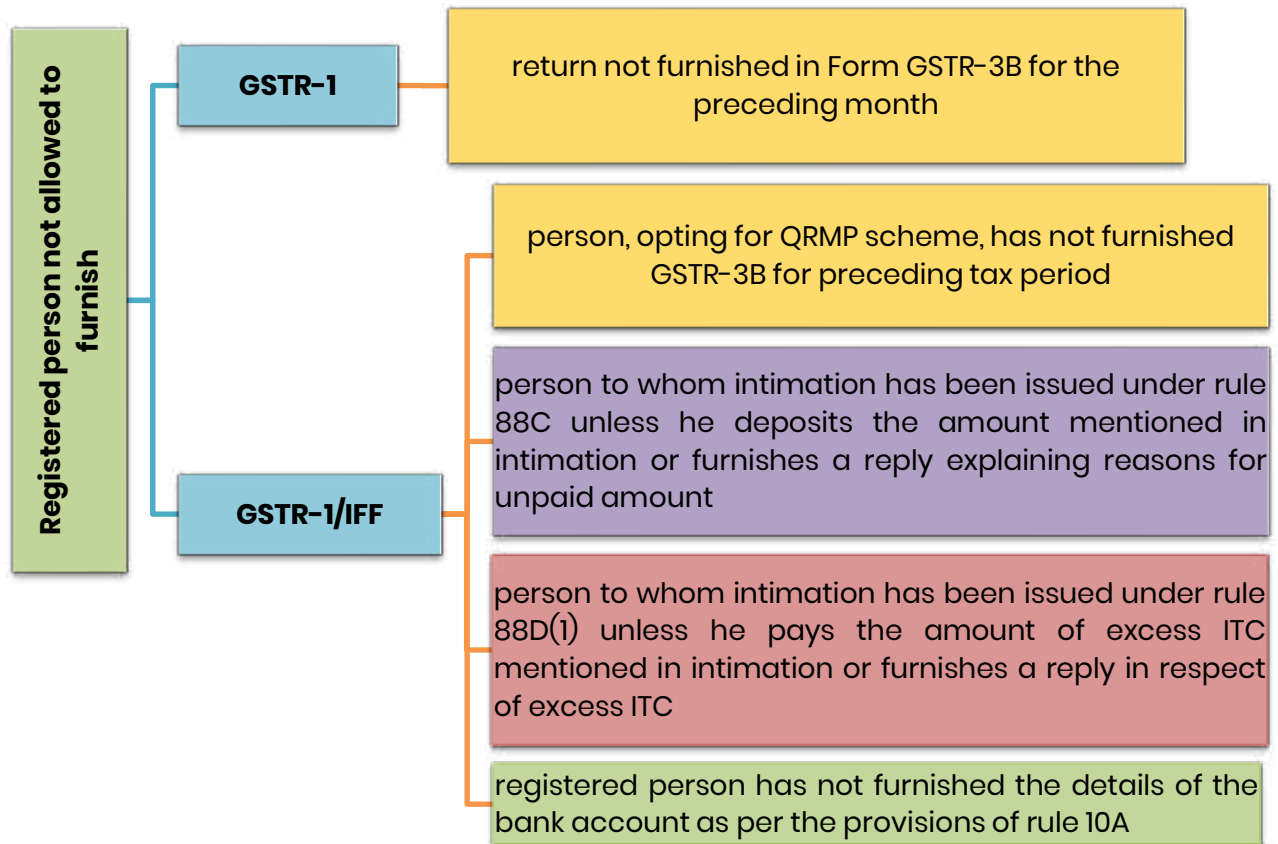


Due Dates for Submission of Form GSTR-1

Class of registered person	Time limit for furnishing the details of outward supplies in Form GSTR-1 for each quarter/ month
Registered persons opting for QRMP scheme	13th day of the month succeeding such quarter
Others	11th day of the month succeeding said month

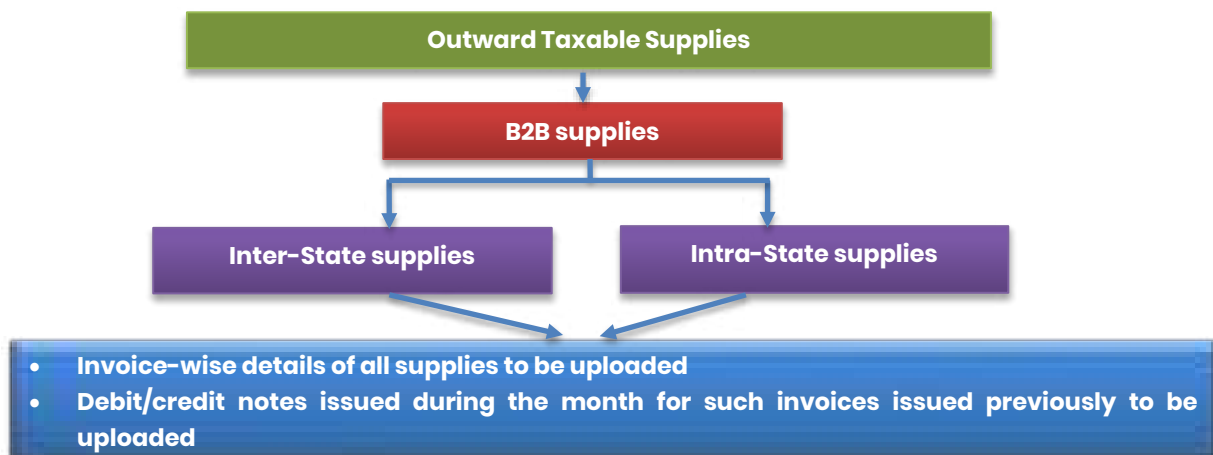
Invoice Furnishing Facility [IFF] for taxpayers opting for QRMP Scheme

What are the cases where a registered person is debarred from furnishing details of outward supplies in Form GSTR-1/IFF?

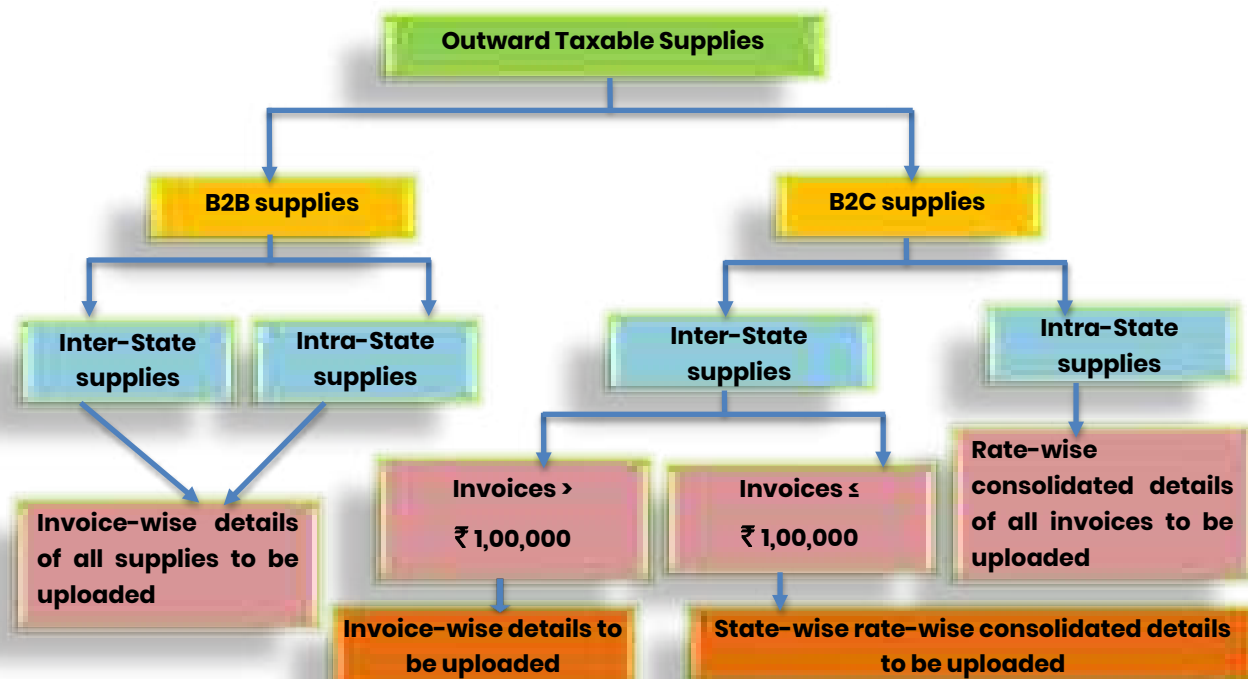


What kind of details of outward supplies are required to be furnished in GSTR-1/ GSTR-1A and IFF?

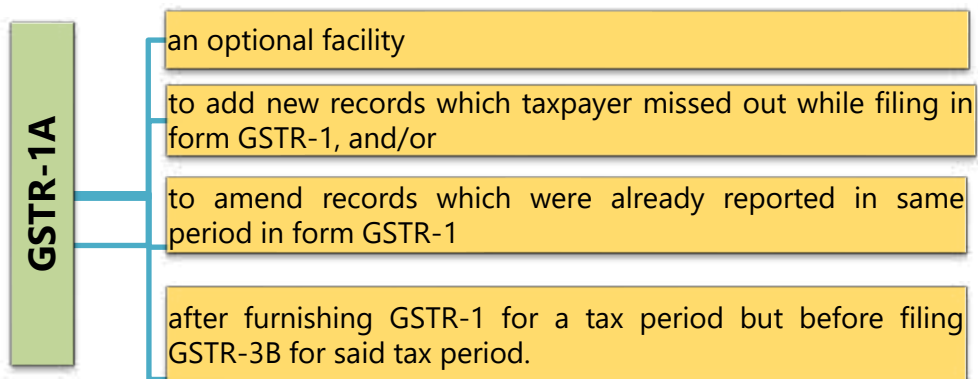
Details to be furnished through IFF



Details to be furnished in GSTR-1/GSTR-1A



Amendment of GSTR-1 for current period



Rectification of errors in GSTR-1 filed for previous periods



Maximum time limit within which such amendments are permissible is earlier of the following dates:

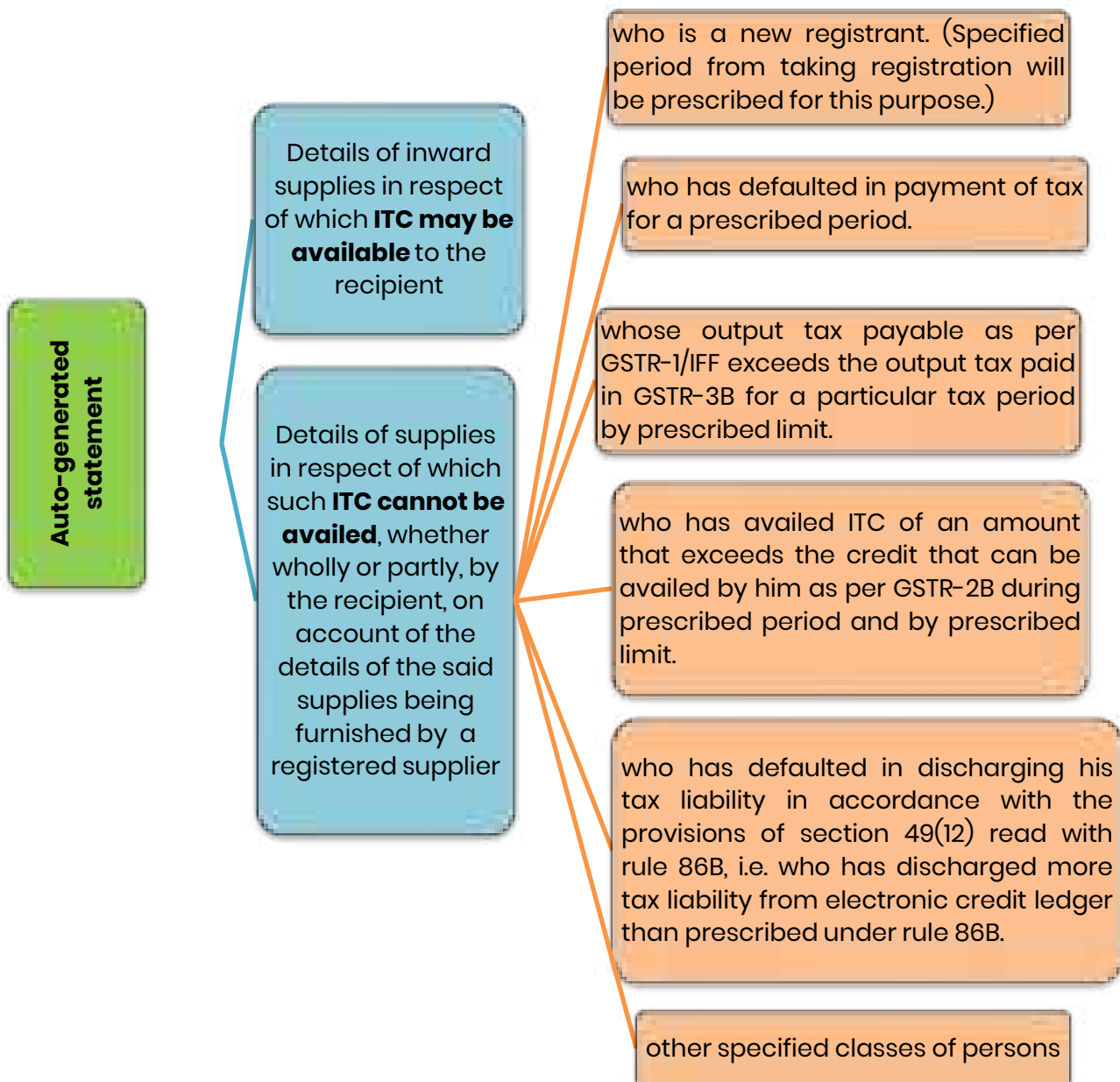
- ☐ **30th day of November** following the end of the financial year to which such details pertain or
- ☐ Date of filing of the relevant annual return

Filing of Nil GSTR-1

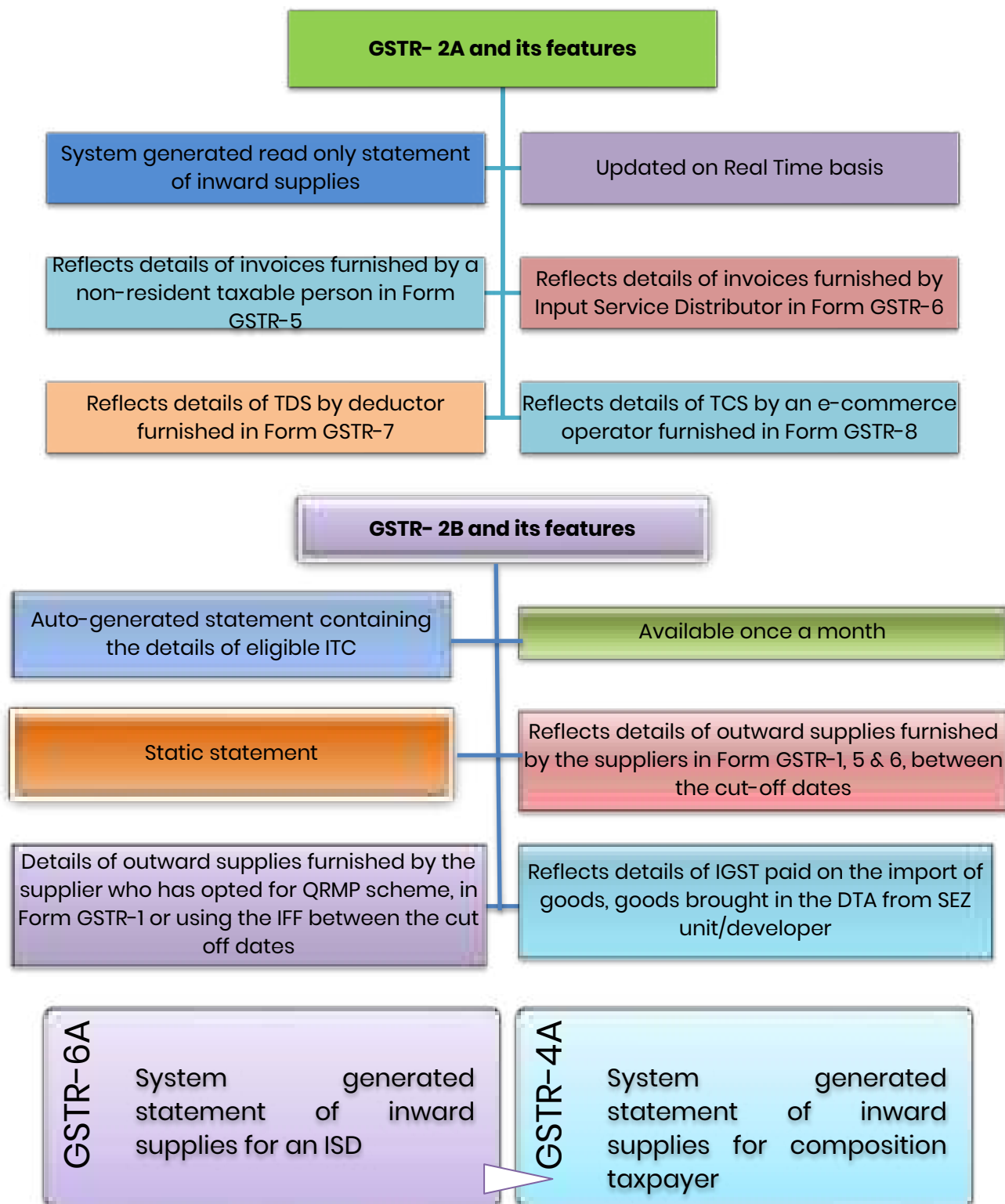
Nil GSTR-1

- Filing of GSTR-1 is mandatory for all normal and casual taxpayers, even if there is no business activity in any particular tax period.

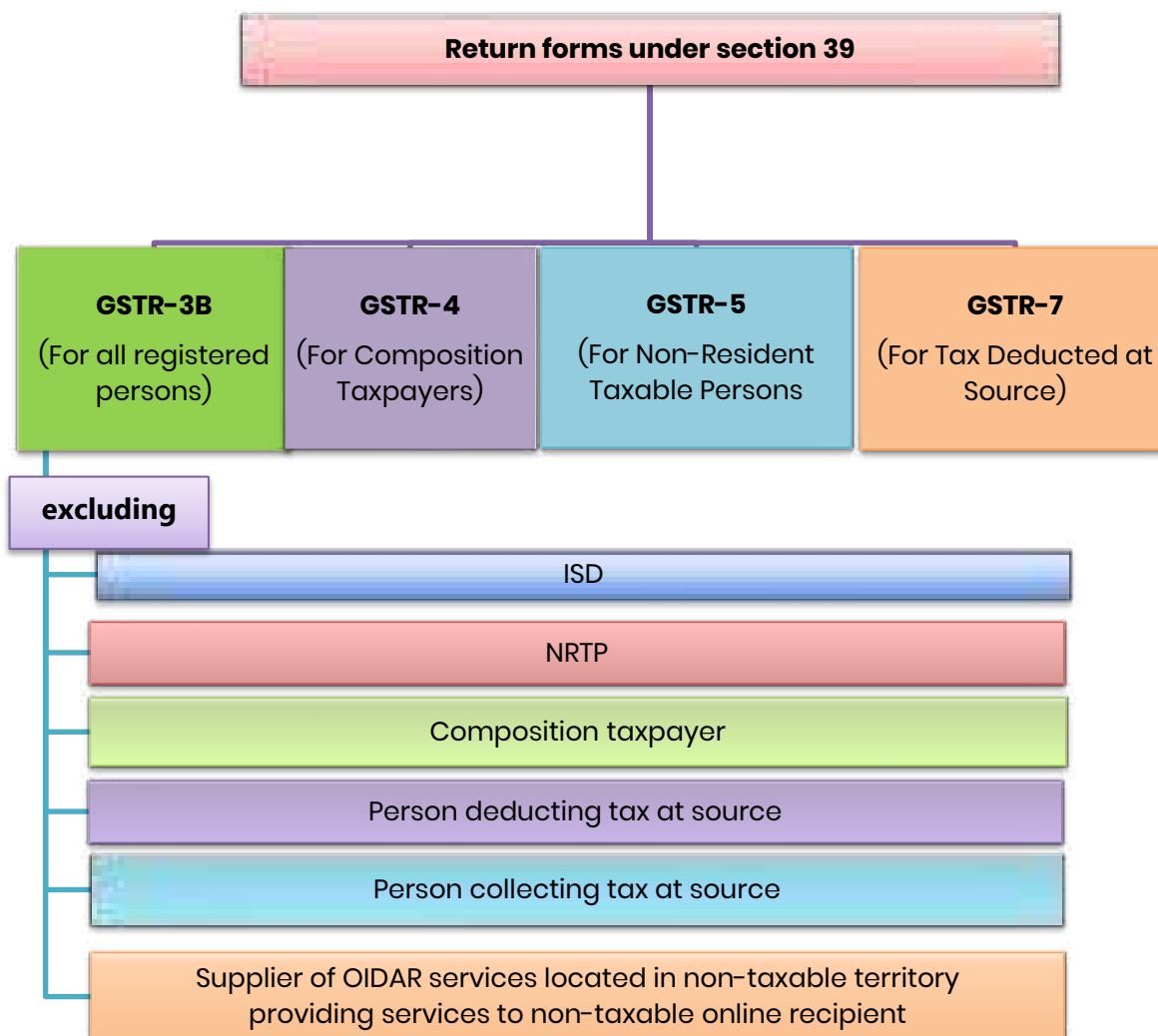
4. Furnishing details of inward supplies [Section 38 read with Rule 60]



Form and manner of ascertaining details of inward supplies – GSTR-2A and GSTR-2B



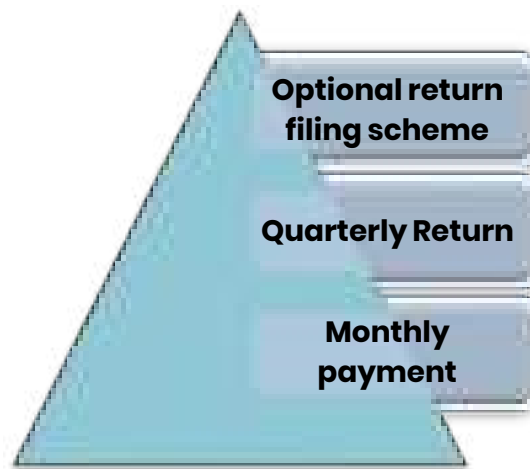
5. Furnishing of returns under section 39



Due dates for furnishing Form GSTR-3B

GSTR-3B can be filed monthly or quarterly and due date for filing are as follows:

- ❖ **Monthly GSTR-3B** on or before **20th** of the month succeeding the month for which return is furnished.
- ❖ **Quarterly GSTR-3B** on or before **22nd** and **24th** of the month (Depending upon State) succeeding the quarter for which return is furnished in case of a taxpayer opting for QRMP scheme.

QRMP scheme**Eligibility**

- Taxpayers having aggregate turnover of up to ₹ 5 crore in the preceding financial year

Condition to be fulfilled for becoming eligible

- Taxpayer must have furnished the last return, as due on the date of exercising such option

Manner of Exercising option

- Taxpayers can opt in for any quarter from 1st day of 2nd month of preceding quarter to the last day of the first month of the quarter for which the option is being exercised

Validity of option once exercised

- Taxpayers are not required to exercise their option every quarter. Where such option has been exercised once, they shall continue to furnish the return as per the selected option for future tax periods, unless they revise the said option.

Opting of QRMP Scheme is GSTIN wise

A person may avail QRMP scheme option for some GSTIN(s) and not for other GSTIN(s)

Opting out of the QRMP Scheme

Taxpayers opting out of the QRMP Scheme

• Aggregate turnover has exceeded ₹ 5 crore in the financial year

Availability of facility of opting out of QRMP Scheme for a quarter

• Available from 1st day of 2nd month of preceding quarter to the last day of the first month of the quarter

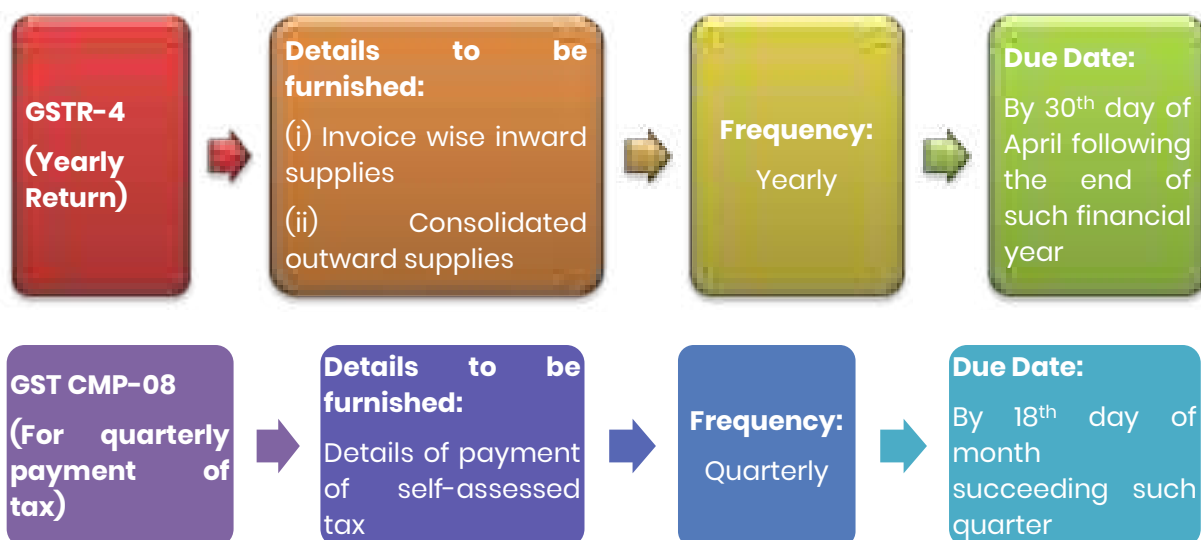
Nil GSTR-3B

Nil GSTR-3B

• Filing of GSTR-3B is mandatory for all normal and casual taxpayers, even if there is no business activity in any particular tax period.

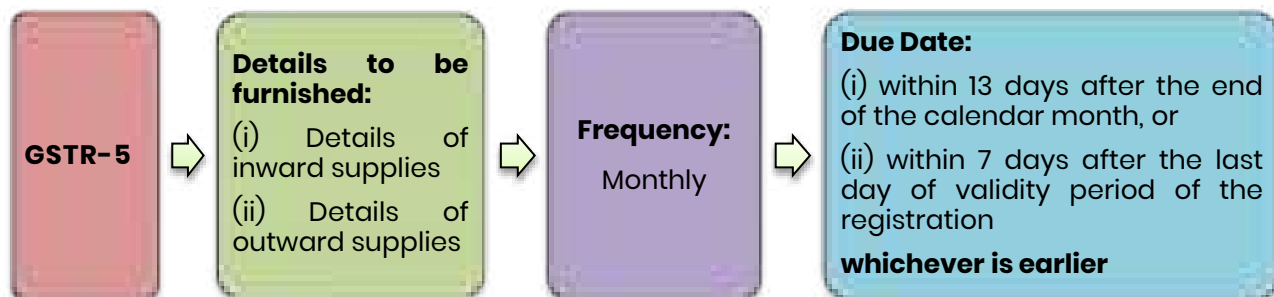
Form GSTR-4 and GST CMP-08: For Composition dealers

- ❖ A composition supplier is required to file the return GSTR-4 yearly and is required to pay the tax quarterly in Form GST CMP-08.

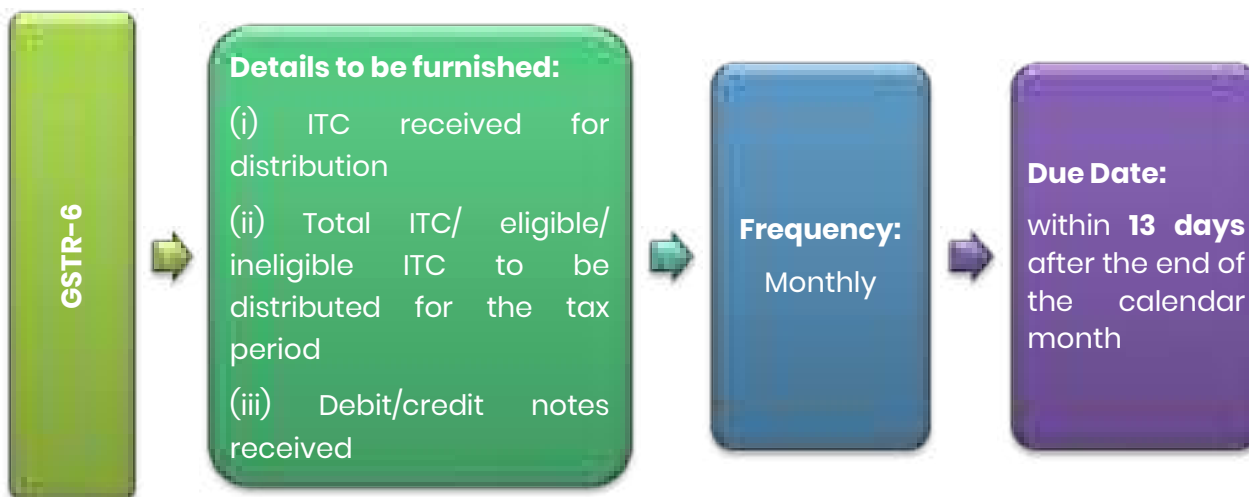


Note:

- (1) The inward supplies of a composition supplier received from registered persons filing GSTR-1 will be auto populated in **FORM GSTR-4A** for viewing.
- (2) **Filing of NIL GST CMP-08 is mandatory** for all taxpayers who have opted to pay tax under composition scheme if there is no business activity in any tax period.

Form GSTR-5: For Non-Resident Taxable Person (NRTPs)

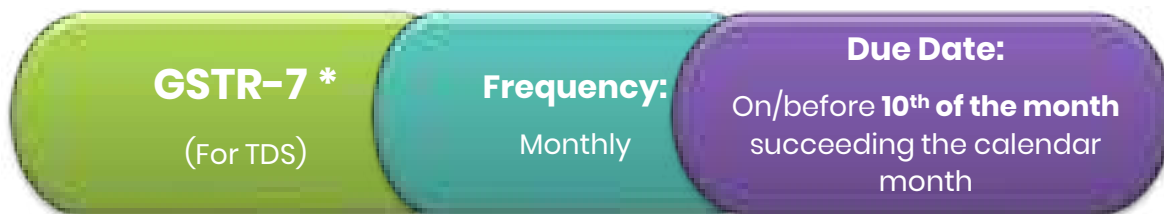
Note: An NRTP is not required to file an Annual Return.

Form GSTR-6: Return for Input Service Distributors (ISDs)

Note: An ISD is not required to file an Annual Return.

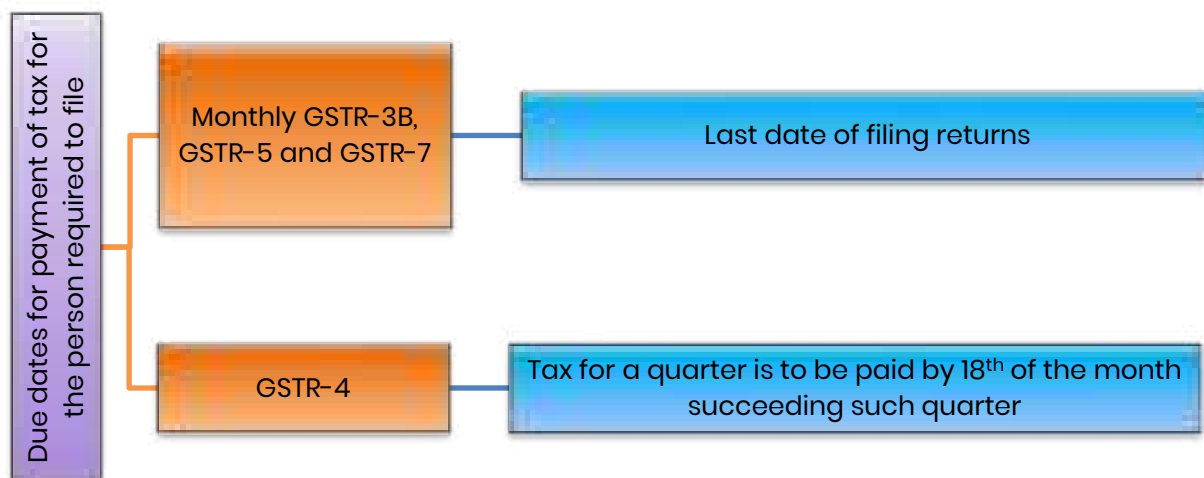
Form GSTR-7: For Tax Deducted at Source (TDS)

- ❖ GSTR-7 is a return for tax deducted at source, whenever taxable goods or services or both are supplied to a Central/ State Government's Department/ establishment or, local authority, or Governmental agencies, recipient is required to deduct tax at source and total value of supply exceeds ₹ 2,50,000.
- ❖ The said registered person shall furnish a return for every calendar month whether or not any deductions have been made during the said month.
- ❖ **GSTR-7A-** Form for issue of TDS certificate by deductor to the deductee.

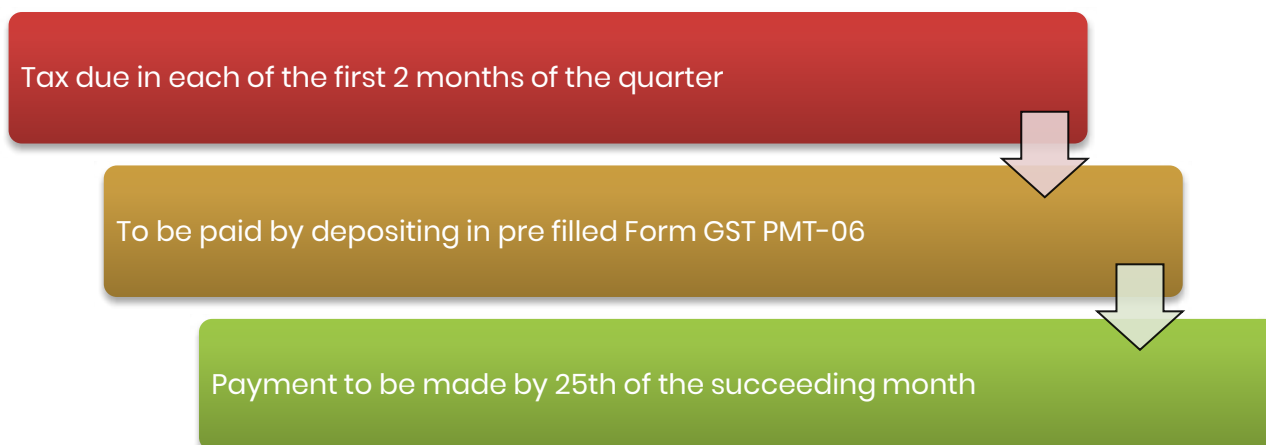


* GSTR-7 would be furnished even for a month, where no TDS is required to be deducted.

6. Due date for payment of tax



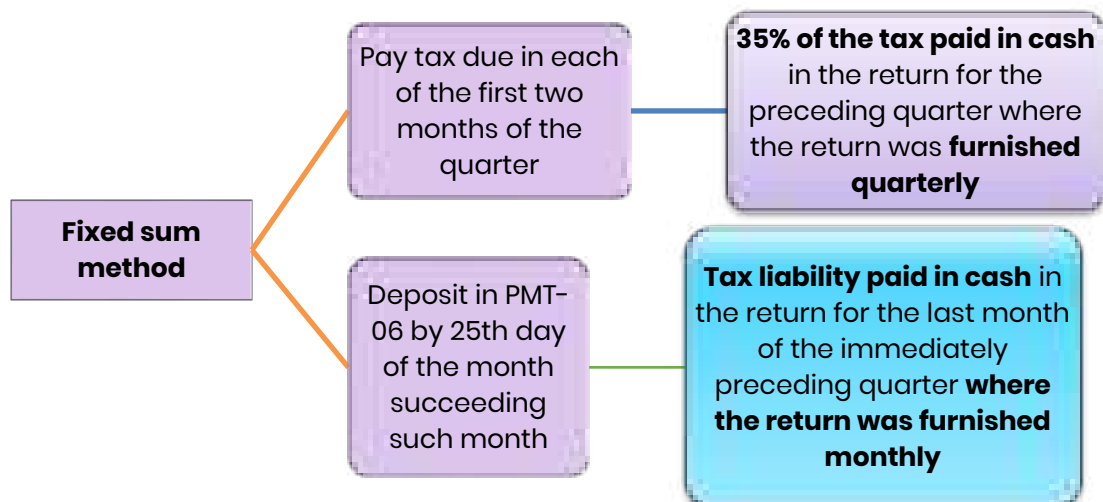
Payment of tax under QRMP scheme



Options for making monthly payment of tax under QRMP scheme

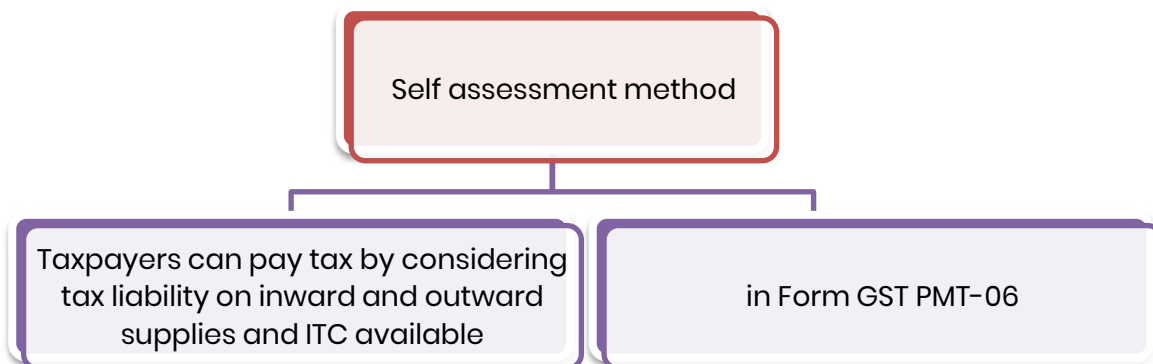


Method 1: Fixed Sum Method



Monthly tax payment through this method would not be available to those registered persons who have not furnished the return for a complete tax period preceding such

Method 2: Self-Assessment Method



Applicability of Interest -

(1) For Fixed Sum method taxpayers

Where auto-calculated fixed sum amount for first 2 months of quarter is paid by due date

- No interest would be applicable even if the liability for the said month was found higher
- If GSTR-3B of the quarter is filed by the due date by discharging the entire liability

Where tax payer makes monthly payment beyond due date

- Interest is payable at the applicable rate from due date of furnishing GST PMT-06 till date of making payment

Where Form GSTR-3B is furnished beyond due date

- Interest payable as per provisions of section 50 of the CGST Act, 2017 for the tax liability net of ITC

(2) For Self-assessment method taxpayers

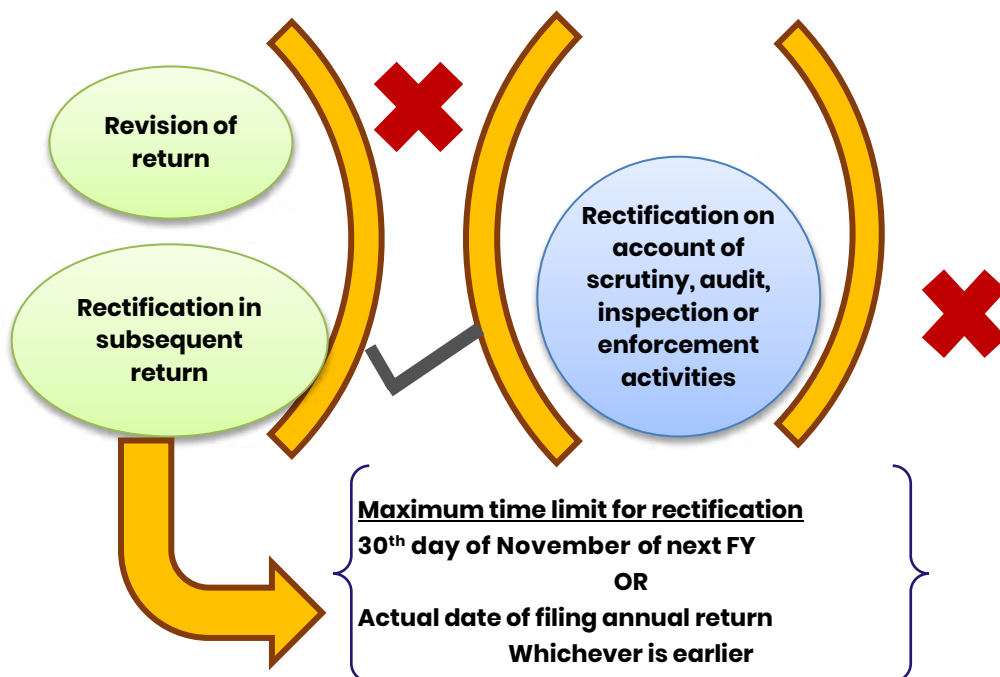
Interest payable as per provisions of section 50 of the CGST Act

for tax or any part thereof (net of ITC) which remains unpaid/ paid beyond the due date

for the first 2 months of the quarter

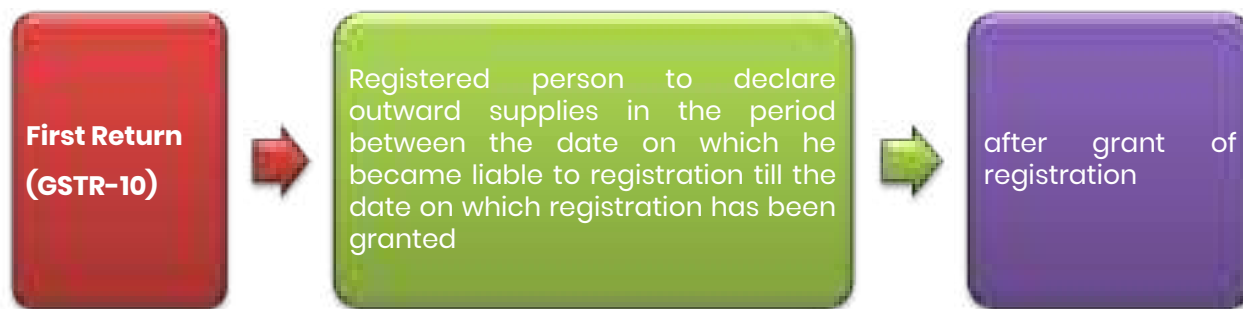


7. Rectification of errors/omissions

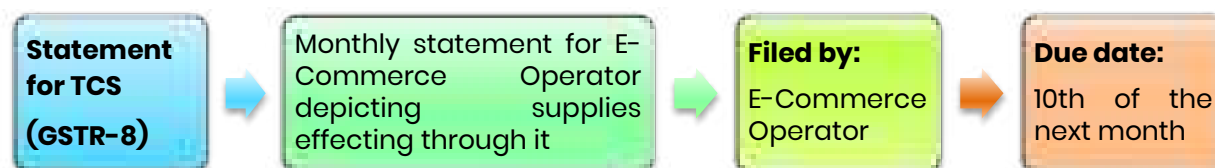


8. Other returns/ statements

(i) First return



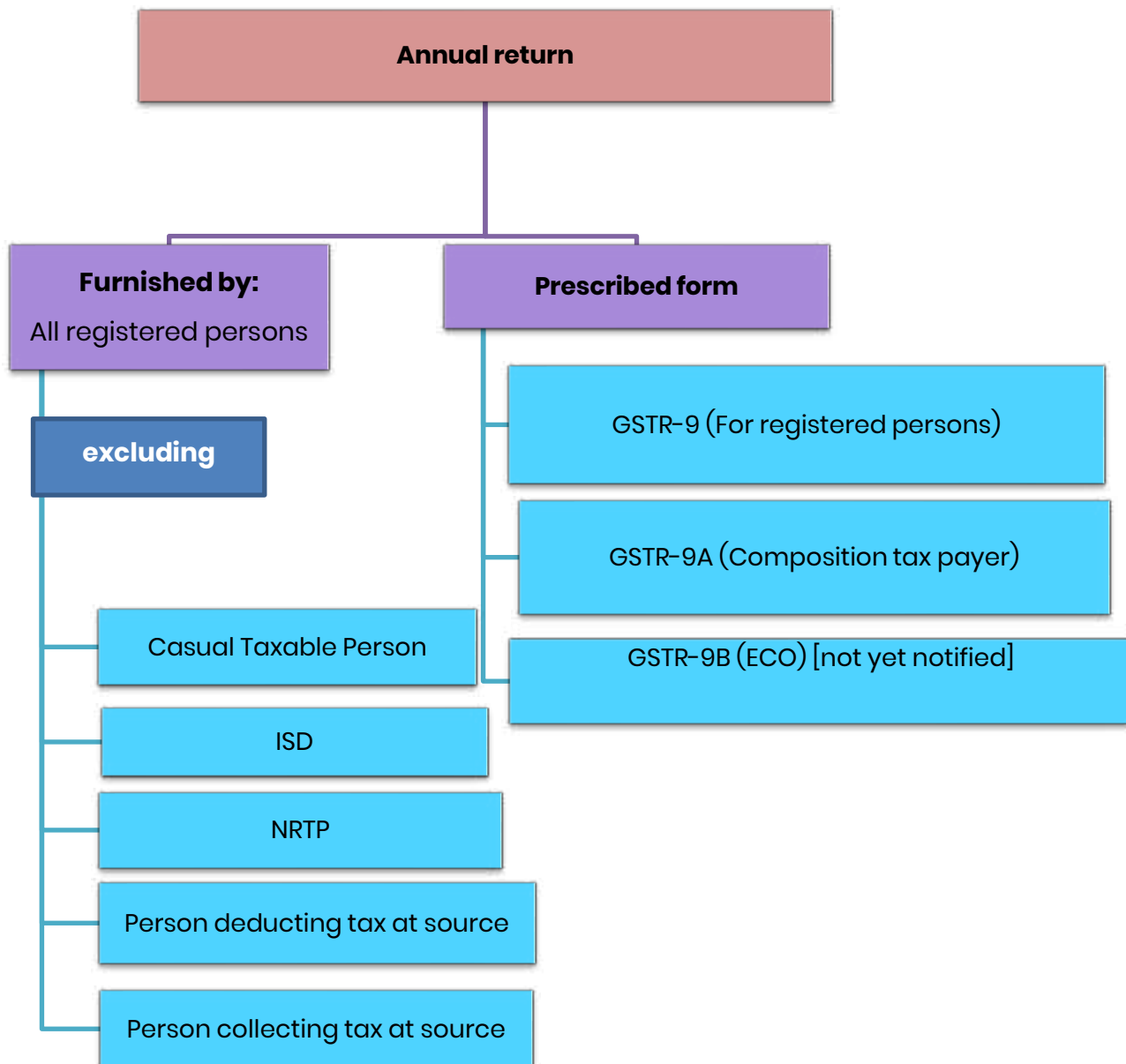
(ii) GSTR – 8 – Statement for tax collection at source

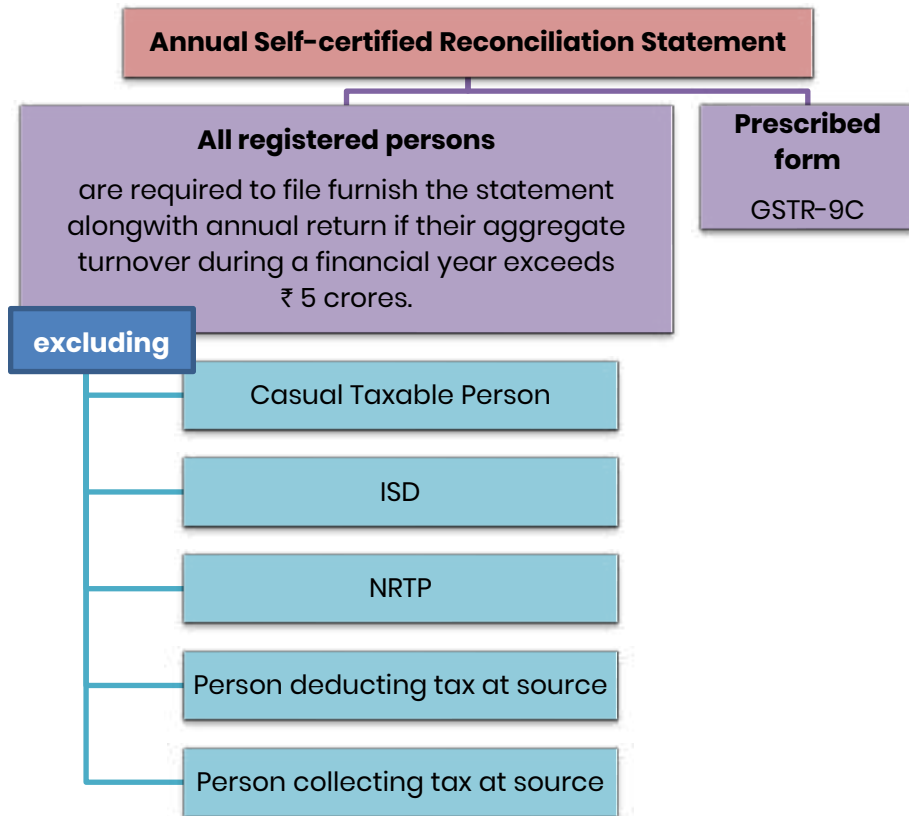


(iii) Final return

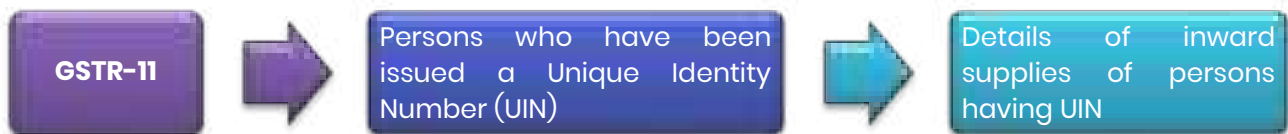


(iv) Annual Return & Annual Statement

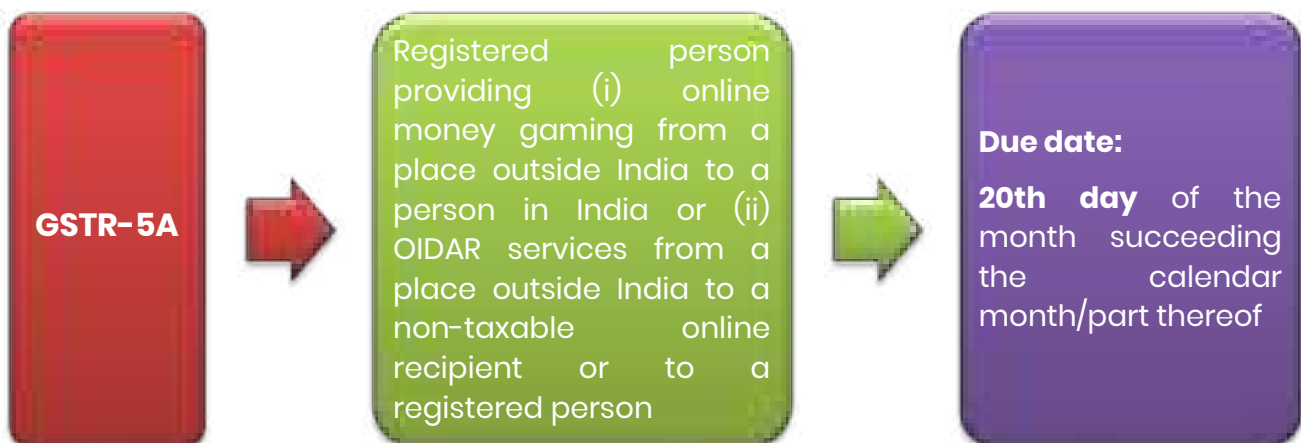




(v) GSTR – 11 – Details of inward supplies of persons having UIN



(vi) GSTR – 5A – Return for persons providing OIDAR services



9. Information return

(i) Who shall furnish the information return?

Taxable person

Local authority /other public body/association

State/Central Government's authority responsible for the collection of VAT/sales tax/ State excise duty or excise duty or customs duty respectively

Income tax authority

Banking company

State Electricity Board or an electricity distribution or transmission or any other entity entrusted with such functions

Registrar/Sub-Registrar appointed under the Registration Act

Registrar within the meaning of the Companies Act, 2013

Registering Authority empowered to register motor vehicles under the Motor Vehicles Act, 1988

Collector referred to in clause (c) of section 3 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013

Recognised stock exchange

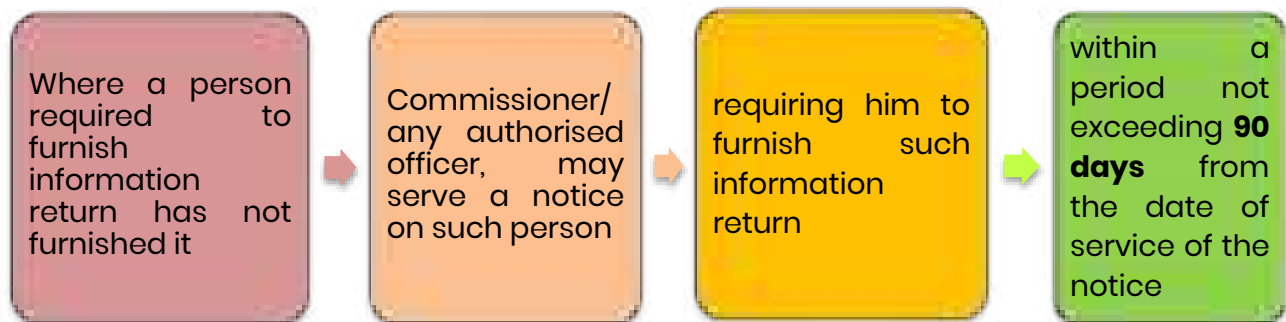
Depository

Officer of the RBI

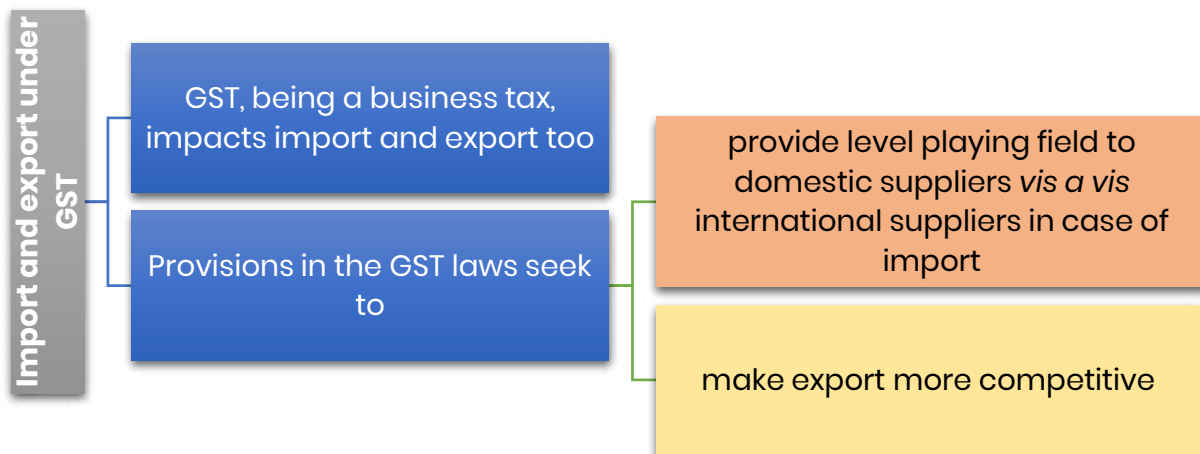
GSTN

UIN holder

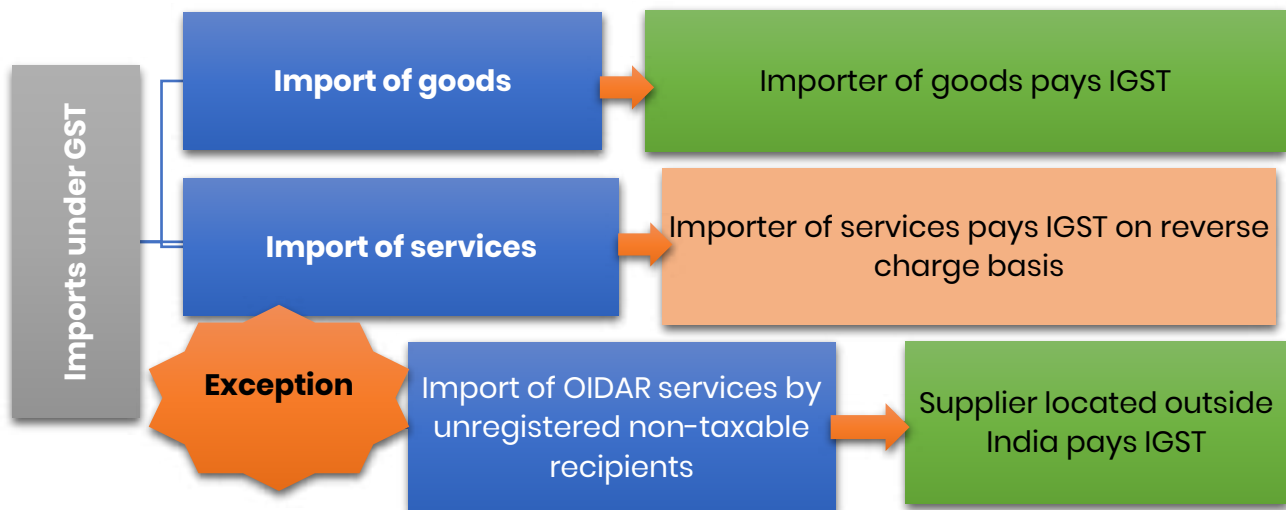
Any other specified person

(ii) Defective Information Return**(iii) Issuance of notice for failure to furnish the information return within stipulated time**

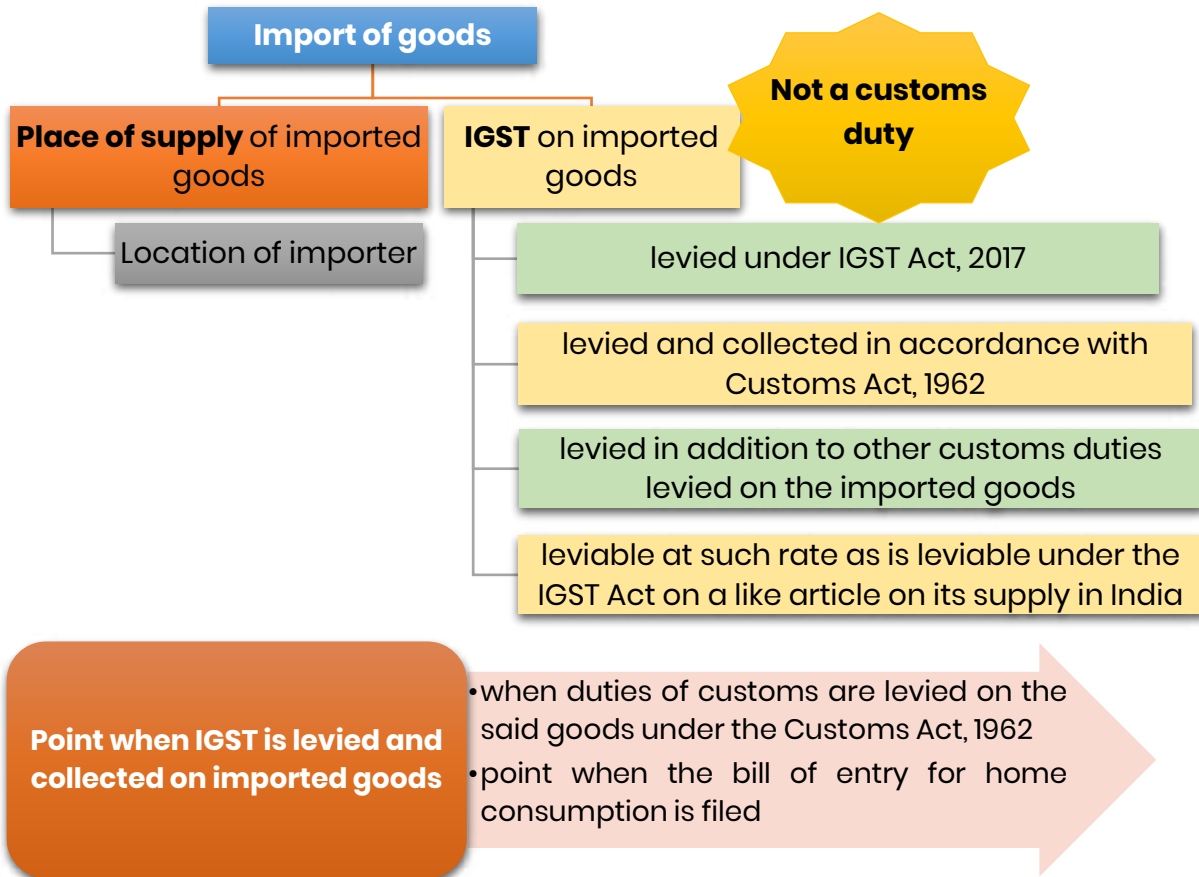
IMPORT AND EXPORT UNDER GST



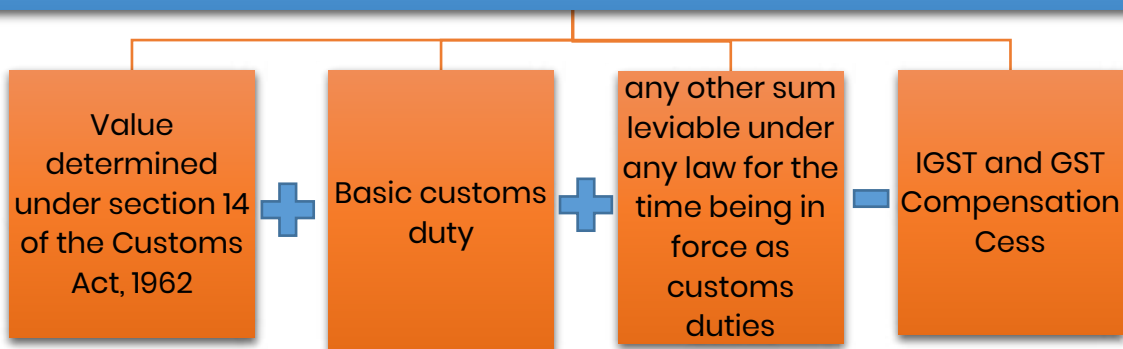
1. IMPORTS UNDER GST



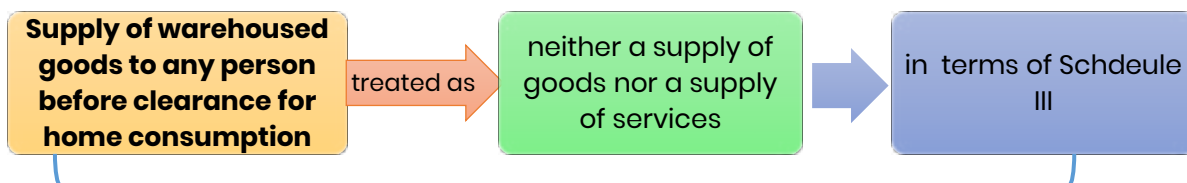
A. IMPORT OF GOODS



Value for levying IGST on imported goods

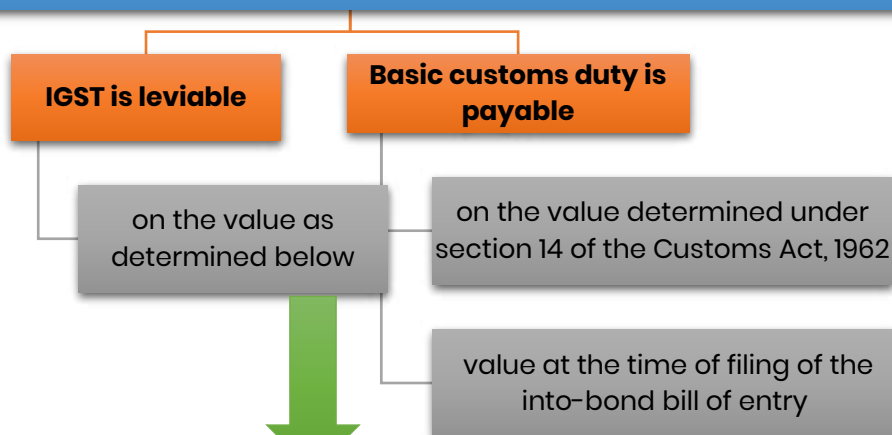


Taxability of goods supplied while being deposited in a customs bonded warehouse

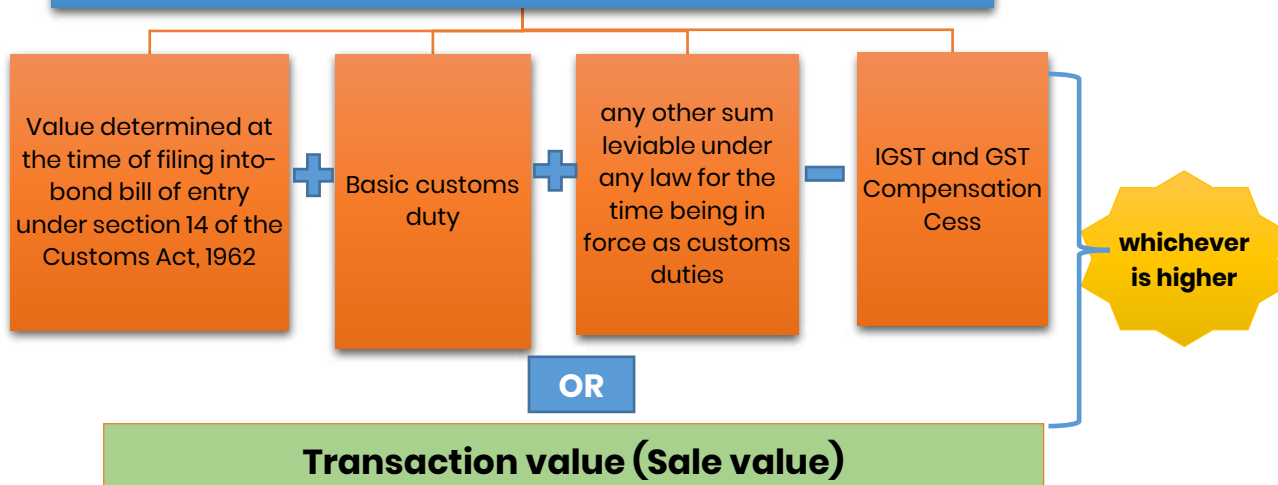


Value of such in-bond sales not included in the value of exempt supply for the purpose of reversal of ITC under rules 42 and 43

When ex-bond bill of entry is filed for clearing such warehoused goods for home consumption

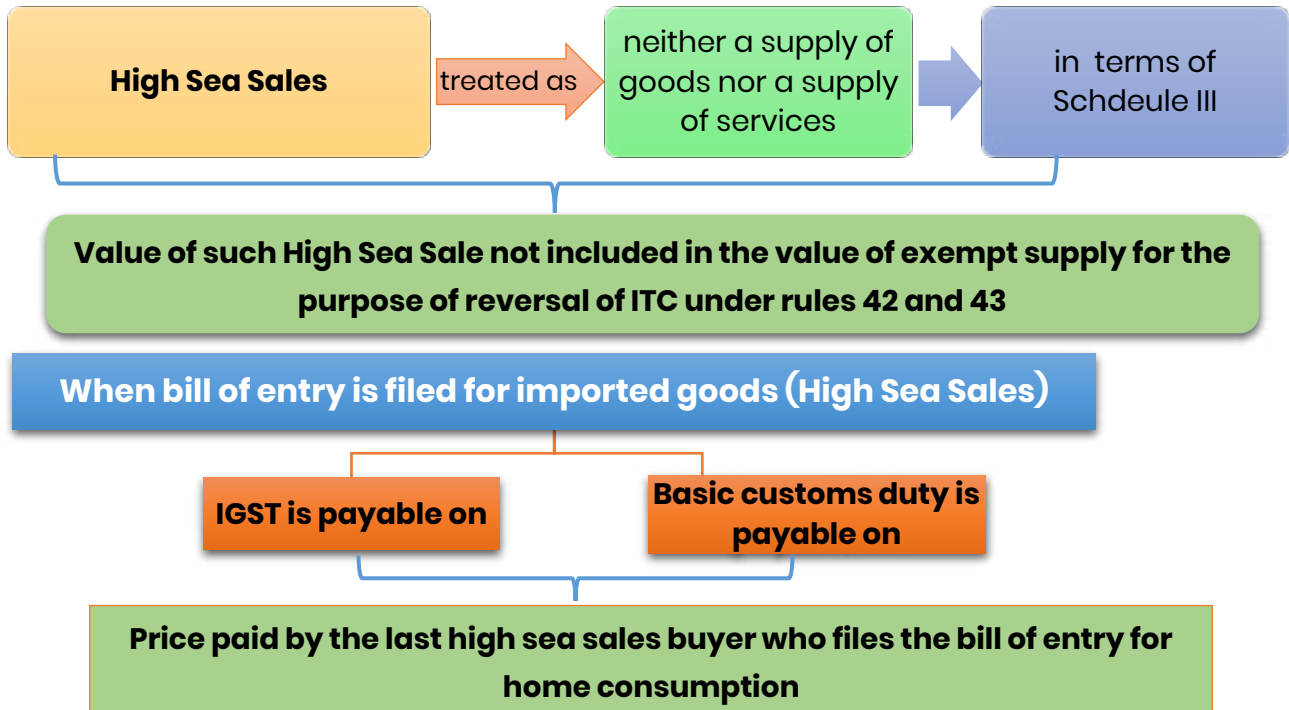


Value for levying IGST in case of supply of warehoused goods

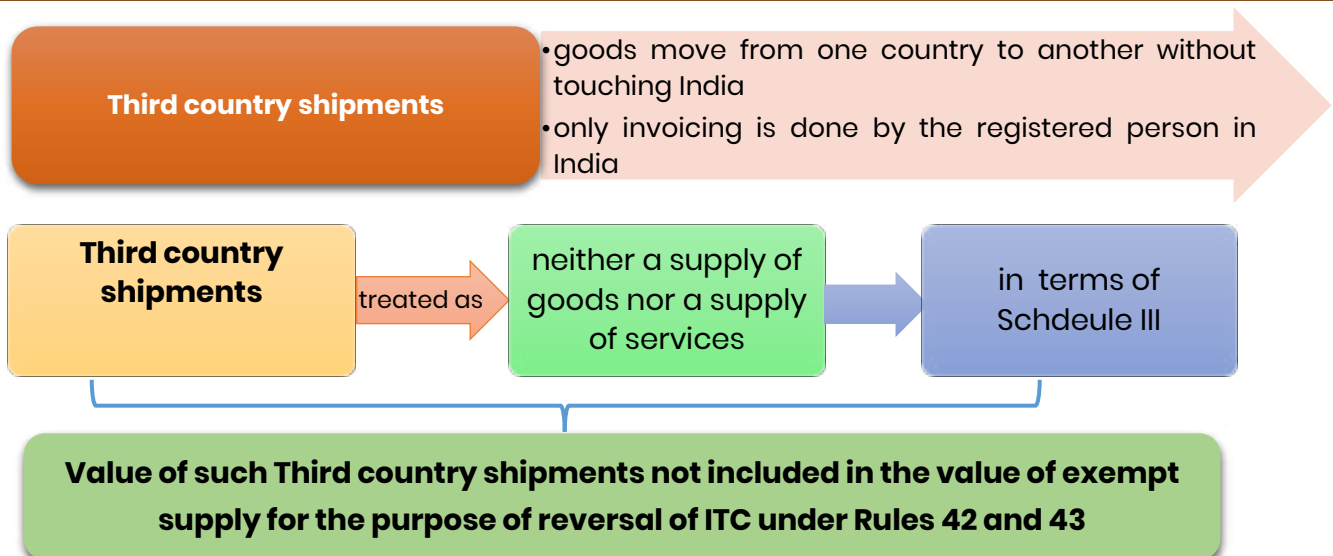


Taxability of High Sea Sales

'High Sea Sales' is a common trade practice whereby the original importer sells the goods to a third person before the goods are entered for customs clearance.



Taxability of Third country shipments/ Triangular Trade



Taxability of supply of online money gaming by a person located outside the taxable territory to a person in India [Section 14A]

Supplier of Online Gaming Services located outside Taxable Territory.

Such Supplier itself is liable to pay IGST after obtaining single registration under **Simplified Registration Scheme (SRS)***

If the Supplier of Online Gaming does not have a physical presence in India.

If **person is available in India** representing such overseas supplier of Online Gaming.

Such person is liable to pay IGST.

If **person is not available in India** representing such overseas supplier of Online Gaming.

Supplier of online gaming is required to **appoint a person in India** for the purpose of paying tax on such services.

NOTE: In case of failure to comply with the above provisions by the supplier of the online money gaming or a person appointed by such supplier or both, any information generated, transmitted, received or hosted in any computer resource used for such supply shall be liable to be blocked for access by the public.

* It is Simplified Registration Scheme, as referred to in section 14(2) of this CGST Act 2017.

Taxability of goods imported by SEZ

Goods imported by a unit/developer in SEZ for authorised operations

exempted from

Whole of IGST leviable

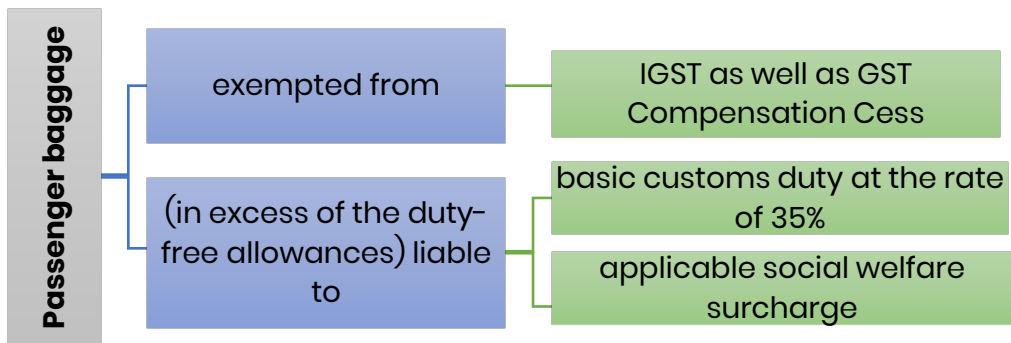
Taxability of goods imported by EOU

Goods imported by
100% EOU

without payment of

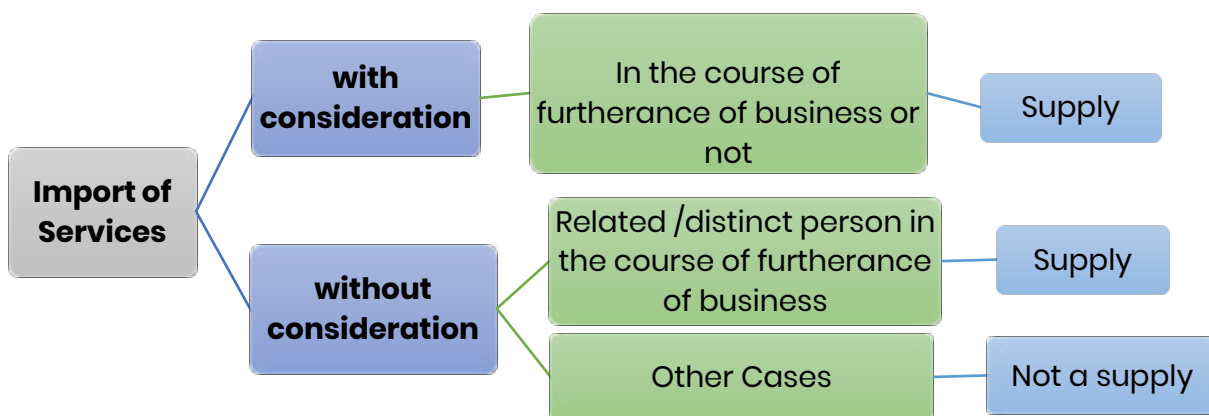
BCD, additional customs
duty, IGST and
compensation cess

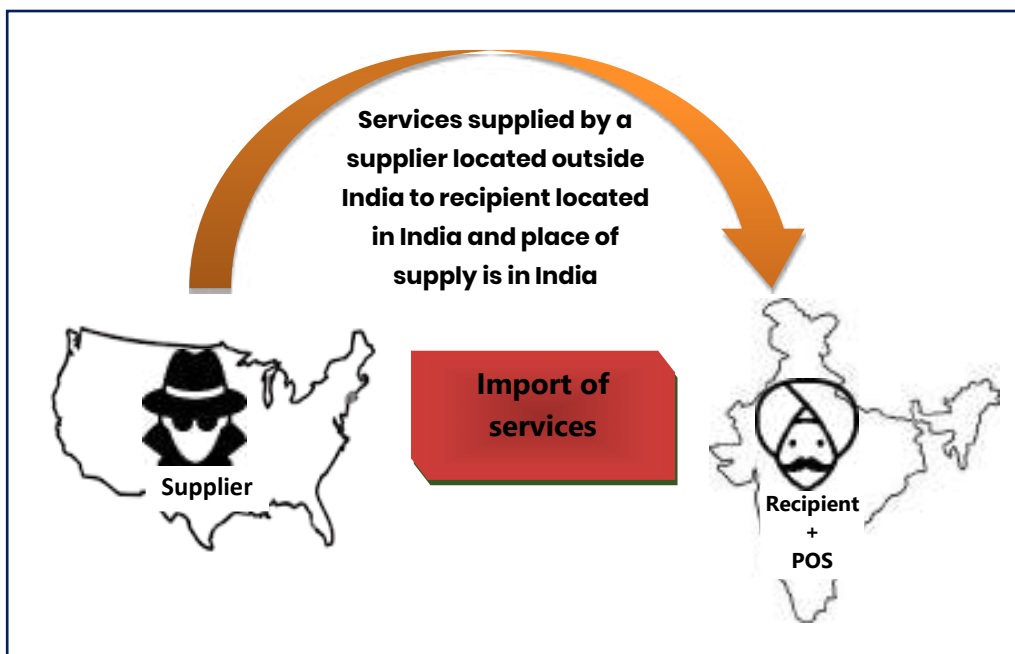
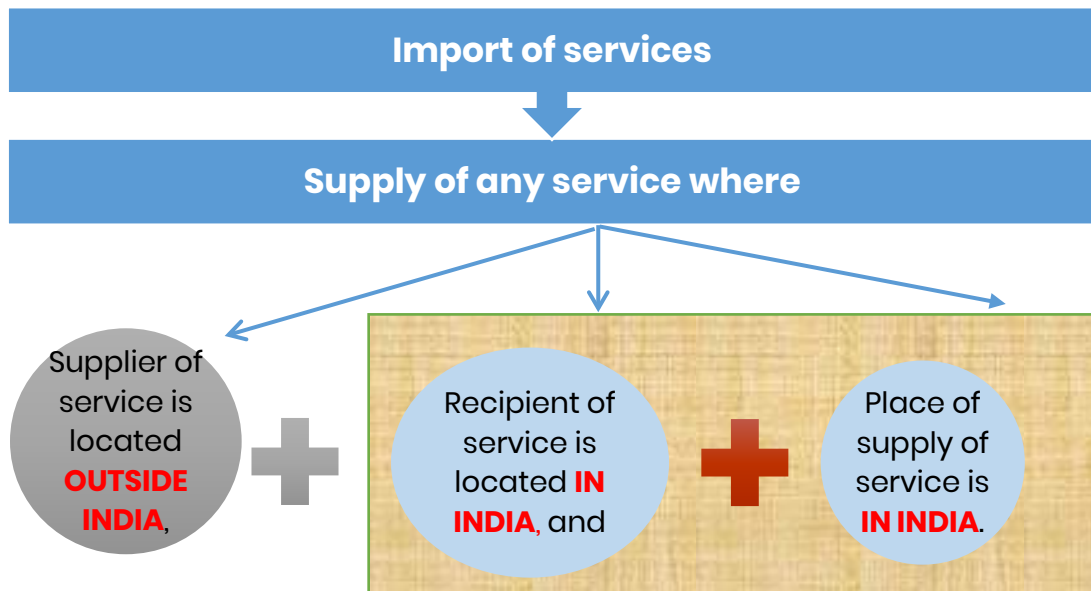
Import as Baggage



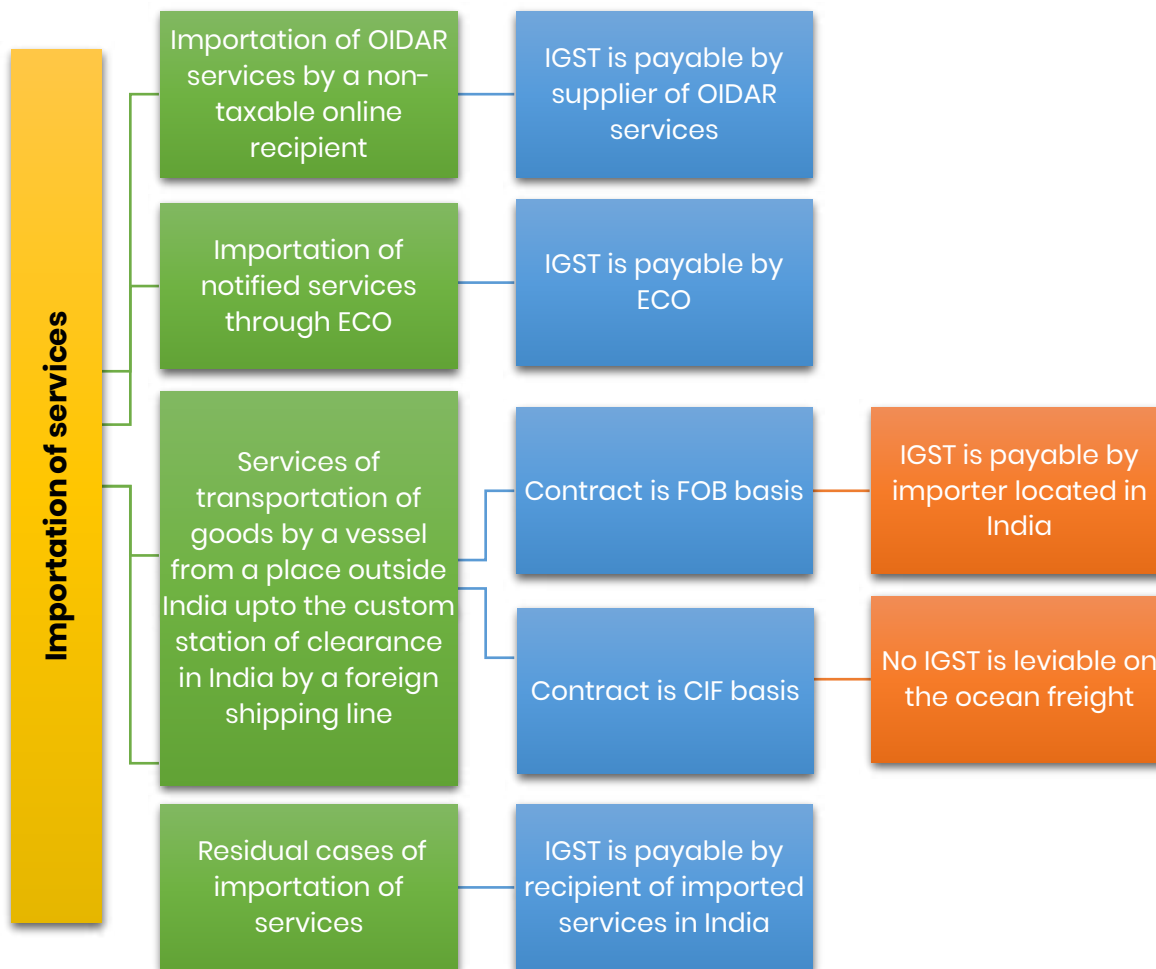
B. IMPORT OF SERVICES

(i) Taxability of import of service



(ii) Meaning of import of service

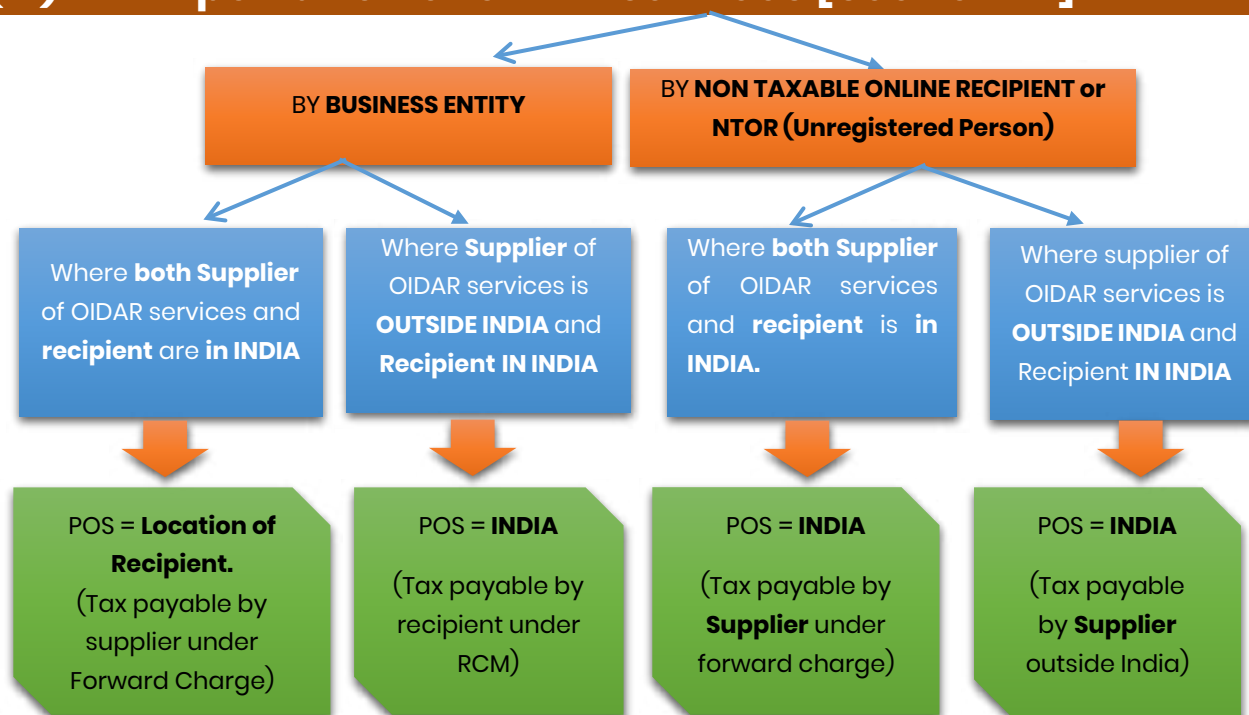
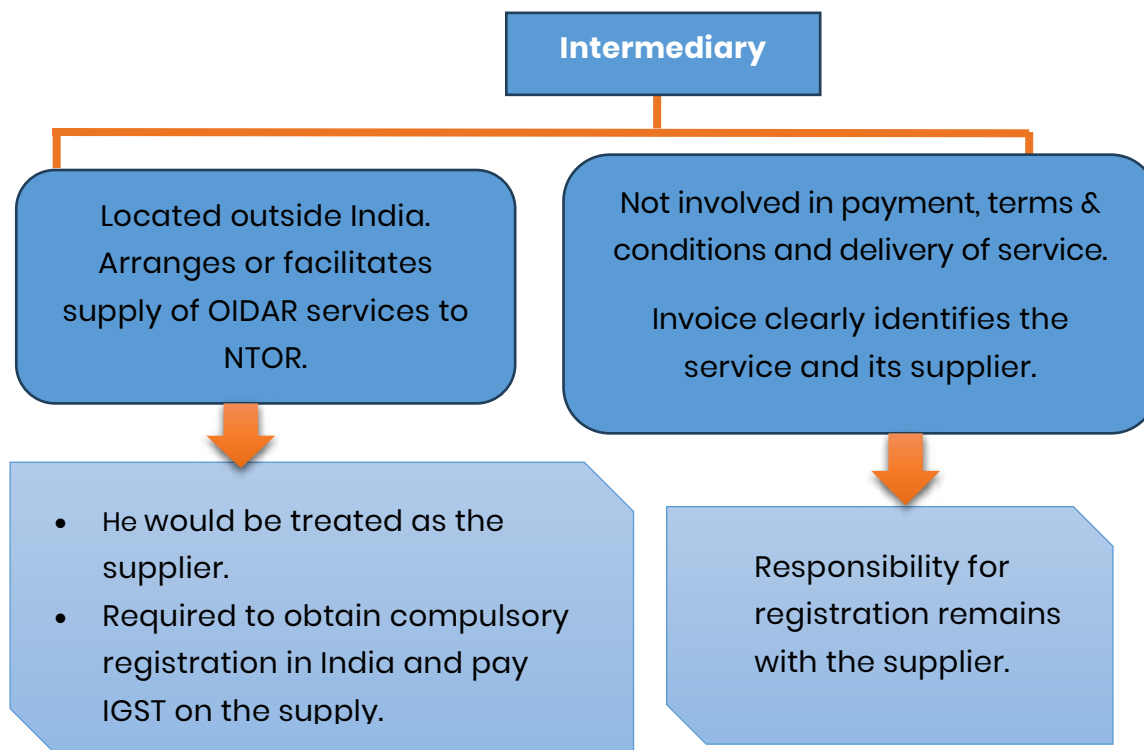
(iii) Person liable to pay tax on importation of service



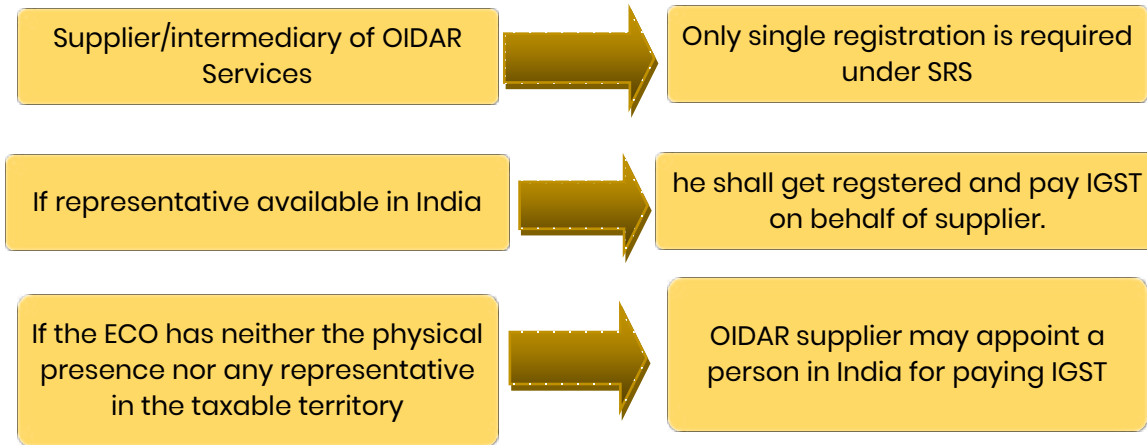
UOI v. Mohit Minerals Pvt. Ltd.

Gist of this case: There cannot be a separate levy of IGST on the component of ocean freight paid by the foreign exporter to the foreign shipping line in the CIF contract, since it would be treated as composite supply.

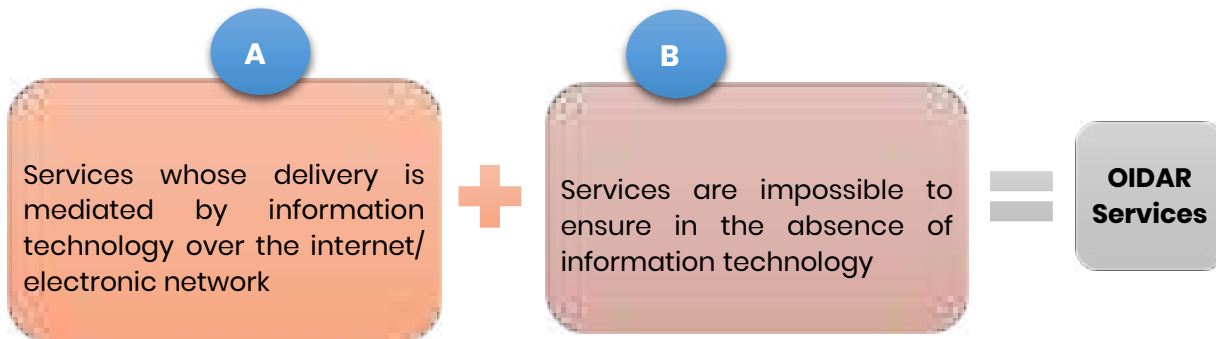


(iv) Importation of OIDAR services [Section 14]**Provision or facilitation of OIDAR services by intermediary located outside India**

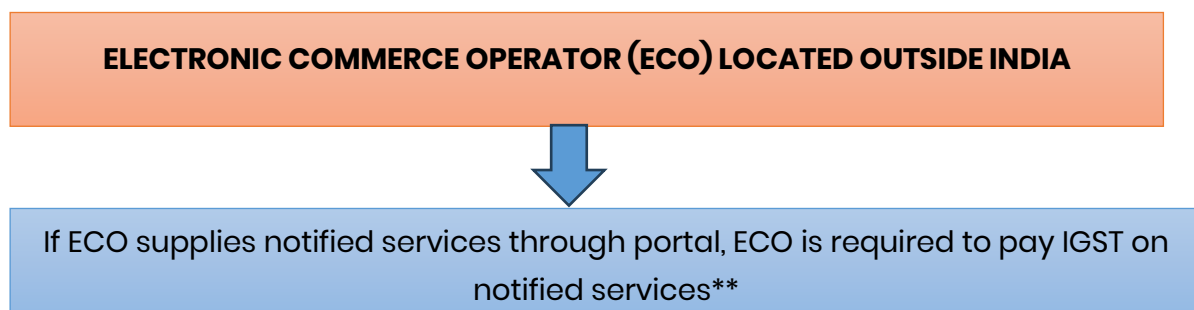
Provisions enabling supplier of OIDAR services located outside India to comply with the responsibilities entrusted under GST laws

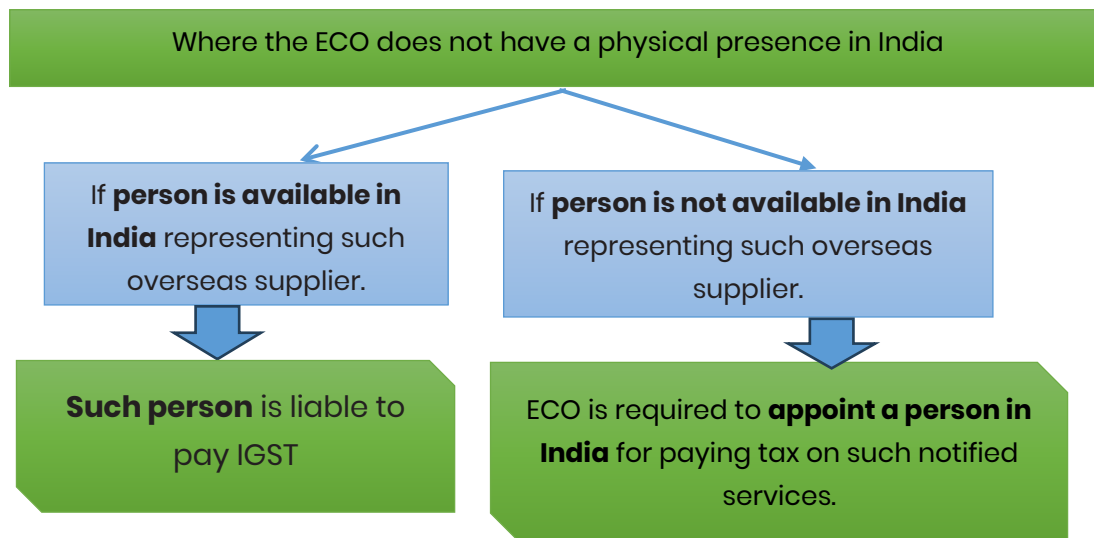


MEANING OF OIDAR SERVICES



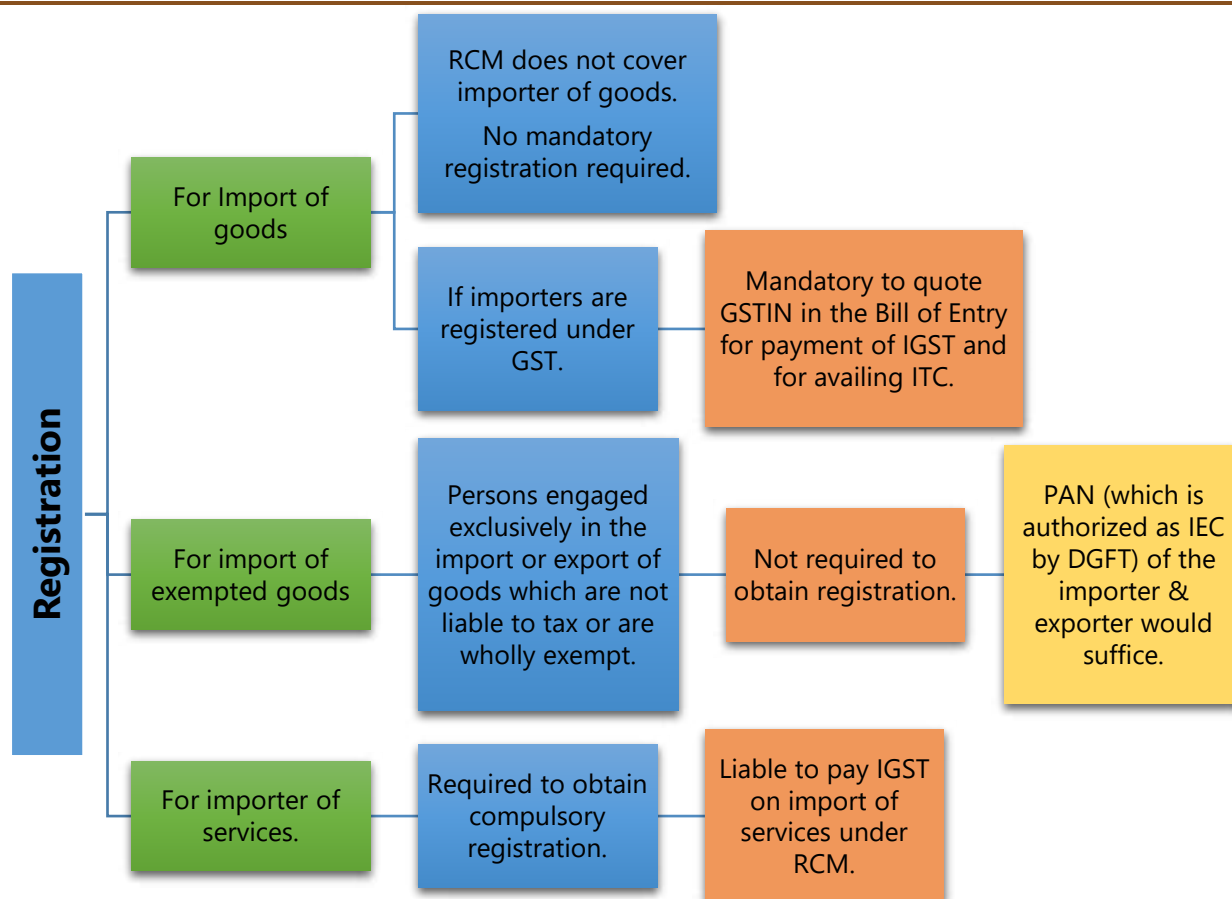
(v) Services provided through ECO located outside India



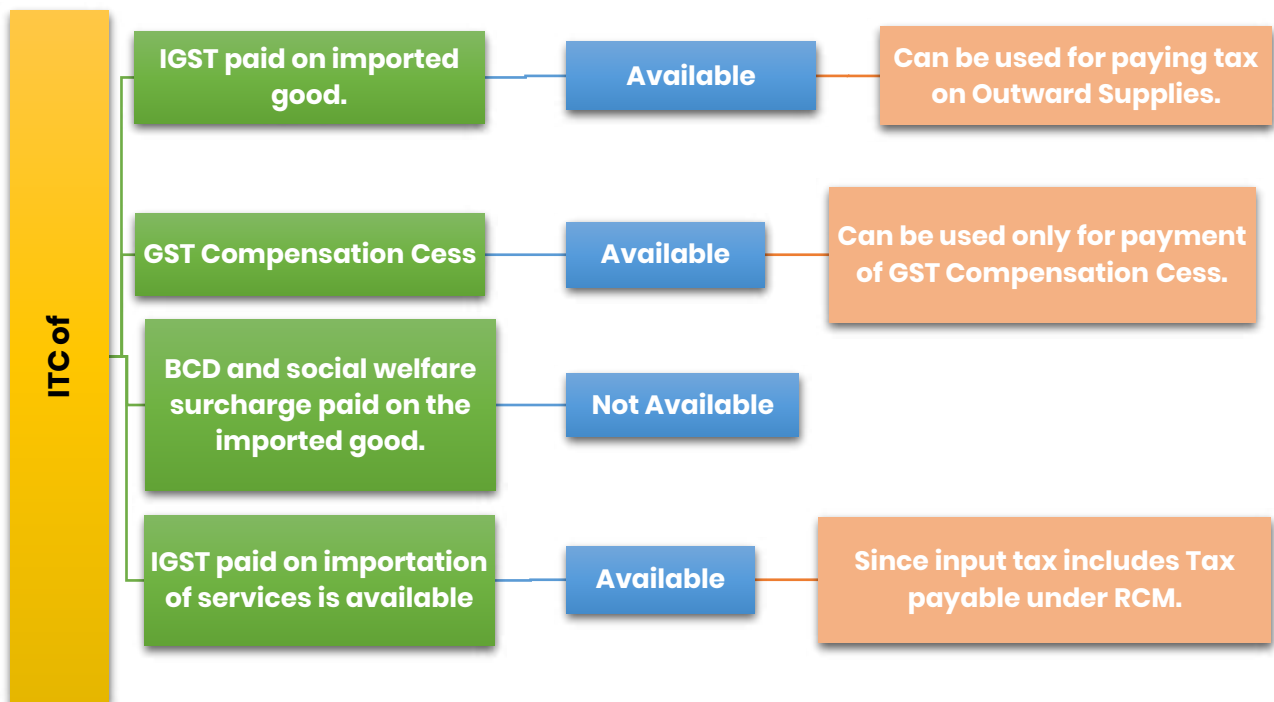


***Services notified under section 9(5) of the CGST Act, 2017/ Section 5(5) of the IGST Act, 2017.*

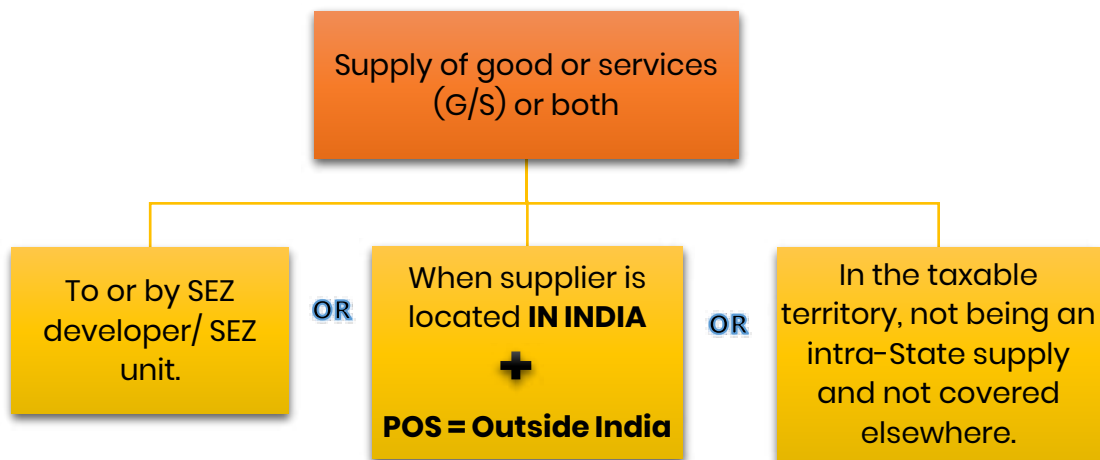
Registration and ITC in case of import of goods and services



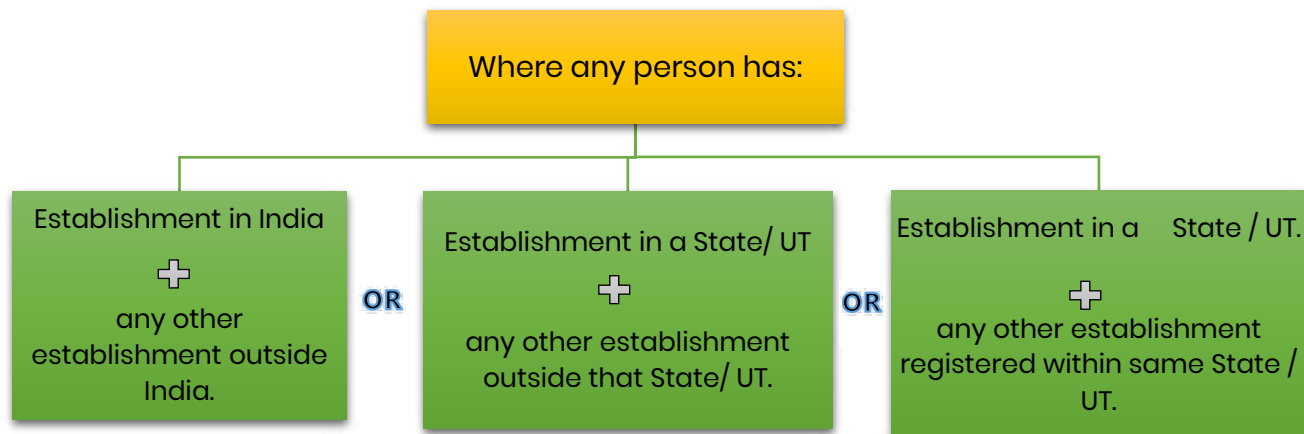
Input Tax Credit (ITC) in case of import of goods and services



Inter State Supply [Section 7(5) of IGST Act]

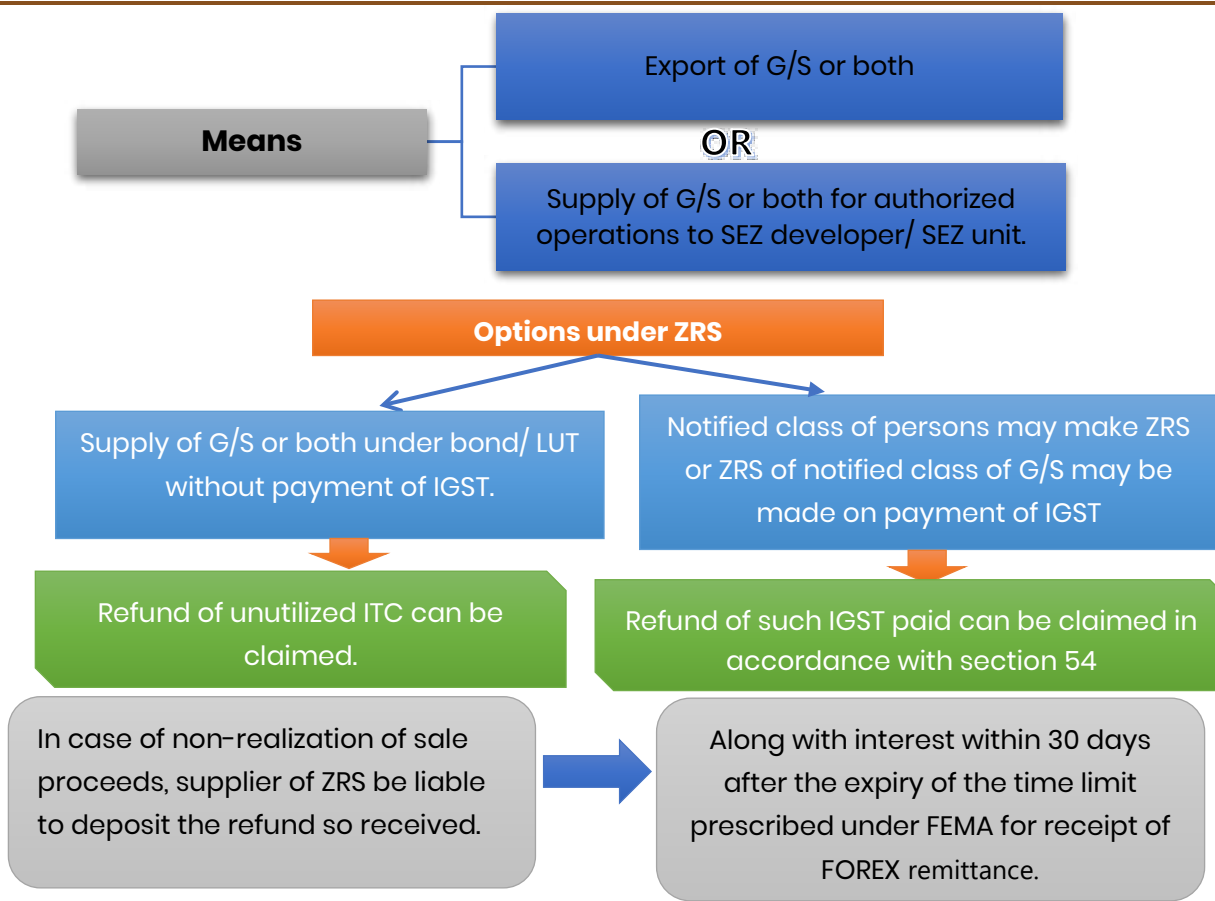


Establishments of Distinct Person



Note: A person carrying on a business through a branch or an agency or a representational office in any territory shall be treated as having an establishment in that territory.

ZERO RATED SUPPLY (ZRS)



Difference between Exempted Supplies and Zero Rated Supply

Exempted Supplies	Zero rated supplies
Exempt supply means supply of any goods and/or services which attracts nil rate of tax or which may be wholly exempt from tax and includes non-taxable supply.	Zero-rated supply means (i) export of goods and/or services or (ii) supply of goods and/or services for authorised operations to SEZ unit/SEZ developer.
No tax on the outward exempted supplies, however, the input supplies used for making exempt supplies to be taxed	No tax on the outward supplies; IS also to be tax free (by way of refund of ITC)
Credit of input tax needs to be reversed, if taken. No ITC on the exempted supplies.	Credit of input tax may be availed for making ZRS, even if such supply is an exempt supply. ITC allowed on ZRS.
Value of exempt supplies, for apportionment of ITC, shall include supplies on which the recipient is liable to pay tax on reverse charge basis, transactions in securities, sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.	Value of ZRS shall be added along with the taxable supplies for apportionment of ITC.
Any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under the CGST or IGST Act shall not be liable to registration.	A person exclusively making ZRS needs to register as refund of unutilized ITC or IGST paid shall have to be claimed.
A registered person supplying exempted goods and/or services shall issue, instead of a tax invoice, a bill of supply.	Normal tax invoice shall be issued.

EXPORT OF GOODS & SERVICES

Taxability of Export

Treated as inter-State supply and zero rated.

ITC is still available to the exporter even if there is full exemption for the supply.

Tax associated with exports is always IGST.

Export of Goods

Physical
Exports

Taking the goods from
India to a place outside



Deemed
Exports

Goods (not
services)
supplied are
manufacture
d in India

Supplies do
not leave
India.

Such
supplies
are notified
as deemed
exports.

Payment for
supplier is
received either
in INR/
convertible
FOREX.

Categories of supply of goods notified as deemed exports

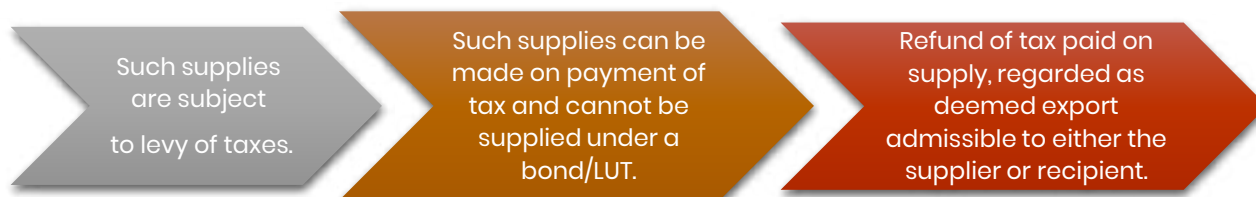
Supply of goods by a registered person against Advance Authorisation (AA)

Supply of Capital Goods (CG) by a registered person against Export Promotion Capital Goods (EPCG) authorisation.

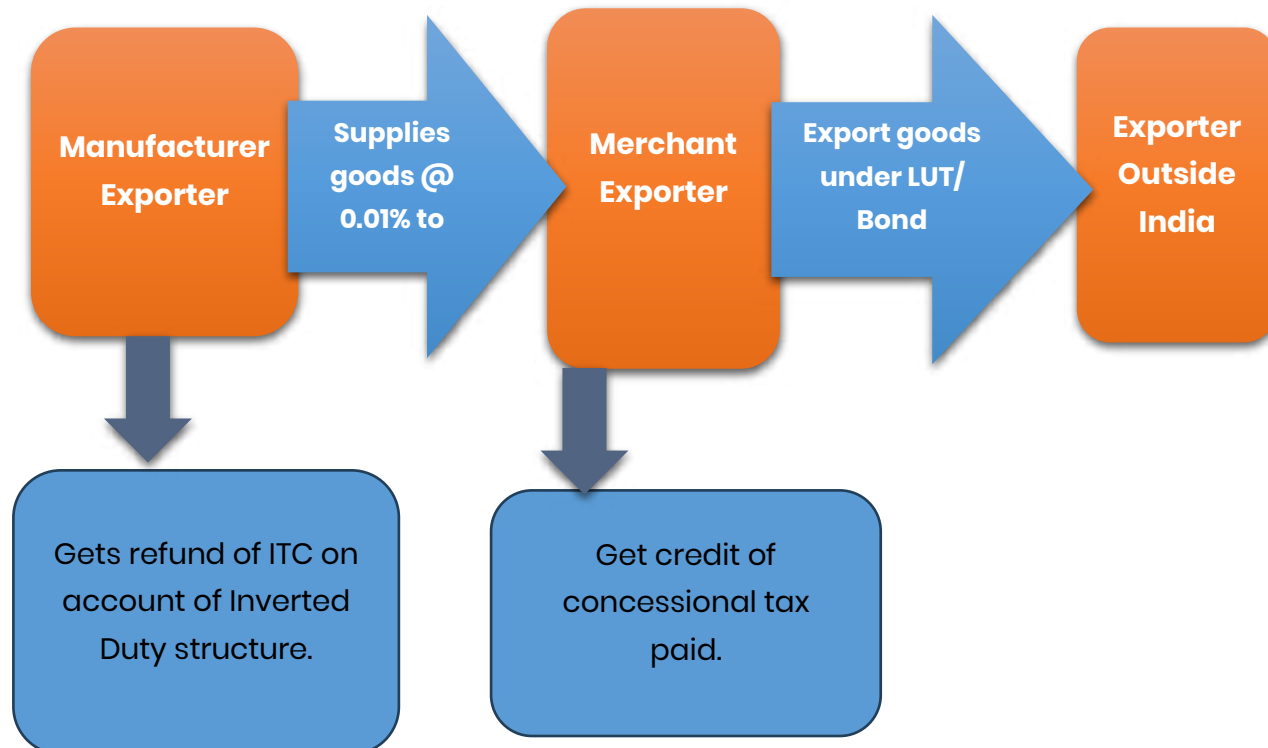
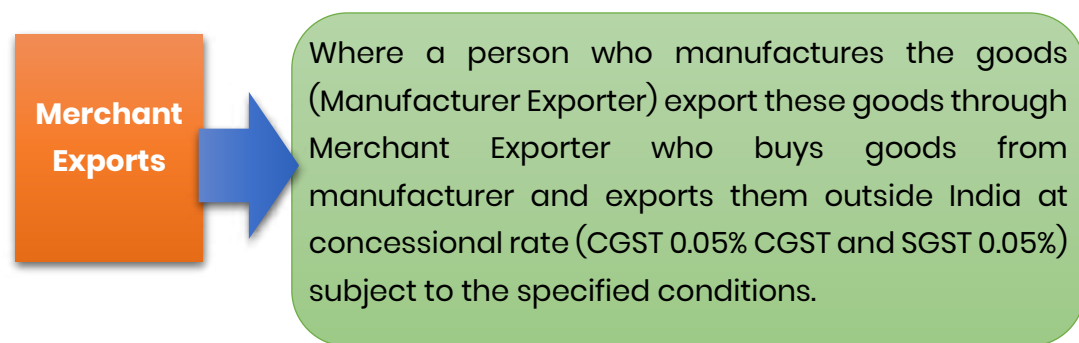
Supply of goods by a registered person to EOU.

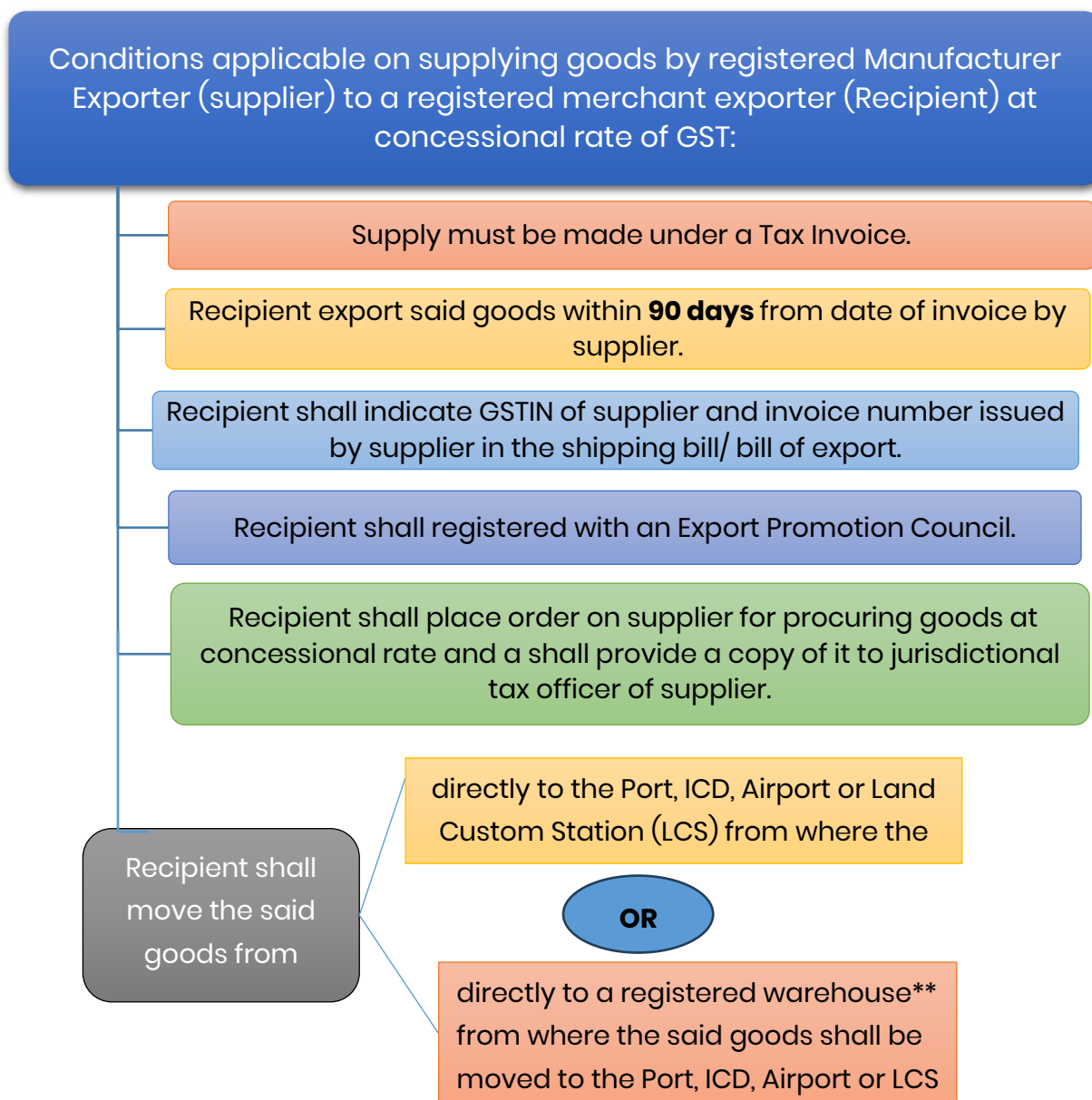
Supply of gold by specified bank or PSU against AA.

Taxability of deemed exports



Merchant Exporter





**** Registered principal place of business or registered additional place of business are deemed to be a **registered warehouse**.**

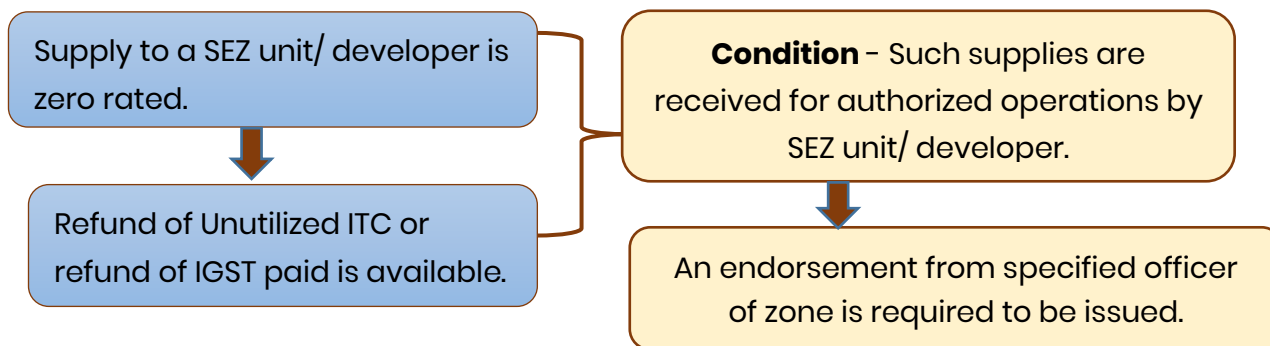
Export of Services [Section 2(6)]

Conditions to be satisfied to qualify as Export of Services.

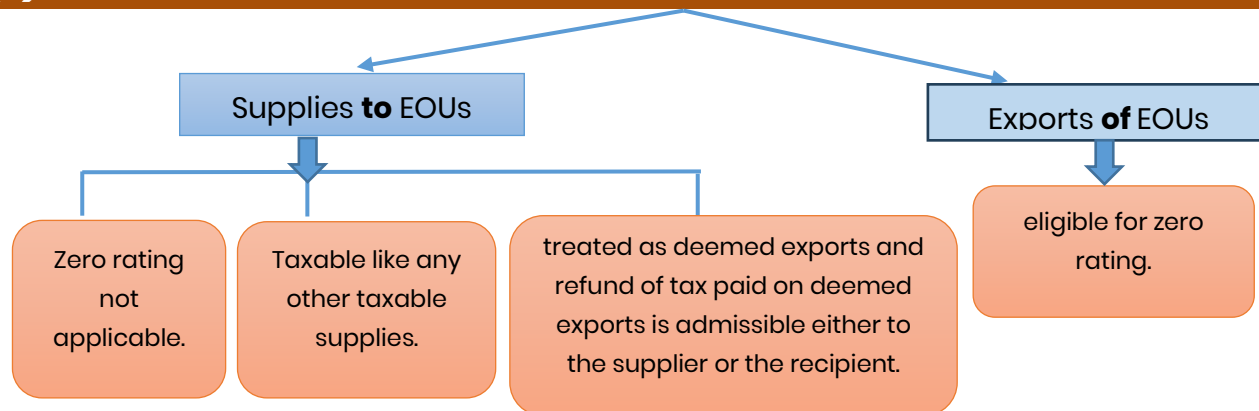


Common provisions/aspects for export of Goods and Services

(i) Supplies to SEZ unit/ developer.



(ii) Transactions with EOUs



(iii) Procedure for direct exports [Rule 96A of the CGST Rules]

Exporter has to execute bond or LUT before export, and pay tax with 18% Interest within:

(i) Export of Goods: 15 days after end of 3 months (or further period as allowed by commissioner) from date of invoice issued, if goods are exported outside India; or

(ii) Export of Services: 15 days after end of 1 year (or further period as allowed by commissioner) from date of invoice issued if the payment is not received by exporter in convertible FOREX or INR.

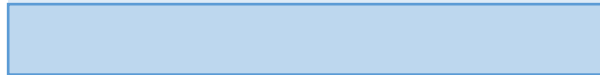
Note: If registered person is making ZRS without payment of tax, then in case of non-realisation of sale proceeds, he would be liable to deposit the refund so received under section 16(3) along with interest within 30 days after the expiry of time limit prescribed under FEMA for receipt of FOREX remittances.

Failure to export and paying tax with interest leads to withdrawal of facility of export without payment of IGST and recovery of the said amount under section 79 of the CGST Act.

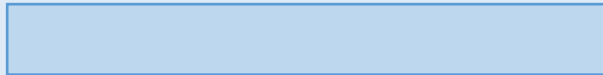
This facility can be restored after the payment of said amount.

Registered persons are eligible to furnish a LUT in place of a bond. (Except those who have been prosecuted for cases involving an amount > ₹ 250 lakh)

The details of the export invoices should be submitted in GSTR-1.

(iv) Export to Nepal and Bhutan**Export of goods:**

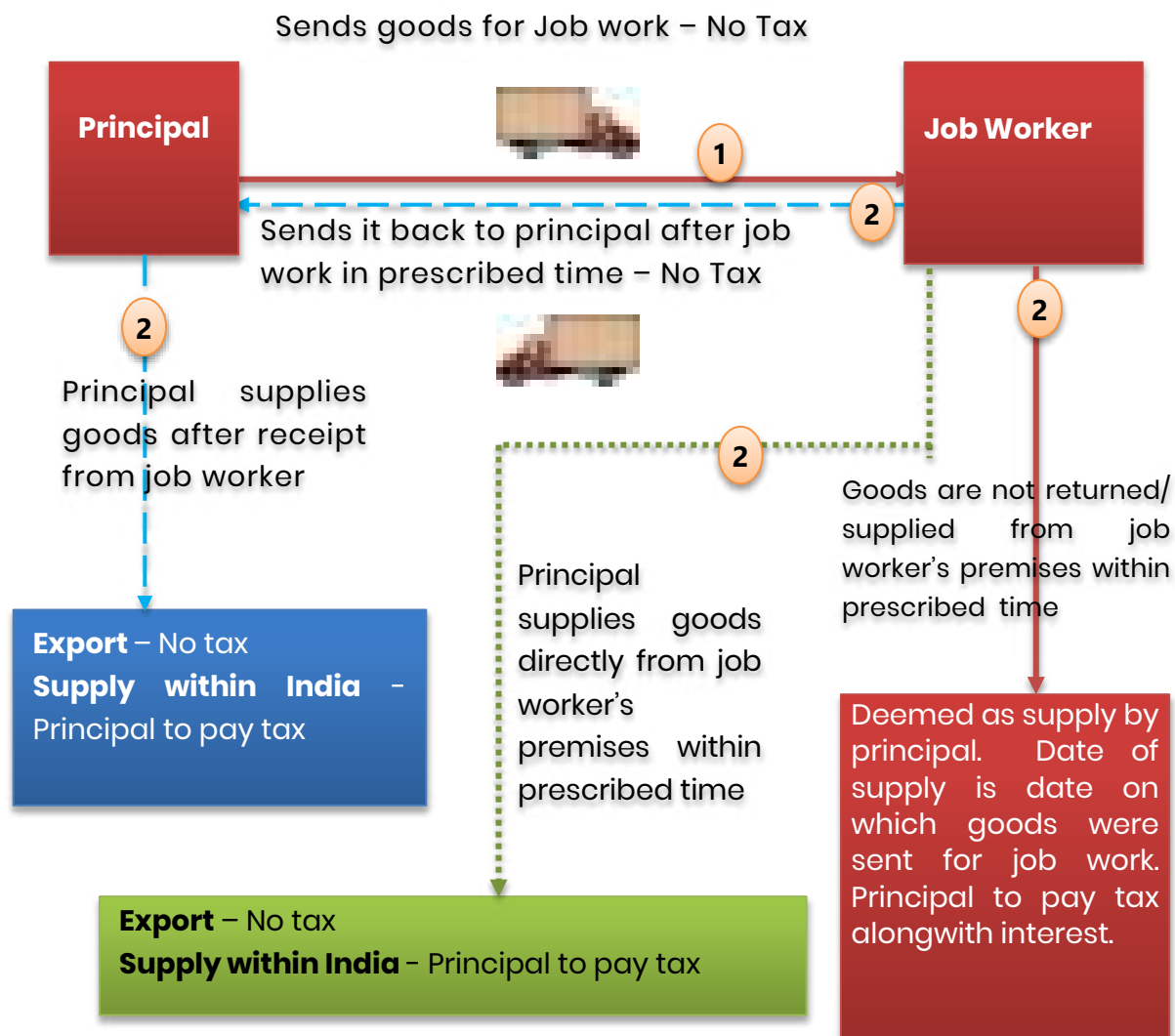
- Such Exports falls within the definition of 'export of goods' under the IGST Act.
- RBI allow receipt of payment in INR in case of such exports.
- India has rupee trade with Nepal and Bhutan.
- Treated as zero rated and qualify for all the benefits available to ZRS.
- Non-realization of export proceeds within the time prescribed under FEMA may result in recovery of any refund.

Export of services:

- RBI allows receipt of payment in INR in case of exports of services to Nepal and Bhutan in case of supply of services and such supply in Nepal or Bhutan, against payment in INR is considered as export of services subject to fulfillment of other conditions.

JOB WORK

Job work Procedure



Time limits for the return of inputs/capital goods sent for job-work or supply from job worker's place of business after required processing or treatment

- ☐ Principal can take credit on goods (inputs and capital goods) sent for job work.
- ☐ Credit can be taken even if the said goods are sent directly to job worker without being first brought to the principal's place of business.

Time limit for return of goods sent for job work/supply from job worker's place of business

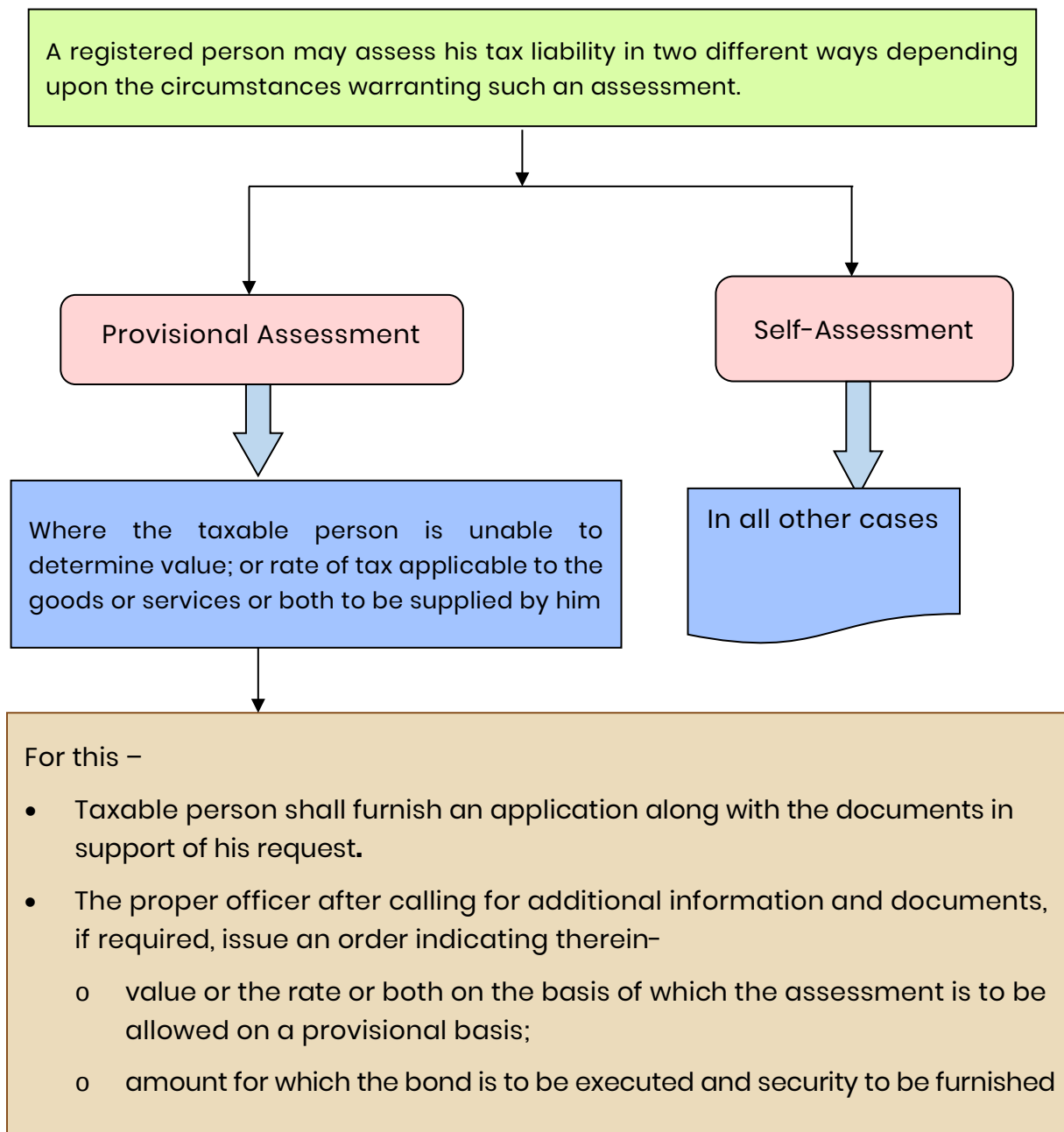
- ◆ **Inputs** - 1 year (extendable by another 1 year)
 - ◆ **Capital goods** - 3 years (extendable by another 2 years)
- from the date of sending the same for job work or from the date of receipt of the same by the job worker.

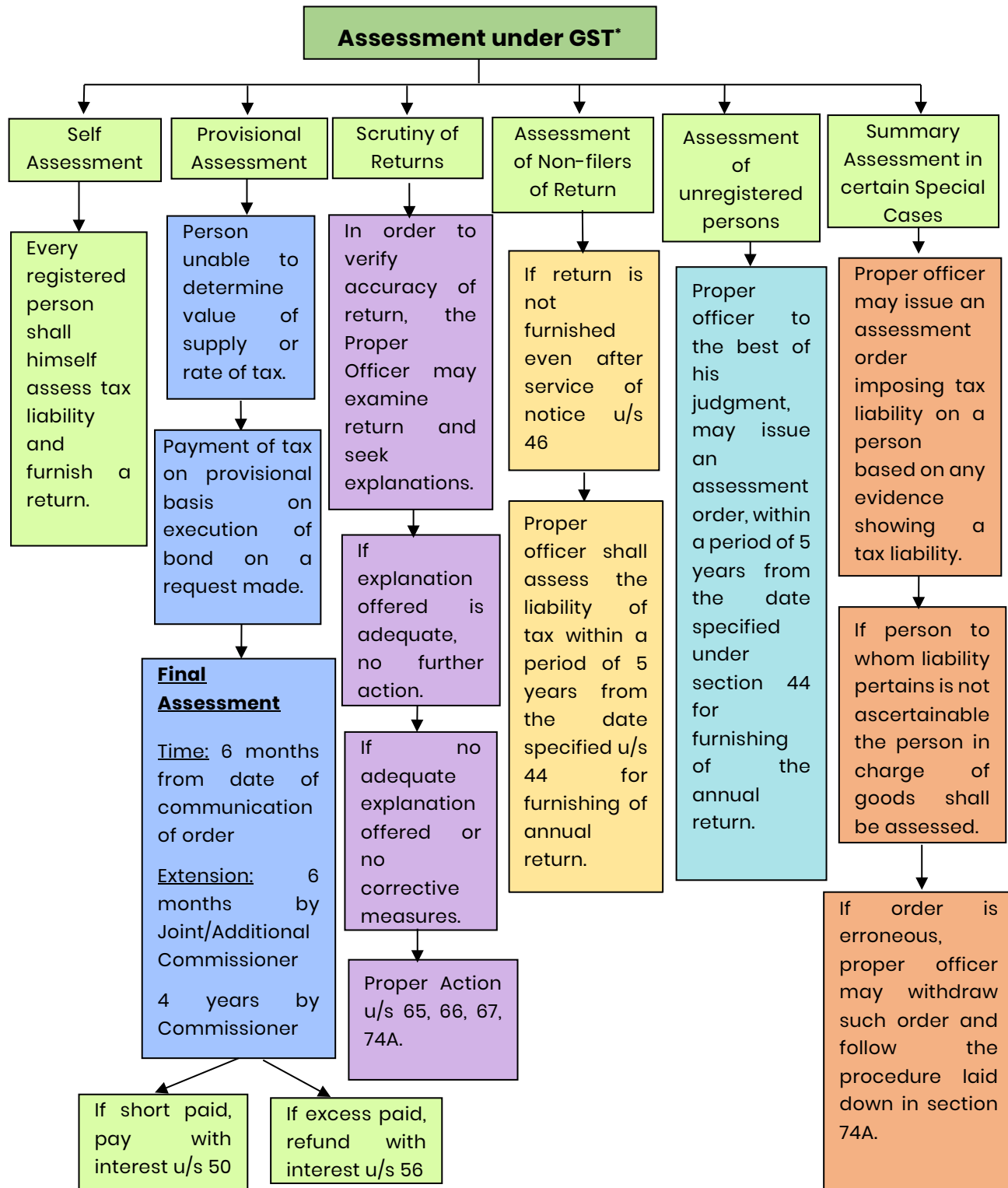
- ☐ On failing to comply with the timelines, the goods will be deemed to have been supplied to the job worker on the day they were sent out.
- ☐ Principal is liable to pay tax along with applicable interest on such supply.
- ☐ Subsequent return of the goods by the job worker will be treated as a separate supply.

Time-lines do not apply to moulds and dies, jigs and fixtures or tools sent out for job work.

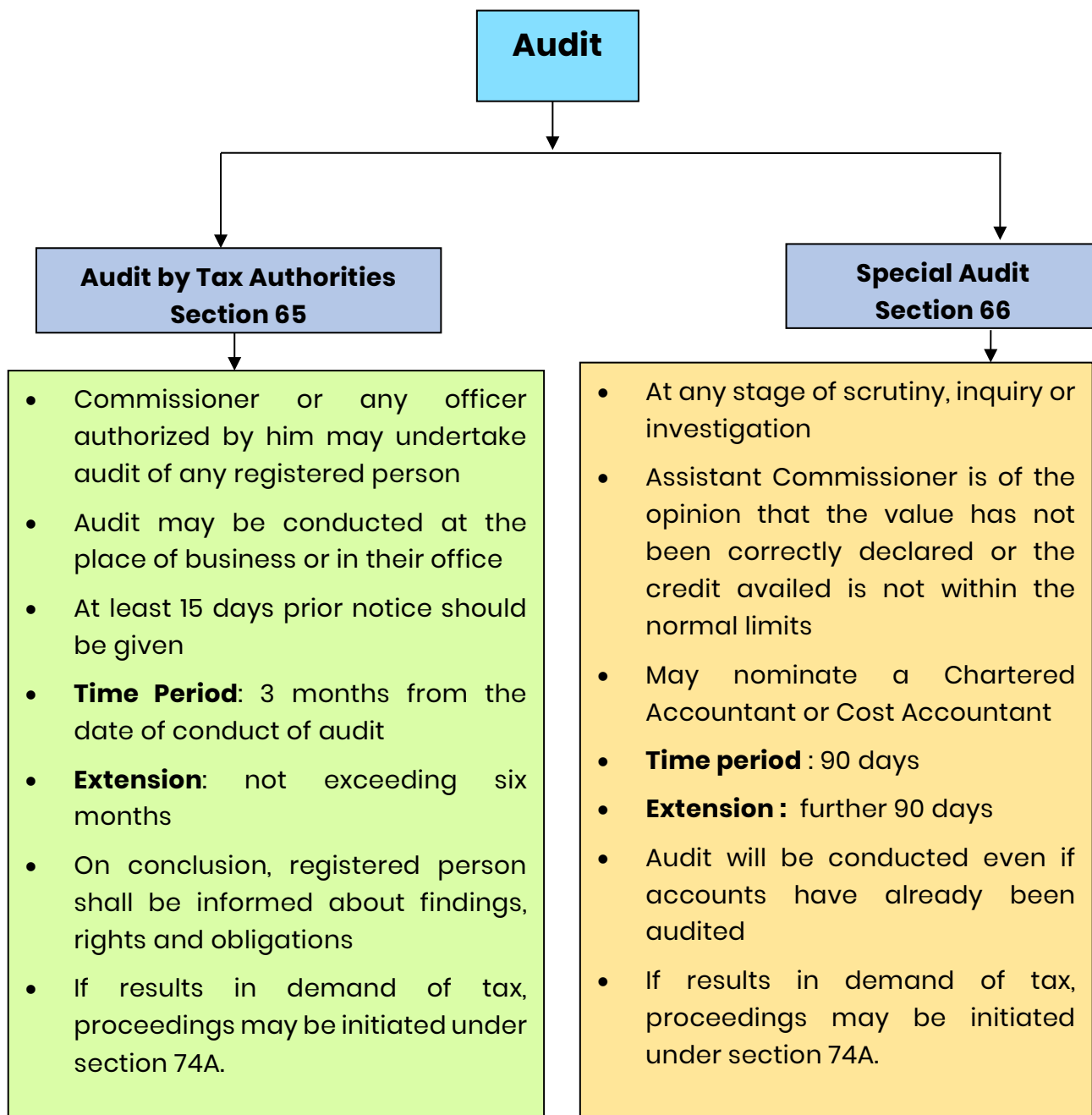
ASSESSMENT AND AUDIT

Different ways to assess the tax liability by a registered person

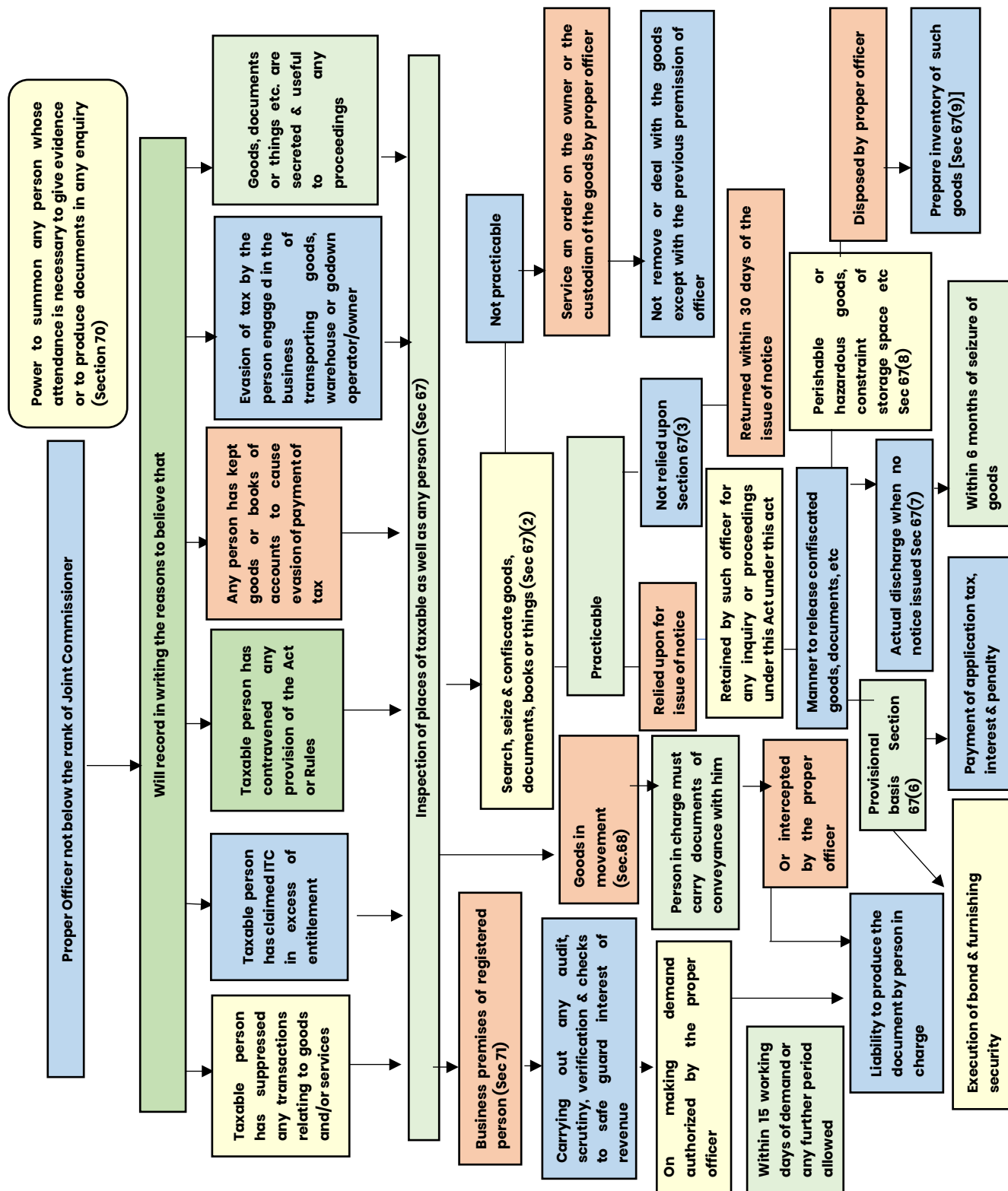




*This is not an exhaustive list of assessments under the GST law. In addition to the types of assessments listed herein above, determination of the liability of a taxpayer can be made under Section 74A of the CGST Act.



INSPECTION, SEARCH, SEIZURE AND ARREST



DEMANDS AND RECOVERY

Section 74A ¹ (Applicable from FY 2024-25 onwards)	Demand and Recovery in Fraud and Non-Fraud Cases	
Power to serve show cause notice (SCN)	Proper Officer (PO) shall serve the SCN to a person chargeable with tax in case of tax not paid or short paid or erroneously refunded, or ITC wrongly availed or utilized. No SCN to be issued if the amount involved is less than ₹ 1,000.	
Time limit for issuance of notice	42 months from the (i) due date of furnishing annual return of the FY, to which such non-payment/short payment of tax or ITC wrongly availed/utilized relates or (ii) date of erroneous refund for fraud as well as non-fraud cases	
Issuance of statement for subsequent periods	PO may serve a statement containing details of tax not paid or short paid or erroneously refunded, or ITC wrongly availed or utilized, for periods other than covered under the original notice.	
Deemed SCN if grounds for issuing statement are same as in case of SCN	Such statement shall be deemed to be the SCN but grounds for discrepancies in statement must be the same as those in original SCN	
Penalty	Non Fraud Cases	Fraud Cases
	10% of the tax due or ₹ 10,000 whichever is higher ²	Equivalent to the tax due

¹ Erstwhile sections 73 and 74 are applicable for determination of tax pertaining to the period upto Financial Year 2023-24.

² ₹ 10,000 each under CGST and SGST/UTGST or ₹ 20,000 under IGST

Section 74A ¹ (Applicable from FY 2024-25 onwards)	Demand and Recovery in Fraud and Non-Fraud Cases		
	In case where-		
		Non Fraud Cases	Fraud Cases
	Tax and Interest Paid before SCN	NIL	15% of Tax Due
	Tax and Interest Paid within 60 days of SCN	NIL	25% of Tax Due
	Tax and Interest Paid within 60 days of communication of order		50% of Tax Due
Issue of order	PO shall determine the tax, interest and penalty after considering representation made by person chargeable with tax and issue an order.		
Time Limit for issuance of order	12 months from the date of issue of SCN Extension upto 6 months permitted		
Penalty in case of Self Assessed Tax	If self assessed tax is not paid within 30 days from the due date, penalty shall be levied as follows: 10% of the tax due or ₹ 10,000, whichever is higher ³		

³ ₹10,000 each under CGST and SGST/UTGST or ₹ 20,000 under IGST

LIABILITY TO PAY IN CERTAIN CASES**Liability to pay in case of transfer of business
[Section 85]**

Where transfer of business (wholly or partly) is made by way of sale, gift, lease, leave and license, hire or in any other manner,

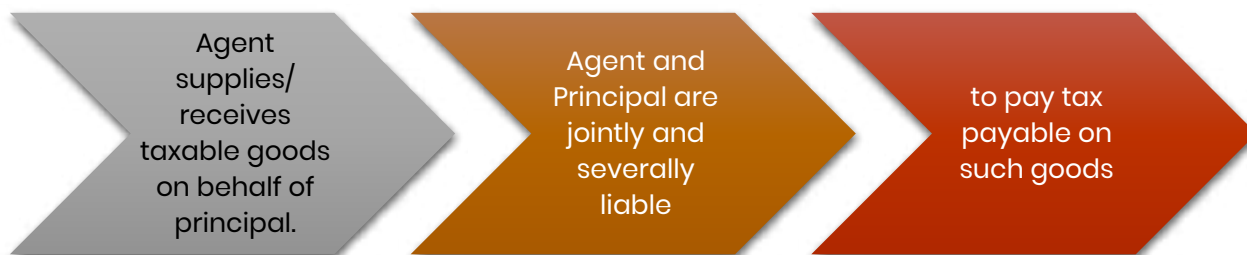
UPTO THE TIME OF SUCH TRANSFER

Transferor and transferee are jointly and severally liable wholly or to the extent of transfer, to pay tax, interest or any penalty.

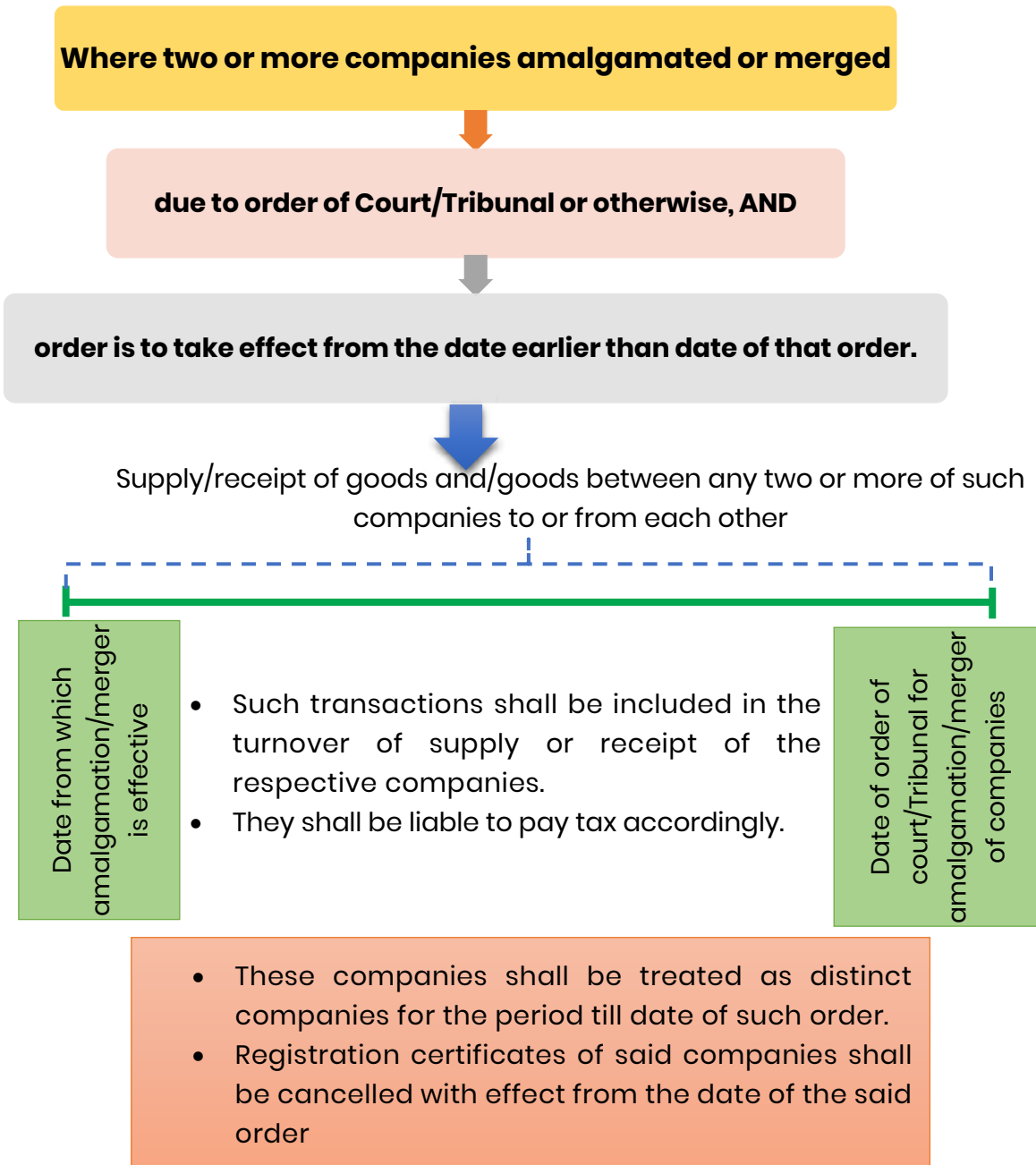
Where transferee carries on such business either in his own name or in some other name.

Transferee shall be liable to pay tax on the supply of goods or services or both effected by him with effect from the date of such transfer.

Note: In case of death of sole proprietor, transferee shall be liable to pay any tax, interest or any penalty due from the transferor.

Liability of agent and principal [Section 86]

Liability to pay in case of an amalgamation/merger of companies [Section 87]



Liability in case of company in liquidation [Section 88]

Liquidator shall give the intimation of his appointment to the Commissioner within 30 days of his appointment.

The Commissioner may make such inquiry or call for such information as he may deem fit.

Commissioner shall notify the liquidator the amount sufficient to provide for any tax, interest or penalty payable or likely to be payable by the company, within 3 months of receipt of intimation of liquidator.

If such tax, interest or penalty cannot be recovered from the company, every director during the period is jointly and severally liable to pay it unless he proves that the non-recovery cannot be attributed to any gross neglect, misfeasance or breach of duty on his part.

Liability of directors of private company [Section 89]

Where any **tax, interest or penalty (TIP)** due from a private company in respect of any supply for any period cannot be recovered.

Director(s) of such private company during such period to be jointly and severally.

liable to pay such TIP

unless he proves that, non-recovery cannot be attributed to his gross neglect, misfeasance or breach of duty.

not liable to pay such TIP

if such private company gets converted into a public company and non-recovery pertains to the period before conversion.

Liability of partners of firm to pay tax [Section 90]

General Scenario

Firm and each of the partners of the firm shall, jointly and severally, be liable to pay TIP in case of firm.

Where any partner retires

- He/firm, shall intimate date of retirement of said partner to Commissioner by a written notice.
- Such partner shall be liable to pay TIP dues only upto:
 - ✓ date of his retirement, if above intimation given within 1 month of retirement
 - ✓ or date of intimation, if above intimation given after 1 month of retirement

Liability of guardians, trustees etc. [Section 91]

Where business is carried on by any guardian, trustee or agent on behalf of and for benefit of a minor or other incapacitated person.

TIP shall be levied and recoverable from such guardian, trustee or agent.

Such TIP shall be determined, levied and recoverable in a like manner and to the same extent as it would be recoverable from minor or incapacitated person as if he were a major/capacitated person and as if he were conducting the business himself & all provisions of GST law shall apply accordingly.

Liability of court of wards etc. [Section 92]

Where the estate/portion of estate is under the control of:

Court of Wards (COW),
Administrator General (AG),
Official Trustee (OT)
or any receiver or manager or any such person appointed by/under a order of court

TIP shall be levied and recoverable from such COW, AG, OT, receiver or manager.

Such T.I.P. shall be determined, levied and recoverable from above mentioned persons in same manner and to same extent if he were conducting the business himself and & all provisions of GST law shall apply accordingly.

Special provisions regarding liability to pay tax, interest or penalty in certain cases

(i) On death of a person [Section 93(1)]

If business is continued after his death by legal representative (LR) or any other person :

Such LR/other person, shall be liable to pay TIP due from deceased person.

Business is discontinued after his death:

LR shall be liable to pay TIP out of the estate of deceased person to the extent to which his estate is capable of meeting TIP due.

The successor shall be liable to pay any TIP due from the transferor in cases of transfer of business **due to death of sole proprietor.**

(ii) On partition of property of HUF or AOP [Section 93(2)]

Where property of the HUF or AOP is partitioned amongst the various members or groups of members

Each member/group of members shall, jointly and severally, be liable to pay TIP due

up to the time of the partition

(iii) On dissolution of a firm [Section 93(3)]

Where a firm is dissolved

every person partner shall, jointly and severally, be liable to pay TIP due

up to the time of dissolution

OFFENCES AND PENALTIES AND ETHICAL ASPECTS UNDER GST

Persons liable to penalty under section 122

Section 122 levies penalty on following persons:

Section	Penalty leviable on
Section 122(1)	Taxable Person
Section 122(1A)	Any Person
Section 122(1B)	Electronic Commerce Operator, who is liable to collect TCS under section 52
Section 122(2)	Registered Person
Section 122(3)	Any Person

Quantum of Penalty under section 122(1)

CGST/SGST/UTGST law	IGST law
(i) ₹ 10,000/-; or (ii) Amount equivalent to, any of the following (applicable as the case may be): ☐ Tax evaded; or ☐ Tax not deducted under section 51 or short deducted or deducted but not paid to the Government; or ☐ Tax not collected under section 52 or short collected or collected but not paid to the Government; or ☐ Input tax credit availed of or passed on or distributed irregularly; or ☐ Refund claimed fraudulently whichever is higher.	(i) ₹ 20,000/-; or (ii) Amount equivalent to, any of the following (applicable as the case may be): ☐ Tax evaded; or ☐ Tax not deducted under section 51 or short deducted or deducted but not paid to the Government; or ☐ Tax not collected under section 52 or short collected or collected but not paid to the Government; or ☐ Input tax credit availed of or passed on or distributed irregularly; or ☐ Refund claimed fraudulently whichever is higher.



It may be noted that the penalty payable under section 122 is with reference to only the CGST Act. An equal amount of penalty is payable under the respective SGST/UTGST Act as well.

Similarly, under IGST Act, penalty payable will be sum of penalty payable under the CGST Act and penalty payable under SGST/UTGST Act.

Specified Offences under Section 122(1)

Section 122(1) gives the list of 21 different offences which can be divided in the broad categories–

(A) Offences related to invoice

(i)	supplies any goods or services or both without issue of any invoice or issues an incorrect or false invoice with regard to any such supply;
(ii)	issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act or the rules made thereunder;
(xix)	issues any invoice or document by using the registration number of another registered person;

(B) Offences related to tax evasion / relating to TCS / TDS

(iii)	collects any amount as tax but fails to pay the same to the Government beyond a period of 3 months from the date on which such payment becomes due;
(iv)	collects any tax in contravention of the provisions of this Act but fails to pay the same to the Government beyond a period of 3 months from the date on which such payment becomes due;
(v)	fails to deduct the tax in accordance with the provisions of sub-section (1) of section 51, or deducts an amount which is less than the amount required to be deducted under the said sub-section, or where he fails to pay to the Government under sub-section (2) thereof, the amount deducted as tax;
(vi)	fails to collect tax in accordance with the provisions of sub-section (1) of section 52, or collects an amount which is less than the amount required to be collected under the said sub-section or where he fails to pay to the Government the amount collected as tax under sub-section (3) of section 52;
(xv)	suppresses his turnover leading to evasion of tax under this Act;

(C) Offences related to ITC

(vii)	takes or utilises ITC without actual receipt of goods and/or services either fully or partially, in contravention of the provisions of this Act or the rules made thereunder;
(ix)	takes or distributes ITC in contravention of section 20, or the rules made thereunder;

(D) Offence related to refund

(viii)	fraudulently obtains refund of tax under this Act;
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(E) Offences related to records, documents, books of accounts etc.

(x)	falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information or return with an intention to evade payment of tax due under this Act;
(xvi)	fails to keep, maintain or retain books of account and other documents in accordance with the provisions of this Act or the rules made thereunder;
(xvii)	fails to furnish information or documents called for by an officer in accordance with the provisions of this Act or the rules made thereunder or furnishes false information or documents during any proceedings under this Act;

(F) Offences related to registration

(xi)	is liable to be registered under this Act but fails to obtain registration;
(xii)	furnishes any false information with regard to registration particulars, either at the time of applying for registration, or subsequently;

(G) Offence related to transportation and storage

(xiv)	transports any taxable goods without the cover of documents as may be specified in this behalf;
(xviii)	supplies, transports or stores any goods which he has reasons to believe are liable to confiscation under this Act;

(H) Other offences

(xiii)	obstructs or prevents any officer in discharge of his duties under this Act;
(xx)	tampers with, or destroys any material evidence or document;
(xxi)	disposes off or tampers with any goods that have been detained, seized, or attached under this Act,

Penalty under section 122(1A)

Penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on.

Penalty under section 122(1B)

CGST/SGST/UTGST law	IGST law
(i) ₹ 10,000/-; or (ii) Amount equivalent to, amount of tax involved had such supply been made by a registered person other than composition supplier whichever is higher.	(i) ₹ 20,000/-; or (ii) Amount equivalent to, amount of tax involved had such supply been made by a registered person other than composition supplier whichever is higher.

Penalty under section 122(2)

		CGST/SGST/UTGST law	IGST law
(a)	For any reason, other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax	Shall be liable to a penalty for an amount equal to– (a) ₹ 10,000/-; or (b) 10% of the tax due from such person whichever is higher	Shall be liable to a penalty for an amount equal to– (c) ₹ 20,000/-; or (d) 10% of the tax due from such person whichever is higher
(b)	For reason of fraud or any wilful misstatement or suppression of facts to evade tax	Shall be liable to a penalty for an amount equal to– (a) ₹ 10,000/-; or (b) Tax due from such person whichever is higher	Shall be liable to a penalty for an amount equal to– (c) ₹ 20,000/-; or (d) Tax due from such person whichever is higher

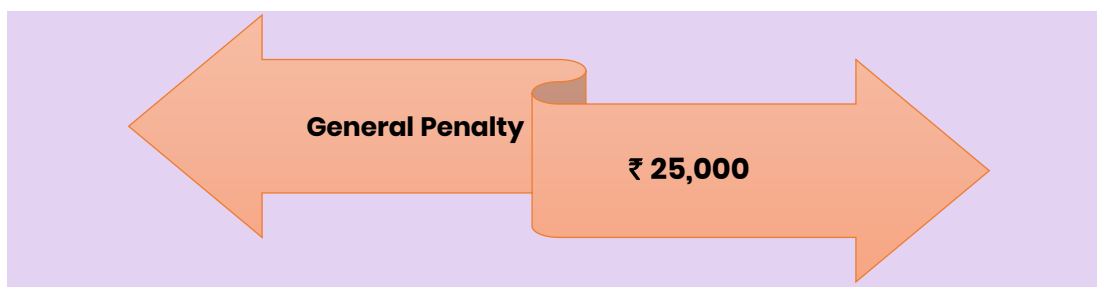
Penalty under section 122(3)

Penalty is leviable for an amount which may extend to ₹ 25,000/- (each under CGST and SGST/UTGST) or ₹ 50,000 (under IGST).

Fine for Failure to Furnish Statistics [Section 124]

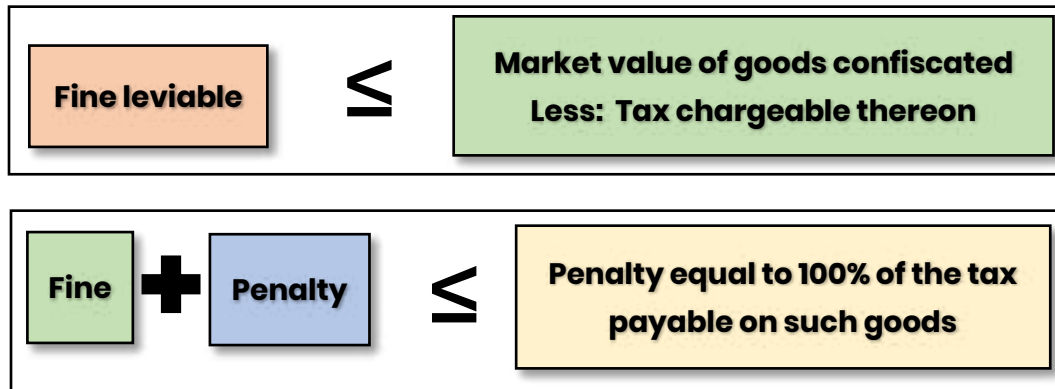
Particulars	CGST/SGST/UTGST law	IGST law
	Fine may extend to	
Offence committed first time	₹ 10,000/-	₹ 20,000/-
In case of continuing offence	(i) ₹ 100 for each day after the first day during which the offence continues or (ii) ₹ 25,000 whichever is lower	(i) ₹ 200 for each day after the first day during which the offence continues or (ii) ₹ 50,000 whichever is lower

General Penalty [Section 125]



Release of goods, conveyance and/or documents on payment of specified penalty [Section 129(1)]

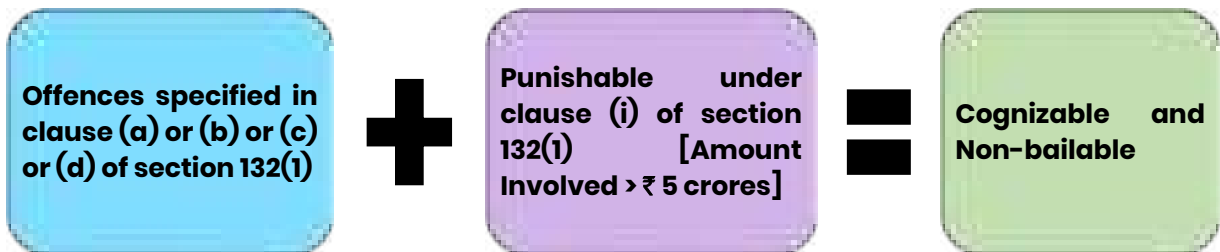
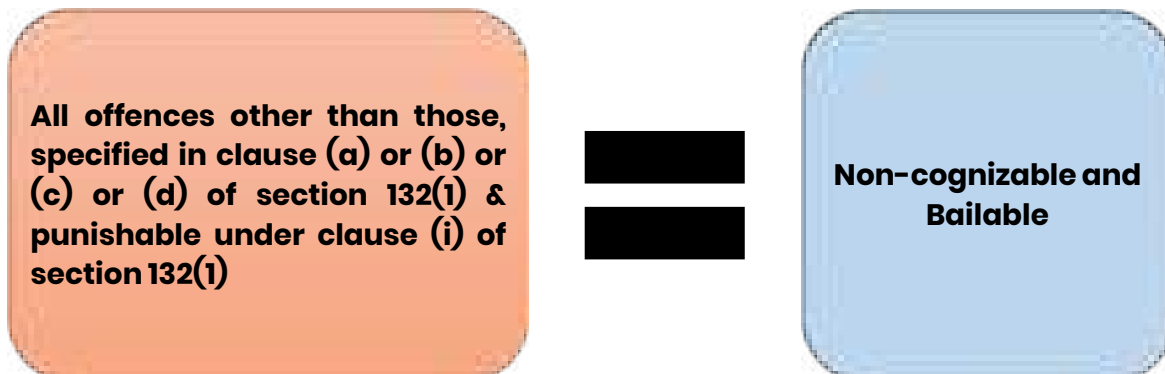
When owner of goods COMES FORWARD for payment of penalty [Section 129(1)(a)]:		
Taxable goods	CGST/SGST/UTGST law	IGST law
	Penalty equal to 200% of tax payable	Penalty equal to 200% of IGST payable
Exempted goods	Lower of the following: ✓ 2% of the value of goods or ✓ ₹ 25,000	Lower of the following: ✓ 4% of the value of goods or ✓ ₹ 50,000
When owner of goods DOES NOT COME FORWARD for payment of penalty [Section 129(1)(b)]:		
Taxable goods	Penalty equal to higher of the following ✓ 50% of value of goods or ✓ 200% of the tax payable on such goods	Penalty equal to higher of the following ✓ 100% of value of goods or ✓ 200% of the IGST payable on such goods
Exempted goods	Lower of ✓ 5% of the value of goods or ✓ ₹ 25,000	Lower of ✓ 10% of the value of goods or ✓ ₹ 50,000

Redemption fine [Section 130(2)]**Cases where prosecution can be initiated and punishment thereof [Section 132(1), (2), (3) & (6)]**

Cases where prosecution can be initiated	Supply without invoice
	Issuance of invoice without supply
	Wrongful/fraudulent availment of ITC
	Tax collected but not paid beyond 3 months
	Tax evasion/fraudulent refund
	False information/records etc. with an intention to evade tax
	Dealing in goods liable to confiscation
	Dealing in services in contravention of GST law
	Attempts to commit or abets any offence mentioned above

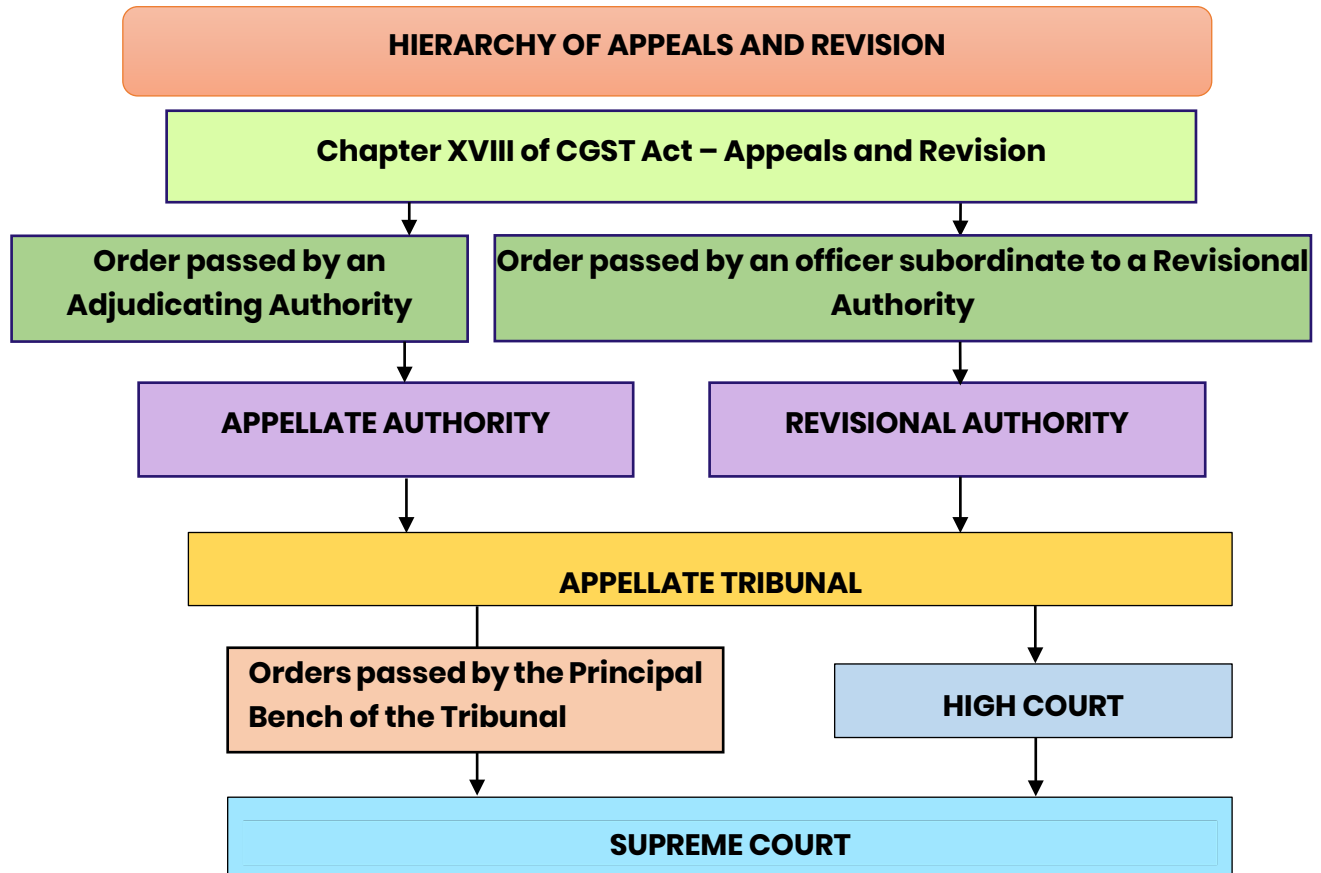
Anyone who commits or causes to commit and retain the benefits arising out of, any of the above offences can be prosecuted as under:

Offence	Amount Involved (AI) (in ₹)	Punishment	
Tax evaded or input tax credit wrongly availed or utilised or refund wrongly taken	AI > 5 crores	with imprisonment upto 5 Years and with fine	Imprisonment shall be for a minimum period of 6 months in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the Court
	2 crores < AI ≤ 5 crores	with imprisonment upto 3 Years and with fine	
Issuance of invoice without supply in violation of GST law leading to wrongful availment/ utilisation of ITC/refund of tax	1 crores < AI ≤ 2 crores	with imprisonment upto 1 year and with fine	
Falsification of information or records etc. with an intention to evade tax or abetting the commission of said offence		with imprisonment upto 6 months or with fine or with both	
For second and every subsequent offence under section 132	No limit	with imprisonment upto 5 Years and with fine	Imprisonment shall be for a minimum period of 6 months in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the Court.

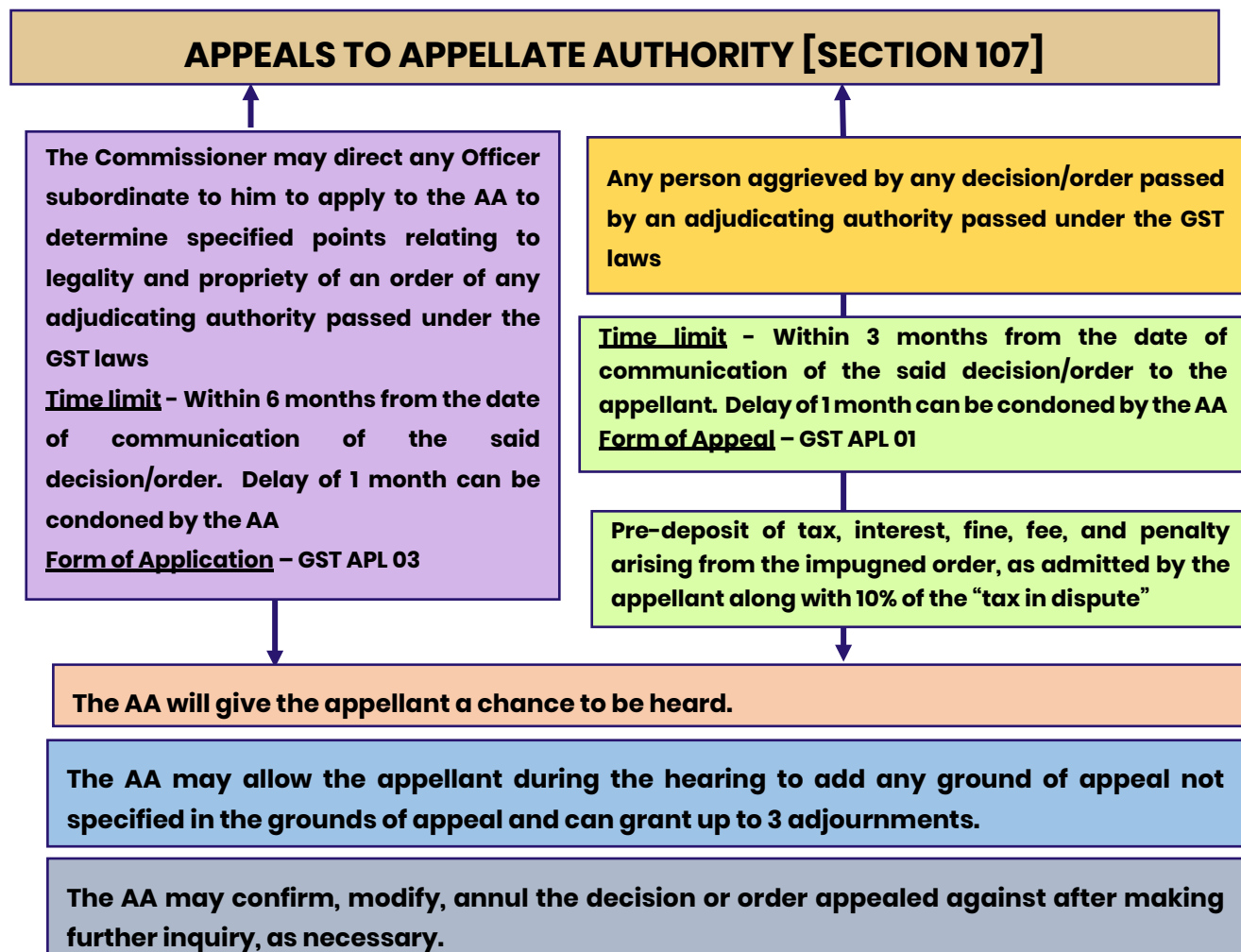
Cognizable and Non-Bailable offences**Non-cognizable and Bailable Offences**

APPEALS AND REVISIONS

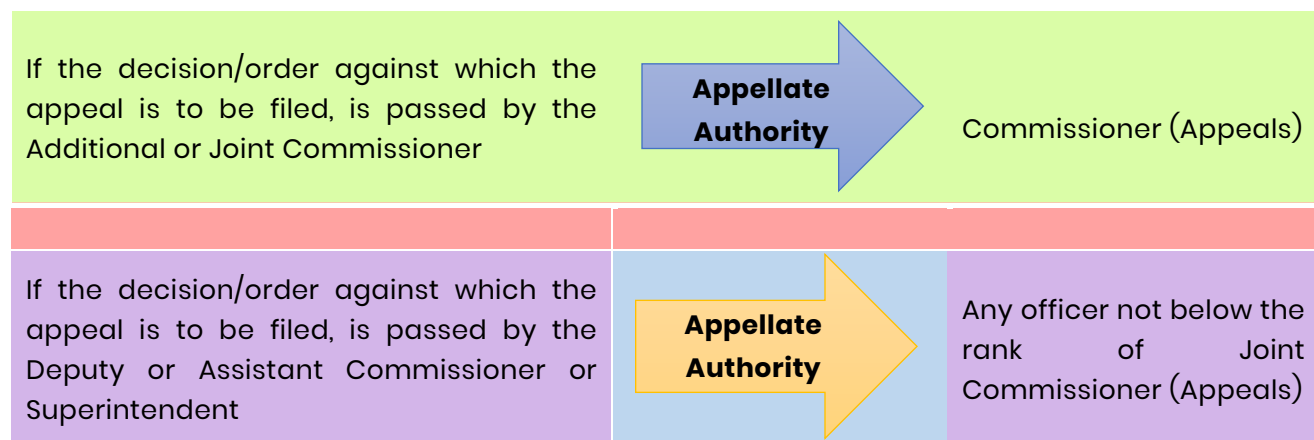
Overview



Appeals to Appellate Authority [Section 107]

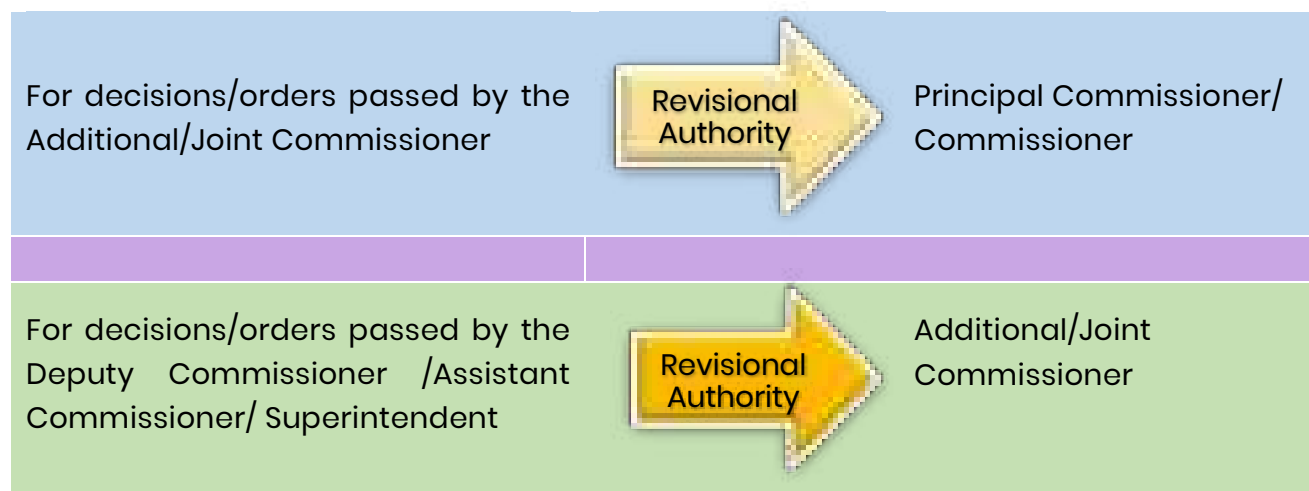


Appellate Authority



Revisional Authority

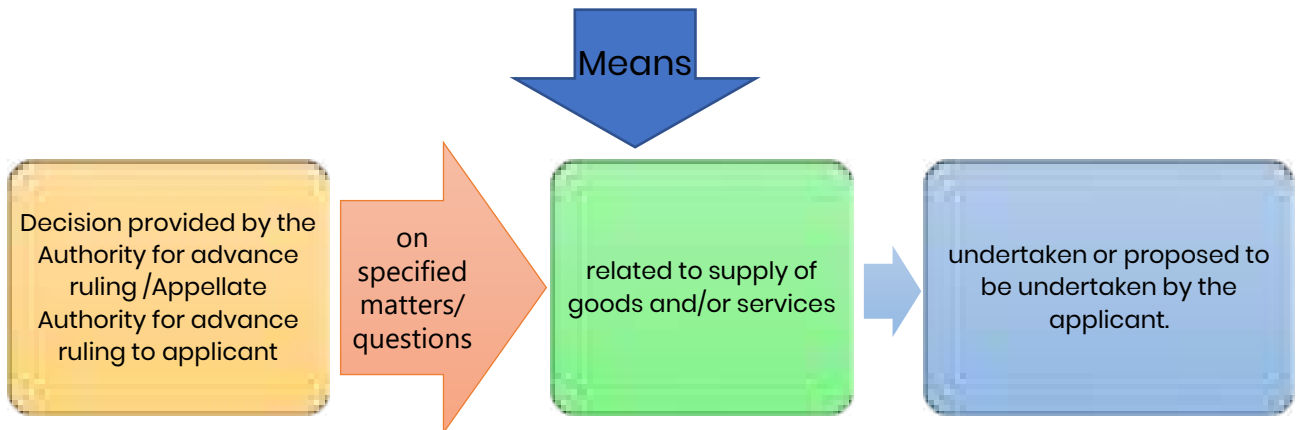
The CBIC has authorized the following officers as Revisional Authority:



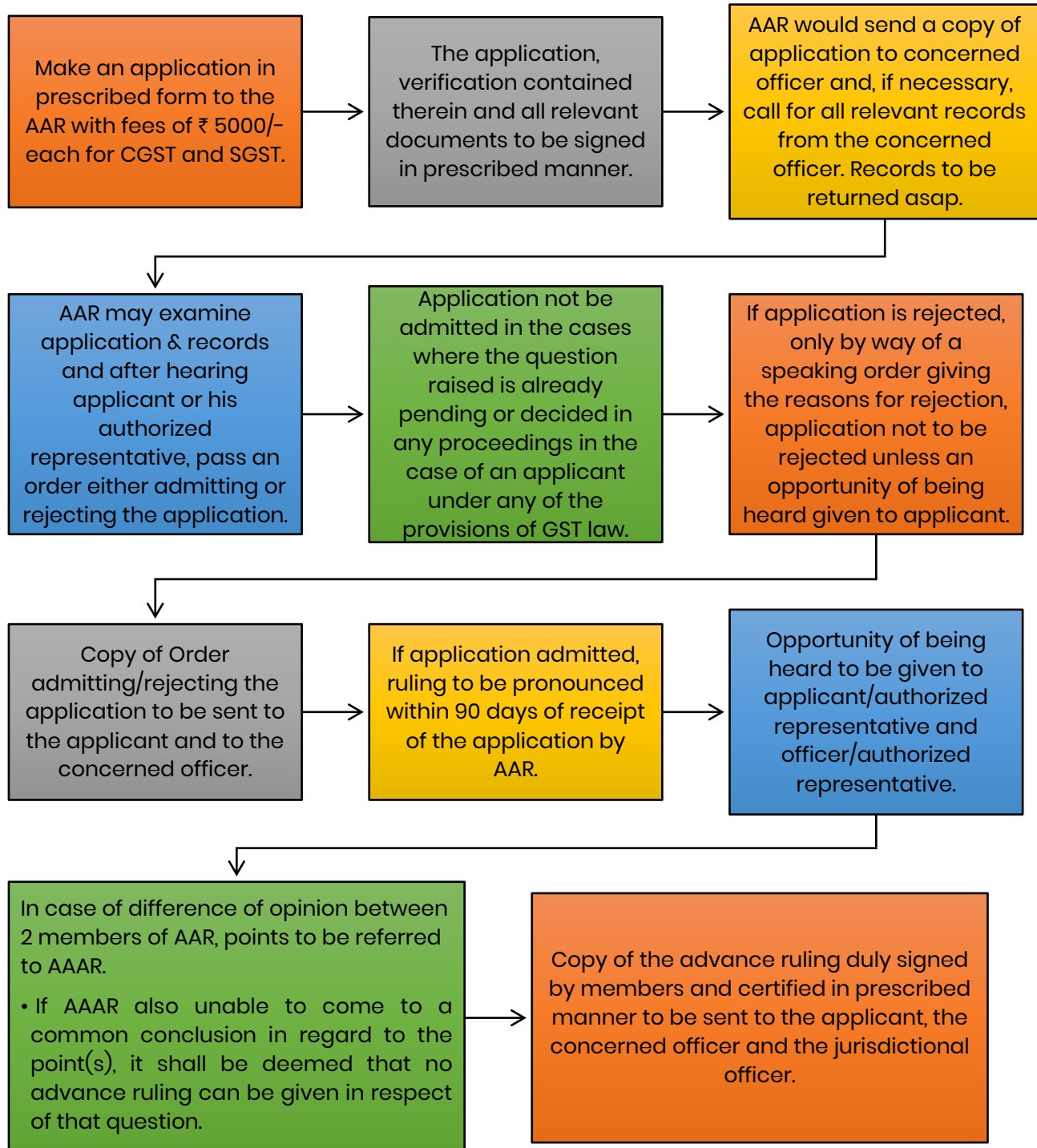
Mandatory Pre-deposit

Authority	Pre-deposit	
	When the tax involved is CGST	When the tax involved is IGST
AA	Admitted CGST liability in full + 10% of the CGST in dispute, subject to a maximum of 20 crore rupees*	Admitted IGST liability in full + 10% of the IGST in dispute, subject to a maximum of 40 crore rupees
Appellate Tribunal	Admitted CGST liability in full + 10% of the CGST in dispute, in addition to the amount deposited before AA as pre-deposit, subject to a maximum of 20 crore rupees*	Admitted IGST liability in full + 10% of the IGST in dispute, in addition to the amount deposited before AA as pre-deposit, subject to a maximum of 40 crore rupees

**Equivalent amount of SGST is also required to be deposited. Therefore, whether the appeal involves CGST+SGST or IGST, in both the cases, the aggregate amount of tax to be deposited or maximum amount (excluding the admitted liability) is the same.*

ADVANCE RULING**QUESTIONS FOR WHICH ADVANCE RULING CAN BE SOUGHT
[SECTION 97]**

Procedure For Obtaining Advance Ruling (AR) [Section 98]



Rectification of mistakes [Section 102]

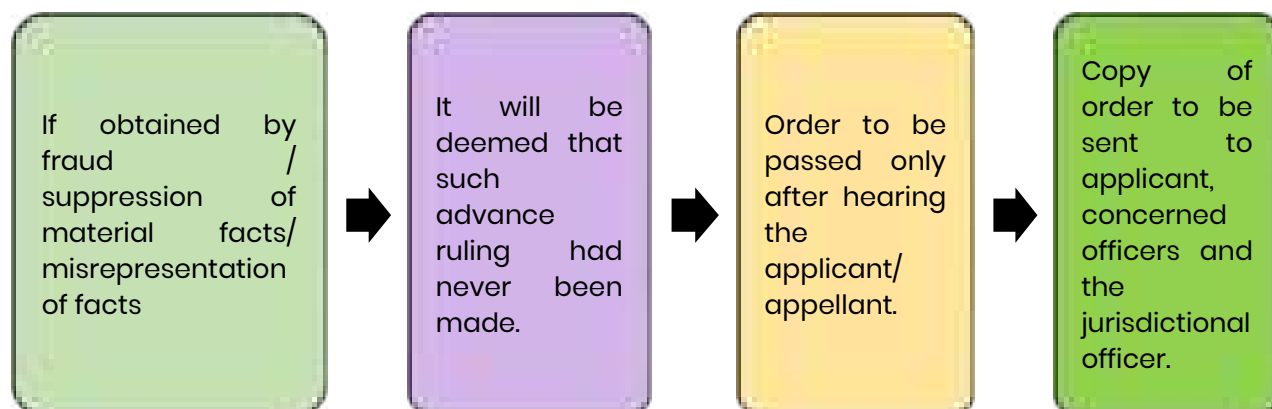
AAR & AAAR can amend their order within 6 months from date of order.

Such mistake may be noticed by authority on its own or brought to notice by applicant or the concerned officer /jurisdictional officer.

If tax liability increases or ITC reduces due to such rectification, applicant must be heard.

Applicability of advance ruling [Section 103]

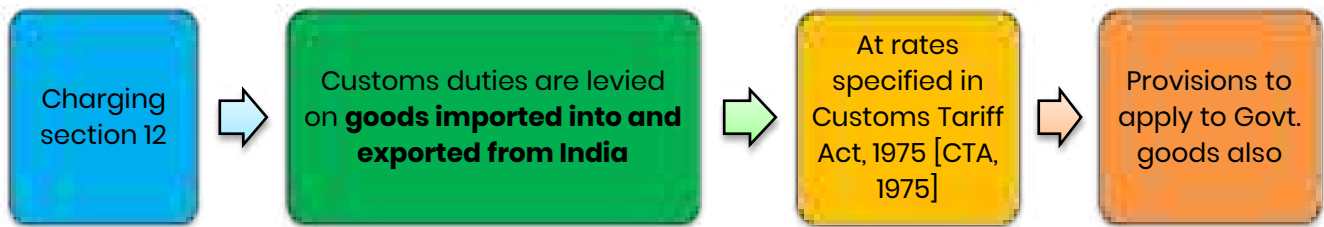
- Binding only on applicant and concerned officer/jurisdictional officer. Not applicable to similarly placed other taxable persons in the State.
- Binding till the period when law, facts/circumstances supporting the original advance ruling have not changed.

Advance ruling to be void in certain circumstances [Section 104]

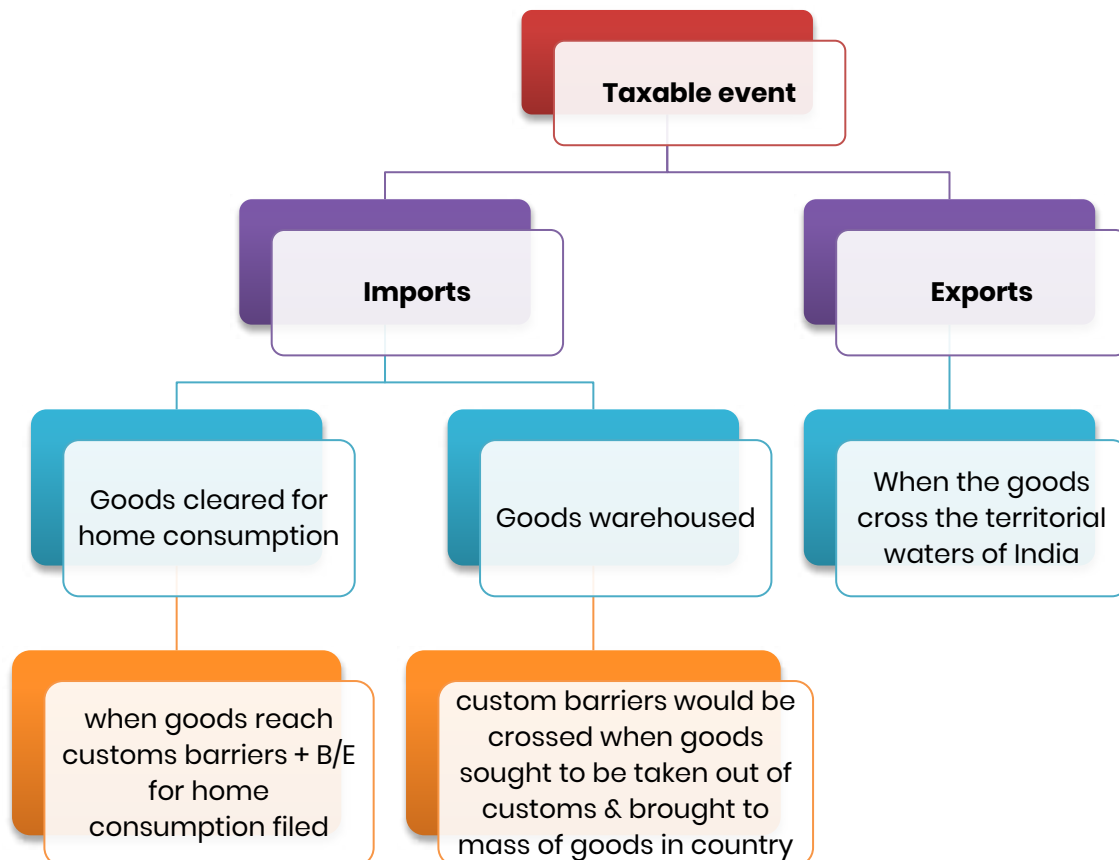
CUSTOMS

LEVY OF AND EXEMPTIONS FROM CUSTOMS DUTY

Charging Section [Section 12]



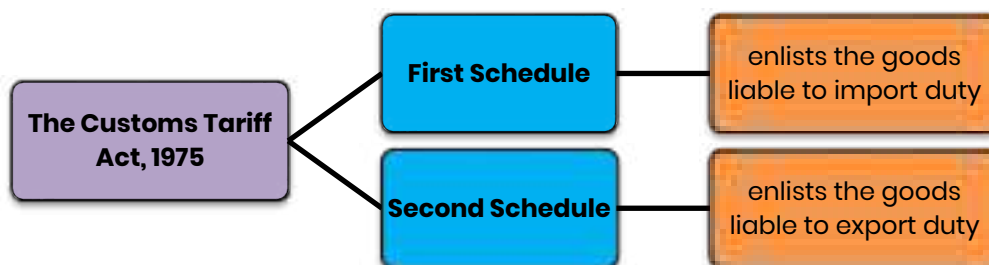
Taxable event



Important Terms

- ❑ **Indian Customs waters** – means waters extending into the sea up to the limit of EEZ & **includes** any bay, gulf, harbour, creek or tidal river. Powers of customs officers extend upto Indian Customs Waters.
- ❑ **Territorial Waters of India (TWI)**– extends upto 12 nautical miles (nm) into sea from baseline.
- ❑ **Exclusive Economic Zone (EEZ)** – area beyond TWI. The limit of EEZ is 200 nm from the nearest point of the baseline. Area beyond that is '**high seas**'

Schedules of the Customs Tariff Act, 1975



Duty liability in special circumstances

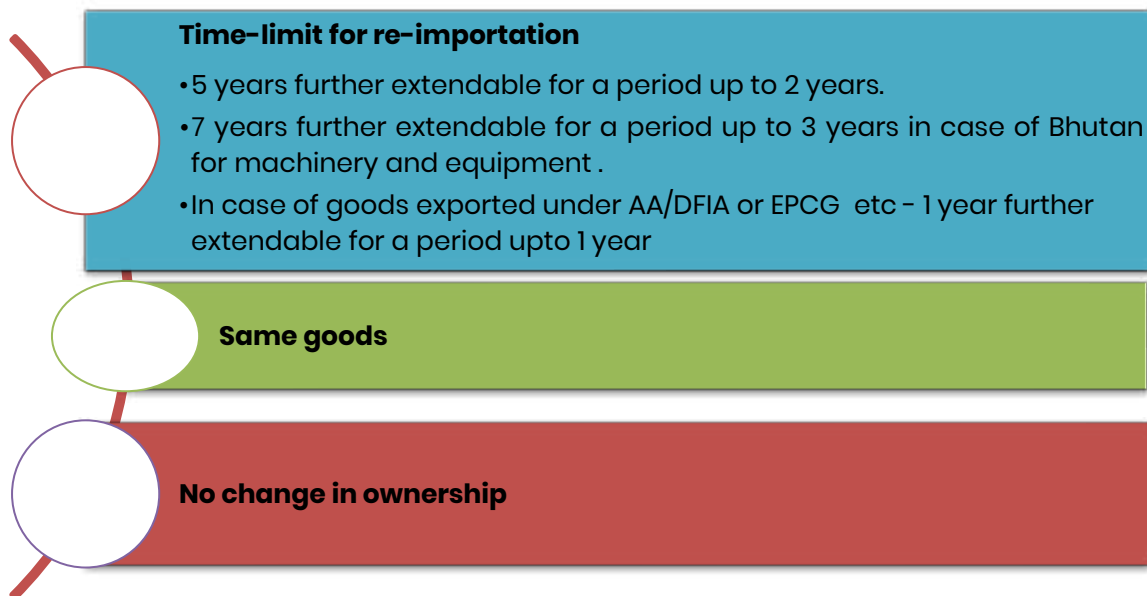
(A) Re-importation of goods

- (i) **Re-importation of goods exported under duty drawback, exported for repairs, etc. – Concessional duty payable**

S. No.	Description of goods exported	Amount of import duty payable if re-imported
1.	Goods exported- (i) under claim for duty drawback; (ii) under claim for refund of integrated tax paid on export goods; (iii) under bond without payment of integrated tax (iv) under duty exemption scheme (Advance Authorisation/ DFIA or EPCG) (v) under claim for RoDTEP (vi) under claim for RoSCTL	Amount of incentive availed of at the time of export subject to specified conditions In case of point (iv), amount of IGST and compensation cess leviable at the time and place of importation of goods subject to specified conditions.

2.	Goods other than those falling under S. No. 1 exported for repairs abroad	BCD, IGST and GST compensation cess on value: =Fair cost of repairs including cost of materials (actually incurred or not), used in repairs + insurance and freight charges, both ways.
3.	Goods other than falling under S. No. 1 & 2 above	NIL

Conditions to be satisfied for claiming the above two concession/exemptions

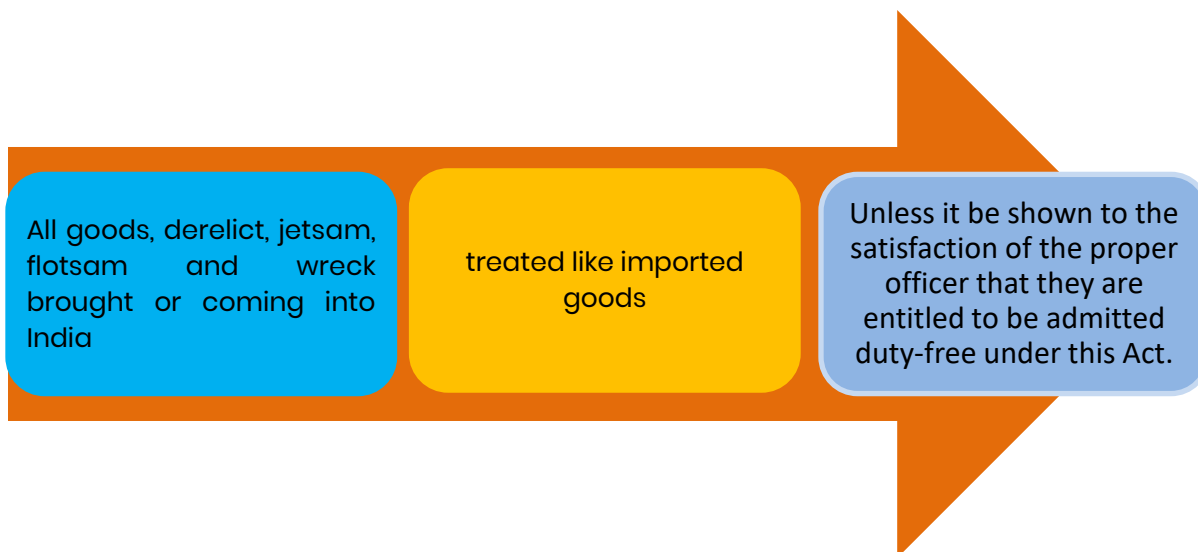


(ii) Exemption to re-import of goods and parts thereof for repairs/reconditioning/reprocessing/remaking or similar other process

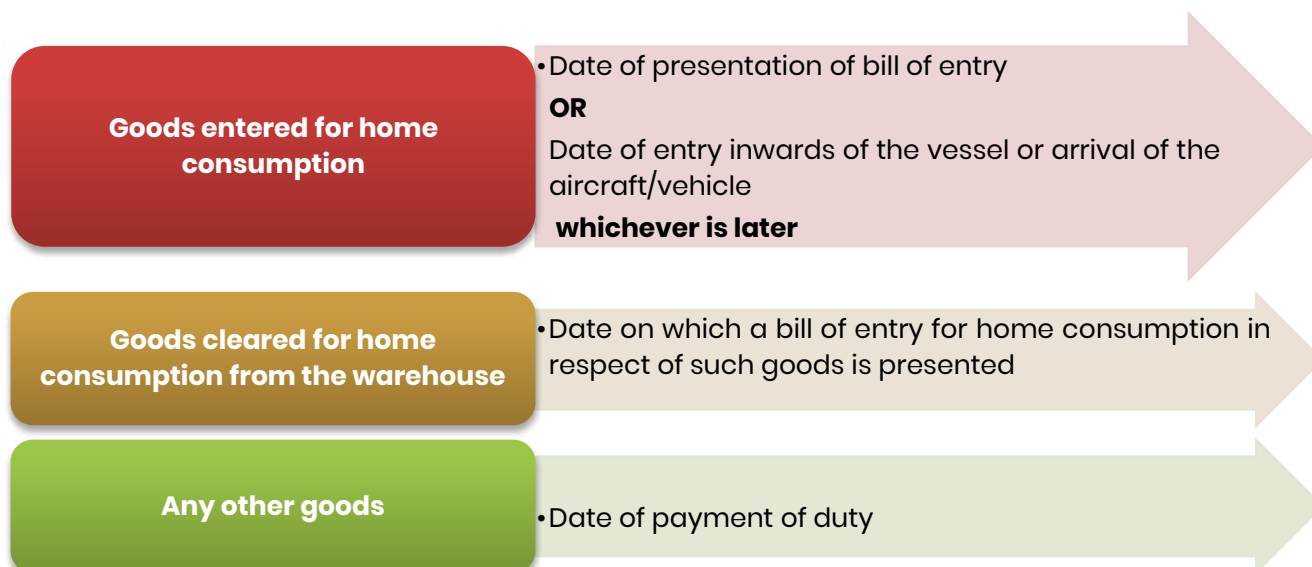
S. No.	Particulars	Time-limit for re-importation from the date of exportation	Other conditions to be satisfied
1.	Goods manufactured in India and re-imported for repairs/reconditioning other than specified goods	3 years Export to Nepal- 10 years.	(a) Re-exported within 6 months (extendable till 1 year) of the date of re-importation.
2.	Goods manufactured in	1 year	(b) The AC/DC of Customs is

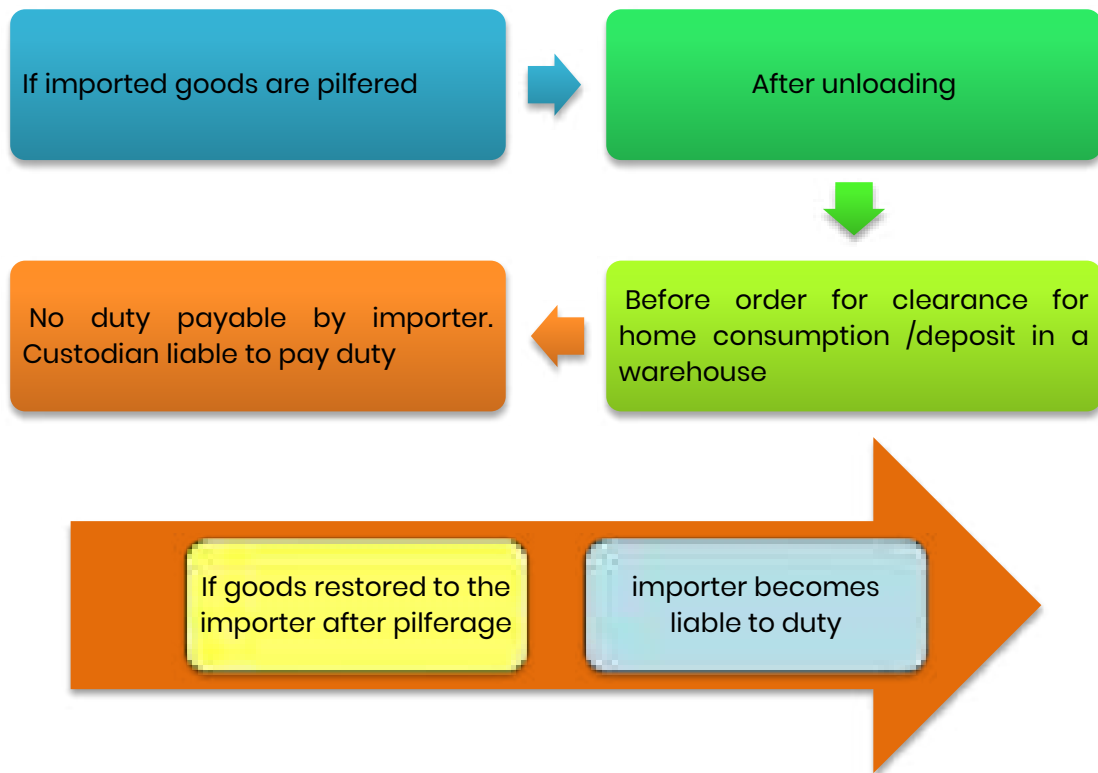
	India and re-imported for Reprocessing/Refining/Re-making/any other similar process		satisfied as regards identity of the goods. (c) Execution of bond
--	---	--	--

(B) Goods derelict, wreck etc. [Section 21]



Date for determining the rate of duty and tariff valuation of imported goods [Section 15]



Duty on Pilfered goods [Section 13]**Remission of duty on goods lost, destroyed or abandoned [Section 23 (1)]**

Right to relinquish the title to the goods—abandonment of goods [Section 23 (2)]

Owner of any imported goods may relinquish his title to the goods



Any time before an order for clearance of goods for home consumption

OR

order for permitting the deposit of goods in a warehouse



No relinquishment of title – Goods regarding which an offence appears to have been committed



Not liable to pay the duty

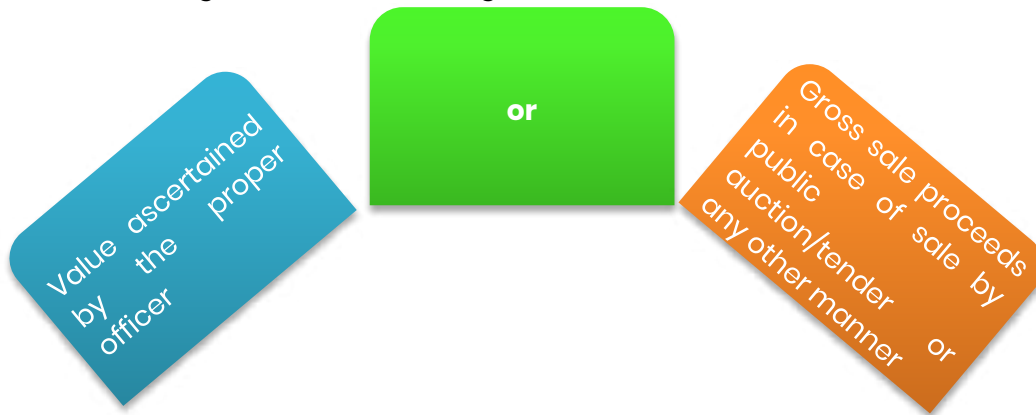
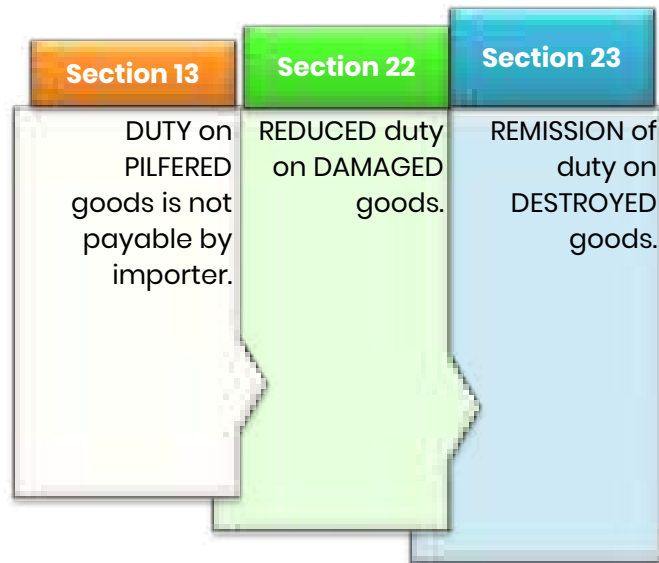
Abatement of duty on damaged or deteriorated goods [Section 22]

Cases where the abatement is available

Goods	Damaged/deteriorated upto the satisfaction of AC/DC	Condition
Any imported goods	before or during unloading	
Any imported goods, other than warehoused goods	by accident after unloading but before examination for assessment by the customs authorities	Provided such accident is not due to any wilful act, negligence or default of the importer, his employee or agent
Any warehoused goods	by accident in warehouse before their actual clearance from such warehouse	

Amount of duty chargeable after abatement

$$= \text{Duty on goods before damage / deterioration} \times \frac{\text{Value of damaged / deteriorated goods} *}{\text{Value of goods before damage / deterioration}}$$

***Valuation of the damaged or deteriorated goods****Difference between section 13, 22 and 23 of the Customs Act, 1962****Denaturing or mutilation of goods [Section 24]**

Exemption from customs duty [Section 25]

General Exemption



- ☐ Central Government in public interest
- ☐ by notification in the Official Gazette
- ☐ exempt generally either absolutely or conditional exemption
conditional exemption-valid upto 31st day of March falling immediately after 2 years from the date of such grant/variation **in other than specified cases**

Special Exemption



- ☐ Central Government in public interest
- ☐ by special order in each case
- exempt from payment of duty
- ☐ only under circumstances - exceptional nature
- ☐ No duty - if the amount of duty leviable is equal to or less than ₹ 100.

Effective date of notification

Effective date not mentioned

- Date of its issue by the Central Government for publication in the Official Gazette.

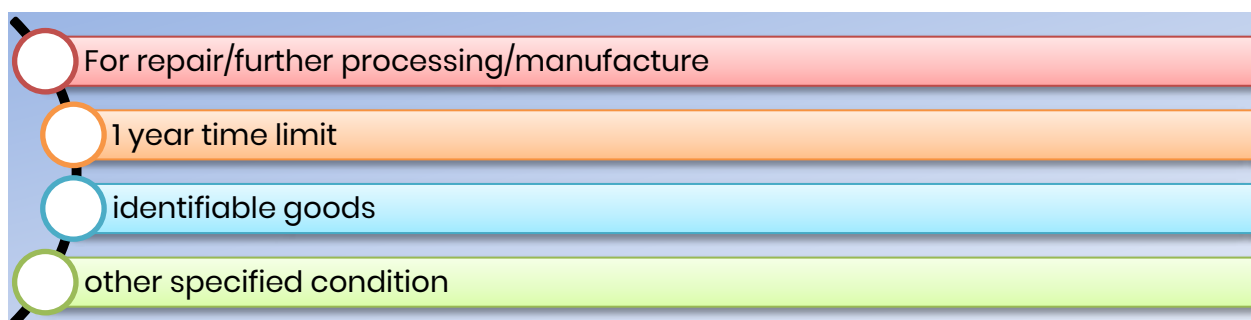
Exemption through a special order

- Date of its issue

Clarifications

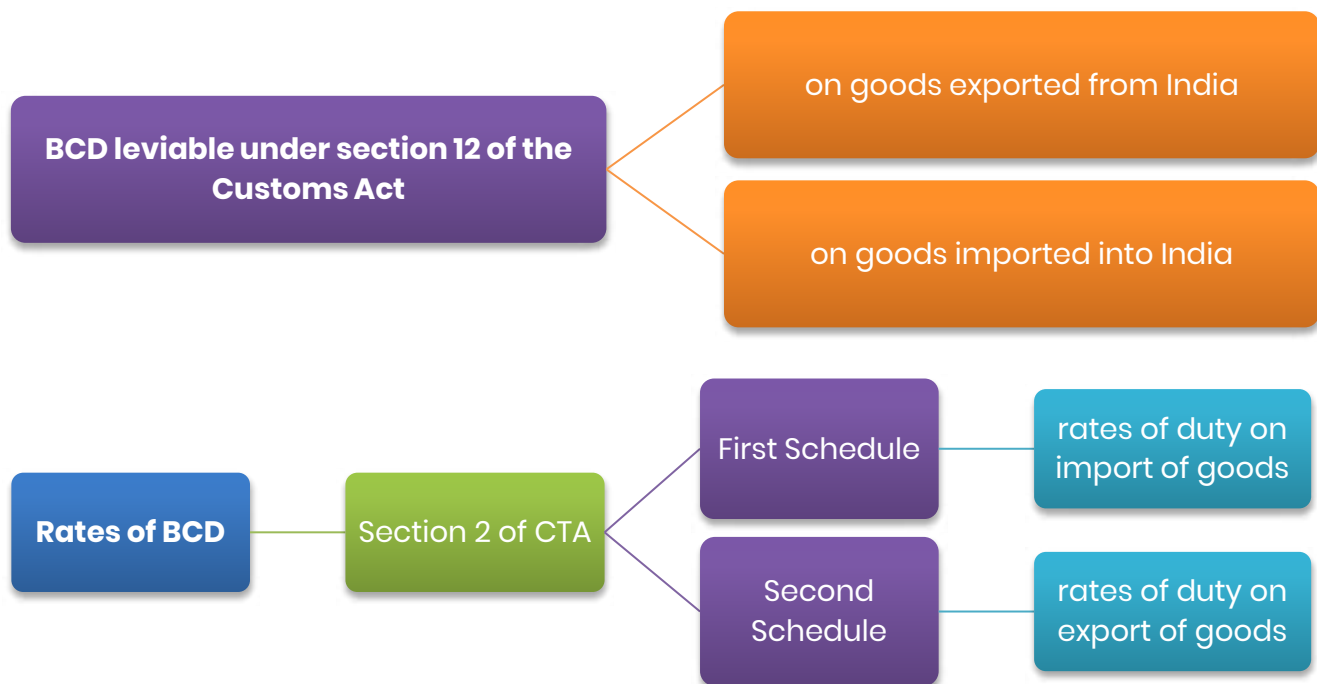
- Issued within 1 year from the issue of the notification
- retrospective effect

Exemption from customs duty on imported goods used for inward processing of goods [Section 25A]/ re-imported goods used for outward processing [Section 25B]



TYPES OF DUTY

Basic Customs duty (BCD) [Section 12 of the Customs Act & Section 2 of the Customs Tariff Act (CTA)]



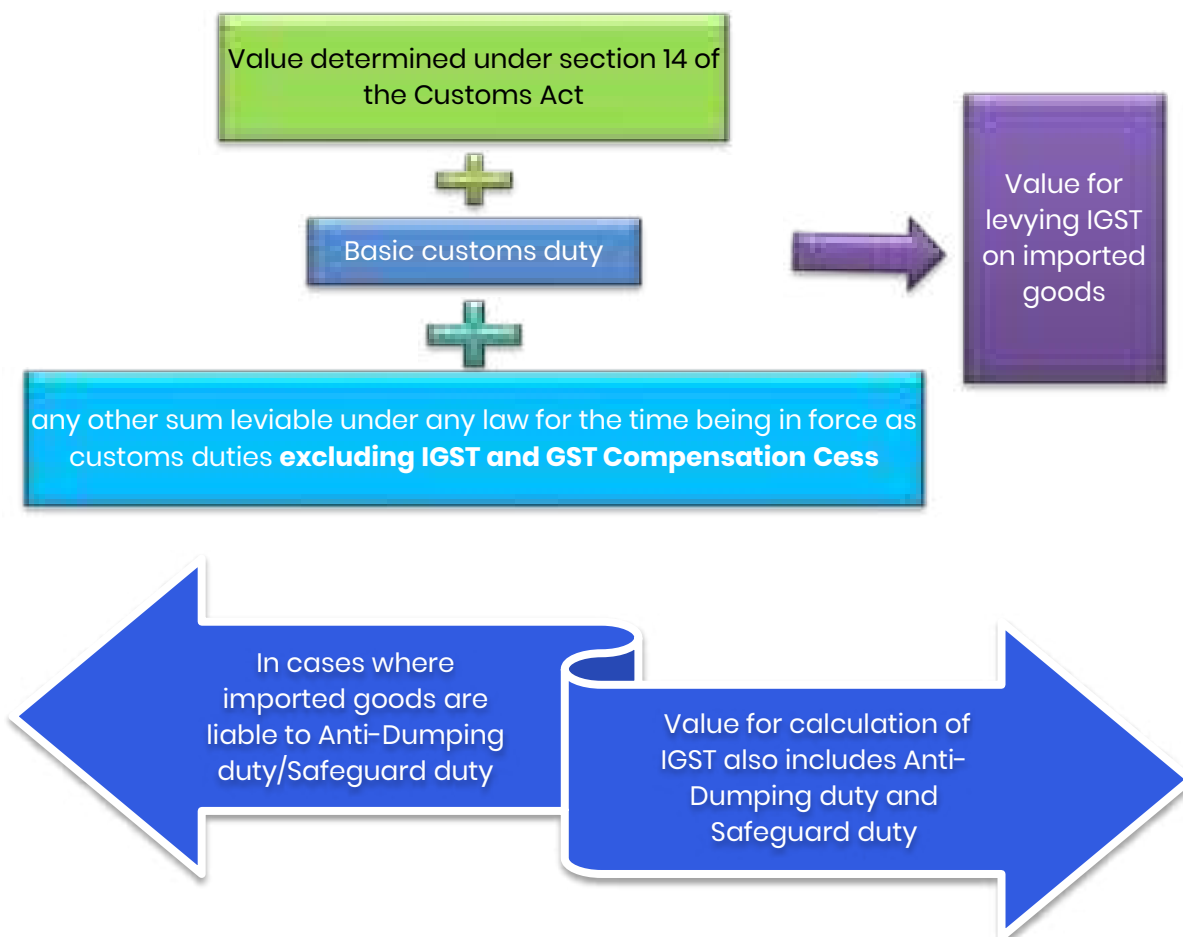
Integrated tax [Section 3(7) of the Customs Tariff Act]

Integrated GST [IGST]- leviable on goods imported into India under section 5 of the IGST Act

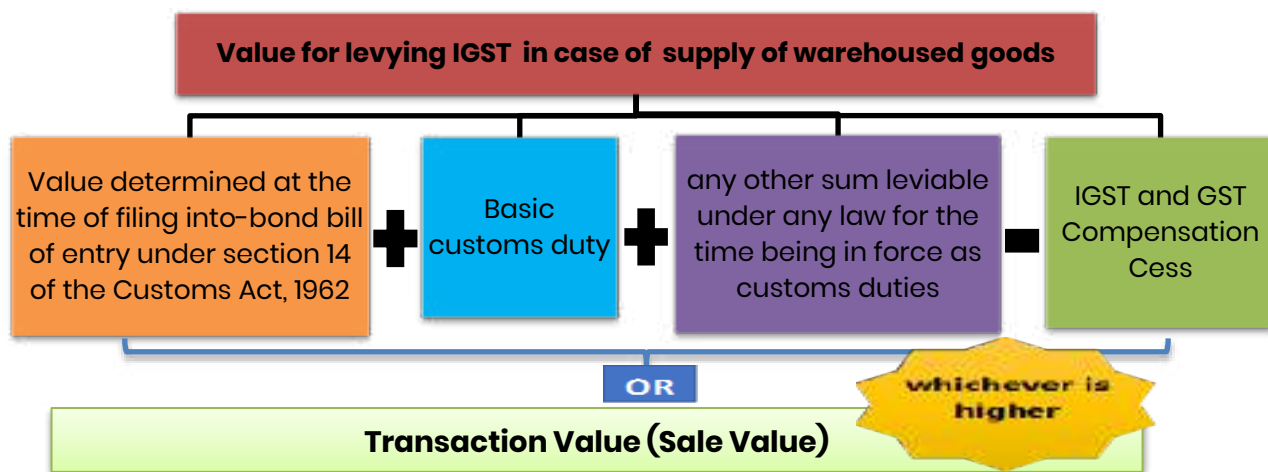
IGST is collected under section 3(7) of the CTA

IGST is levied at such rate not exceeding 40% on the value of the imported article

Manner of computing assessable value for levying Integrated tax



Manner of computing value in case of warehoused goods



Social welfare surcharge (SWS) on imported goods

Rate	Duties Excluded	Exempted
• 10% of BCD • levied & collected on goods imported into India	• Safeguard measures • Countervailing duty • Anti-dumping duty • SWS	• Integrated tax • GST compensation cess

Emergency power to impose or enhance export duties [Section 8 of the Customs Tariff Act]

Central Government empowered by amendment to the second schedule by notification

Conditions

Goods may/may not be specified in second schedule

Necessary circumstances exist

Emergency power to impose or enhance import duties [Section 8A of the Customs Tariff Act]

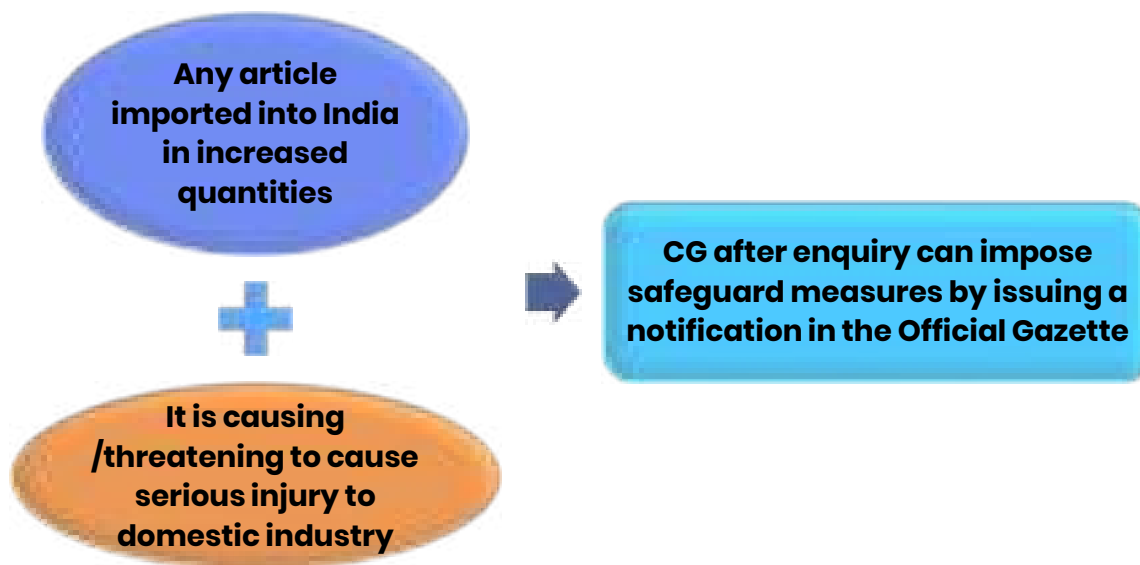
Central Government empowered by amendment to the first schedule by notification

Conditions

Goods should be specified in first schedule

Necessary circumstances exist

Power of Central Government (CG) to apply Safeguard measures [Section 8B of the Customs Tariff Act]



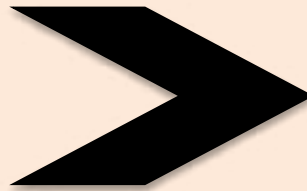
Safeguard Measures

Modes of safeguard measures	Duration	Exemption from safeguard measures
•imposition of safeguard duty or •application of tariff-rate quota or •other measures as the CG deems appropriate.	•4 years •May be extended by CG- total period of levy of safeguard measures-10 years •Provisional safeguard measures-maximum period of 200 days	•Articles from developing country-share of imports does not exceed 3% of total imports •Articles originating from more than one developing country- aggregate of imports from developing countries each with less than 3 % import share taken together does not exceed 9% of total imports. •Imports by 100% EOU or units in a SEZ except in specified cases

Anti-dumping duty [Section 9A of the Customs Tariff Act]

Dumping is

Normal value in the
exporting market



Export price

Computation of anti-dumping duty

Anti-dumping duty

Lower of the
following

Injury margin

Margin of dumping

Margin of Dumping

Margin of dumping



Normal
Value



Export Price

Normal Value

- Comparable price at which the goods under complaint are sold in the domestic market of the exporting country or territory in the ordinary course of trade.

If the normal value cannot be determined as per the sales in the domestic market of exporting country, normal value shall be

- Comparable representative export price to an appropriate third country, or
- Cost of production in the country of origin + Administrative, selling and general costs, profits.

Export Price

- Price of an article exported from the exporting country or territory

Computation of Injury Margin

Injury Margin

Difference between the following

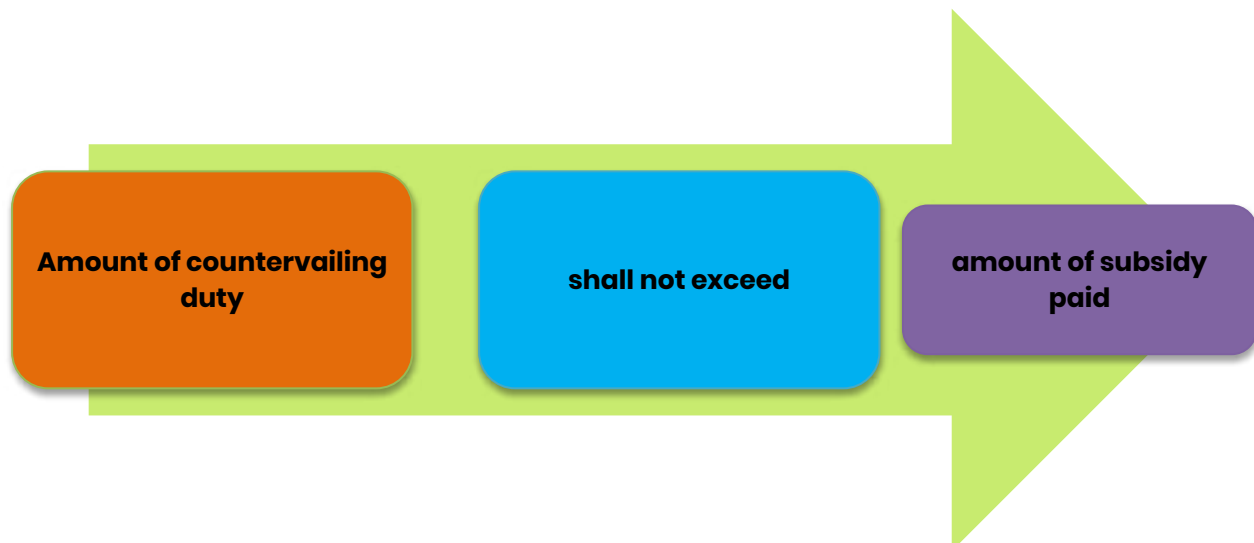
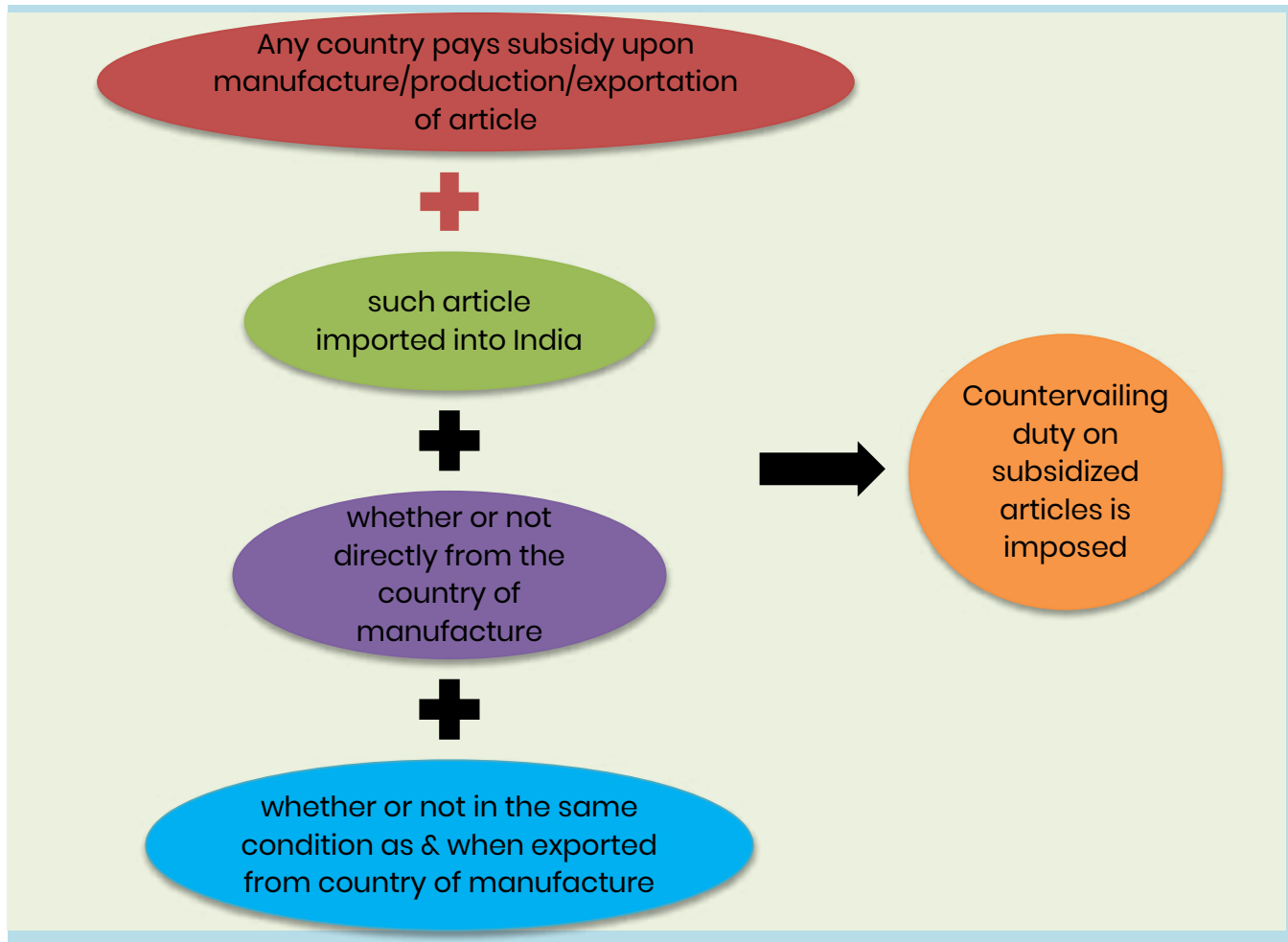
Landed value of the dumped articles

Fair Selling Price [Non-Injurious Price] due to the domestic industry

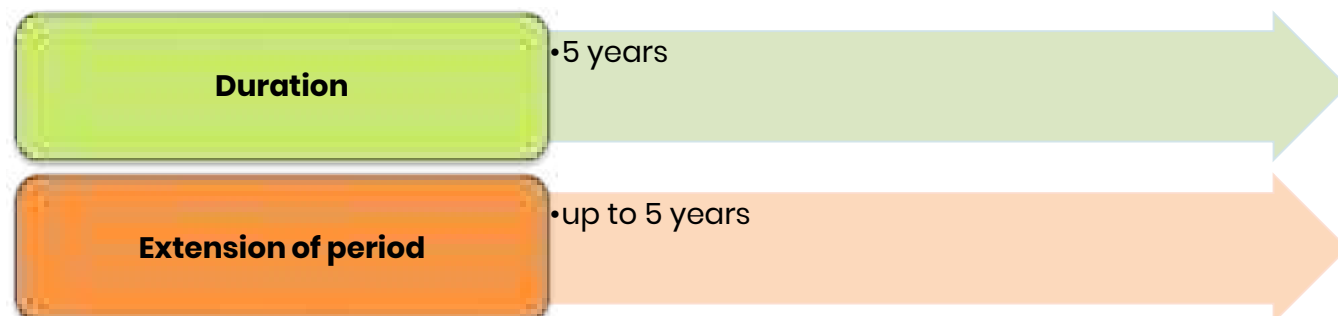
Landed value

- AV under Customs Act & applicable BCD except special duties

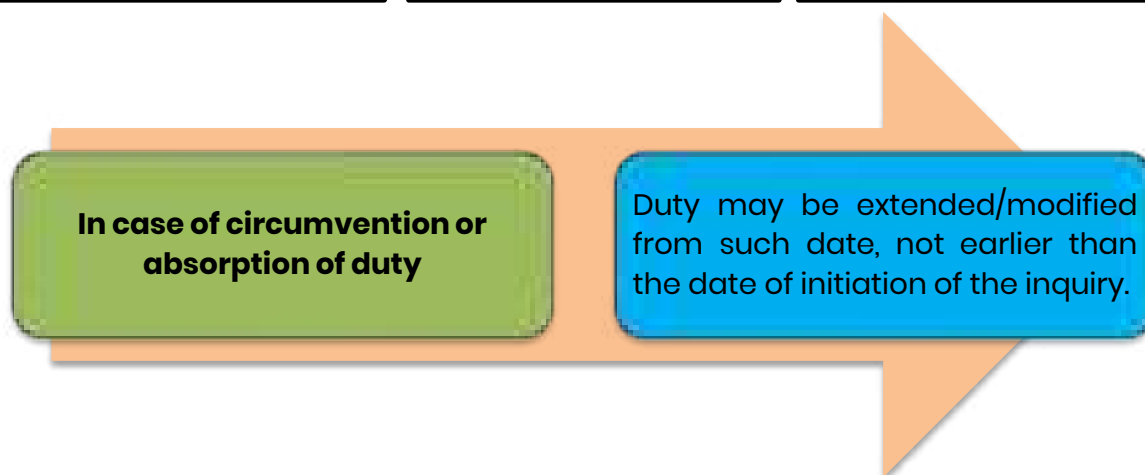
Countervailing duty on subsidized articles [Section 9 of the Customs Tariff Act]



Common provisions for Countervailing duty on subsidized articles & Anti dumping duty



Circumvention of duty	Absorption of duty	Non-applicability of duty
• by altering the description/ name/ composition of the article • by import of such article in an unassembled/ disassembled form • by changing the country of its origin/export or • in any other manner, whereby the duty so imposed is rendered ineffective.	• if there is a decrease in the export price of an article without any commensurate change in the cost of production/export price/ resale price in India of such article as the case may be • other specified circumstances	• Duty shall not apply to article imported by a 100% EOU or a unit in SEZ , unless,- • (i) it is specifically made applicable in such notification/ to such undertaking/unit; or • (ii) such article is either cleared as such into the DTA/ or used in the manufacture of any goods that are cleared into the DTA on the portion of the article so cleared or used.



No levy under Section 9 or Section 9A in certain cases [Section 9B of the Customs Tariff Act]

Both countervailing and anti-dumping duties not leviable for **same situation**

Both duties not leviable if articles are **exempt** [sole reason]

Both duties not leviable on **imports from member country of WTO**/country with whom GOI has a most favored nation agreement

Provisional countervailing and anti-dumping duties not to be levied on article imported from **specified countries**

Appeal [Section 9C of the Customs Tariff Act]

Authority

CESTAT

Time limit

within 90 days of the date of order under appeal

Computation of Customs duty and integrated tax payable thereon

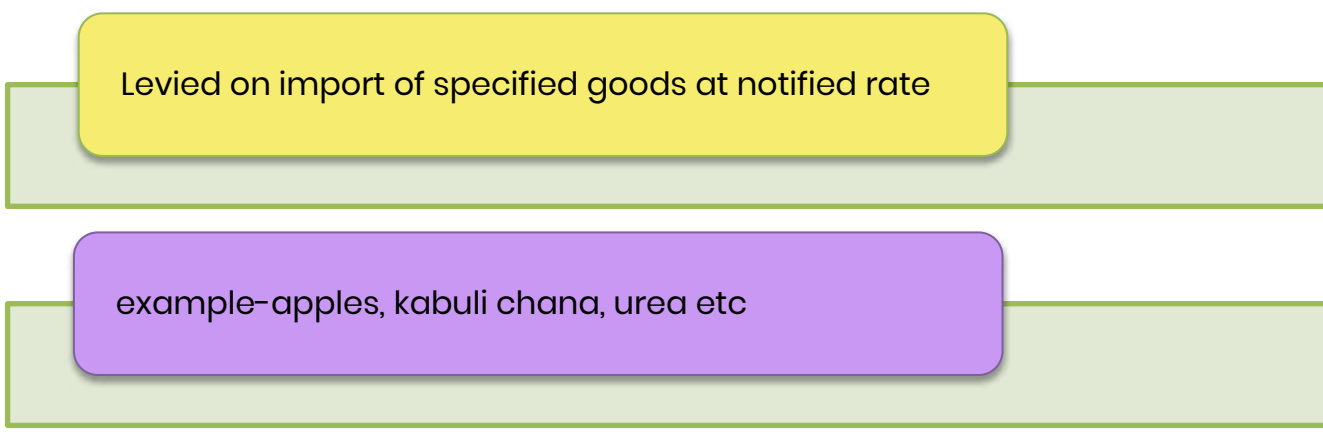
Particulars	Amount (₹)
Assessable value (AV)	xxx
Add: Basic custom duty @ X% (AV x X%) [A]	xxx
Add: Social welfare surcharge @ 10% x BCD [B]	xxx

Value for computing integrated tax- (1)	xxx
Add: Integrated tax $(1 \times Y\%)$ [C]	xxx
Total customs duty payable $[(A) + (B) + (C)]$	xxx

Goods and Services tax Compensation cess [Section 3(9) of the Customs Tariff Act]

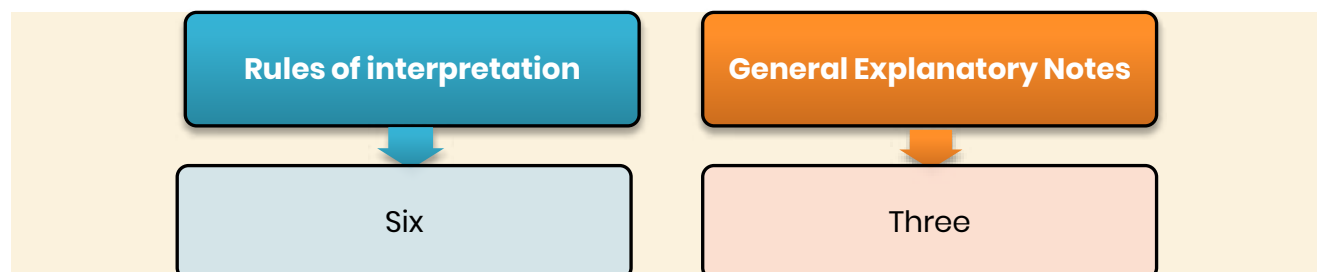


Agriculture Infrastructure and Development Cess (AIDC) on import of certain items



CLASSIFICATION OF IMPORTED AND EXPORT GOODS

Rules of interpretation and explanatory notes



General Explanatory Notes

Relevance of one dash ["-"] , two dash ["--"] and three dash ["---"]

- "-" denotes that the said article/group of articles is sub-classification of the article/group of article covered by the said heading.
- "--" denotes that the said article/group of articles is sub-classification of the immediately preceding article/group of articles which has "-".
- "---" or "----" denotes that the said article/group of articles is a sub-classification of the immediately preceding description of the article/group of articles which has "-" or "--"

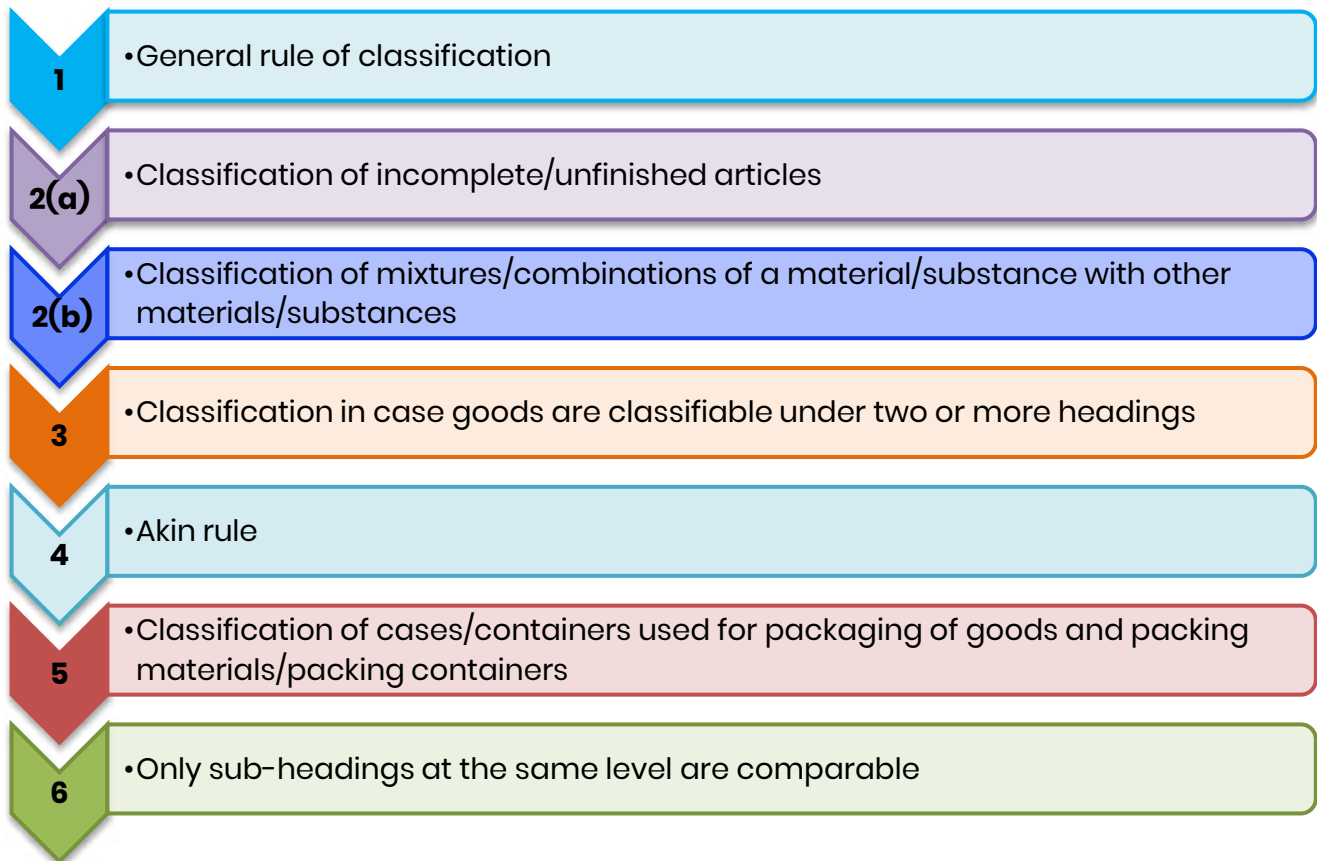
“%” in relation to the rate of duty

- It means that the duty to be computed at the percentage specified on the value of the goods

Standard rate of duty applicable

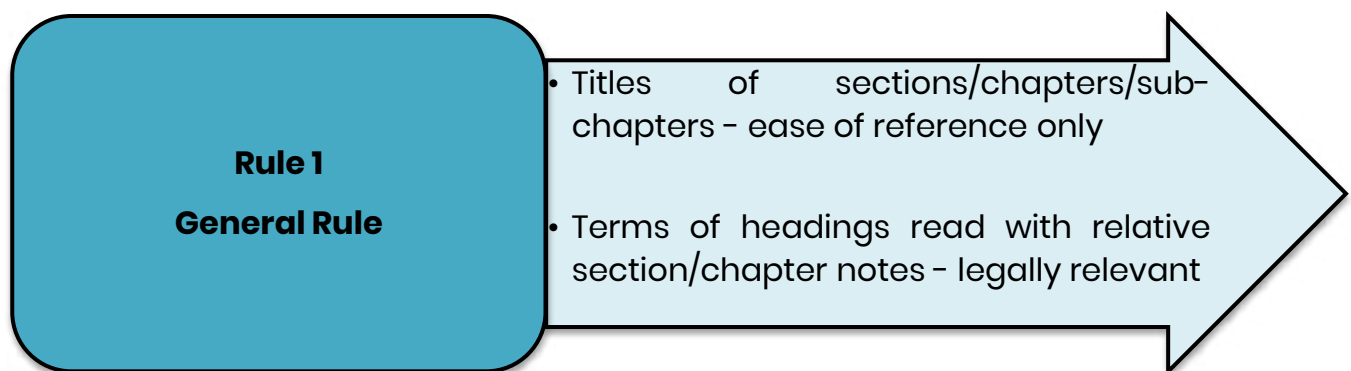
- If no preferential rate of duty notified -standard rate of duty is applicable.

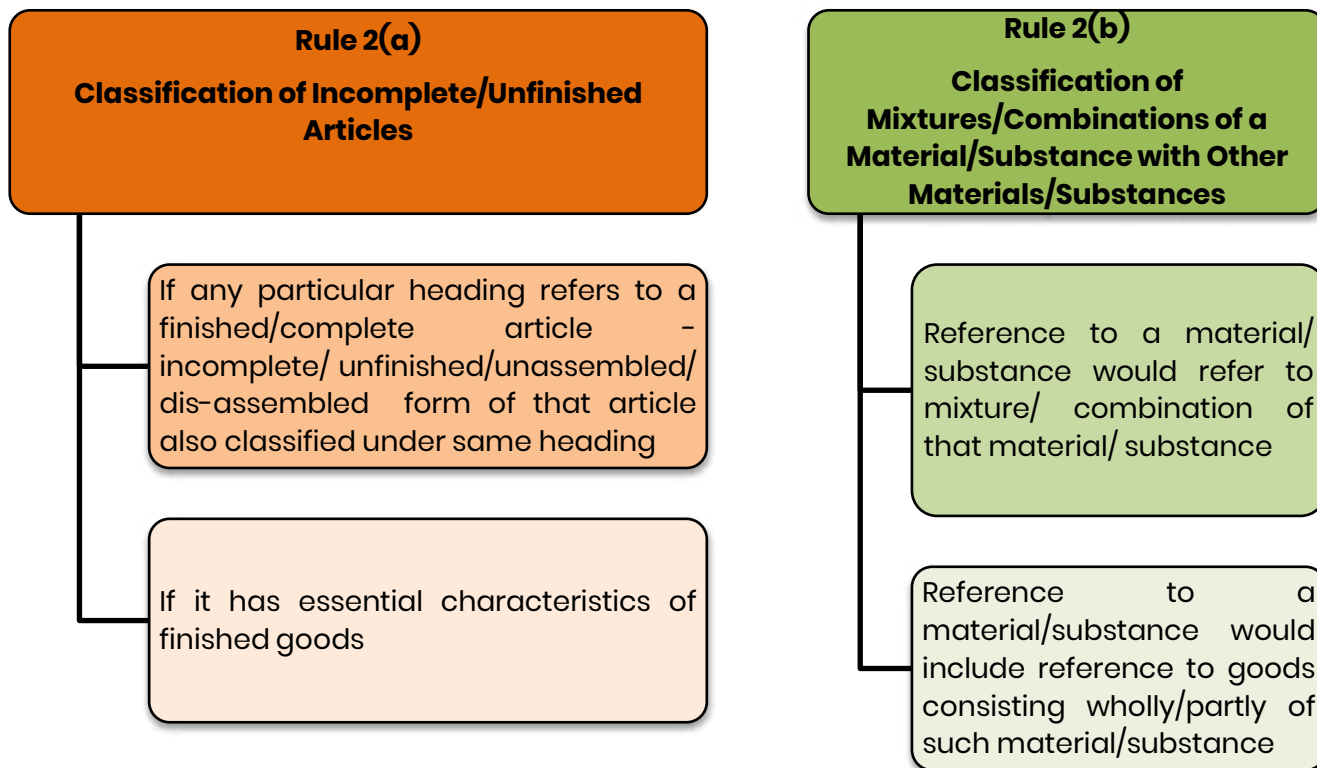
Rules of interpretation of the First Schedule to the Customs Tariff Act



Rules of Interpretation

Rule 1



Rule 2**Rule 3- Classification in case goods are classifiable under two or more headings**

Rule 3(a)–Specific over general	Rule 3(b) – Essential character principle	Rule 3(c) – Latter the better
•Heading providing a more specific description should be preferred over heading providing a general description.	•If goods cannot be classified under rule 3(a). •composite goods should be classified on the basis of that material/substance that gives it its essential character	•If goods cannot be classified by reference to rule 3(a)/3(b). •To be classified under heading which occurs last in numerical order

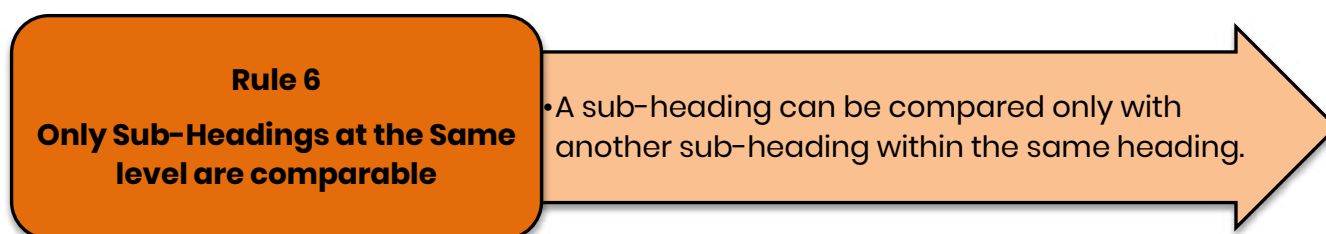
Rule 4



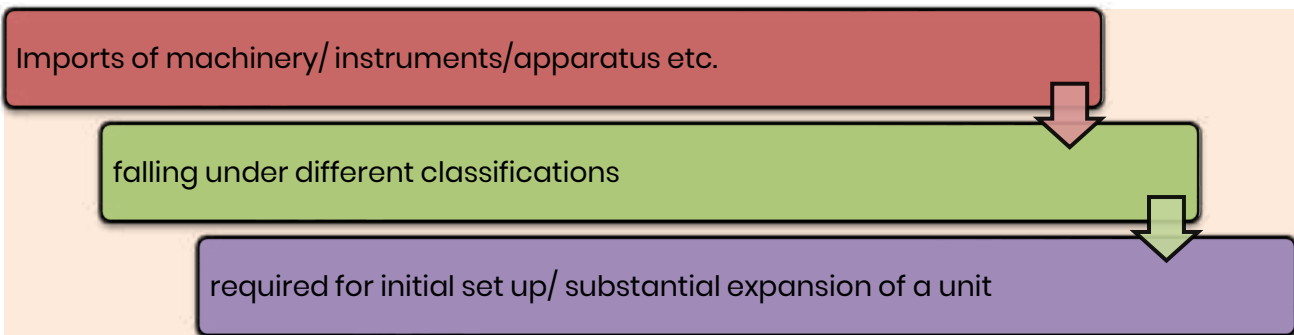
Rule 5

Rule 5(a)–Classification of cases/containers used for packaging of goods	Rule 5(b) – Classification of packing materials & packing containers
• Camera cases, musical instrument cases etc and similar containers – to be classified with a specific article/set of articles when of a kind normally sold therewith. • Exception–When packing material itself gives the essential character as a whole	• Packing materials & packing containers presented with the goods therein to be classified with the goods, if they are of a kind normally used for packing such goods. • Exception–Durable containers capable of repetitive use – to be classified separately.

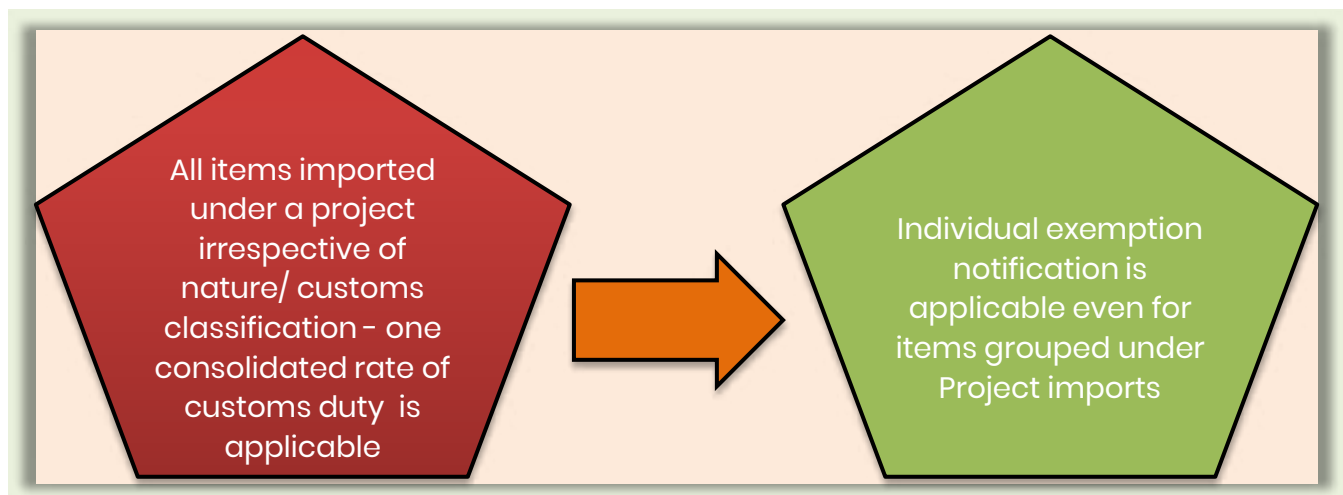
Rule 6



Project Imports

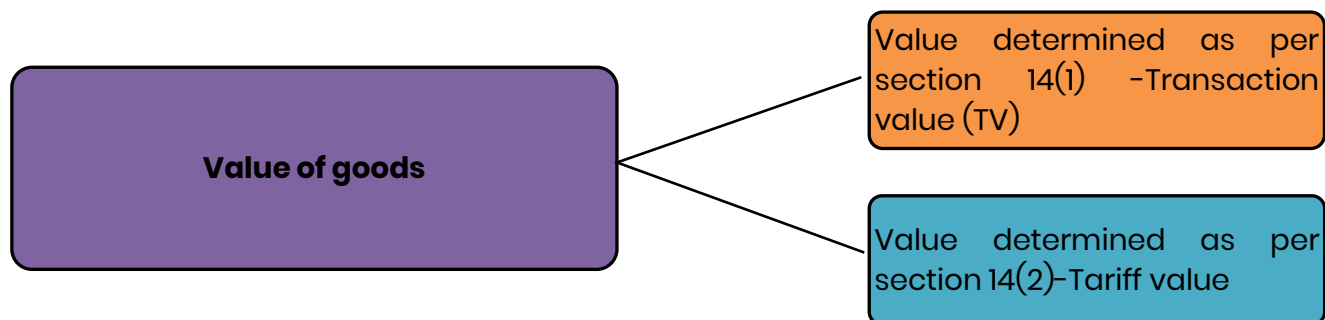


Classification of Project Imports



VALUATION UNDER THE CUSTOMS ACT, 1962

Value of goods [Section 2(41) of the Customs Act]



Technical terms relating to value in the course of Import or Export – International Commercial (INCO) Terms

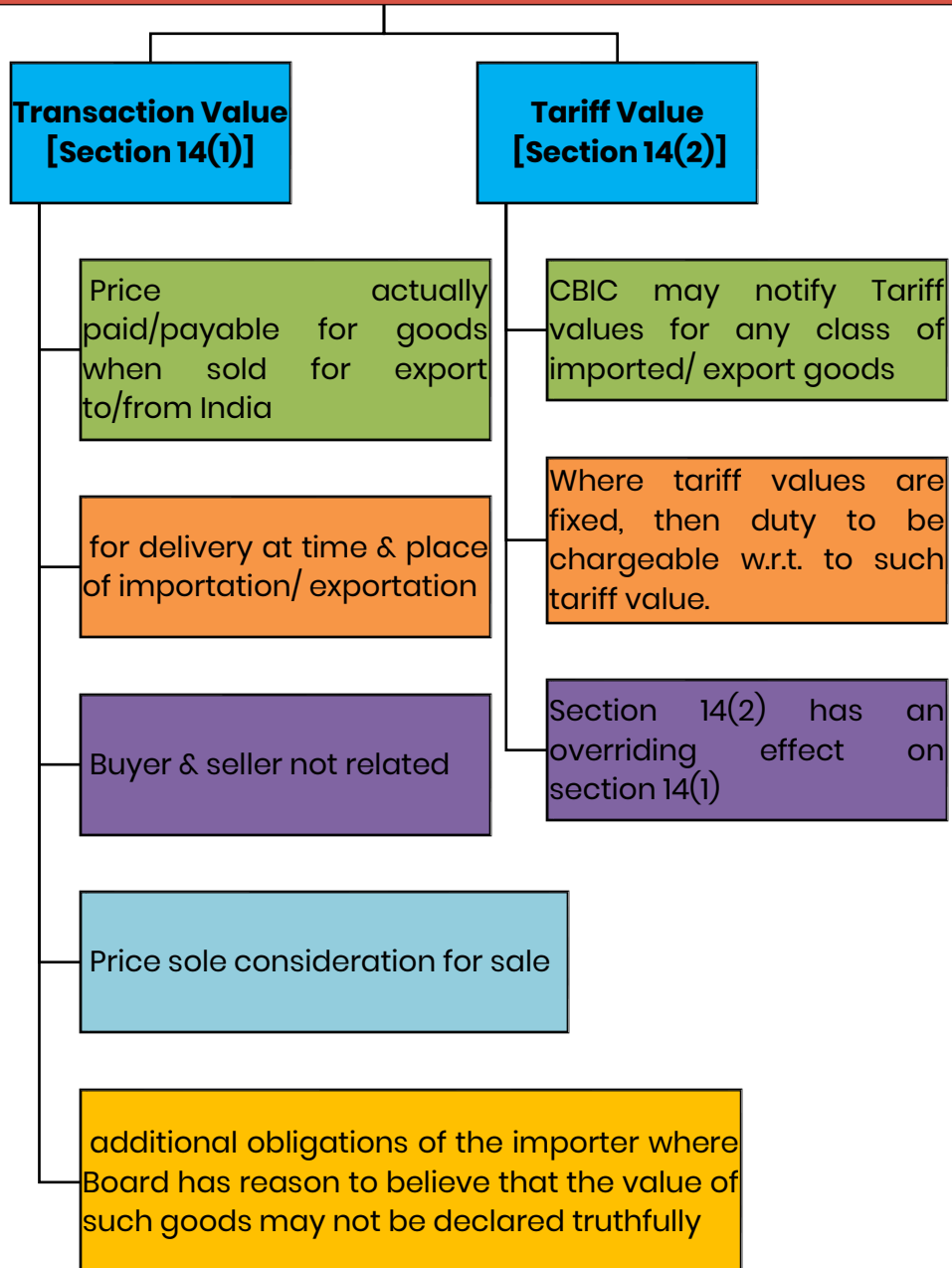


Ex-Factory Price	•Price of the goods at the factory gate
F.O.B.	•Cost of the goods as placed on board vessel at the port of shipment
C.I.F	•Cost at which the goods are delivered at the Indian port

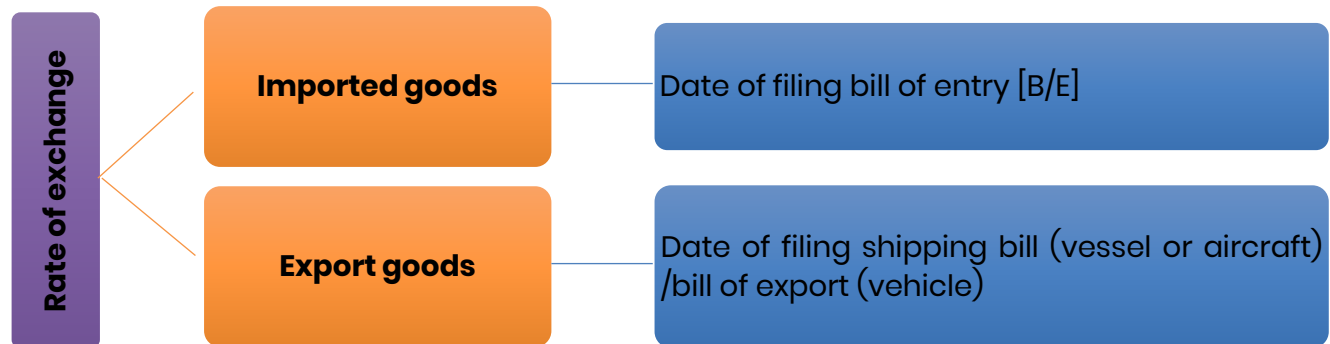
Default mode of valuation = Declared transaction value + Elements that are to be added under law

Valuation of goods based on Section 14

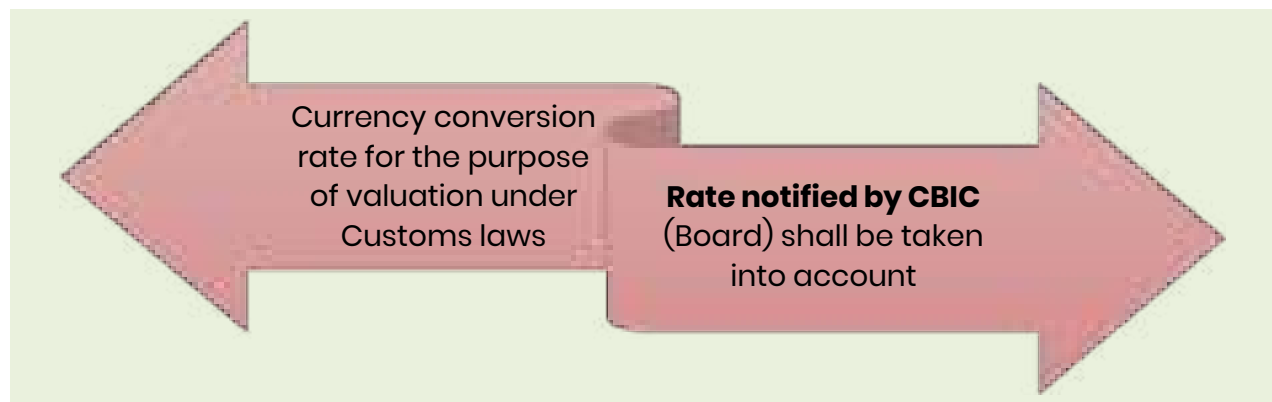
Modes of identifying the value of imported/export goods for the purpose of payment of customs duty



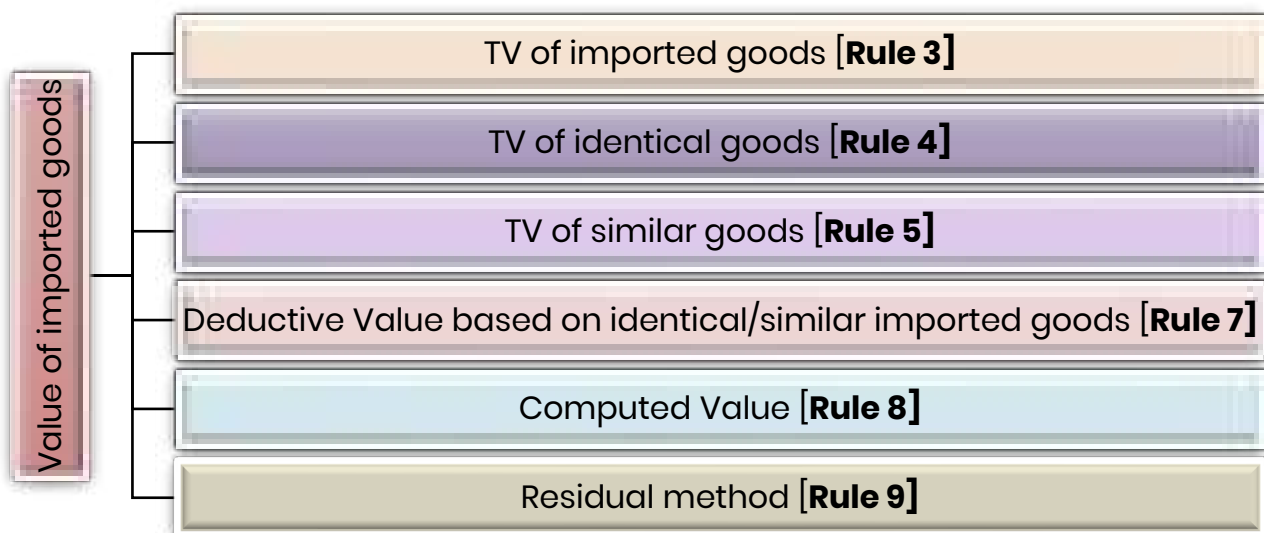
Conversion Dates



Currency Conversion Rate

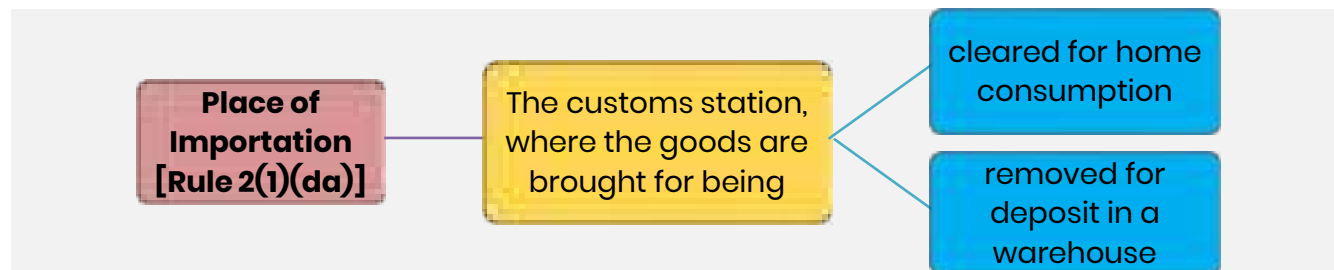


CUSTOMS VALUATION (DETERMINATION OF VALUE OF IMPORTED GOODS) RULES, 2007

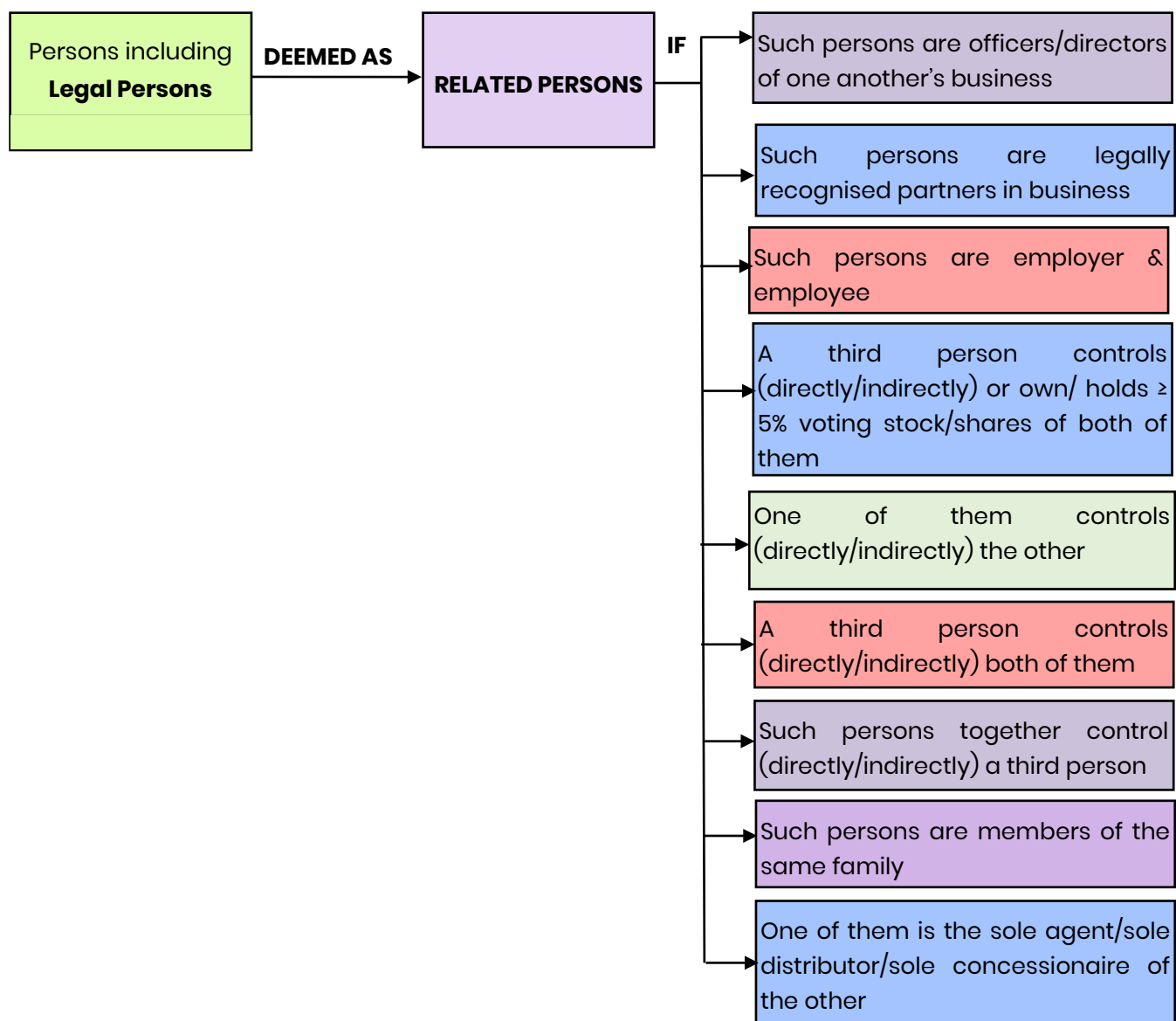


Rule 2 – Definitions

Place of Importation



Related Persons [Rule 2(2)][same as in GST]



Rule 3 – Determination of the method of valuation

Value of imported goods under rule 3(1)

=

TV adjusted as per rule 10, subject to rule 12 (i.e. right of rejection by Proper Officer)

Such TV shall be accepted provided that –

- No restriction on buyer for disposal of goods
- Sale/Price is not subject to conditions/consideration for which value cannot be determined
- No further consideration will accrue to seller which is not adjustable as per rule 10
- Buyer & seller are unrelated

If buyer & seller are related, then also TV is accepted

- When relationship didn't influence price &
- Importer proves that price is close to TV of identical/similar goods, in sales to unrelated buyers; deductive/computed value of identical/similar goods

Rule 4 – Transaction value of identical goods

Transaction value of identical goods sold for export to India

Imported at or about the same time as the goods being valued

Sold at the same commercial level & substantially the same quantity
If sold at different commercial level/quantity, then adjustment to be made for the difference

Adjustment to be made on account of difference in distance and means of transport

In case more than one transaction value of identical goods is available, lowest value to be considered

Rule 5 – Transaction value of similar goods

The principles of valuation of identical goods also apply to valuation of similar goods

Rule 6 – Determination of value where value cannot be determined under rules 3, 4 and 5

Value to be determined under rule 7

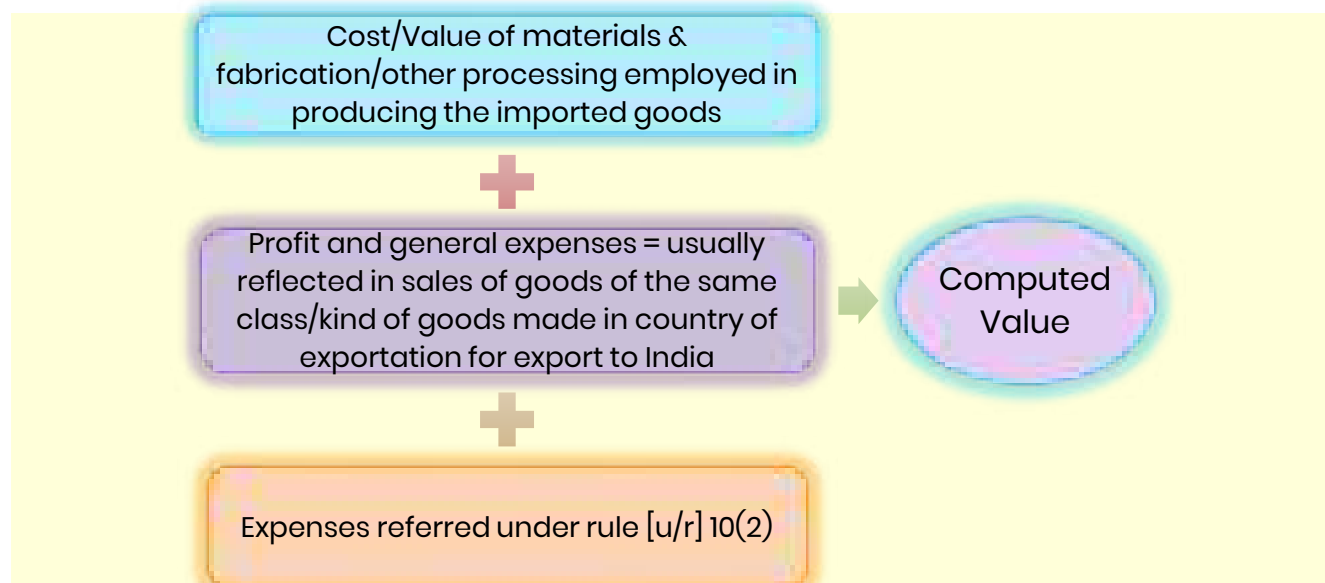
Rule 8-when the value cannot be determined under rule 7

At the request of importer, and with the approval of proper officer, order of application of rules 7 and 8 shall be reversed.

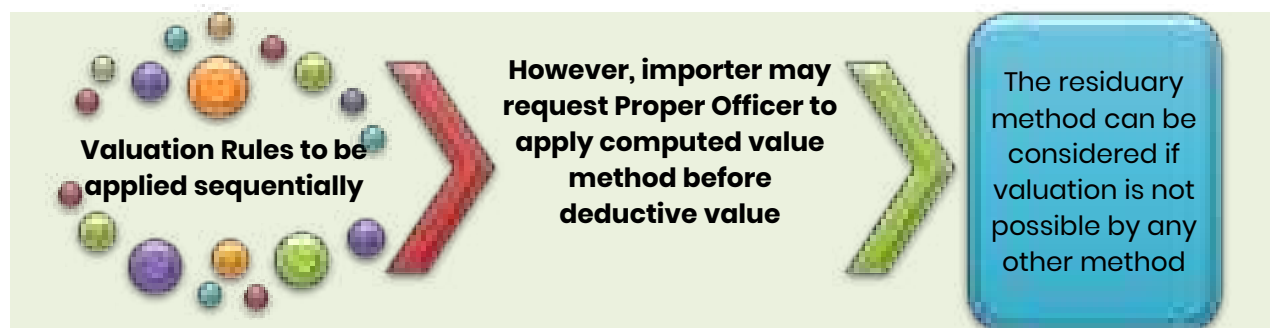
Rule 7 – Deductive value

Unit price at which imported/identical/similar imported goods are sold in greatest aggregate quantity to unrelated persons in India.	Commission, profit & general sales expenses Transport, insurance costs & associated costs within India Customs duties & other taxes payable in India
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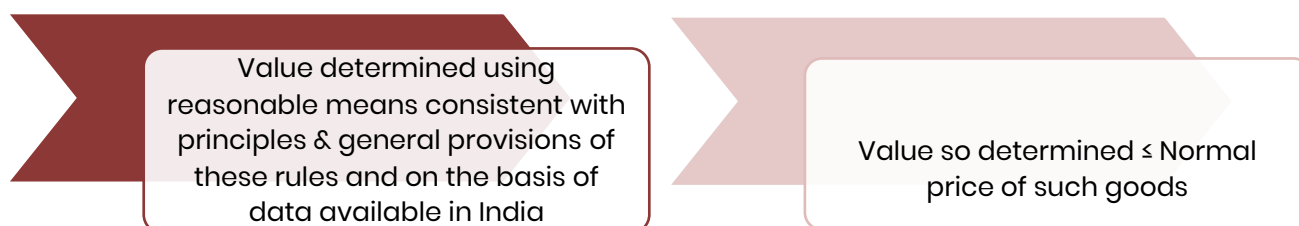
Rule 8 – Computed value



METHOD OF APPLICATION OF VALUATION RULES



Rule 9 – Residual method



Residuary method shall not be used for valuation on the basis of—

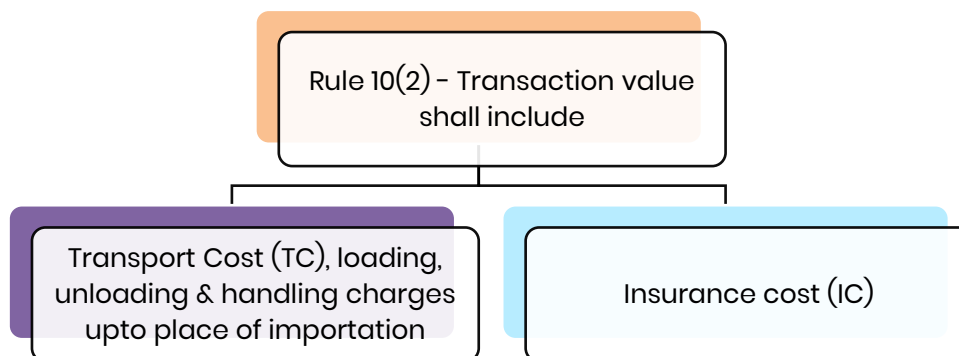
- (i) Selling price in India of the goods produced in India;
- (ii) a system which provides for the acceptance for customs purposes of the highest of the 2 alternative values;
- (iii) the price of the goods on the domestic market of the country of exportation;
- (iv) the cost of production other than computed values which have been determined for identical/similar goods as per rule 8;
- (v) the price of the goods for the export to a country other than India;
- (vi) minimum customs values; or
- (vii) arbitrary or fictitious values.

Rule 10 – Cost and Services

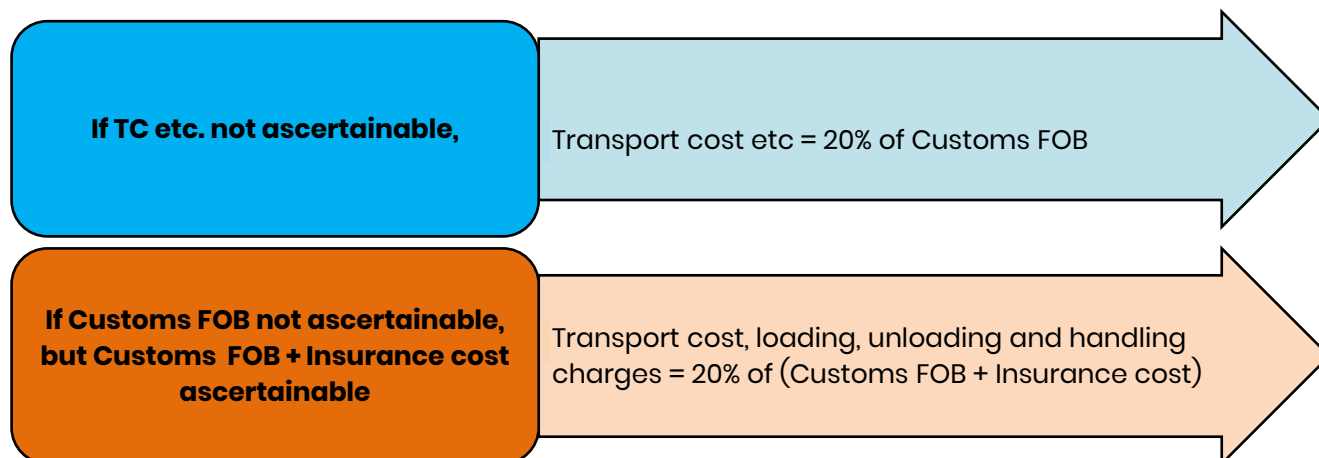
Rule 10(1) – Costs to be added if not included:

- i) commissions etc. **except buying commissions**, cost of containers/ packing
- ii) engineering, design work etc. **undertaken elsewhere than in India**, materials, tools, dies, consumables etc. used in production of imported goods – supplied free of charge/ at reduced cost
- iii) royalties & license fees as condition of sale
- iv) Proceeds of any subsequent sale accruing to seller
- v) all other payments as condition of sale

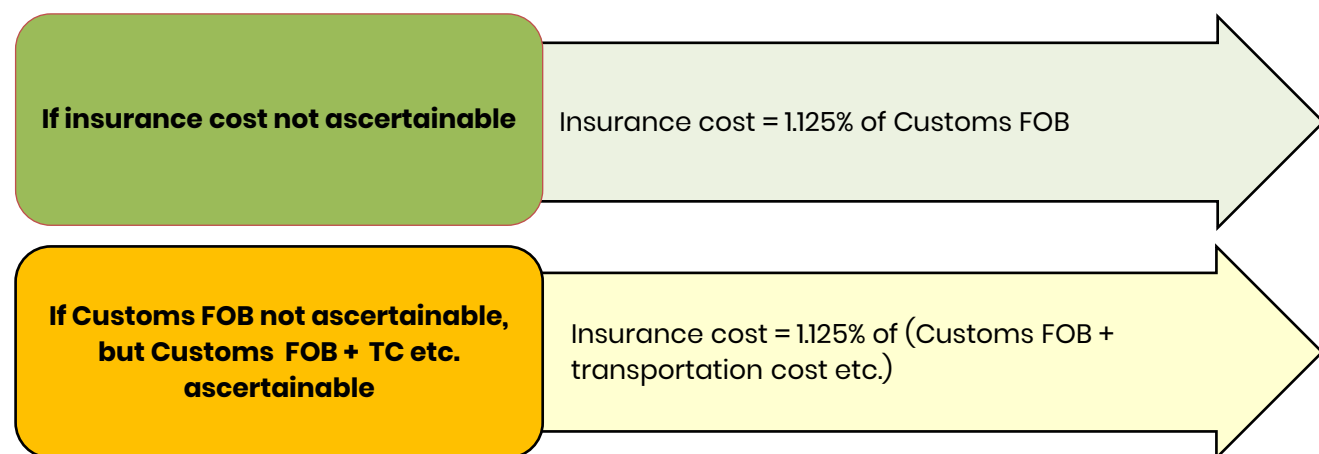
Rule 10(2)



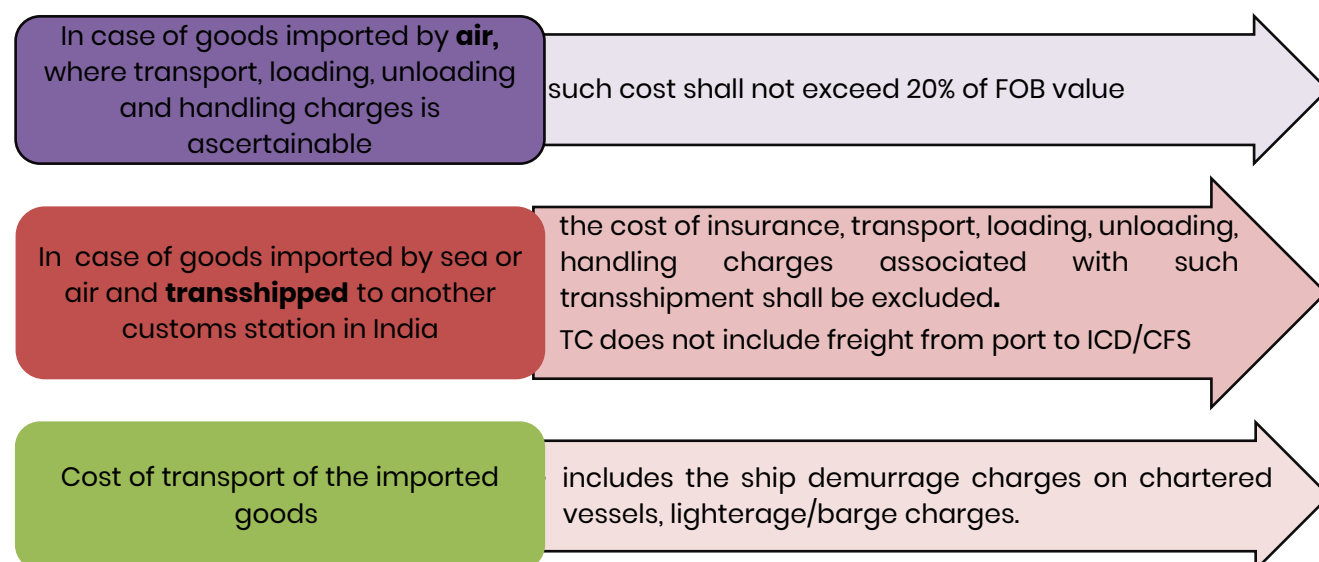
Transport cost [TC]

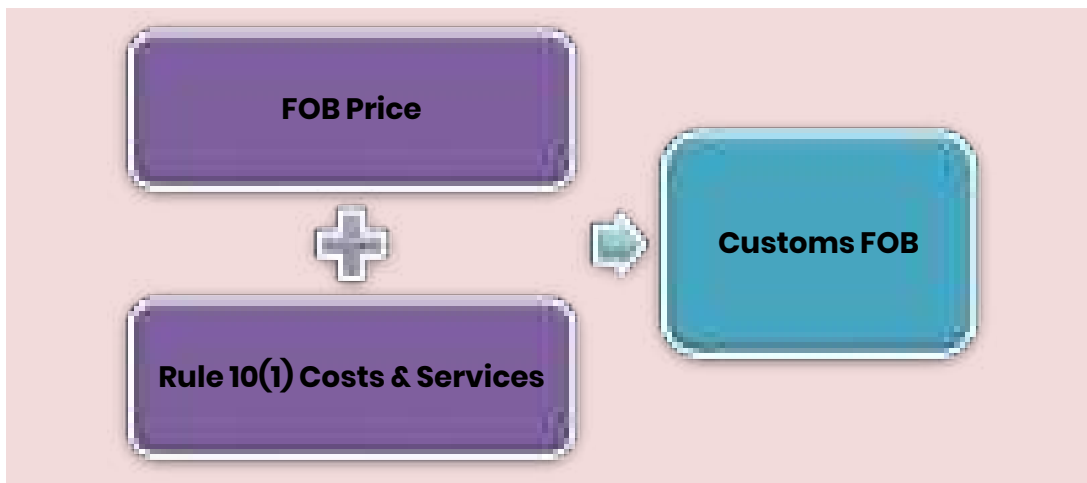
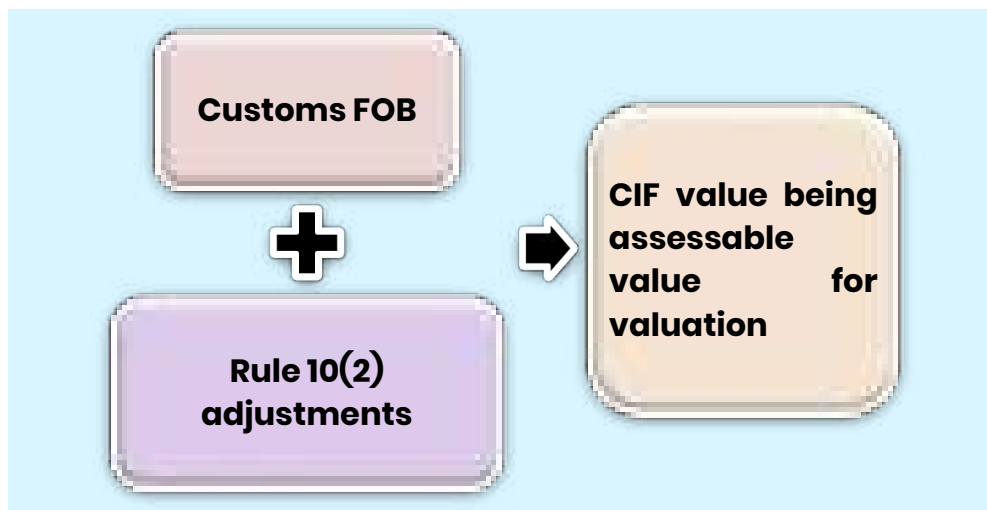
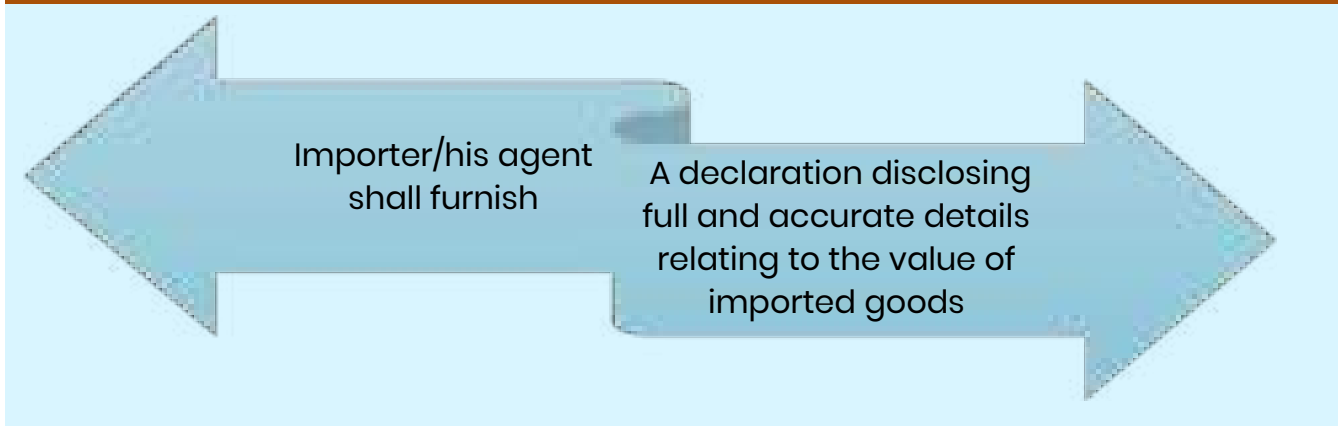


Insurance cost



Key points regarding Transportation cost



Customs FOB**Assessable value****Rule 11 – Declaration by the Importer**

Rule 12 – Rejection of declared value

Proper Officer to reject value of imported goods declared by importer

If he has reason to doubt the truth or accuracy of such value

It shall be deemed that the transaction value of such imported goods cannot be determined u/r 3(1)

CUSTOMS VALUATION (DETERMINATION OF VALUE OF EXPORT GOODS) RULES, 2007**Rule 2 – Definitions**

Goods of like kind and quality [Rule 2(1)(a)]

Export goods which are identical/similar in physical characteristics, quality & reputation as the goods being valued and;

Perform the same functions/are commercially interchangeable with the goods being valued, produced by the same person/a different person

Rule 3 – Determination of the method of valuation

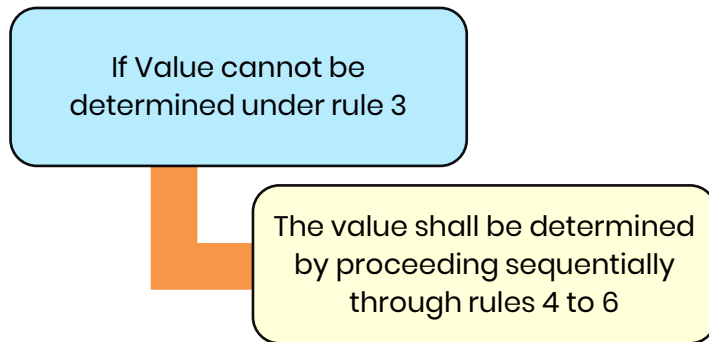
Value of Export goods



TV, subject to rule 8 (i.e. right of rejection by Proper Officer)

If buyer & seller are related, then also TV is accepted

Where such relationship didn't influence the price

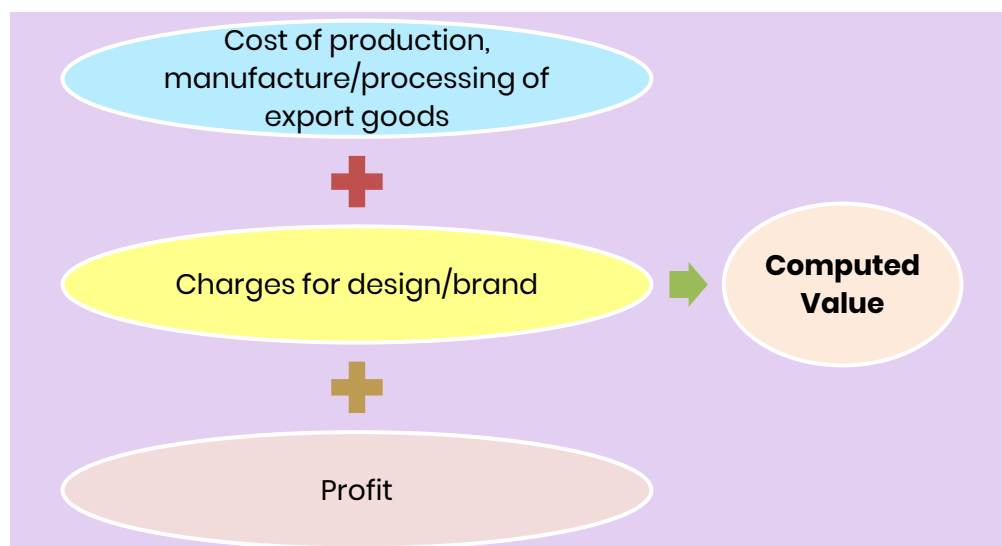


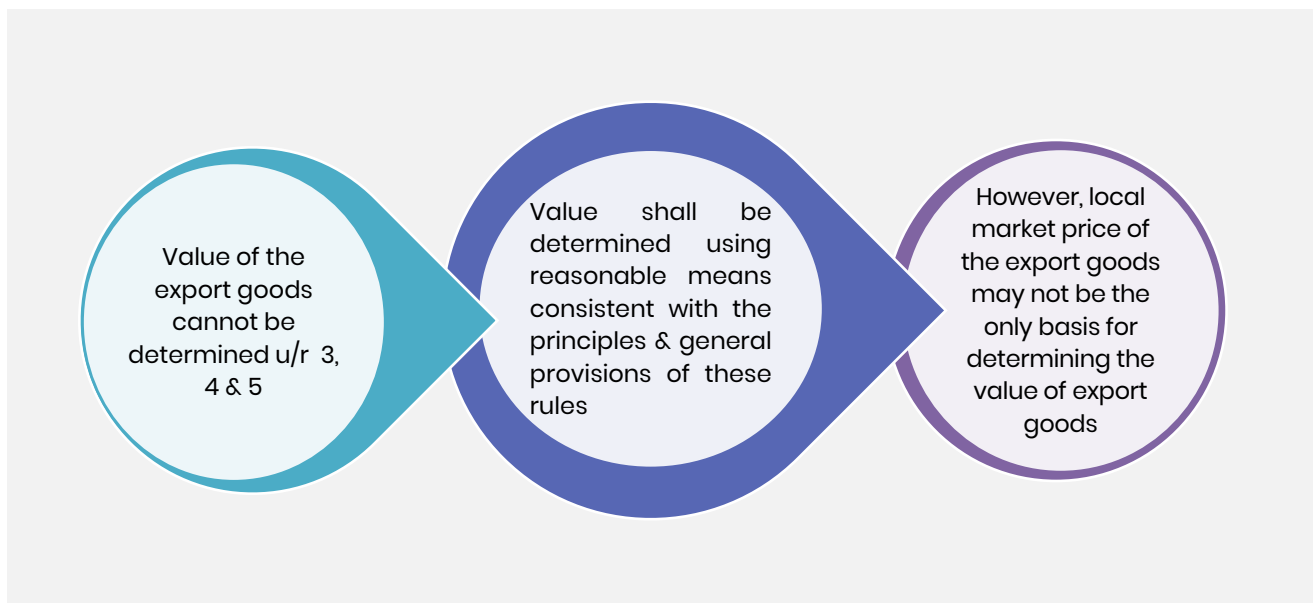
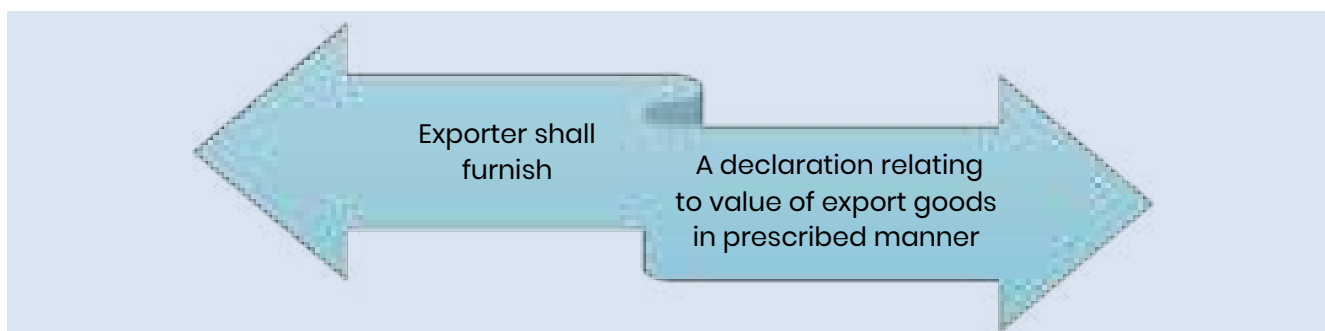
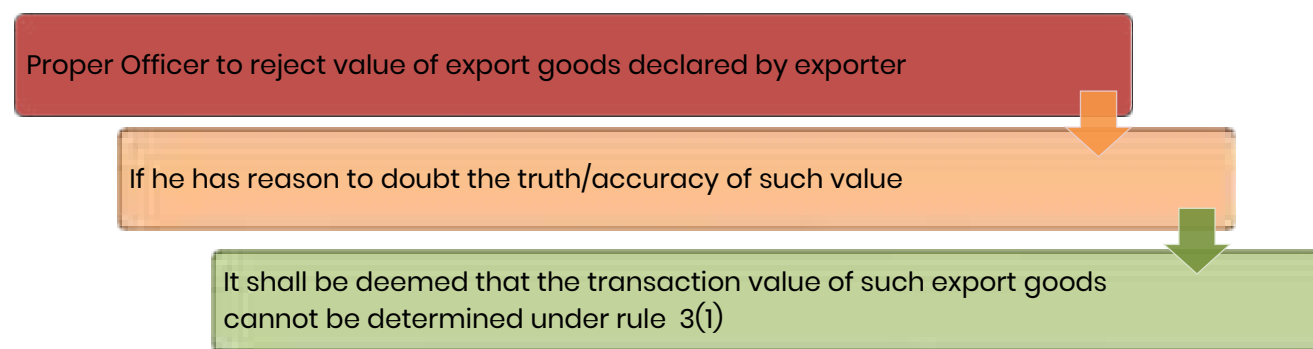
Rule 4 – Determination of export value by comparison

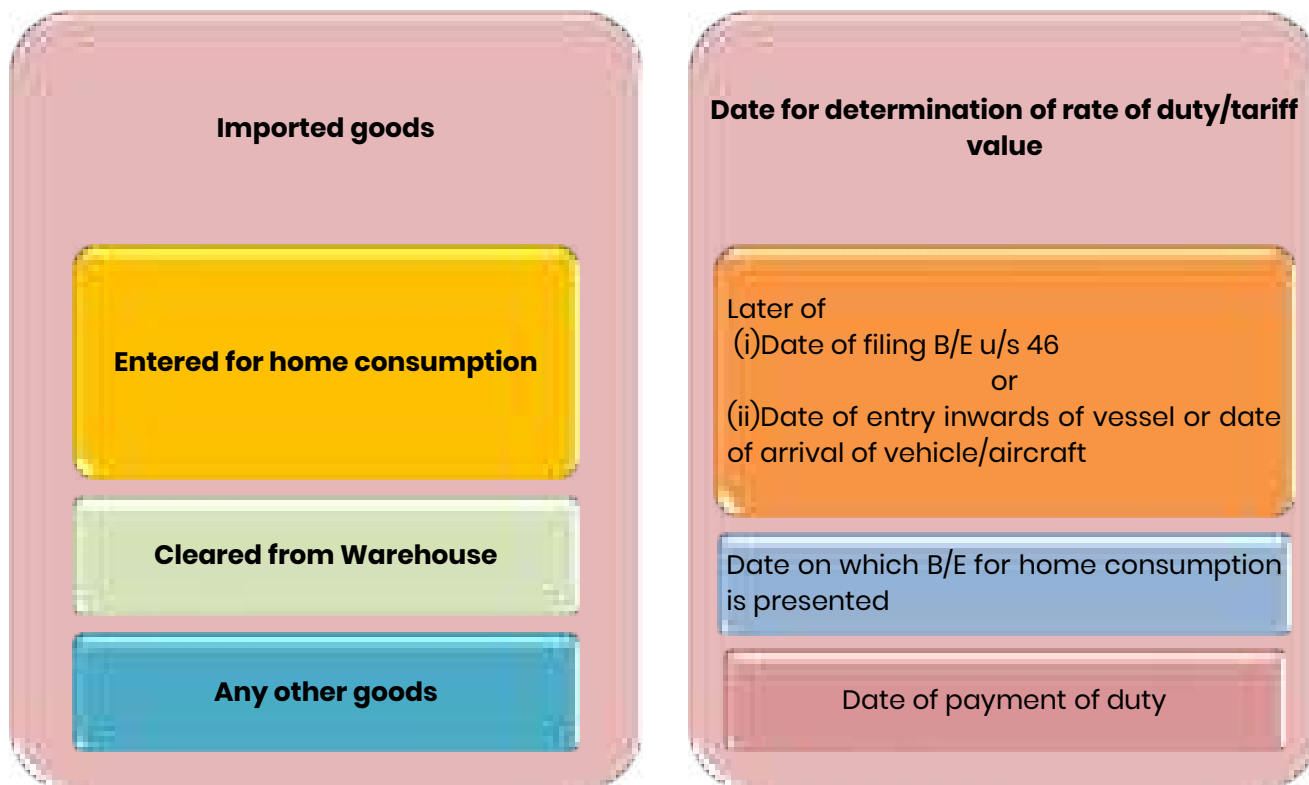
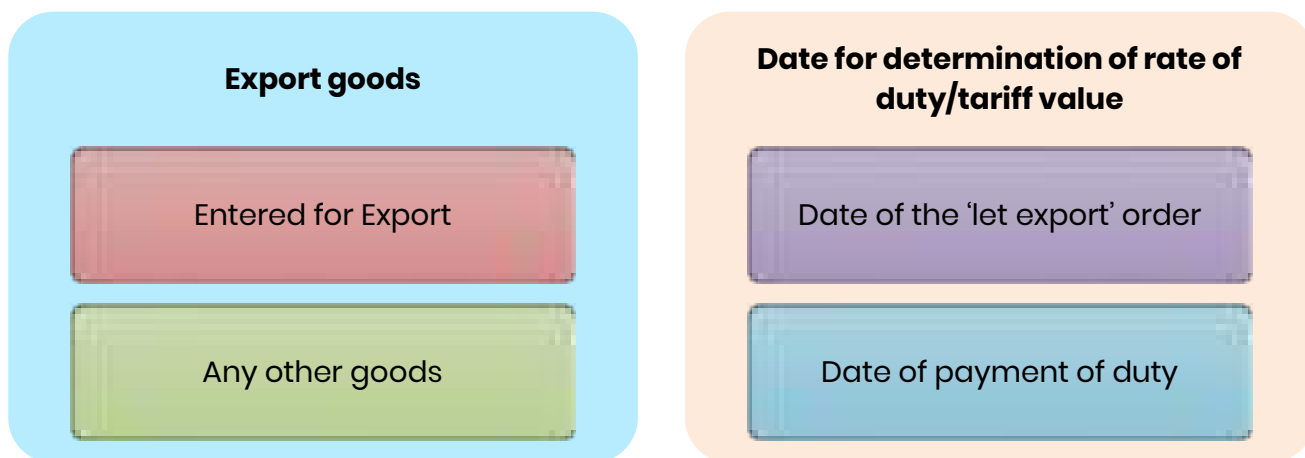
Value = Transaction value of **"goods of like kind and quality"** exported at/about the same time to other buyers in the same destination country of importation/in its absence another destination country of importation adjusted by proper officer considering relevant factors, including –

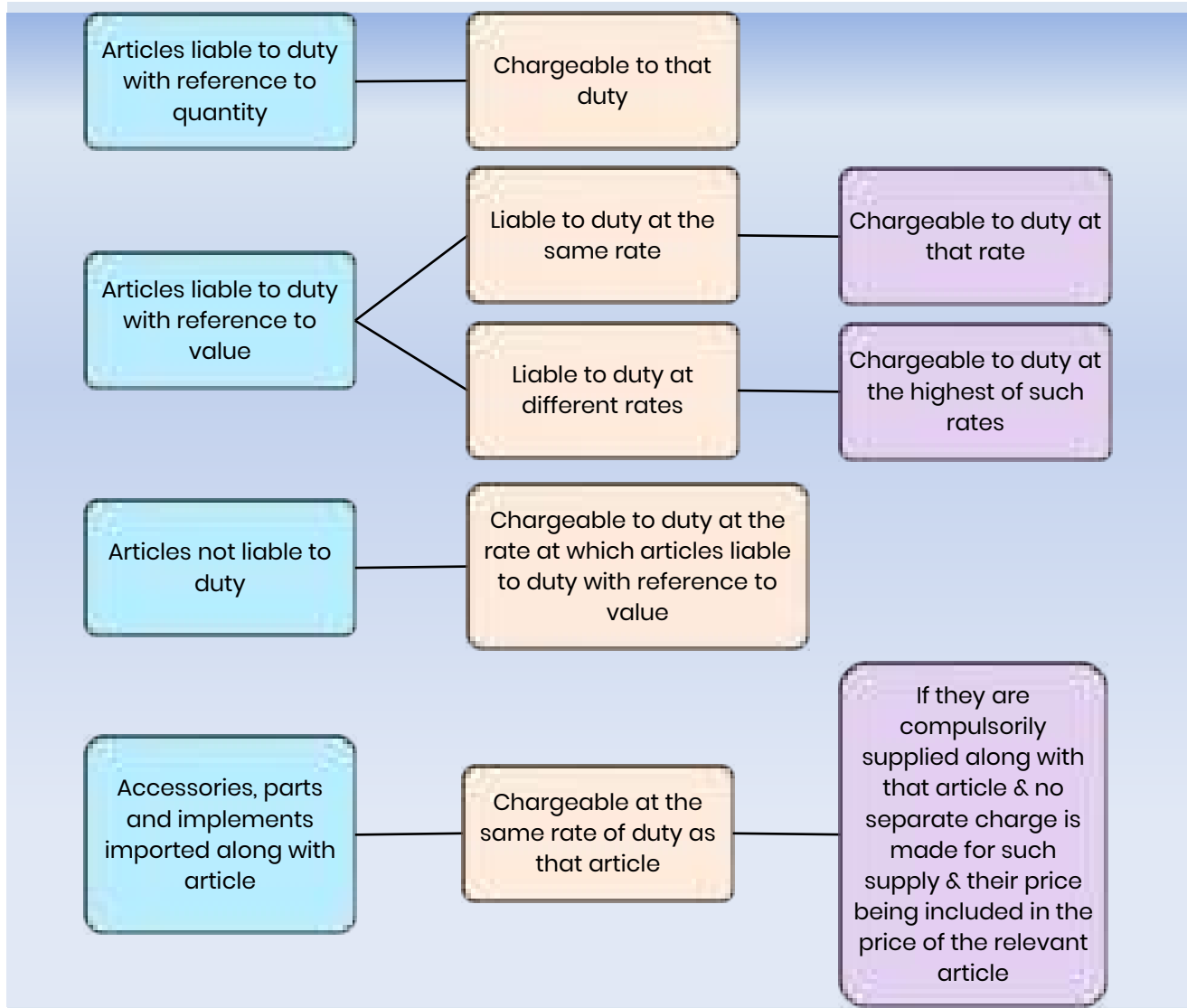
- (i) difference in the dates of exportation
- (ii) difference in commercial levels & quantity levels
- (iii) difference in composition, quality & design
- (iv) difference in domestic freight & insurance charges

Rule 5 – Computed value method



Rule 6 – Residual method**Rule 7 – Declaration by the exporter****Rule 8 – Rejection of declared value**

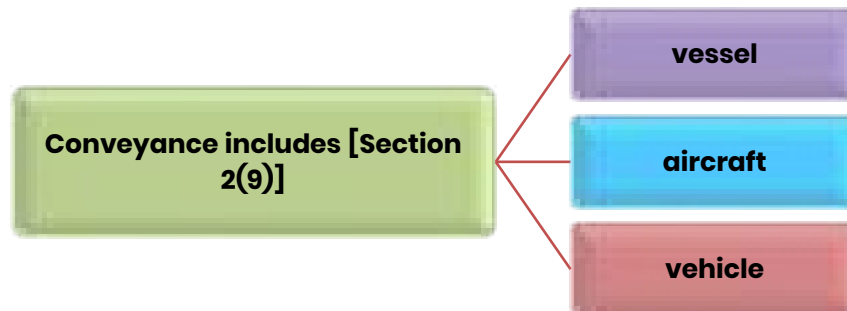
Date for determination of rate of duty & tariff valuation of imported goods [Section 15]**Date for determination of rate of duty & tariff valuation of export goods [Section 16]**

Determination of duty where goods consist of a set of articles liable to different rates of duty [Section 19]

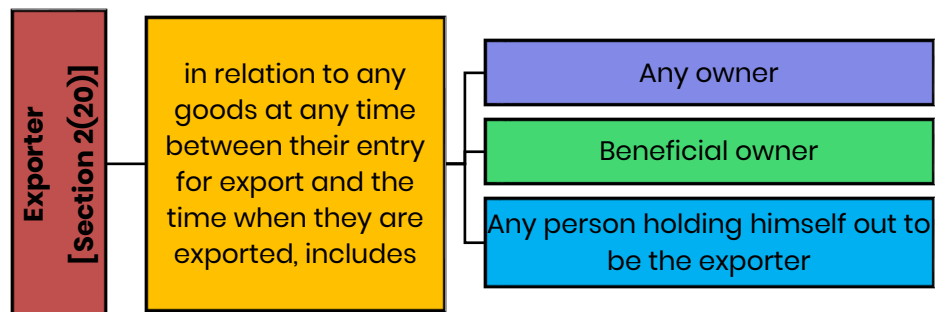
IMPORTATION AND EXPORTATION OF GOODS

IMPORTANT DEFINITIONS

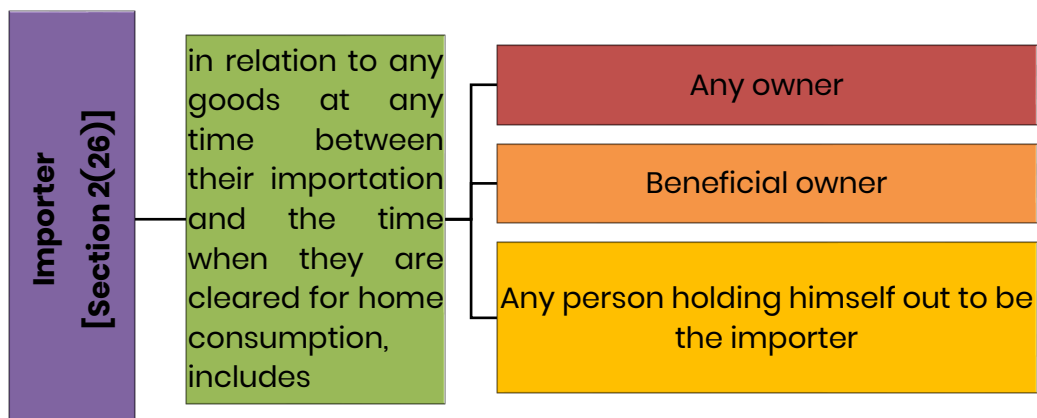
Conveyance



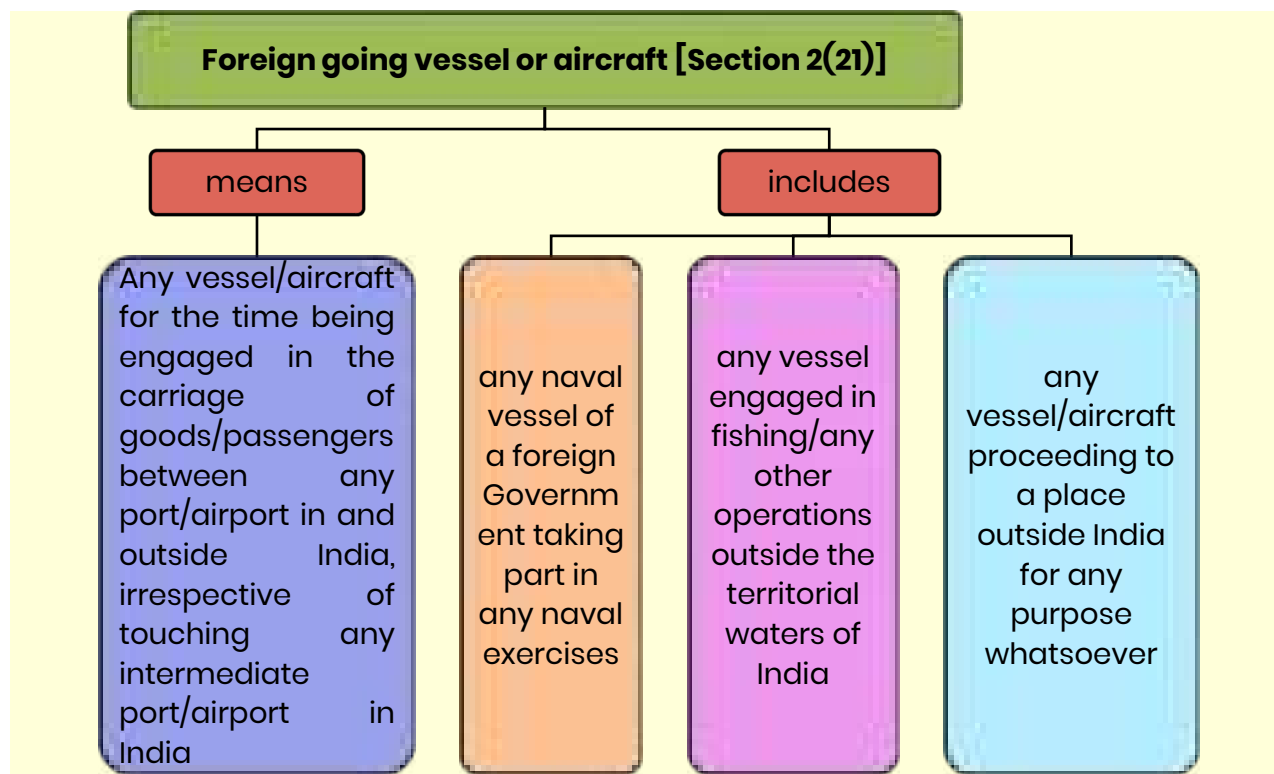
Exporter



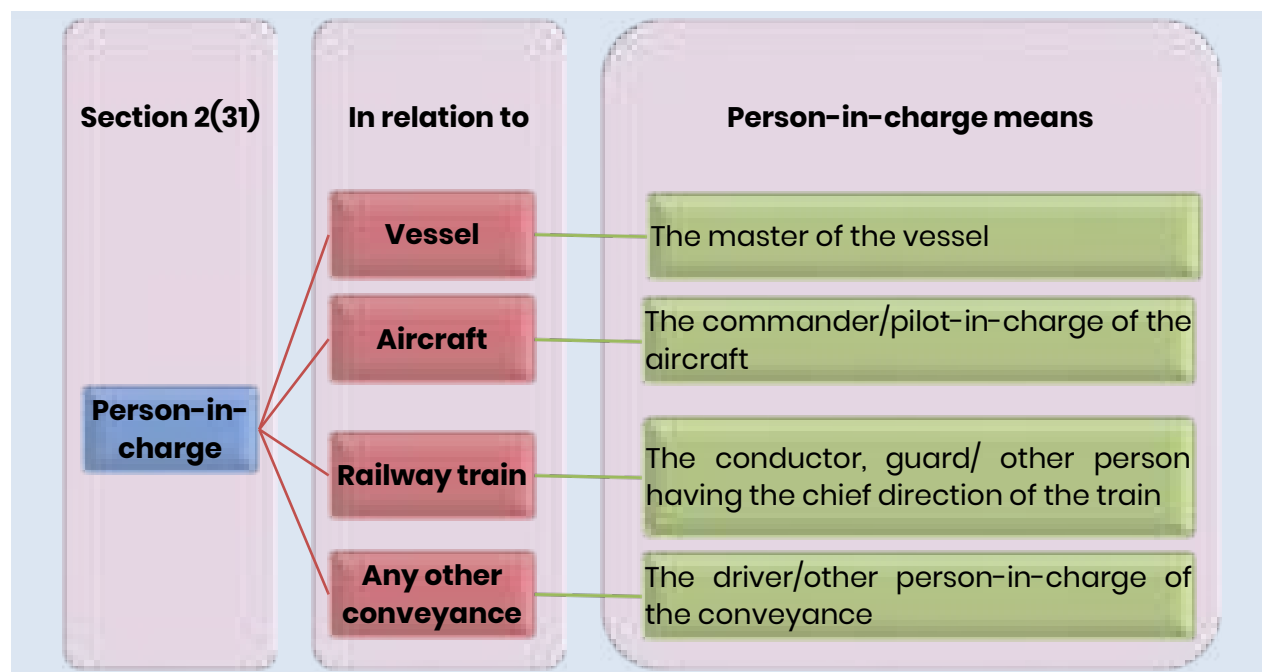
Importer



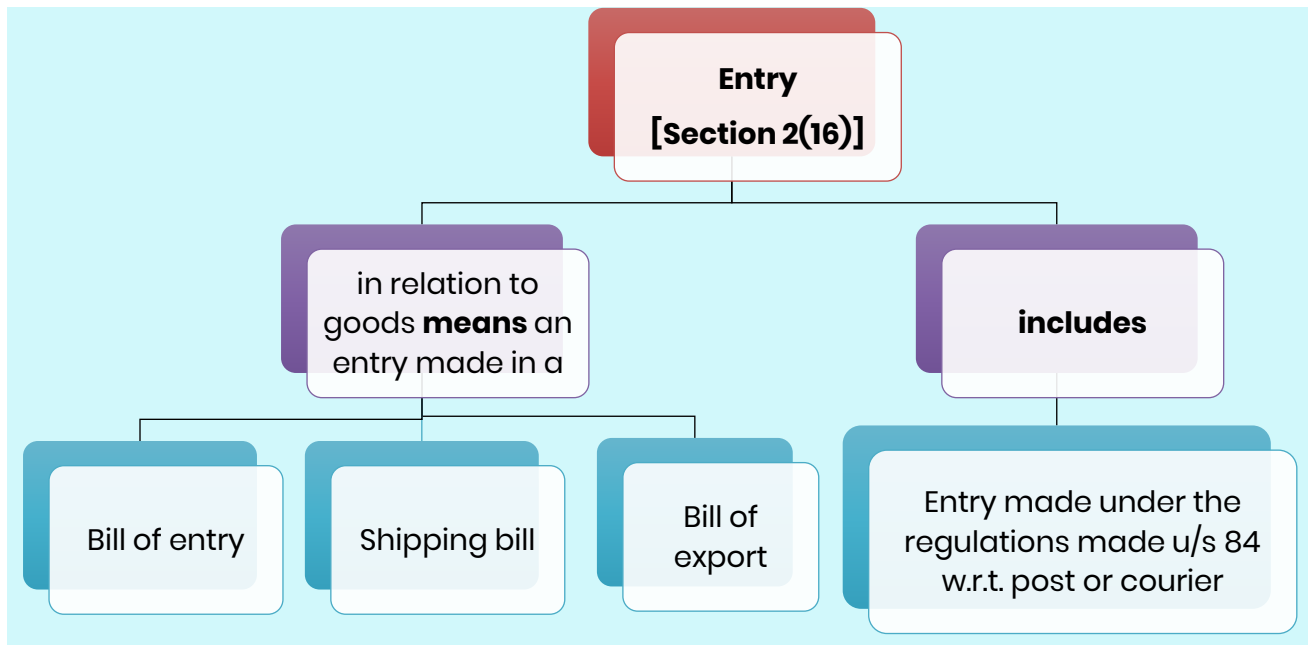
Foreign going vessel or aircraft



Person in Charge



Entry



Arrival of vessels and aircrafts in India [Section 29]

Person-in-charge of vessel/aircraft entering India not to permit the vessel/aircraft to call/land at any place other than customs port/customs airport

for the first time after arrival in India or

at any time while carrying passengers/cargo unless permitted by the Board

Allowed to call/land at other place if
compelled by accident, stress of
weather/other unavoidable cause

Obligations of Person in charge

Obligations of person-in-charge of such vessel/aircraft:-

- (i) To report arrival of vessel/landing of aircraft to the nearest customs officer/officer in charge of police station & produce log book if demanded
- (ii) W/o consent of such officer - not permit unloading of goods & any passengers/crew to leave the vicinity of vessel/aircraft
- (iii) Comply with all the directions given by such officer

Exception:- Goods can be unloaded or passengers/crews can leave w/o consent due to health, safety/preservation of life or property

Delivery of Arrival manifest/ Import manifest/Import report [Section 30]

Imported goods brought in	Import Document to be presented by person-in-charge	Time limit for presentation of IM/IR	Mode of presentation
Vessel/Aircraft	Arrival manifest (AM)/import manifest (IM)	Any time prior to its arrival	Electronic filing
Vehicle	Import Report (IR)	Within 12 hours after its arrival	Prescribed manner

Principal Commissioner/ Commissioner of Customs may allow AM/IM to be delivered in any other manner, if not feasible to present electronically.

Penalty

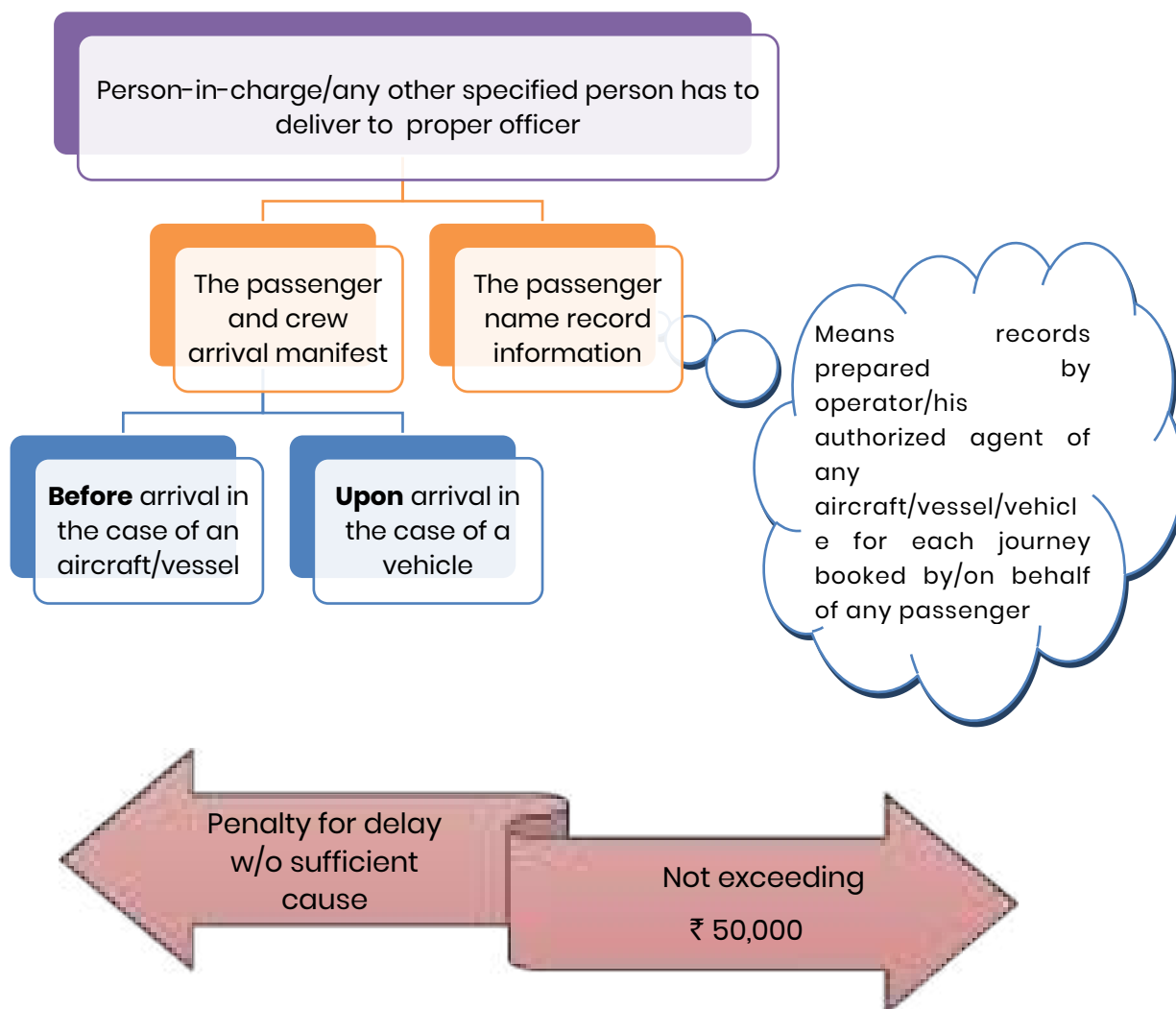
Penalty for delay w/o sufficient cause

Not exceeding ₹ 50,000

Proper officer satisfied that AM/IM/IR is in any way incorrect/incomplete & no fraudulent intention

May permit it to be amended or supplemented.

Passenger and crew arrival manifest and passenger name record information [Section 30A]



Imported goods not to be unloaded from vessel until entry inwards granted [Section 31]

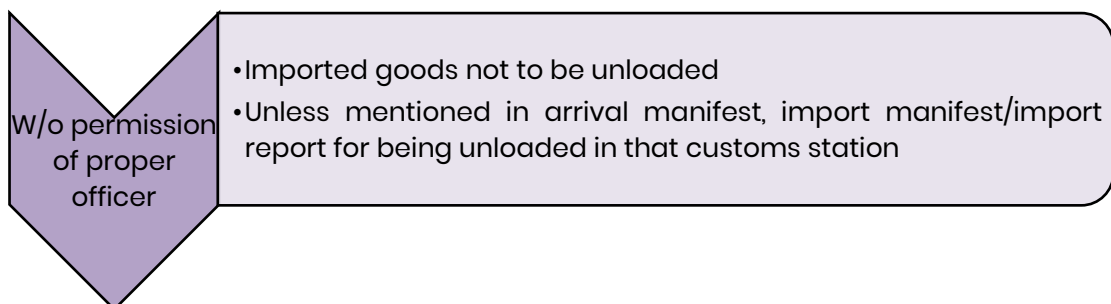
Master of vessel not permitted for unloading of any imported goods until order granting entry inwards given by proper officer

Order to be given only if arrival manifest/ import manifest delivered or proper officer satisfied of valid reason for non-delivery.

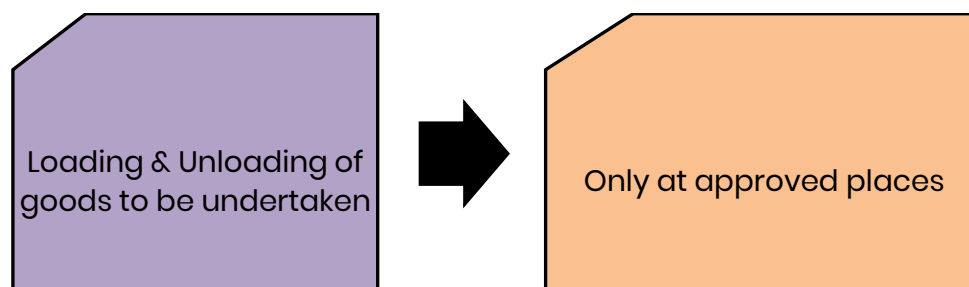
Exception:-

Unloading of baggage accompanying passenger/member of the crew,
mail bags,
animals, perishable goods & hazardous goods

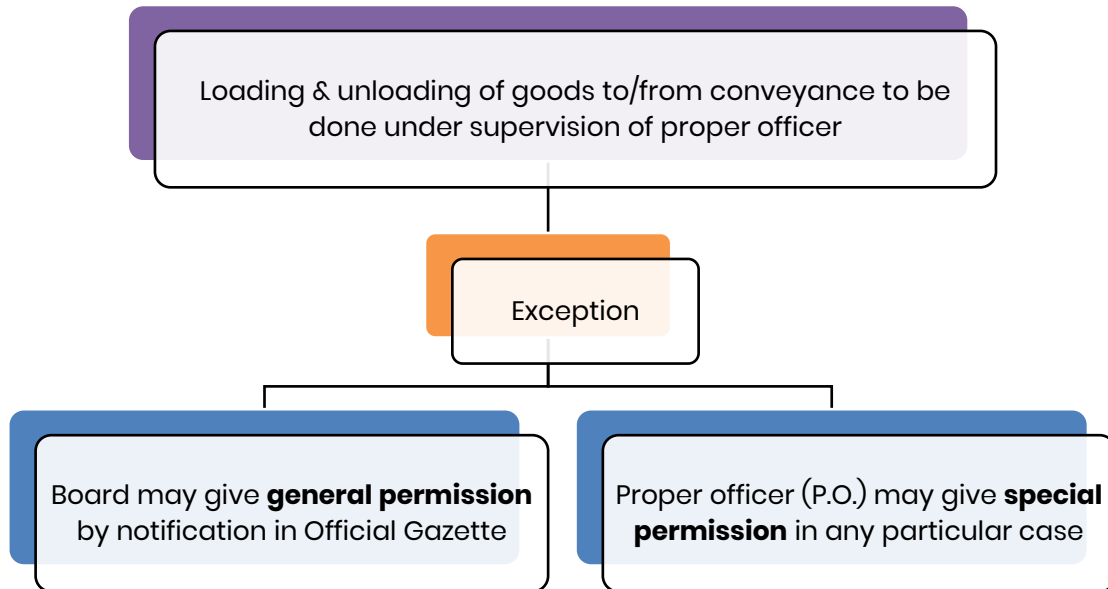
Imported goods not to be unloaded unless mentioned in arrival manifest or import manifest or import report [Section 32]



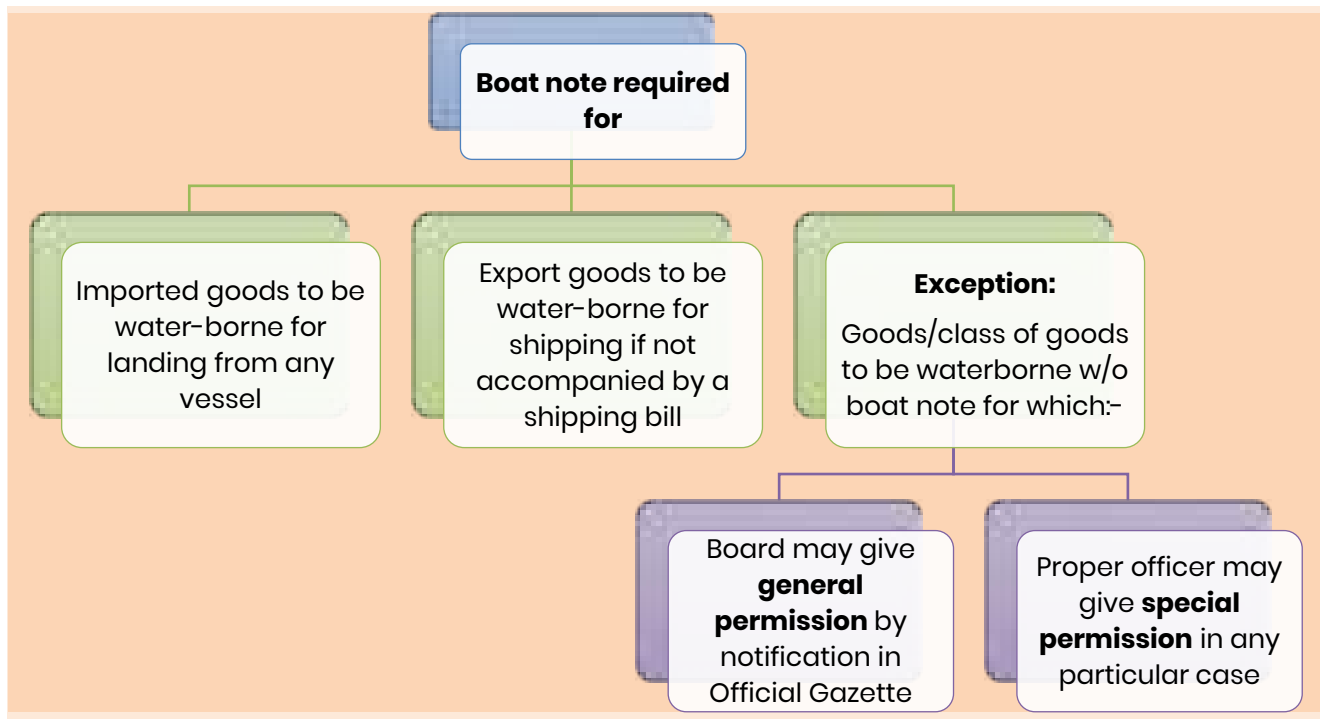
Loading and unloading of goods at approved places only [Section 33]

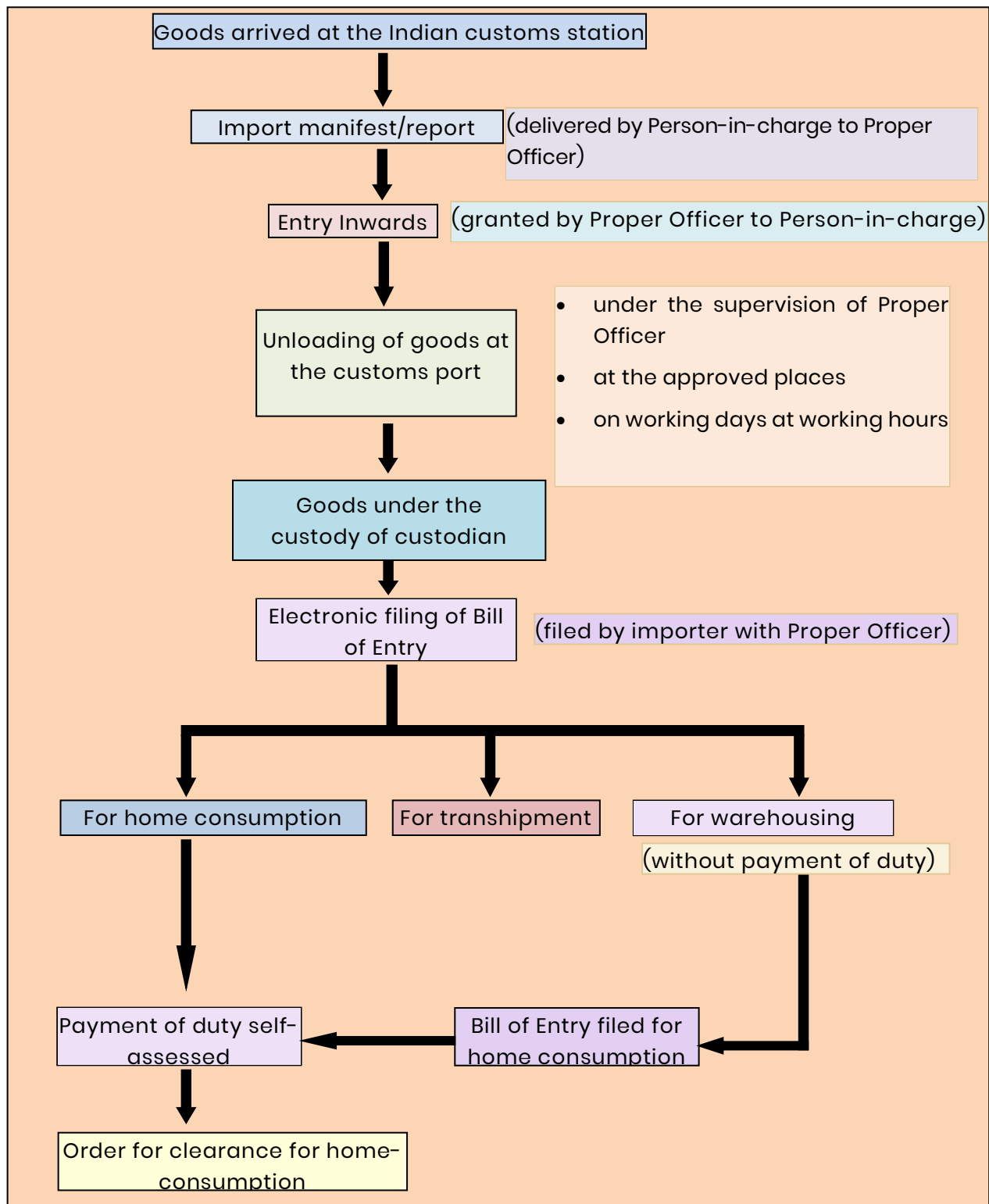


Goods not to be loaded or unloaded except under the supervision of Customs Officer [Section 34]

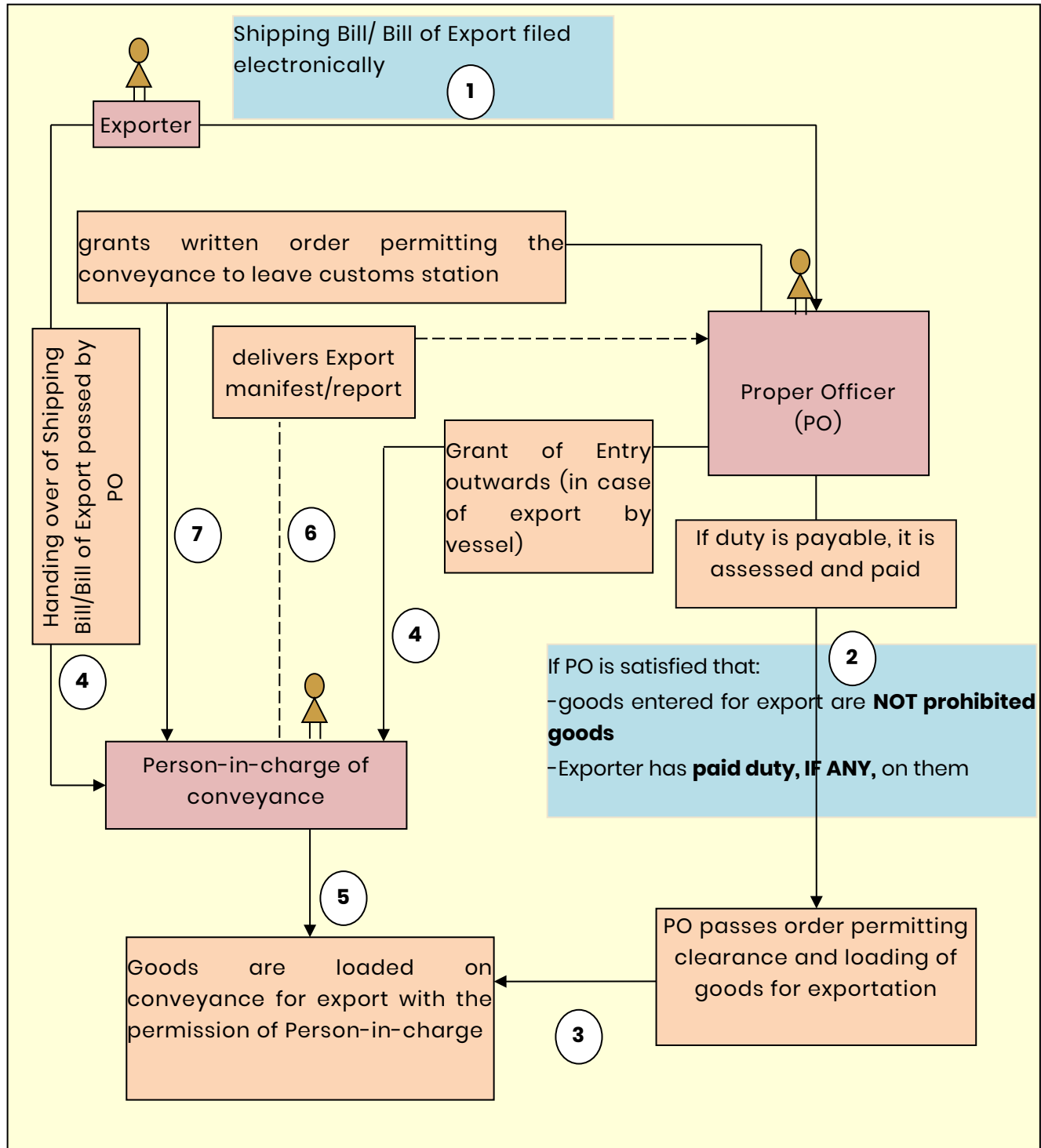


Restrictions on goods being water-borne [Section 35]



IMPORT PROCEDURE

Export Procedure



Baggage Rules, 2016

General duty free baggage allowance (GFA)				
Rule No.	Class of passenger	Origin country from which passenger is coming	Articles allowed free of duty	
3	Indian resident (IR)/ Foreigner residing in India (FR)/ Tourist of Indian origin, excluding an infant	Any country other than Nepal, Bhutan or Myanmar (NBM)	(i) Used personal effects (UPE) & travel souvenirs (TS) ; and (ii) Articles (excluding Annexure I articles), if carried on in person/ in accompanied baggage, up to value of	₹ 50,000
	Tourist of foreign origin excluding infant	Any country other than NBM		₹ 15,000
4	IR/ FR/ Tourist, excluding an infant	NBM		₹ 15,000 Arriving by land: only UPE

Note: Infant passenger: only UPE allowed duty free. GFA of a passenger cannot be pooled with GFA of any other passenger.

Jewellery Allowance

5	Passenger residing abroad for more than 1 year	Any country	Passenger	Jewellery
			Gentlemen	upto 20 gms with a value cap of ₹ 50,000
			Lady Passenger	upto 40 gms with value cap of ₹ 1,00,000

Transfer of residence

6	Duration of stay abroad	Articles allowed free of duty		Conditions	Relaxation
	3-6 months	Personal and household articles, other than those mentioned in	₹ 60,000	Indian passenger	-
	6 months-1 year		₹ 1,00,000	Indian passenger	-
	Minimum stay of 1 year		₹ 2,00,000	Indian passenger should not have availed this concession in 3 PYs	-

	during 2 PYs	Annexure I/ II, including			
	Minimum stay of 2 yrs or more	Annexure III upto an aggregate value of	₹ 5 lakh	(i) Minimum stay of 2 years abroad, immediately preceding date of his arrival on transfer of residence	The shortfall of upto 2 months in stay abroad can be condoned by AC/DC if early return is on account of - (i) terminal leave /vacation availed by passenger; or (ii) any other special circumstances.
				(ii) Total stay in India on short visit during 2 PYs should not exceed 6 months; &	The Principal Comm/ Comm may condone short visits in excess of 6 months in special circumstances for reasons to be recorded in writing.
				(iii) Passenger has not availed this concession in 3 PYs	No relaxation
9	Crew Members: Baggage rules also apply to crew members engaged in foreign going conveyance for importation of their baggage, when they are finally paid off on termination of their engagement. However, other crew members of a vessel and aircraft are allowed to bring items like chocolates, cheese, cosmetics & other petty gift items for their personal/family use for a value $\leq$ ₹ 1500.				

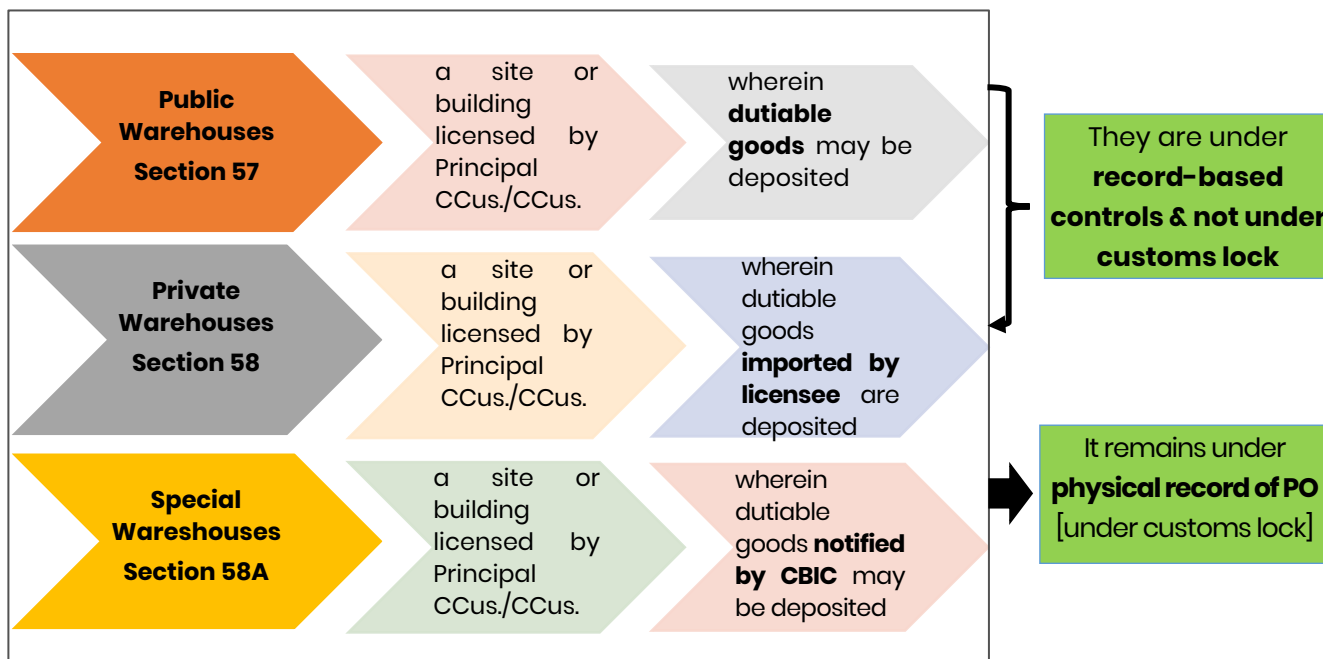
Annexure I (See rule 3, 4 and 6)	Annexure II (See rule 6)	Annexure III (See rule 6)
•Fire arms [& their cartridges ≤ 50]	•Colour Television/ Video Home Theatre System.	•VCR/VCP/VTR/VCDP
•Cigarettes > 100 sticks, cigars > 25, tobacco > 125 gms.	•Dish Washer.	•Digital Video Disc player/ Music System.
•Alcoholic liquor/wines > 2 ltrs.	•Domestic Refrigerators ≥ 300 ltrs	•Air-Conditioner & Microwave Oven.
•Gold/silver [other than ornaments]	•Deep Freezer.	•Word Processing Machine.
•Flat Panel (LCD/LED/Plasma) television.	•Video camera/ combination thereof	•Fax/Portable Photocopying Machine.
	•Cinematographic films ≥ 35 mm	•Washing Machine/ Electrical/LPG Cooking Range
	•Gold/silver [other than ornaments]	•Personal Computer/ Laptop Computer
		•Domestic Refrigerators ≤ 300 ltrs

- **Unaccompanied baggage (UB):** Above provisions are also applicable to UB, unless specifically excluded, if UB had been in possession, abroad, of passenger & is dispatched within 1 month [extended period] of his arrival in India.
- UB can also land in India upto 2 months before arrival of the passenger. However, if passenger is not able to arrive in India within 2 months due to circumstances beyond his control, AC/DC may extend said period of 2 months upto 1 year.

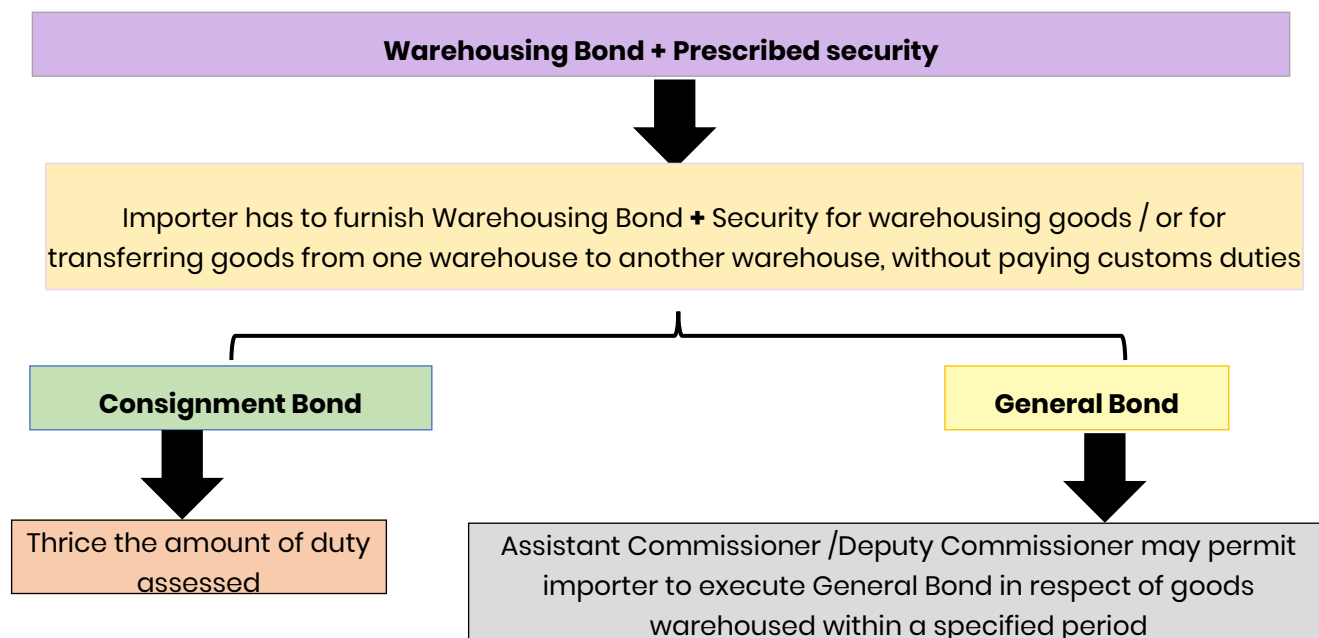
Owner of the baggage is required to make a declaration [**Baggage Declaration Form**] of its contents to PO of customs, for clearing it. Duty is payable on such baggage **at the rate in force on the date of such declaration. Rate of duty on baggage is 35% ad valorem.**

WAREHOUSING

Types of warehouses



Warehousing bond



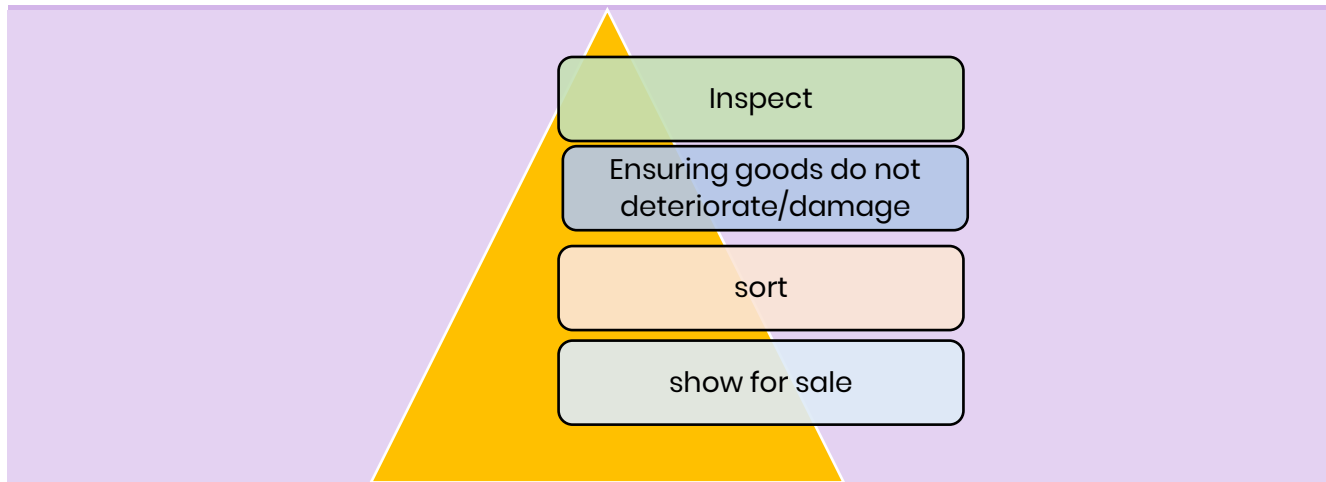
Period for which goods may remain in a warehouse

S. No.	Class of goods	Time for which the goods may remain warehoused
1.	Goods for use in any warehouse where manufacture or other operations are permitted under section 65	
	(i) Capital goods	Till the clearance of such goods from warehouse
	(ii) Other goods	Till the consumption or clearance of such goods from warehouse
2.	Goods other than 1 above	Till the expiry of 1 year from the date of order permitting deposit of goods in warehouse

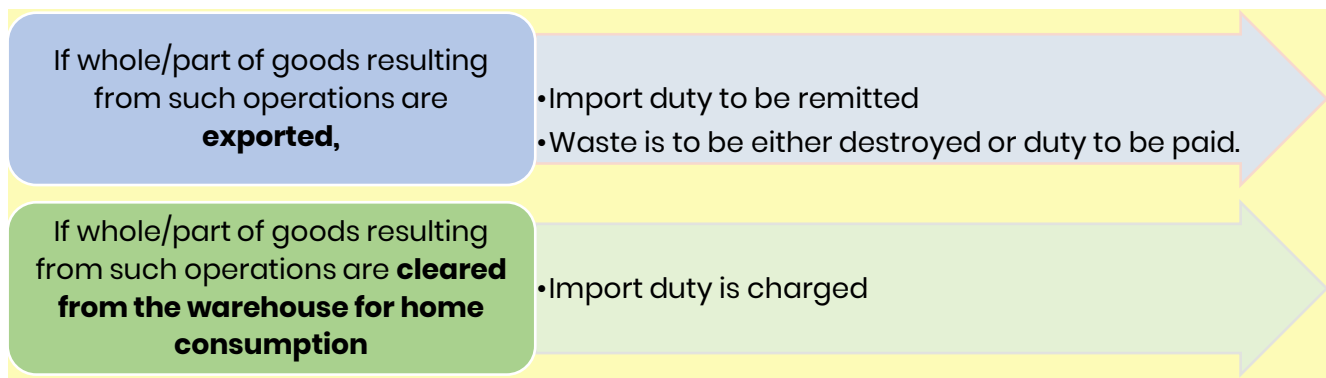
Interest on warehoused goods

S. No.	Class of goods	Provisions relating to interest payable	
1.	Capital goods and other goods for use in any warehouse where manufacture or other operations are permitted under section 65	No interest is payable	
2.	Goods other than 1. above	Interest will be payable if goods remain in the warehouse beyond 90 days from the date on which the order permitting deposit of goods in a warehouse under section 60 is made.	
		Rate of interest	15% p.a.
		Amount on which interest is payable	Duty payable at the time of clearance of the goods
		Period for which interest is payable	From the expiry of the 90 days till the date of payment of duty on the warehoused goods.

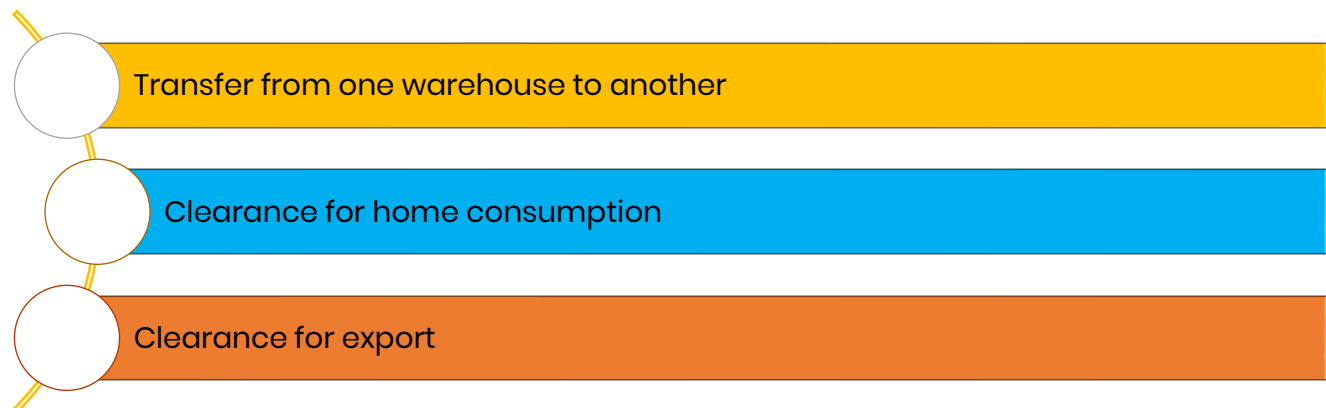
Owner's right to deal with warehoused goods

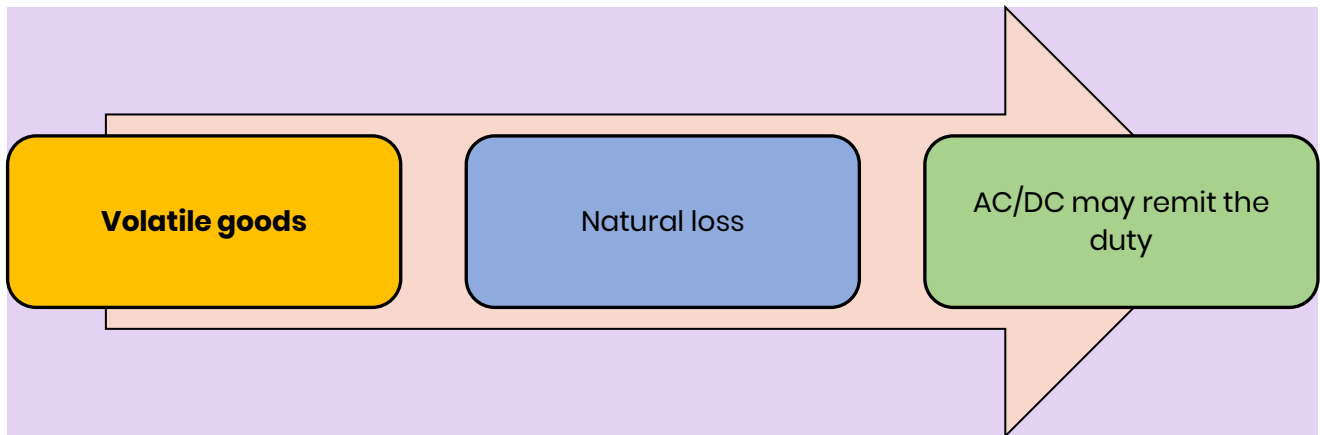


Treatment of waste in the manufacturing/other operations in relation to warehoused goods



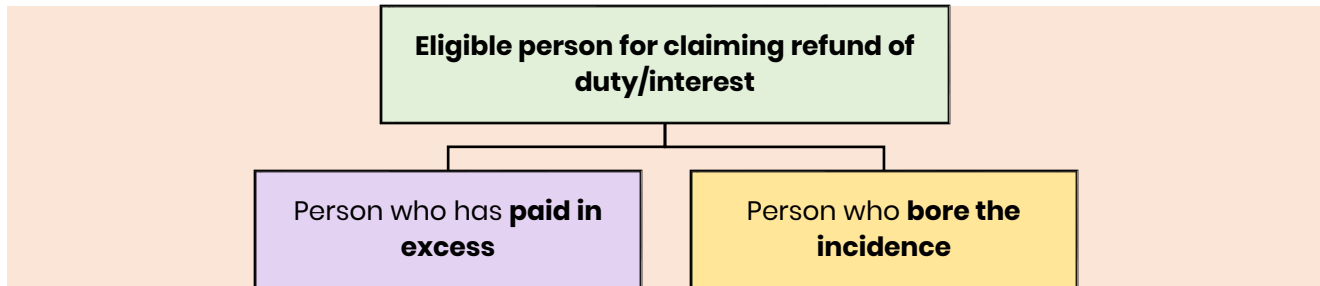
Removal of goods from the warehouse



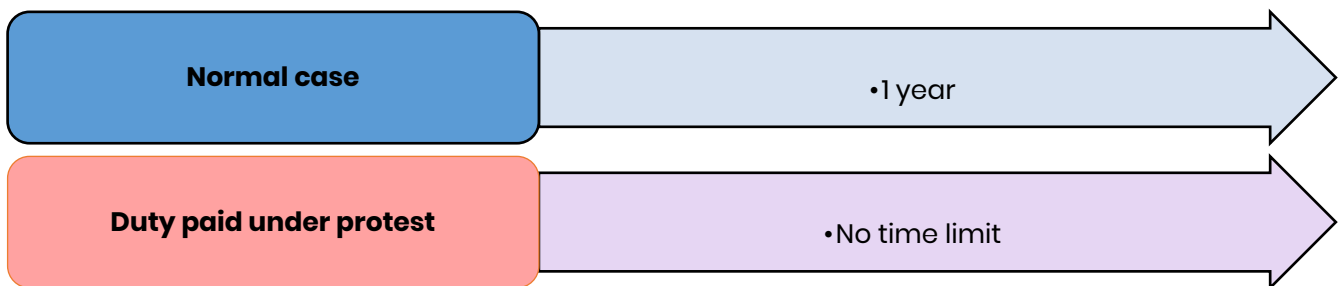
Allowance in respect of volatile goods

REFUND

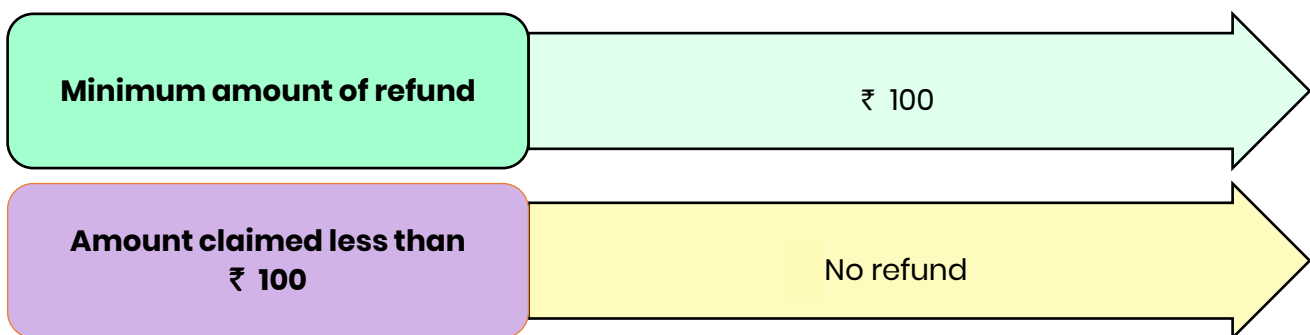
Eligible person to claim refund of duty/interest



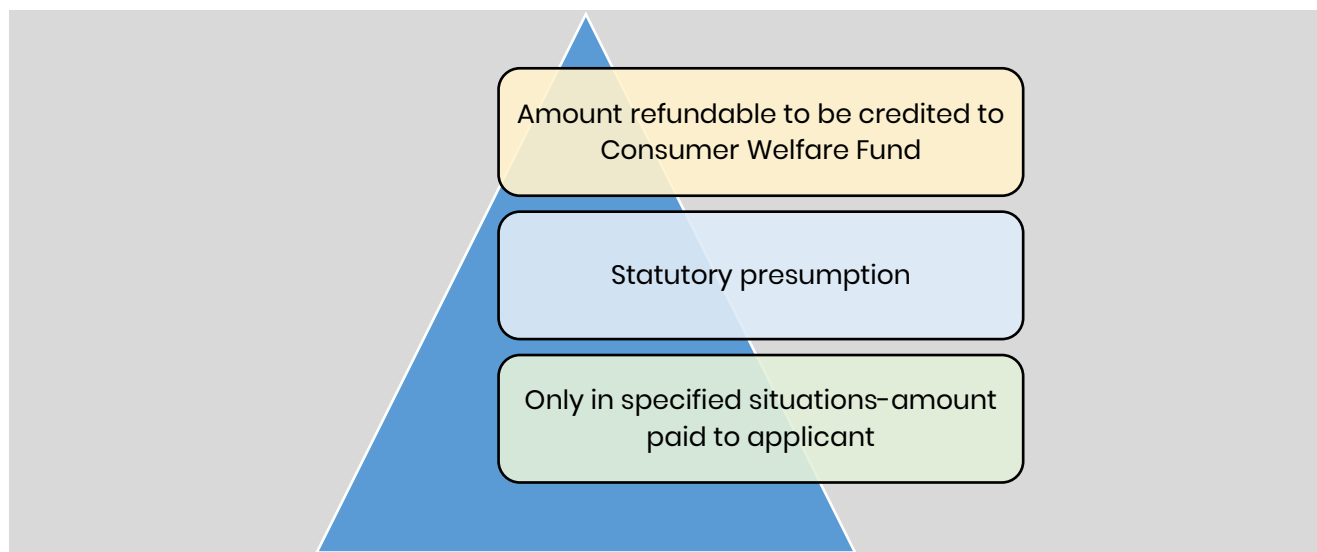
Time limit for filing refund



Minimum amount of Refund



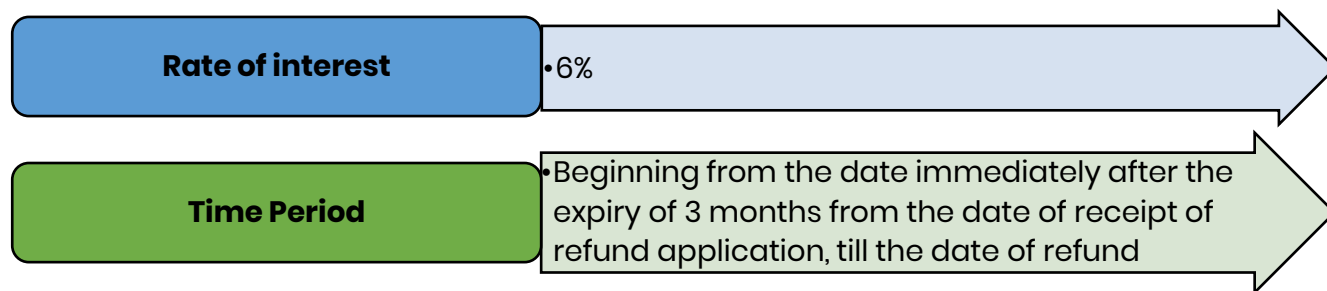
Doctrine of unjust enrichment



Situations where refundable amount is paid to the applicant instead of being credited to Consumer Welfare Fund

- 1 If importer/exporter has not passed on incidence of duty/interest to other person
- 2 Buyer who has borne the duty has not passed on incidence of duty/interest to other person
- 3 Imports for personal use
- 4 Export duty paid as specified in section 26
- 5 Drawback of duty
- 6 Duty/interest borne by notified applicant
- 7 Duty paid in excess by importer before order for clearance of home consumption evident from bill of entry/reassessed bill of entry.

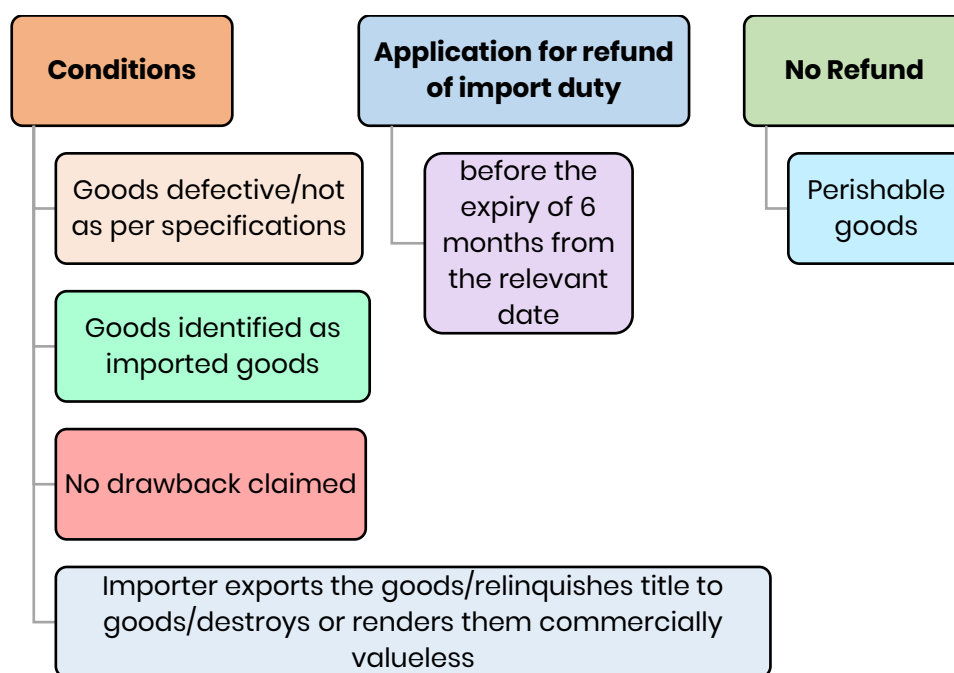
Interest on delayed refund



Refund of export duty in certain cases [Section 26]



Refund of import duty in certain cases [Section 26A]



Meaning of relevant date

S.No.	Case	Relevant date
1.	Goods exported out of India	Date on which proper officer makes an order for exportation under section 51
2.	Relinquishment of title to goods	Date of such relinquishment
3.	Goods being destroyed or rendered commercially valueless	Date of such destruction/rendering of goods commercially valueless

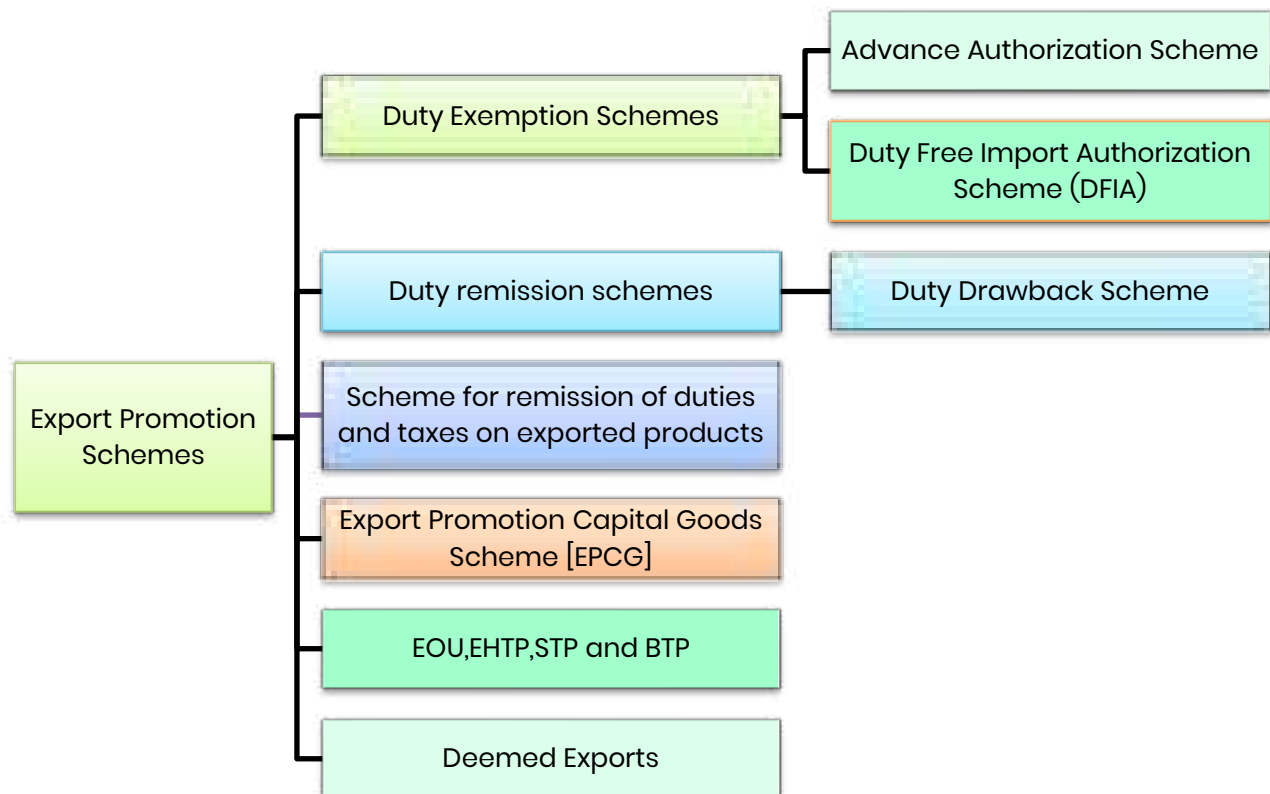


FOREIGN TRADE POLICY

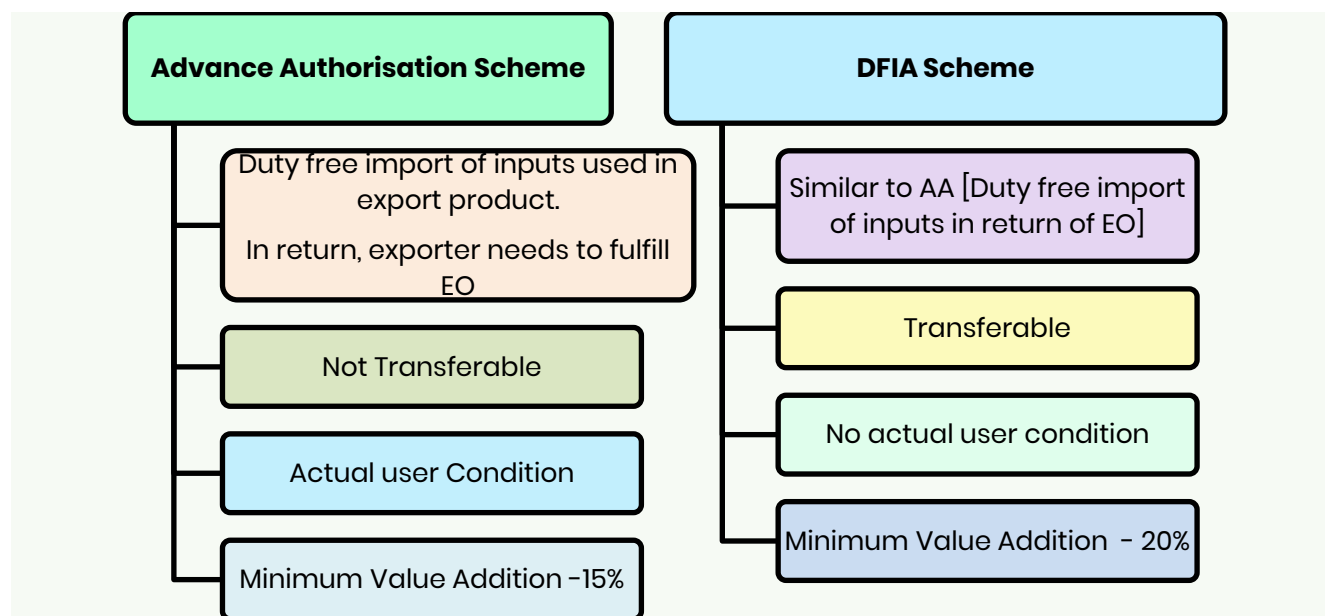
Contents of FTP



Export Promotion Schemes



Advance Authorisation and DFIA Scheme



EPCG, EOU, EHTP, STP & BTP Schemes, Deemed Exports

