

SUPPLY UNDER GST.

GOODS

- Every kind of movable property
 ~~Money~~ actionable claims
 ~~Securities~~ growing crops
 grains & things
 attached/ forming
 part of land

SERVICES:

- Any thing other than goods, money & securities
- Activities relating to use of money
- Cash $\xrightarrow[\text{currency/denom}]{\text{Mode/form}}$ Cash
 for separate cons

ACTIONABLE CLAIM:

- claim to unsecured debt
- claim to beneficial interest in a movable property.

* Currency held for numismatic value - ~~Money~~ → Goods

SECTION-7: Supply includes:

(1)

(a) all forms of supply

Sale/transfer/barter/
exchange/license/
rental/lease/disposal

+ For a
consideration

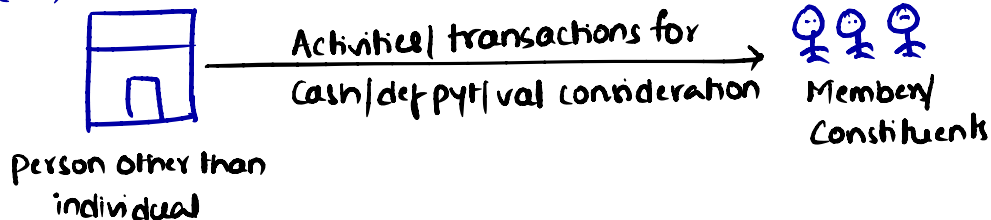
+ in the course/
furtherance of
business

(b) $\xrightarrow[\text{for consideration}]{\text{Importation of "services"}}$  whether/not in
the course/furtherance
of business

(c) Sch I → Activities without } → supply
consideration

- * Donations received by charitable institutions from individual donors, without quid pro quo - No consideration NO supply - NO GST.
- * Art works sent by artists to galleries for exhibition is not a supply as there is no consideration flows from gallery to artist.

(aa)



SCHEDULE 1

1

Permanent transfer or disposal of business assets where input tax credit has been availed on such asset.

2

Supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business.

Provided that gifts not exceeding fifty thousand rupees in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both

3

Supply of goods — a. by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or b. by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.

4

Import of services by a person from a related person or from any of his other establishments outside India, in the course or furtherance of business.

* SEC 8 - COMPOSITE SUPPLY

Two or more taxable supplies &

Naturally bundled &

One of which is principal supply

Taxed at the GST rate

applicable to principal supply

How to determine

- Perception of consumer
- Majority of service providers do it
- Nature of various services

MIXED SUPPLY:

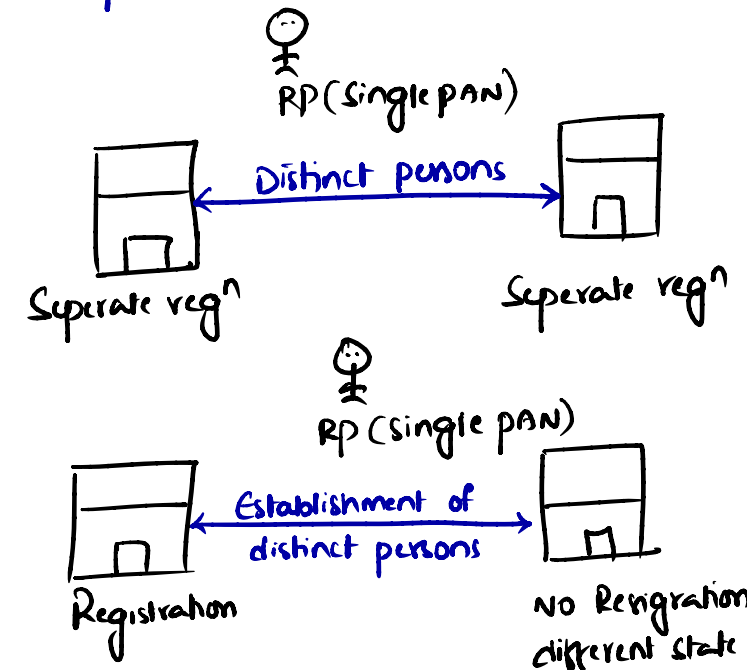
- * Which does not fall under composite supply
- * Treated as supply of that particular supply that attracts highest rate of tax.

Related person

- Officer/director of one other's business
- Legally recognised partner
- Employee/employer
- A third person $\geq 25\%$ voting/shares of both
- One controls the other
- A third person controls both of them
- Such persons together control a third person
- members of same family
- sole agent/sole distributor/sole concessionaire

Family $\left\{ \begin{array}{l} \text{Spouse} \\ \text{children} \\ \text{parents/grandparents/} \\ \text{brother/sister} \end{array} \right\}$ if wholly dependent

Distinct persons

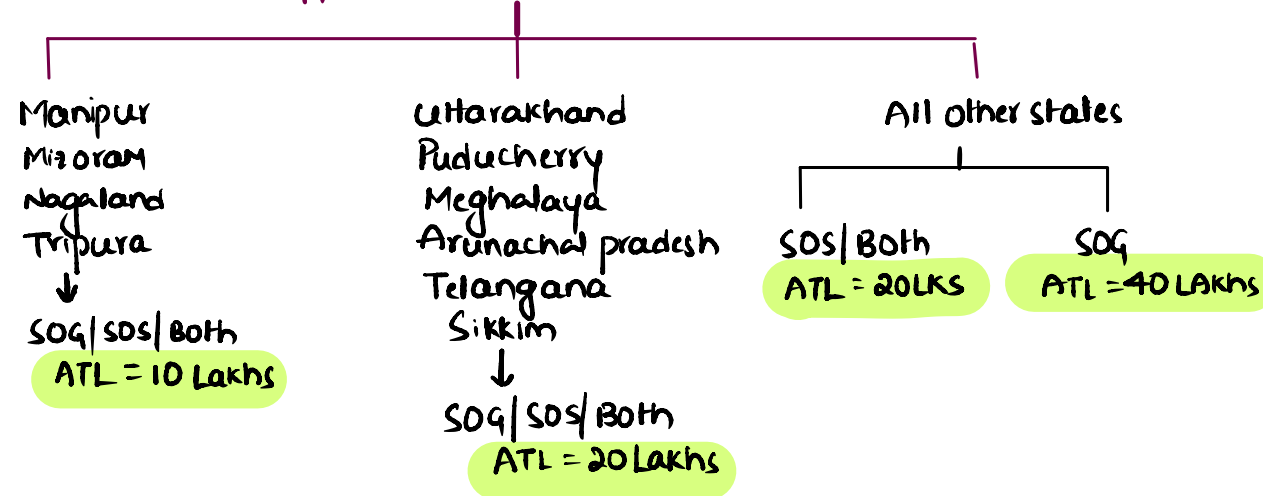


REGISTRATION

Sec 22: Person's liable to obtain registration.

- (1) Supplier $\rightarrow$ in a state/UT (from where he makes taxable supply) $\rightarrow$ If $ATO > \text{Threshold Limit}$

Applicable Threshold limit



Meaning of Aggregate Turnover: Computed on all India basis
Includes: TS + ES + Exports + Interstate supplies of persons having same PAN

Excludes: Inward supplies under RCM & Taxes under GST Law

Not applicable for (in the below cases TL is 20LKS)

- person required to take compulsory regⁿ (Sec 24)
- person engaged in making supplies of:
 - * Icecream and other edible ice
 - * Pan Masala
 - * Tobacco
 - * Fly ash bricks/aggregate
 - * Bricks of fossil meals/siliceous earth
 - * Building bricks
 - * Earthen/roofing tiles

Note: A person shall be considered to be engaged exclusively in the supply of goods even if he is engaged in exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.

(2) Persons already registered under existing law

(3) Transfer of business

* Business is transferred as a going concern because of succession/any other reason } w.e.f dt of such transfer/succession

* Amalgamation / Demerger - w.e.f dt on which ROC issues a certificate of Incorporation.

SEC 24: COMPULSORY REGISTRATION

1. Persons making inter state taxable supply

Exceptions:

- * persons making inter state supplies of taxable services upto ATO 2014/10L
- * persons making inter state supplies of notified handicraft goods upto ATO 2014/10L

2. CTP

Exception:

CTP making inter state supplies of notified handicraft goods upto ATO 2014/10L

3. Persons required to pay tax under RCM on inward supplies

Note: Person making only outward supplies covered under RCM is exempted from registration.

4. NRTP

5. Person who makes TS on behalf of Other taxable person (Agent)

6. TDS deductor u/s 51

7. ECD — pay tax u/s 9(5)/collect TCS u/s 52

8. Persons supplying OEDAR services from o/s India

9. ISD

10. Person supplying online money gaming from o/s India

11. Other class of persons as may be notified

SEC 23: PERSONS NOT LIABLE FOR REGISTRATION:

1. Persons exclusively engaged in making exempted supplies
2. Agriculturist to the extent of supply of agricultural produce

SEC 25: PROCEDURE FOR REGISTRATION

(1) When to apply

person liable u/s 22/24 — within 30 days
CTP/NRTP — 5 days prior to comm of business

(2) Single registration in a ST/UT

SEZ/Non SEZ — separate registration

(3) Person may opt for voluntary registration

(4) & (5) Multiple registrations } DISTINCT PERSONS under same PAN

(6) PAN is compulsory for registration

(7) NRTP — PAN not needed

(8) Suo moto regⁿ by proper officer

PO $\xrightarrow[\text{Inspection}]{\text{Survey/Inquiry}}$ Grant temporary registration

↓ within 90 days

Submit an appⁿ

File an appeal

(9) Sp. agency of UNO/
Multilateral FI/org/
Consulate/Embassy/
Other notified person } Shall be granted UIN

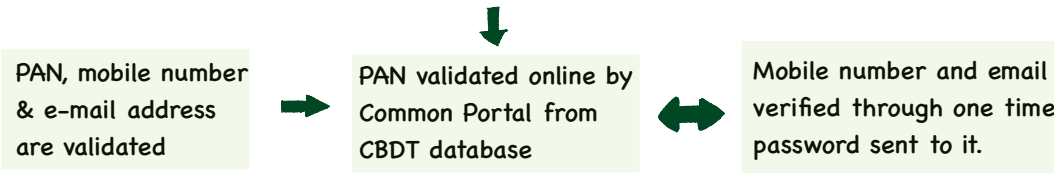
SEC 26: DEEMED REGISTRATION

Registration / UIN granted by state/UT —
Deemed to be granted by CG also

Procedure for registration

Part I

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



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

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

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

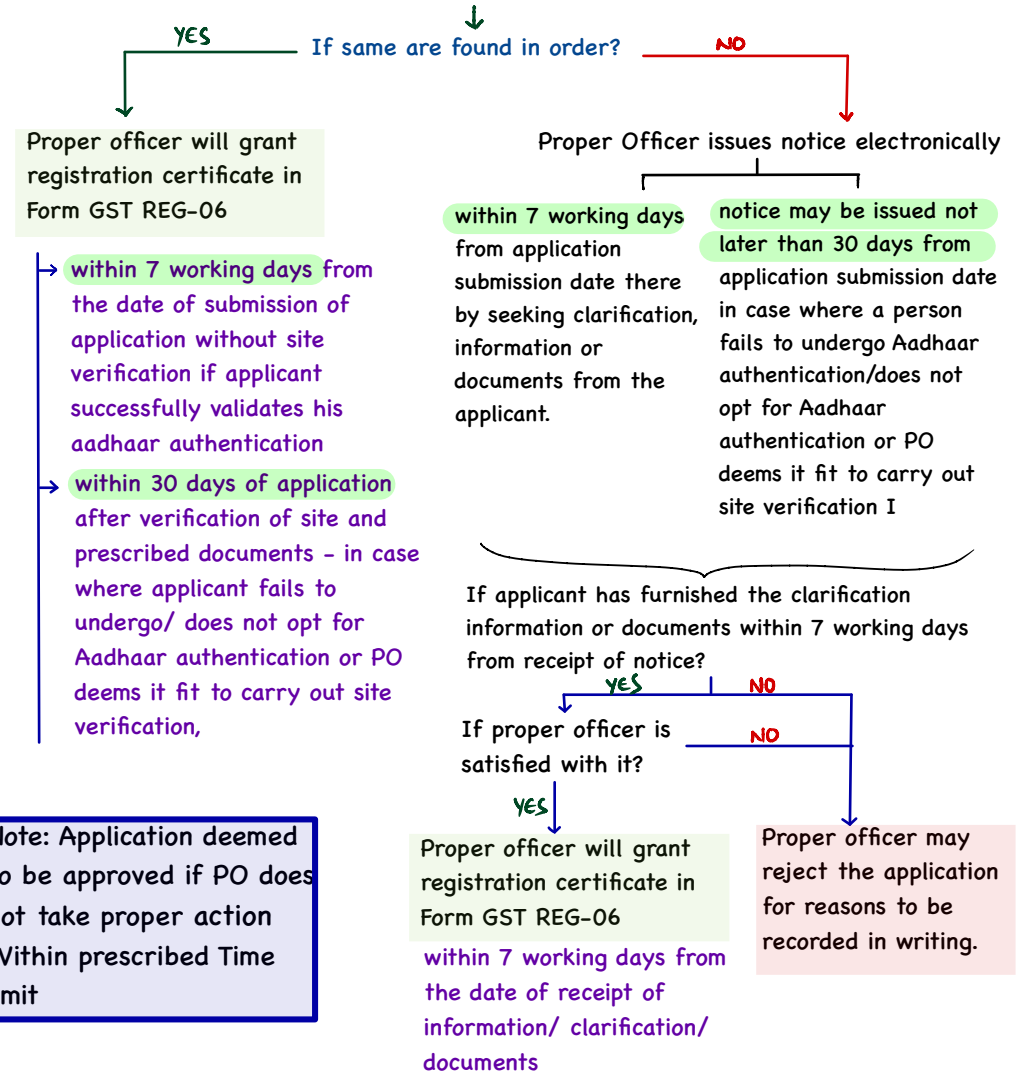
On receipt of such application, an acknowledgement in the prescribed form shall be issued to the applicant electronically. A Causal Taxable Person (CTP) applying for registration gets a TRN for making an advance deposit of tax in his electronic cash ledger and an acknowledgement is issued only after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

Application shall be forwarded to the Proper Officer.

Procedure for registration

Part II

Proper Officer examines the application and accompanying documents.



RULE 10A

Furnish the details of bank account on common portal within

30 days from grant of reg/ due date of furnishing return } whichever is earlier

RULE 10

- GSTIN will be issued
- Display GSTIN at
 - PPOB
 - APOB
 - Name board

EFFECTIVE DATE OF REGISTRATION

Where an applicant submits application for registration	Effective date of registration is
within 30 days from the date he becomes liable to registration	the date on which he becomes liable to registration
after 30 days from the date he becomes liable to registration	the date of grant of registration certificate

CTP/NRTP REGISTRATION

* CTP/NRTP - regd at least 5 days prior to the commencement of business

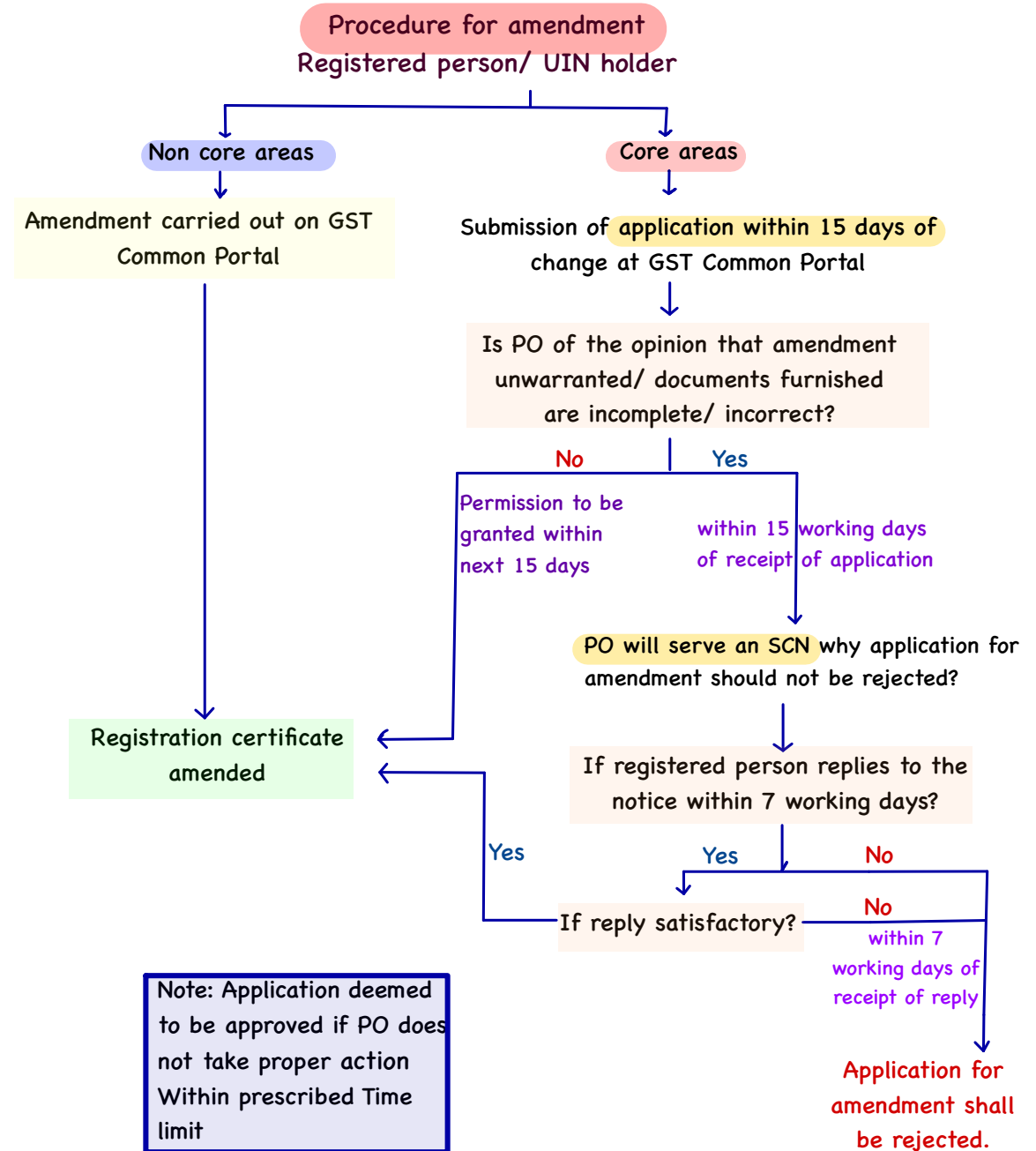
* NRTP Submit → self attested copy of passport + Appⁿ signed by auth signatory who is resident of India

* validity of registration certificate:

period specified in appⁿ / 90 days from effective date of regⁿ } whichever is Earlier

The above period can be extended by further 90 days

* Advance deposit of tax at the time of registration/ extension of registration.



SEC 29: CANCELLATION OF REGISTRATION

Circumstances in which registration can be cancelled by Regd person/ legal heirs/ proper officer 29(1)

- Business discontinued
- Death/ Amalgamation/ Demerger/ Otherwise disposed
- Change in Constitution
- Person no longer liable for regⁿ/opt out of voluntary reg

Circumstances in which PO can cancel registration 29(2):

* prescribed contraventions [Rule 21]

- Does not conduct any business from the declared place of business, or
- Issues invoice/bill without supply of goods/services in violation of the provisions of this Act, or the rules made thereunder.
- Violates the provisions of section 171. Section 171 contains provisions relating to anti-profiteering measure
- Violates the provision of rule 10A (discussed earlier in this chapter).
- Avails input tax credit in violation of the provisions of section 16 of the CGST Act or the rules made thereunder; or
- Furnishes the details of outward supplies in Form GSTR-1 under section 37 for one or more tax periods which is in excess of the outward supplies declared by him in his valid return under section 39 for the said tax periods; or
- Violates the provision of rule 86B.
- ga) violates the third and fourth proviso of rule 23
- h) being a registered person required to file return under section 39(1)(GSTR -3B) for each month or part thereof (i.e. monthly return filer), has not furnished returns for a continuous period of 6 months.
- i) being a registered person required to file return under proviso to section 39(1)(GSTR- 3B under QRMP scheme) for each quarter or part thereof (i.e. quarterly return filer), has not furnished returns for a continuous period of 2 tax periods.

* Composition dealer - Not furnished return for FY (GSTR-4) beyond 3 months from due date

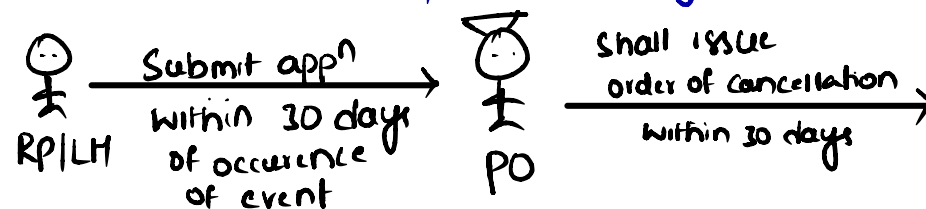
* RP not furnished return for such continuous period

* Vol RP → doesn't commence business within 6 months

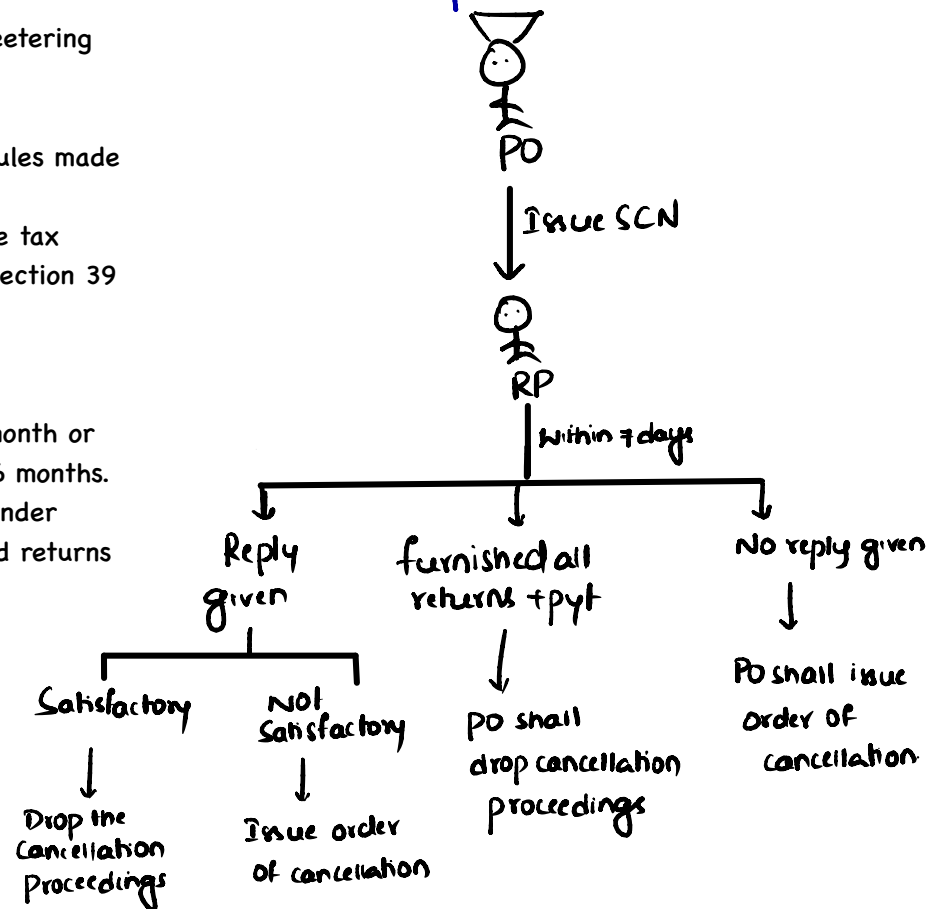
* Reg obtained by means of fraud/willful misstatement/suppression of facts.

A person to whom VIN was granted can't apply for cancellation of regⁿ

Procedure for voluntary cancellation by RP

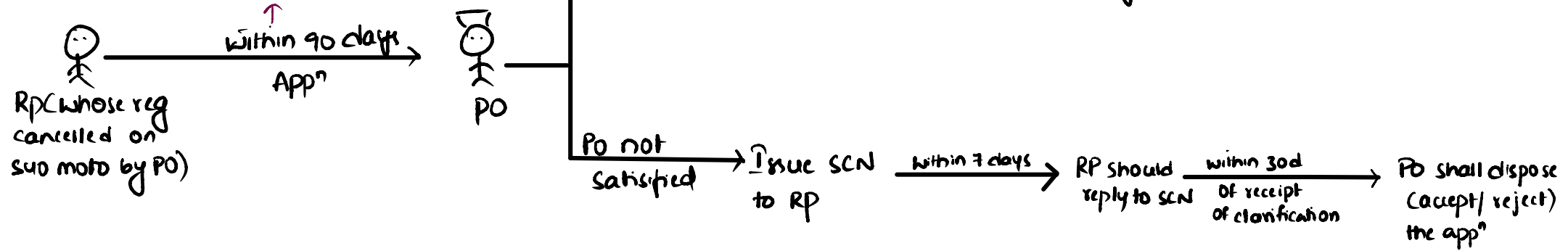


Procedure for suo moto cancellation by the department.



REVOCATION OF CANCELLATION OF REGISTRATION:

TL can be extended by
AC/above by
180 days



COMPOSITION LEVY

SEC 10(1) - Composition levy for supply of Goods:

who can avail?

* RP - ATO in pfy $\leq$ 1.5 crores

Manipur	Sikkim	} ATO in pfy $\leq$ 75 lakhs
Mizoram	Nagaland	
Meghalaya	Uttarakhand	
Arunachal Pradesh	Tripura	

RULE 7: RATES OF TAX IN CASE OF COMPOSITION LEVY FOR GOODS:

S. No.	Category of registered persons	Rate of tax
1	Manufacturers, other than manufacturers of notified goods.	$\frac{1}{2}$ % of the turnover in the State/Union territory
2	Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II [referred to as " <u>Restaurant service</u> " in discussion under this chapter]	$2\frac{1}{2}$ % of the turnover in the State/Union territory
3	Any other supplier eligible for composition levy under (1) and (2) of section 10 of CGST Act (e.g. -trader).	$\frac{1}{2}$ % of turnover of taxable supplies of goods & services in the State/Union territory

SEC-10(3): Composition levy shall lapse if ATO in a fy exceeds 1.5 crores/75 lakhs/50 lakhs

Some other important points regarding composition levy:

- ✓ pay tax under RCM on inward supplies
- Mention "Composite taxable person" on BOS; PROB & APOB
- Shall not collect any tax from the recipient
- Shall not be entitled to any ITC

10(2) - eligibility for composition levy:

- * Rp engaged in SOG + Marginal Services $\left[\begin{array}{l} 10\% \text{ of TO in preceding fy (or)} \\ \text{₹5,00,000} \\ \text{whichever is higher} \end{array} \right]$
- * Rp not engaged in supply of G/S not leviable to tax
- * Rp not engaged in any interstate outward supplies
- * Rp not making supplies through ECO covered u/s 52
- * not manufacturer of below mentioned goods
 - Icecream and other edible ice
 - Pan Masala
 - Tobacco
 - Aerated water
 - Fly ash bricks/aggregate
 - Bricks of fossil meals/siliceous earth
 - Building bricks
 - Earthen/roofing tiles
- * NOT a CTP/NRTP.

where more than one registered persons are having the same Permanent Account Number (issued under the Income tax Act, 1961), the registered person shall not be eligible to opt for the scheme under sub-section (1) unless all such registered persons opt to pay tax under that sub-section.

SEC-10(2A) COMPOSITION LEVY FOR SUPPLY OF SERVICES

who is Eligible? Rp - ATO in pfy $\leq$ 50 lakhs.

Rate of tax - 3% of turnover in state/UT
(3% CGST + 3% SGST = 6%)

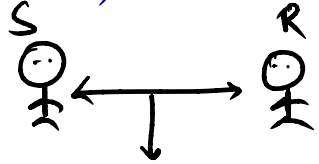
Eligibility:

- * Rp not engaged in supply of G/S not leviable to tax
- * Rp not engaged in any interstate outward supplies
- * Rp not making supplies through ECO covered u/s 52
- * NOT a CTP/NRTP.

VALUE OF SUPPLY

SECTION 15

(1)



- * Unrelated
- * Price is the sole consideration



VOS = Transaction value

Tv = price paid + payable

(2)

INCLUSIONS IN TV

- (a) Taxes other than GST & Comp cess
TCS - Not includible in VOS
- (b) Payments made to third parties by the recipient that the supplier is liable to pay
- (c) Incidental Expenses
 - Commission
 - Packing
 - Inspection/certification charges
 - Installation & testing charges
 - Weightment, loading & dunnaging charges
 - Outward freight & transit insurance
- (d) Interest / late fee / Penalty for delayed payt
- (e) Subsidies linked with price given by other than SG/CG

(3)

EXCLUSION OF DISCOUNTS FROM VALUE

- (a) Discounts given before/at the time of supply & shown in the invoice



Excluded from VOS

(b) Post supply discounts

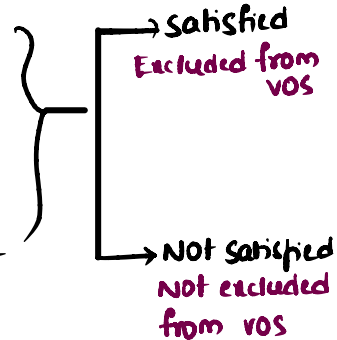
③ conditions

1. Agreement existing at the time of supply
2. Discount can be calc invoice wise
3. Proportionate ITC to be reversed by recipient

(4)
If +5%
follow valⁿ rules

(5)

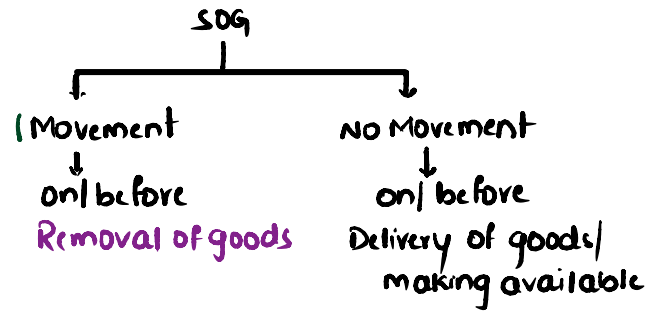
Govt may prescribe VR



TAX INVOICE, DEBIT AND CREDIT NOTES

SECTION-31

(1) - TI in case of SOG



(2) TI in case of SOS

- * Within 30 days from provision of service
- * Ins/ BC/ FI/ NBFC - within 45 days

(4) TI in case of cont SOG

- Before/ at the time
- Each such statement is issued/
- Each such payment is received.

(5) - TI in case of cont SOS

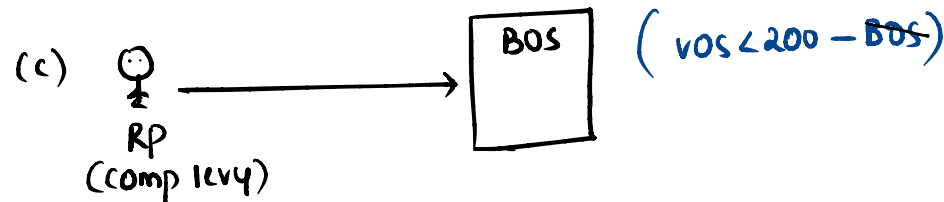
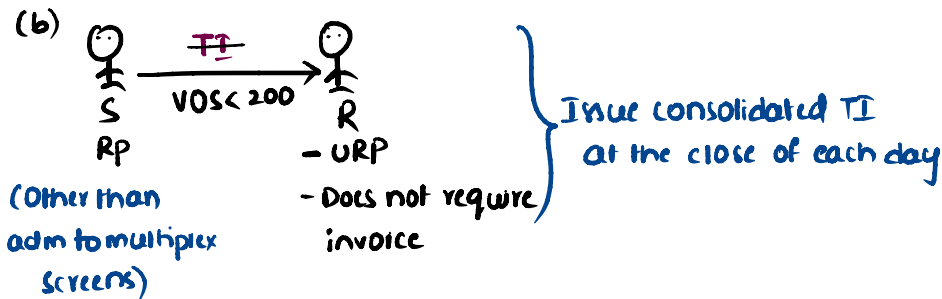
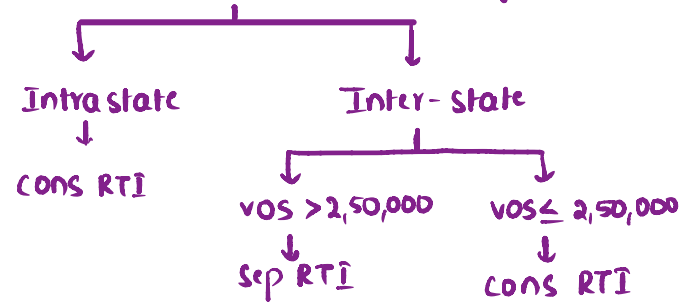
- * DD of pyt ascertainable - on/ before due date
- * pyt linked to completion } - on/ before comp of event
- * DD of pyt not } - on/ before the supplier ascertainable } receives the payment

(6) - Service ceases before completion of supply:

Invoice shall be issued to the extent of the supply made before cessation.

(3)

(a) RTI - within 30 days from the issue of RC
Supplies where recipient is unregistered



(d) Receipt voucher on receipt of advance

Rate of tax not determinable - 18%

nature of supply not determinable - Interstate

(e) Refund voucher - No supply against advance

(f) Self invoice - Recipient under RCM received GLS from URP

(g) Payment voucher - Recipient under RCM

(7) - Goods sent / taken on approval/

Sale or return:

Invoice shall be issued:

- Before/ at the time of supply
 - Six months from date of removal
- Earlier

Some important points reg TI

* In case of SOG

Invoice - 3 copies

Original - recipient

Duplicate - Transporter

TriPLICATE - Supplier

* In case of SOS

Original - recipient

Duplicate - Supplier

HSN CODE Requirements

AT ≤ 5Cr in PFY B2B - 4 digit
B2C - 4 (optional)

AT > 5Cr in PFY B2B } 6 digits
B2C }

E-INVOICE

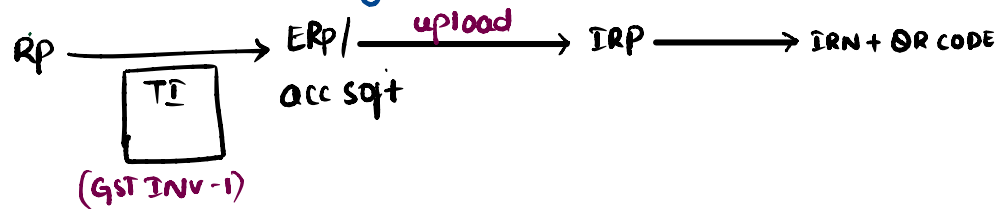
* Who is mandatorily required to issue E-Invoice?

Rp → AT in any PFY } Exceeds 5 crores → E invoice required only for B2B supplies
from FY 2017-18

* Exemptions from E-invoicing:

- SEZ units (not SEZ developers)
- Ins/ BC/ FI/ NBFC
- GTA
- Pan transportation services
- Exhibition of films in multiplex
- Government department
- Local authority

* Process of E-invoicing?



In case of issuance of E-invoice, no need to carry physical copy of tax invoice

DYNAMIC QR CODE:

* Applicability: Rp → AT in any PFY } Exceeds 500 crores → Dynamic QR code required only for B2C supplies
from 2017-18

* Exemptions from Dyn QR code:

- Ins/ BC/ FI/ NBFC
- GTA
- Pan transportation services
- Exhibition of films in multiplex
- ODAR

SEC-34: CREDIT AND DEBIT NOTES

(1)

- Taxable value/ Tax charged } Exceeds Tax value/ Tax payable } Supplier may issue one or more credit notes
- Goods returned by the recipient
- Q/s found to be deficient

(2) Time limit for declaring the credit notes in the return:
30th Nov following the end of the FY / } whichever is date of furnishing annual return } earlier

(3)

- Taxable value/ Tax charged } Less than Tax value/ Tax payable } Supplier may issue one or more debit notes

✓ NO time limit for declaring debit note in the return.

RULE 55 - DELIVERY CHALLAN

- Supply of LG where Qty not known
 - Movement of goods for job work
 - Mov of goods for reasons other than supply
 - Other supplies notified by board
- Issue Delivery challan

TIME OF SUPPLY

SEC 12 - TOS OF GOODS

TOS in case of FCM [12(2)]

DOI / Last date to issue invoice
~~Date on which supplier receives pyt~~ } whichever is earlier

TOS in case of RCM [12(3)]

- Dt of receipt of Goods
 - Dt of pyt in BOA / debited in bank
 - Day immediately following 30 days from issue of invoice / document
- } whichever is earlier

If it is not possible to determine TOS as above then TOS shall be date of entry in BOA of recipient

TOS in case of vouchers [12(4)]

- supply identifiable → Dt of issue of voucher
- Other cases → Dt of redemption of voucher

TOS in residual cases [12(5)]

- Periodical return has to be filed → Dt on which return to be filed
- Any other case → Dt on which tax is paid

TOS in case of Penalty, interest in case of delayed payment [12(6)]

Dt on which supplier receives such addition in value

SEC 13 - TOS OF SERVICES

TOS in case of FCM [13(2)]

Invoice issued within Time limit [13(2)(a)]

Dt of Invoice / Dt of rect of pyt } Earlier

Invoice not issued within Time limit [13(2)(b)]

Dt of prov of service / Dt of rect of pyt } Earlier

If 13(2)(a) & 13(2)(b) are not applicable, then TOS is the date on which the recipient shows receipt of Services in his BOA

Supplier receives upto ₹1,000 in excn of amount indicated in Invoice

TOS at the option of supplier be the date of issue of invoice

TOS in case of RCM [13(3)]

- Dt of pyt in BOA / debited in bank
 - Day immediately following 30 days from issue of invoice / document
- } whichever is earlier

If it is not possible to determine TOS as above then TOS shall be date of entry in BOA of recipient

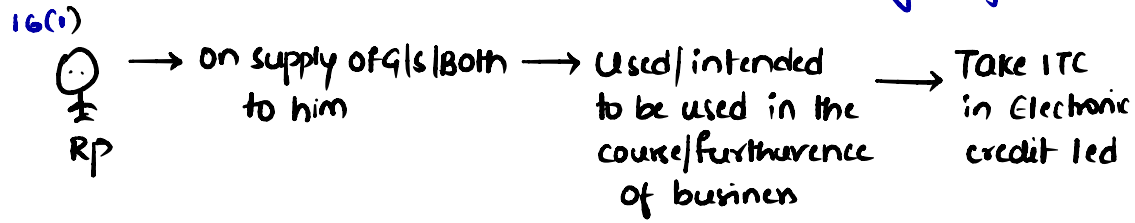
Import of services b/w associated enterprises

- Dt of pyt for service
 - Dt of entry in BOA of recipient
- } whichever is earlier

13(4)
13(5)
13(6) } Same as 12(4), 12(5) & 12(6)

INPUT TAX CREDIT

SEC 16 - Eligibility & conditions for taking ITC



(ba) ITC should not have been restricted

(c) Tax charged should have been paid to the Govt either in cash/through utilisation of ITC

(d) Furnish the return GSTR-3B

16(2) - Conditions to be fulfilled for claiming ITC

(a) RP in possession of tax paying doc

R. 36(1)

Documents for claiming ITC

- Invoice
- Self invoice in case of RCM
- Debit Note
- BOE
- RTI
- DOC issued by ISD

R. 36(2)

Details to be contained in Doc

- Amt of tax
- Description of G/S
- VOS
- GSTIN of R & S
- POS → Inter State supply

R. 36(3)

NO ITC of tax paid towards demands involving fraud

R. 36(4)

- Details of OS furnished by supp in GSTR1/IFF
- ITC communicated to Recipient in GSTR 2B

(aa) Same as R 36(4)

- Details of OS furnished by supp in GSTR1/IFF
- ITC communicated to Recipient in GSTR 2B

(b) Received such G/S/Both

In case of Bill to ship to model, deemed to be received

Some important points:

* Goods received in lots/installments - Entitled to take ITC upon receipt of last inst/lot

* If recipient fails to make the payment to the supplier within 180 days from the issue of invoice, ITC availed should be reversed along with interest @ 18%.

However if the recipient makes the payt later, he will be entitled to take the credit again without any time limit

Condition of making payt within 180 days does not apply in:

- RCM
- Deemed supplies without consideration
- payments made to third parties, on behalf of supplier

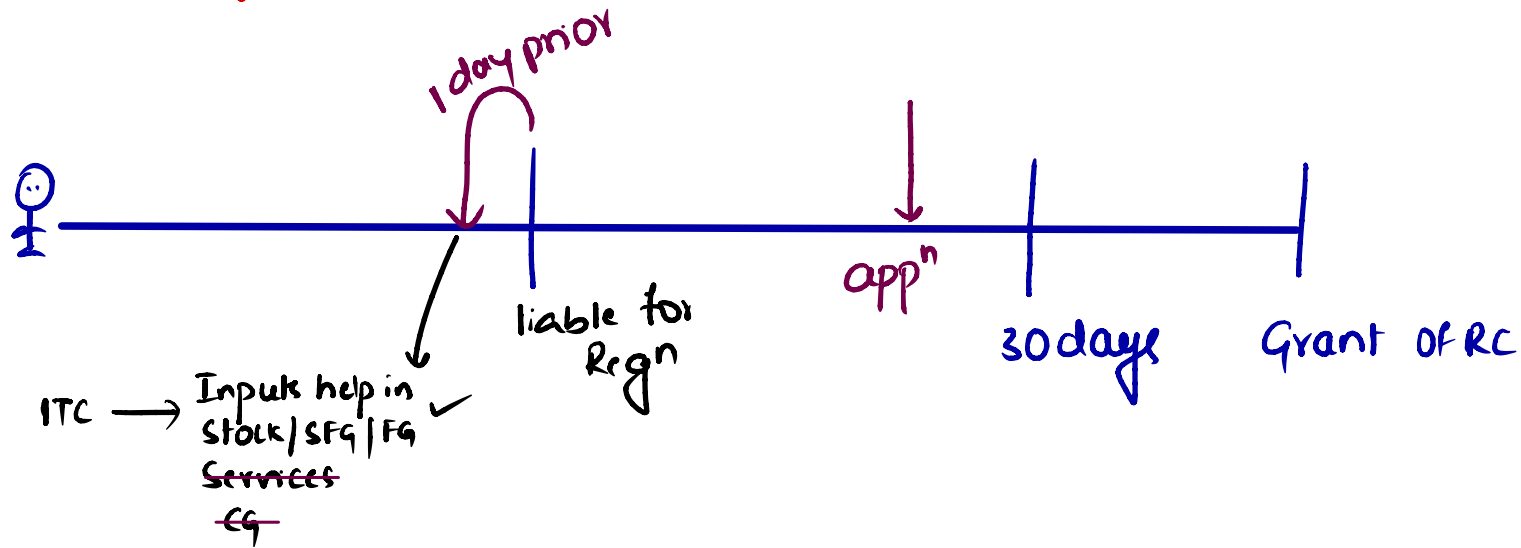
16(3) ITC on capital goods: Should not claim depⁿ on tax component

16(4) TL for availing ITC

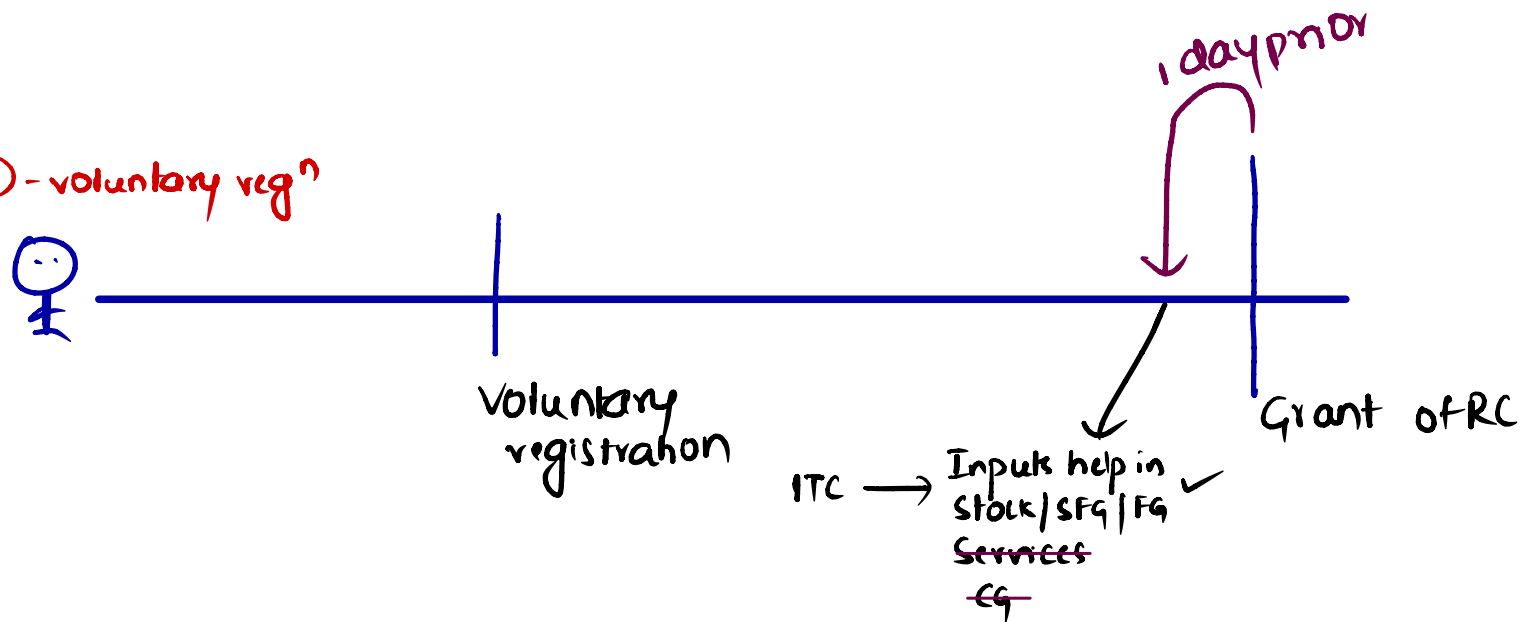
30th Nov following the end of the FY / } whichever is Earlier
Date of furnishing AR

SEC 18 - CREDIT IN SPECIAL CIRCUMSTANCES

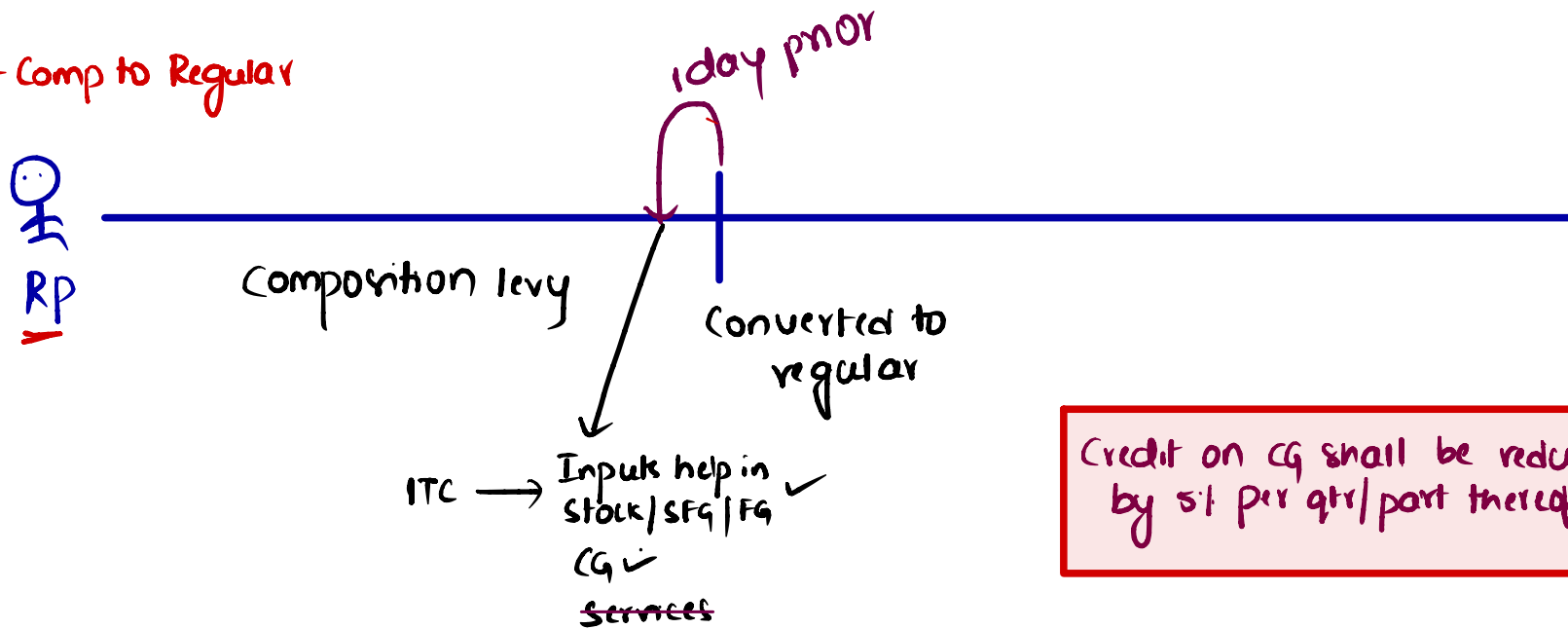
18(i)(a) - New registration



18(i)(b) - voluntary regⁿ

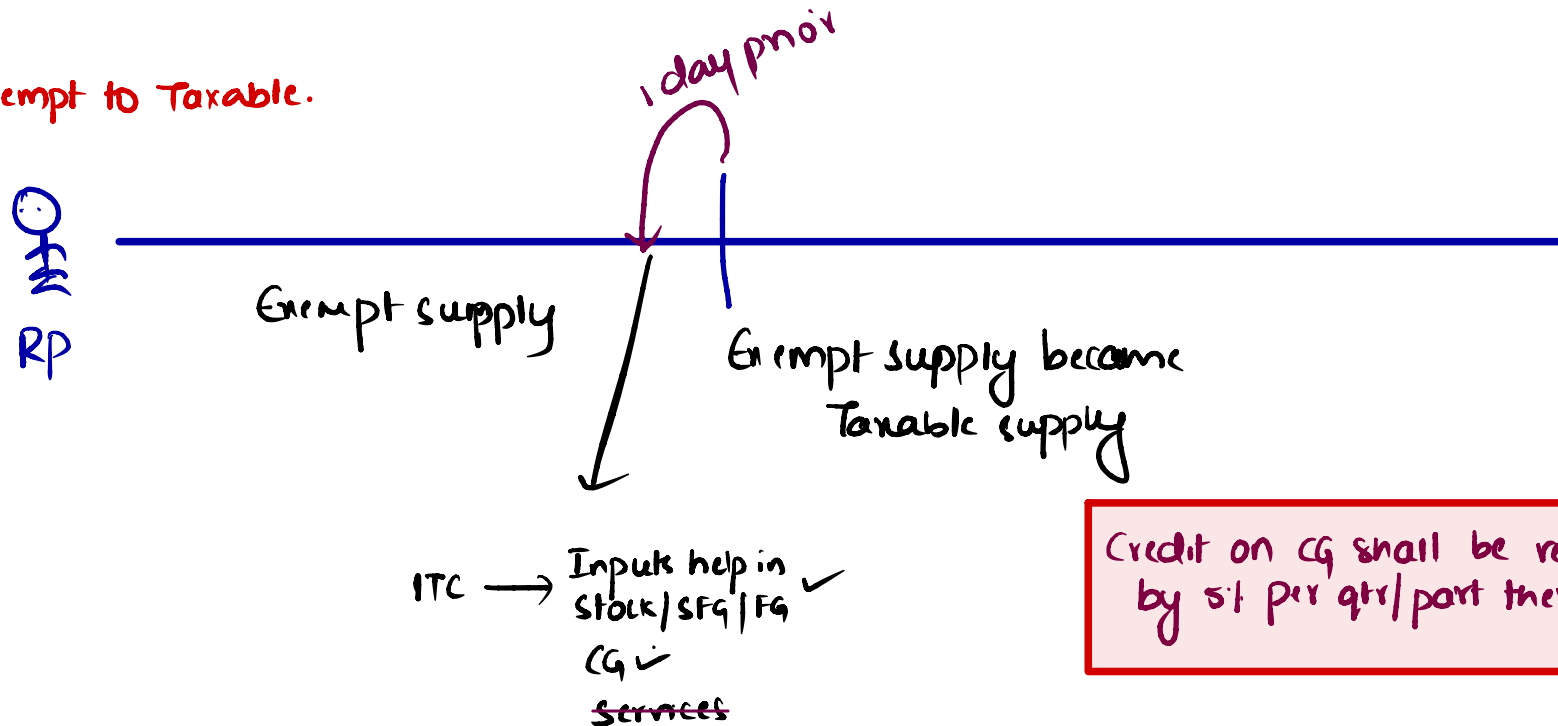


18(i)(c) - Comp to Regular



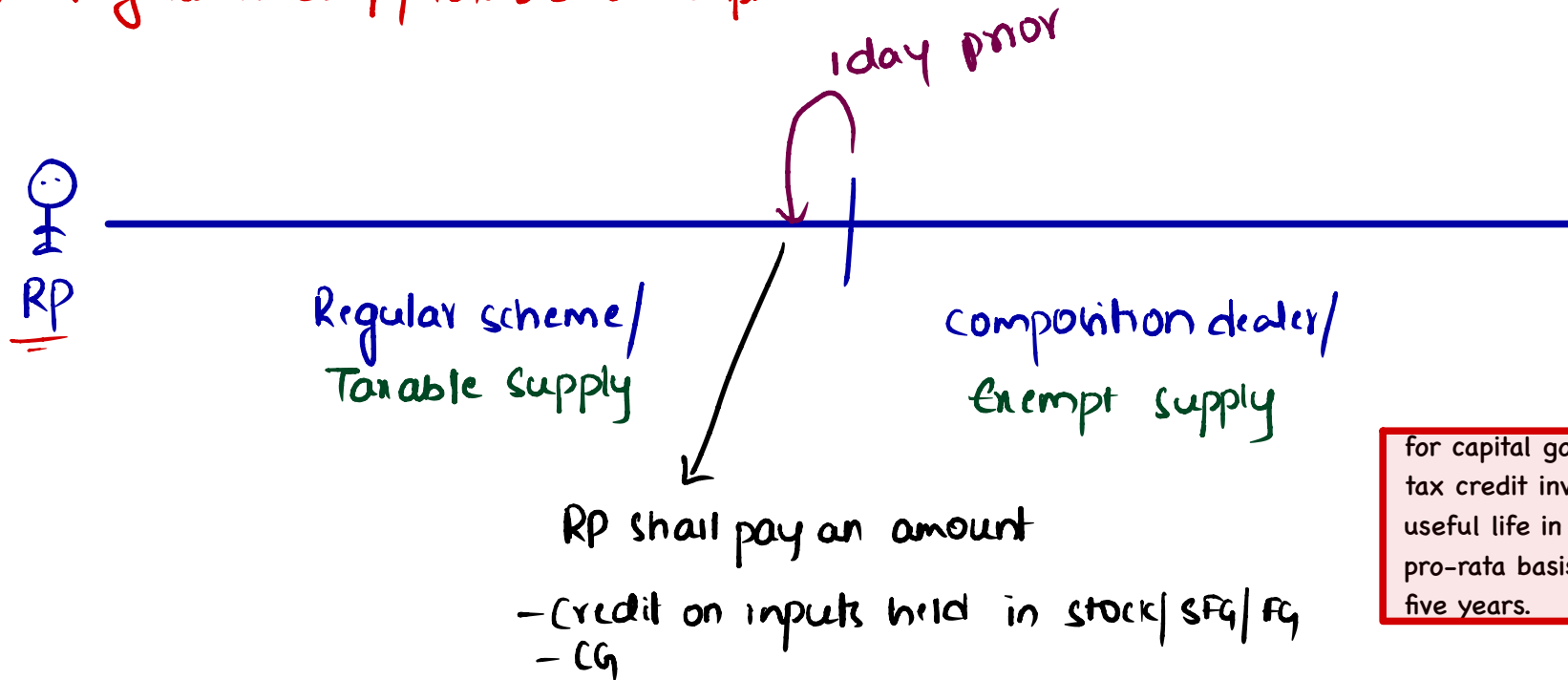
Credit on CG shall be reduced by 5% per qtr/part thereof

18(i)(d) - Exempt to Taxable.



Credit on CG shall be reduced by 5% per qtr/part thereof

18(4) - Regular to comp/Taxable to Exempt



for capital goods held in stock, the input tax credit involved in the remaining useful life in months shall be computed on pro-rata basis, taking the useful life as five years.

18(6) - Supply of CG/P2M on which ITC has been availed

RP shall pay an amount equal to:

- ITC taken as reduced by 5% per Qtr/part thereof
 - Tax on transaction value
- } Whichever is Higher

Provided that where refractory bricks, moulds and dies, jigs and fixtures are supplied as scrap, the taxable person may pay tax on the transaction value of such goods determined under section 15.