

COMPOSITION SCHEME

Section 10 Composition Scheme

- The composition levy is an alternative method of levy of tax designed for small taxpayers.
- Small taxpayers with an aggregate turnover in a preceding financial year up to ₹1.5 crore shall be eligible for composition levy. However, Threshold limit is ₹75 lakh in respect of 8 of the Special Category States namely [NUSTA-M3] Nagaland Uttarakhand Sikkim Tripura Arunachal Pradesh Mizoram Manipur Meghalaya

Section 10(1) & (2) Composition Scheme for Goods & Restaurant Services

- Initially, the scheme was designed to benefit the small traders, manufacturers and restaurant service providers.
- Subsequently, suppliers availing the composition scheme were permitted to supply other services also upto higher of following:
 - (a) 10% of turnover in the state or union territory in the preceding financial year or
 - (b) ₹5,00,000 whichever is higher.

Calculation of Aggregate Turnover

Aggregate Turnover includes

1. Taxable supplies
2. Exempt supplies
3. Exports
4. Inter-State supplies of persons having the same PAN be computed on all India basis.

Exclusions

- Value of inward supplies on which tax is payable under reverse charge
- Taxes Under GST (i.e. CGST/SGST/UTGST/IGST/ Compensation Cess)
- Value of supply of exempt services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.

Note: Aggregate turnover includes value of supplies from 1st April of a FY up to the date of his becoming liable for registration

Withdrawal From Composition Scheme

As per Section 10(3), the option of a registered person to avail composition scheme for services shall lapse with effect from the day on which his aggregate turnover during a financial year exceeds the threshold limit of ₹150 Lakh /75 Lakh.

Composition Rates

Registered Person	Rate
Manufacturer, other than manufacturer of Specified Goods	1% Of Turnover in state or UT
Person engaged in restaurant services	5% Of Turnover in state or UT
Any other Supplier of goods	1% Of Taxable Turnover in state or UT

Note: for the purposes of determining the Composition tax, turnover in State or UT shall not include

- (i) supplies from 1st April of a FY up to the date when such person becomes liable for registration under this Act; and
- (ii) exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.

Section 10(2A) Composition Scheme for Service Provider

A registered person whose aggregate turnover in the preceding financial year is up to `50 lakh, shall be eligible to pay tax under this scheme @ 6% upto Rs. 50 lakhs made from 1st April of CFY.

Section 10(2)/(2A) Conditions for Opting to Pay Tax under Composition Scheme

- a. Restricted from making supply of goods or services which are not liable to GST
- b. Restricted from affecting inter-State outward supplies of goods or services
- c. Restricted from making supplies through an e-commerce operator – Only for Service Providers. Supplier of Goods are now eligible to make supplies through E-COM while being under Composition scheme.
- d. Restriction on manufacture of notified goods-
Notified Goods:
 - (i) Ice cream and other edible ice, whether or not containing cocoa
 - (ii) Pan masala
 - (iii) Tobacco and manufactured tobacco substitutes
 - (iv) Manufacture of Aerated Water
 - (v) Fly ash bricks or fly ash aggregate with 90% or more fly ash content; Fly ash blocks
 - (vi) Bricks of fossil meals or similar siliceous earths
 - (vii) Building bricks
 - (viii) Earthen or roofing tiles
- e. Not Available to CTP/NRTP
- f. Would be applicable for all transactions under the same PAN

- g. Shall not collect tax also Not entitled to input tax credit.
- h. Such supplier shall mention the words “composition taxable person not eligible to collect tax on supplies” at the top of the bill of supply. (not allowed to issue tax invoice)

RULES

As per Rule 3, A person applying for registration have the option to opt for composition scheme in part B of REG-01. Such intimation shall be considered only after the grant of registration to the applicant and his option to pay tax under composition levy shall be effective from the effective date of registration.

As per Rule 4, A registered person who opts to pay tax under composition scheme shall file an intimation in prescribed form on the Common Portal, prior to the commencement of the FY for which said option is to be exercised. Composition schemes shall be effective from the beginning of the next financial year.

Also such person shall have to furnish statement in ITC-03 for reversal of tax credit within a period of 90 days from the date of commencement of composition scheme.

As per Rule 6, If turnover exceeds ₹1,50,00,000/75,00,000/50,00,000 RP shall be shifted to normal scheme with immediate effect and he will give an intimation in CMP-04 within 7 days of exceeding the limit.

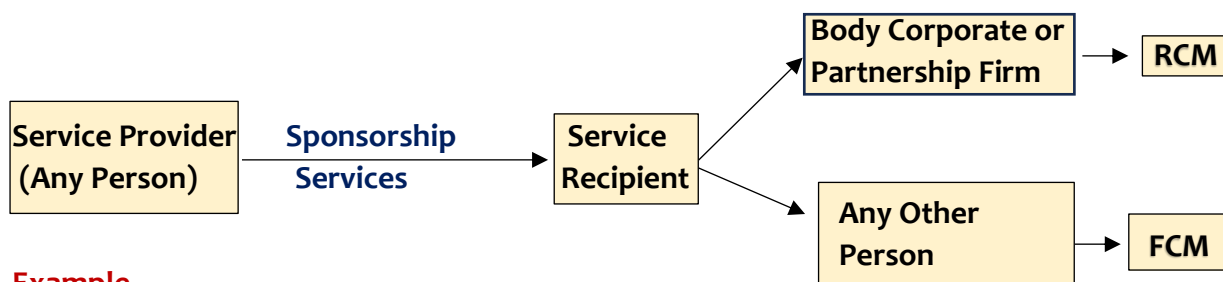
RP can also voluntarily opt out of the scheme at any time and shall file an application in CMP-04 and he will get shifted to normal scheme with immediate effect.

RP shall be required to submit ITC-01 for availing ITC within 30 days from the date of withdrawal. Such withdrawal shall be applicable to all the places in all the states/UTs.

REVERSE CHARGE MECHANISM

Sponsorship Services

Service Provider	Any person
Service Recipient	Any body corporate or partnership firm



Example

Mr. Kapil Sharma has provided sponsorship services to Sprite Pvt. Ltd. in its show. Here, RCM will apply as Sprite Pvt. Ltd. is a body corporate.

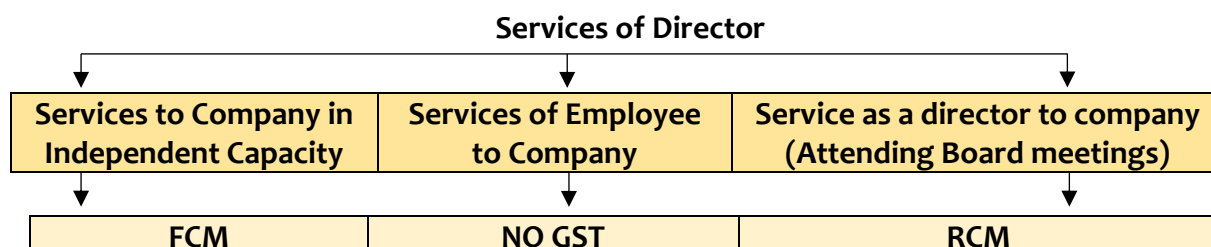


Analysis of Sponsorship services

Service Provider	Services Recipient	Mechanism	Person Liable to Pay GST
A Ltd.	Mr. X	FCM	A Ltd.
Mr. A	Mr. Y	FCM	Mr. A
Mr. A	XYZ Firm	RCM	XYZ Firm
ABC Firm	C Ltd.	RCM	C Ltd.

Services of Director

Service Provider	Director
Service Recipient	Any company or body corporate



Example

Mr. X, being director of A Ltd, attended board meeting for which A Ltd. Provided Sitting fees of ₹2,00,000

RCM will be applicable and A Ltd. is liable to pay GST to the government

1. Mr. X, being whole time director of A Ltd., receives salary of 3,00,000 per month from company

Here, GST will not be applicable as services by employee to employer is outside the ambit of GST

2. Mr. X is a director of A Ltd. (Steel almirah manufacturing company) and also a Interior decorator . He provides interior decoration services to A Ltd. in which he did interior decoration of Head Office (HO) of A Ltd. & charged ₹5,00,000

Here, FCM shall be applicable on services of Mr. X as he is providing services in the individual capacity to A Ltd. , not in the capacity of a Director. Therefore, Mr. X is liable to pay GST to government



TDS on salary	u/s 192
TDS on Director's remuneration	u/s 194J

Example

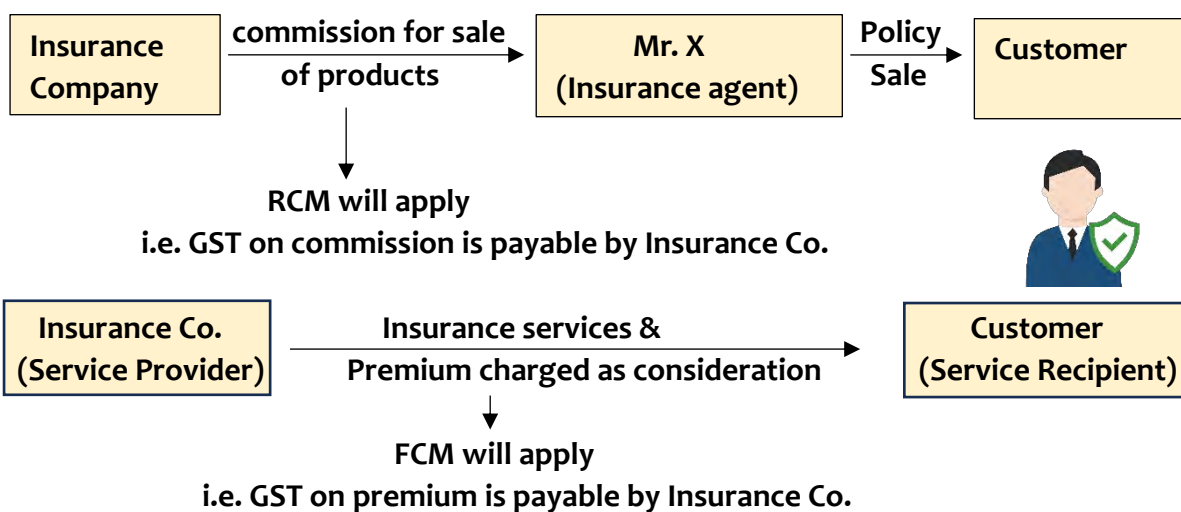
A Ltd. provided ₹5,00,000 to Mr. X (Director)

- In case of Director remuneration , TDS u/s 194J will be deducted by A Ltd. & RCM will be applicable
- In case of salary , TDS u/s 192 will be deducted by A Ltd. & GST shall not applicable

Services of Insurance Agent

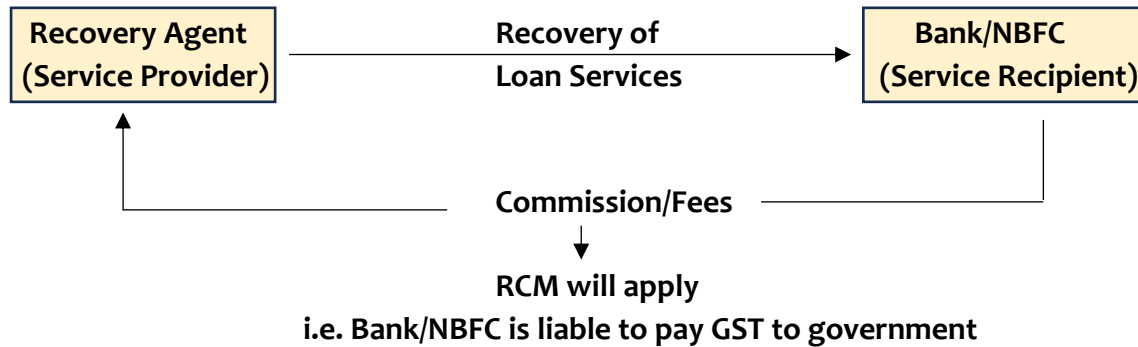
Service Provider	An insurance agent
Service Recipient	Any person carrying on an insurance business

Example:



Services of Recovery Agent

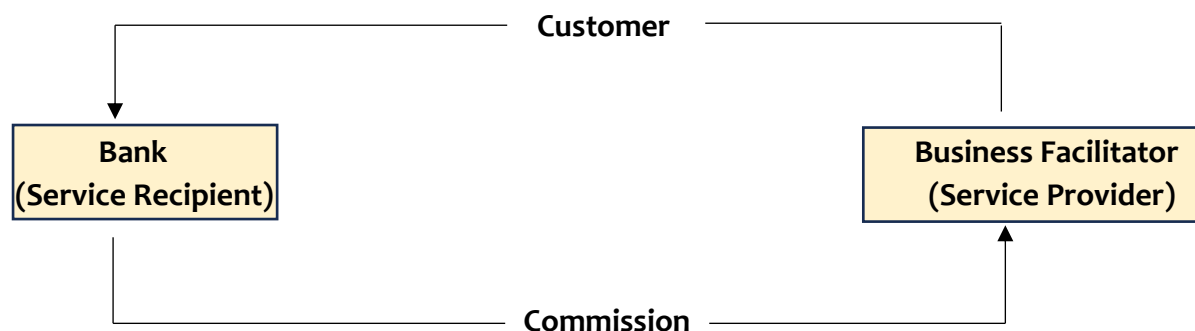
Service Provider	A recovery agent
Service Recipient	A banking company or a financial institution or a nonbanking financial company



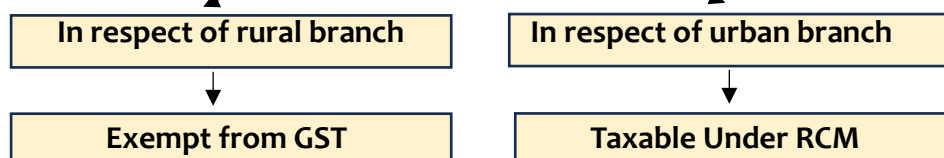
Services of Business facilitator to Bank

Service Provider	Business facilitator
Service Recipient	A banking company located in taxable territory

- Business Facilitator is a person who helps bank to grow his business
- They refer clients to Bank, pursue clients for proposal & facilitate bank to carry out the transaction, but they cannot transact on behalf of Bank



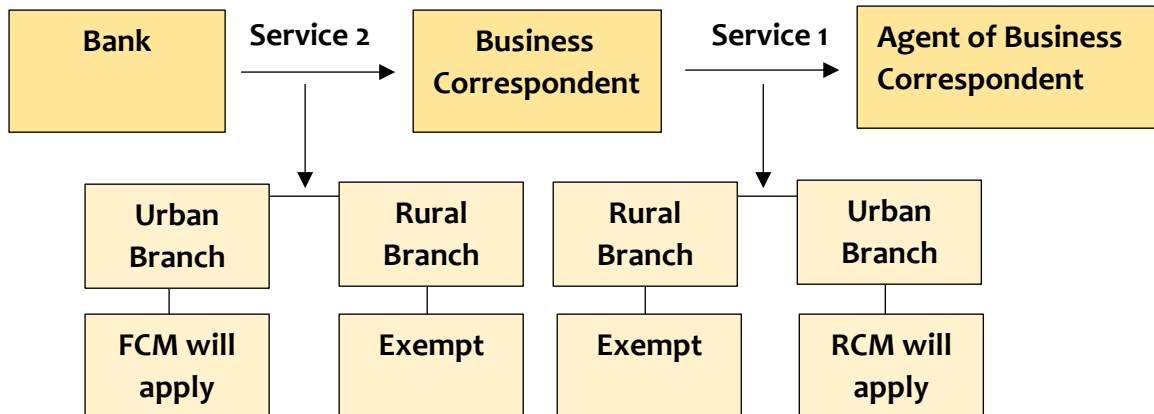
Business Facilitator Services to Bank



Business correspondent services

Service Provider	Services provided by an agent of business correspondent to business correspondent
Service Recipient	A business correspondent, located in the taxable territory

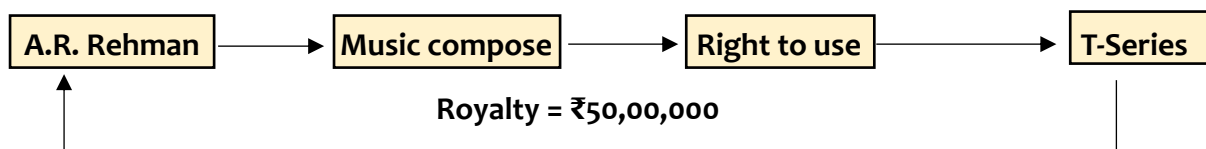
They are similar to business facilitator, but they are authorized to transact (i.e. accept deposit or lend money) on behalf of Bank



Temporary Transfer or permitting use of copyright related to Dramatic/Artistic/Music work

Service Provider	Music composer, photographer, artist or the like
Service Recipient	A music company or producer

Example



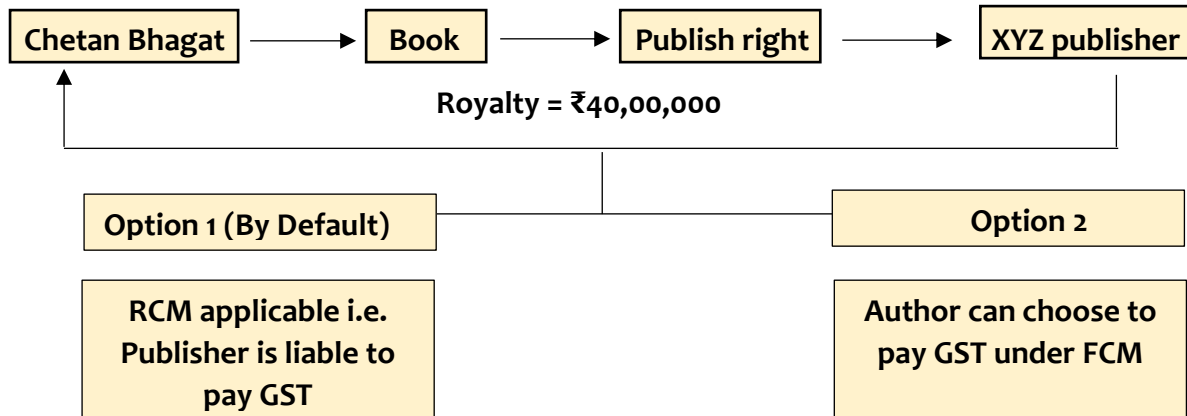
Here, RCM will apply i.e. T-Series is liable to pay GST

Suppose, Rate of GST is 18% then, GST = 50,00,000 * 18% = 9,00,000

Temporary Transfer or permitting use of copyright related to literary work

Service Provider	Author
Service Recipient	Publisher located in Taxable Territory

Example



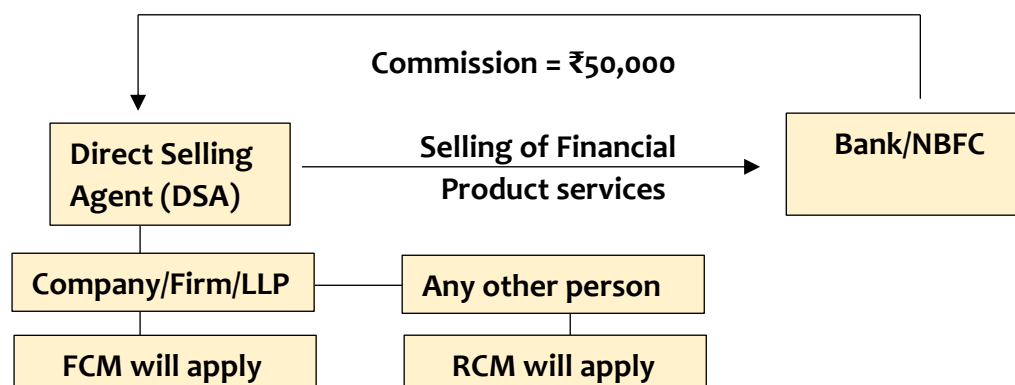
Note: if author has choose to pay GST under FCM then :-

1. Author has to compulsory take registration i.e. registration threshold of Section 22 is not applicable
2. Author has to file declaration that he is agreed to pay GST under FCM
3. Author cannot revoke this option for one year i.e. author has to pay GST under FCM for one year from date of availing such option

Selling of financial products (Mutual Funds / investment policy / Credit card etc.)

Service Provider	Individual Direct Selling Agents (DSAs) other than a body corporate, partnership or LLP
Service Recipient	Bank or NBFCs located in Taxable Territory.

Example



Security Services

Service Provider	Any person other than body corporate
Service Recipient	A person located in taxable territory
	Such Services provided to following persons are exempt :- 1. Department or establishment of <ul style="list-style-type: none"> • Central Government • State Government • Union Territory • Local Authority 2. Person registered u/s 51 to deduct TDS 3. Person registered u/s 10 (Composition Scheme)

Case 1.

When Service Provider is Non-Body Corporate

Example

M/s Suraj Security Service (Sole proprietor) has provided Security Guard Services for the following purposes:

S. No.	Purpose	Treatment
1.	Any organization/Company/Business registered under GST	RCM will apply
2.	For the security of Alakh sir house (Unregistered under GST)	FCM will apply

Case 2.

When Service Provider is Body Corporate

Example

Secure Ltd. has provided Security Guard Services to the following persons :

1. To Person registered under GST	FCM will apply
2. To an unregistered person	FCM will apply



Services by GTA (Goods Transportation Agency)

GTA is a person who provides Goods transportation service by road and issues consignment note / Freight Bill in return

Service Provider	Goods transportation agency
Service Recipient	Notified persons
	However, Services of GTA is exempt if provided to: <ul style="list-style-type: none"> • Department/establishment of the Central Government/State Government/ Union territory; or Local authority • To any unregistered person

	<ul style="list-style-type: none"> To person registered u/s 51 to deduct TDS
Notified Persons	<ul style="list-style-type: none"> Any Factory Any society registered under societies act , 1860 Any co-operative society Any person registered under GST Any body corporate Any firm/BOI/AOP Any casual taxable person

Option 1 (Default)

RCM will apply on such services

- GTA shall not be allowed to claim ITC
- GST rate shall be 5%

Option 2

GTA has option to avail FCM

- Rate of GST is 12%
- GTA is eligible to avail ITC on Inward supplies
- This option shall be deemed to have been exercised for the next and future financial years unless GTA files an declaration to revert under RCM on or after the 1st Jan of preceding FY but not later than 31st March of the preceding FY.
- Further, a GTA who commences new business or crosses threshold for registration during any FY, may exercise the option to itself pay GST on the services supplied by it during FY by making a declaration before the expiry of 45 days from the date of applying for GST registration or 1 month from the date of obtaining registration, whichever is later.

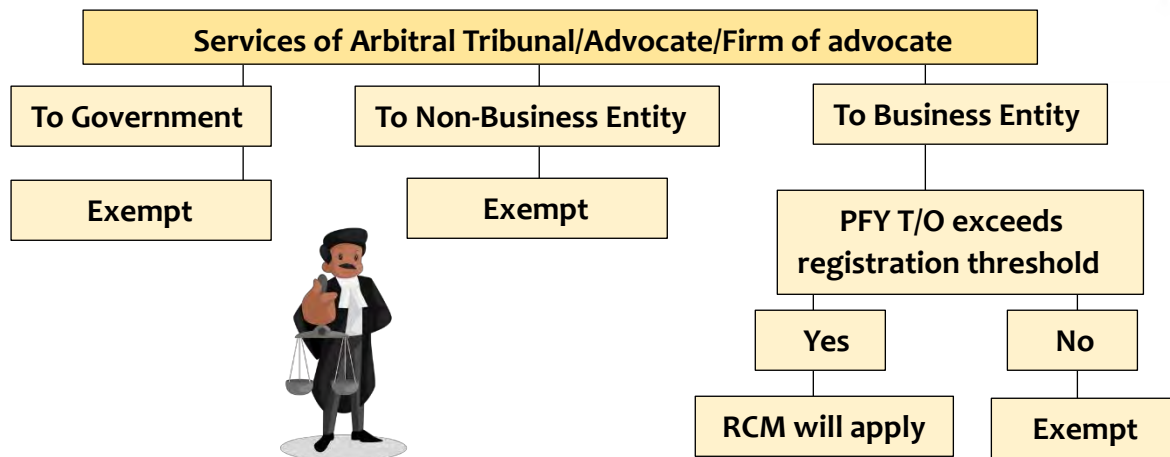
Conclusion

Goods Transportation Agency Services	GST @ 12%	FCM Applicable
	GST @ 5%	RCM Applicable

Legal services by Arbitral Tribunal / Advocate / Firm of Advocate

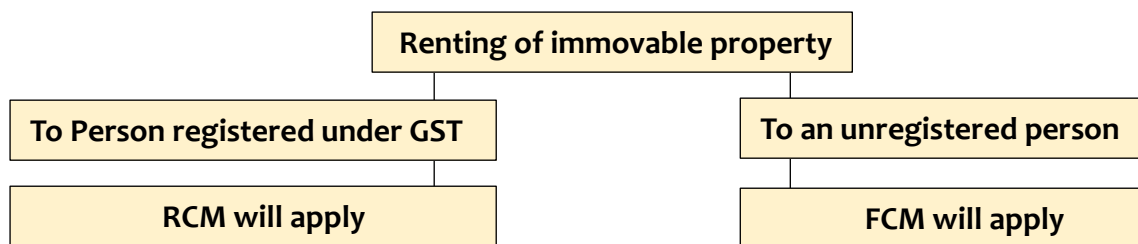
Service Provider	Arbitral Tribunal/Advocate/Firm of advocate
Service Recipient	Any business entity located in the taxable territory if Turnover exceeds threshold limit.

Note: Services of court and Tribunal set up under any law e.g. NCLT are covered under negative list (Schedule III) and hence, shall be taxable under GST



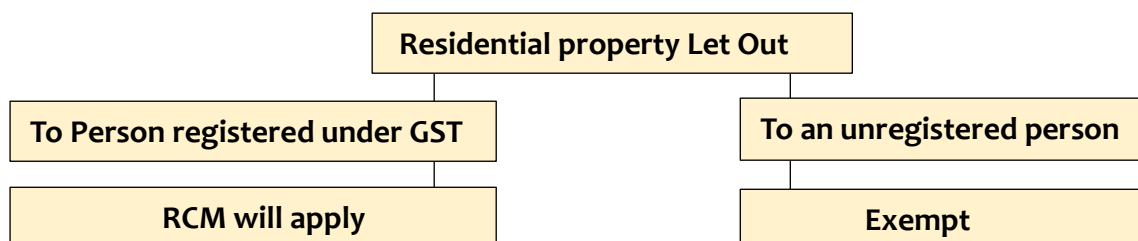
Renting of Immovable property by CG/SG/UT/LA except Ministry of Railways

Service Provider	Central Government excluding the Ministry of Railways (Indian Railways), State Government, UT or local authority
Service Recipient	Any person registered under the CGST Act, 2017



Renting of immovable property by any person other than CG/SG/UT/LA

Service Provider	Any person
Service Recipient	Any registered person



Note:

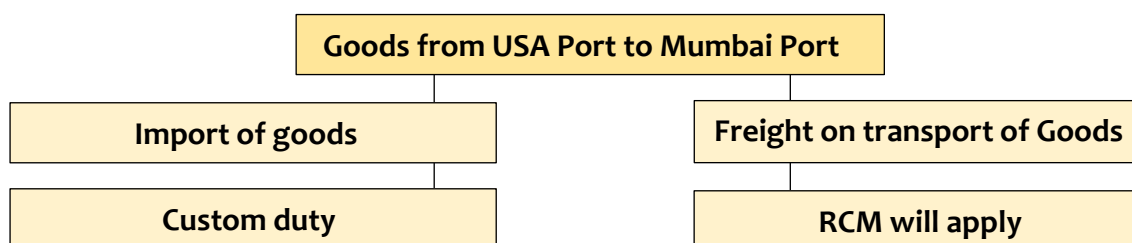
Always FCM will apply in case of letting out of commercial property except where an unregistered person let out commercial complex to registered person (RCM will apply here)

Services by Government or Local Authority

Service Provider	Government or Local Authority
Service Recipient	Any business entity located in the taxable territory
	Such services shall not include: <ul style="list-style-type: none"> • Renting of immovable property, • Services by the Department of Posts and the Ministry of Railways • Services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport • Transport of goods or passengers.

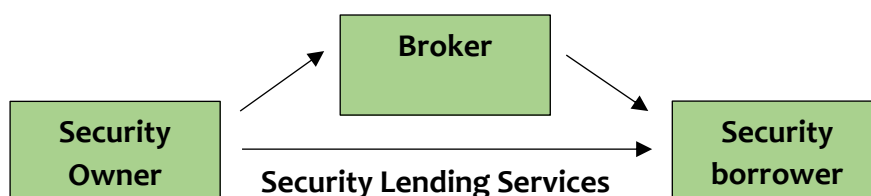
Transfer of goods by Vessel from a place o/s India up to the custom port in India

Service Provider	A person located in non-taxable territory
Service Recipient	Importer



Security lending services

Service Provider	Lender i.e., a person who deposits the securities registered in his name or in the name of any other person duly authorised on his behalf with an approved intermediary for the purpose of lending under the Scheme of SEBI
Service Recipient	Borrower i.e., a person who borrows the securities under the Scheme through an approved intermediary of SEBI



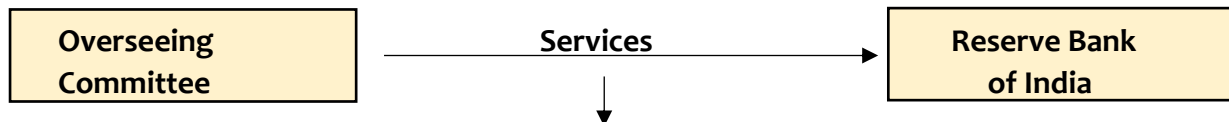
Following services are involved under this transaction:-

S. No.	Service provider	Service recipient	Taxability
1.	Broker	Security owner	FCM

2.	Broker	Security borrower	FCM
3.	Security owner	Security borrower	RCM

Services by overseeing committee to RBI

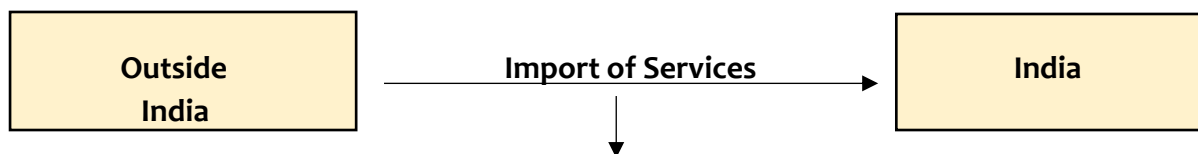
Service Provider	Overseeing committee
Service Recipient	Reserve Bank of India



RCM applicable i.e. RBI is liable to pay GST

Import of service (u/s 7(1)(b) & 7(1)(c) read with Schedule I)

Service Provider	Any person who is located in a non-taxable territory
Service Recipient	Any person located in the taxable territory Except: No such reverse charge shall be applicable in case of OIDAR services received by an unregistered person.



RCM applicable i.e. Importer is liable to pay GST

Note: Import of service for personal purpose & Consideration paid (Supply u/s 7(1)(b))
Is exempted from GST

OIDAR : Online Information Database Access or Retrieval Service

Example : NETFLIX / Google drive / Microsoft cloud service

Section 9(4): If registered person purchases Goods/Services from Unregistered person then in such case RCM shall be applicable

Person liable to pay GST on renting of motor vehicle service

RCM shall be applicable on Service by way of **renting of any motor vehicle** if following conditions are satisfied:-

1. Motor vehicle meant to “carry passenger” car/bus
2. Service provider shall be any person other than body corporate
3. Service recipient shall be body corporate

4. Cost of fuel is included in the amount charged as consideration from the service recipient (Rent includes cost of fuel)

If above conditions are satisfied then, such services shall be taxable at the following two rates:

1. **@ 5% (2.5% CGST+2.5% SGST/UTGST or 5% IGST)** provided supplier of services has taken only the limited ITC (of input services in the same line of business) or
2. **@ 12% (6% CGST+6% SGST/UTGST or 12% IGST)** where supplier of services opts to pay GST at said rate.

In this case, there is no restriction on availing ITC on goods or services used in supplying renting of motor vehicles service by the supplier of service.

Analysis

Service provider	Service recipient	Cost of fuel included	Taxability
A Ltd.	B Ltd.	Yes	FCM (A Ltd. is liable to pay GST)
Mr. P	Mr. S	Yes	FCM (Mr. P is liable to pay GST)
Mr. P	B Ltd.	No	FCM (Mr. P is liable to pay GST)
Mr. P	B Ltd.	Yes	RCM (B Ltd. Is liable to pay GST)

Conclusion

Renting of Motor Vehicles	GST @ 12%	FCM Applicable
	GST @ 5%	RCM Applicable

Clarifications:

1. It is clarified that where the body corporate hires the motor vehicle (for transport of employees, etc.) for a period of time, during which the motor vehicle shall be at the disposal of the body corporate, the service would fall under “renting of motor vehicle service”, and the body corporate shall be liable to pay GST on the same under RCM.
2. However, where the body corporate avails the passenger transport service for specific journeys or voyages and does not take vehicle on rent for any particular period of time, the service would fall under “transport of passenger service” and the body corporate shall not be liable to pay GST on the same under GST.

GST Rates in Real Estate Sector [Section 9(4)]

The effective rate of GST on real estate sector for the new projects by promoters are as follows:

1. 1% without ITC on construction of affordable houses (area 60 m² in metros/90 m² in non-metros and value up to `45 lakh).
2. 5% without ITC is applicable on construction of:
 - a) All houses other than affordable houses, and

- b) Commercial apartments such as shops, offices etc. in a residential real estate project (RREP) in which the carpet area of commercial apartments is not more than 15% of total carpet area of all apartments.

Conditions

Above tax rates shall be available subject to following conditions:

- a) ITC shall not be available.
- b) 80% of inputs and input services used in supplying the service shall be purchased from registered persons. Except (i.e. Can be procured from Unregistered Person)
- Services by way of grant of development rights, long term lease of land or Floor Space Index (FSI) (including additional FSI)
 - Electricity, high speed diesel, motor spirit, natural gas.

However, if value of inputs and input services purchased from registered supplier is less than 80% then,

- The promoter has to pay GST on reverse charge basis, under section 9(4) of the CGST Act, at the rate of 18% on all such inward supplies (to the extent short of 80% of the inward supplies from registered suppliers).
- Where cement is received from an unregistered person, the promoter shall pay tax on supply of such cement on reverse charge basis, under section 9(4), at the rate of 28% (CGST 14% + SGST 14%).

GST on capital goods shall be paid by the promoter on reverse charge basis, under section 9(4) of the CGST Act at the applicable rates.

REGISTRATION UNDER GST

As per Charging Section of GST "Taxes Shall be collected & paid by taxable Person"

- **Taxable Person**
 - Any Person who is Registered or liable to Register
 - Hence even
 - ✓ Unregistered person is also a taxable Person if → liable to Register
 - ✓ Voluntary Registered person shall also be a taxable person even not liable
- **Who is liable to Register**
 - Sec-22 - Person liable for Registration
 - Sec-24- Person liable for Registration Compulsorily

Section 22 Person liable for Registration

1. Every Supplier of Goods / Services obtain Registration
 - State from where taxable Supplies are made.
 - If Aggregate T/o Exceed Specified limit in a financial year.
2. **Aggregate Turnover**:- On all India basis of Person having Same PAN. It Includes

Taxable Supply
Exempt Supply
Export of Goods & Services
Supply to DP having the same PAN

➤ **Excludes**

- Inward Supplies under RCM Supply
- Taxes including cess under GST

3. **Specified limits of Aggregate T/o for Registration**

States		Limit	Limit
		Exclusive supply Of Goods other than Notified Goods	Otherwise
(i)	Manipur / Mizoram / Nagaland / Tripura (MMT-N)	10 Lac	10 Lac
(ii)	Arunachal Pradesh / Meghalaya / Sikkim / Uttarakhand / Puducherry / Telangana (Arun-STUMP)	20 Lac	20 Lac
(iii)	Other States	40 Lac	20 Lac

Notes

- Person Considered making only Supply of Goods even supply of Services Provided by way of Interest/Discount
- 40 Lac threshold not available if Person is engaged in making Supplies of following items
 - ✓ Edible Ice/Ice Cream
 - ✓ PAN masala/Tobacco Products/Substitutes
 - ✓ Fly Ash bricks / Building bricks/ fossil meal bricks/ Earthing roofing tiles
- If Operating from more than one state including Specified State then lower threshold limit shall be applicable. However if person is engaged in making exempt supplies from specified state, then lower threshold shall not be applicable.
- Registration required to be taken only from state from where taxable Supplies are made.

Section 24 Compulsory Registration

Compulsory registration is required in following cases even if Turnover doesn't exceed the threshold:

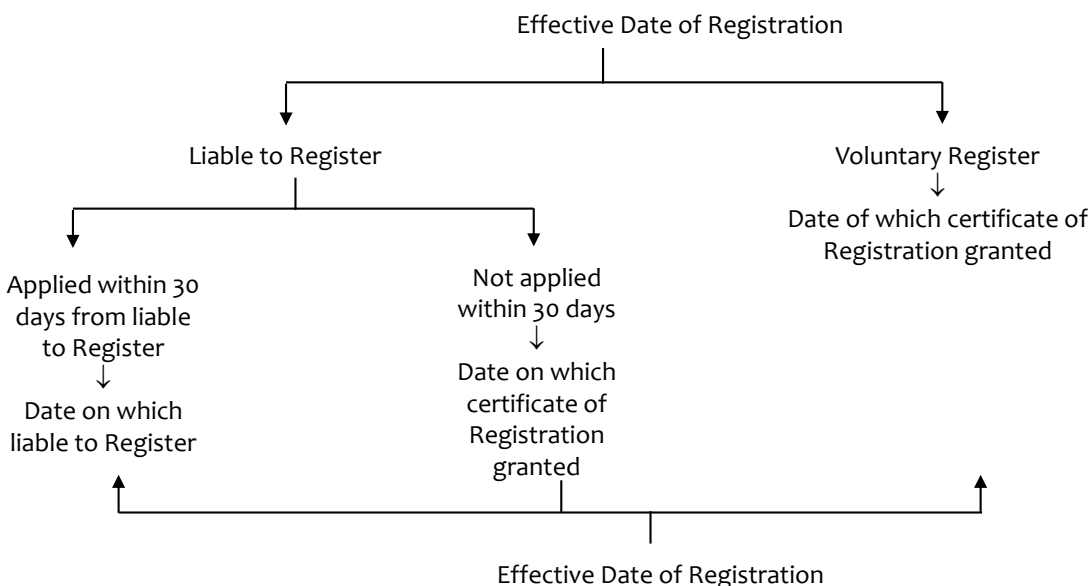
- (i) Person making Inter State taxable Supply of Goods
Except: limit of 10 lac/20Lac available for Notified Handicraft goods & Handmade goods Inter-state Supply. Provided Person must have PAN & generated E-way bill.
- (ii) Casual taxable Person making taxable Supply
Except: Limit of 10 Lac/20Lac available for Notified Handicraft goods & Handmade goods Inter-state Supply. Provided Person must have PAN & generated E-way bill.
- (iii) Person liable to Pay tax Under RCM (Inward Supplies).
- (iv) Non-Resident taxable Person.
- (v) Eco → Required to Collect TCS U/s 52 or liable to pay tax u/s 9(5)
- (vi) Person Supplying goods inter state through ECO. (Sec.22 shall be applicable where person make Intra state supply of goods through ECO).
- (vii) Person Required to deduct TDS u/s 51
- (viii) Person acting as an agent for taxable Person.

Section 23 Person not liable for Registration

- (i) Person engaged Exclusively in non-taxable & Exempt Supply.
- (ii) Agriculturist, to extent Supply of Produce from Cultivation of land.
- (iii) Person making only RCM Supplies (outward Supplies).
- (iv) Person making Inter State Supply of Services upto 20 lac/ 10 lac.
- (v) Person / CTP making Inter State Supply of notified Handicraft/Handmade goods upto 20 Lac / 10 lac. Provided Person must have PAN & generated E-way bill.
- (vi) Person making Supplies of Services through ECO with Aggregate T/o Upto 20 Lac

Section 25 Registration Procedure

1. Person who is liable for registration u/s 22 or u/s 24 shall apply for registration within 30 days from the date he becomes liable for registration.
CTP/NRTP shall apply for registration atleast 5 days prior to commencement of business.
2. Registration is to be taken state wise i.e. there is no centralized registration under GST.
3. Within a state an entity having different branches can have single registration wherein it can declare once place as principal place of business and other branches as Additional place of business.
4. A person having multiple places of business within a state or UT can apply for separate registration for each such place of business.
5. Person having separate registration from same PAN shall be treated as Distinct Person for each such registration.
6. If one unit in SEZ & another in non SEZ area in Same state then Separate Registration is Required.
7. Person may opt to get voluntarily register even not liable as per section 22 or 24.
8. PAN is mandatory for having the registration under GST except NRTP can get passport based Registration.
- 9.



10. Unique Identification Number

a) Who shall apply:

- Specialized Agency of UN or any financial institution of UN
- Consulate
- Embassies

b) Purpose- To obtain refund of tax paid on Supplies of GIS supplied to them

Note:

- It is Centralized number not state wise
- UIN Holder not a registered person, hence not a taxable person.

11. Temporary Registration

In a search, survey, enquiry, inspection or any other proceedings of the act, Proper officer finds that a person is liable for registration but failed to apply for registration, then such officer may register the person on temporary basis.

Such person shall either:

- Submit an application for registration within 90 days from the date of grant of temporary registration, or
- File an appeal against such temporary registration.

In case (ii), if the Appellate Authority upholds the liability to registration, application for registration shall be submitted within 30 days from the date of issuance of such order of the Appellate Authority.

GSTIN thereafter granted shall be effective from the date of order of the proper officer granting temporary registration.

GSTIN- Unique No. in GST to identify tax payer as pan in Income Tax

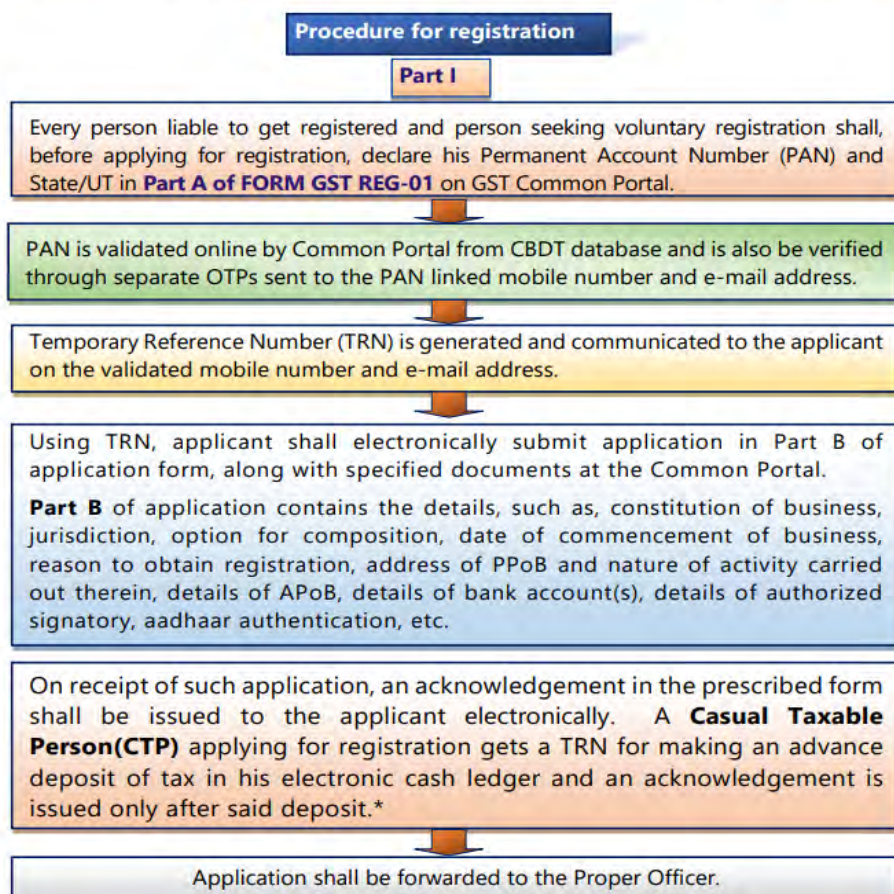
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Section 26 Deemed registration

- Registration under GST is not tax specific, which means that there is single registration for all the taxes i.e. CGST, SGST/UTGST, IGST and cess.
- 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.
- Further, rejection of application for registration/UIN under SGST Act/UTGST Act is deemed to be rejection of application for registration under CGST Act.

Procedure of Registration

Procedure for registration has been depicted by way of a diagram below:



Note:

Details to be Provided in Part B Includes Bank A/c details. However bank A/c details can be provided within

- a) 30 days from Date of Grant of Registration
- b) before filing of GSTR- 1/ IFF – whichever is earlier

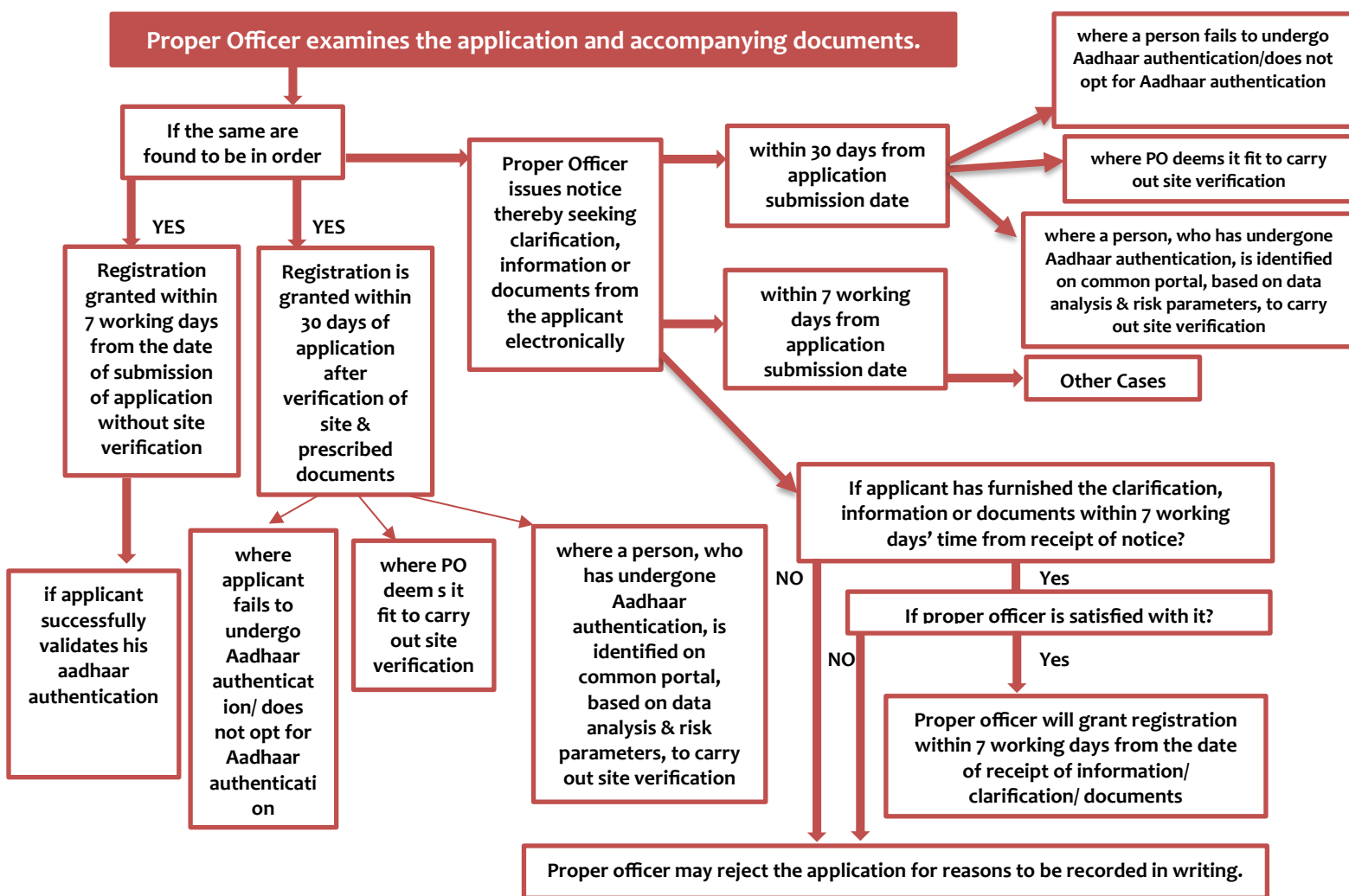
If such RP fails to furnish bank details within the time prescribed above then his registration shall be stand suspended and suspension shall be automatically revoked when valid bank details are furnished.

However Following Person is required to provide Bank Details at the time of registration

- a) TDS deduction

- b) TCS Collector
c) Dept Driven Registration.

Part II



Deemed Registration

If the proper officer fails to take any action,

- (a) Within a period of 7 working days from the date of submission of the application in cases where a person successfully undergoes authentication of Aadhaar number
- (b) Within a period of 30 days from the date of submission of the application in cases where
 - a person fails to undergo authentication of Aadhaar number or
 - does not opt for authentication of Aadhaar number; or
 - where PO deems it fit to carry out site verification
 - Person is identified on common portal, based on data analysis & risk parameters, to carry out site verification
- (c) Within a period of 7 working days from the date of the receipt of the clarification, information or documents furnished by the applicant, the application for grant of registration shall be deemed to have been approved.

Aadhar Authentication

Section 25(6B) and (6C) Read with Rule 8(4A), require every individual and Karta, Managing Director, Whole Time Director, partners of firm etc. respectively, to undergo authentication/furnish proof of possession of aadhaar number in prescribed manner. Such authentication is mandatory to be eligible for grant of registration.

However Following persons have been exempted from aadhaar authentication :

- (i) A person who is not a citizen of India
- (ii) Department or establishment of State Government or Central Government
- (iii) Local authority
- (iv) Statutory body
- (v) Public Sector Undertaking
- (vi) A person applying for Unique Identity Number

Special Provisions Related to CTP/NRTP:

CTP	NRTP
A Person who occasionally undertake transaction <ul style="list-style-type: none"> • In state / UT where he has no PoB • In course or furtherance of Business 	A Person who occasionally undertake transaction But no fixed POB or Residence in India
Registration: <ul style="list-style-type: none"> • Compulsory Registration U/s 24 • Form REG -01 • PAN required • Registration 5 Days before comment of Business 	Registration: <ul style="list-style-type: none"> • Compulsory Registration u/s 24 • Form REG – 09 • Passport Required • Registration 5 Days before comment of Business

Composition Scheme → Not available ITC on Input/Services/Capital Goods available	Composition Scheme → Not available ITC only on Imported Goods
Required to submit Advance tax at time of submitting application	

Registration Valid for:

- a) Period for which reg is seek
OR
b) 90 Days
(Further extendable by 90 days)

Section 28 - Amendment of Registration

a) **Non-core fields:** Email Id, Mobile no, Authorised Signatory etc

b) **Core fields:**

- Legal Name of Business
- Address of Principal/Additional Place of Business
- Addition /Detection in main patterner/ Karta/MD/BOD etc

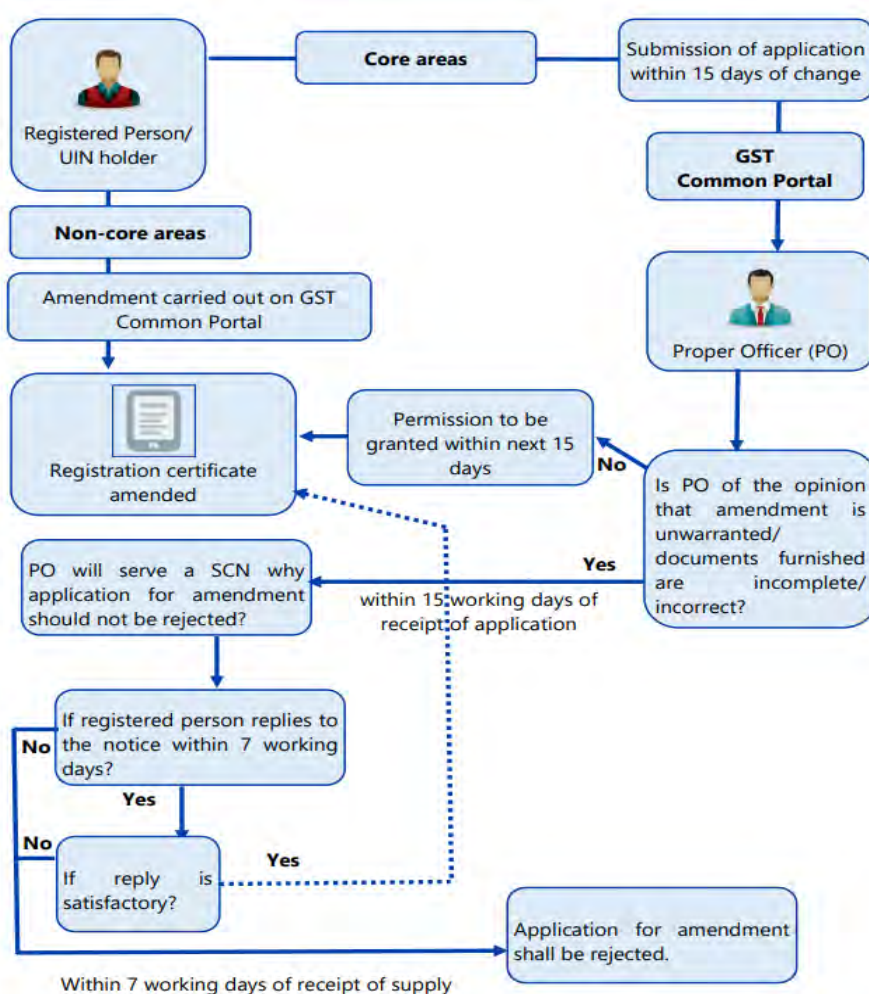
c) Submit application within 15 days from change

i. For Core Areas on GST common Portal. PO may permit Amendment within 15 days from application

ii. For Non-Core areas, Amendment to be made on GST Portal without permission of PO by doing OTP verification

d) Amended Registration Certificate granted

e) If there is change in the constitution (i.e. change in PAN) or change in state then existing registration shall be cancelled and new registration has to be taken.



If the proper officer fails to take any action,-

- (a) within a period of 15 working days from the date of submission of the application, or
- (b) within a period of 7 working days from the date of the receipt of the reply to the show cause notice, the certificate of registration shall stand amended to the extent applied for and the amended certificate.

Section 29 Cancellation of Registration

1. Voluntary Cancellation (By registered Person)

Circumstance to cancel Registration (Apply within 30 days)

- a) Business Discontinued / Transferred / Armed Granted / Merger / Demerger / Disposal / Death of properties
- b) Change in Constitution of Business
- c) No Longer liable to register u/s 22 or 24
- d) Opt out of voluntary Registration.

2. Circumstance when POcancel Registration:

- a) If contravened following Provisions:
 - i) Mismatch of GSTR-1/1A & GSTR-3B
 - ii) Mismatch of GSTR-2B & GSTR-3B
 - iii) Doesn't conduct Business from Registered place.
 - iv) Violate Provision of anti-Profiteering i.e. benefit of reduction of GST doesn't
 - v) Doesn't Provide Bank A/c details within time
 - vi) Issue Invoice / Bill without supply of Goods & Sources
 - vii) Avail ITC in Violence of Act
 - viii) Violates rule 86 B (Maximum ITC allowed 99%)
- b) Registration obtained by Means of Fraud/willful misstatement/supersession of facts
- c) Voluntary Registration person not commenced business within 6 months from Registration
- d) Not File return by composition supplier beyond 3 months from due date.
- e) Not file return by normal supplier
 - i) Monthly Return - For continuous 6 months
 - ii) Quarterly return - For 2 tax periods.

3. Suspension of registration [First proviso to section 29(1) and second proviso to section 29(2) read with rule 21A]

A. Suspension During Cancellation Proceedings:

- If a registered person applies for cancellation, their registration will be suspended from:
 - a. The date of submission of the cancellation request, OR

4. Amount payable on cancellation of registration [Section 29(5) & (6)]

a) Effective Date & Payment of Dues:

- The cancellation of registration will be effective from the date decided by the proper officer and mentioned in the cancellation order.
- The officer may direct the taxpayer to pay any outstanding tax, interest, or penalty, including the amount payable under Section 29(5).

b) Reversal of ITC on Inputs:

The taxpayer must debit their electronic credit/cash ledger by the higher of:

- i. ITC on inputs (proportionate to the invoices where ITC was claimed).
- ii. Output tax payable on such goods.

c) Reversal of ITC on Capital Goods & Machinery:

The taxpayer must reverse ITC on capital goods or plant & machinery, whichever is higher of:

- i. ITC calculated on the remaining useful life (assuming a 5-year life) as per Rule 44.
- ii. Tax on the transaction value of such capital goods as per Section 15.

5. Other Points

- a) Even after cancellation, the taxpayer is still liable to pay any pending tax or dues for the period before cancellation. (Section 29(3))
- b) If registration is canceled under the SGST/UTGST Act, it is automatically canceled under the CGST Act as well. (Section 29(4))
- c) The taxpayer will be notified via SMS and email once registration is canceled. The cancellation order will be sent to the primary authorized signatory through email and SMS.
- d) The taxpayer cannot file returns for periods after cancellation. However, they can still submit returns for the period before cancellation, when registration was active.

Revocation of cancellation of registration Section 30/Rule 23

1. Application for Revocation:

- If a proper officer cancels a GST registration suo-motu, the taxpayer can apply for revocation within 90 days from the date of the cancellation order.
- This period can be extended by the Commissioner or an authorized officer (not below the rank of Additional/Joint Commissioner) for up to 180 more days (i.e., 90 days + 180 days).
- If cancellation was due to non-filing of returns, the taxpayer must first file all pending returns and clear dues before applying for revocation.

2. Approval of Revocation:

If the proper officer is satisfied, he will approve the revocation request within 30 days of receiving the application and communicate the decision to the applicant.

3. Rejection of Revocation:

- If the officer intends to reject the revocation request, he must first issue a Show Cause Notice (SCN) to the applicant.
- The applicant must submit a reply within 7 working days of receiving the SCN.
- The proper officer must then dispose of the application (approve/reject) within 30 days of receiving the applicant's response.

4. Filing of Pending Returns After Revocation:

Once cancellation is revoked, the taxpayer must file all pending returns (from the effective cancellation date to the date of revocation order) within 30 days of the revocation order.

5. Deemed Revocation Under CGST Act:

If cancellation is revoked under the SGST Act / UTGST Act, it is automatically deemed revoked under the CGST Act.

Amendment

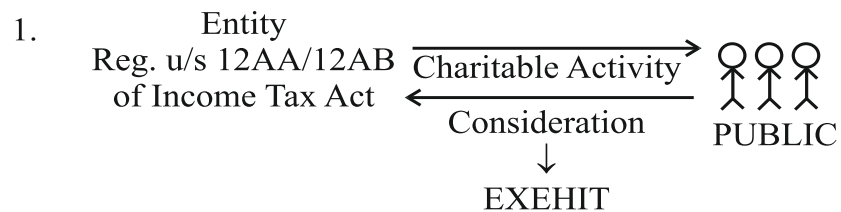
Sec 29 read with Rule 21 has been amended to provide that if in case of Revocation of Cancellation u/s 30, Person fails to file his GST returns from the Date of Cancellation Order (or as the case may be, from Effective Date of Cancellation) till Date of Revocation order within the prescribed period of 30 days from Revocation Order, then it can become one of the ground for Suo-moto cancellation of registration by PO

Illustrations

- 1) The registration of Naman Associates was cancelled by the proper officer by an order dated 1st June for its failure to furnish returns. The registration was cancelled with effect from 1st June itself. It applied for revocation of cancellation of registration and the order for revocation of cancellation of Naman Associates is passed on 31st July. In this case, Naman Associates shall be required to furnish all the returns for the period from 1st June to 31st July within a period of 30 days from 31st July, i.e. by 30th August. In case of failure to do so, PO can again move to suo-moto cancel the registration of Naman Associates.

- 2) The registration of Naman Associates was cancelled by the proper officer by an order dated 1st June for its failure to furnish returns. The registration was cancelled with effect from 1st January itself. It applied for revocation of cancellation of registration and the order for revocation of cancellation of Naman Associates is passed on 31st July. In this case, Naman Associates shall be required to furnish all the returns for the period from 1st January to 31st July within a period of 30 days from 31st July, i.e. by 30th August. In case of failure to do so, PO can again move to suo-moto cancel the registration of Naman Associates

1. Charitable Services



Meaning of Charitable Activity (PEER)

- P. Public Health
- CARE & CONSEKING of
 - * Terminally ill Person
 - * HIV/AIDS Affected
 - * Addicted to Norcolic/Alcohol
 - Awareness of
 - * Preventive health
 - * Family Planning
 - * HIV Prevention

E - Education & Skill Development Provided to

- (a) Abandoned/Orphan/Homeless children
- (b) Physically / Mentally Abused
- (c) Prisoners
- (d) Person Age > 65yr I Rural Area.

E- Environment Preserve - Forest/Water bodies/Wildlife etc.

R- Advancement of Religion/Spirituality/Yoga

2. Services by way of conduct of Religious Ceremony



PANDIT JI K SERVICE ® EXEMPT



KATHA/KIRTAN/SATSANG ® SERVICES ® EXEMPT

3. Renting of Percents of Religious place (Mandir Masjid Gurudwara etc) owned or managed by Person Reg o s 12AA/10(23)

	EXEMPT	TAXABLE
• ROOM Charges	Upto 999/day	₹ 1000 or more /day
• Holl/Pandol/Open Area	Upto 9,999 /day	₹ 10,000 or more/day
• Shaps	Upto 9,999/month	₹ 10,000 or more/Month

4. Religious Pilgrimage (DHARMIK YATRA) by

Kumaon Mandal Vikas Nigam Lited → KAILASH MANSAROVAR (CHINA)

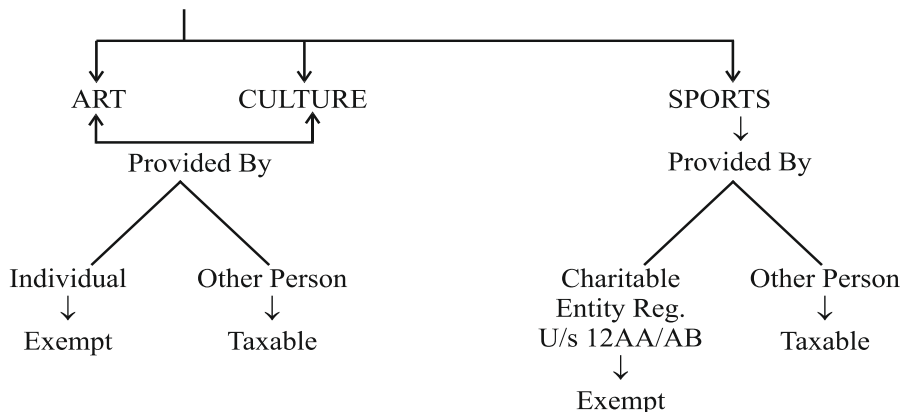
Hajj committee or state Hojj committee → HAJ YATRA (Saudi Arabia)



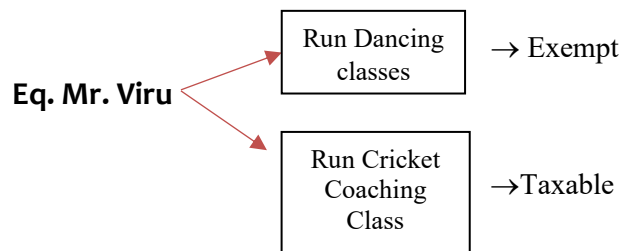
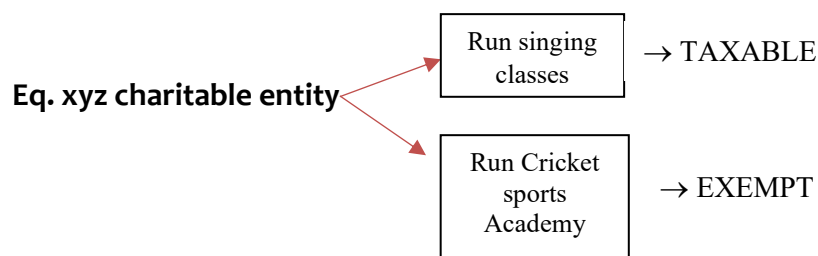
EXEMPT

Religious Pilgrimage Provided by Any other Organization → Taxable

5. Training & Coaching

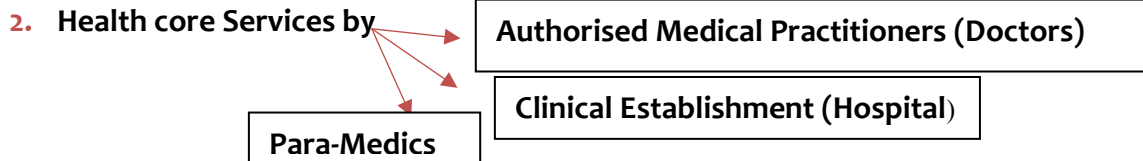


ART Includes → Singing /Dancing/Painting/Theatre/literature/Script etc.



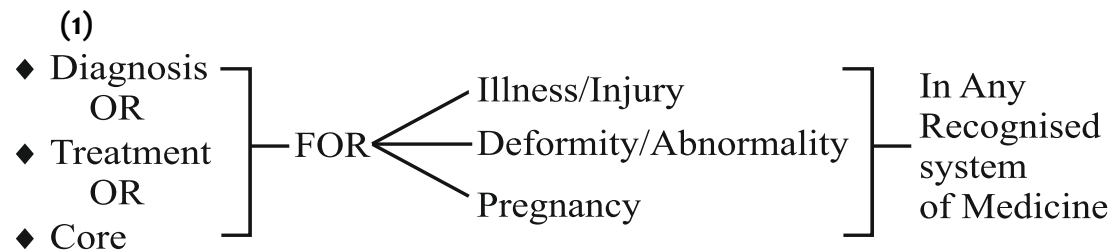
2. Health Care Services

1. Services by Veterinary clinic → Health Care → Animals/Birds.



3. Transportation of Patients in Ambulance

Meaning of Health Care Service



Recognised system of Medicine in India

◆ Allopathy	◆ Naturopathy	REIKI → Not A Recognized system of Medicine
◆ Ayurveda	◆ Yoga	
◆ Homeopathy	◆ Unani / Sidha	

(2) Include → Transp. of patient to or from clinical establishment

(3) Exclude → Cosmetic & Plastic surgery/Hair Transplant



But Required to Treat/Restore → Anatomy or Function due to Defect/ Abnormality/ Injury/Trauma. → EXEMPT

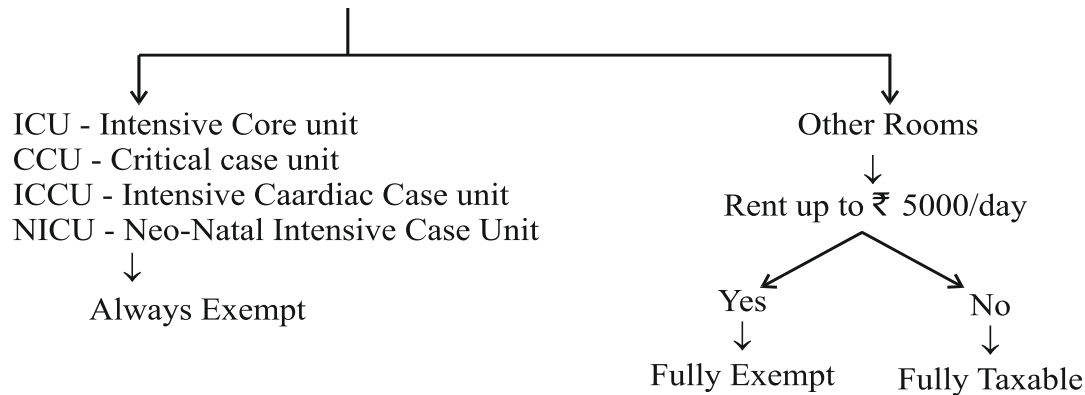
4. IVF Pregnancy Technique → Health Care Service → EXEMPT

5. Food Service by clinical Establishment (Hospital Canteen)

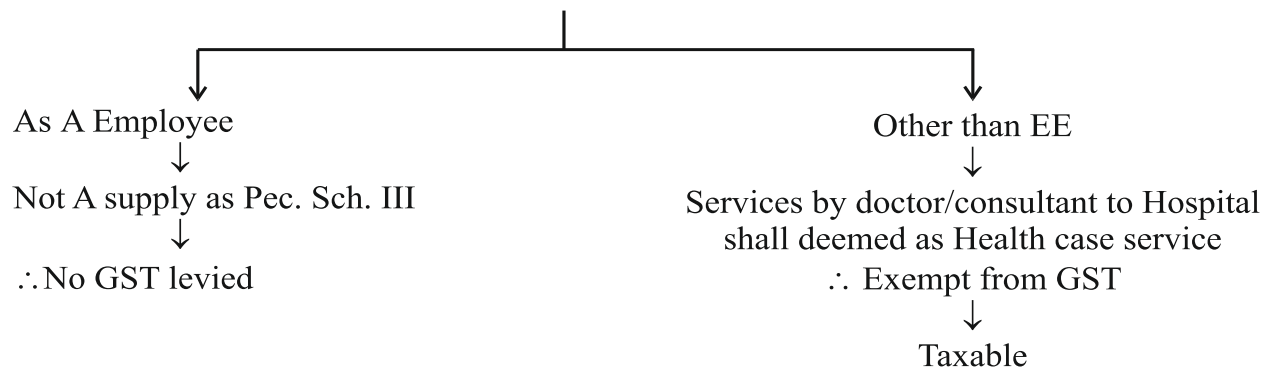
a) Provided To → In Patients (Admitted In Hospital) → Part of Health Care Service
→ Hence Exempt

b) Other (Not Admitted Patients/Visitors) → Not a Part of Health Care Service
→ Hence Taxable

6. Renting of ROOMS in Hospital



7. Services provided by Doctors/Senior Doctor/Consultant to Hospital



8. Hospital → Let out shops → TAXABLE

9. Hospital → Advertisement Services to pharma companies → TAXABLE

3. Education Services :

Meaning of Educational Institute :

Educational institution means an institution providing services by way of -

- (i) Pe-school education and education up to high secondary school o equivalent;
- (ii) Education as a pat of a curriculum for obtaining a qualification recognized by any law for the time being in force; (college/Universities/ICAI/ICSI/MBBS etc.)

Note : Education as a part of a prescribed curriculum for obtaining a qualification recognized by a law of a foreign country is not covered here. ∴ Taxable

- (iii) Education as a part of an approved vocational education course.

↓ Skill development

Course by ITI - Industrial Training Institute/Approved by

ITC - Industrial Training center /NCVT/SCVT

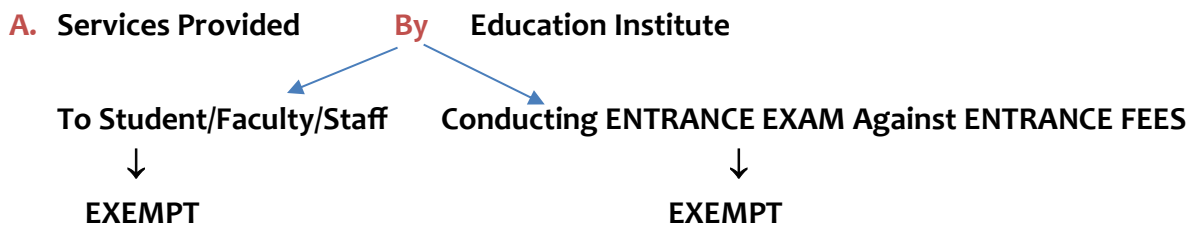
Designated Trade → Trade occupation subject Approved by CG

It is important to note that the Central and State Educational Boards shall be treated as 'Educational Institution' for the limited purpose of providing services by way of conduct of examination to the students. Eg. CBSE, UP-Board, ICSE, National Testing Agency



Note:

Private coaching Institutes → Not considered As Ed. Institute → Not Exempt



B. Services Provided To Education Institute

Service	Pre-School or school	College University
Transport of Faculty Staff student	EXEMPT	TAXABLE
Catering Including Mid day Meal	EXEMPT	TAXABLE
Security, Cleaning & Housekeeping service performed within Educational Institute	EXEMPT	TAXABLE
Service related to - Admission to or conduct of Examination by such Institute (Exam center)	EXEMPT	EXEMPT
Online Education Journal & Periodicals	TAXABLE	EXEMPT

Notes :

1. Educational Institute → Hotel Facility → Students → Exempt

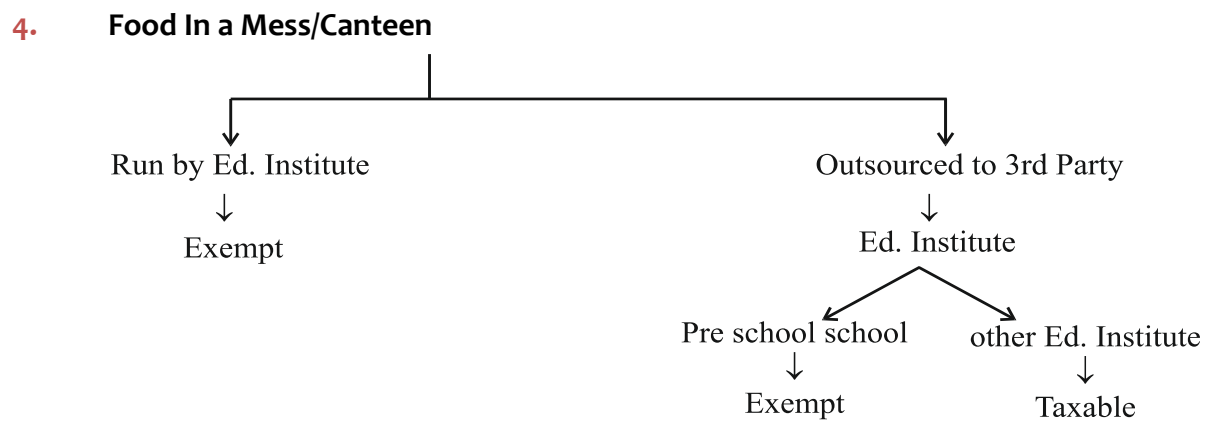
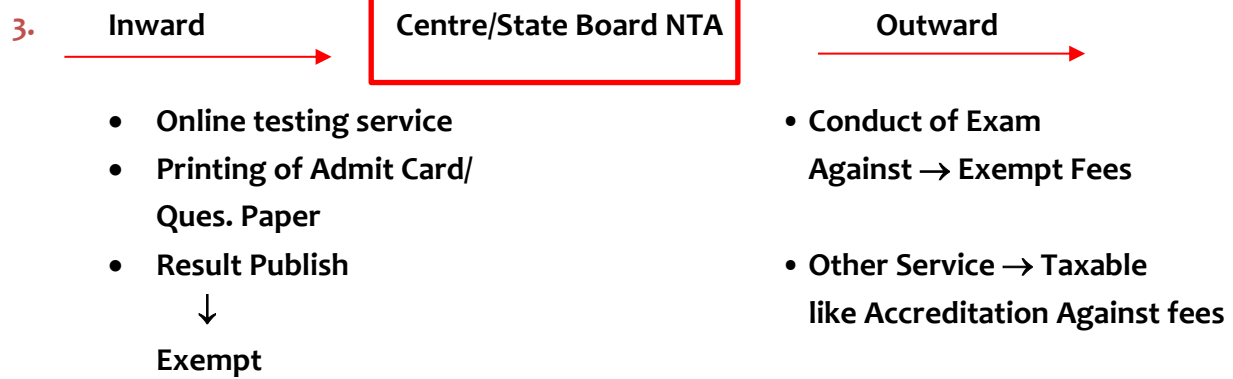
2. Course In a College → Dual Qualification



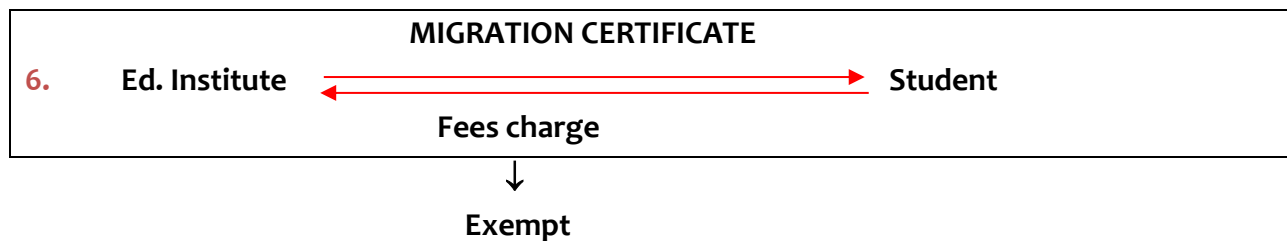
One is Recognized by law & other is Not Recognized by law



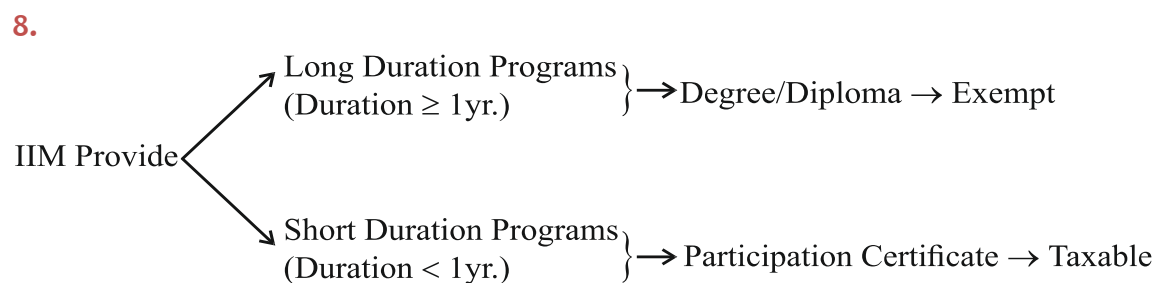
Mixed Supply is Taxable



5. Fees charged from Employers/Companies Participating in Campus Recruitment → Taxable



7. Anganwadi (Pre-School) → Mid-Day meal Services To/By Anganwadi → EXEMPT



4. Agriculture Services

- **Meaning of Agriculture**

- It Includes -

- Culuation of Plants/Crops
 - Rearing of All life forms of animal except Rearing of Horses.

For Food/Fiber/Fuel/Raw Material
or other Similar Product

Following services are Exempt :

1. Agricultural operations directly related to production of any Agricultural produce like → Cultivation/Harvesting/Threshing/Plant Protection/Testing



2. Supply of Farm labour

3. Process corned out of Agricultural Farm which do not Alters essential charactes but makes it Marketable for Primary Market.

Eg → Cutting, Trimming, Cleaning, softing, Bulk pockaging etc.



4. Renting/Leasing of

Agro-Machine

Vacant Land.



5. Looding/Unloading/Packing/Storage/Warehousing/Agriculture Produce

6. Agriculture extension Services (Frames Education/Training)

7. Services by :-

Agricultural Produce Marketign committee (APMC)
Commission Agent

For Sale/Purch. of
Agricultural Produce

8. Intermediate Prod. Process As Job Work In relation to Agriculture
9. Services by way of loading, unloading, packing, storage or warehousing of rice.
10. Services by way of warehousing of minor forest produce.

11. Services by way of storage/warehousing of Agricultural produce, rice, cereals, pulses, fruits and vegetables.
12. Services by way of artificial insemination of livestock (other than horses).



Artificially making female Animal → Pregnant

5. Passenger Transportation Service

Passenger Transp. Service

- Jal
- Thal
- Vayu

A. By Road

- Rikshaw → Exempt
- Metered Taxi → Exempt
- Rodio Taxi (OLA/UBER) → Taxable

Bus

AC Bus

Taxable

Non-AC

Stage Carriage

Exempt

Contract Carriage
(Booking)

For the purpose
of Hire/Tourism

Yes

Taxable

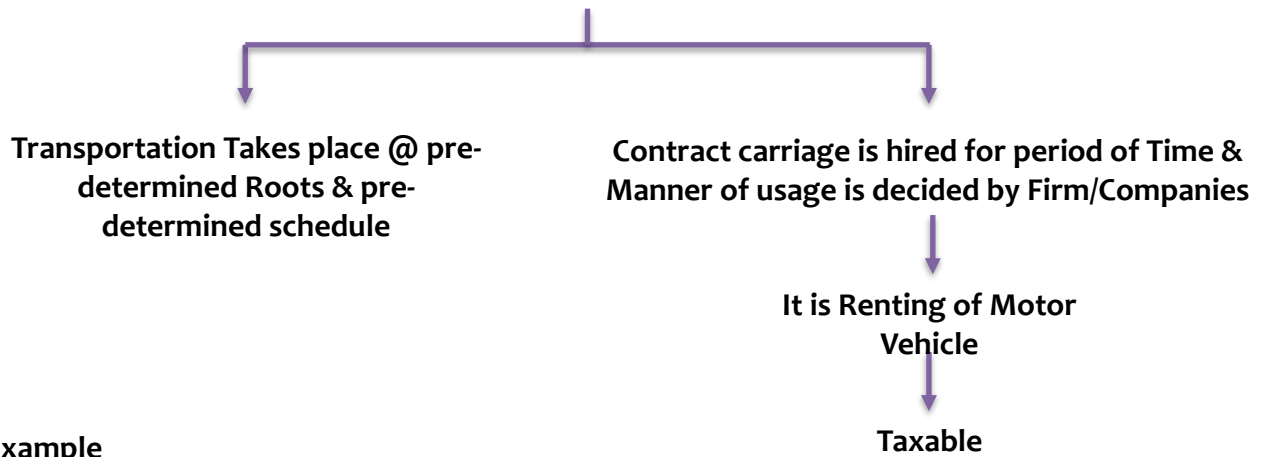
No

Exempt

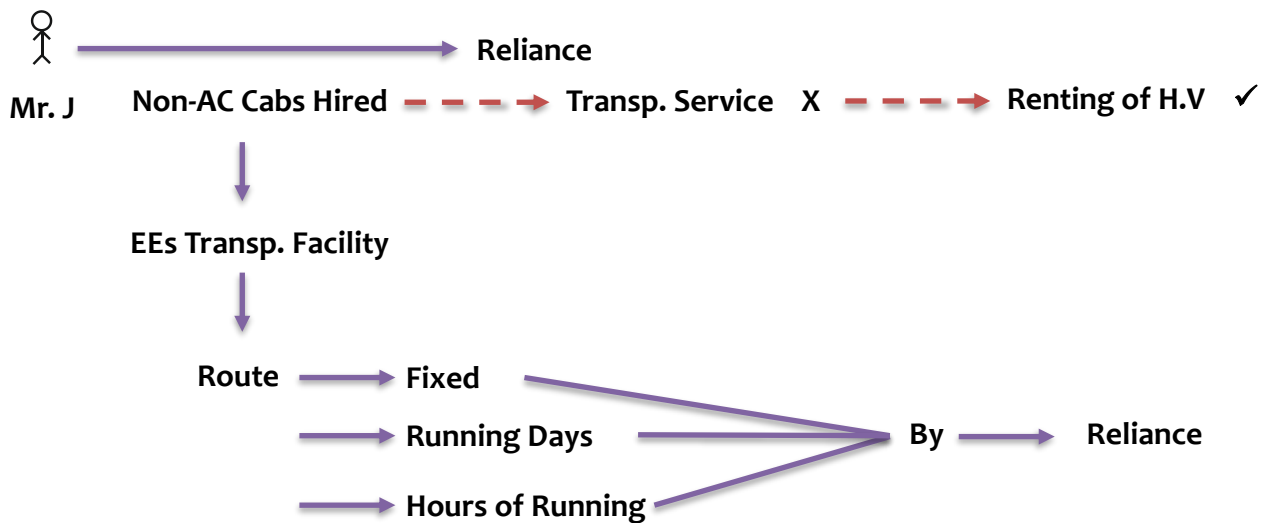
STAGE CARRIAGE → Pre-decided Routes & Stoppages

Hire → Taken on Rent for a certain period & Manner of
Usage decided by person who has taken on Rent

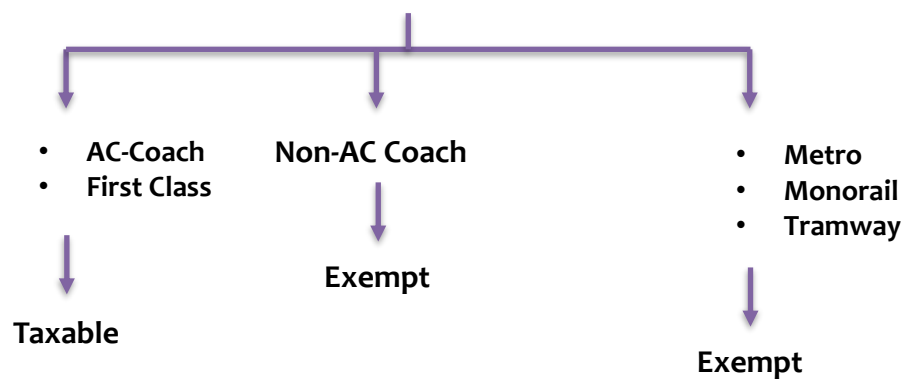
Note : Hiring of Non-AC Contract Carriage by Firm/Companies for Transportation of EEs.



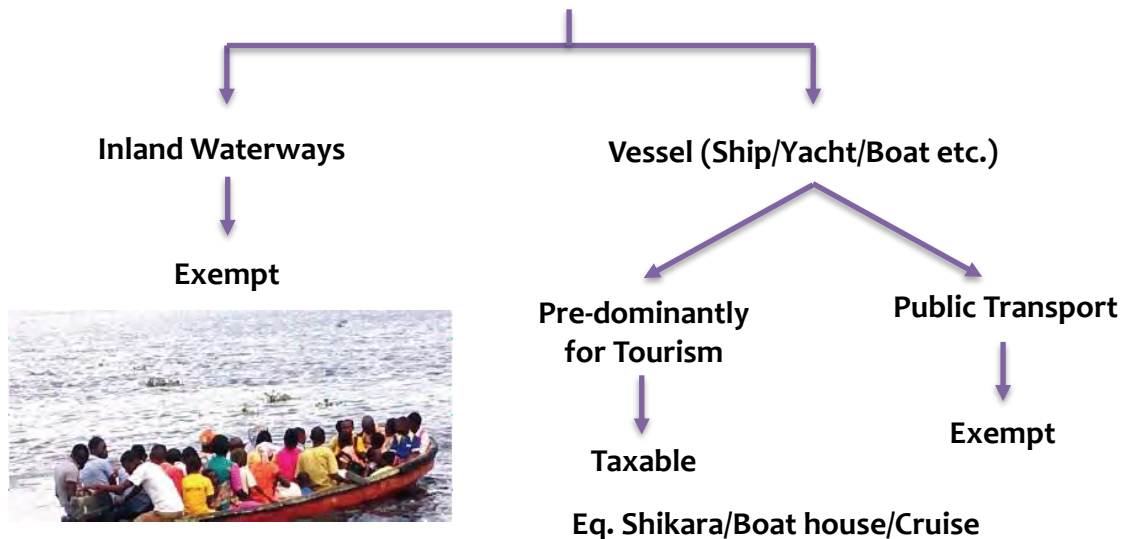
Example



B. By Rail

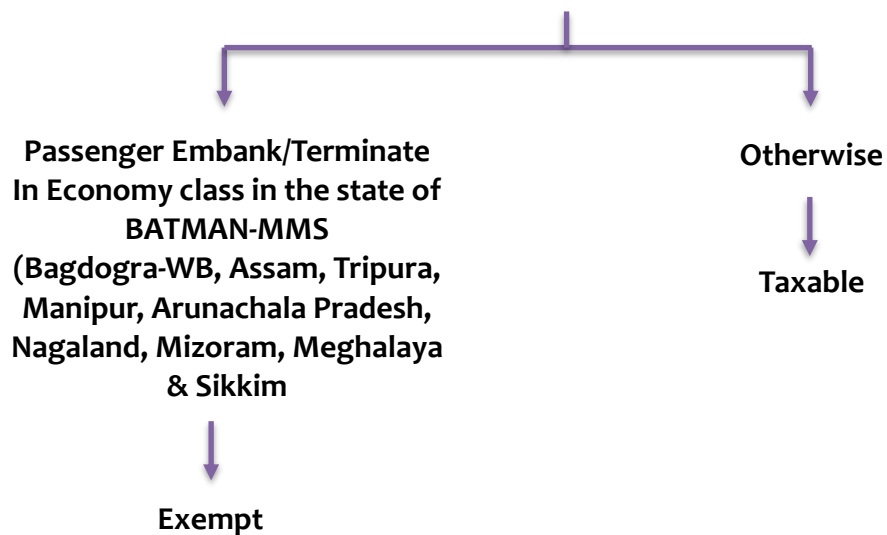


C. By Waterways (River/Sea/Lakes etc.)



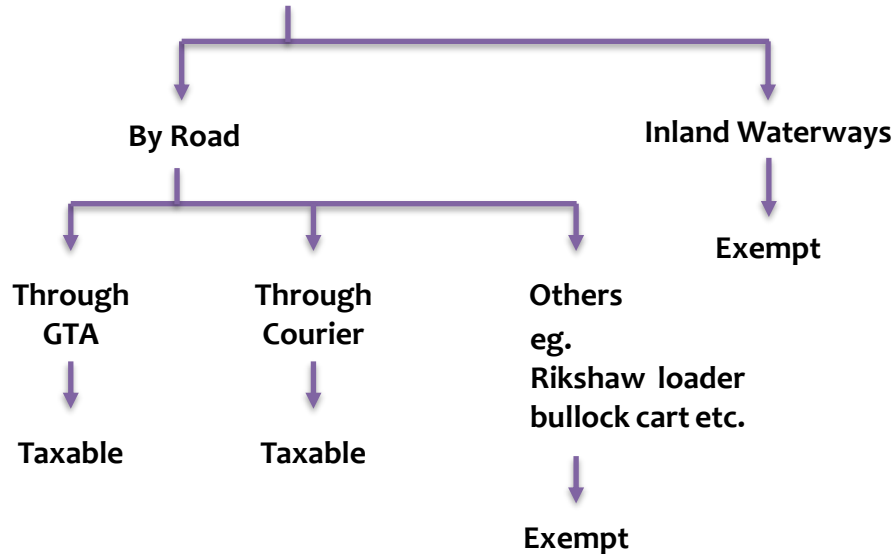
The expression ‘public transport’ used in this Entry only means that the transport should be open to public. It can be privately or publicly owned. Only exclusion is on transportation which is predominantly for tourism, such as services which may combine with transportation, sightseeing, food and beverages, music, accommodation such as in shikara, cruise etc.

D. By Airway



6. Goods Transportation

1. Transportation of Goods By



* GTA → Transp. of Goods by Road + Consignment Note

Risk of Goods → Transporter

2. Transp. of specified Goods through GTA/Rail/Vessel → Exempt

RANDOM

R – Relief Material for Victims of Natural or Non-mode disaster like flood/famine/earth quack/was etc.

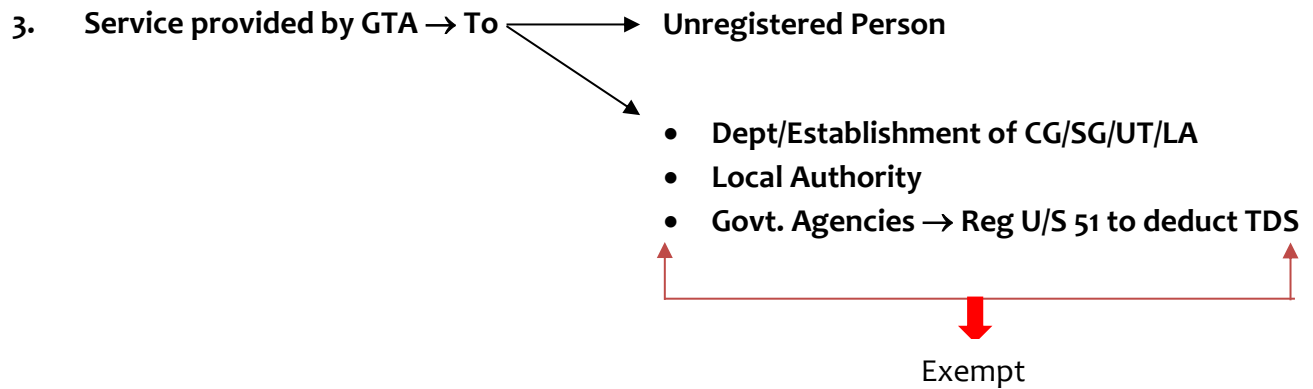
A – Agricultural Produce (Fruit/Vegetable etc.)

N – Newspaper/Magazine → Reg. with Registrar of Newspaper.

D – Defence/Military Equipment

O – Organic Manure

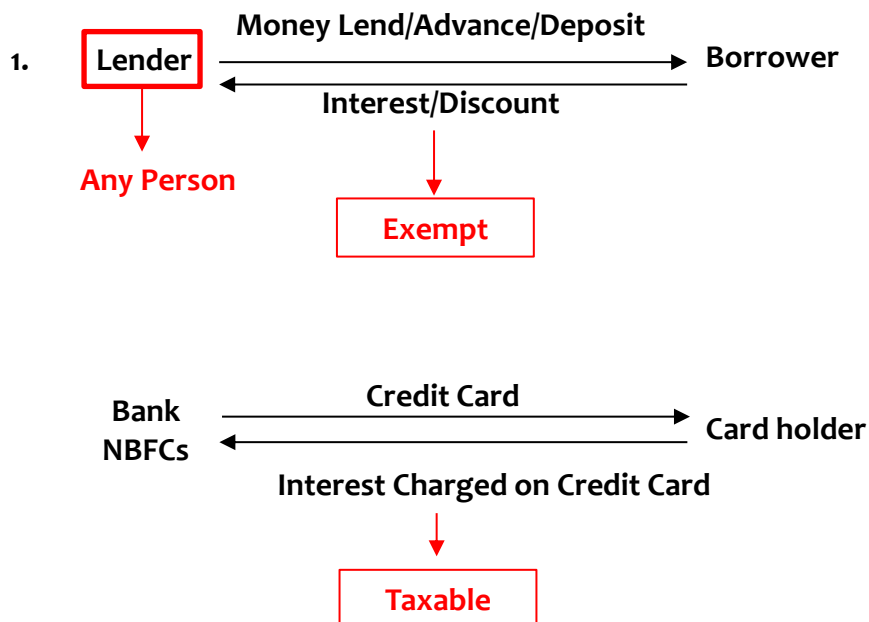
M – Milk/salt/Food grain (Flour/Pulses/Rice)



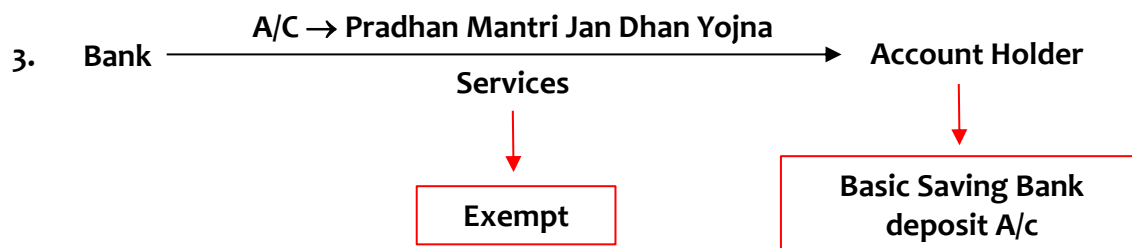
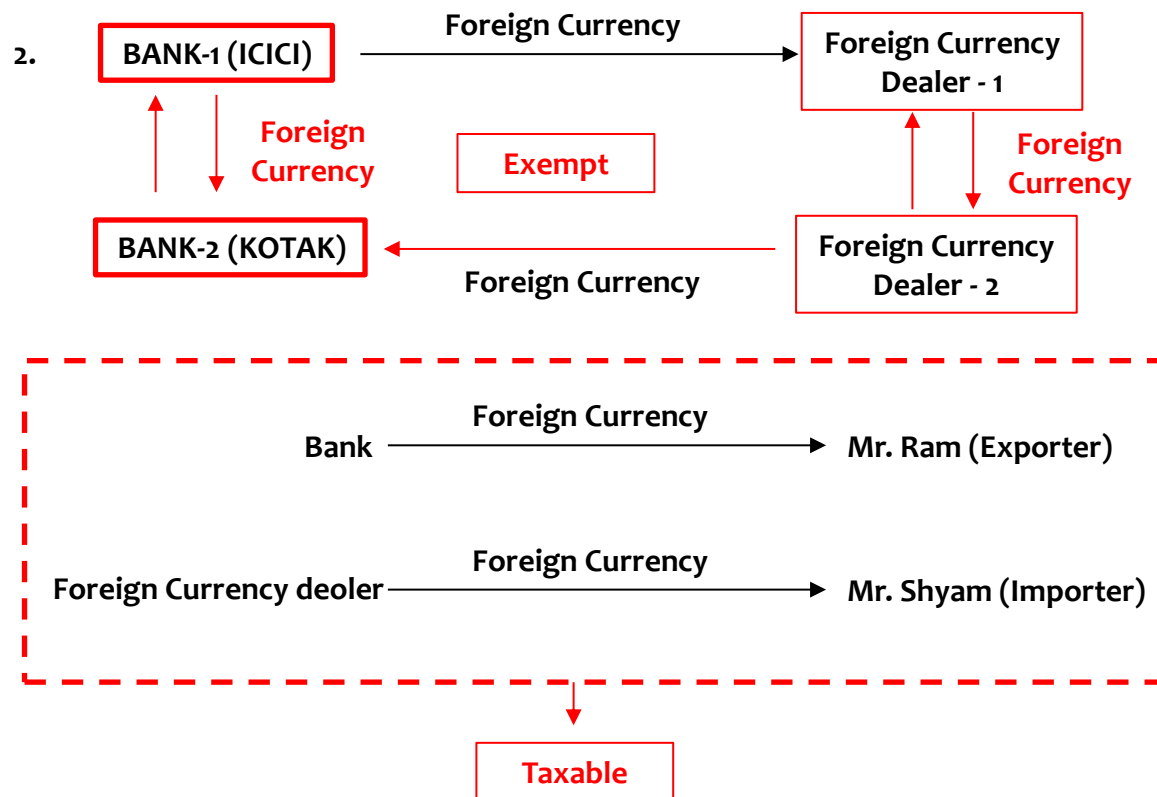
4. Transport of Minerals from Mine to Railway siding or Transportation within Mining Area.

- ↓
- Vehicle along with Driver is hired by Mine Operator (Adani).
- ↓
- It is not a Transportation of Goods but Renting of Motor Vehicle
- ↓
- Therefore No Ex. Shall be Allowed.

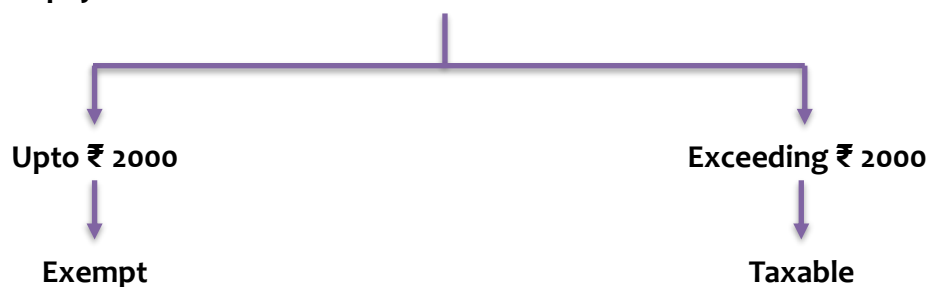
7. Banking & Financial Services.



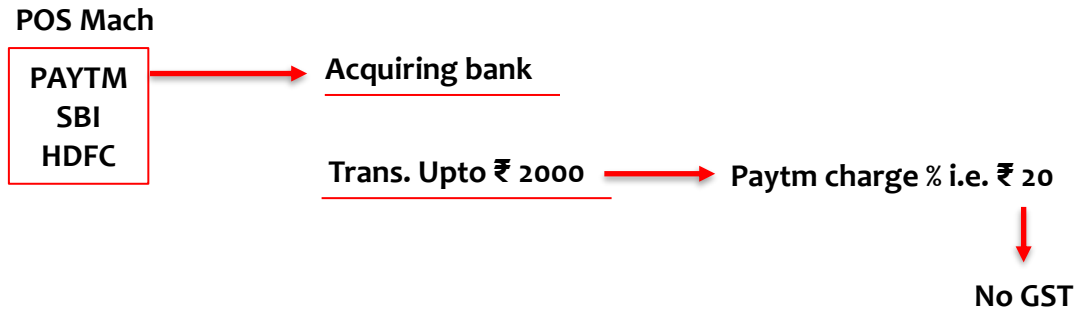
Note : Any charges by whatever name called (Documentation charge, File charge, Processing charge etc.) recovered over & above Interest on loan → Taxable



4. Services of processing of Transaction through Debit/Credit Card or other payment Card



Example



5. Interest charged by security broker for delayed payment of commission / brokerage / margin money by client → Exempt

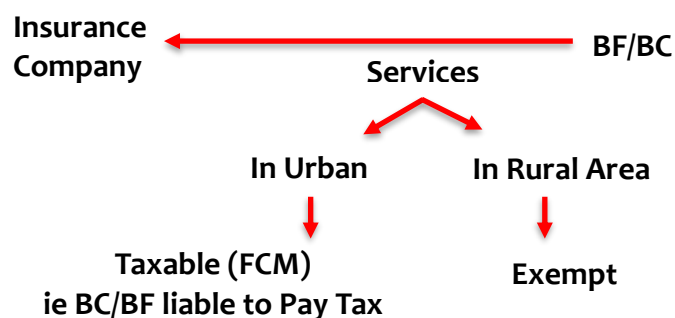
8. Business facilitator/correspondent

Services by the following persons in respective capacities

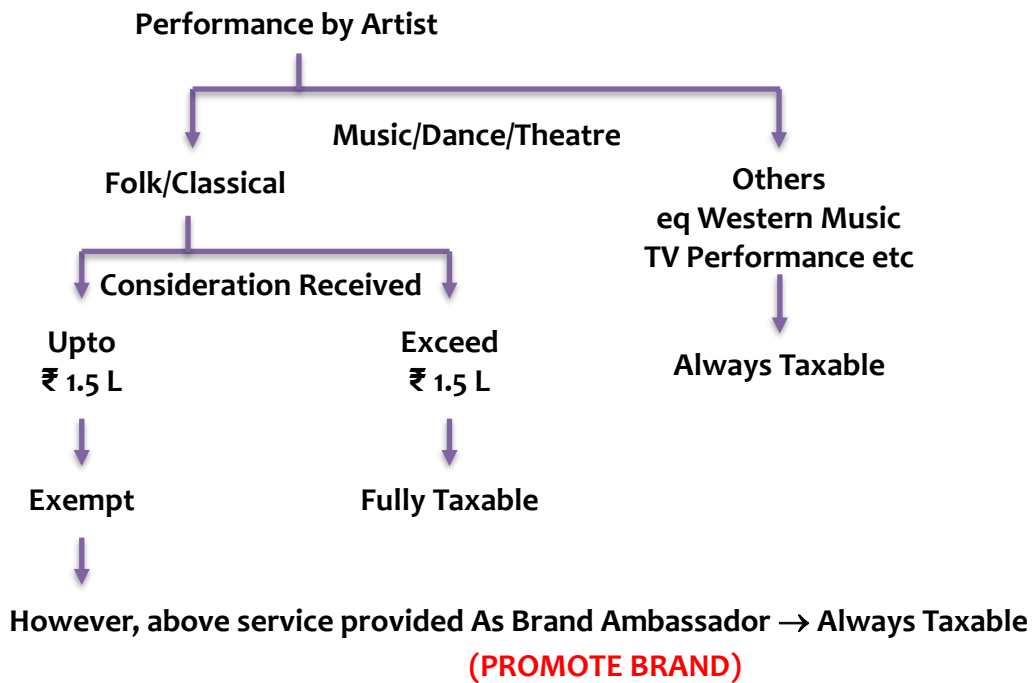
- (a) Business facilitator or a business correspondent to a banking company with respect to accounts in its rural area branch;
- (b) Any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in entry (a); or
- (c) Business facilitator or a business correspondent to an insurance company in a rural area.

BCs/BFs help villagers to open bank accounts and provide other banking services to them. They act as an intermediary between the bank and its customers. Banks, in turn, pay commission/fee to the BCs/BFs.

The BCs are permitted to carry out transactions on behalf of the bank as agents, the BF's can refer clients, pursue the clients' proposal and facilitate the bank to carry out its transactions, but cannot transact on behalf of the bank.



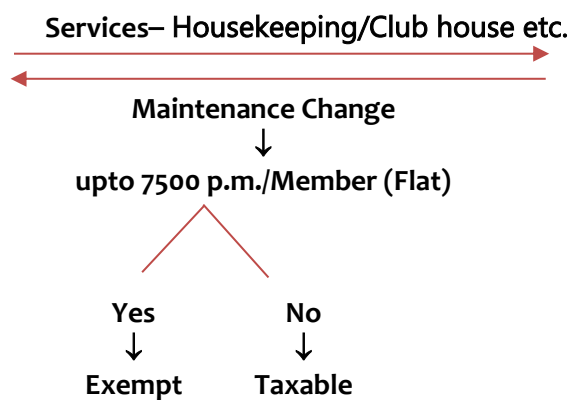
9. Performance By Artist

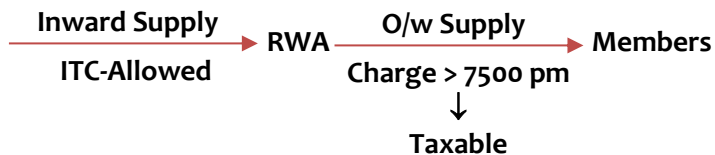


10. RWA Service (Resident Welfare Association → Housing Society)

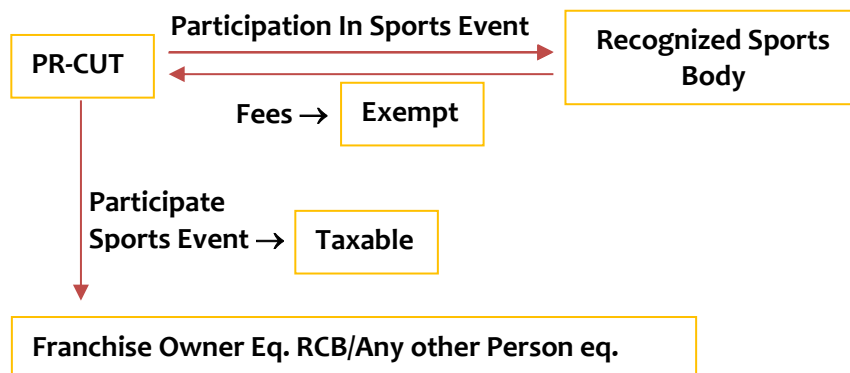


Gokul Dham
Society

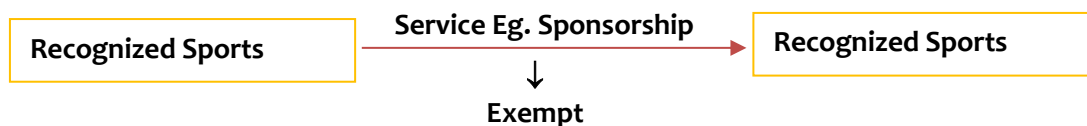




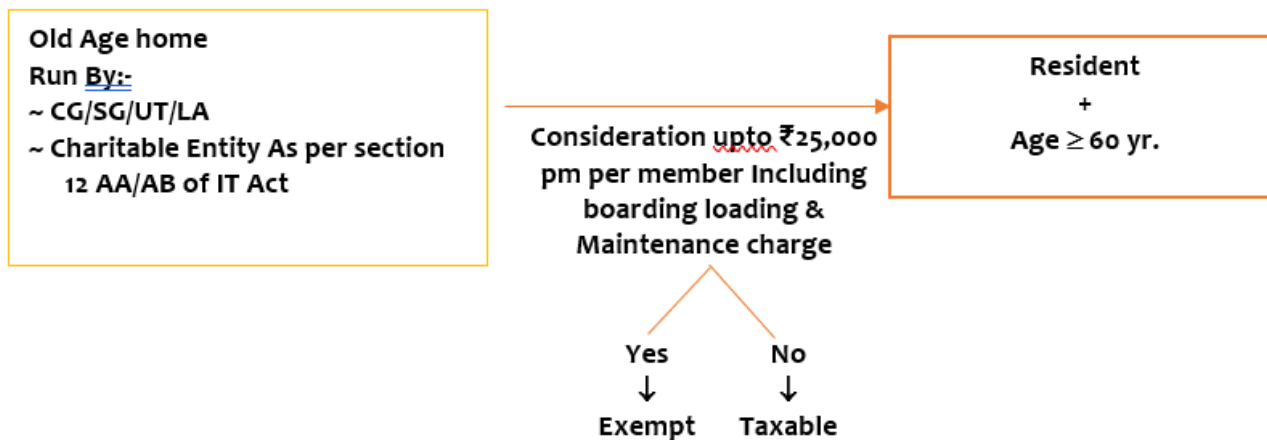
11. Sports Service



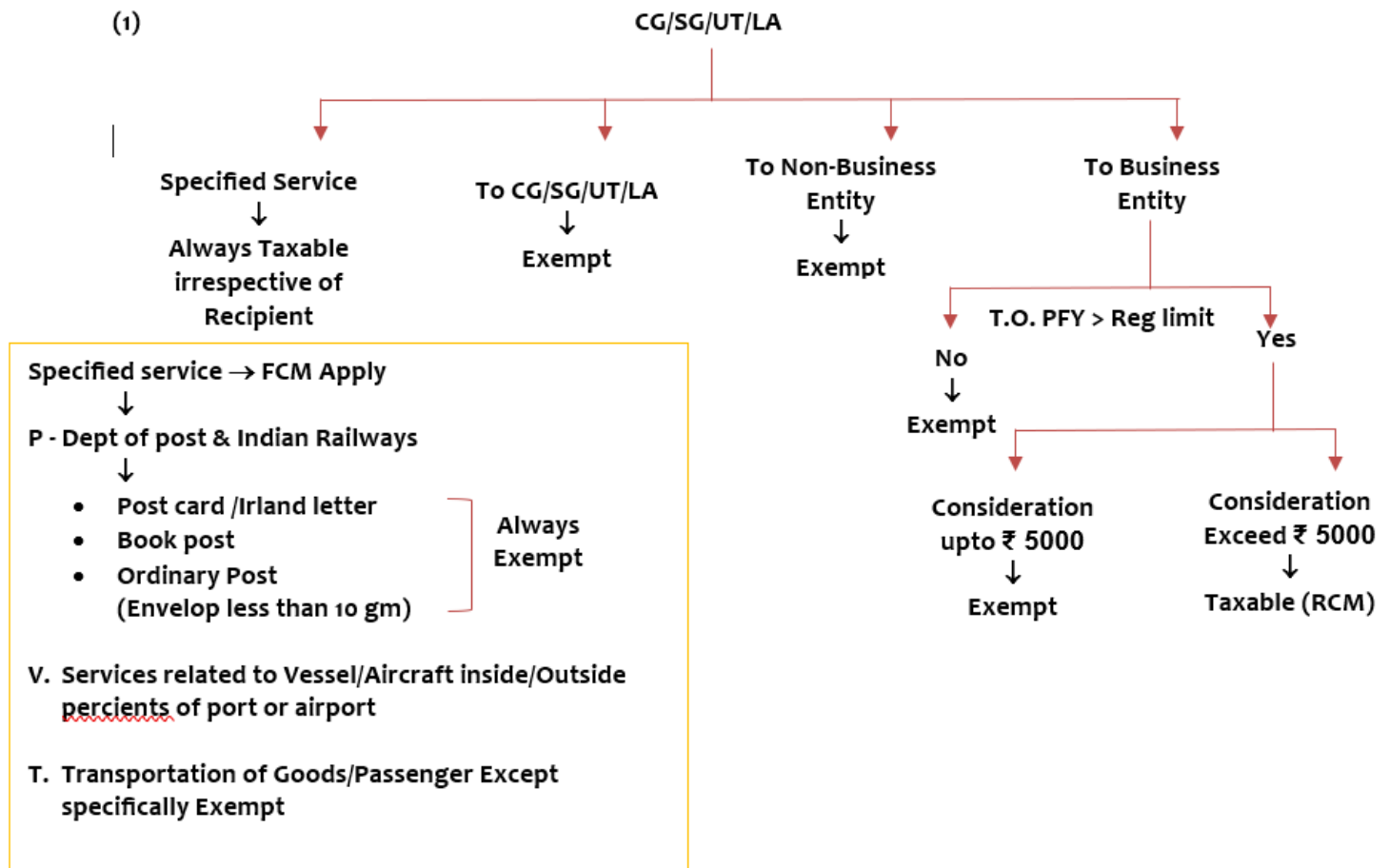
P = Player R = Refre C = Coach U = Umpire T = Team Manager
Selector/Commentator / Curator etc. ® Services ® Always Taxable



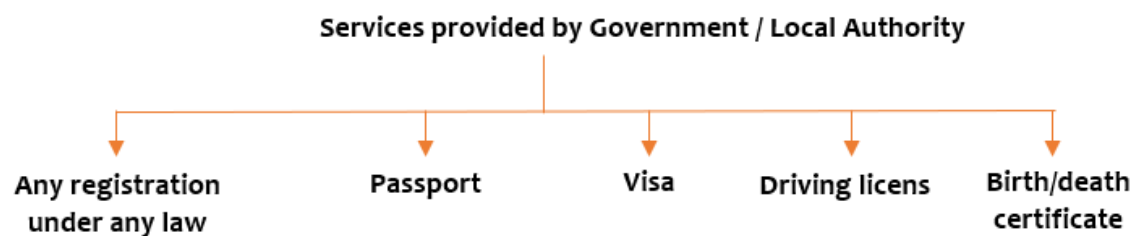
12. Services Provided by Govt.



(1)

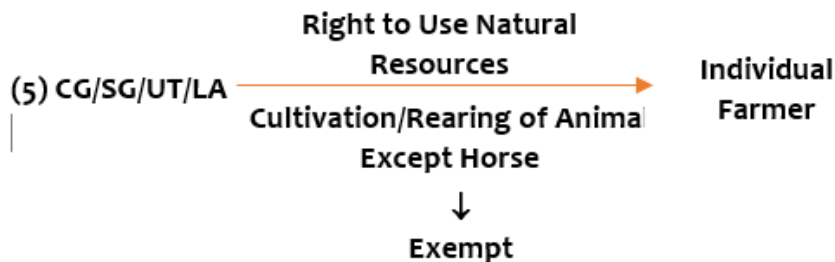


(3)



(4) CG/SG/UT/LA → Tolerating Non Performance of contract → In Consideration of Fine/liquidated

↓
Damages Exempt



(6) Services By Government Authority in Relation To Function entrusted to

Municipality Panchayat → Exempt

(7) Services By Rehabilitation Professionals by way of Therapy/Counselling at

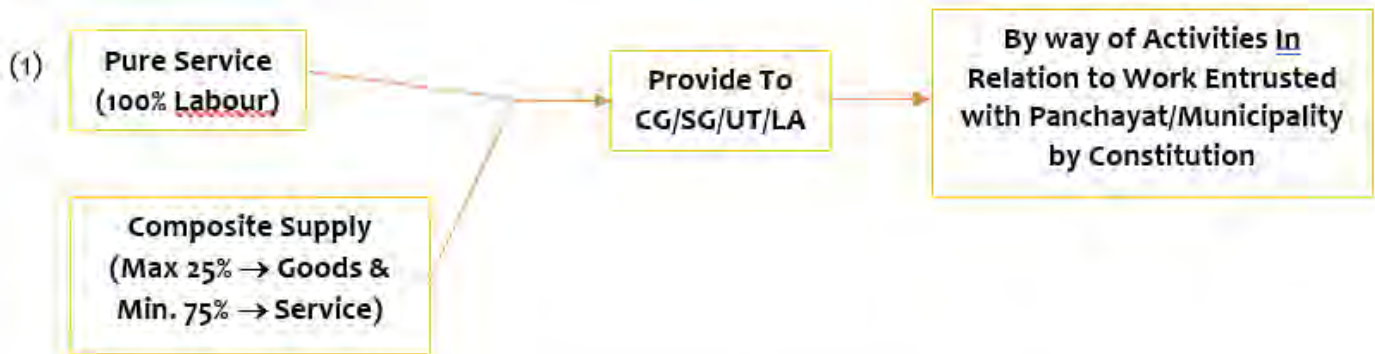
~ Medical Establishment

~ educational Institute

~ Rehabilitation centre

Established by
CG/SG/UT/ALA

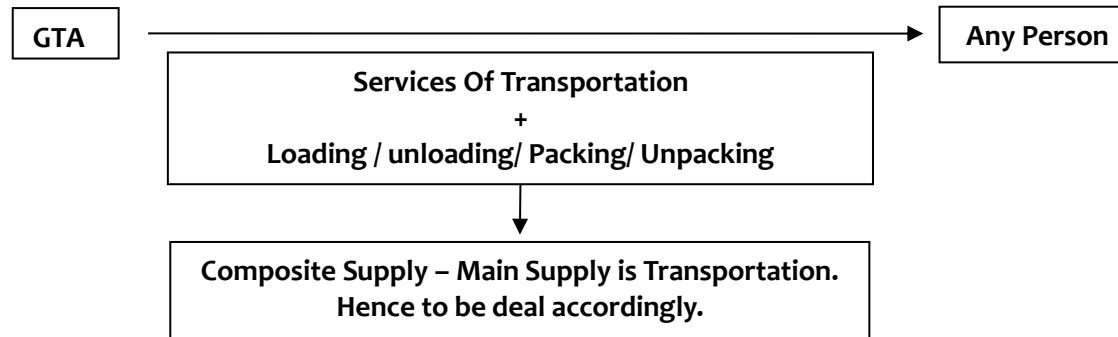
13. Services Provided To Govt.



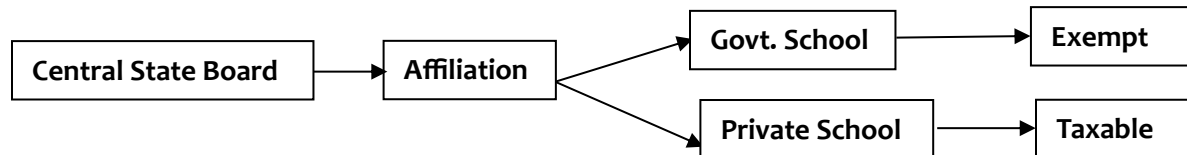
- (2) Services To Govt by
- Fair Price Shop for Public distribution system
 - Insurance Co. → where Premium paid by Govt
 - Training service → Where 75% more Expense is met by Govt

New Exemptions Introduced

1.



2.



3. Services provided by Hostels, Camps, Paying Guest accommodations and the like

Supply of accommodation services having value of supply upto ₹ 20,000 per person per month provided that the accommodation service is supplied for a minimum continuous period of 90 days.

4. Services provided by Ministry of Railways (Indian Railways) to individuals by way of:

- Sale of platform tickets;
- Facility of retiring rooms/waiting rooms;
- Cloak room services; and
- Battery operated car services.

5. Services provided by one zone/division under Ministry of Railways (Indian Railways) to another zone(s)/division(s) under Ministry of Railways (Indian Railways).

6. Any services provided by:

- the National Skill Development Corporation set up by the Government of India;
- the National Council for Vocational Education and Training;
- an Awarding Body recognized by the National Council for Vocational Education and Training;

- d) an Assessment Agency recognized by the National Council for Vocational Education and Training;
 - e) a Training Body accredited with an Awarding Body that is recognized by the National Council for Vocational Education and Training
in relation to:
 - i. the National Skill Development Programme or any other scheme implemented by the National Skill Development Corporation; 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 the National Council for Vocational Education and Training has approved a qualification package.
7. 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 and distribution of electricity provided by electricity transmission and distribution utilities to their consumers.