GST FLOW (Index)

9353619482 | 7483378296

GST in India - An Introduction

Alcoholic liquor for Human Consumption

Article 366(12A): GST means any Tax on supply of G/S/B except AL for HC

A Compulsory payment → under an act → to govt → to provide public services

Direct tax	Indirect tax [features]
• Imposed on Taxpayer • Burden is on the person tax is imposed • Example: Income tax • Progressive in nature	• Imposed on goods & Services • Burden is shifted to ultimate Consumer • Example: GST & Custom duty • Regressive in nature

Deficiencies in existing tax System

- Cascading effect (tax on tax)
- No cenvat Credit to dealers/traders
- Double taxation due to non integration of VAT & ST
- Several taxes were not Subsumed: LT, ET, etc.

Various features of GST

- It is a tax on Supply of G/S
- It is a consumption tax
- It is a destination based tax
- It is a value added tax

Benefits of GST

- Creation of Unified national market
- Boost to make in India initiative
- Enhanced investment & Employment
- Mitigation of ill effects of cascading
- Ease of doing business
- Reduction in Compliance cost
- Automated process with greater use of IT
- Elimination of multiple taxes & double taxation
- Benefit to small traders and entrepreneurs

Central taxes subsumed	State taxes subsumed	Taxes Not subsumed into GST
• Central Excise duty • Service tax • CVD & Spl CVD • Central Sales tax • Surcharges & cesses	• State surcharges & cesses • Entertainment tax except → • Tax on lottery, betting & Gambling • Entry tax, purchase tax • VAT & Sales tax, Luxury tax	• Basic Custom duty • ET levied by local bodies • Property tax & stamp duty • Electricity duty • SED on AL for HC, CED on HPMAN

Dual model of GST: India has adopted dual model of GST which is imposed Concurrently by the centre & the state. GST levied by Centre: CGST, levied by State/UT: SGST/UTGST. Now centre has power to tax intrastate & states empowered to tax services. India has adopted its GST model from Canada.

GSPs: IT, ITES, Financial tech cos, appointed by GSTN to develop application for taxpayers to interact with GSTN, facilitating tax payers in uploading invoice & filing returns, & customise products according to needs of users. GSPs take help of ASPs, GSPs act as a link b/w taxpayers & GSTN. ASPs act as a link b/w taxpayers & GSPs.

Trade & Commerce

Intrastate Supply
within same state / UT
CGST + SGST   CGST + UTGST

Interstate Supply
- between different State/different U
- between 1 state & 1 UT
- between different Countries

IGST

India
- 28 states
- 8 UTs
  - 3 UTs → Delhi, Pondi, J&K
  - 5 UTs (CGST + UTGST)
    - Andaman and Nicobar islands
    - Lakshadweep
    - Dadra and Nagar Haveli and Daman and Diu
    - Ladakh
    - Chandigarh

31 States (CGST + SGST)

Various G/S	SED	CED	VAT/CST	GS
AL for HC	✓	×	✓	×
HPMAN	×	✓	✓	×
Tobacco	×	✓	×	✓
Opium	✓	×	×	✓
Others	×	×	×	✓

Constitutional Provisions: Articles

265: No tax shall be levied/collected except by authority of law/Act

245: Parliament may make law for whole/any part of territory of India
State legislature may make law for whole/any part of the state

246 (7th Schedule): Divides power to make law into 3 lists.
List I: Union list: Parliament (CG), List II: State list: state legislature, List III: Concurrent li

246A: Provides power to Parliament and State legislature to levy gst simultaneously
Parliament has exclusive power to make gst law w.r.t. Interstate trade & Commerce

269A: IGST shall be levied & Collected by CG & apportioned b/w Union & State

279A: GST Council: Constituted on 15.09.16, 33 members → 2 UM + 31 SFMs/Minister nominated
Quorum $\frac{1}{2}$ × no. of members, Majority for decision → $\frac{3}{4}$th of weighted votes of mem. present & voting
Weightage of votes – Centre – $\frac{1}{3}$rd, SGs – $\frac{2}{3}$rd of votes cast.

Functions: To make recommendation to Union & States on: taxes, cesses & Surcharges to be subsumed, Rate of GST, G/S Subject to/exempted from GST, Special provisions w.r.t. special Categ states, Date on which GST be levied on HPMAN, Threshold limit of turnover for registration.

Common Portal: www.gst.gov.in, ewaybillgst.gov.in, einvoice1-10.gst.gov.in

Managed by: Goods & Services Tax Network [GSTN], National Informatics Centre

Function of GSTN includes • Facilitating Registration • Computation & settlement of IGST • Matching of tax payment details with Banking networks • Providing MIS reports • Forwarding Returns to Central & state authorities • Providing analysis of tax payer's profile

Goods & Services

Goods - 2(52)

Means : Every kind of Movable property

Immovable property
- Land, Benefit arising out of Land
- Things attached to the earth/
- Permanently fastened to anything attached

Other than (Excludes)

Money
- Indian Legal tender, Foreign Currency, cheque, demand draft.
- or any instrument recognised by RBI
- when used as a consideration to settle an obligation

but Shallnot include currency held for its numismatic value

Securities
- Shares, Stock, bond, debentures, MF
- Government Securities
- Rights in Securities

but Includes

Actionable Claim: Mean a claim to any debt, other than a debt secured/to any beneficial interest in movable property not in the possession of claimant, which the civil Courts recognize as affording ground for relief, whether such debt/beneficial interest be existent, accruing, Conditional/Contingent.

Eg: Betting, Gambling, Lottery, Right to recover arears of rent, etc.

Growing Crops, Grass & things attached to/forming Part of the Land which are agreed to be Severed before Supply/ Under a Contract of Supply

Services - 2(102)

Means : Anything

Other than: Goods Money & Securities

But Includes: Activities relating to the Use of Money/ Its Conversion by Cash/any Other mode

from

One form, Currency/ denomination

to

Another form, Currency/ denomination

For which Seperate Consideration is charged

Explanation:

Services includes facilitating/ arranging transactions in Securities

Eg: Demat charges, brokerage, Portfolio maintenance charges, Commission, etc

Discuss the applicability of gst in the following Cases:

1. Sale of debentures : Neither goods nor Services : no GST
2. Sale of Plot of Land : Its a service, but no gst as per sec 7(2)(a) read with Schedule III
3. Cash deposit into bank : Transaction in money : money is neither goods nor service : No GST
4. Housing loan : Transaction in money : money is neither goods nor service : No GST
5. Interest on loan : Activity relating to use of money, it is a service.

9353619482 | 7483378296

The Taxable event

Note: For circulars refer next

Section 7: Scope of Supply

7(1): Includes

(a) ◦ All forms of Supply of G/S/B
Such as: Sale, Transfer, Barter, Exchange, lease, Rental, License Disposal [STB ELR LD]
◦ Made/agreed to be made
◦ For a Consideration
◦ in the Course/furtherance of business

(aa) Seperate person
Person (Individual) ← Activity / Transaction → Members
Cash/deffered payment/valuable consideration

(b) Importation of Services (IOS) for a Consideration
- Business → Supply → Taxable (RCM)
- Non Business Purpose → Supply → Taxable but Exempted

(c) Activities specified in Schedule I
- made/agreed to be made
- without a Consideration

(1) Permanent Transfer/disposal of Business Asset (where ITC availed on such assets)

(2) Supply between related person/distinct person in the course/furtherance of business
Exception: Gift to employee upto Rs. 50,000 per annum per employee.
① [Refer Circular on interstate movement of Conveyance/between distinct person]

(3) Supply of goods b/w Principal & Agent
② [Refer Circular on Principal Agent relationship]

(4) IOS → RP/own establishment outside India → in the course/furtherance of business.
→ Taxable (RCM)

Related Person (RP)
SCOPE ⊕ Family ⊕ Sole agent/distributor
Stock/Shares ≥ 25% in both of them,
Control (Direct/Indirect)
Officer/Directors of one another's businesses,
Partners in business,
Employer & Employee
Family: Spouse & children (SC) Only if dependent
Parents, Grandparents, Brother & Sister (PGBS)

7(1A): SOG/SOS (Schedule II)

(1) Transfer of
- (a) Title in goods - SOG
- (b) Right in goods/undivided share: SOS
- (c) Title in future (Hire purchase): SOG

(2)(a) Lease, tenancy, easement to occupy land: SOS
(b) Lease, letting out of building: SOS
③ [Refer circular on Pagadi System]

(3) Treatment/process applied on another person's goods: SOS
④ [Refer circular on Retreading & bus bodybuilding]

(4) Transfer of Business Asset
(a) Permanent transfer/disposal: SOG
(b) Put to pvt use/made available for non business use: SOS
(c) At the time of closure of business: Deemed SOG
Exception: Business transferred as going concern
Business carried on by a personal representative (TP)

(5) SOS: (a) Renting of Immovable property
(b) Construction of Complex, building, etc. (Consideration received before CC/FO(E))
(c) Temporary transfer/Use of IPR
(d) Development, Upgradation, etc. of IT Software
(e) Agreeing to the obligation to RTA — Refrain/tolerate/to do an act
⑤ [Refer Circular on Liquidated damages]
(f) Transfer of right to use goods

(6) Following Composite Supplies: SOS
(a) Works Contract (Immovable property)
(b) Restaurant/Catering

7(2) → Excludes → Neither SOG Nor SOS

(a) Activities/transactions specified in Schedule III
1. Services by Employee to the Employer (in the course/relation to employment)
⑥ [Refer circular on Perquisities]
2. Services by Court/tribunal established under
⑦ [Refer circular on Consumer dispute redressal Com
3. Functions performed by: MPs, MLA, MLC, etc
Duties performed by: Constitution post holder
Duties performed by: chairperson/member/Dir (CMD) of body established by govt (Employees)
4. Services of Mortuary/Burial/Funeral (incl trans
5. Sale of Land & Completed Building
⑧ [Refer circular on sale of Land after levellin
6. Actionable claims except specified actionable cl
specified actionable claims: Betting, Casinos, lott gambling, horse racing, Online money gaming.

(b): Activities/transactions Undertaken by CG/SG/L as Public Authorities, notified by government on t recommendation of Council. [NGRC] - Neither SOG no
Notified
• Activity in relation to function entrusted to panchayat under 243G/municipality under 24
• Grant of Alcoholic liquor licence against licenc or application fees.
⑨ [Refer Circular on Grant of other licenses & Privile

Sec 8: Taxability of Composite Supply (CS) & Mixed Supply (MS) [Refer Circular ⑩ ⑪ & ⑫]
(a) CS: Treated as Supply of Principal Supply (b) MS: Treated as Supply of that Supply attracting highest
2(30): CS: 2/more TS + Naturally bundled + Supplied together in Ordinary Course + One is principal Sup
2(74): MS: 2/more Individual Supplies + Supplied together for a single price + not a composite supp

CIRCULARS

① Interstate movement of Conveyance/Cranes between distinct person

- On Conveyance/Rigs/Cranes: No GST (NSoG, NSoS)
- On passenger & goods transportation: GST Leviable
- On Repairs & Maintenance work: GST Leviable
- Movement for further Supply: GST Leviable.

② Scope of Principal Agent relationship

- Agent is further supplying in his name i.e. invoice is issued by agent in his name
- Agent is procuring in his name i.e. goods procured are invoiced in his name

Then the agent is an agent as Schedule I Para 3.

③ Pagadi: Transfer of tenancy rights against tenancy Premium: SoS

- Exempt if granted for residential house to unregistered person.
- Further Sale/Surrendering by outgoing tenant for Consideration: GST.

④ Rethreading of tyres

- Supplier does rethreading for Customer: SoS
- Supplier sells rethreaded tyres: SoG

Bus bodybuilding i.e. fabrication on:

- chassis provided by Customer: SoS
- Own chassis & Supplying bus: SoG.

⑥ Perquisities provided by employer to employee:

Perquisities provided in terms of Contractual agreement between employer & employee: No GST.

⑦ GST on amounts/charged by Consumer dispute redressal Commission

They are not literally tribunal but have characteristics of a Tribunal & hence fees paid/penalty charged/any amount paid to CDRC: No GST.

⑧ GST on sale of Land after levelling, lying down of drainage lines

Sale of developed land is sale of land & Covered in Sch III: No GST.

⑨ Grant of other licenses & Previlages by govt (Except AL License)

Grant of other previlages, licenses, mining rights against Consideration in form of fees/royalty: Taxable (GST).

⑩ Servicing of Car involving SoG (parts) & SoS (Labour) & value of goods & services shown seperately.

→ GST at the rates as applicable to such G/S seperately.

⑤ GST on liquidated damages, Compensation & penalty arising out of breach of Contract/other provisions of Law.

- Agreement to Refrain, tolerate, or do an act ⊕ Consideration: SoS

Some examples in this regards:

- Liquidated damages: They are not the desired outcome of a Contract, it is only a compensation for injury suffered due to breach of contract. They are mere flow of money & donot consitute consideration, not taxable.
- Cheque dishonour fine: The Supplier never agrees to deposit fake cheque against consideration (i.e. penalty). It is not a consideration for Service, not taxable.
- Penalty for violation of Law: Laws are not framed for tolerating their violation. There is no agreement between govt & violator that such violation is allowed against penalty, hence not leviable to GST.
- Foreiture of Salary/Payment of bond in the event of employee leaving before minimum agreed period: Provision of forfeiture is incorporated to discourage non-serious candidates to take up employment. It is not a consideration for tolerating the act of premature quitting & hence not taxable.
- Late payment Surcharge/fee: This facility is granted by Supplier naturally bundled with Principal Supply. It should be assessed @ of Principal Supply (PS).
- Fixed charges for electricity: The minimum fixed charges are for sale of electricity & are not taxable as electricity is exempt from GST.
- Cancellation charges: Service of allowing Cancellation against Cancellation Charges is naturally bundled with Principal Supply (PS), hence taxable @ of PS.

⑪ Taxability of Printing contacts

- In case of printing where: Content is supplied by person who owns the IPR while physical input including paper belongs to printer: Printing Service: SoS.
- Supply of printed envelops, letter cards, tissues, with logo/design of recipient: SoG.

⑫ Supply of food & beverages in cinema hall

- If it is supplied independently: it is restaurant service
- If bundled together & satisfies test of Composite Supply, then taxable @ PS. (Principal Supply)

Activity of holding shares of Subsidiary by the holding co.

It cannot be treated as supply of Service by holding to subsidiary co. – No GST.

Treatment of Sales promotion Schemes under GST

- Goods/Services/both supplied free of cost/as gift: If activity falls in 17(5)(c), its a supply & ITC available/else ITC blocked.
- Buy 1 get 1 free: It is like supplying 2 at price of 1, ITC available of Inputs/Input services/Capital goods to Supplier.

GST on display of name/name plate of donor by charitable Organisation

3 tests to be satisfied: Donation is made to charitable organisation, payment has the character of gift/donation, the purpose is philanthropic & not advertisement: GST not leviable

GST on warranty replacement of parts & repair services during warranty

- Manufacturer provides directly/distributor does on behalf of manufacturer

The value of original supply of goods by manufacturer to customer likely includes the cost of replacement/repair services to be incurred.

- Replacement/repair without Charging: No further is GST payable.
- Replacement/repair with Consideration: GST will be payable.

- Is there a supply between distributor & manufacturer, where distributor provides replacement of parts to customer on behalf of manufacturer.

There can be 4 instances as discussed below:

(a) If distributor replaces part(s) to customer using his stock/by purchasing from 3rd party & charges manufacturer: GST is payable

(b) If manufacturer provides part to distributor for replacement under warranty without Consideration: No GST is payable.

(c) If distributor replaces parts to customer from supply already received: the manufacturer may issue credit note & adjust tax liability.

(d) If distributor replaces parts to customer from supply already received, manufacturer then provides replacement through DC without any Consideration: No GST payable

- If distributor provides free warranty to customer but charges manufacturer: Supply of Service, GST payable by distributor.
- Extended warranty:

-If supplied along with supply of goods: taxable @ principal supply (SoG).

-If supplied by person different from original supplier of goods/supplied any time after original supply: Separate supply of service & GST payable.

Charge of GST (Sec 9 of CGST/ Section 5 of IGST act)

9(1) - Normal Levy

→ CGST Shall be Levied
→ On Intrastate
→ Supplies of G/S/B
→ Except: AL for HC
→ On Value determined u/s 15
→ @ Maximum rate 20%
→ as may be NG – RC
→ Collect in manner prescribed &
→ Paid by the Taxable person

9(2): HPMAN

CGST on HPMAN
↓
Shall be levied
w.e.f. date NG, RC

FBSCOOP

F : Factory reg under factories act.
B : Body Corperate est. under any law.
S : Society reg. under Societies regⁿ act/any law
COO: Co-operative Society est. under any law
P : Partnership firm (Reg./Unreg.) incl. AoP
Note: LLP is considered as Partnership firm.

Applicable to Entry 5 & 5A

Explanation to RCM on CG & SG related Service
RCM provisions shall also apply to Parliament, State legislatures, Courts & tribunals as they apply to CG & SGs.

Applicable to Entry no. 9 & 9A

Services by way of transfer/ Permitting the use/enjoyment of a copyright relating to original dramatic, musical, artistic, original literary work

Applicable to Entry no. 9A

FCM applicable if: (i) Author has taken Registration & filed a declaration that he exercises to pay gst under FCM & Comply with all provisions as they apply to a person liable for paying the tax & that he shallnot withdraw the said option within a period of 1yr from the date of exercising.
(ii) He also makes a declaration on invoice issued to publisher.

9(3): RCM on Notified Services

1. GTA → (opts for 5% RCM)
   - RP(GST): TDS deductor: Exempt
   - Others (Normal/compo/CTP/NRTP, etc.): RCM
   - URP(GST): FBSCOOP (R/UR + LLP + AOP): RCM
   - other URP/Unreg CTP: Exempt

RCM NA if: (i) Supplier has taken regⁿ & opts to pay GST under FCM
(ii) Supplier has issued tax invoice charging GST & also makes a declaration on invoice issued by him.

2. Advocate/firm/Senior → Business entity (Taxable territory) + ATO in PFY > Registration Limit
3. Arbitral tribunal → Business entity (Taxable territory) + ATO in PFY > Registration Limit
4. Sponsorship services → Body Corportate/ Partnership firm (including LLP) [Taxable territory]
5. CG/SG/UT/LA excl. PAIIT → Business entity (Taxable territory) + ATO in PFY > Registration Limit
5A. CG (excluding Indian Railways)/SG/UT/LA → Renting of Immovable property to RP.
5AA. Any Person: Renting of Residential dwelling → Registered Person
6. Director → Company/Body Corporate (TT) [Refer circular ① & ② on Directors]
7. Insurance agent → Insurance Co. (TT)
8. Recovery agent → Bank/FI/NBFC (TT)
9. Music composer → Music Company (TT)
   Photographer/artist/like → producer/like (TT)

9A. Author (unregistered/RP not exercising option of FCM) → Publisher (TT)
10. Members of Overseeing Committee → RBI
11. Direct Selling agents (Individual) → Bank/NBFC (TT)
12. Business facilitator → Banking Company (TT)
13. Agent of Business Correspondent → Business Correspondent
14. Security Services (Supply of Security Personnel): AP (~~BC~~) → RP (TT)
    NA: CG/SG/LA/GA (Registered as TDS deductor) & Composition dealer: FCM
15. Renting of MV (designed to carry passenger): AP (~~BC~~) who doesnot → Body Corporate (TT)
    Fuel cost is included in the consideration charged
    issue invoice charging GST @ 12%

③ [Refer circular on renting of MV designed to carry passengers to body Corporate]
16. Services of lending of Securities → Borrower (under Securities lending Scheme of SEBI)

9(4): URP – RP

URP → Specified Class of RP
Specified Category of G/S
- Input/ Input Services → Promoter (Shortfall below 80%)
- Cement → Promoter
- Capital Goods → Promoter

Note: For Circulars refer next

9(5): ECO: Electronic Commerce oper[ator]

Notified Category of Services
↓
Intra state Supply
↓
Tax payable by ECO & all provisions applicabl[e]
Such ECO as if he is the supplier liable to pa[y]

Notified Category of Services
(i) Transportation of Passengers (Eg: Ola, Uber)
→ by Radio taxi, motor/maxi cab, motor cycl[e] or any other motor vehicle except Omnibu[s]
(ia) Transportation of Passengers by an Omnib[us] except where the supplier is a Company.
(ii) Accomodation Services (Eg: OYO, goibibo)
→ in hotel, inns etc. for residential/lodging purp[ose]
(iii) House Keeping Services (Eg: Urban clap)
→ like plumbing, carpenting, etc.

Note: In housekeeping & accomodation servic[e]
ECO not liable, if supplier liable for regⁿ u/s 22(1)

4. Restaurant Service (Eg: Swiggy, Zomato)
Except: Service by restaurant in Specified premises. Specified premises means premises providing hotel accomodation service having declared tariff > Rs 7,500 per unit per day.
④ [Refer Circular on restaurant Services]

Proviso: ECO has physical presence in TT
- Yes: ECO liable
- No: Representative in TT liable
- No Representative: appoint person in TT for the purpose of paying tax & [it] shall be liable

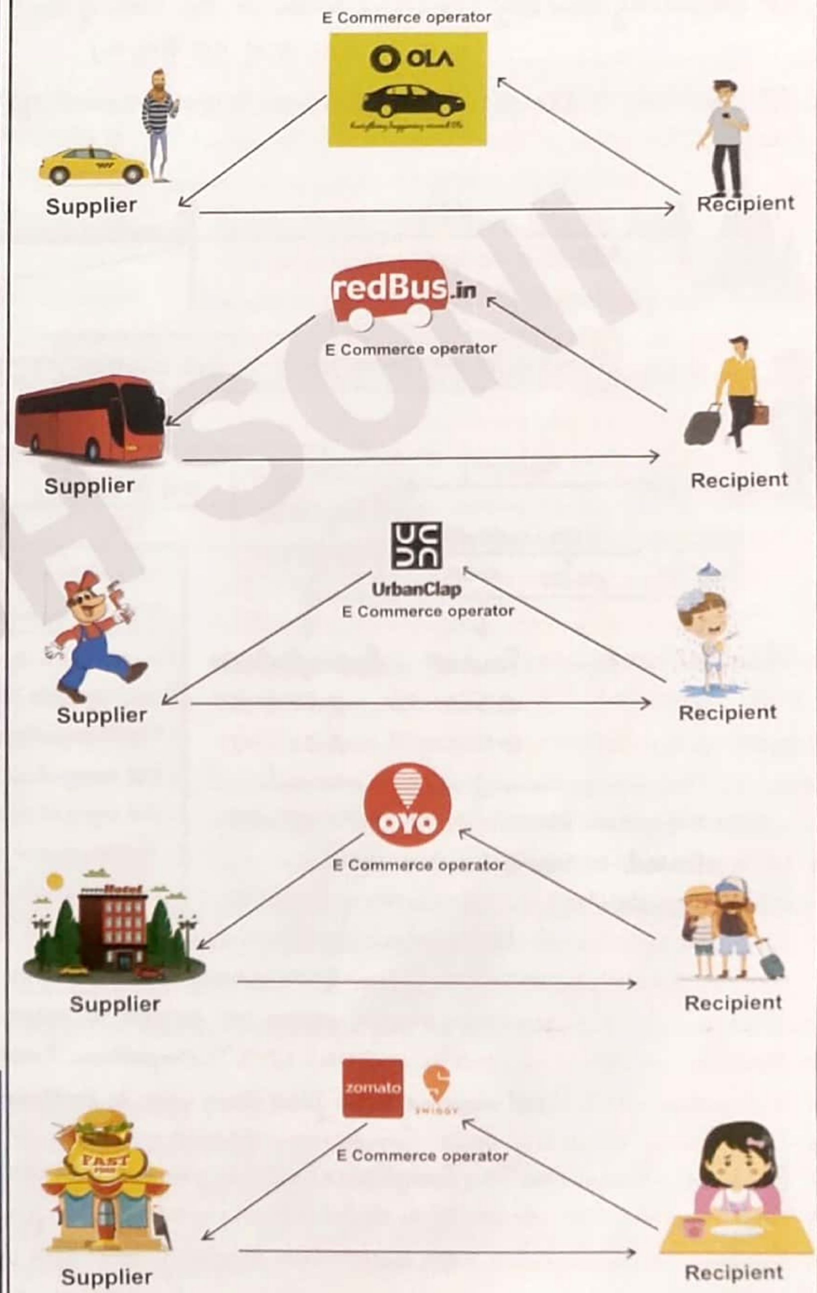
CIRCULARS

① GST on Director's remuneration
- Independent Director: not employee, GST Payable by Company under RCM.
- Whole time Director: employee + paid Salary + TDS u/s 192 of Income tax act: Not Supply, No GST
- Whole time Director: not employee + paid professional fees + TDS u/s 194J of IT act: Supply, RCM

② Services supplied by director of a Company / body Corporate in his personal Capacity to the Co./body Corporate.
- Services supplied by a director of a Company to the Company in his personal/private Capacity such as renting of immovable property: not taxable under RCM.
- Only Services Supplied in the capacity of director of that company/body corporate: Taxable under RCM.

③ GST on renting of Motor vehicle (MV) designed to carry passengers to body Corporate (BC).
- Where BC hires MV for a period of time during which MV is at its disposal: RCM
- Where BC avails passenger transportation Service for Specific journeys & doesnot take it on rent: No RCM.

④ Services supplied by restaurant through E-Commerce Operator (ECO)
- Since eco is liable to pay GST, it is not required to collect TCS. But on other G/S not notified u/s 9(5): Eco will collect TCS
- Eco is not required to take seperate registration to pay tax on restaurant Service u/s 9(5).
- Eco will be liable to Pay GST on Supplies made by unregistered restaurants through it (Eco).
- ATO of restaurant Shall include value of Supplies made through Eco.
- Eco Shall pay GST in Cash on restaurant Services.
- If restaurant Service & other G/S are sold by a restaurant to customer under Same order: Advisable eco raise Separate bill for restaurant Service. On other G/S Supplier to raise Invoice & Eco to collect TCS.



IGST – Sec 5: Difference

5(1): Intra → Inter, 20% → 40%

5(2): IGST on Interstate Supply of HPMAN

5(3): Additional Services notified:

Any Services (Any Person in NTT) → Any person in TT

5(4) & 5(5): Same as 9(4) & 9(5): Just Intra → Inter

PAIIT (applicable to Entry no. 5)

P: Services by department of post.

A: Services in relation to aircraft/vessel.

I: Services by way of renting of immovable property

I: Indian Railways [Ministry of Railways]

T: Transportation of goods/passengers.

9353619482 | 7483378296

Composition levy

- $M^3ANTUS \rightarrow$ 75 lakhs
- HOJA $\rightarrow$ 1.5 crores

1. TP obtaining New Regn: Exercise option at the time of Regn (in Part B of GST Reg 01)
2. RP Switching to Compo: File intimation prior to commencement of FY in GST CMP 02 (1 intimation: Panwise, not statewise)

PFY | CFY | NFY

ATO ≤ 1.5 cr / 75 lakhs / 50 lakhs (To check eligibity excl. interest/discount)

ATO Upto 1.5 cr / 75L / 50L

→ Crosses threshold limit / Voluntary withdrawl / Violates Conditions and becomes ineligible

Normal RP: Take ITC + Issue Tax invoice

- File intimation (suo-moto) in GST CMP 04: within 7 days (of event)

In case of self withdrawl: GST CMP 04: Before the date of such withdrawal

May opt for Composition → Panwise @ all India basis to opt together

Supplier (RP) —No ITC→ **Eligible Person**

9(3)/(4) Supplier —RCM (applicable rates), No ITC→ **Eligible Person**

Eligible Person → Not to Collect tax → Issue Bill of Supply (No ITC to recipient) ~~Tax Invoice~~

10(1)

	Manufacturer	Trader	Restro/caterer
CGST	0.5% (TO)	0.5 (TO–TS)	2.5% (TO)
SGST	0.5% (TO)	0.5 (TO–TS)	2.5% (TO)

Own obligation, Cannot Collect from customer

Sec 10(2A) → Option to RP with ATO ≤ SOL in PFY (excl. int/dist) ⊕ ineligible u/s 10(1) & 10(2)

Pay tax @ 6% of TO in st/UT (excl. interest/discount)

Conditions: ATO in PFY ≤ SOL + Ineligible MTR

- Not Manufacturing goods / Supplying services – notified.
- Not engaged in making Interstate o/w supply of G/S
- Not engaged in supplying non taxable Supplies of G/S
- Neither a CTP nor a NRTP &
- Not Supplying services through ECO (reqd to collect TCS)

Section 10(2): Ineligible u/s 10(1) if: MINES

- Manufacturer of Pan masala, Aerated water, ice cream & other edible ice, tobacco, Fly ash bricks/block/aggregates, Bricks of fossil meals/similar siliceous earth, building bricks, Earthen/roofing tiles.
- Interstate outward Supplier of goods/services
- Supplier of Non taxable goods/Services ⊕ NRTP/CTP
- Supplying Services through ECO who is required to collect tax at Source.
- Service providers except Restaurant/Catering & providing upto 10% of TO/5 lacs

Sec 10(5): PO has R2B that RP not eligible under Composition/Contravention

PO issues SCN	RP to reply in 15 days	PO to issue order in 30 days of receipt of reply (CMP07)
CMP 05	CMP 06	

- Allowing / denying comp

- If Composition denied: Pay differential tax + Penalty

- MTR allowed to supply Services upto 10% of TO in a state/UT (excl. int/dist) in PFY or 5 lacs (H)
- After Calculating 10%/5L (H): Exclude interest/discount in CY also.
- Payment: Quarterly by 18th (CMP 08), Return: GSTR4 annually by 30th June (FY 24–25 onwards), AR: GSTR 9A, by 31st Dec.
  → For Jan 25 attempt Student: 30th April
- Mention in bill "Composition Taxable person, not eligible to collect tax on Supplies"
- Mention on notice/Signboards at PPOB & APOB "Composition Taxable person"
- Intimation (CMP 02): not required to be filed every year to continue under Composition.
- For checking eligibility under Composition Scheme – Panwise ATO
- Payment – Statewise TO, Compliance (returns & records): Statewise
- For determining tax payable: TO in state/UT shall exclude: Supplies from 1st April upto date of becoming liable
- For determining eligibility: ATO shall include Supplies from 1st April upto date of becoming liable

Note: From TO in state/ATO: Exclude Exempt SOS: interest/discount.

Basis	Normal Scheme	Composition Scheme
Levy Section	Section 9 of CGST act	Section 10 of CGST act
GST rates	Normal rates 5, 12, 18, 28%	Compo. rates: 1%, 1%, 5%, 6%
Payment	Monthly by 20th of next month	Quarterly by 18th of NM
Return	MR: GSTR 3B, AR: GSTR 9	Ret: GSTR 4, AR: GSTR 9A
Document	Tax Invoice	Bill of Supply
ITC	Can avail	Cannot avail, pay in cash

Registration

Sec 22: Person liable for Registration

Who	Liable when
(1) Supplier Liable, in state/UT From where he makes taxable Supply	→ ATO > 20L

Exception:
Taxable Supplies from Special Category St [M^2NT]: Liable if ATO > 10 lacs

Explanation: Person deemed exclusive supplier of goods, even if he is engaged in exempt SOS by way of extending deposits, loans & advances, so far as the Consideration is represented by way of interest/discount.

(3) Transferee/Successor → from date of transfer/Succession
- → Transferor - Registered
- → Business transferred as going Concern

(4) Transferee (in case of amalgamation/demerger pursuant to court/tribunal order) → Liable from date on which RoC issues COI.

Aggregate Turnover [ATO]

Aggregate: Panwise on all India basis

Turnover: Taxable, Interstate, Exempt, Export Supplies

Exclude: Inward Supplies under RCM & GST

- Include Supplies made on behalf of principals i.e. invoice for further Supplies is in the name of the agent.
- Outward Supplies tax payable under RCM: include in ATO
- Activities/transactions under Schedule III - never include in ATO.

Registration limit

M^2NT	PUMAS of Telangana	OAK of HP
10 lacs	20 Lacs	SOG 40L / SOS/G+S 20L
Manipur	Puducherry	Other states/UT
Mizoram	Uttarakhand	Assam
Nagaland	Meghalaya	K J&K of
Tripura	Arunachal pradesh	HP Himachal Pradesh
	Sikkim of	
	Telangana	

Sec 23: Person not liable for Registration

(1) (a) Any Person exclusively engaged in Supplying of g/s/b that are not liable to tax or wholly exempt.

(b) An Agriculturist [Individual/HUF] (to the extent of supply of Produce out of Cultivation of Land)
→ by own labour/family Labour/by Servants on wages/by hired Labour under personal/family Supervision.

Cir: Commission agent under APMC act making supplies on behalf of agriculturist ~~(SE)~~: Not liable for Compulsory registration u/s 24. Also, their Services are exempt from GST & hence not liable u/s 23(1)(a).

(2) Notified Category of Person (exempt from registration)
- Exclusive Supplier of Goods upto ATO 40 Lacs*

*NA: if Person is (i) required compulsory regn u/s 24
(ii) Supplier of Pan masala, ~~Aerated water~~, ice cream, tobacco, Fly ash bricks/block/aggregates, Bricks of fossil meals/Similar siliceous earth, building bricks, Earthen/roofing tiles.
(iii) exercising voluntary regn/y intends to Continue registration
(iv) Intrastate Supplier in M^2NT & PUMAS of Telangana

Sec 24: Compulsory Registration

Notwithstanding anything Contained in section 22(1), following persons are required Compulsory registration:

- Person making interstate taxable supply
  Exempt u/s 23(2): Handicraft/craftmen goods Supplier upto 20/10 lacs (Predominantly made by hand)
  Interstate supplier of taxable services upto 20/10 lacs
- Casual taxable person (CTP) making taxable supply
  Exempt u/s 23(2): CTP making interstate TS of handicraft gds upto 20/10L
- Person required to pay tax under RCM
  Exempt u/s 23(2): Person making TS-tax payable under RCM
- Person required to pay tax u/s 9(5) (ECO u/s 9(5))
  Note: Notified Services u/s 9(5): Transportation of passengers, Housekeeping, accomodation, restaurant Service. [THAR]
- Non Resident Taxable Person (NRTP) making taxable supplies
- TDS deductors under section 51
  Note: To obtain Seperate registration as TDS deductor.
- Person making TS of g/s/b on behalf of other TPs as agent/otherwise. → Agents (supplying on behalf of Principals (TP))
- ECO → who is required to Collect TCS u/s 52
- Person supplying, other than supplies u/s 9(5) through ECO who is required to deduct TCS u/s 52
  → Exempt u/s 23(2): Supplier of Services through ECO (upto ATO 20/10L)

Exempt u/s 23(2): Supplier of goods & having ATO in PFY/CFY not exceeding registration limit exempted from Compulsory registration subject to following Conditions:
- Such Person shall not be making any inter state Supply of goods.
- Such Person shall not make supply of goods through eco in more than one state/UT
- Such Person shall be required to obtain PAN issued under Income tax act.
- Such Person before making Supply through eco, declare PAN, address of PoB & State/UT in which Person seeks to make Supply
- On validation such person shall be granted an enrolment number on common portal.
- 1 enrolment no. shall be granted in a State/UT
- No supply of goods shall be made before enrolment is granted.

9353619482 | 7483378296

Section 25 : Procedures for Registration

- If Person is required AA, opts for AA & is identified by Common portal based on data analysis & risk parameter : Bio-metric based AA & taking photograph ⊕ verification of original documents uploaded with the application at one of the facilitation centres notified & the application shall be deemed to be complete after completion of the process.
  For May 25 onwards: Rule applicable to all States. For Jan 25 students: Rule applicable only to Andra pradesh, Gujarat & puducherry.
- If Person required AA but doesnot opt AA : Shall be followed by taking photograph ⊕ verification of original documents uploaded with the application at facilitation centres

Any Person

Taxable Person

Became liable for registration u/s 22/24

Section 25

Submission of application

If application submitted within 30 days of becoming liable ? Yes / No

Regⁿ effective : from date of becoming liable (Yes) / date of grant (No)

Registered Person

Rule 10A: Furnish Bank a/c Details within
- 30 days from date of grant/
- before furnishing GSTR 1/Using IFF : Earlier

(1) Person liable – Apply for Registration within 30 days

Proviso:
1. CTP/NRTP apply 5 days prior to commencement of business
2. SEZ unit/developer – Seperate registration

Explⁿ: Supplier (in TWI) → registration in nearest Coastal St/UT

Rule 8: Application → forwarded to PO → **Rule 9: Verification**

Rule 9: Verification — Examine application & accompanying documents

Every person liable u/s 25,
Declare in Part A – GST Reg 01
- PAN → Validation from CBDT database & also be verified through OTP sent to mobile no. & e-mail address linked to PAN.
- State/UT

↓

Post verification: Temporary reference no. generated, use TRN

↓

Submit Part B of Reg 01 – duly Signed/e verified with docs.

Applicant opts for Aadhaar authentication (AA) → Yes / No

Date of Submission of application* : (Yes)
- Date of aadhaar authentication
- 15 days from submission of part B (Reg 01)

whichever is earlier

(No) → Actual date of Submission of Part B of Reg 01

↓

Acknowledgement on reciept of applⁿ – GST Reg 02

C: Clarification
I: Information
D: Documents

- If application in order + Person notified under 25(6D) → within 7 WDs from submission → Approve grant of Registration
- If application in order + Applicant required AA + opts AA → AA Successful → within 7 WDs from submission → Approve grant of Registration
  - Fails to authenticate/doesnot opt AA → Physical verification of PoB & other docs verification as PO may deem fit. → within 30 days of submission of application → Approve grant of Registration
  - a person, undergone AA but is identified by portal based on data analysis & risk parameters for carrying out physical verification (PV)
  - PO, with approval of an officer authorised [≥ Assistant Commissioner] deems it fit to carry out PV of PoB
- If application found deficient + AA required + AA opted + AA Successful → Notice in GST Reg 03 within 7 WDs → Applicant submits CID in GST Reg 04 within 7 WDs
  - → PO satisfied → within 7 WDs → Approve grant of Registration
  - → PO not satisfied/No reply within 7 WDs → PO may record reason & Reject application & inform in GST Reg 05
- If application found deficient + AA required but doesnot opt AA/AA failed/identified by Portal based on risk parameters/PO deems it fit to carry out PV of PoB → PV of PoB & other docs → Notice in GST Reg 03 within 30 days from date of Submission of application → Applicant submits CID in GST Reg 04 within 7 WDs
- If PO fails to take action within →
  - 7 WDs from submission in case of successful Aadhaar Authentication
  - 30 days from date of submission in case of failure/not opting for AA/PV reqd
  - 7 WDs from date of receipt of clarification, information or docs (CID)

  → Application Deemed to have been approved

Rule 10: Issue of RC in Reg 06, showing PPoB, APOBs & shall be made available on Common Portal + GSTIN
Shall be assigned (15 digits)

Rule 18: Display RC in a prominent location PPOB/APOBs, Display GSTIN on the name board exhibited at entry of PPOB/APOBs.

GST no. & RC duly signed/e-verified to be made available within 3 days post expiry of 7 WDs/30 days/7 WDs

Rule 10B: RP other than person under 25(6D), issued a RC shall undergo AA of Proprietor, in case of proprietorship firm, of any partner, in case of a partnership firm, of the Karta, incase of a HUF, of the managing director/any whole time director, in case of a Company, of any of the members, of the managing committee of an Association of person/body of Individuals/a Society, of the Trustee in the Board of Trustees in case of Trust and of the Authorised Signatory for:
(i) for filing application for revocation of cancellation of registration in Form GST Reg 21 (ii) for filing refund application RFD 01 u/r 89, for refund u/r 96
If aadhaar has not been assigned to the person, such person shall furnish Aadhaar Enrolment ID Slip ⊕ Bank Passbook with Photo/Voter ID/Passport/Driving licence
Proviso: Such person shall undergo AA within a period of 30 days of allotment of Aadhaar number. [RRR: Revocation, Refund u/r 89 & 96]

Registration

Section 25 : Procedures for Registration

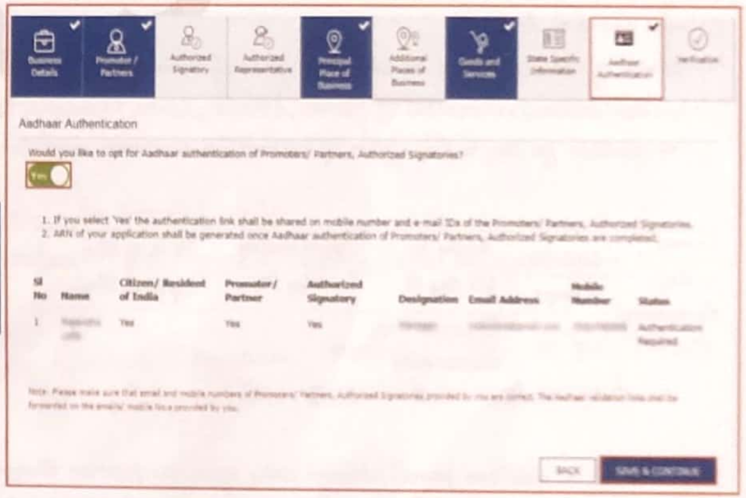
Place of Business

(2) Person having multiple PoB in st/UT : may be granted seperate registration for each such PoB.
Rule 11 : Seperate application in Reg 01 w.r.t. each PoB, rule 9 & 10 shall apply mutatis mutandis.

(3) Person though not liable u/s 22/24, may get voluntarily registered
Effect : All provision of act as applicable to RP, shall apply. Take ITC, charge GST, file Returns, etc.

(4) Person has obtained/required to obtain multiple regn, in one/multiple states – w.r.t. each regn, be treated as Distinct Person.
(5) Person has obtained/required to obtain regn w.r.t. an establishment has an est. in other ST/UT, Such ests shall be treated as est. of Distinct Person.
(6) PAN is mandatory for Registration.

(6A) RP shall undergo authentication/furnish proof of Aadhaar no./ furnish alternate & viable means of identification
(6B) Individual shall undergo authentication/furnish proof of Aadhaar no./ furnish alternate & viable means of identification
(6C) others – all types of Authorised Signatory, managing & Authorised partners, Karta shall undergo authentication from 1.4.20
(6D) (6A) (6B) (6C) NA to such person/class of person/any state/UT as notified.



> Person notified under (6D), i.e. (6A)/(6B)/(6C) of sec 25 shall not apply to a person who is –
> (a) Not a citizen of India or (b) A Dept/establishment of the CG/SG or (c) a local authority or (d) a statutory body or (e) a public sector undertaking or (f) a person applying for regn u/s 25(9) i.e. for Unique Identification number holders.

(7) NRTP : Application : Reg 09 + self attested copy of passport – 5 days prior to commencement of business.
Advance tax to be deposited on basis of TRN, rule 9 & 10 shall apply mutatis mutandis.
Application made by NRTP shall be signed/e-verified by authorised signatory [Resident in India + has PAN]

(8) Person fails to obtain Registration. Po may register him suo-moto. (on his own)

(9) Specialised agency of United Nations Organisation/any multilateral financial institution, organisation notified under UN act, Consolate, embassy of foreign countries & any other person/class of persons notified by the commissioner, shall be granted Unique Identification number (UIN) for purposes incl. refund of taxes on notified supplies of G/S/B.
Application : Reg 13, Post verification Po may assign UIN within 3 WDS. UIN applicable to the territory of India.

Section 26 : Deemed Registration

RC/UIN granted/rejected under SGST/UTGST act, Deemed grant/rejected under CGST act.

9353619482 | 7483378296

Registration

Section 27: Special provisions for CTP/NRTP

Rc valid: For period Specified/90 days: whichever is earlie

Apply for Registration — 5 days Prior — Commencement of business — 90 days — 90 days — Circular

CTP: Reg 01 NRTP: Reg 09 + Passport
⊕ Pay net estimated Tax liability in Advance
Credited to "E Cash ledger"
→ Verification by Po → Grant of RC (Reg 06)

Note: Make TS only after issuance of RC

Extension before original expires → Rule 15: Extension
Appⁿ: Reg 11 ⊕ Additional net estimated tax liability in advance

Further Extension beyond 180 days not possible
• Take normal Regⁿ • No advance tax
• Surrender regⁿ while exhibition is over

Section 28: Amendment of Registration

Core field amendment
(i) Legal name of business
(ii) Address of Principal place or additional place of business. (PPOB/APOB)
(iii) Addition/deletion/retirement of partner, director, Karta, Managing Committee, Board of Trustees, Ceo – responsible for day to day affairs of business, which doesnot need Cancellation

Other changes (non Core fields)
Apply in GST Reg 14
Upon Submission RC Stands amended

Change in Constitution resulting in PAN change
Apply for fresh Regⁿ (in GST Reg 01)

Change in Regⁿ Particulars/UIN → within 15 days → Apply in GST Reg 14 ⊕ Supporting documents → verification by Po → Po is of the Opinion that →
- Amendment warranted ⊕ Docs complete & Correct → Approve amendment within 15 WDS → Issue order GST Reg 15
- Amendment not warranted/ Docs incomplete/incorrect → Serve SCN (Reg 03) within 15 WDs To Showcause within 7 WDs why appⁿ Shall not be rejected →
  - RP replies (Reg 04) & reply satisfactory → Approve* Amendment → Issue order GST Reg 15
  - Reply not Satisfactory/ no reply → Reject application* & Pass order in Reg 05

* 7 WDs

Note: Change in mobile no./email address only after Verification through OTP
No action by Po with 15 WDS/7 WDS, Rc shall stand amended & amended RC to be made available to RP.

Note: Amendment marked in green is not applicable to Jan 25 exam

Rule 21A: Suspension of Registration

(1) RP has applied for Cancellation, pending cancellation, registration shall be deemed to be suspended from date of submission of application/date from which cancellation is sought (whichever is later)
(2) If Po has reason to believe that registration is liable to be cancelled, he may suspend regⁿ w.e.f. date to be determined by him, pending completion of cancellation proceedings.
(2A) Where, (a) a comparison of returns furnished by RP u/s 39 with the details of outward supplies furnished in GSTR 1/IA or the details of inward supplies derived based on Supplier's GSTR 1/IA or such other analysis carried out on recommendation of the council, Shows that there are significant differences/anomalies indicating contravention of act/rules leading to cancellation of Regⁿ,
(b) there is a Contravention of the provisions of rule 10A by the RP. Regⁿ shall be Suspended → issue Reg 31 highlighting differences → RP to reply within 30 days as to why registration shall not be cancelled
(3) RP – Regⁿ Suspended Under Sub-rule (1)/(2)/(2A): Shall not furnish return u/s 39 & make taxable Supply Supply → Means he shall not issue TI & not charge tax on Supplies made during suspension.

OS - Outward Supply

Section 29: Cancellation/Suspension of Registration r/w rule no. 20, 21, 22

29(1): PO may Suomoto/on appn by RP/Legal heirs cancel where:
(a) Business discontinued/transferred fully (death/disposed of/ demerger/amalgamation)
(b) change in Constitution of business
(c) TP no longer liable u/s 22/24/ intends to opt out of VR u/s 25(3) → Voluntary Registration

29(2): PO may cancel regn where:
(a) RP has Contravened such provisions of act/rules

Rule 21: • No business from declared PoB • Issue Invoice/bill without supply of g/s/b violating provision of act/rules.
• violates provisions of sec 171 of the act/rules made thereunder
• violates provision of rule 10A (bank a/c details)
• avails ITC in violation of sec 16 of act/rules made thereunder
• furnishes details of OS in GSTR1/IA > OS declared in VR u/s 39 (GSTR 3B) → Valid Return
• Violates provisions of rule 86B.
• Violates the provisions of third & fourth proviso to rule 23(1)
• being a RP required to file return u/s 39(1) for each month or part thereof, not furnished for continious period of 6m.
• being a RP required to file return u/s 39(1) for each quarter or part thereof, not furnished for continious 2 tax periods.

Event — 30 days — In GST Reg 16 : including → Details of Inputs in Stk/SFGs/FGs & CGs; → On the date from which cancellation is sought; → Liability + Payment details + Supporting docs

Application for Cancellation

RP/Legal heirs — Seeking Cancellation — Within 30 days — Cancellation Order (after OBH) (in Reg 19), directing RP to pay TIP + amt liable u/s 29(5) (Tax interest Penalty) — Within 3 months — File GSTR 10 : Final Return after payment of dues

Note: PO shall Cancel the registration w.e.f. a date determined by him.

Cancellation by → PO (suomoto) — Cancellation Proceedings

Issue SCN (in GST Reg 17) — within 7 working days — Date decided — RP to Reply (in GST Reg 18) — Within 30 days — Within 3 months

→ Reply → Not Satisfactory; → Satisfactory → PO shall drop proceedings and Pass order in GST Reg 20
or
→ Furnishes Returns ⊕ Pays all dues (TIF) [in case of Sec 29(2), clause (b)/(c)] — Tax, Interest & Late fees

Demand recovery

Note: Amendments in rule 21 marked in green are not applicable to Jan. 25 exams.

(b) Composition Supplier has not furnished return for a FY beyond 3 months from due date of furnishing the said return.
(c) RP other than Composition supplier has not furnished returns for such continious tax period as may be prescribed. Rule (21)
(d) Voluntary RP has not Commenced business within 6 months from the date of registration.
(e) Registration has been obtained by fraud/wilful misstatement/Supression of facts.

Once cancellation order is revoked. Pending returns should be filled within 30 days, if not registration shall be Cancelled

29(3): Cancellation not to affect liability to Pay tax + dues, whether/not determined before/after Cancellation.

29(4): Cancellation under SGST act, deemed cancellation under CGST.

Section 30: Revocation of Cancellation r/w rule 23

Regn Cancelled By PO (suomoto) — within 90 days or Extended time period — Appn Reg 21
→ PO satisfied → revoke Cancellation → issue order in Reg 22
→ PO not Satisfied → Issue SCN (in Reg 23) — within 7 WDs → RP to reply in Reg 24 (furnish CID) — within 30 days
→ PO satisfied → revoke Cancellation → issue order in Reg 22
→ PO not Satisfied → Reject application → Pass order in Reg 05

Subject to Rule 10B

Extension: By Commissioner/Officer authorised: for a further Period not exceeding 180 days.

Proviso: If Registration Cancelled due to non-filing of return: before applying, file return pay TIPL (Tax, interest, penalty, late fee)

9353619482 | 7483378296

29(2) - CA Final

Exemptions from GST

→ Goods – NA for CA exams.
→ Services – Applicable

Section 11 of CGST act : Power to exempt

Sec 11(1) : General exemption
→ Govt. in public interest On RC
→ By notification – exempt generally
→ either absolutely/conditionally
→ from whole/part of GST
→ w.e.f date specified in notification

Notification no: 12/2017 – CT(R)

Sec 11(2): Special exemption
→ G – RC, by notification
→ By special order in each case
→ under exceptional circumstances
→ exempt g/s/b from GST

Sec 11(3): Govt may if it considers expedient : insert explanation
→ in notification/order (n/o)
→ within 1yr of issue of n/o
→ Such explanation shall have retrospective effect.

Charitable & Religious activities

Entity Registered Under 12AA/12AB of Income Tax act

→ Exempt also if service provided by
- Trust/institution under 10(23C)(v) of IT act/
- A body/an authority under 10(23BBA) of IT act.

Charitable activities relating to:

Public heath by way of:
Care/Counselling of : terminally ill/Severly physical/mental disabled
HIV/AIDs infected/drugs/Alcohol addicts

Public awarenes of : Preventive health, Family Planning, Prevention of HIV Infection.

Advancement of : Religion, Spirituality & Yoga.

Advancement of : Educational programmes/skill development relating to
(a) Abandoned/orphaned/homeless children.
(b) Physically/mentally abused/traumatized persons
(c) Prisioners
(d) Persons > 65 years – residing in rural area.

Preservation of : Environment, watersheds, Forests, wild life.

Running old age home
- for Residents ≥ 60 yrs
- Consideration upto 25,000 per month per member (boarding, lodging & Maintainence)

Note:
old age home run by CG/SG also exempt (upto 25000 per month, per member)

(b) Renting of Precints of
→ A Religious place
→ Meant for general public

If:
Room rent upto 999 per day
Premises/km upto 9999 per day
Shops – upto 9999 per month

Note: Always 999/9999 is exempt
(but in exam write its exempt when amt is below Rs 1,000/10,00

(a) Conduct of any religious ceremony: exempt
(By any person not necessarily Charitable entity)

(b) Training/Coaching in sp

(a) Training/Coaching in recreational activities relating to arts/culture an Individual is exem

Circular: GST on Residential programmes/camps
→ If Primary & predominant objective & purpose is advancement of Religion, Spirituality, Yoga → exempt.
→ If charitable/religious trust merely provides accomodation/serves food & drinks against Consideration in any form including donation – Such activity will be taxable.
→ Activities such as holding fitness camps/classes, aerobics, dance, music, etc. – will be taxable

Services by Rehabilitation Professionals
by way of Rehabilitation/therapy/Counselling at
→ medical establishments → Educational institutions
→ Rehabilitation centres established by CG/SG/UT/LA
→ an entity reg. under 12AA/12AB of IT act 1961

Religious Pilgrimage Services by
KMVNL → Kailash mansarovar Yatra
& HAJ Committee

KMVNL : Kumaon Mandal Vikas Nigam Limited

Government related Services

- Services provided to Govt. authority by way of (a) water Supply (b) Public health (c) Sanitation Conservancy (d) Solid waste management (e) Slum improvement & upgradation → Govt. Authority
- Pure services/Composite supply of goods & service in which the value of goods constitute upto 25%, by way of any activity in relation to any function entrusted to a panchayat under article 243G/municipality under 243W → to CG/SG/LA/UT (Exempt)

Govt. Entity $\xrightarrow{to}$ CG/SG/LA/UT → for consideration in form of grants → Exempt

Govt. Authority → Services by way of any activity under 243G/W → Exempt

CG/SG/LA/UT $\xrightarrow{to}$ CG/SG/LA/UT → Exempt (entry no. 8)

Not applicable: In case of PAIT → Indian Railways

CG/SG/LA/UT:

- Services by Dept of Post
  - Post Card, Inland letter, Book post & Ordinary post (envelopes weighing less than 10 grams) → Exempt
  - Other Services: Speed post, Agency Services, life insurance, express, parcel, etc. → GST (FCM)
- Services in relation to
  - an aircraft/vessel
  - inside/outside
  - an airport/a port

  → GST (FCM)
- Ministry of Railways (Indian Railways) → GST (FCM) → New exemptions (NA for Jan 25 exams)
- Renting of Immovable Property
  - RP – RCM
  - URP – FCM

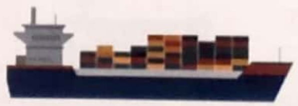
  [Exempt upto Rs. 5000 p.a]
- Transport Services (goods/passengers) → GST (FCM)
- All other Services (other than PAIT) Provided to
  - Business entity (TT) → GST (RCM) → Exemption → Services to entity with
    - ATO in PFY ≤ Regn limit → Exempt
    - ATO in PFY > Regn limit → check Consideration
      - ≤ 5000 → Exempt
      - > 5000 → RCM
  - Non Bus. entity (General public) → Exempt

New exemptions:

- Services by Ministry of Railways to individuals by way of Sale of Platform tickets, facility of retiring/waiting rooms, cloak room Services, battery operated Car Services.
- Services by One zone/division under Ministry of Railways to another zone/division(s) under Ministry of Railways.
- Services by Special purpose vehicle to Ministry of Railways by allowing MoR to use the infrastructure built & owned by them during the concession period against Consideration & Services of maintenance supplied by MOR to SPVs in relation to the said infrastructure built & owned by SPVs during the concession period.

Services by way of:

- Guaranteeing Loans of their Undertakings/Public sector undertakings (PSUs) from banking co./financial institutions. [applicable for CG/SG/UT only]
- Providing registration required under Law, testing, calibration, safety check, certification relating to protection of workers, Consumers/public at large including fire license, required under law.
- Services by way of issuance of: Passport/visa/Driving license/Birth/death Certificate
- Services by way of deputing officers after office hours/on holidays for inspection/container stuffing/such other duties in relation to import export Cargo on payment of Merchant overtime fees.



- Tolerating non performance of Contract against fines/liquidated damage.
- Assignment of Rights to use natural resource to individual farmer for cultivation of plant & rearing all life forms of animals (except horses)

Other Miscellaneous exemptions

- Services provided by fair price shops to CG/SG/UT under Public distribution System.
- Training programme for which 75% or more expenditure is borne by government.
- Insurance scheme – premium paid by govt.

Circulars:
- Real estate regulatory Authority (RERA) is a governmental authority & the statutory collections made by them are exempt from GST (NA for Jan 25 exams)
- Accomodation services provided by Air force/Army/Navy/Paramilitary/Police force mess to personnel/any person other than business entity: Exempt.

Transportation Services

Airline —Transportation services→ CG
Regional Connectivity Scheme (RCS)
Viability Gap funding (Exempt) for 3 yrs

Passengers (with/ without accompanied belongings by)

Air
[in economy class]

Embarking from/ Terminating in
- Bagdogra [West Bengal]
- Arunachal pradesh
- Tripura
- Manipur
- Meghalaya
- Mizoram
- Assam
- Nagaland
- Sikkim

→ Exempt

Road

Contract Carriage ✯
- → Non A/c - $\boxed{E}$
- → A/c - T
- → Radio taxi - T
- → tourism - T
- → Conducted tour - T
- → charter or hire - T

Stage Carriage ✯
- → Non A/c - $\boxed{E}$
- → A/c - T

Metered Cabs
Autorickshaws
E-rickshaws
$\boxed{\text{Exempt}}$ ✯

✯ Exemption not applicable: if Service Supplied through ECO u/s 9(5).

Rail

Metro
Monorail
Tramway
→ Exempt

Railways
- → Non A/c - E
- → FC/A/c - T

Water

Vessel (sea)
- Public transport: E (in India)
- Tourism: T
- Transp^{n}: T
- O/s India

Inland Waterways
→ Exempt

Goods

Entry 61A: Granting National permit to Goods carriage to operate throughout India/ Contigious states

Services associated with transit Cargo to Nepal & Bhutan

Road

Others
- Individual truck
- tempo operators
- Cart, Bullock cart

→ Exempt

Courier (door-door)
→ Taxable

GTA: Taxable
- RP(GST): TDS deductor: Exempt
  Others: Taxable
- URP(GST): FBSCOOP (R/UR + LLP + AOP): Taxable
  other URP/Unreg CTP: Exempt
- Specified Goods: RANDOM: Exempt

- Relief materials
- Agricultural produce
- Newspaper & Megazines (registered)
- Defence/ military equipments
- Organic manure
- Milk, Salt, foodgrains, flour, pulses, rice

Rail

Taxable
Exempt: RANDOM

Water

Inland Waterways
→ Exempt

Vessel
- International Transportation
  - from outside to custom station (India) → Taxable
  - from India to outside India → Taxable
- Coastal transport (within India)
  - Taxable
  - Exempt: RANDOM

Air

International
- from outside to India → Exempt
- from India to outside → Taxable

Domestic
→ Taxable

Circular:

- Renting of trucks & other vehicle with driver for a period is services of renting of transport vehicle with operator & not service of transportation of goods by road.
- Private ferry ticket for transportation of passenger is exempt, whether ferry is owned & operated by private sector enterprise/ PSU/ government.
- Hiring of non a/c Contract Carriage by firm for transportation of employees: T

Entry 22: Giving on hire (renting):
- to STU a MV to Carry > 12 passengers,
- to Local authority a EV to Carry > 12 passengers
- to GTA means of transportation of goods.

Entry 19C: Satellite launch Services: Exempt.

Admission

Services by way of ADMISSION TO (Entry ticket only)

Services provided To —Exempt→ **FIFA & AFC & its subsidiaries** —Exempt→ Services provided By

- **(79)**
  - Museum
  - National park
  - Wildlife Sanctuary
  - Tiger reserve
  - Zoo

  No value limit

  Any amount – Exempt

- **(79A)** Protected monuments
  - → Declared so under Arch. sites & remains act/ State act
  - Example: Taj Mahal
  - No value limit
  - Any amount – Exempt

- **(82)** FIFA U-17 World Cup 2017
  - No value limit

- **(82A)** FIFA U-17 Women World Cup 20 whenever rescheduled.
  - No value limit

- **(82B)** Asian football Confederation women's Asia cup 2022.
  - No value limit

- **(81)**
  - (a) Circus, Dance
    - Theatrical performance incl. Drama/ballet
  - (b) Award function
    - Concert
    - Pageant
    - Musical performance
    - Any sporting Event (other than RSE)
  - (c) Recognised Sporting event
  - (d) Planetarium

Exempt only if : Consideration upto 500 per person

Notes:

1. Any water park, amusement park – fully taxable
2. Film city, Snow city, theme parks – fully taxable
3. Cinema hall fully taxable

Entry No: 78: Services by an Artist by way of –

- → Performance in folk or classical art forms (Music / Dance/ theatre) → Exempt if consideration upto 1.5L
  - Bharatanatyam (TN)
  - Kathak (UP)
  - Bhangra
  - Rajasthani
  - Note: Performance in bollywood Songs – taxable
- → Brand ambassador – taxable

All agriculture related exemptions

Entry no. 54
Services

(b) Supply of farm labour

(d) Renting of:
Agro Machine/
Vacant Land
(with/without incidental structures)

Relating to: Cultivation of plant & Rearing of all life forms of Animals (except horses)

For: Food, fibre, fuel, raw material or other Similar products/agricultural produce

by way of: (a) Agricultural operations directly related to production of agricultural produce including cultivation, harvesting, threshing, plant protection/testing.

(c) Process at agricultural farm
Husking, dehusking
tending, Pruning, Cutting,
drying, cleaning, fumigating
curing, Sorting, grading
cooling bulk packing, etc
↓
Do not change the essential characteristics but make it marketable for the primary market

No ITC
Hence Exempted

Generally
No output tax

• Fumigation: Not exempt.
(in warehouse)

Warehousing
• Warehousing of agri produce/rice
• Warehousing of Minor forest produce tamarind. Curry leaf, Tendu patta, Bamboo, honey, etc.
• Warehousing of Cereals, pulses, fruits, vegetables.

Circular: Miling of paddy into Rice
→ is not intermediate process
> hence not exempt.

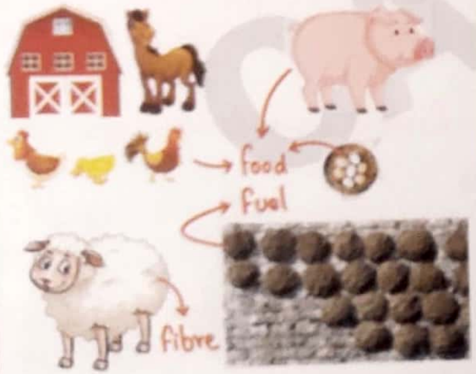
Transportation
Agri produce
By GTA/...

(g) Services by any Agricultural produce Marketing Board/ Comission agent (APMC)
↓
Services for Purchase/ sale of agri-produce

(e) Loading, Unloading, Packing, Storage of agri produce/rice

(f) Agricultural Extension services
(provide new knowledge/training for agricultural practice to farmers)

Entry no. 55:
Carrying out an intermediate process as jobwork - in relation to cultivation of plant & rearing of all life forms of animals (except horses) → Exempt



Agri-Produce	Not Agri-Produce
Apple	Appy Juice
Potato	Potato chips
Tomato	Ketchup
Coffee beans	Processed Coffee beans/powder
Paddy	Rice
Tea leaves	Tea
Sugar cane	Jaggery
whole pulses	Dehusked pulses
	processed Spices
	processed Dry fruits
	Buiscuits

55A: Services by way of artificial insemination of livestock (horses)

57: Services by way of pre-cooling, ripening, waxing, retail-packing, labelling of fruits & veg. which donot alter essential characteristics

58: Services by National Centre for Cold chain development [NCCD] (Ministry of Agriculture) - by way of cold chain knowledge dissemination

10A: Services Supplied by Electricity distribution Utilities By way of → Construction → erection → Commissioning → Installation of infrastructure for extending electricity distribution network up to The tubewell of the farmers or agriculturist for agricultural use

Example: Cultivation & Rearing of life form of animals
• Breeding of fish • Rearing of silk worms • Floriculture • Horticulture • Forestry

HealthCare Services

Services by way of

(a) healthcare Services by 

Clinical establishment
Hospital, Nursing home, Clinic, Sanatorium or any Other institution that offers DTC for PAIID in AYUSHAN or a place to carry out diagonistic or investigation Services.

Authorized Medical Practitioner
Individual doctors registered with Councils

Para-medics
Trained healthcare professionals.
Example: nursing staff, physiotherapists, technicians, etc.

(b) Transportation of patient in ambulance (other than by those in (a))

Services by veterinary clinic in relation to healthcare of Animals/birds

Note:
- Cord blood bank Services: GST payable.
- Services by way of bio-medical waste treatment/disposal: GST payable.

Proviso: Clinical establishment providing rooms, having room charges > 5,000 per day per person: Now taxable.
Intensive Care Unit (ICU), Intensive Cardiac Care Unit (ICCU), Neo natal Intensive Care Unit (NICU) charges: any amount: Exempt.

HealthCare Services

means
Any service by way of • Diagnosis, treatment / care (DTC) for
• Pregnancy, Abnormality, illness, injury, deformity (PAI²D)
• in recognised System of medicines in India (AYUSHAN)
→ Yoga, Allopathy, Homeopathy, Ayurveda, Naturopathy, Siddha, Unani
Note: Acupuncture, Chinese medicine, Reiki – Unrecognised: hence GST payable.

Includes
Services by way of transportation of Patient to and fro clinical establishment

Does not Include
→ hair transplant or Cosmetic/plastic Surgery
- Beautification → Not healthcare
- Restore/Restructure (due to defect/injury) → healthcare

Circulars:
1. Room rent charged to in-patients: Exempt upto Rs. 5,000 per day per person.
2. Doctor/consultants are hired by hospital, and hospitals pay them: Exempt
3. Retention money charged from patient is covered in health Care: Exempt
4. Food to in-patient, is composite supply, bundled with healthcare: Exempt
5. Food to outpatient, attendant, visitors: GST payable
6. Ambulance services by private Service providers under National health mission: Exempt
7. Clinical establishment giving Shops/auditoriums on rent/displays of advertisements – taxable
8. Services by way of In virto fertilization (IVF) are also Covered under healthcare, hence exempt.

Legal Services

- **Arbitral tribunal**
  - Person other than BE → Exempt
  - BE with ATO in PFY ≤ Reg. limit → Exempt
  - BE with (ATO > Reg. limit in PFY) → RCM
  - CG/SG/UT/LA/GA/GE → Exempt
- • **Firm of Advocates / • Individual as an advocate (excl. Senior advocate)**
  - • An Advocate (Junior/Senior) • Firm of Advocate → Exempt
  - Person other than BE (Non B/E) → Exempt
  - BE with ATO in PFY ≤ Reg. limit → Exempt
  - BE with (ATO > Reg. limit in PFY) → RCM
  - CG/SG/UT/LA/GA/GE → Exempt
- **Senior Advocate**
  - Person other than BE → Exempt
  - BE with ATO in PFY ≤ Reg. limit → Exempt
  - BE with (ATO > Reg. limit in PFY) → RCM
  - CG/SG/UT/LA/GA/GE → Exempt

Crux:
- Arbitral Tribunal
- Advocate / firm of advocate
- Senior advocate

} Business entity ⊕ ATO > Registration limit in PFY } RCM

RCM is applicable on Legal Services.

Legal service means any Service provided:
- in relation to Advice/Consultancy/Assistance in any branch of law & • Includes Representational services before Court/tribunal/authority.

Definitions:

Governmental Authority	Governmental Entity
Governmental Authority means an authority/a board/any other body – Set up by an act of Parliament/a state legislature/established by govt – with 90%/more participation by way of equity/control, – to carry out any function entrusted to a municipality under 243W or to a panchayat under 243G of the Constitution.	Governmental Entity means an authority/a board/any other body – Set up by an act of Parliament/a state legislature/established by govt – with 90%/more participation by way of equity/control, – to carry out any function entrusted by CG/SG/UT/LA.

Local Authority (LA) – Panchayat – Municipality – Municipal Committee, a zilla parishad, a district board – a cantonment board – a regional / a district Council – a development board

Education & Skill

Entry no. 22: Giving on hire MV for transportation of student faculty & staff to a person providing service of transportation of SFS to a EI upto 12th.

(i) Transportation of student faculty & staff
(ii) Catering incl. mid day meal by govt.
(iii) Security, cleaning, housekeeping
(Performed in such institution i.e. within Campus)
(iv) Admission/conduct of exam related services
(v) ~~Online educational Journals/Periodicals~~

Ⓔ To

Educational Institution means an institution providing services by way of:

(i) Pre-school & upto 12th/equivalent

(i) ~~Transportation~~
(ii) ~~Catering~~
(iii) ~~Security, cleaning, housekeeping~~
(iv) Admission/conduct of exam
(v) Online educational Journals/Periodicals

Ⓔ To

(ii) Education as part of a curriculum for obtaining qualification recognised by law

(i) ~~Transportation~~
(ii) ~~Catering~~
(iii) ~~Security, cleaning, housekeeping~~
(iv) Admission/conduct of exam
(v) ~~Online educational Journals/Periodicals~~

Ⓔ To

(iii) Education as a part of an Approved vocational education course

By Ⓔ
By Ⓔ
By Ⓔ

Services
(a) to Student faculty Staff [SFS]
(aa) by way conduct of entrance examination against entrance fees

Circulars

- Maritime training institutions are educational institutions & courses conducted by them are Exempt.
- Supply of food & beverages by EI itself to SFS is exempt, but if supplied by any other person based on a contractual agreement with EI: GST payable
- Entrance test fees, fees for issuance of eligibility/migration certificate: Exempt
- Anganwadis provide pre school non formal education, hence serving of foods to them: exempt, whether it is sponsored by govt. or donation from companies.
- IIMs are Educational institutions. All long duration courses conferring degree/diploma: Exempt, but short duration programs like executive development programs: GST

Explanation: Central & State educational boards shall be treated as educational institution for the limited purpose of providing services by way of conduct of examination.

Cir:
- Services provided by board by way of conduct of exam against fees: Exempt
- Input services relating to admission to/conduct of examination, such as result publication, printing of admit card & question papers, etc. received by boards: Exempt
- Other services by boards like providing accreditation to an institution: GST payable.

Clarified: Any authority, board/body set up by the CG/SG including National testing agency for conduct of entrance examination for admission to educational institutions: Shall be treated as educational institution for the limited purpose of providing services by way of conduct of entrance examination for admission to educational institutions.

Skill related Exemptions

Entry no. 69: Services provided by the National Skill development Corporation, a sector skill council approved by NSDC, a assessment agency (approved by NSDC/SSC), a training partner approved by NSDC/SSC.

Entry no. 70: Services by assessing bodies empanelled by Directorate General of training by way of assessment under the skill development initiative scheme.

Entry no. 71: Services by training providers under Deen Dayal Upadhyaya Grameen Kushalya Yojana by way of offering skill/vocational training courses.

Approved vocational education course means,
(i) a course run by an Industrial training institute/Industrial training centre affiliated to the National/State Council for vocational training offering courses in designated trades.
(ii) A modular employable skill course approved by NCVT run by a person registered with the directorate general of training, Ministry of Skill development & Entrepreneurship.

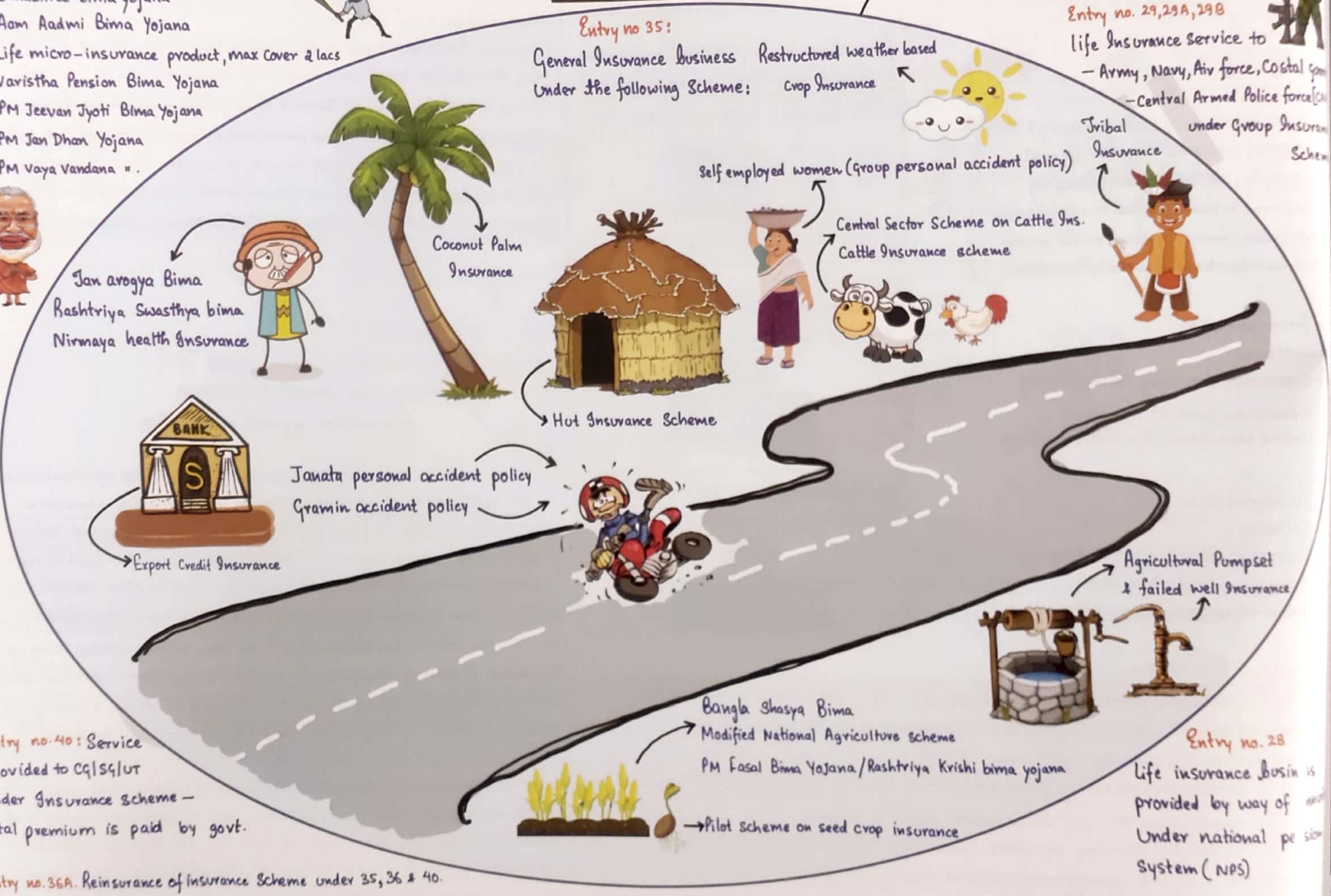
Insurance

Entry no:36: Life Insurance Business under:

→ Janashree bima yojana
→ Aam Aadmi Bima Yojana
→ Life micro-insurance product, max cover 2 lacs
→ Varistha Pension Bima Yojana
→ PM Jeevan Jyoti Bima Yojana
→ PM Jan Dhan Yojana
→ PM vaya vandana " .

Universal health Insurance
PM Suraksha bima yojana

Entry no. 29, 29A, 29B
life Insurance service to
– Army, Navy, Air force, Costal gua[rd]
– Central Armed Police force[s]
under Group Insuran[ce]
Schem[e]



Entry no. 40: Service provided to CG/SG/UT under Insurance scheme – total premium is paid by govt.

Entry no. 28
Life insurance busin[ess] is provided by way of ... Under national pe[n]sion System (NPS)

Entry no. 36A. Reinsurance of insurance Scheme under 35, 36 & 40.

Other Exemptions

- **Services by way of transfer of a going concern,** as a whole/an independent part.
- **Entry 12: Renting of Residential house** for residential purpose **except where the residential dwelling is rented to a RP. Exemption coveres** services by way of renting of residential dwelling to a RP where **(i)** the RP is proprietor & rents the residential dwelling in his personal capacity for use as his own residence; & **(ii)** such renting is on his own account & not that of the proprietorship concern.
  Explanation: Entry not applicable to - (a) accommodation services for students in student residences; (b) accommodation services provided by Hostels, Camps, Paying Guest accommodations and the like.
- **12A:** Supply of accommodation services having value of supply ≤ Rs. 20,000 per person per month provided that the accommodation service is supplied for a minimum continuous period of 90 days. [Amendment in 12 & 12A are not applicable to Jan 25]
- Services by Coal Mines Provident Fund Organisation, Employees State Insurance Corporation, Employees Provident Fund Organisation.
- Services by way of access to a road or a bridge on payment of **toll.**
  Circular: Higher toll charges for vehicles not having fastag: Exempt
- **Transmission/distribution of electricity** by a transmission/distribution utility.
  Circular: Meter rental & shifting charges, application & testing fees: Taxable
- **Interest on Loans & Advances & forex conversion between bank to bank, dealer to bank etc. Other than** interest involved in credit card services.
- Services to savings bank account holders under Pradhan Mantri Jan Dhan Yojana.
- **Bank charges on Cr/Dr CARD – Exempt upto Rs 2,000** per transaction.
  Circular: Incentives paid by MeitY to acquiring banks for promotion of RuPay Debit Cards & low value BHIM-UPI are subsidy & thus not taxable
- Services by way of collection of contribution under **the Atal Pension Yojana/ any pension scheme of state governments.**
- **Services by business facilitator/correspondent** to a banking /Insurance co. w.r.t. to its rural area branch or **intermediary** to **business facilitator/correspondent.**
- Services provided by an **Incubatee** within the premises of a Technology business Incubator (TBI)/ Science & Technology Entrepreneurship Park (STEP) upto a turnover of Rs 50 lacs in FY, provided PFY total TO ≤ Rs 50 lakh & 3 years has not elapsed.
- **Incubator- taxable services** provided by a TBI/a recognised STEP/Bio incubator.
- **Services by way of collecting/providing news** by an independent journalist, Press trust of India, United News of India.
- **Services by an organiser** to any person for a business exhibition held outside India.
- **Services by way of sponsorship of sporting events** organised by a national sports federation, Indian Universities, inter university sports board.
- **Services by a foreign diplomatic mission** located in India. Services **to a foreign diplomatic mission**: Taxable
- Services of providing information under **Right to Information Act, 2005**
- **Services provided to a recognised sports body** by - player, referee, umpire, coach or team manager & by another recognised sports body. (Selector, commentator service, etc. - taxable).
- **Service by a non-profit entity registered to its own members** by way of reimbursement of charges/share of contribution (a) As a trade Union (b) For carrying out any activity which is exempt (c) upto 7,500 per month, **per member for sourcing of g/s from a 3rd person for the common use of its members in a housing society**

GST on monthly subscription charged by resident walfare association (RWA)

1. RWA required to pay GST, only if such subscription > Rs. 7,500/- per month per member & ATO of RWA ≥ Rs. 20 lakhs. (M^2NT – 10 lakhs).
2. RWAs are entitled to take ITC of GST paid on Capital goods, goods & services.
3. Ceiling of 7,500 (per month per member) shall be applied separately for each residential apartment.
4. If amount exceeds Rs. 7,500, GST shall be payable on the entire amount.

- **Services by Non-profit entity,** engaged in activities for welfare of Industrial/Agri labour/farmer/promotion of trade, commerce, industry, agriculture, art, science, literature, culture, sports, education, social welfare, charitable activities & protection of environment, to its own members against membership fee upto 1,000 p.a per mem
- **Services provided by way of 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/enhancement under the Housing for All (Urban) Mission or Pradhan Mantri Awas Yojana.
- **Services by way of pure labour contracts** of construction, erection, commissioning, or installation of original works pertaining to a single residential unit.
- Services of public conveniences (like washrooms, urinal/toilets) & Public libraries.
- **Tour operator service,** performed partly in & partly outside India, supplied by a tour operator to a foreign tourist, to the extent of the service performed outside India.
- **Circular:** GST is applicable on payment of honorarium to the Guest Anchors, whose aggregate turnover in a financial year exceeds Rs. 20/10 lakhs [M^2NT].

VALUE OF SUPPLY

GST = VALUE × ROT

VALUE ↓ Ascertainable

Yes

15(1) : Value of Supplies = Transaction value

Price actually paid/payable (PP)

⊕ Parties unrelated

⊕ Price - Sole Consideration

15(2) : Inclusions in value of supply

(a) Duties, Taxes, cesses, fees Other than GST → Charged Seperately

Cir: TCS under IT Act not to be included in vos (its an interim levy & doesnot have character of tax)

(b) Any Obligation of Supplier met by Recipient (not included in price paid/payable)

(c) Incidental expenses charged by Supplier - incl. Selling Commission & Packing

⊕ Any amount charged for anything done by Supplier w.r.t. the supply at the time of / before the delivery of goods/supply of services.

(d) Interest, penalty, late fee (I.P.L) for delayed payment

(e) Subsidies linked to Price (Excluding Central/State government subsidies).

15(3) : DISCOUNT

(a) Given before/ at Tos (recorded in the invoice)

↓

Donot include in VOS

- Any discount by whatever name cash/trade discount

(b) After Supply (year end/ To based discount)

↓

Prior agreement for such discount exist

(+) discount can be Specifically linked to Invoice

(+) Attributable ITC has been reversed by recipient (on basis of credit note)

↓

Discount to be excluded from vos

Otherwise

↓

Not to be Excluded

Notes:

- Refundable deposits donot Constitute Consideration, hence donot include in vos.
- FOR: freight on road means transportation is the responsibility of the Supplier.
- I.P.L. assume inclusive of GST & hence back Calⁿ to be done = $\frac{\text{Amount}}{(100 + \text{RoT})} \times 100$
- If rate of tax is not given, take complete IPL amount in vos calculation.

NO :

15(4): Value cannot be determined u/ss(1)

apply Valuation rules (Discussed at ca final level)

Circulars:

- Staggered discount (Buy more, save more offers)
  Generally shown in the invoice, to be excluded
- Periodic/ year end discounts/volume discounts
  Generally not shown on invoice since given at year end
  Such discounts are excluded from vos
  subject to fulfillment of Conditions u/s 15(3)(b).
- Secondary discounts (Not Known at the time of Supply)
  In this scenario commercial credit note can be issued, Such discounts shallnot be excluded from vos since not Known at Tos & 15(3)(b) Condition not Satisfied.

GST on delayed payment charges incase of late payment of EMI

- If seller gives EMI himself: Additional/penal interest will form part of vos u/s 15(2)(d)
- If third party (finance co) gives loan (i.e. EMI): Such penal interest is exempt from GST.

Scope & ambit of principal agent relationship in content of del-credere agent.

Delcredere agent: An agent who guarantees payment to Supplier where buyer fails to pay. Inorder to guarantee timely payment DCA resort to paying supplier himself & later recovering from buyer with Interest

- If DCA falls under Sch I para 3: Temporary loan no longer retain its character of independant Suppl[y] & is subsumed in the supply of goods by DCA to recipient. Interest charged to be included in vos
- If DCA doesnot falls under Sch I para 3: Temporary loan to recipient is independent transaction, not to be included in VOS.

Taxability of No claim bonus offered by Insurance Companies

- No claim bonus cannot be considered as a consideration for supply provided by insured to the insurance company in the form of agreeing to the obligation to refrain from the act of lodging insurance claim during the previous year(s).
- No claim bonus is a permissible deduction u/s 15(3)(a) for the purpose of calculation of vos of the insurance services. GST leviable on actual premium payable by policy holder after deduction of No claim bonus.

Tax Invoice | Credit Note & Debit note

31(1): TI in case of goods

- Supply involves Movement of Goods → Before/at the time of Removal
- Other cases → Before/at the time of Delivery/making available

Showing – DQVTS (Rule 46)

Invoice – Triplicate

• Recipient • Transporter • Supplier

31(2): TI in case of services

Before/after Provision of Service but within 30/45 days"

D~~Q~~VTS (Rule 46)

Duplicate

• Recipient • Supplier

Rule 47: Proviso: (applicable for sec 31(2))

45 Days – Banking/Insurer/FI incl. NBFC [NBFI]

NBFI ⊕ telcom operator making taxable SoS to distinct person: Issue Invoice ∘ Before/at the time Supplier records in bks of a/cs/ ∘ Before the expiry of the Quarter in which Supplies made.

HSN CODE:

∘ RP with ATO Upto 5cr (in PFY): B2B Supplies: 4 digits, B2C: optional

∘ RP with ATO > 5 cr (in PFY): 6 digits mandatory B2B/B2C supply

Delivery challan (Rule 55): 3 Copies (consignee, transporter, Consignor)

Supply of Liquified Gas where quantity is not known at the time of removal from Supplier's place of business, Transportation for Jobwork, Transportation for reason other than supply, when goods transported for Supply but invoice couldnot be issued at the time of removal of goods, Goods transported in complete Knocked down/Semi knocked down condition/in batches/lots.

Circular: Jewellery carried along for approval/artwork sent to galleries/Goods moved under similar situation

∘ On movement: Move on a DC + EWB [Jewellery: no EWB]

∘ On Approval: Tax Invoice with GST (CGST, SGST/IGST)

Sec 33: Where any supply is made for a Consideration, Every person liable to pay tax shall predominently indicate in all docs relating to assessment, TI & other like docs, the amount of tax.

Rule 46A: RP supplying TS & ES to URP: a Single "Invoice-cum-Bill of Supply".

31(4): Continious SoS (Continiously/on recurrent basis)

Where Successive statement of a/cs/ Successive payment are involved → Invoice before/at the time

∘ each statement is issued/

∘ each such payment is received.

31(5): Continious SoSs (Continiously/on recurrent basis, Period > 3m)

Where (contract) → Invoice

• DD of payment ascertainable → on/before DD

• DD not ascertainable → on/before Payment

• Payment is linked to Completion of event → on/before Completion of that event.

31(6): SoS Ceases before Completion → Invoice

→ at the time of ceasation

→ to the extent of Supply before Ceasation

31(7): Goods on Approval or Return basis → Invoice

Before/at the TOS or 6 months from the date of Removal (whichever earlier)

→ **31(3)(a)** RP may issue: Revised TI with 1 month of issuance of RC

• For Invoice issued b/w Effective date & Date of issuance of RC

• For: Intrastate supplies (to URP): issue CRTI → for all TS

• For: Interstate supplies (to URP): No CRTI if VOS > 2.5L (B2C large invoice)

• No CRTI for supplies to a RP, whether Intra/Interstate.

(b) RP – not to Issue Tax Invoice (Except multiplex)

• If VOS < 200 ⊕ recipient URP ⊕ doesn't require

• RP to issue Conso. TI at the EOD for all such supplies

(c) RP supplying Exempted G/S/B / a Composition dealer

• Issue bill of supply, No BoS if value < 200

(d) RP on receipt of advance w.r.t. G/S/B

• Issue receipt voucher, evidencing receipt of payment

• if Supply/ROT not determinable – Interstate/18%.

(e) RP → No Supply & Tax Invoice against advance: Refund voucher

(f) RP: Liable to pay tax u/s 9(3)/(4): Issue an Invoice

• w.r.t. g/s/b received from URP on date of Receipt.

(g) RP: Liable to pay tax u/s 9(3)/(4): Payment voucher

• At the time of making payment to Supplier. (Reg/Unreg).

E-Invoice: RP ⊕ ATO (in any PFY from 17-18) > 5 Crores. w.r.t. supplies to RP (B2B Supplies)/for exports. Not applicable to: a govt dept, a local authority, SEZ unit, those referred in Rule 54(2),(3),(4) & (4A)

Dynamic QR Code: RPs ⊕ ATO (in any PFY from 17-18) > 500 crores. w.r.t supplies to URP (B2C Supplies). Purpose: Enable UPI Payments. Not applicable: those referred in rule 54(2),(3),(4) & (4A) & OIDAR.

Sec 34(1): Where one/more tax invoice is issued for Supply

• Taxable value/tax charged in excess

• Goods supplied returned by Recipient

• G/S/B Supplied found to be deficient

Reg. Supplier may issue one/more credit notes in a FY.

34(2): RP shall declare the credit note in the return for the month it was issued but not later than → 30th Nov of Next FY or AR – filing date (Earlier) & Tax liability shall be adjusted.

Proviso: No adjustment if incidence of tax & interest passed on.

34(3): Where one/more tax invoice is issued for Supply and

• Taxable value/tax charged is less

Registered Supplier shall issue one/more debit notes

34(4): No time limit to issue & declare in Monthly return of the month of issue.

Rule 54: Tax Invoice in special Circumstances

(2) Insurer/Banking Co/FI (NBFC): May issue Consolidated tax invoice/any other document in lieu thereof

(3) GTA: Tax Invoice/any other document in lieu thereof

(4) Supplier of Passenger transportation service: Ticket in any form

(4A) Multiplex: Compulsorily to issue an Electronic ticket & E-ticket: deemed tax Invoice & need not Contain recipient's details. Also they have to issue e ticket even if VOS < Rs 200.

Cir: RP to issue e-invoice for Supplies to govt dept, reg. as TDS deductor.

9353619482 | 7483378296

Accounts and Records

35(1): Every RP Shall Keep & maintain at his principal place of business, as mentioned in registration certificate.

True and Correct a/cs of

- P → Production and manufacture of goods
- I → Inward & outward Supply of g/s/B
- S → Stock of Goods
- I → ITC availed
- O → Output tax payable & paid
- S → Such other particulars as prescribed (Rule 56)

Proviso 35(1): if more than 1 POB specified in RC, accounts relating to each PoB at Such APOB.

Proviso to sec 35(1): RP may Keep & maintain a/cs in electronic form in Such manner as may be prescribed.

Rule 57: Generation & maintenance of electronic records.

- Proper back up of records Shall be maintained & Preserved
- RP shall produce on demand records/documents
- On demand provide the details of Such files, Passwords, etc.

35(2): (whether Registered / Unregistered)

- Owner / Operator of Godown / Warehouse
- Every Transporter

Shall maintain records of

→ Consignor, Consignee & other Relevant details (R-58)

Rule 58: Owner / operator / transporter

- Registered → Use GSTIN
- Unregistered → Submit ENR-01 & obtain Unique Enrolment no.

Transporter: Records of goods transported/delivered/stored in transit along with GSTIN of Registered Consignor & consignee for each of his branches.

owner/operator: Books of a/c w.r.t. period for which goods remain in warehouse, including particulars of dispatch, movement, receipt & disposal of such goods. They Shall Store goods in such manner that they can be identified item wise & Owner wise & facilitate physical verification/ inspection by Proper officer (Po).

35(3): Notified class (commissioner) to maintain additio accounts/ documents for specified purpose.

35(4): Notified class relaxed from maintaining accounts

35(6): Subject to Sec 17(5)(h), Where RP fails to accoun g/s/B in accordance with Subsection (1), the Po shall deter tax payable on such g/s/b as if Such g/s/b had been Suppl by such person & Provisions of 73/74 Shall apply mutatis mut

Section 36: Period of Retention of a/cs

Until the expiry of 72m from DD of furnishing Annual retur

If RP Party to appeal/revision/proceeding before AT/AA/Court maintain bks accounts & records for a period of

→ one year after final disposal of appeal/revision/proceedings

→ or 72 months, whichever is later.

AA: Appellate Authority, AT: Appellate Tribunal

Rule 56: (1) Every RP shall maintain, in addition to the particulars mentioned in Sec 35(1), a true & correct a/cs of goods imported/exported/supplies attracting RCM, invoices, bill of Supply, DCs, Cr & Dr notes, receipt, payment, refund vouchers.

(2) Every RP (except Compo) shall maintain stock details (opening balance, receipt, supply, lost, stolen, destroyed, gift, free sample, etc)

(3) RP shall maintain a/cs relating to advances (recd, paid, adjustments)

(4) Every RP (except Compo) maintains a/cs of tax payable (incl. RCM), tax Collected & paid, ITC claimed along with register of TI, Dr & Cr notes, Delivery challan issued/received during any tax period.

(5) Every RP shall maintain details of Suppliers, recipients & Storehouses.

(8) wrong entries shall not be erased, effaced or overwritten, incorrect entries (except clerical errors), shall be Scored out under attestation & thereafter correct entry shall be recorded, in case of e-records, a log of every entry edited/deleted.

(11) Books to be maintained by agent

Particulars of authorisation received from principal to recieve & Supply

Particulars including description, value and quantity of g/s received & supplied on behalf of every principal

Details of accounts furnished to every principal

tax paid on receipt of g/s effected on behalf of every principal.

(12) Manufacturer to maintain monthly prodn a/cs showing quantitative de of raw material & Services used, gds manufactured, Scrap & by prod

(13) Supplier of Service: maintain a/cs showing quantitative details o Used in provision of Services, input Services utilised & Services suppl

(14) Books to be maintained by works Contractor (WC)

Names & addresses of persons on whose behalf WC ex

DQV of g/s received/utilised in execution of WC,

Details of paymt recd wrt each works Contract (WC)

Name & Address of Suppliers from whom he recd g/s.

E way bill

Who: Supplier/Recipient (in case of Supply) / Consignor/Consignee (other Cases) — Whoever causes the movement

[If Supplier URP, Recipient RP, movement deemed to be Caused by Recipient & he generates Ewb]

Where: www.ewaybillgst.gov.in → Data Server

How: By Uploading information in EWB 01
- Part A: Transaction details
- Part B: Transportation details

Upon generation a Unique Ewb no. shall be provided.

Rule 138A: Docs & devices to be Carried by Person in charge (PIC)

Invoice/Bill of Supply/Delivery challan + Eway Bill

EWB not reqd to be Carried by PIC incase of Rail/air/vessel

In lieu of physical tax invoice: QR code having an embedded IRN

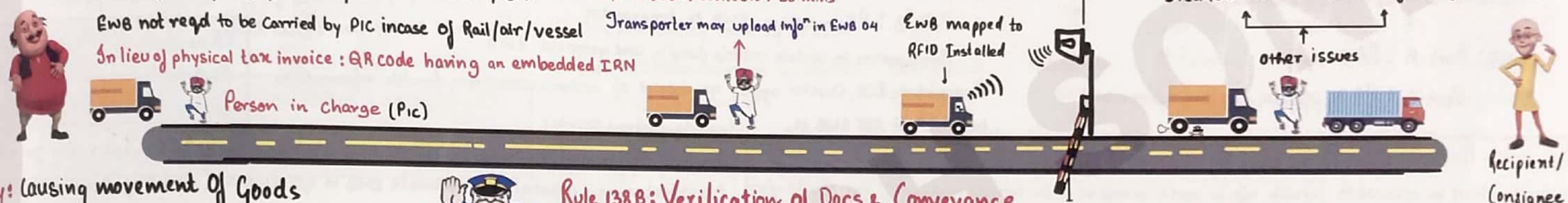
Rule 138D: Detention > 30 mins

Transporter may upload info^n in EWB 04

EWB mapped to RFID Installed → RFID reader → Data Server

Extension Can be taken (within 8 hrs) ← Repairable ← • Breakdown

• Breakdown • transshipment (resulting change in truck) ← other issues
- Own conveyance/Same transporter → Update Part B (MV details)
- Different transporter → Transporter assigns Ewb to other Transporter → he shall update Part B (MV)



Why: Causing movement of Goods
- Consignment Value > Rs 50,000 or
- Interstate movement to a Job worker
- Interstate movement of handicraft goods by a person exempted from compulsory registration u/s 24(i)/(ii).

Determination of Consignment Value (CV)

Value (as per sec 15) (declared in Invoice/BOS/DC)	xxx
+ GST including cess	xxx
Consignment Value →	xxx

Exclude: Value of exempt goods [in invoice cum BoS]

Crux: CV includes GST & excludes value of exempt Supply.

When: Prior to movement, If transportation by Rail/air/ship: EWB may be generated after commencement of movement

EWB Validity
- ODC or MMS(ship) – ≤ 20 km – 1 day
- Other than ODC/MMS(S) – ≤ 200 – 1 day

Rule 138B: Verification of Docs & Conveyance

Authorised Proper officer – Inspector (By Commissioner)

Check Documents + Eway bill + Conveyance

On Specific intelligence information,

Any other officer may do physical verification (with prior approval from Commissioner)

Rule 138C: Inspection & Verification of goods

After inspection of Goods in transit
- Summary report EWB 03 – Part A in 24 hours
- Final Report EWB 03 – Part B within 3+3 days

→ No further physical verification again

→ Except: on Specific intelligence information

EWB is not reqd
- Where goods transported are: LPG, Kerosine sold under public distribution system, postal baggage, Pearls, precious stones or metal, Jewellery, goldsmiths' and silversmith's wares (except imitation jewellery), currency, Personal & household effects, coral.
- Transported by a non-motorised conveyance
- Movement of Goods within notified areas
- Transportation of exempt goods (except de-oiled cake)/AL/HPMAN
- Where supply of goods being transported is not supply (Schedule-III)
- Supply of Goods by Canteen stores department to/fro unit run canteen/authorised Customers.
- Supply of heavy water & nuclear fuels by department of Atomic energy
- Movement of goods by Defence formation under ministry of defence
- Movement of Empty Cargo Containers/Empty Cylinder for refilling
- Where consignor is CG/SG/LA for transport by rail
- Transit Cargo to/fro Nepal/Bhutan.

ODC: Over dimensional Cargo, MMS: Multimodal Shipment, MMS(S): Multimodal Shipment (involving Ship).

Eway Bill

Who shall generate?

Transportation by Road

By RP (as consignor/recipient as Consignee)
In own Conveyance
Or a hired one/a public conveyance
↓
EWB: Part A : RP to update
Part B : RP to update (before movement)

Handed over to transporter for transportation
↓
EWB: Part A : RP to update
Part B : RP to assign EWB to transporter
Transporter to update vehicle details, and generate EWB

- Transporter, ECO, Courier agency on receipt of authorisation, may furnish information in part A of GST EWB 01.

Transportation by Railway/air/vessel

↓
EWB: Part A : RP to update
Part B : RP to update details (RR no/ AWB no/ BoL no) and generate EWB (before/after movement)

RR no: Railway Receipt number
AWB no: Airway Bill number
BoL no: Bill of Lading number

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

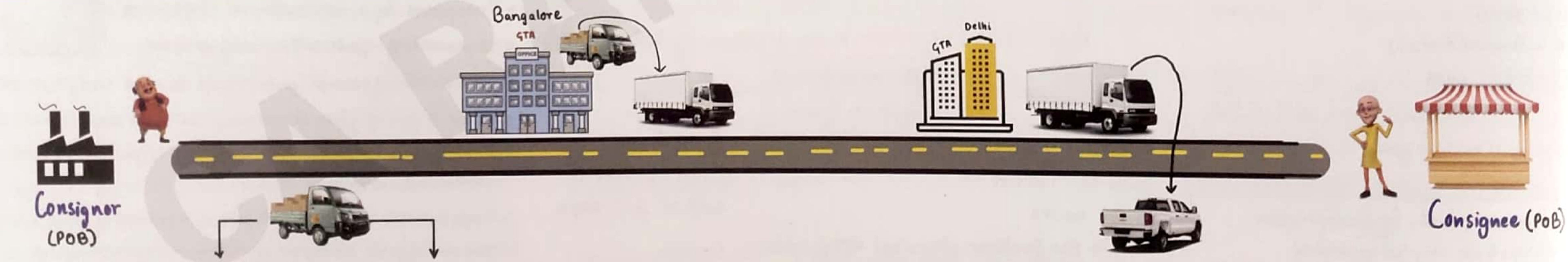
No person shall be allowed to furnish info in part A in respect of any outward movement of gds of a RP, who:

(a) Being Composition registered person, has not furnished CMP08 for 2 consecutive quarters.
(b) Being person other than (a) has not furnished returns for a consecutive period of 2 tax periods.
(c) Being person other than (a) has not furnished GSTR1 for any two months/Quarters.
(d) Being a person whose registration has been suspended under rule 21A (1)/(2)/(2A).

Proviso: Commissioner on receipt of an application from RP in EWB 05, on sufficient cause being shown, order in EWB 06, allow furnishing of info in Part A of EWB 01 or reject the request after providing OBH.

Some important points:

- For each documents (eg. invoices), Separate e-waybill have to be generated & after generat… transporter may generate Consolidate EWB in GST EWB 02 (indicating serial nos of E…
- EWB may be Cancelled within 24 hrs of generation but before being verified in transi…
- EWB generated in one state is valid in another state.
- Railway will not give delivery unless ewb produced at the time of delivery.
- EWB can be generated (optional) even if Consignment value ≤ Rs.50,000
- URP required to generate/opting to generate EWB shall submit ENR 03 on portal & a Unique enrolment number shall be generated.



Sent to : weighbridge

Distance:	Upto 20 km	> 20 km
Document:	DC + ~~EWB~~	DC + EWB

To Transporter's PoB (Intrastate movement)
- Upto 50 kms: Part A only ~~(Part B)~~
- > 50 kms: Both Part A & B required

From Transporter's PoB (Intrastate movement)
- Upto 50 kms: Part A only ~~(Part B)~~
- > 50 kms: Both Part A & Part B Upgradation required

Time of Supply

Section-12: Time of Supply incase of Goods

12(1)
Liability to Pay tax on goods Shall arise at Tos

12(2) FCM (Supplier's point)
(a) Date of issue of Invoice (Supplier) (or) Last date to issue invoice (on/bf: R/D/MA/SS/PR)

Removal / Delivery/Making available / Successive Statement / Payment is received.

(b) Date of Receipt of payment [Book entry / Credit (Bank) : Earlier]

Whichever Earlier

Notification no. 66/2017-CT: Govt notified Supplier of goods other than RP Supplying Specified actionable claims, as class of persons who shall pay GST at time of supply as per 12(2)(a).

12(3) RCM (Recipient point)
(a) Date of Receipt of Goods (or)

(b) Date of Payment (B/Dr: E) (or)

(c) Date immediately following 30 days from DoI/other document by Supplier*

Whichever Earlier

Proviso: Clause (a)/(b)/(c) – NA

Tos: Bk entry in bks of Recipient

12(4) Voucher
Is supply identifiable on issue of voucher?

- Yes → Date of Issue of Voucher → Reliance Footprints Voucher
- No → Redemption Date → Shopper stops Voucher

12(5) Residuary Cases
if 12(2)(3)(4) – NA

- RP → Due date of Return
- URP → Date of payment of tax

Eg: TP liable to pay, caught in investigation wants to pay & close the case, Tos

12(6) I.P.L
Date of Receipt of I.P.L

Interest / Penalty / Late fees

Section-13: Time of Supply incase of Services

13(1)
Liability to Pay tax on Services Shall arise at Tos

13(2) FCM (Supplier's point)
Is Invoice on time?

Generally: on/bf 30/45 days

DD ascertainable: on/before DD

DD not ascertainable: on/before payment

Payment linked to Completion: On/before completion of event

- 13(2)(a) Yes: • DoI or • DOROP → Whichever is Earlier
- 13(2)(b) No: • DOPOS (or) • DOROP → Whichever is Earlier
- 13(2)(c) if 13(2)(a)/(b) Not applicable → Tos → Book entry date of Recipient

Small advances upto Rs 1000 Tos = DoI (option of supplier)

13(3) RCM (Recipient point)
(a) Date of Payment (Bk entry / Bank Dr: E)

(b) Date imm. following 60 days from DoI/other doc. by Supplier*

Earlier

Note: Clause (a) & (b) – NA

Tos → Book entry date of Recipient (Expense entry)

Import of Services from Associate enterprises

Earlier of: Date of Payment (B/Dr: E)

Date of Entry in bks of a/cs (Recipient)

13(4) Voucher

13(5) Residuary Cases

13(6) I.P.L

13(4), 13(5), 13(6): Same as incase of Goods

* Document in case of RCM

Supplier

- RP → Tax Invoice
- URP → Any other document (Commercial invoice/bill)

Clarification on Tos in respect of Supply of Service of Construction of road & maintenance thereof of National Highway Projects of NHAI in Hybrid Annuity Mode (HAM) model

Issue: What is the Tos on the service ie Construction, operation and maintenance of road under HAM model?

Clarification: It is a Continious Supply of Service. The taxability on the Concessionaire under the HAM model would be as follows:

- If invoice is issued on/before the specified date/the date of Completion of the event Specified in the event: Tos – Date of issuance of invoice or receipt of payment, whichever is earlier.
- If invoice is not issued on/before the specified date/the date of Completion of the event Specified in the event: Tos – Date of provision of Service (ie. DD of payment as per Contract) or receipt of payment, earlier.

9353619482 | 7483378296

23/1/25 If you violate Sec 16 :- Registeration Cancelled

Input Tax Credit

GST → Paid under forward charge/reverse charge.
CT/ST/IT/UT & includes IGST on imports doesnot including Composition

2(59): Input
Goods (except CG) + used/ intended for use in business

2(60): Input Service
Any Service + used/ intended for use in business

2(19): Capital Goods
Goods – Capitalised + used/ intended for use in business

Credited to E.credit Ledger

Section 16: Eligibility ← and → Conditions for taking ITC

Sec 16(1)
- Registered Person
- G/S/B → used in his business
- And amount shall be credited to Electronic credit ledger.

Sec 16(2)(a) Possession of Tax Invoice/debit note/such other tax paying documents prescribed (rule 36)

Rule 36: Documentary requirements & Conditions for claiming ITC.

(1): Supplier's invoice, self invoice (i.e. invoice as per sec 31(3)(f). Subject to payment of tax), Debit note, Bill of Entry, ISD invoice

(2): Containing : Description, value, tax charged, GSTN of both, Place of Supply in case of interstate supply

(3): No ITC of any tax paid in pursuance of demand confirmed on a/c of fraud/willful misstatement/Suppression of

(4): No ITC shall be availed by RP w.r.t. invoice/dr notes the details of which are required to be furnished u/s 37(1) un

(a) The details of such invoices/debit notes have been furnished by the Supplier in GSTR 1/IA/Using IFF; and

(b) The details of ITC in respect of such invoices/debit notes have been Communicated to the RP in GSTR 2B.

(aa) The details of such invoices/debit notes referred to in clause (a) have been furnished by Supplier & such details have been Communicated to the recipient of such invoice/dr note in the manner specified u/s 37.

(b) Received G/S/B (deemed received: when g/s are provided by Supplier to a recipient/any other person on direction of such

(ba) The details of ITC w.r.t. Said Supply Communicated to such RP u/s 38 has not been restricted.

(c) Subject to Section 41, Tax paid to Government (Through Cash/Credit Utilization)

(d) Return filed by recipient u/s 39.

Sec 41: (1) Every RP shall be entitled to avail credit of eligible input tax, as self assessed, in his return & such amount shall be credited to his e-credit ledger.

(2) The ITC availed by a RP w.r.t. such supplies, the tax has not been paid by supplier, shall be reversed with interest in such manner prescribed. (Rule 37A)

Rule 37A: Reversal of ITC incase of non-payment by the supplier & re-availment thereof.–

Where ITC has been availed by RP in GSTR 3B w.r.t. invoice/debit note, the details of which has been furnished by Supplier in GSTR1/IA/Using IFF but corresponding (STR has not been furnished by supplier till 30th September following the end of FY in which ITC has been availed, the said ITC shall be reversed by RP, while furnishing GSTR 3B on/before 30th Nov following the end of such FY.

Proviso: If ITC is not reversed by the RP, such amount shall be payable by the said person along with interest u/s 50

Proviso: If supplier subsequently furnishes GSTR 3B, the RP may re-avail the credit in the GSTR 3B for a tax period thereafter.

Proviso to Section 16(2): If goods against an invoice are received in lots/installments – RP entitled to avail ITC upon receipt of last lot/Installment.

Note for Jan 25 Students: GSTR 1A is not a

Section 16: Eligibility and Conditions for taking ITC – Continued...

ITC

Proviso to Section 16(2):
Payment to Supplier within 180 days from Invoice (value + tax both) → if not then Pay ITC availed/reverse ⊕ interest thereon, in such manner prescribed (Rule 37)

Rule 37: Reversal of ITC incase of non-payment of consideration
RP shall pay/reverse an amount equal to ITC availed in respect of the supply, proportionate to the amount not paid to the supplier, along with interest u/s 50, while furnishing the return GSTR 3B for the tax period immediately following 180 days from the date of invoice (DOI).
No reversal w.r.t. (a) Supplies on which tax payable under RCM (b) Supplies without Consideration (Schedule I supplies) (c) On that part of VOS which is met by recipient
ITC can be taken again when payment is made to supplier [No Time limit to regain ITC i.e. Sec 16(4) not applicable]

Sec 16(3): RP if claimed depreciation on tax Component of the Capital goods & Plant and Machinery under income tax act, No ITC on tax Component.

Sec 16(4): Maximum time Limit to claim ITC: W.r.t. any Invoice or Debit note
a. 30th day of Nov following the end of FY
b. Actual Date of furnishing Annual return (whichever is earlier)

Clarification on time limit u/s 16(4) in respect of RCM Supplies received from Unregistered persons. (Applicable for Jan 25 & onwards Students)
In case of Supplies received from URP, where tax has to be paid under RCM & where invoice is to be issued by the recipient in accordance with 31(3)(f), the relevant FY for calculation of time limit for availment of ITC u/s 16(4) will be: The FY in which invoice has been issued by recipient i.e. the Self invoice u/s 31(3)(f). Subject to payment of tax & fulfilment of other Conditions u/s 16 & 17. Incase the recipient issues the invoice after the TOS & pays tax, he shall be required to pay interest on such delayed payment of tax.

Section 17: Apportionment of Credit and Blocked credit [17(5)]

G/S/B Used by RP Partly

17(1)
For Business purpose & Non Business purpose
↓
Credit available of Input tax attributable for Business purpose

17(2)
For effecting
- taxable Supplies &
- Exempt Supplies

↓
Credit available of Input tax attributable to taxable supplies

17(6): Method of apportionment to be prescribed by Govt:
Refer Rule 42 & 43 [discussed at CA final Level.]

Note: Section 17(1)(2)(3)(4) & (6) will be discussed at CA final level. Section 17(5) is very important from exam point of view.

9353619482 | 7483378296

ITC

Blocked Credit – 17(5)

(a) Motor Vehicle
For transportation of Persons ⊕
Approved Seating Capacity ≤ 13 (including driver)
Except: when used for
Making taxable Supplies namely :-
(A) Further Supply of such MV or
(B) Transportation of Passengers or
(C) Training on driving such MV.

(aa) Vessels & Aircraft (V&A)
Except: when used for
(i) Making taxable supplies namely :-
(A) Further Supply of such V&A/
(B) Transportation of Passengers/
Imparting training on :-
(C) on navigating vessels
(D) on flying aircraft
(ii) For transportation of Goods

(ab) Services of General Insurance, Servicing, Repairs & Maintenance of (a) & (aa)
Except:
(i) When MVA used for Specified Purpose
(ii) where received by a TP engaged
(I) in manufacturing MVA or
(II) in Supplying general insurance services in respect of such MVA insured by him.

(b) Following G/S/b

(ii)
- Club Membership
- health & fitness centre

No ITC ↑ Obligatory under law → Travel benefits to Employees on vacation (iii) — No ITC
(for employer to provide to employees)
↓
Yes ITC
↓
(i)
- Food & Beverages
- Outdoor Catering
- Beauty treatment
- Leasing/renting/hiring of MVA (referred to in clause (a)/(aa) except when used for Specified purpose)
Circular: Leasing of other items like machinery: ITC available.
- Health Services
- Cosmetic & Plastic Surgery
- Life & health Insurance

Generally → NO ITC
Same Category (Sub-Contacting) → Yes ITC
Element of taxable CS/MS → Yes ITC

(c) Works Contract Services (Capitalized)
For Constn of Immovable property — NO ITC
For Constn of Imp (P&M) — Yes ITC
For Further WCS (sub-Contracting): Yes ITC

(d) G/S/B received by TP (Capitalized)
For Constn of Imp on own a/c — NO ITC
For Constn of Imp (P&M) — Yes ITC
For Constn of Imp for others — Yes ITC

(e) Tax paid u/s 10 (Composition tax)
(f) G/S/b received by NRTP (exception: Goods imported)
(fa) G/S/b received by a taxable person used/intended to be used for activi[ties] relating to his obligation under CSR
(g) G/S/B for Personal Consumption
(h) Goods lost, stolen, destroyed, writ[ten off or] disposed off by way of gift/free sam[ples]
(i) Tax paid in accordance with provisions of Sec 74, 129, 130
• Evasion • Detention • Confiscat[ion]

Plant & Machinery means	But Excludes
• Appartus • Equipment • Machinery fixed to Earth by foundation & structural support used for outward supply of G/S/B & includes such foundation and SS → Yes ITC	• L&B ⊕ any Civil Structures • Telecommunication tower • Pipelines laid outside factory premis[es] → NO ITC

Clarification on ITC on the ducts & manholes used in network of optical fiber cables (OFCs)
Issue: Whether ITC is barred on the ducts & manholes used in network of OF[Cs]?
Clarified: Duct & manholes are covered under the definition of P&M as they are u[sed as] part of the OFC network for making outward supply of transmission of telecommu[nication] signals from one point to another. Moreover, they have not been specifically exclu[ded from] the above definition of P&M. Accordingly, it is clarified that availment of ITC is [not] restricted in respect of ducts & manholes used in network OFCs. (Applicable for Jan 25 [...])

Note: MV doesnot include a vehicle running upon fixed rails or a vehicle of special type for use in a factory/enclosed premises or a vehicle having < 4 wheels fitted with engine capacity up [to] 25[cc]

ITC

Section - 18 : Credit in Special Circumstances

Sec 18(1): Person shall be entitled to take ITC of : Inputs held in stock/ in Semi finished finished goods held on the day immediately Preceeding the

(a) New Regn (applied within 30 days): Date from which he becomes liable

(b) Voluntary Regn - Sec: 25(3): Date of Grant of Registration

(c) Compo dealer (RP) → Regular taxpayer : Date from which he becomes liable u/s 9
CG ITC available* Rule 40

(d) Exempt Supply (RP) → Taxable Supply : Date from which supplies become taxable
CG used exclusively for exempt supplies - ITC available.

Note: New Regn : credit available if applied in 30 days of becoming liable

18(2): No ITC of G/S/B for invoices older than 1 year

Rule 40: Manner of claiming credit in special circumstances

- ITC on CG u/s 18(1)(c)&(d) = Input tax - 5% per Qtr/ Part (from DOI)
- RP within 30 days (+ extention) from becoming eligible - make a declaration electronically in form GST ITC 01 to the effect that he is eligible to avail ITC
- Declaration cleary specify details of inputs in stock/SFG/FGs on day immediately preceeding ⊕ Certified by practicing CA/Cost accountant if claim > 2 lacs.

18(3): In case of change in Constitn of RP: ITC t/f to transferee

- Sale, merger, demerger, amalgamation, Lease, t/f of business (incl. death)
- RP allowed to t/f: ITC which remains unutilized in E.credit ledger
- Rule 41: File GST ITC 02 declaration - buyer will accept - ITC transferred
- In case of demerger: ITC apportionment in ratio of value of assets of new units
- No time limit to file declaration, CA² Certificate mandatory irrespective of amount
- Rule 41A: Transfer of ITC to DP → Separate Reg in same st/UT: ITC 02A (30 days)

Circular on various doubts related to treatment of Sales promotion Schemes

- Free samples & gifts: If Activity of distribution of gift/sample is supply: ITC allowed, but if such activity is not falling in supply: no ITC w.r.t. I/IS/CGs used for such distribution.
- Buy 1 get 1 free/ Buy more save more discounts: ITC allowed of I/IS/CGs w.r.t. Such supply
- Secondary discounts (not known at the TOS): No Impact on availment of ITC by Supplier.

18(4): Payment of ITC on Switching to Composition/ Supplies become exempt

Rule 44: Manner of Reversal under special Circumstances

Reversal = Credit of Input tax w.r.t

- Inputs held in stock/ contained in SFGs/FGs → Full ITC reversal
- Capital goods held in stock → (ITC availed × Balance life in months / 60 months)
- If Tax invoices of Inputs unavailable - estimate based on mkt price (event)
- Amount determined above to be added to OTL + RP to file form GST ITC 03
- No time limit to file declaration and no CA² Certificate required except if FMV of Goods is used - It shall be certified by Practicing CA².

18(6): Incase of Supply of CGs/ P&M (on which ITC taken)

RP shall pay • Reduced ITC (ITC taken - 5% per Qtr/part) (or) Tax on TV u/s 15 (Higher)

Proviso: where Refractory bricks/moulds & dies/ Jigs & fixtures (supplied as Scrap)
→ TP may pay tax on TV of such goods (u/s 15)

Circular on availment of ITC in respect of warranty replacement of parts & repair Services during warranty period (Applicable to Jan 24 & onwards attempt)

1. Whether manufacturer is required to reverse ITC in respect of such replacement of goods/its parts?
Clarified: Manufacturer is not required to reverse ITC in respect of replacement of goods/its parts.

2. Where distributor provides replacement on behalf of manufacturer, whether he is reqd to reverse ITC
Clarified: There can be 4 instances: (a) If distributor replaces part(s) to customer using his stock / by purchasing from 3rd party & charges manufacturer: GST is payable & ITC would be available.
(b) If manufacturer provides part to distributor for replacement under warranty without consideration: No gst is payable, further no reversal of ITC is required to be made by manufacturer in respect of the parts.
(c) If distributor replaces parts to customer from supply already received: the manufacturer may issue credit note & adjust tax liability, subject to the condition that distributor reverses ITC availed against the parts so replaced.
(d) If distributor replaces parts to customer from supply already received, manufacturer then provides replacement through DC: No GST is payable, further no reversal of ITC required by manufacturer.

3. If distributor provides free warranty to customer but charges manufacturer: Supply of Service, GST payable by distributor & manufacturer to avail ITC of the same.

9353619482 | 7483378296

Payment of Tax

Challan Identification no. 14 digit CPIN + 4 digit bank Code

Deemed date of deposit of tax

Commission borne by person making payment

Common Portal Identification no., 14 digits.

TP liable/ voluntarily → Takes Registration → On Gst.gov.in → 3 a/cs will be Opened by Portal

Generate challan GST PMT 06 on portal (valid 15 days) → CPIN Generated → Make payment → Amount Credited to Govt a/c → CIN Generated (18 digits) → Amount Credited to

- Internet Banking ○ IMPS ○ UPI
- Cr/Dr Card ○ Neft/RTGS
- Over the Counter (max 10,000 by Cash/cheque/DD)

→ Per challan, Per tax period

Major: IGST, CGST, SGST, UTGST, Cess Minor head: Every major has 5 minors: TIPL[...]

Restriction of Rs 10,000 over the Counter, not applicable in following cases: on deposits made by

- Govt departments/any other deposit by persons notified by Commissioner
- Po/ other officer authorised to recover outstanding dues from any person, including recovery made through attachment/ Sale of movable/immovable propert[y]
- Po/ other officer authorised for the amt collected during investigation/ enforcement activity/any ad hoc deposit.

Rule 87: E Cash Ledger (GST PMT 05)

- Credit: Every deposit made towards TIPLO
- Debit: Amount used for: Making payment of TIPLO
- URP: Make payment on the basis of temporary identification no.
- RP may transfer TIPLO from E.cash ledger (CGST) to E.cash ledger for IT/CT/ST/UTT/Cess in form GST PMT 09.
- RP may transfer any amt of TIPLO amt available in the e-cash ledger to the e-cash ledger for CGST/IGST of a distinct person in GST PMT 09.

Proviso: Transfer not allowed if the RP has any unpaid liability in his e-liability ledger.

- Such transfer from E.cash shall be deemed to be a refund & such transfer to E.Cash shall be deemed to be deposit.

Rule 86B: Restriction on use of amt in E.credit ledger

RP ⊕ value of taxable Supply excluding exempt & zero-rated Supply in a month > 50 lakhs, he Shall not use e.credit ledger to discharge output tax liability in excess of 99%. Restriction NA: RP/Proprietor/Karta/Managing directors, Any 2 partners, Whole time directors, Members of Managing Committee of Associations/Board of Trustees have paid > 1Lac Income tax in each of the last 2 FYs, RP has received refund > 1Lac in PFY on a/c of unutilised ITC, RP has discharged OTL through E.cash > 1% of Output tax liability applied Cumulatively upto said month in CFY, RP is govt department/ Public sector under-taking/Local authority/a statutory body.

Rule 86: E.Credit Ledger (GST PMT 02)

- Credit: ITC as self assessed in return
- Debit: Amount used for making payment of 'Output tax'
- Manner of Utilization

IGST ⟶ IGST then CG/SG/UTGST (in any order & Proportion)

IGST should be exhausted

CGST ⟶ CGST then IGST

SG/UTGST ⟶ SG/UTGST then IGST

CGST ⟷✕ SG/UTGST

Rule 86A: Conditions of use of amount available in E.credit ledger

Commissioner/officer authorised by him has reason to believe that ITC available in e.credit ledger has been availed fraudulently/is ineligible, he may not allow debit of an such amt = Credit in e.credit ledger for discharge of liability u/s 49/for claim of any refund of any unutilised amount.

Reason for blocking: ▫ ITC has been availed on the basis of invoices/dr.notes issued by a non existent supplier/who is not Conducting business from declared PoB ▫ ITC without receipt of g/s/b ▫ ITC on the basis of document, the tax w.r.t which has not been paid to govt. ▫ Recipient availing ITC found non existent / not Conducting business from declared PoB ▫ ITC without invoice/dr note/any other valid document.

Restriction shall cease to have effect after the expiry of one year.

Circular: ○ Output tax - Self assessed/Owing to proceedings, Can be paid through E.credit ledger. ○ E.credit ledger cannot be used to pay Interest, penalty, late fee or any Other amount payable & also for RCM tax liability. ○ E.Cash ledger can be used to Pay Tax, interest, penalty, late fee/any other amount [TIPLO]

Rule 85: E.Liability Ledger (GST PMT-01)

- Debit: ○ Amount Payable towards TILO payable as per return
  - Amount of TIPO payable as determined by Po in any proceedings/ as ascertained by the said person
  - Any amt of Interest that may accrue from time to time.
- Credit: Payment of liability through e credit/e cash ledger
- Always debited in E cash: TDS, TCS, Tax under RCM & U/S 10, IPLO
- Manner of discharge (a) Self assessed tax & dues related to retu[rn] of the previous tax period (b) of the Current tax period (c) Any other amount payable under this act/rules including dem[and]

Sec 50: Interest on delayed payment of tax

Every person who fails to pay tax due, shall pay with int.@18[%]

Proviso: Interest shall be payable on tax paid by debiting E.cash ledger. Interest shall be Calculated from the day suceeding the due date. Where ITC has been wrongly availed & utilised, int payable @ 18%, No Interest on wrongly availed credit but not utilised (w.e.f. 1.7.17)

Rule 88B: Manner of Calculating int on delayed payment of [tax]

(1) where Supplies made during a tax period are declared in ret[urn] for the said period after the due date u/s 39, the int @18% sha[ll] be calculated on the tax paid by debiting e-cash. Proviso: any bal[ance] already in E cash ledger Shall not be taken for interest calculation (NA ...)

(2) In all other Cases, interest shall be Calculated on the [amt] Unpaid i.e. gross tax liability, from due date till date of pa[yment]

(3) Int on ITC wrongly availed & utilised shall be calculated [from] the date of utilisation till the date of reversal/ Payment [of tax]

Rule 86(B) ~~added~~ Registration Cancelled

Tax Deduction at Source (TDS)

Person liable to deduct TDS
(a) Dept/ establishment of CG/SG or
(b) Local authority
(c) Governmental agencies
(d) Persons/Categories of Persons
Notified Govt – RC
↓
Notification 50 + 57/2018
a. An authority/ Board / any other body
(i) Set up under act of Parliament/State legislature or
(ii) Established by govt :
Equity/ Control ≥ 51% (is with the govt)
b. Society established by CG/SG/LA
→ Under Societies registration act
c. PSU (Public sector undertaking)
Note:
∘ Ministry of defence – not to deduct TDS

No TDS in the following Cases:
∘ No TDS if Supply of goods/services takes place between one person to another person specified in clause (a),(b),(c) & (d) u/s 51(1).
∘ Goods/services are supplied from a PSU to another PSU whether/not a distinct person.
∘ Total value of taxable supply ≤ 2.5 lakhs under a Contract
∘ Supplier & Pos are in different State from the ST/UT of registration of the recipient.
∘ Transaction out of Scope of Supply – Section 7(2).
∘ Transaction → Nil rated Supply, wholly exempt supply or non-taxable supply.
∘ Transaction on which tax under RCM – 9(3)/(4)
∘ Payment made to Unregistered Supplier.

Credit to E-Cash ledger after validation

Supplier G/S (RP)
[Deductee]

(Excluding tax)
↑
Supply (>2.5 lacs) 3L + 18% GST →
Taxable G/S

Tax Invoice	
Value	3,00,000
CGST 9%	27,000
SGST 9%	27,000
	354000

Recipient of G/S } Compulsory Registration
Seperate Registration to be taken
[Deductor]
↓ TDS on – (Invoice value – GST)
Deduct TDS on 3L @ 1% CG + 1% SGST
or 2% IGST
i.e. 6000
↓
Pay the rest

Value of G/S	2,94,000
GST	54,000 → No TDS on GST
	3,48,000

Note: Incase of Supply Under Contract, check for total Contract value, If value > 2.5 lacs, then TDS, now single invoice value shall not matter. So, always see contract value for determing TDS/ no TDS, but deduct on invoice amount only.

Transfer → 3,48,000

* Pay to govt via challan
↓
* File TDS Return – GSTR-7 → by 10th of NM

made available to deductee

Supplier

KA

If Pos is in State of
(KA) Intra CGST SGST ↓ No TDS by Recipient
(TN) Inter IGST ↓ TDS @ 2%

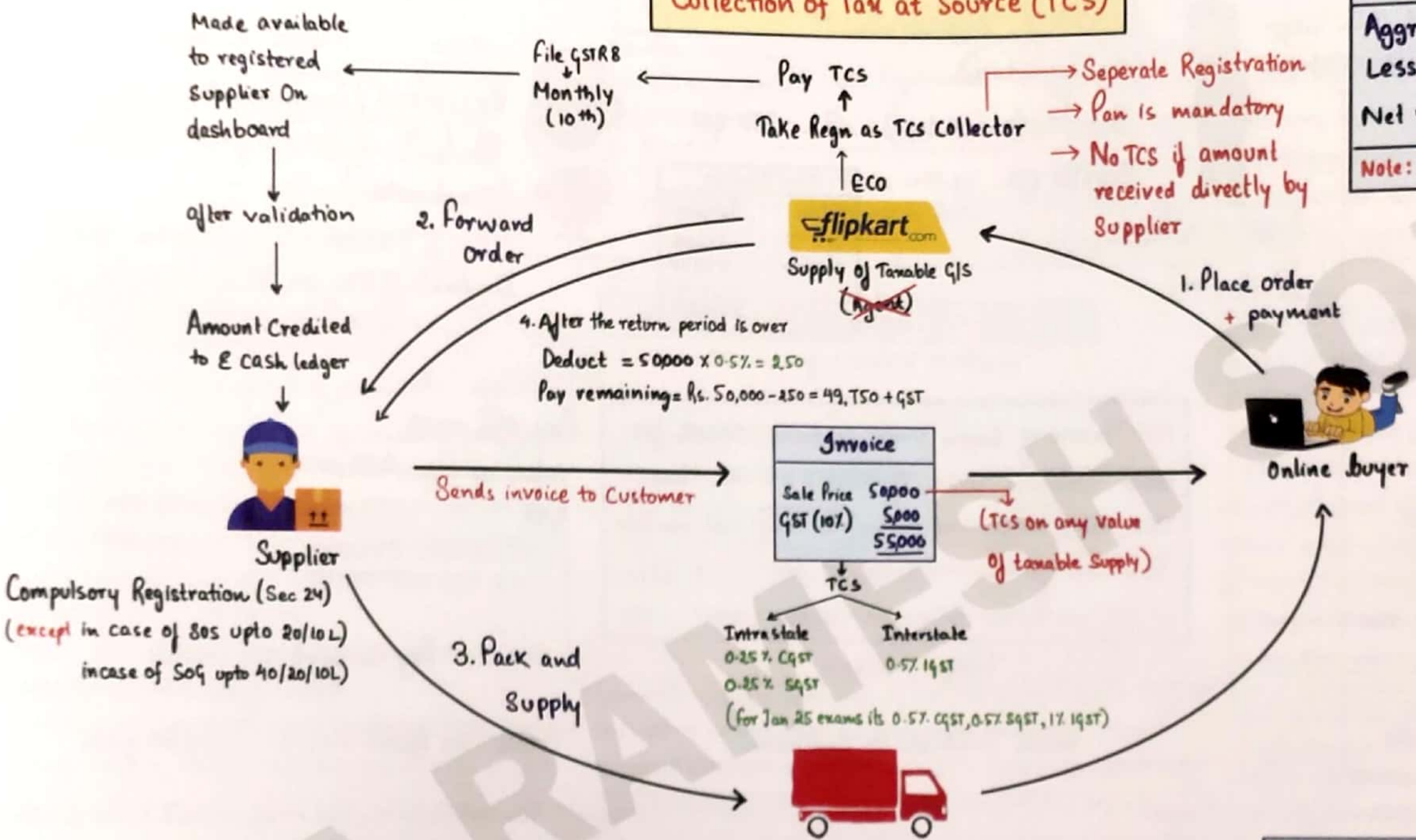
Recipient

TN

* TDS certificate shall be made available to the deductee on the common portal in GSTR 7A on the basis of return
* failure to deposit TDS i.e. late deposit : Interest @ 18%
failure to furnish Return i.e. late fee : 25 per day or Upto max Rs 1000 (Equal amount of Late fee under SGST)
* Deduction : payment or Credit : Earlier
(TDS on advances also whether supply of G/S)

9353619482 | 7483378296

Collection of Tax at Source (TCS)



TCS on net turnover (Supplier wise)	
Aggregate turnover of TS	xxx
Less: Supplies returned	xxx
Net value of taxable Supplies:	xxx

Note: Exclude notified supplies u/s 9(5)

Annual statement : GSTR-9B - 31st December NFY.

Rectification of error/mistakes

Rectify in statement to be furnished for the month in which error/omission noticed. Subject to interest @ 18%.

Maximum time limit to rectify

- 30th November following the end of FY or
- Actual date of furnishing Annual Statement (earlier)

No TCS in following Cases:
1. Transaction out of Scope of Supply - Section 7(2) Eg: Sale of Land & Building - 99 acres.com 2. Transaction on which tax under RCM - 9(3)/(4) 3. Transaction Nil rated / wholly exempt / Non taxable Supply 4. Supplier Unregistered Person 5. No TCS on services covered u/s 9(5)

TDS u/s 51	TCS u/s 52
TDS Rate = 1% + 1% = 2%	TCS rate = 0.25% + 0.25% = 0.5%
Recipient deducts and pays to government	ECO deducts and pays to government.
TDS obligation on only notified recipient	TCS is on every ECO who receives payment
TDS is only when value under Contract > 2.5L	If ECO is collecting the consideration - TCS applicable
Return - GSTR-7	Statement - GSTR8

Returns

Supplier — Started Business
Liable for Registration — 15 Jan (TP)
30 days
Applied for Regn — 1 Feb
Registration granted — 3 Feb (RP)
Section 40: First Return

Regular Returns
- Section 37: GSTR-1: OS
- Section 38: ~~GSTR-2: IS~~
- Section 39: GSTR 3B

After year end (By 31st Dec of NFY) — Annual Return – GSTR 9
⊕ Self certified reco. statement if ATO > 5cr
Note: For FY 17-18, 18-19, 19-20 AR made optional for TP with ATO ≤ 2cr. For 20-21, 21-22, 22-23, 24-25 – RP with ATO upto 2cr exempt from filing AR.

Business Discontinued Cancellation applied — Registration Suspended — Cancellation Proceedings
Date of Cancellation/ Cancellation order (Later) — 3 months
Section 45 Final Return GSTR-10

GSTR1 is not applicable for Jan 25 exams
GSTR1A: After GSTR1 but before filing 3B, to amend/

Every RP (incl. CTP) except NRTP, Compo, TDS deductor, TCS collector, OIDAR. Furnish additional details of outward supplies. Sec NA to dept of CG/SG/LA whose bks of a/cs are audited by C&AG/auditor appointed under their law.

NRP: GSTR1/IA/IFP → GSTR 2A (Part A)
NRTP: GSTR 5 → GSTR 2A (Part A)
Auto generated Statement → GSTR 2B: ITC details
Details of os furnished in GSTR1
GSTR 5, 6 & IFP: Invoice details

Supplier (Non-QRMP) GSTR 3B monthly by 20th
Opts GSTR1 (Monthly): ~~10th~~ 11th NM (By notification)
GSTR 1: o/s Supplies (invoice, dr & cr notes) → Recipient GSTR 2A → (Auto-generated) GSTR 2B [14th of NM]

Supplier (QRMP) → ATO in PFY ≤ 5cr GSTR 3B Quarterly by 22nd/24th
- April: IFF (1st till 13th May) April – B2B (invoice value max upto 50 lacs)
- May: IFF (1st till 13th June) May – B2B (invoice value max upto 50 lacs)
- June: GSTR1 (for Quarter): 13th July June – B2B & B2C + April & May – B2C & B2B remaining invoice
- → Optional facility, to furnish B2B invoices only.

Recipient: GSTR 2A → GSTR 2B; GSTR 2A → GSTR 2B; GSTR 2A → GSTR 2B [14th of NM]

- Composition dealer: GST CMP 08 (Quarterly) till 18th of month Suceeding Qtr, GSTR4: annually by 30th June (FY 24-25 Onwards). For Jan 25 student the due date for GSTR4 is 30th April. Annual return – GSTR 9A by 31st December.
- NRTP → GSTR 5, within 13 days after end of month/within 7 days after last day of validity (earlier). No AR
- Rule 67A: NiL-GSTR 3B/GSTR 1/CMP 08 can be furnished through SMS using reg. mobile no. & same verified through OTP.
- Section 46: Non submission of Return: Notice GSTR 3A to furnish return within 15 days.

Cases when RP is debarred from furnishing details in GSTR1/IFF

- A RP is not allowed to furnish details in GSTR1, if GSTR 3B not furnished for the preceding month.
- A RP with ATO upto 5cr in PFY & opts for Quarterly returns, not allowed to furnish details in GSTR1/use IFF, if he has not furnished GSTR 3B for preceding tax period.
- A RP, to whom an intimation has been issued under rule 88C(1) in respect of a tax period, shall not be allowed to furnish GSTR1/ use IFF for a subsequent tax period, unless he deposits the amount specified in the intimation/furnishes a reply explaining the reasons for any amount unpaid.
- A RP, to whom an intimation has been issued under rule 88D in respect of a tax period(s), shall not be allowed to furnish GSTR1/ use IFF for a subsequent tax period, unless he either paid the amount specified in the intimation/furnishes a reply explaining the reasons in respect of the amount of excess ITC that is still unpaid.
- A RP shall not be allowed to furnish GSTR1/use IFF if he has not furnished the details of the bank account as per rule 10A.

Sec 47: Levy of Late fee (CGST act) – Summary →
Monthly Return – 100 per day/ max 5000
Annual Return – 100 per day/ Max 0.25% of TO in St/UT
Waiver of LF: Nil Return – 10 PD, Others 25 PD, Max 5K (GSTR1/3B/4/5) Per day

Normal RP (Nil Retn)	GSTR1/3B	Rs 10 perday	250
Normal RP (Other than Nil) ATO ≤ 1.5cr PFY	GSTR1/3B	Rs 25 per day	1000
Normal RP (Other than Nil) (ATO > 1.5cr ≤ 5cr)	GSTR1/3B	Rs 25 per day	2500
Normal RP (Other than Nil) (ATO > 5cr)	GSTR1/3B	Rs 25 per day	5000
Composition RP – Nil return	GSTR4	Rs 10 perday	250
– other than Nil return	GSTR4	Rs 25 per day	1000

NRTP (Nil/other) GSTR 5 Rs 10/25 p.day 5000
Annual Return GSTR 9
- ATO upto 5cr: 25 perday, maximum – 0.02% of TO in state/UT.
- ATO > 5cr ≤ 20cr: 50 perday, maximum – 0.02% of TO in state/UT.
- ATO > 20 crores: 100 per day, maximum – 0.25% of TO in state/UT.

Returns (QRMP scheme)

• Option available GSTIN wise • Option exercised once shall Continue unless revised.

RP — PFY : ATO ≤ 5cr → eligible → QRMP

20XX		20XX	April	May	June	July	August	Sep	Oct	Nov	Dec	Jan	Feb	Mar	20XX	20XX

CFY — ATO > 5cr (from Oct)

- Quarter 1 → Eligible
- Quarter 2 → Eligible
- Quarter 3 → Eligible
- Quarter 4 → ineligible

Note: RP should have furnished last return due on the date of exercising option to opt for QRMP Scheme.

QRMP : Procedure post opting

Quarterly return but Payment monthly, So options: → Options:

April	May	June	July

	25th NM	25th NM	
	Monthly Payment (after Considering e cash/e credit ledger)	Monthly Payment	Payment of the differential & $22^{nd}/24^{th}$ – Quarterly Return (3B)
(1) FSM → Fixed SUM Method	35% x GST Paid in PQ (using Cash) [where GSTR 3B is furnished Quarterly]	35% x GST Paid in PQ (using Cash)	Differential payment. No interest to be paid on any tax unpaid/Short paid. Interest @ 18% if differential not paid within due date.
or	100% of GST paid [where the return was furnished Monthly : if new to QRMP]	100% of GST paid	
(2) SAM → Self Assessment Method	Actual tax liability	Actual tax liability	Actual tax liability. Interest is payable u/s 50 on any tax unpaid/Short paid (at the time of GSTR 3B)

Rule 61A: Manner of opting Quarterly return

Jan	Feb	Mar	April	May	June

01.02.XXXX — 30.04.XXXX
time limit to Opt for QRMP
(in Quarter – April–June)

Tax paid in Cash in Quarter (January - March, 2021)

CGST	100
SGST	100
IGST	500
Cess	50

Tax required to be paid in each of the months – April and May, 2021

CGST	35
SGST	35
IGST	175
Cess	17.5

In case the last return filed was monthly for tax period March, 2021

CGST	50
SGST	50
IGST	80
Cess	0

Tax required to be paid in each of the months – April and May, 2021

CGST	50
SGST	50
IGST	80
Cess	0

Note: Amendments marked in green are not applicable to Jan 25 exams.

Important notes: ◦ A RP shall not be allowed to furnish the details of outward supplies (GSTR 1) for a tax period, if the details of outward supplies for previous tax periods have not been furnished by him.

◦ A RP shall not be allowed to furnish a return (Monthly/Quarterly) if: the return of any Previous tax periods/the details of outward supplies (i.e. GSTR 1) has not been furnished by him. For Jan 25 exams its 2.5 lacs

◦ The details of outward supplies in GSTR 1/IA shall include (a) Invoice-wise details of all (i) Intra-state & Interstate supplies made to the RPs & (ii) Interstate supplies with invoice value > One lac made to URP (b) Consolidated details of all – (i) Intra-state supplies made to URPs for each rate of tax & (ii) Statewise interstate with invoice value upto one lac rupees made to URPs for each rate of tax.

◦ B2B/B2C supplies, only details of invoice are required to be provided in return, there is no requirement to upload the scanned copies of invoices on the GST portal at the time of filing returns.

◦ A tax payer cannot file GSTR1 before the end of current tax period. Exception: CTPs, after the closure of business, Cancellation of GSTIN of a normal taxpayer.

◦ GSTR 1/3B needs to be filed even if there is no business activity/not made any taxable supplies in the tax period. (i.e. month/Quarter).

◦ Any error discovered in return GSTR 3B after filing cannot be rectified, there is no mechanism to file revised return. However, the error can be rectified by furnishing appropriate details in the 'Amendment tables' contained in GSTR 3B. Also, no rectification of details furnished in GSTR 3B shall be allowed after (i) 30^{th} day of Nov following the end of FY (ii) Date of filing relevant AR (Earlier)

Rule 88C: Manner of dealing with difference in liability reported in GSTR1 & GSTR 3B

- Where the tax payable by RP in GSTR1/IFF/using IFF exceeds the tax payable in GSTR 3B by such amount & %age as may be recommended by Council, the RP shall be intimated of such difference, on portal & a copy shall also be sent on Email, highlighting difference & directing him to (a) Pay differential liability with interest u/s 50 or
  (b) Explain the aforesaid difference in tax payable on the portal, within a period of 7 days.
- The RP shall (a) Pay & furnish details or (b) furnish a reply, within the said 7 days.
- Where any amount remains unpaid & no explaination is furnished or where the explanation is not found to be acceptable by PO, the amount shall be recoverable.

Rule 88D: Manner of dealing with difference in ITC available in 2B & ITC availed in return (3B)

(1) Where the ITC availed by a RP in the return for a tax period(s) furnished by him in GSTR 3B exceeds the ITC available in auto-generated Statement GSTR 2B, by such amount & such %age, as may be recommended by the Council, the RP shall be intimated of such difference on portal & email, highlighting the difference & directing him to (a) Pay the excess ITC availed with interest u/s 50 or (b) Explain the reasons for difference within a period of 7 days.

(2) The RP shall either (a) Pay the excess ITC amount with interest u/s 50 or (b) furnish a reply with reasons in respect of excess ITC that has still remained unpaid within a period of 7 days.

(3) Where any amount remains to be paid and where no explanation/reason is furnished by the RP or where the explanation is not found acceptable by the PO, the said amount shall be demanded.

Note: Amendment marked in green is not applicable for Jan 25 exams.

GST Practitioner – Means any person who has been approved u/s 48 to act as GSTP

Eligibility → Apply (Application: Over common portal) → Verification by PO → Enrollment/ Rejection

Eligibility
1. Indian citizen
2. Sound mind
3. Not Adjudicated insolvent
4. Not Convicted by a Competent Court

(+)

Satisfies any of the following:
(a) He is a retired officer of Commercial Tax dept of any SG/CBIC (Group B Gazetted officer ≥ 2 yrs)
(b) He has enrolled as sales tax practioner/ tax return preparer under existing law for ≥ 5 yrs
(c) He has passed:
(i) a graduate/ post graduate degree/equivalent in commerce, Law, Banking, Business Administration or business management from any Indian university
(ii) a degree examination of any foreign university recognised by any Indian university as degree equivalent
(iii) any other examination, notified by govt on recommendation of Council
(iv) has passed final examination of ICAI/ICWAI-Cost accountants/ICSI.

IMPORTANT

Functions of GSTP:
1. Furnish details of outward supplies u/s 37
2. Furnish monthly, annual or final return (u/s 39, 44, 45 resp.)
3. Make deposit for credit into the E. cash ledger
4. File a refund claim
5. File an application for amendment/cancellation of Registration
6. Furnish information for generation of e-way bill
7. Furnish details of challan in GST ITC 04 (Jobwork details)
8. File an application for amendment/cancellation of enrolment under rule 58
9. File an intimation to pay tax under Composition/withdrawal from scheme

Place of Supply

(1) Section 10 (goods)

- (a) Supply involves movement (S/R/AP) where movement terminates for delivery to recipient
- (b) 'Bill to Ship to' PPOB of 3rd party
- (c) Supply doesnot involve movement: Location of gds at the time of delivery
- (ca) Supply to URP (over the Counter sales): Location as per address recorded in Invoice. If address not recorded: Location of the Supplier.
  Circular: Pos of goods (particularly being Supplied through ECO) to URP where billing & delivery address are different shall be: the delivery address & supplier may record delivery address as the address of recipient on the invoice for determining Pos.
- (d) Assembled/Installed at site: Place of inst. or assembly
- (e) Supplied on board: Place taken on board

Section 9: Supply in TWI

- Los (TWI): Los – nearest Costal St/UT
- Pos (TWI): Pos – nearest Costal St/UT

TWI: Territorial waters of India

Section 12 (Services)

(1) Los & LoR both in India → Then Sec 12 is applicable

(2) Residual rule: RP – LoRP; URP – AoR; ~~AoR~~ – LoS

Los: Location of Supplier
LoR: Location of recipient
AoR: Address on records

(3) Services in relation to immovable property
(a) Directly in relation to IMP
(b) Lodging accomodation
(c) Functions at imp.
(d) Ancilliary services to (a,b,c)
→ Location/intended location of property/Boat/vessel. Imp. outside India – LoR
Immovable property located in multiple state/UT: Sos treated as made in each state/UT, in proportion to value of services seperately collected/determined in term of Contract/As per Rule 4
Rule 4: in proportion to no. of nights/area/on the basis of declaration by service provider.

(4) Performance Based Services: RCB & PH → Place of Performance (POP) → URP: POP

(5) Training & Performance Appraisal → RP: LoRP; URP: POP

(6) Admission to Event(E)/Park & Services ancillary → PoEvent/Park

(7) Organisation of Event & ancillary Services → RP: LoRP; URP: PoEvent; Event o/s India: LoR
Event in multiple State: Pos in each of the resp. St/UT & Value shall be in proportion to value seperately Collected/in term of Contract/ As per Rule 5 (URP): Apply GAAP.

(8) Transportation of goods (incl. mails/Courier) → RP – LoRP; URP – Handed over (Pick up)

(9) Passenger transportation Services → RP – LoRP; URP – Place of embarkation (Jump in) (for a continious journey)
Right 2 passage: 12(2)
Expl^{n}: Return journey is treated as seperate journey.

(10) On Board Services → First Scheduled departure point

R: Restaurant & Catering
C: Cosmetic & Plastic Surgery
B: Beauty treatment
F: Fitness
P: Personal grooming
H: Health Services

(11) Telecommunication Services by

- (a) Fixed line, circuit, dish: Location of FL, circuit, etc.
- (b) Post paid mobile: Billing address
- (c) Pre paid mobile, internet
  - Through selling agent/reseller/distributor: Address of agent/reseller
  - By any person → final subscriber: where prepaymt recd/voucher sold
  - Prepaid service through internet banking: AoR.
- (d) Other cases: Address on records, if AoR NA: LoS
  Expl^{n}: Leased circuit installed in > 1 st/UT, In proportion to value/In term of Contract/As per Rule 6
  Rule 6 (in proportion to no. of points lying in St/UT)

(12) Financial & stock Broking Services

AoR, if ~~AoR~~: LoSoS

(13) Insurance services

RP: LoR
URP: AoR

(14) Advertisement Services to CG/SG/LA/Statutory body meant for states/UTs:

Pos: In every state/UT & value proportion to Amt attributable to services provided in resp St/UT in term of Contract/As per Rule 3

Circular: Pos in case of SoSs w.r.t. advertisement Sector.
- Supply of Space on hoarding given by vendor to advertisement Co. is grant of right to use an immovable property, Sec 12(3) shall apply.
- Where the vendor is responsible for display of advertisement, he is providing advertisement services to adv. Co, Sec 12(2) shall apply.

Advertisement in	Basis of Apportionment/VOS
Newspaper & Publication	Amount payable for publishing advertisement.
Printed material (pamplets/T shirts)	Amount payable for distribution.
Hoarding other than on trains	Amount payable for hoardings.
Trains	Ratio of length of railway tracks x Amt Payable for such advertisement.
Utility Bills of oil/gas Co.	Amount payable
Railway tickets	Ratio of No. of railway stations x Amount payable
Over Radio stations	Amount payable to such radio station
Television channels	Channel Viewership Figures
Cinema halls	Amount payable to a cinema hall/Screens in a multiplex
Over internet	Service deemed provided all over India, Basis: internet Subscribers
through SMS	Telecom subscribers