

# Pioneer of Interactive classes & study materials..

## Introduced 1st time in India

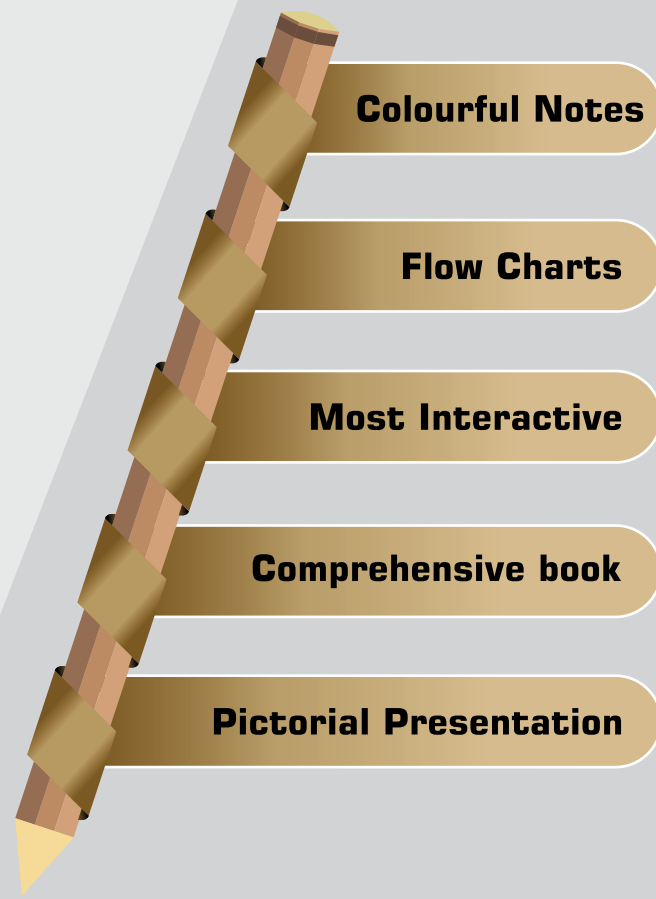


Think GST !  
Think Vishal Sir...!!

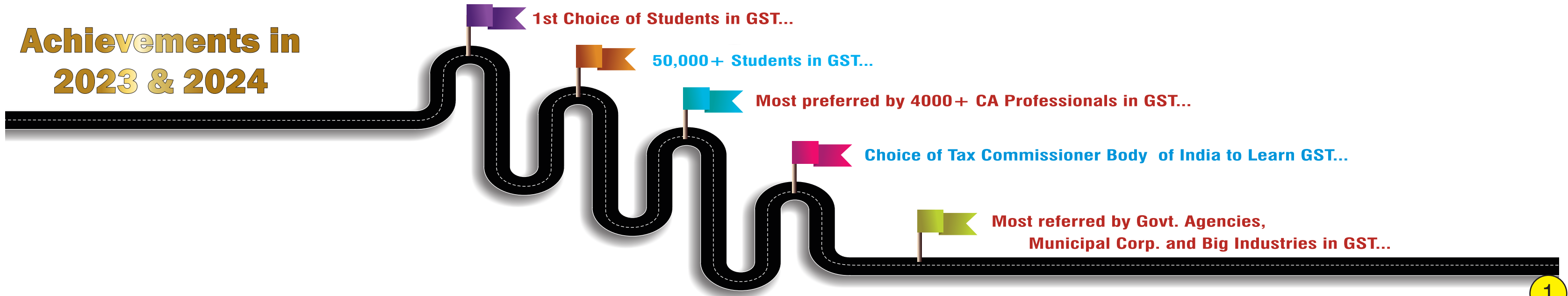
CA Vishal Bhattad

- Founder Member of V'Smart Academy
- Pioneer of Interactive Classes & Interactive Colour Notes, Charts, Questioners
- Teaching Experience 21+ years
- Taught more than 1,50,000+ Students
- Tax Advisor for 2014 budget poll
- Tax Consultant of big Export/Import Companies
- Selected as No. 1 Faculty Since last 5 Years in many Social & Professional organizations.

### Exclusive features



### Achievements in 2023 & 2024



# Index

1	Basic Concept of GST	3
2	Charge of GST & Concept of Supply	4
3	Reverse Charge Mechanism & ECO	11
4	Composition Scheme	15
5	Time of Supply	17
6	Value of Supply	18
7	IGST Act, 2017 (Place of Supply)	20
8	Exemption	22
9	Payment of Tax & TDS-TCS	29
10	Input Tax Credit	32
11	Registration	38
12	Tax Invoice	42
13	Account records & E-Way Bill	46
14	Returns	49



Connect with Vishal Sir



@t.me/idtvishalsir

### Channel

All IDT free resources  
(lectures & notes) &  
Study related updates



@vsmartapp

### QnA

IDT concept doubts & queries  
By Vishal Sir & Research Team  
IDT QnA App



@vsmartbot

### Support

Admin | Technical | Dispatch  
Related Support  
Vsmart BOT

## Expanded Form of Abbreviations used in Chart Book

AA	Aadhaar authentication
AA	Adjudicating authority
AA	Appellate authority
AA	Advance authorisation
AAAR	Appellate Authority for Advance Ruling
AAR	Authority for Advance Ruling
AC	Additional Commissioner
ACD	Additional Customs duty
AR	Annual return
ARN	Application reference number
AT	Appellate tribunal
BE	Business Entity
CDN	Credit note & Debit note
CFC	Convertible foreign currency
CFY	Current Financial Year
CTP	Casual Taxable Person
CWF	Consumer Welfare fund
D/D	Due date
DC	Deputy Commissioner
DGAP	Director General of Anti Profiteering
DO	Demand order
DSA	Direct Selling Agents
DTA	Domestic tariff area
ECO	Electronic Commerce Operator
EOU	Export oriented unit
EPCG	Export Promotion Capital Goods
ES	Exempt supply
EWB	E-way bill
FAT	Final assessment tax
FC	Forward Charge
FI	Financial Institutions
GSTIN	Goods & service tax identification number

GSTN	Goods & service tax network
GTA	Goods Transport Agency
HSN	Harmonised System of Nomenclature.
IFF	Invoice Furnishing facility
ISD	Input Service distributors
ITS	Inverted tax structure
JC	Joint Commissioner
LUT	Letter of undertaking
ME	Merchant Exporter
NBFC	Non-Banking Financial Corporations
NRTP	Non-resident Taxable Person
NTOR	Non-taxable online recipient
NTT	Non-taxable territory
OIDAR	Online Information Data Base Access and Retrieval
OOBH	Opportunity of being heard
PAT	Provisional assessment tax
PFY	Preceding Financial Year
PO	Proper officer
POB	Place of business
PSP	Private service providers
QR	Quick Dynamic
QRMP	Quarterly return monthly payment
RC	Registration certificate
RP	Registered Person
RWA	Resident Welfare Association
SCN	Show cause notice
SEZ	Special Economic zone
TP	Taxable Person
TS	Taxable supply
TT	Taxable Territory
UIN	Unique Identification number
WD	Working days
WIH	Whichever is higher
ZRS	Zero rated supply





CA Vishal Bhattar

# CHAPTER - 1: BASIC CONCEPT OF GST

FRAMEWORK OF GST			
Name	Governing Act	Levied by	Event of Levy
CGST	Central Goods and Services Tax Act, 2017	Central Government	On Intra State supply of Goods and Services
SGST	State Goods and Services Tax Act, 2017	State Government	On Intra State supply of Goods and Services
UTGST	Union Territory Goods and Services Tax Act, 2017	Union Territories	On Intra State supply of Goods and Services
IGST	Integrated Goods and Services Tax Act, 2017	Central Government	On Inter State supply of Goods and Services
GST CESS	GST Compensation Cess Act, 2017	Central Government	On Intra/Inter State supply of notified Goods and Services

CONCEPT & PRINCIPLE OF GST

⇒ GST is a Broad-based Value added tax

⇒ GST is a Destination based tax

⇒ GST is technically paid by suppliers but it is actually borne by consumers (Ultimate burden may be passed on).

⇒ GST is collected at multiple stage of production and distribution of goods and services in which taxes paid on inputs are allowed as set off against output tax.

⇒ GST is a tax on the consumption of products from business sources, and not on personal or hobby activities.

⇒ Under GST, input tax credit is provided throughout the value chain.

CONSTITUTIONAL AMENDMENTS	
Article 366 (12A)	GST means "Any tax on supply of Goods or Services or both except tax on Supply of the Alcoholic Liquor for human Consumption"
Article 246A	Concurrent powers to both, Parliament and State Legislatures is given to make laws with respect to GST
Article 269A	Provides exclusive power to the Parliament to legislate with respect to inter-State trade or commerce i.e. integrated tax (IGST) (including import)

BENEFITS OF GST

1) Creation of Unified National market

2) Mitigating Cascading Effect of taxes

3) Elimination of multiple taxes and double taxation

4) To Promote make in India Initiative

5) It also helps to increase overall revenue of Govt.

TAXES ON TOBACCO AND TOBACCO PRODUCTS, OPIUM, INDIAN HEMP AND OTHER NARCOTIC DRUGS AND NARCOTICS:

In the case of tobacco and tobacco products, the Centre alone would have the power to levy excise duty in addition to the GST

Particulars

₹

Value

1,00,000

Excise

10,000

1,10,000

CGST @ 14%

15,400

SGST @ 14%

15,400

1,40,800

Particulars

₹

Value

2,00,000

Excise

CGST @ 14%

28,000

SGST @ 14%

28,000

2,56,000

WHOLESALE

RETAILER

TAXABILITY ON GOODS IN SPECIAL CASES

Taxability on Goods in Special Cases

Goods totally out of levy of GST

1) Petroleum Products

a) Petroleum Crude

b) High Speed Diesel

c) Motor spirit

d) ATF

e) Natural Gas

Manufacture

⇒ Central Excise

Sale

⇒ Intra - VAT

⇒ Inter - CST

2) Alcoholic liquor for human consumption

Manufacture

⇒ State Excise

Sale

⇒ Intra - VAT

⇒ Inter - CST

Non Taxable supply of GST

Goods subject to Excise & GST

1) Tobacco & Tobacco products

Manufacture

⇒ Central Excise

Sale/supply

⇒ Intra - CGST & SGST

⇒ Inter - GST

2) Opium, Narcotics etc

Manufacture

⇒ State Excise Duty

Sale

⇒ Intra - CGST & SGST

⇒ Inter - IGST

Note:- in above (1) & (2) No VAT & CST

All other good & services

Only GST is Payable

Intra = CGST/SGST

Inter=IGST

Entertainment tax

E.T. by state Govt.=Substances in GST levied then so such tax is payable

E.T. by local body = It is not subsumed in GST. Hence it is payable in addition to GST

E.g. Price of Movie ticket 500

E.T of local body 20

CGST @8%

SGST @8%

TAXES TO BE SUBSUMED IN GST

Central Taxes

State Taxes

Taxes not subsumed under GST

RECOMMENDATION OF GST COUNCIL

Recommendations of GST Council –

(a) Taxes to be subsumed in GST

(b) Exemption in GST

(c) model of GST Laws, principles of levy, apportionment of IGST between Center & State and the principles that govern the POS

(d) the threshold limit of turnover for Exemption

(e) the rates of GST & other Special Rates

(f) Special Provision w.r.t. the special category state

(g) any other matter relating to the GST.

(h) Special rates to raised additional resources during any natural calamity /disaster

SPECIAL CATEGORY OF STATE			
1) Arunachal Pradesh	2) Assam	3) Jammu and Kashmir	4) Manipur
5) Meghalaya	6) Mizoram	7) Nagaland	8) Sikkim
9) Tripura	10) Himachal Pradesh	11) Uttarakhand	

MANNER OF UTILIZATION OF ITC IN GST

INWARD SUPPLY

OUTWARD SUPPLY

1. IGST

2. CGST

3. SGST/UTGST

Note:- CGST cannot be used against SGST/UGST or vice-versa





CA Vishal Bhattad

# CHAPTER - 2 : Charge of GST & Concept of Supply

## Section 9(1) of CGST Act / Sec 5(1) of IGST Act :- Charging Section

Levy

Charge

9(1) - Intra-State Supply of Goods or services or Both

5(1) [IGST Act]- Inter-State Supply of Goods or Services or Both

Goods not Subject to Levy of GST - alcoholic liquor & un-denatured extra neutral alcohol/rectified spirit used for manufacture of alcoholic liquor for human consumption.

Sec 9(2):- Levy on Petroleum Products from Notified date : - Supply of petroleum crude, high speed diesel, petrol, natural gas and ATF shall be levied from the notified date on recommendation of GST Council.

Note : Still levy of GST on such products is not notified

Analysis: The type of levy existing or to be continued after GST

	(Supply) GST	(Production) ED	(Sale)	
			VAT	CST
1. Alcoholic Liquor for Human Consumption	X	State	✓	✓
2. Petroleum crude, High speed Diesel, Motor spirit (Petrol), Natural gas, Aviation Turbine fuel	X	Central	✓	✓
3. Un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption	X	✓	✓	✓
3. Tobacco & Tobacco products	✓	Central	X	X
4. Opium, Indian Hemp and other Narcotic Drugs	✓	State	X	X
5. All other Products	✓	X	X	X

SEC 2 (56) "INDIA"

Means

a) Territory of India (state and the Uts.)

b) Its   ↳ Territorial Water,   ↳ seabed and   ↳ sub-soil underlying such waters,   ↳ continental shelf,   ↳ Exclusive economic zone (EEZ) or   ↳ Any other maritime Zone under Maritime Zones Act.

c) Air space above its territory & territorial waters

Union Territory of India

UT

State Legislature

State - 28 States

Intra State - CGST 50%

- SGST 50%

Inter State -IGST 100%

UT

No State Legislature

UT (Total Governed by CG)

Intra State - CGST 50%

- UTGST 50%

Inter State - IGST 100%

UT

Partly State Legislature

- Delhi

- Puduchery

- JK

Considered State for GST Purpose

Intra State - CGST 50%

- SGST 50%

Inter State - IGST 100%

Value

Shall be determined as per sec 15 read with rules

Rate

CGST Rate	0%	0.125%	1.5%	2.5%	6%	9%	14%
SGST Rate	0%	0.125%	1.5%	2.5%	6%	9%	14%
Total	0%	0.25%	3%	5%	12%	18%	28%

Collection

in such manner as may be prescribed (Detail discussion in TOS chapter)

Person Liabile to Pay Tax

Sec 2(107) "Taxable person" - includes

Taxable person means a person who is registered or liable to be registered u/s 22 or sec 24

Forward Charge Sec 9(1)

Taxable person making Intra-State Supply

Reverse Charge Sec 9(3)/9(4)

Recipient of Supply

E-Commerce Sec 9(5)

E-Commerce Oprator

Deemed Distinct Persons : Sec 25 CGST Act

25 (4) A person who has obtained or is required to obtain more than one registration.

↳ whether in one State or Union territory or

↳ more than one State or UT shall,

in respect of each such registration, be treated as distinct persons for the purposes of this Act.

25 (5) Where a person who obtained or is required to obtain registration in a State or Union territory in respect of an establishment, has an establishment in another State or Union territory,

then such establishment shall be treated as establishment of distinct persons for the purposes of this Act.

Sec 2(84) "Person" - includes

(a) An Individual

(b) A hindu undivided family

(c) A Company

(d) A Firm

(e) A limited Liability Partnership

(f) An AOP or a BOI, whether incorporated or not, in India or outside India

Corporation established under any Act

(h) any body corporate incorporated by or under the laws of a country outside India

(i) A co-operative society registered under any law relating to co-operative societies

(j) A local authority

(k) CG or a SG

(l) Society as defined under the Societies Registration Act, 1860

(m) Trust

(n) Every artificial juridical person, not falling within any of the above

Single/ Multiple Registration

DDP (Factory Dept Single Reg.)

DDP

Stock Transfer

1) It's a supply u/s 7(1)(c), Schedule 1 para 2

2) CGST & SGST [Intra]

3) Removal of Goods 'Tax Invoice' & 'E-Way Bill'

Stock Transfer to Depot

1) Its not a supply (Single reg)

2) No GST is payable

3) Removal under stock transfer challan

Not DDP

DDP MH (reg)

Stock Transfer

1) It's a supply u/s 7(1)(c), Schedule 1 & Para 2

2) IGST is payable

3) Removal under Tax Invoice & E-way Bill

Stock transfer to Depot

1) It's a supply u/s 7(1)(c), Schedule 1 & Para 2

2) IGST is payable

3) Tax Invoice & Incase of goods also e-way bill required

DDP (Registered)

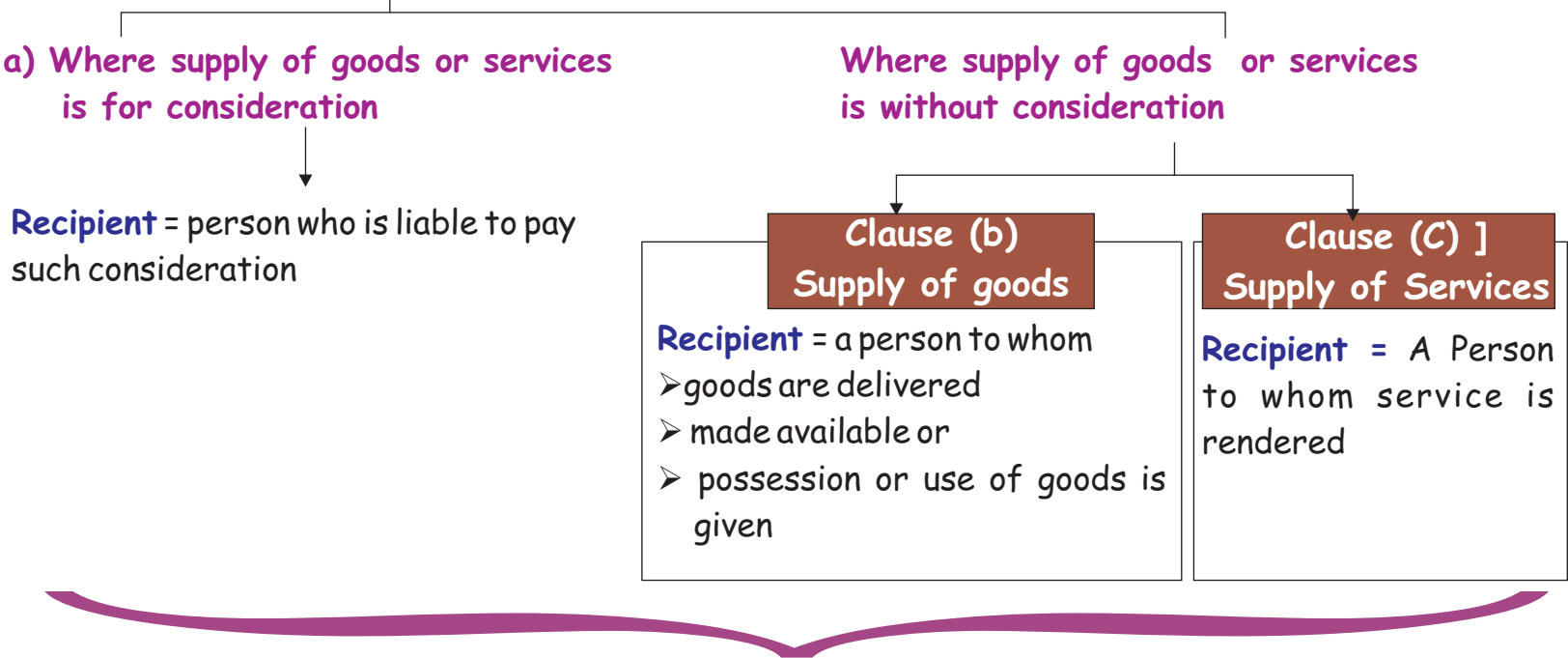
Goods/Services (Supply)

DDP

DDP (Un-Registered)



Sec 2(93) "Recipient"



Recipient also includes agent acting on behalf of the recipient

Sec 2(94) "Registered person" - includes

**"Registered person"** means a person -  
➤ who is registered under section 25  
➤ but does not include a person having a Unique Identity Number (UIN)

Sec 2(80A):- Online Gaming

**Means** offering of a game on internet or electronic network & includes online money gaming

Sec 2 (105) "Supplier"

**means** person supplying the said goods or services or both and **shall include** an agent acting as such on behalf of such supplier  
**Proviso:-** Supplier includes person arranging supply of specified actionable claims & also who owns / operates / manages e-platform for supply.

Sec 2(102A):- Specified actionable claim

- Means** actionable claim involved in/by
- |   |                      |   |         |    |          |
|---|----------------------|---|---------|----|----------|
| 1 | betting              | 2 | casinos | 3  | gambling |
| 4 | horse racing         | 5 | lottery | or |          |
| 6 | online money gaming. |   |         |    |          |

**General Activities**

**a** Any trade, commerce, manufacture  
Profession vocation  
Adventure  
Wager  
Any Other similar activity  
Whether or not for pecuniary benefit.

**b** Any activity or transaction  
In connection with or Incidental or Ancillary to  
Sub - Clause (a)

**c** Any activity or transaction in nature of Sub Clause (a)  
Whether or Not  
There is a volume, frequency, continuity or regularity of such transaction.

**d** Supply or acquisition of goods including capital goods & service in connection with  
Commencement or Closure of business

**Special Activities**

**e** Provision by a  
Club or Association or Society or Any Such body of facilities or benefits to it's members.

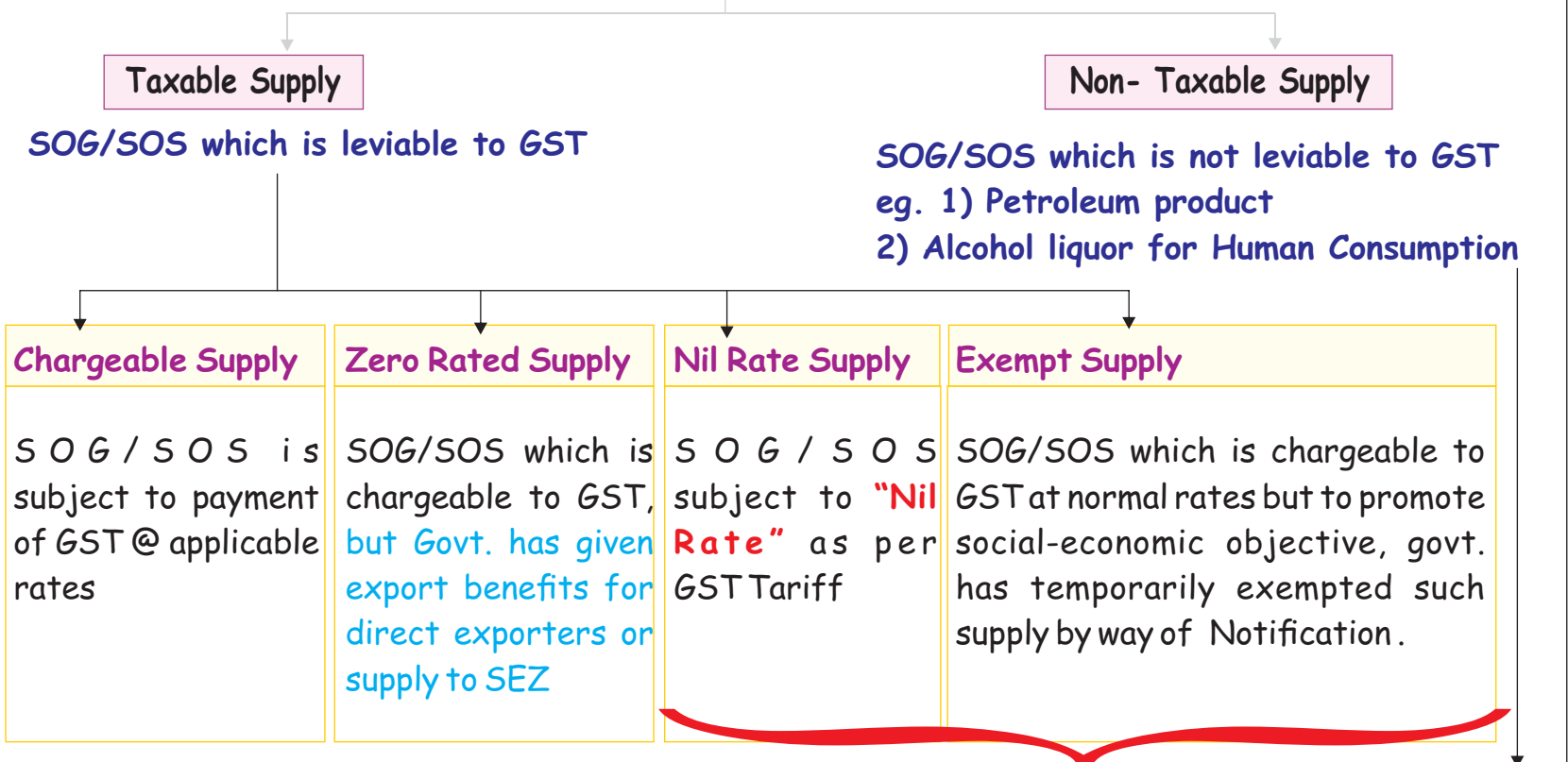
**f** Admission for a consideration of person to any premises

**g** Services supplied by a person as a holder of an office which has been accepted by him  
In course or furtherance of his trade Profession Vocation

**h** Activity of a race club including by way of totalisator or a licence to book maker or activities or licenced book marker in such club and

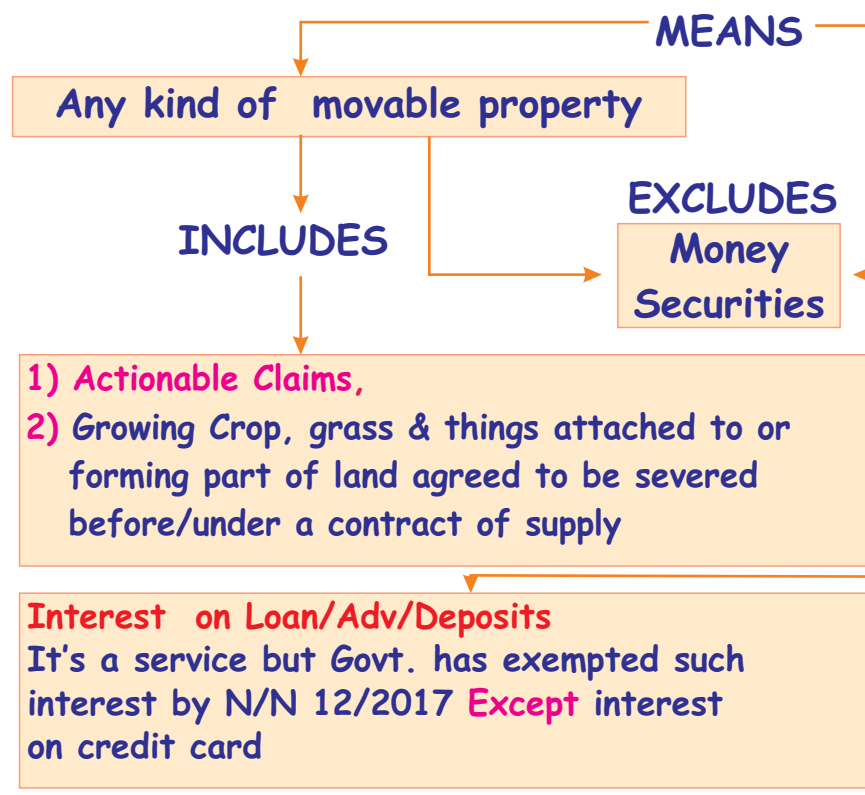
**i** Any activity or transaction under taken by CG/SG/ local authority in which they are engaged as public authorities.

Type of Supply

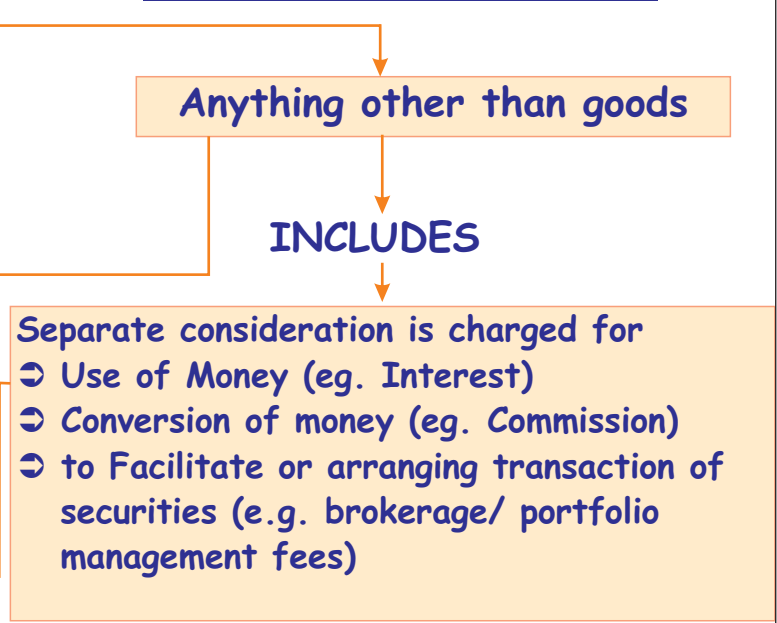


**Note:-** As per Se 2(47) : For GST Purpose Exempt Supply includes Nil Rate, Wholly Exempt & non taxable supply

Sec 2 (52) Goods



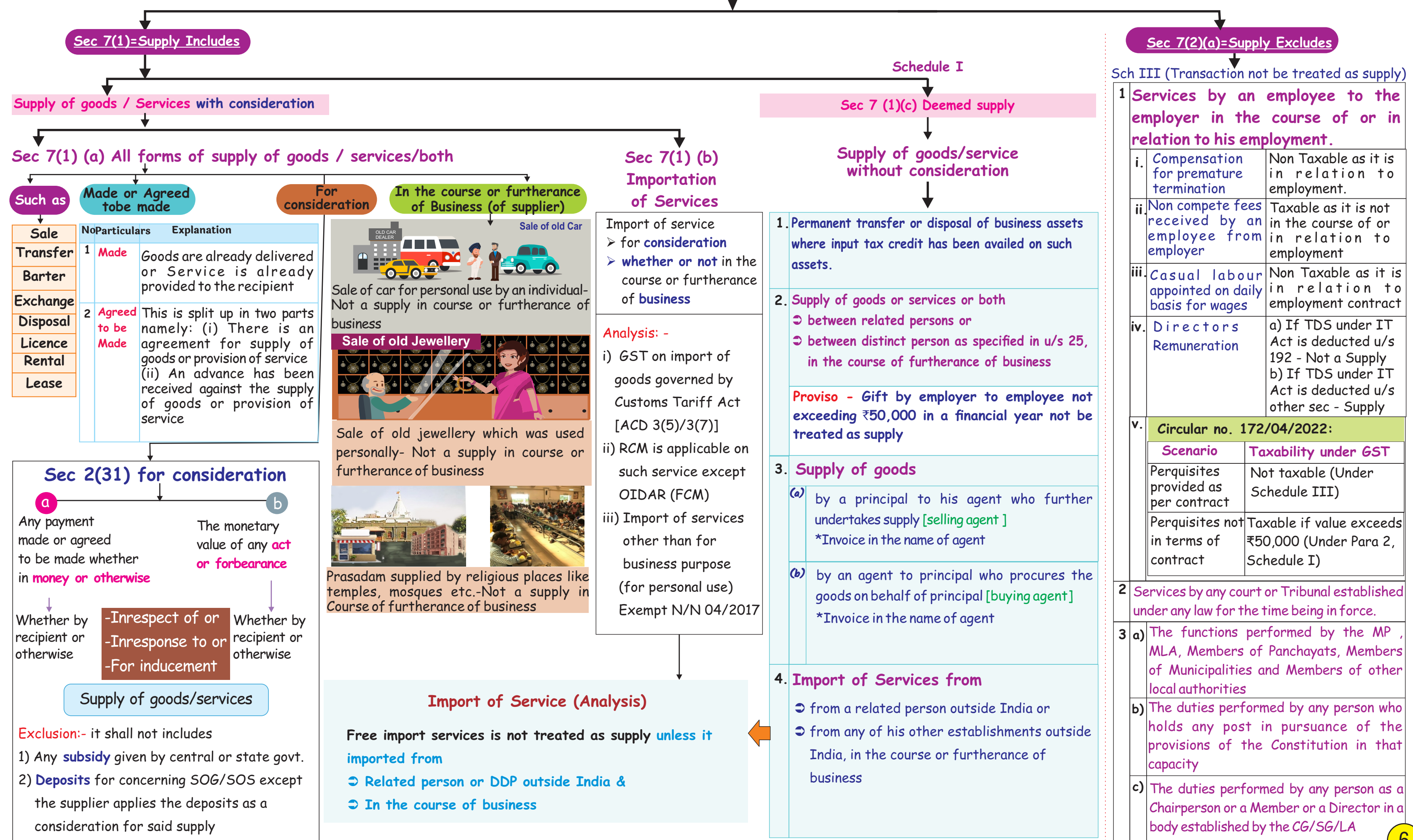
Sec 2(102) Services



Sec 16 of IGST Act: Zero Rated Supply

ZRS means Export of goods/services or both or SOG/ SOS for authorised operations to a SEZ developer/ unit.

# CHAPTER - 2 : CONCEPT OF SUPPLY (SEC 7)





Sec 7(1) (aa) :- Activities or Transactions

By Any person [other than Individual]

Member or Constituents

For

CashDeferred paymentOther valuable consideration

Explanation:- the person and its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions inter se shall be deemed to take place from one such person to another

Related Person (as per explanation to Sec 15) of CGST Act

(i) such persons are officers or directors of one another's business

(ii) such persons are legally recognized partners in business

(iii) such person are employer and employee

(iv) any person directly or indirectly owns, controls or holds 25% or more of the outstanding voting stock or shares of both of them

(v) one of them directly or indirectly controls the other

(vi) both of them are directly or indirectly controlled by a third person

(vii) together they directly or indirectly control a third person

(viii) they are members of the same family

(ix) sole agent/sole distributor/sole concessionaire of the other.

Family [Sec 2(49)] : means,-(i) the spouse and children of the person, and  
(ii) the parents, grand-parents, brothers and sisters of the person if they are wholly or mainly dependent on the said person.

Schedule II : Activities or transactions to be treated as supply of goods or services

Sec 7(1A):- Where certain activities or transaction constitute a supply in accordance with the provisions of subsection (1), they shall be treated either as supply of goods or supply of services as referred to in Schedule II.

Para 1 : Transfer of goods

Supply of goods

1) Transfer of title in goods  
2) Transfer of Title in Goods on future date (Ex. Hire Purchase)

Supply of Service

Transfer of rights in goods or undivided share in goods without transfer of title in goods

Para 2 : Land & Building

Supply of Service

Any lease, tenancy, easement, license to occupy land

Supply of Service

Any lease, letting of building including commercial, industrial complex for business/commerce either wholly or partly

Note : Sale of land & building not treated as supply as per schedule 3 other than construction intended for sale [of para 5(b)]

Para 3: Treatment or process

Supply of Service

Any treatment or process which is applied to another person's goods (Jobwork)

Process of Job worker

Job worker

Polishing

Job Charges

GAC

xxx

Dispatch to Owner

Para 4 : Transfer of business asset

Supply of goods

Permanent transfer of Business Asset:- If goods as a part of the asset are permanently transferred or disposed off

Supply of Service

Temporary transfer of business assets:- If goods as a part of business asset are put to any private use or are used for any purpose other than business

Para 5 : Following activities always treated as supply of service under GST

a Renting of immovable property

b Construction of complex, building, civil structure including a complex, building intended for sale to buyer.  
But in following case it shall not be treated as supply.  
When entire consideration has been received after  
- issuance of completion certificate  
- It's 1st occupancy  
whichever is earlier  
Note :- Construction - it includes addition, alteration, replacement, remodeling of any existing civil structure

1) before Completion

40,00,000

2) After Completion

20,00,000

20,00,000

Taxable value for GST = ₹80 Lacs

2) ₹1

79,99,999

Taxable Value = ₹80 Lacs

3) After Completion

80,00,000

Not taxable As per Sch - III

c Temporary transfer of IPR

d Development, design, programming, customisation etc. of info. Tech. Software

Customized SoftwareSOS

Sale of Pre-packed SoftwareSOG

License to use prepacked SoftwareSOS

e Agreeing to the obligation  
- to refrain from an act or  
- to tolerate an act/to do an act.

f Transfer of right to use any goods for any purpose for cash, deferred payment or other consideration.

Para 6 : Composite supply treated as supply of service

Supply of Service

a Works contract

Labour + Material = Works Contract (construction)

Contractor

Supply of Service

Restaurant, catering or any supply of service where food/drink is supplied for consideration.

Catering

Restaurant

(c) Deemed Supply : If any person ceases to be a taxable person then goods forming part of business asset shall be deemed to be supplied (In the course or furtherance of business) unless :-

(i) Business is transferred as going concern to another person.

(ii) Business is carried on by personal representative who is deemed to be a TP.

not a deemed supply

4 Services of funeral, burial, crematorium or mortuary including transportation of the deceased.

5 Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building

Analysis

Sale of land and Building

Not treated as supply as per sch III , No GST

Rental, Leasing and licensing of Land & Building

Treated as Supply & GST Payable

Sale of Building before completion certificate or 1st occupancy whichever earlier

Treated as supply para 5(b), Sch II & GST payable

Clarification 177/09/2022 GST: Sale of land either as it or after development like levelling, laying down of drainage, water & electricity lines is also sale of land and not attract GST

6 Actionable claims, other than specified actionable claims.

Entry 7 & 8 not applicable for Inter level

9 Apportionment of co-insurance premium by the lead insurer to the co-insurer is not supply, provided the lead insurer pays GST on the entire premium paid by the insured.

10 Services by insurer to the reinsurer for which ceding, or reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, are not supply, provided that GST is paid by the reinsurer on the gross reinsurance premium, inclusive of the commission.

Sec 7(2)(b)= Notified activities by Government

Services under Article 243G & 243W of Panchayats & Municipality and

Services of granting liquor license against consideration in the form of license fee by SG.

V'smart Academy7



Sec 8 : Composite Supply & Mixed Supply

The tax liability on a composite or a mixed supply shall be determined in the following manner, namely:

- (a) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply; and
- (b) a mixed supply comprising two or more supplies shall be treated as a supply of that particular supply which attracts the highest rate of tax.

Definition - Composite Supply

Composite Supply as per Sec 2 (30) : means a supply made by a taxable person to a recipient consisting of

- two or more taxable supplies of goods or services or both or any combination thereof
- which are naturally bundled and
- supplied in conjunction with each other in ordinary course of business one of which is a principal supply



Illustration.— (Goods + Service) Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply;

Definition - Mixed Supply

Mixed Supply as per Sec 2 (74) : means

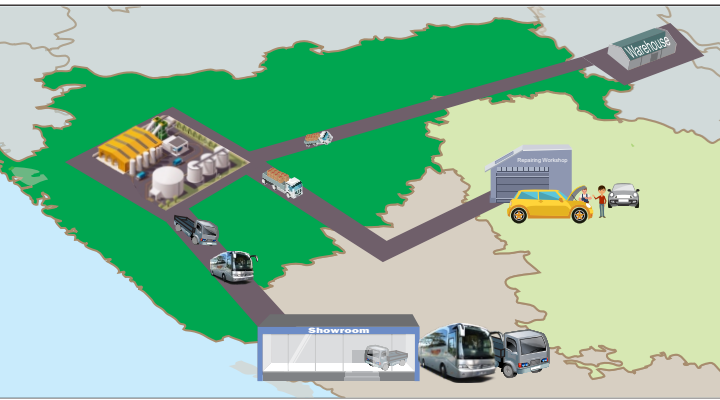
- Two or more individual supplies of goods or services or any combination thereof
- Made in conjunction with each other by a taxable person for a single price
- Where such supply does not constitute a composite supply



Illustration.— A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drinks and fruit juices when supplied for a single price is a mixed supply. Each of these items can be supplied separately and is not dependent on any other. It shall not be a mixed supply if these items are supplied separately

IMPORTANT CLARIFICATIONS

Cir. no. 1/1/2017: Inter-state movement of modes of conveyance or repairs between DDP:



Scenario (Inter/Intra State movement of conveyance bet <sup>n</sup> DDP)	GST Levy
Conveyance carrying goods/passengers/ both between DDP	No GST on conveyance
Conveyance for repair & maintenance	No GST on conveyance
Repair & maintenance on conveyance by DDP	GST payable (deemed supply Sch- I)
Conveyance moved for further supply	GST payable (Treated as SOG/SOS)

Cir. no. 21/21/2017: : Inter-state movement of Rigs, tools, spare parts between DDP:

Scenario	IGST Levy
Inter-state movement of rigs, tools, spare parts accompanied with conveyance between DDP	No GST on rigs, tools etc.
Further supply of these goods between DDP	CGST/SGST/IGST applicable

Cir. no. 116/35/2019: Donations received by charitable institutions from individual, without quid pro

Scenario	GST Levy
Displaying name/placing name plates of donors in charitable organizations	No GST (Philanthropic purpose, no commercial gain)
<b>Note:</b> The institution places name plates to show gratitude, not for advertisement.	
Displaying name/placing name plates of donors to promote his business	GST payable (its advertisement service)

Cir. No. 44/2018: Taxability of 'tenancy rights' under GST

Issue	GST Levy
Tenancy premium for transfer of tenancy rights to incoming tenant	Taxable
Surrendering tenancy rights by the outgoing tenant for a portion of the premium	Taxable (Service provided by outgoing tenant)

Renting of residential property for use as residence	Exempt
Execution of documents (registration, stamp duty) involved in the transaction.	Does not affect GST liability

Cir. No. 57/31/2018: Principal-Agent-Relationship, under Para 3 of Sch I, in context of Agents:

Scenario	P = Principal, A = Agent	Covered under Para 3, Schedule I
<b>Selling Agent</b>		
SOG by Principal to Agent (Invoice in Agent's name for further supply)	Yes (Transaction bet <sup>n</sup> P to A = taxable)	
SOG by Principal to Agent (Invoice in Principal's name for further supply)	No (Transaction bet <sup>n</sup> P to A = not taxable)	
<b>Buying Agent</b>		
SOG by Agent to Principal (Invoice in Agent's name )	Yes (Transaction bet <sup>n</sup> A to P = taxable)	
SOG by Agent to Principal (Invoice in Principal's name)	No (Transaction bet <sup>n</sup> A to P = not taxable)	

Cir. No. 73/47/2018 Principal-Agent-Relationship, under Para 3 of Sch I, in context of DCA:

	Scenario	Taxability	Treatment of Interest charges by DCA
1.	DCA don't have authority to pass title in his own invoice	Not covered in para 3 of Sch- 1	➤ It is treated as finance charges for start term loan ➤ Interest = Exempt
2.	DCA have authority to pass title in his own invoice	Covered in para 3 Tr. bet <sup>n</sup> P - A = Taxable Tr. by agent in his own invoice with customer	VOS = As per Rule 29 VOS = T.V. charges by A + Interest (delay payment of consideration)

Cir. no. 178/10/2022 Applicability of liquidated damages, compensation & penalties for breach of contract or legal violations.:

Agreeing to obligation ➤ to refrain from an act, or ➤ to tolerate an act or situation, or ➤ to do an act.	<b>Parameters for taxability under GST:</b> ➤ Contractual relationship between supplier and recipient. ➤ Express or implied promise for services; ➤ payment can't be assumed. ➡ Independent arrangement or activity.
--	---



If payment is nearly & event in the course of main contract & it is not the main objective = <b>No GST</b>	
Scenario	Taxability under GST
Liquidated damages	Normally not taxable, but taxable in some cases
Compensation for cancellation of coal blocks	Not taxable (No contract between govt and allottee)
Cheque dishonour fine/penalty	Not taxable (No express or implied agreement)
Penalty for violation of law	Not taxable (No agreement with govt)
Forfeiture of salary or bond payment	Not taxable (Not consideration for tolerating the act)
Compensation for not collecting toll charges	Taxable (Treated as supply)
Late payment surcharge/fee	Taxable (Part of the principal supply)
Fixed capacity charges for power	Not taxable (Exempt as sale of electricity)
Cancellation charges	Taxable (Assessed as principal supply, same rate as service contract)

Cir. No. 11/11/2017 Taxability of printing contracts	
Scenario	SOG/SOS Classification
Printing of books, pamphlets, brochures, annual reports, etc (where content is from recipient & physical inputs are from printer).	Supply of Service - Printing
Supply of printed envelopes, letter cards, boxes, napkins, wallpapers, etc. (using recipients designer logo only)	Supply of Goods - Printed items

Cir. no. 190/02/202 Incentives by MeitY to banks for promoting RuPay and BHIM-UPI3	
Scenario	Taxability
Incentives paid by Ministry of Electronics & IT (MeitY) to acquiring bank for promoting digital payments	Not taxable (Treated as Subsidy)

Cir. No. 196/08/2023 Taxability of Holding company's share capital in its subsidiary.	
Scenario	Taxability
Holding of shares by a holding company in a subsidiary	Not taxable (Shares are neither goods nor services)

Cir.No. 201/13/2023 Supply of food or beverages in cinema hall	
Scenario	Taxability
Supply of food/beverages in cinema hall as part of service or independently	Taxable as restaurant service
Sale of cinema ticket bundled together with food & beverages	Entire supply is taxed at cinema exhibition rate

Cir. No. 213/07/2024:- Taxability of ESOP/ESPP/RSU provided by an Indian company to its employees through its overseas holding company		
Scenario	Taxability	Reason
ESOP/ESPP/RSU [Reimbursement by Indian Co. to foreign] Co. on cost to cost basis	Not a supply & no GST	➤ It's a part of employees remuneration as per para 1 of Sch III ➤ Securities or shares neither goods/services
Additional fees, mark-up, commission (charges by foreign co. to India co.)	Supply & taxable	SOS of facilitating the transaction in securities

Cir No. 215/09/2024:- Settlement of claim by insurance co. Salvage value of damage vehicle		
Scenario	Reason	Taxability
1) Deduction of salvage value from settlement	➤ Claim is settled after deducting salvage value ➤ Ownership of salvage value with person insured ➤ Salvage does not become properly of Insurance Co.	Deduction of salvage value = <b>Not a supply [no GST is payable by insurance co.]</b>
2) Full Insured declared value settlement	➤ Claim is settled on full value without deducting salvage ➤ Ownership of salvage is with insurance Co.	Sale of salvage by Insu. Co. = <b>Supply [Insurance co. liable to GST]</b>

Cir. no. 234/28/2024 :- Preferential location charges (PLC) collected by builder along with sale of residential or commercial property	
PLC charge with construction service is a composite supply	
Scenario	Taxability
If construction intended for sale & taxable as SOS under para 5(b) of Sch - II	Supply of construction service is main service & PLC is naturally bundled with it.
Sale of building after completion	Not a supply as per para 5 of Sch - III, so <b>PLC also not liable to tax</b>

Taxability of Penal Charges by Banks etc.[Cir. No. 245/02/2025]	
➡ RBI has instructed lenders to <b>charge penal charges (not penal interest)</b> for loan term violations (excludes credit cards, External Commercial Borrowings, etc.).	
➡ Such charges, like liquidated damages, for breach of contract are not a consideration for tolerating an act, thus <b>no GST applies</b> on them.	

GST implications on vouchers [Cir. No. 243/37/2024]	
Issue	Clarification
Are voucher transactions taxable under GST?	➤ RBI-approved vouchers (like gift cards) are treated as money: <b>Not taxable.</b> ➤ Other vouchers are actionable claims: <b>Not taxable.</b> <b>Conclusion:</b> Vouchers aren't taxed under GST, but the goods/services bought with them are taxable at redemption.
GST on voucher transactions by distributors/ agents:	➤ <b>P2P Basis:</b> Distributors buy and sell vouchers on their own - treated as trading in money/actionable claims, so <b>no GST.</b> ➤ <b>Commission Basis:</b> Distributors act for the issuer - <b>GST applies</b> on commission as it's a supply of service. <b>Conclusion:</b> GST is charged only on services like distribution or promotion, not on voucher trading.
GST on Additional Services Related to Vouchers:	Distributors or others providing extra services (like ads, co-branding, tech or customer support) to the voucher issuer for a fee must pay <b>GST</b> , as these are separate taxable services.
GST on Unredeemed Vouchers (Breakage):	Unredeemed vouchers (breakage) <b>involve no supply of goods or services</b> and no agreement to act or refrain from acting. <b>Conclusion:</b> Breakage is not a taxable supply, so no GST is payable.







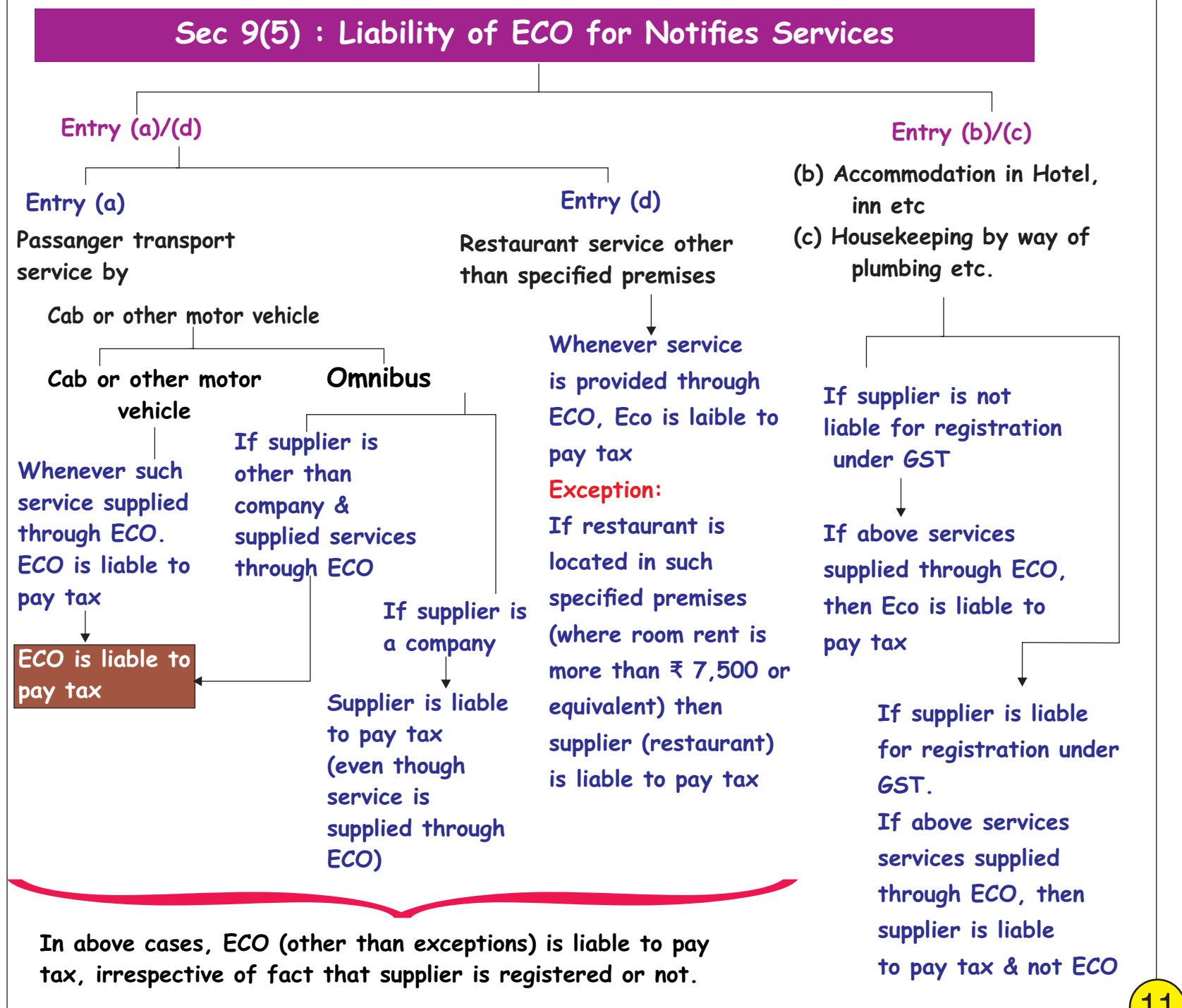
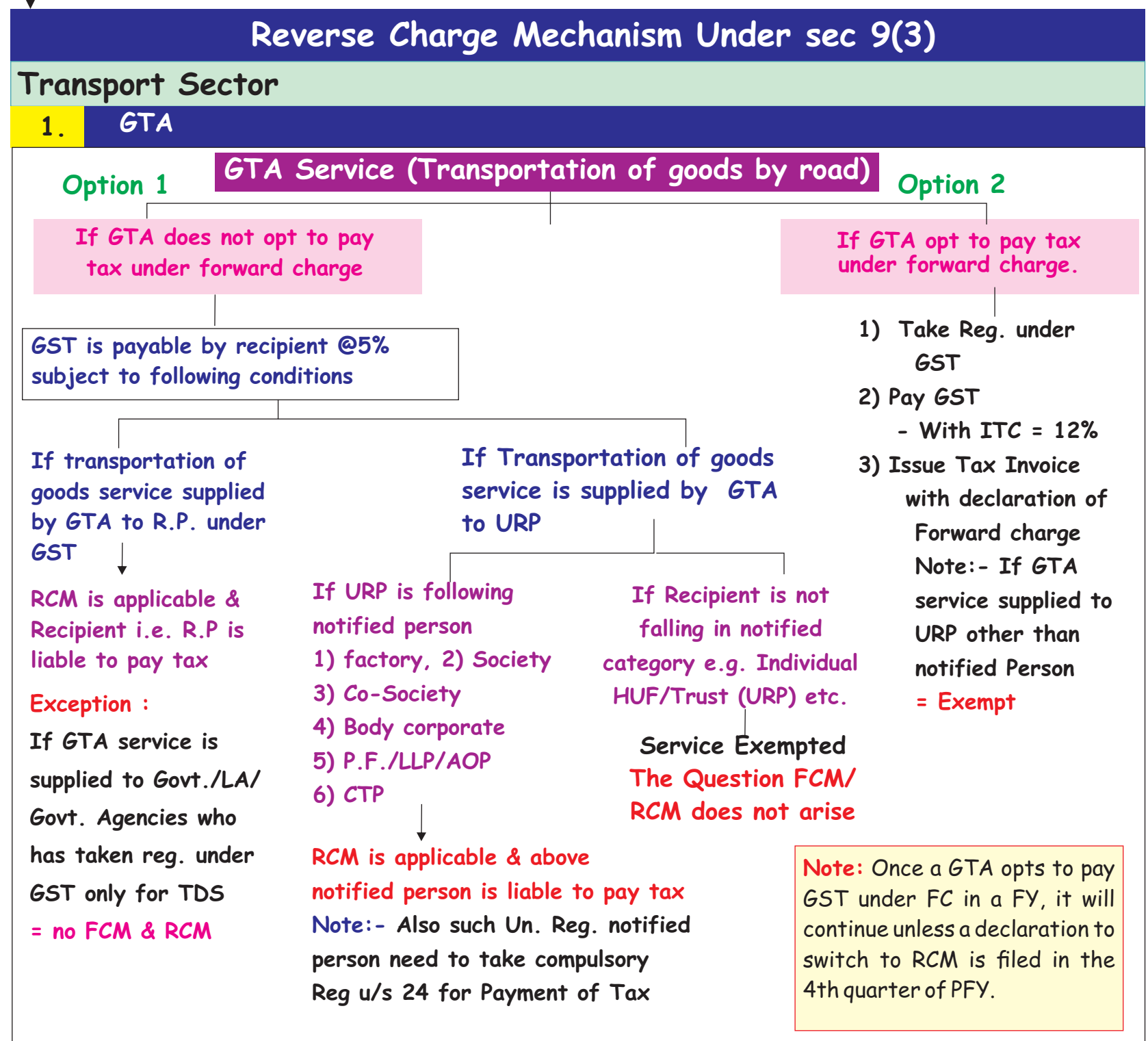
# Chapter 3: Reverse Charge Mechanism & ECO

<b>Sec 9(3) CGST/SGST, Sec 5(3) IGST Act:</b> ⇒ Applies to specified goods or services by Govt. ⇒ Recipient of the supply is liable to pay tax directly.	<b>Sec 9(4) CGST Act, Sec 5(4) IGST Act):</b> ⇒ Relates to specified goods or services by Govt. from URP to specified class of registered recipient. ⇒ Tax liability falls on registered recipients.	<b>Sec 9(5) of CGST/SGST Act , Sec 5(5) of IGST Act: Liability of ECO</b> If there is <b>intra-state or inter-sate</b> supply of <b>notified services</b> through ECO, ⇒ the tax on such supply shall be paid by ECO & ⇒ All provisions of act shall apply to that ECO as if he is the person liable to pay tax in relation to such supply.
--	--	--

	<b>Sec 9(4)</b>	<b>100% tax liability</b>
<b>Construction</b>	Value of <b>Inputs and Input services</b> purchase from registered supplier is <b>less than 80%</b> by Promoter	<b>Promotor</b>
	In case of <b>Cement</b> supplied by unregistered person to Promoter	<b>Promotor</b>
	In case of <b>Capital Goods</b> supplied by unregistered person to Promoter	<b>Promotor</b>

<b>Proviso</b>	If ECO is not <b>having physical presence</b> in taxable territory:-	<b>Person liable to pay tax</b> = Person representing ECO in taxable territory for any purpose.
<b>Proviso</b>	If ECO is not having physical presence as well as representative in taxable territory:-	<b>Person liable to pay tax</b> = Person shall be appointed by ECO in taxable territory for paying tax.

**Definition u/s 2(45):-** Electronic Commerce Operator (ECO) means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.



Legal Sector

2.	Legal Services
Legal Services provided by an individual / senior /firm of advocates to business entity directly or indirectly.	Any business entity located in the taxable territory

Explanation.- "legal service" means any service provided in relation to advice, consultancy or assistance in any branch of law, in any manner and includes representational services before any court, tribunal or authority."

3.	Arbitral Tribunal
Services by Arbitral Tribunal to business entity in a TT	Any business entity located in the TT

Un-organised to Organised Service Sector

4.	Sponsorship
Sponsorship Service by Any person other than a body corporate to any body corporate or partnership firm located in TT.	Such body corporate or Partnership Firm located in a TT.

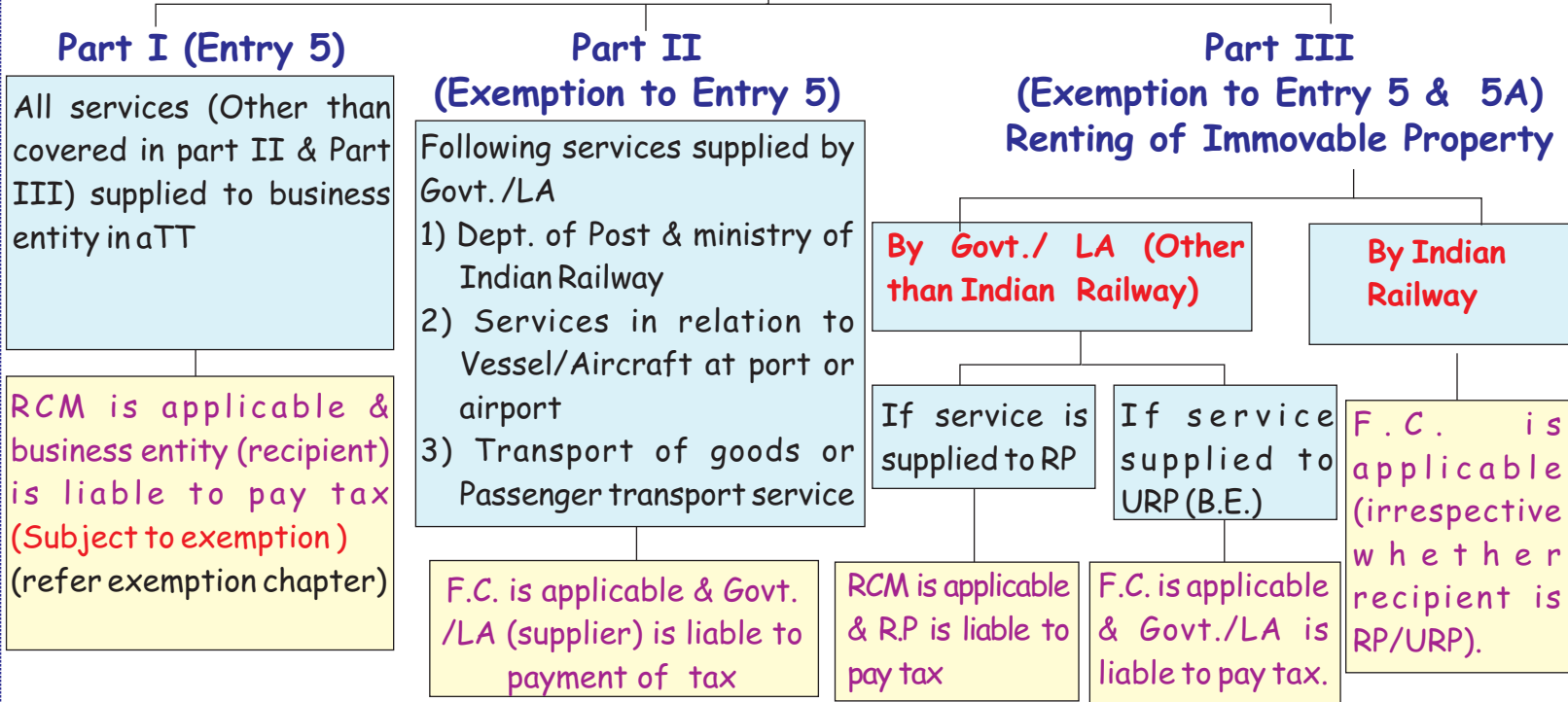
Government Service Sector

5.	Government
Any Services provided by Government or Local authority to business entity other than ① renting of immovable property/ ② Service by Department of Post & Ministry of Railways (Indian Railways); ③ Service in relation to Aircraft, Vessel inside / outside precincts of port/airport. ④ transportation of goods or passengers	Any business entity located in the taxable territory

5A.	Government				
Renting of immovable property	by	CG [excluding Ministry of Railways (Indian Railways)], SG,UT or LA	to	any RP	Any registered person

Analysis:-

Supply of service by Govt or Local Authority



Renting of Residential Dwelling and Commercial Property

5AA.	Renting of Residential Dwelling
Services by Any Person to a registered person	Any Registered Person

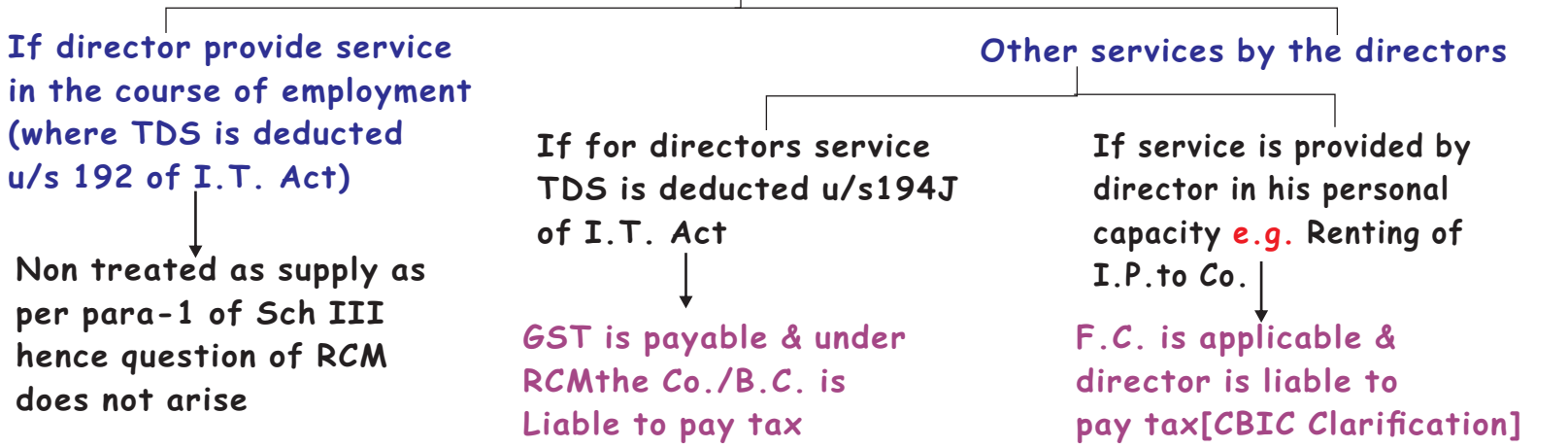
5AB. Service by way of Renting of any immovable property other than residential Dwelling

Services by URP to a registered person other than composition dealer	Any RP except Composition dealer
--	----------------------------------

Construction Service Sector

5B & 5C. Sec 9(3)		
Construction (FSI etc.)	Transfer of development rights or Floor Space Index (FSI) by any person to promotor for construction of a project	Promotor
Construction (lease)	Long term lease of land (30 years or more) by any person to promotor against consideration in the form of upfront amount for construction of a project	Promotor
6	Director of company	
Services	by director of a company or body corporate to the said company or body corporate	Such company or body corporate

Director service to Company/B.C



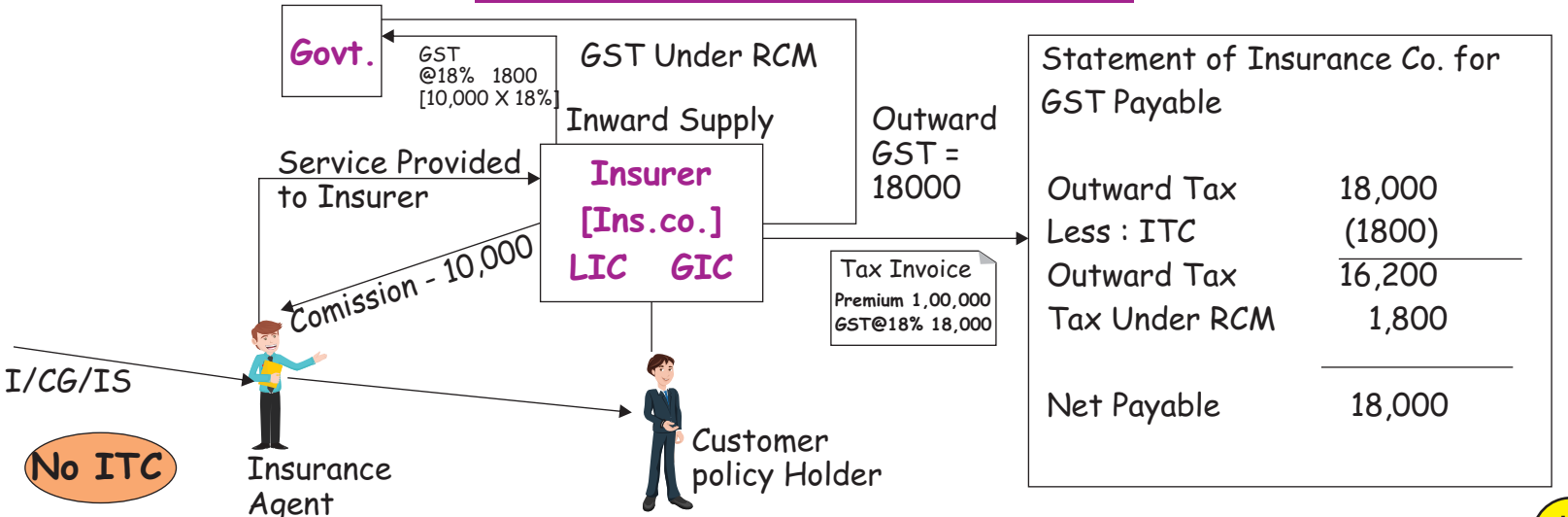
Circular No. :- 201/13/2023

- Services supplied by director to company or body corporate in his private or personal capacity such as renting of immovable property are not taxable under RCM.
- But if supplied by director as or in capacity of director, it is taxable under RCM.

Insurance & Banking Service Sector

7.	Insurance agent
Service by an Insurance Agent to a person carrying insurance business located in taxable territory	Insurer carrying life or general insurance business.

Insurance Agent & Insurer



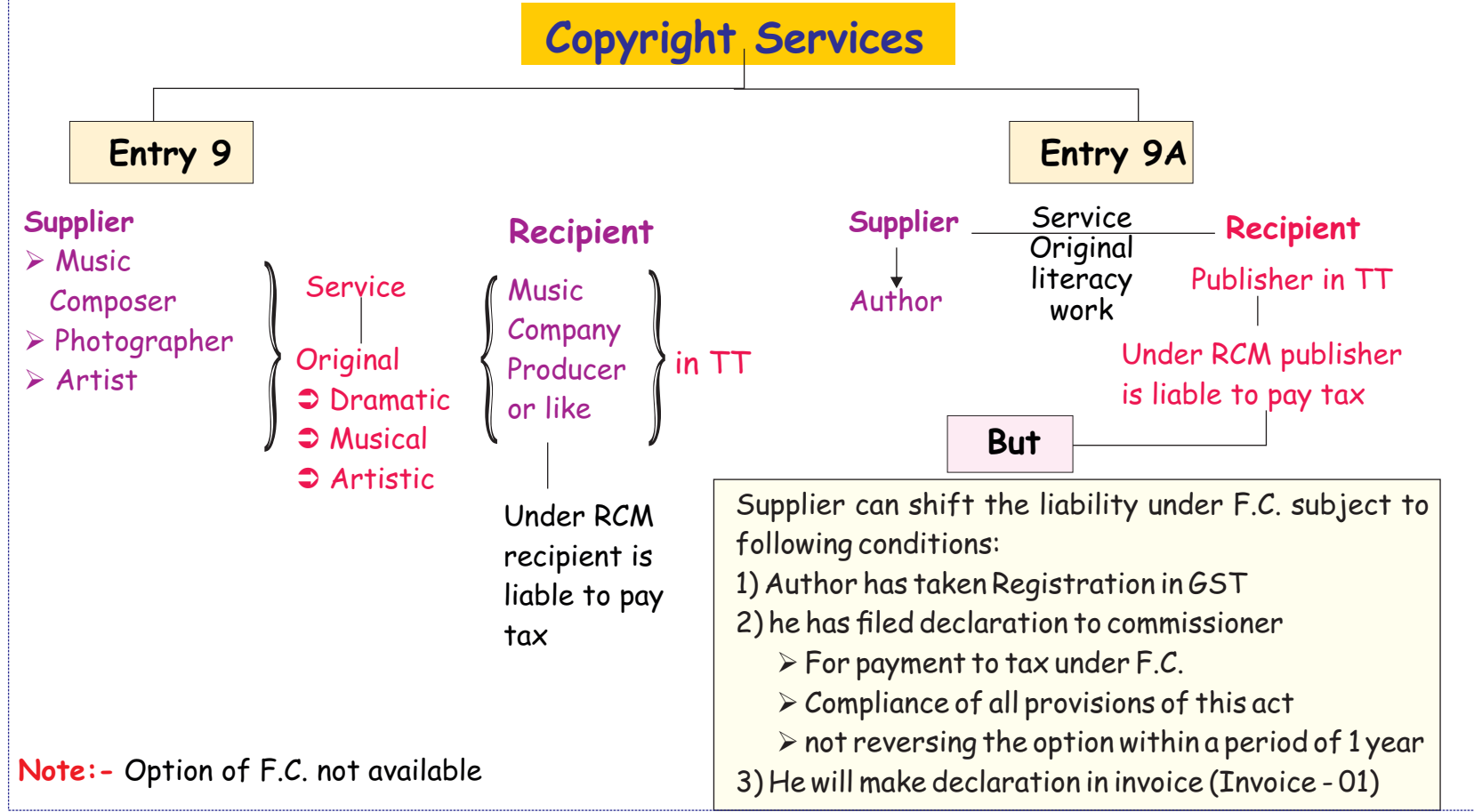


8.	Recovery agent
Services by any recovery agent to a banking company, Financial Institution or NBFC in a taxable territory.	Such banking company, Financial institution or NBFC in TT

Copyright Service Sector

9.	Copyright service
transfer or permitting use or enjoyment of a copyright relating to Original, dramatic, musical works by Music composer, Photographer, Artist to Music company, producer or the like	Music company, producer or the like, located in the TT

9A.	Copyright relating to literary
Transfer or permitting use or enjoyment of a copyright relating to original literary work by an author to publisher	A Publisher located in the taxable territory

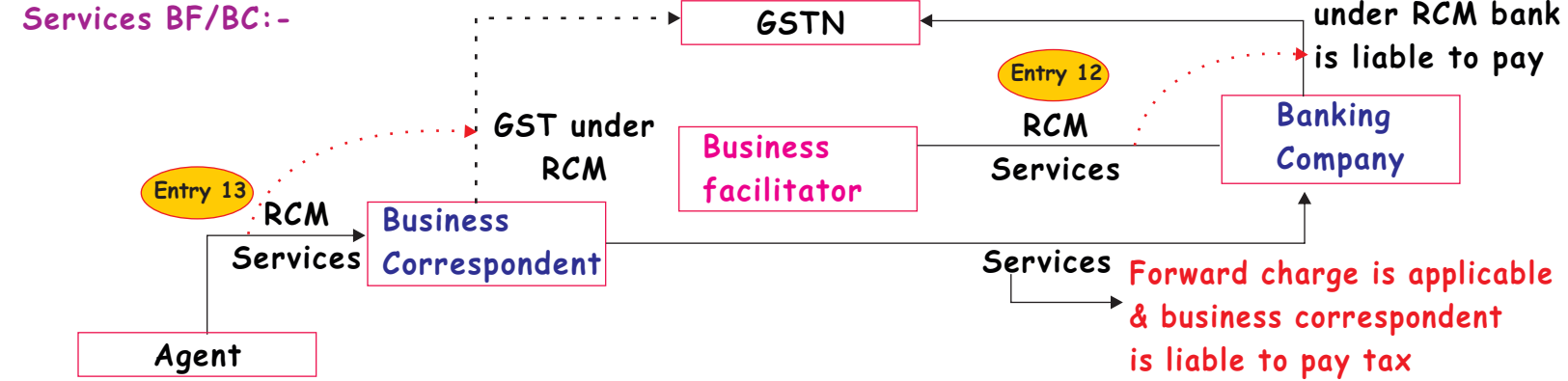


10.	Members of Overseeing committee
Supply of Service by Members of Overseeing committee to Reserve Bank of India (RBI)	Reserve Bank of India (RBI)

11.	DSAs
Services Individual Direct Selling Agents (DSAs) other than a body corporate, partnership or LLP by a banking company or a NBFC to A banking company or a NBFC, located in the taxable territory.	

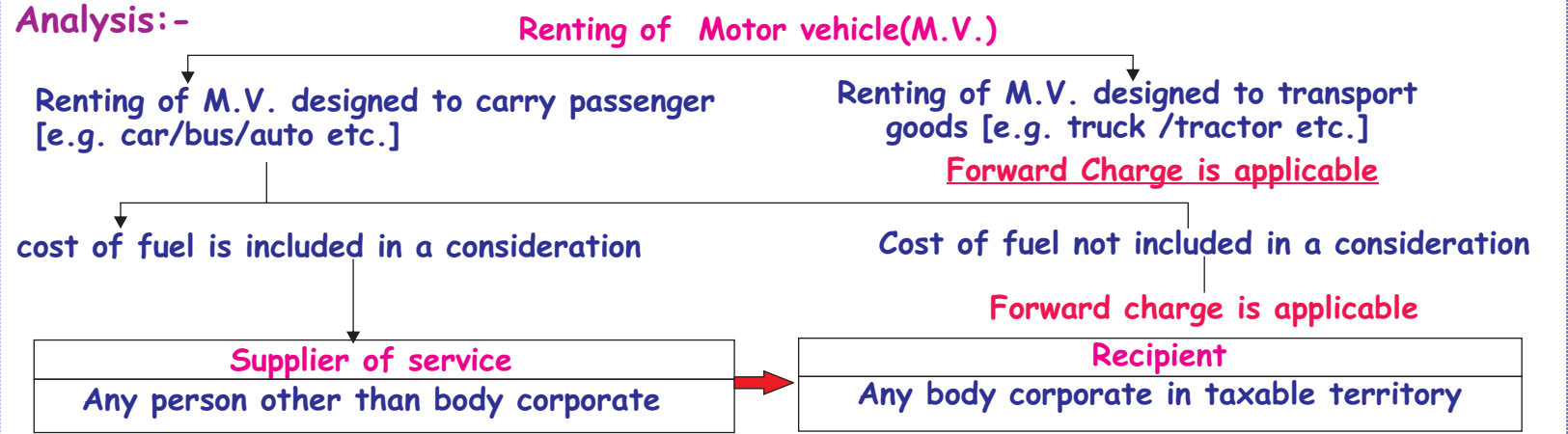
12.	Business Facillator
Services supplied by Business Facilitator to A banking company located in the taxable territory.	Banking company located in Taxable Territory

13.	Agent of Business Correspondent
Services supplied by An agent of Business Correspondent (BC) to A business correspondent, located in the taxable territory	Business correspondent located in TT



14.	Security Services
Supply Security services (as a security personnel) by Any person other than a body corporate to a registered person	RP located in Taxable Territory
Proviso	In following cases F.C. is applicable, if security services are supplied to <ul style="list-style-type: none"><li>i) ➤ CG/SG/UT/LA departments</li><li>➤ Governmental agencies</li><li>ii) a RP paying tax under composition scheme.</li></ul> registered only for deducting TDS u/s 51

15.	Renting of motor vehicle
Renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged .	any person other than body corporate (does not issue an invoice charging CGST @ 6 % and SGST 6% to the service recipient)
Liability	Any body corporate located in Taxable Territory



Circular No. :- 177/09/2022		
Renting of Motor Vehicle	where the renter defines how and when the vehicles will be operated, determining schedules, routes and other operational considerations.	RCM Applicable
Passenger Transport Service	passenger transport services over pre-determined routes on pre-determined schedules.	FCM Applicable

Other Service Sector

16.	Lending of security
Lending of securities by lender to borrower	Borrower i.e. a person who borrows the securities

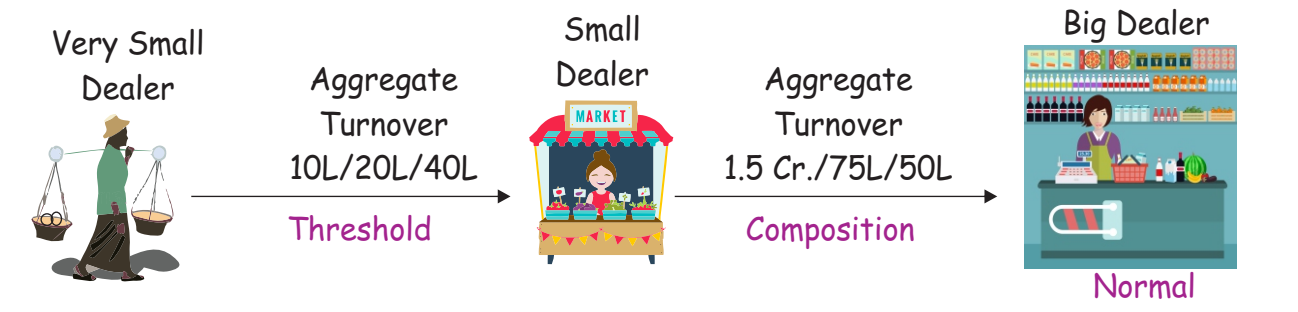






# Chapter 4:- Composition Scheme

## Analysis - Threshold, composition & Normal Scheme



Assessee	Mfg	Trader	SP	Mfg	Trader	SP	Mfg	Trader	SP
	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tax benefits	No Tax Payable			Tax is payable @ Composite Rate			Tax is payable @ Normal Rate		
procedure benefit									
Registration	Not required			Compulsory			Compulsory		
GST Invoice	Not required			Bill of supply			Tax invoice		
GST Records	Not required			Limited Extent			As prescribed under this Act		
ITC	NO			NO			Yes		
GST Return	Not required			1) GSTR -4, GSTR - 9A Annually 2) Quarterly Statement - CMP-08 3) Payment of Tax - Quarterly			GSTR-1 & GSTR-3B, Monthly or Quarterly for notified category		

## GST Rate under Composition Scheme

Rule- 7 = Rates:-						
	Categories of RP	CGST	SGST	Total	Basis for Calculation	
1)	Manufacturer	0.5%	0.5%	1%	Turnover in State/UT	( T . S . + Exempt + Nil rate)
2)	Catering & Restaurant	2.5%	2.5%	5%	Turnover in State/UT	
3)	Trader	0.5%	0.5%	1%	Turnover of taxable SOG & SOS in the State/UT	Only Taxable Supply of SOG & SOS
4)	R.P. not eligible u/s 10(1)&(2), but eligible for 10(2A)	3%	3%	6%	Turnover of SOG & SOS in the State/UT	( T . S . + Exempt+ Nil rate)

⇒ Both are Optional Scheme.

Sec 10(1) & 10(2)		Sec 10(2A)
Applicability:	Manufacturer + Trader+ Restaurant etc.	Sec 10(2A) - Applicability : - ⇒ Applicable to RP whose Agg. T/o in P.F.Y is not exceeding ₹ 50 Lakhs ⇒ Person is not eligible to opt u/s/ 10(1)(2) ⇒ It is applicable to: a) Person engaged in SOS b) M/T/C where service is pre-dominant
Eligibility :	Agg. T/O of P.F.Y. of R.P. does not exceeds Normally - 150 lakhs (including Assam + H.P. + J/K) Special Category State(SCS) - 75 lakhs	
C.L.in C.F.Y.	Composititon levy upto Agg. T/O 150L/75L	
Marginal Supply of services =	Manufacturer/catering & restaurant/trader may supply services of value upto 10% of T/O in state of P.F.Y. or 5 Lakhs. Which ever is higher (limit is state wise).	
Sec 10(2)- Eligibility Conditions-		Sec 10(2A)- Eligibility Conditions -
a)	Person opting for the scheme u/s 10(1) (Manufacturer/ Catering & Restaurant / Trader) cannot supply any service (Taxable / exempt), except as allowed in proviso 2 to sec 10(1). (Limit is statewide)	Not Applicable
b)	Not engaged in SOG/SOS, which are Non-taxable under GST Act.	a) Not engaged in SOG or SOS, which are Non-taxable under GST Act.
c)	Not engaged in making any inter-state outward SOG/SOS Note: Inter state inward supply is allowed.	b) Not engaged in making any inter-state outward SOG or SOS
d)	Not engaged in SOS, through an ECO, collecting TCS u/s 52. (i.e For SOG - CL allowed).	c) Not engaged in SOS, through an ECO, collecting TCS u/s 52
e)	Not a manufacturer of Notified Goods*.	d) Not a manufacturer of Notified Goods*.
f)	Neither a CTP nor NRTP	e) Neither a CTP nor NRTP
*[Notified Goods= Ice cream & other edible ice / Pan Masala / Aerated water/ tobacco & tobacco substitutes, Fly ash bricks, Fly ash aggregates, fly ash blocks]		*[Notified goods = Ice cream & other edible ice / Pan Masala / Aerated water/ tobacco & tobacco substitutes]
Note:- This restrictions only applicable to C.F.Y and not for P.F.Y		
Proviso to Sec. 10(2)/ sec. 10(2A) : All RP with the same PAN must choose the composition scheme u/s 10(1). If one of them chooses the regular scheme, everyone else will also be ineligible for the composition scheme.		
Sec. 10(3):- Eligibility Criteria for composition scheme:- ⇒ Option availed by RP u/s 10(1)/(2A) - shall lapse w.e.f. the day on which his Aggregate T/o during a CFY exceeds 150 lakhs/ 75 Lakhs/ 50 lakhs, as the case may be.		
Sec. 10(4):- Other Conditions:- ⇒ Composition dealer cannot collect tax on outward supplies. ⇒ Composition dealer will not be eligible to claim ITC. ⇒ Composition dealer cannot issue tax invoice, but issue Bill of supply.		
Sec. 10(5):- If PO believes that a taxable person has paid tax u/s 10(1)/(2A) despite not being eligible, such person shall - ⇒ pay tax & penalty as per applicable provisions & ⇒ sec 73/74/74A shall be applicable.		
Rule-5 Conditions/ restrictions:- 1) Title on Bill of Supply= "Composition Taxable person, not eligible to collect tax on supplies" 2) Display at business premise= "Composition Taxable Person" 3) Pay tax under RCM = Stock of URP held at the time of taking C.L.		

Section 2(6):- Aggregate Turnover		Explanation 1 of Sec 10 [Aggregate Turnover]
<p><b>means</b> the aggregate value of</p> <ul style="list-style-type: none"><li>all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis),</li><li>exempt supplies,</li><li>exports of goods or services or both and</li><li>inter-State supplies of persons having the same PAN, to be computed on all India basis</li></ul> <p>but excludes central tax, State tax, Union territory tax, integrated tax and cess</p>	<p><b>aggregate turnover” shall include</b> the value of supplies made by such person from the 1st day of April of a financial year up to the date when he becomes liable for registration under this Act,</p> <p><b>but shall not include</b> the value of exempt supply of services provided by way of extending deposits, loans or advances is so far as the consideration is represented by way of interest or discount.</p>	<div><div>P.F.Y. XX-YY] No Business</div><div>Agg T/O of PFY does not exceeds 10(1)- ₹ 150L/75L/ 10 (2A)- 50L</div></div> <div><div>C.F.Y. Xy-YZ Composition Levy</div><div>Threshold No Registration ↓ T/o 20 L Includes</div><div>liable for Reg 130L Cr [10(1)] 55L [10(1) SCS] 30L [10(2A)] Agg. T/O</div></div>

Sec 2(112):-Turnover in State” or “Turnover in UT		Explanation 2 of Sec 10 [Turnover in State]
<p><b>means</b> the aggregate value of</p> <ul style="list-style-type: none"><li>all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis) and</li><li>exempt supplies made within a State or UT by a taxable person,</li><li>exports of goods or services or both and</li><li>inter-State supplies of goods or services or both made from the State or Union territory by the said taxable person</li></ul> <p>but excludes central tax, State tax, Union territory tax, integrated tax &amp; cess.</p>	<p><b>turnover in State or turnover in Union territory” shall not include the value of following supplies, namely:</b></p> <p>(i) supplies from the first day of April of a financial year up to the date when such person becomes liable for registration under this Act; and</p> <p>(ii) interest or discount on deposits, loans or advances.</p> <p>[ We calculate T/o in state for payment of tax under CL]</p>	<div><div>P.F.Y. XX-YY] No Business</div><div>Agg. T/O of PFY does not exceed 10(1) - ₹ 150L/75L 10(2) - 50L</div></div> <div><div>1st April</div><div>No Reg. T/O 20 L Excludes</div><div>T/O in State Liable for registration 130L [10(1)] 55L [10(1) CS] 30L [10(2A)] Tax is payable only this T/o in State</div></div>

2(47) : Exempt Supply	
<p><b>means</b> a supply of any goods or services or both ➡ which attracts nil rate of tax or ➡ which may be wholly exempt from tax includes non-taxable supply</p>	

Procedure- Composition Scheme	
<p><b>Procedure:- Rule-3</b> Intimation by URP= Pay tax under Composition levy in part B of FORM- GSTREG-01.(Considered only after grant of reg.)</p> <p><b>Intimation by RP=</b> Electronically file an intimation, prior to commencement of FY, for which option exercised.</p> <p>Any intimation i.r.o. any place of business in a State/UT= deemed to be an intimation i.r.o all other place of business registered on same PAN.</p> <div><div>Intimation for opting C.L.</div><div><div><div>If a person is UR</div><div><div>P.F.Y.</div><div>C.F.Y.</div></div><div><div>UR</div><div>UR</div></div><div>Sec 22: Need to apply for Reg. Form = REG - 01</div><div><div>PART A</div><div>PART B</div></div><div><div>➤ PAN</div><div>Opting for C.L If is treated as intimation</div></div></div><div><div>If a person is already registered</div><div><div>P.F.Y.</div><div>C.F.Y.</div></div><div><div>R</div><div>R</div></div><div>1st April</div><div>C.L. available</div><div>Intimation of C.L shall be given in form [CMPO2] before starting C.F.Y.</div></div></div></div>	<p><b>Rule-6</b> Validity of Composition Scheme = Till person continues to fulfill conditions u/s 10(2)/(2A)/ Rule-5.</p> <p>➔ If person ceases to fulfill above conditions= shall file intimation of opting out scheme in CMP 04 (Within 7days)</p> <p>➔ If person want to opt out voluntarily= shall file intimation in CMP 04 before such withdrawal.</p> <p>➔ After withdrawal he shall issue tax invoice &amp; allowed to avail ITC i.r.o. stock held by him as on date.</p> <p><b>Rule-62</b> ➔ File statement- Quarterly till 18th of month following the quarter.(CMP-08)</p> <p>➔ File Return (GSTR-4)- Annually till 30th June of the following year.</p> <p><b>Rule-80</b> ➔ File Return (GSTR-9A)- Annually till 31st Dec of following year.</p>





# CHAPTER 5: Time of Supply

## SECTION 31- INVOICE FOR SOG/SOS

### Invoice by Supplier of Goods

As per Sec 31, a RP supplying taxable goods invoice shall be issued **Invoice**, before or at the time of

- (a) **removal of goods** for supply to the recipient, **where the supply involves movement of goods**; or
- (b) **delivery of goods or making available** thereof to the recipient, **in any other case**

### Invoice by supplier of the Service

As per Sec 31, a RP supplying taxable services invoice shall be issued, **before or after the provision of service**

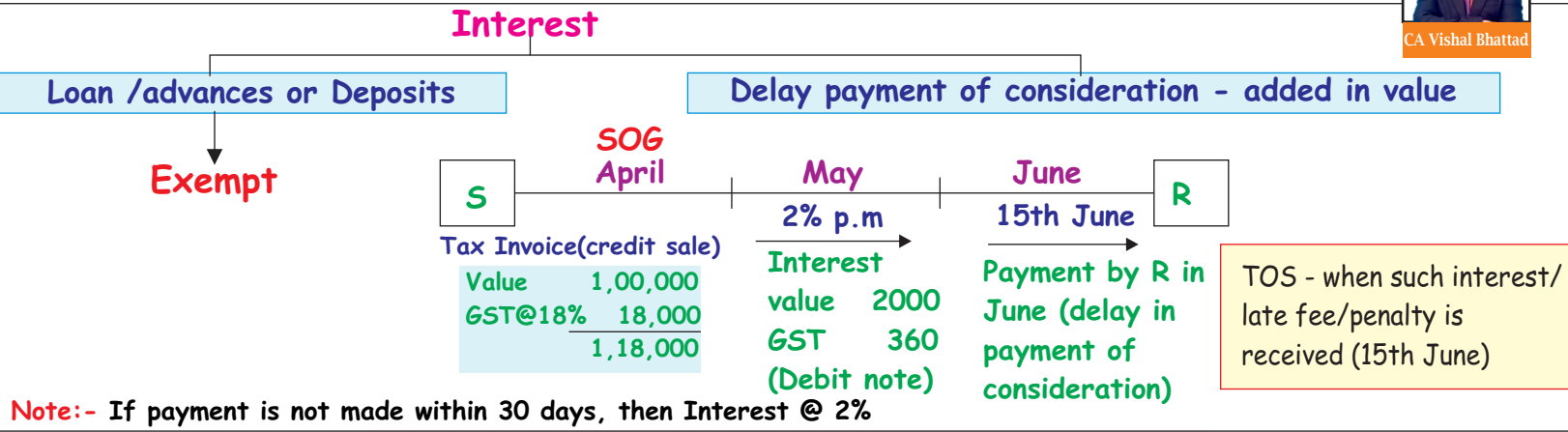
**but not beyond 30 days (in case of banks or financial institution within 45 days) from the date of supply of service shall issue the Invoice**

## Time of Supply u/s 12 & 13

Cases	Sec 12 : TOS for SOG	Sec 13 :- TOS for SOS
	Sec 12(2) : TOS	Sec 13(2) :TOS
Forward charge or Tax on Outward supply	Earlier of ➡ Date of issue of Invoice or ➡ Last Date of issue of Invoice Which ever is earlier <b>Note :</b> As per N/N 66/2017, TOS of goods is not on date of Receipt except Specified actionable claim	(a) If Invoice is issued within time Date of invoice or Date of Receipt, whichever is earlier (b) If Invoice is not issued within time Date of Completion or Receipt whichever is earlier (c) If TOS cannot be determined as per (a) or (b) Date when Recipient shows receipt of service in his books
RCM or Tax on Inward supply	Sec 12(3) : TOS is on (a) Date of Receipt of goods, or (b) Date of Payment, or (c) 31st Day from Supplier's Invoice Which ever is earlier <b>Note :</b> If (a) (b) or (c)is not possible then date of Entry in Books of Accounts of recipient	Sec 13(3) : TOS is on (a) Date of Payment, or (b) 61st Day from Supplier's Invoice (c) <b>Date of invoice issued by Recipient, if any</b> Which ever is earlier <b>Note :</b> If (a) or (b) or (c) is not possible then date of Entry in Books of Accounts of recipient
Payment upto ₹1000 in excess of Invoice	Proviso to Sec 12(2) and 13(2) : TOS is on, at the option of Supplier, on the date of issue of next invoice in which such payment is adjusted	
Residual Cases	Sec 12(5) and 13(5) : TOS cannot be determined in any of the above sec, then (a) <b>In case Periodical returns is to be filed</b> - Date on which such return is filed (b) <b>In Other Cases</b> - Date of Payment of Tax	
Interest/ Late Fees or Penalty for delay payment of consideration	Sec 12(6) and 13(6) : TOS is on ➡ Date on which Supplier receives such addition in value	

**Note: i) Date of Payment received** ➡ Date of book entry, or  
➡ Credited to Bank } **Whichever is earlier**

**ii) Date of Payment (RCM)=** ➡ Date of Payment entered in books of accounts, or  
➡ Date of debit to bank } **Whichever is earlier**



## TOS for SOG u/s 12(2) = Forward Charge

### TOS for all SOG except specified actionable claims

**TOS = Date of Issue of invoice or Last date of Invoice**  
**Whichever is earlier**

### Specified actionable claims [Goods includes actionable claims]

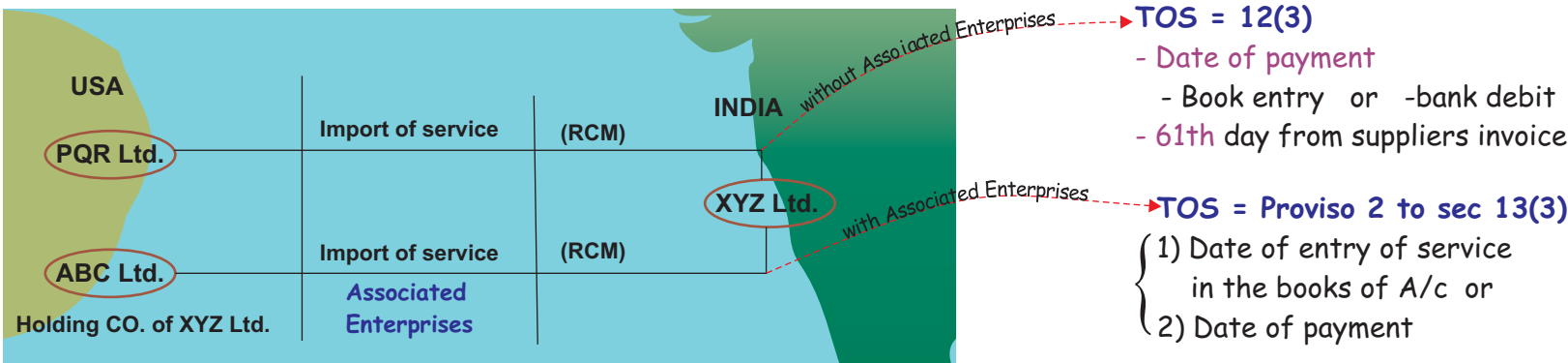
**TOS = 1) Date of issue of Invoice or 2) Last date of Invoice or 3) Date of receipt of Payment**  
**Whichever is earlier**

## TOS IN CASE OF ASSOCIATED ENTERPRISES

**Sec 2(12) - "Associated Enterprise"** Shall have the same meaning as assigned to it in Section 92-A of the Income tax Act, 1961

**TOS :** As per 2nd Proviso of sec 13(3), in case of **supply by associated enterprises**, where the supplier of service is located outside India, **the time of supply shall be the**

- date of entry in the books of account of the recipient of supply or
- the date of payment, whichever is earlier



## TOS for payment of GST on spectrum usage services by telecom operators (Circular No. 222/16/2024):-

- ➡ Spectrum allocation services with deferred payments is considered as continuous SOS.
- ➡ Invoices must be issued by the payment due date specified in the contract as per sec 31(5)(a).
- ➡ For full upfront payment, GST is due when the payment is made or due, whichever is earlier.
- ➡ For deferred payments, GST is due with each instalment, when due or paid, whichever is earlier.

## TOS of services of construction of road Services & maintenance thereof of National Highway Projects of NHAI in Hybrid Annuity Mode (HAM) model i.e. (Circular No. 221/15/2024):-

- ➡ If invoices issued on time, TOS is earlier of invoice date or payment receipt date.
- ➡ If invoices not issued on time, TOS is earlier of service provision date or payment receipt date.



CA Vishal Bhattad

# CHAPTER 6: Section 15 - Value of Supply

## Sec 15(1)

Value of SOG/SOS = **Transaction value**

Price actually paid or payable for Supply

**Conditions:**

- 1) Supplier & recipient are not related
- 2) Price is sole consideration for Supply

Tobacco & Tobacco Products



Tax Invoice	
Value	1,00,000
Central Excise @ 20%	20,000
	1,20,000
GST @ 18% (1,20,000 X 18%)	

**Price Inclusive of GST**

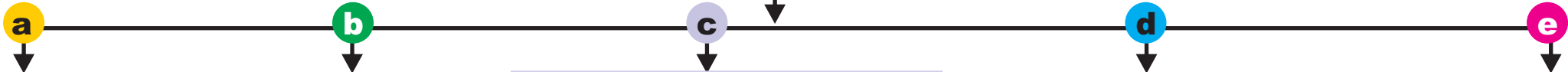
Price (Inclusive of GST @ 18%) 2,00,000

$$VOS = \frac{2,00,000 \times 100}{118} = 1,69,491$$
$$GST = \frac{2,00,000 \times 18}{118} = 30,508$$

**Note:** For GST purposes, the TCS amount under the Income Tax Act is not included in the value of supply.

## Sec 15(2)

Inclusion to Transaction Value [only if charges extra by Seller]



**a** Any taxes, Duties, fees or charges levied under any law (if charges by seller) **except = GST**

**b** 3rd party payment Any payment  
⇒ Supplier is liable to pay for supply  
⇒ but incurred by recipient  
⇒ Not included in price

**c** Any Incidental expenses:  
⇒ including commission or packing charged by the supplier or  
⇒ any amount for anything done by the supplier in respect or supply at the time or before delivery

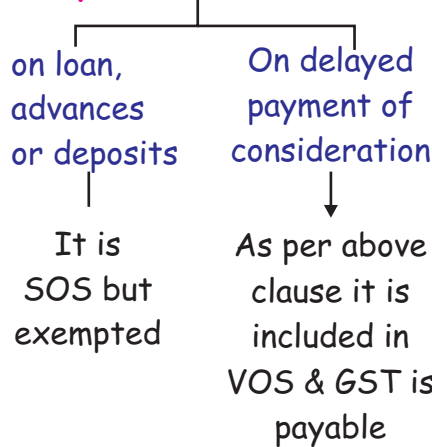
**d** Interest, late fee  
Interest, late fee penalty for  
⇒ delayed payment of consideration for any supply of goods or services

**e** Subsidy  
Subsidy directly linked to price **except** subsidy given by CG/SG

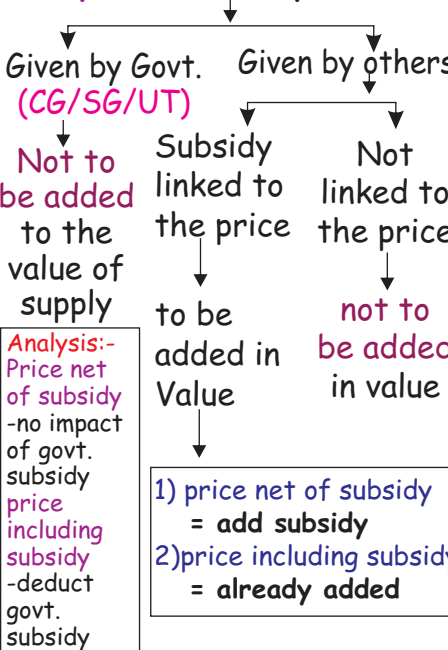
**Examples of additional recoveries by supplier**

- ⇒ Packing, labeling, designing etc
- ⇒ Royalty, warranty charges, etc.
- ⇒ Insurance charges
- ⇒ Dharmada
- ⇒ Weightment charges.
- ⇒ Loading, weighing, coolie
- ⇒ Freight shown separately in invoice
- ⇒ Erection installation charges
- ⇒ Pre Delivery Inspection Charges

**Analysis:- Interest**



**Analysis : Subsidy**



**Important Notes:-**

- 1) **Value:-** Normally interest is assumed to be inclusive of GST whereas late fee & penalty, is assumed to be exclusive of GST.
- 2) **TOS:-** As per 12(6)/13(6) i.e. in a month when a such amount is actually received.
- 3) **Rate:-** Based of original supply

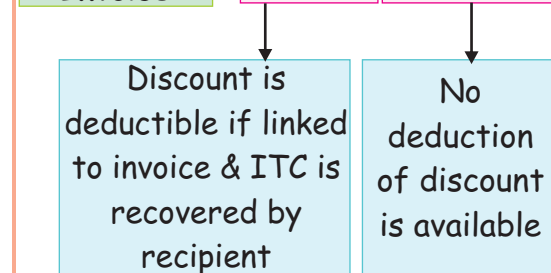
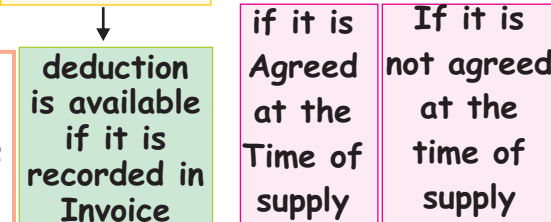
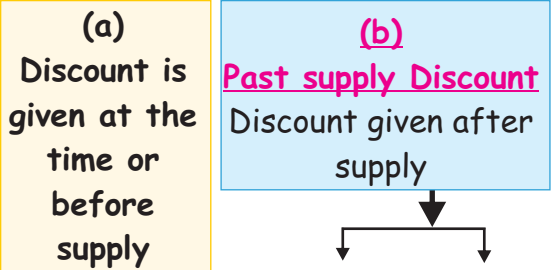
**Evidence of Compliance with Sec 15(3)(b)(ii) by Suppliers [Cir. No. 212/6/2024]**

- Suppliers should obtain a CA/CMA certificate confirming ITC reversal for credit notes, including details like credit note, ITC amount & supporting documents.
- These certificates, with UDIN, must be provided if requested by tax officers during audits or investigations.

## Sec 15(3)

Deduction of discount

Any discount is deductible from value of supply



**Notes:** 1) for such discount GST credit not shall be issued  
2) GST apportioned to such discount shall be adjusted (deducted from output tax) in a month in which credit note is issued

**Staggered discount (Buy more, save more offers):-** Generally shown in the invoice, to be excluded

**Periodic/ year end discount/ volume discounts :-** Generally not shown on invoice since given at year end such discount are excluded from value of supply subject to fulfillment of conditions u/s 15(3)(b).

**Secondary discounts (not known at TOS):-** Such discount shall not be excluded from value of supply since not known at TOS & 15(3)(b) condition not satisfied.

### Important Clarification

**No Claim Bonus (NCB) by Insurance Company [Cir.No.186/18/2022]**

Cases	Clarification
Is NCB considered as a supply ?	No, NCB is not a supply
Can NCB be considered a discount?	Yes, NCB is deductible from premium

**Clarification relating to pure agent [Cir. No. 206/18/2023]**

Cases	Clarification
Reimbursement of electricity charges bundled with renting or maintenance	It is a composite supply, taxed at the rate of the principal supply (renting).
Electricity supplied as a pure agent	If real estate owners, developers, or RWAs supply electricity as a pure agent, it is not included in the value of their supply.
If Charging electricity on an actual basis	They are acting as a pure agent.

**Clarification on Extended Warranty (EW) [Cir.No. 216/10/2024]**

1) <b>Customer opt for EW at the time of SOG</b>	1) It is treated as part of composite supply 2) Principle supply is SOG
2) <b>If supplier of goods (Manufacturer) &amp; supplier of EW (dealer) are different.</b>	Then GST is payable on EW as SOS
3) <b>Customer opt for EW after supply</b>	Then EW is treated as separate SOS & GST is payable as the rate applicable for service.





# CHAPTER 8: IGST Act, 2017 (Place of Supply)



Export of Service	Export of Goods	"Import of Goods"	Import of Service 2(11):means the supply of any service, where-	SEC 9 : Supply in Territorial Water
1) Location of supplier is in India 2) Location of Recipient as outside India 3) Place of Supply outside India. 4) <b>Amount Received in CFE or ₹ if allowed by RBI</b> 5) Supplier & recipient are not DDP	⇒ Goods are taken to a place outside India. <b>Note:-</b> No such condition of receipt of CFE, only requirement is that goods are taken out of India.	2(10) : means bringing goods into India from a place outside India	(i) the supplier of service is located outside India (ii) the recipient of service is located in India; and (iii) the place of supply of service is in India	<b>Notwithstanding anything contained in this Act,</b> <div> <div>a Where the LOS is in the territorial waters,</div> <div><b>OR</b></div> <div>b Where the POS is in the territorial waters,</div> </div> LOS (for clause (a) & POS (for clause(b)) shall be deemed to be in the coastal State or UT where the <b>nearest point of the appropriate baseline is located.</b>

## POS for supply of Goods

Sec 10 :- Place of Supply of Goods other than imported or export goods			
S.No.	Nature of Supply	Parties Involved	Place of Supply
a)	Involves Movement of Goods	Movement by ⇒ Supplier ⇒ Recipient or ⇒ Any other person (transporter)	POS = Location of the goods when the <b>movement of goods terminates</b> for delivery to the recipient
b)	Bill-to-Ship-to Sale	⇒ Supplier ⇒ Recipient (Shipping address) ⇒ Third Person (Billing Address)	POS = Principal place of <b>Business</b> of third person, on whose direction goods are supplied to recipient
c)	Does not involve Movement of Goods	⇒ Supplier ⇒ Recipient	POS = Location of goods at the time of delivery to the recipient
ca)	Supply of goods to URP (overrides sec 10(1)(a)/(c)) (Does not override sec 10(1)(b)) supply through ECO = address of delivery recorded in invoice	⇒ Supplier (registered) ⇒ Recipient (unregistered)	POS= a) If address of recipient exist - address recorded in invoice b) If address of recipient does not exist - location of supplier
d)	Installation and Assembly of Goods at Site	⇒ Supplier ⇒ Recipient	POS =Place of such Installation or assembly of Goods
e)	Goods are supplied on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle	⇒ Supplier ⇒ Recipient	POS=Location at which goods are taken on board.

**Note :** Where the place of supply of goods cannot be determined, the POS shall be determined as per the prescribed Sec 10(2)

POS of Services			
Sec 12 (1) - Pos where LOS and LOR of Services in India			
Sec	Description of Service	Place of Supply	
		Supply to unregistered person (B2C)	Supply to RP (B2B)
12(2)	General rule for all services except covered in 12(3) to 12(14)	(i) If Address of R exists on record POS = LOR (ii) If Address on recipient does not exists on record POS =LOS	Location of such registered recipient
	POS of Online Services supplied to unregistered recipients. [Cir. No.242/36/2024]		
	➤ All online service providers (including online gaming, OIDAR, and ECOs) must record the State of unregistered recipients on tax invoices, irrespective of the value of supply. ➤ This State name acts as the POS under GST (as per Sec 12(2)(b)(I) of IGST Act). ➤ Suppliers must have systems in place to collect and record this information before making the supply. ➤ Missing the recipient's State on the invoice can lead to penalties u/s 122(3)(e). ➤ The recipient's State must also be reported as POS in GSTR-1/1A returns.		
12(5)	Training and performance appraisal	POS=Location where the service is actually performed.	
12(7)	Organisation of events including ancillary services, sponsorship	POS = Place where event is actually held. Note:- If event is held outside India POS = LOR	
	Rule 5 prescribed for supply of services attributable to different States or UT, of Sec12(7)		
	In case of service	Basis of apportionment	
	Services are supplied to a person other than a RP, the event is held in India in more than one ST/UT and a consolidated amount is charged absence of any contract or agreement for separately collecting	Shall be determined by application of the GAAP	
12(8)	Transportation of goods, mail or courier	POS = Location at which goods are handed over for transportation Note:- Transportation outside India POS = Rule 12(2)	
12(9)	Passenger transport service	POS = Place where passanger embarks on the conveyance for a continuous jourey Note:- Right to passage for future use where point of embarkment is not known, POS = Section 12(2)	

Location of such registered recipient



12(13)	Insurance service	POS = LOR on record of insurance company		12(12)	Banking & Financial Sector including stock broking	a) If address of R exist = LOR b) If address of R does not exist = LOS
12(3)	Service directly related to immovable property including agents, experts, lodging in hotels, inn, accommodation for functions & ancillary services	POS = Location at which immovable property or boat or vessel is located But if IP is located outside India , POS = LOR		12(14)	Advertisement services to Govt. or Local authority Rule 3 (refer from Study mat)	POS shall be determined for each State or UT where advertisement is broadcasted / Run/Played
	Rule 4:- The supply of services attributable to different States or Union territories, under section 12(3)					
	In case of service		Basis of apportionment & Value of services			
	(i)By way of lodging accommodation by a hotel, inn, guest house, club or campsite, and services ancillary to such services (except cover in (ii))		number of nights stayed in such property			
	(ii) a single property located in two or more contiguous States or Union territories or both, and services ancillary to such services		area of the immovable property lying in each State or Union territory			
	(ii)In all other services in relation to immovable property including any immovable property for organising any marriage or reception etc.					
	(iii) lodging accommodation by a house boat or any other vessel and services ancillary to such services		time spent by the boat or vessel in each such State or Union territory,			
12(4)	Restaurant catering, personal grooming fitness, beauty treatment, health services including plastic surgery	POS = Location where service is actually performed				
12(6)	Admission to events or amusement park & ancillary Services	POS = Where the event is actually held Where park or other place is located				
12(10)	Service on board a conveyance	POS = Location of first schedule point of departure of that conveyance for the journey				
12(11)	Supply of telecom services including data transfer, broadcast, cable or DTH					
	(a) Fixed lease or cable line	POS = Place where such fixed line is installed				
	(b) Postpaid mobile, internet, DTH	a) If address of R exists = LOR b) If address of R dose not exists = LOS				
	(c) Prepaid mobile, internet, DTH	a) Selling through agent = address of agent if on record otherwise LOS b) Direct to final subscriber = Place where voucher is sold				
	(d) In all other cases	a) If address of R exist = LOR b) If address does not exist = LOS				
	Proviso - Prepaid - electronic payment	POS = LOR in record of supplier				
	Rule 6 is prescribed supply of services attributable to different ST/UT , under sub section (11) of section 12 of the said Act,					
	In case of service		Basis of apportionment			
	the leased circuit is installed in more than one ST/UT and a consolidated amount is charged, In the absence of any contract or agreement for separately collecting Liability on Intermediary		in proportion to the number of points lying in the ST or UT			



# Chapter 8:- EXEMPTIONS (Mega N/n 12/2017 & Others)

## Exemption Related to Health Care

Sl.No. 74  
**Imp**

**a) Health Care by**

⇒ a clinical establishment  
(hospital+nursing home+Pathological lab),  
⇒ an authorized medical practitioner  
⇒ paramedics (Nursing staff+physio+lab assistant etc.).

**b) Ambulance Service**  
provided by others is also - **Exempted**

**Means**

⇒ Diagnosis or Treatment or Care

For illness, injury, pregnancy abnormality deformity

**Includes**

Transportation of the patient (i.e. Ambulance Service)

**Does not includes**

⇒ hair transplant  
⇒ plastic surgery  
**except**(exemption available)  
to restore or to reconstitute  
⇒ anatomy  
⇒ function of body affected due to > congenital defects  
> development abnormalities  
> Injury or trauma

**CBIC Clarifications**

Assisted Reproductive Tech. (ART) or IVF  
Ambulance service by SG or through PSP

**Exempt**

**Exempt**

Services to/by Hospitals

Services by senior doctors/consultants/ technicians to hospital  
Retention money by hospital

**Exempt**

**Exempt**

**Recognised system of medicine**  
Allopathy+Yoga +Ayurveda+Naturopathy+ homeopathy+Siddha+unani

**Renting of room by clinical establishment**

If room rent is ₹5,000 or less per day  
**Exemption**

If room rent exceeds ₹5,000 per day  
ICU/ICCU/NICU  
**Exemption**

Normal room  
**Taxable**

Sl.No. 46  
**Imp**

Health Care or Animal or Birds Service by **Veterinary Clinic**

Sl. No. 74A  
**Imp**

Service provided by professional by way of rehabilitation, therapy or counseling at medical establishment, Educational Institution, Govt. Center or charitable institution u/s 12AA or 12AB etc.

## Exemption Charitable and Religious Sector

Sl.No. 1  
**Imp**

Services-entity u/s 12AA/ 12AB of Income tax Act By way of **charitable activities**

**Public Health by way of**

Core or counseling  
⇒ Terminally ill person  
⇒ Person with physical or mental disability  
⇒ Affected with HIV/AIDS  
⇒ Person addicted with narcotics or drugs etc.

Public awareness  
⇒ Preventive health  
⇒ Family planing  
⇒ Prevention of HIV infection

Advancement of

⇒ Religion or  
⇒ Spirituality or  
⇒ Yoga

Advancement of educational programs or skills development relating to  
⇒ abandoned, orphaned or homeless children  
⇒ physically mentally abused person  
⇒ prisoners  
⇒ persons over age of 65 years residing in a rural area

Prevention environment includes

⇒ watershed  
⇒ forest & Wildlife

**Not includes-**

1) Hostel Accommodations  
2) Lodging or boarding unless it's a composite supply  
3) Fitness camp & classes

Sl.No.13

Religious Activities - Conduct of Religious Ceremony

Sl.No. 13  
**Imp**

**Renting of precincts of a religious place**  
Meant for general public

Owned or manage by an entity registered as a - charitable or - religious trust

Sec 12AA/12AB  
Sec 10(23C)(v)  
Sec 10(23BBA)

Of Income Tax Act

**Exemption is not available in following cases**

**Renting**

Renting of Rooms  
Renting of Premises, Community halls, kalyanmandapam or open area and the like  
Renting of Shops or other spaces for business or commerce

**Exemption not available**  
where charges are ₹ 1000 or more per day  
where charges are ₹ 10,000 or more per day  
where charges are ₹10,000 or more per month

## Exemption in Legal Sector

Sl.No. 45  
**Imp**

Legal Services by arbitral tribunal, advocate etc.

**Service provided by arbitral Tribunal**

To Business Entity

Agg T/O of business Entity up to such amount in PFY make it eligible for exemption from registration  
**Exempt**

Agg.T/O of business Entity in PFY such amount make it liable for reg.  
**Taxable**  
[Under RCM business Entity is liable]

To Non business Entity

**Exempt**

CG/ SG /UT/ LA Govt. Entity

**Exempt**

**Service provided by individual advocate or firm of advocate other than Sr. Adv.**

To Business Entity

Agg T/O of business Entity up to such amount in PFY make it eligible for exemption from registration  
**Exempt**

Agg.T/O of business Entity in PFY such amount make it liable for registration  
**Taxable**  
[Under RCM business Entity is liable]

To Non business Entity

**Exempt**

CG/ SG /UT/ LA Govt. Entity

**Exempt**

To Another individual advocate or firm of advocate

**Exempt**

**Note :- Legal service** = service provided in relation to - advise /consultancy / assistance, in any breach of law in any manner, and includes representational services before any court/ tribunal/ authority

**Service provided by senior advocate**

To Business Entity

Agg T/O of business Entity up to such amount in PFY make it eligible for exemption from registration  
**Exempt**

Agg.T/O of business Entity in PFY such amount make it liable for reg.  
**Taxable**  
[Under RCM business Entity is liable]

To Non business Entity

**Exempt**

CG/ SG /UT/ LA Govt. Entity

**Exempt**

To Another individual advocate or firm of advocate

**Taxable**  
but can take exemption of amount upto T/O of business entity in PFY to be eligible for exemption from registration

V'smart Academy 22



S.No. 54 : Exemption in Agriculture Sector Imp

- a) **Agricultural operations directly related to production** of any A.P. including cultivation, harvesting, threshing, plant protection or seed testing.
- b) **Supply of farm labour**
- c) **Processes carried out at an agricultural farm** including tending, pruning, cutting, harvesting, drying, cleaning, trimming, bulk packaging etc. which do not alter essential characteristics of A.P
- d) **Renting or leasing** of agro machinery or vacant land with or without a structure incidental to its use.
- e) **Loading, unloading, packing, storage or warehousing of A.P.**
- f) **Agricultural extension services** (Scientific research & knowledge to farmer).
- g) **Services by any APMC or Board or services provided by a commission agent** for sale or purchase of A.P.

**Agriculture:**

1)cultivation of plants and

2)Rearing of all life-forms of animals, **except the rearing of horses**

⇒ food,

⇒ fibre,





















⇒ fuel,

⇒ raw material or

⇒ other similar products

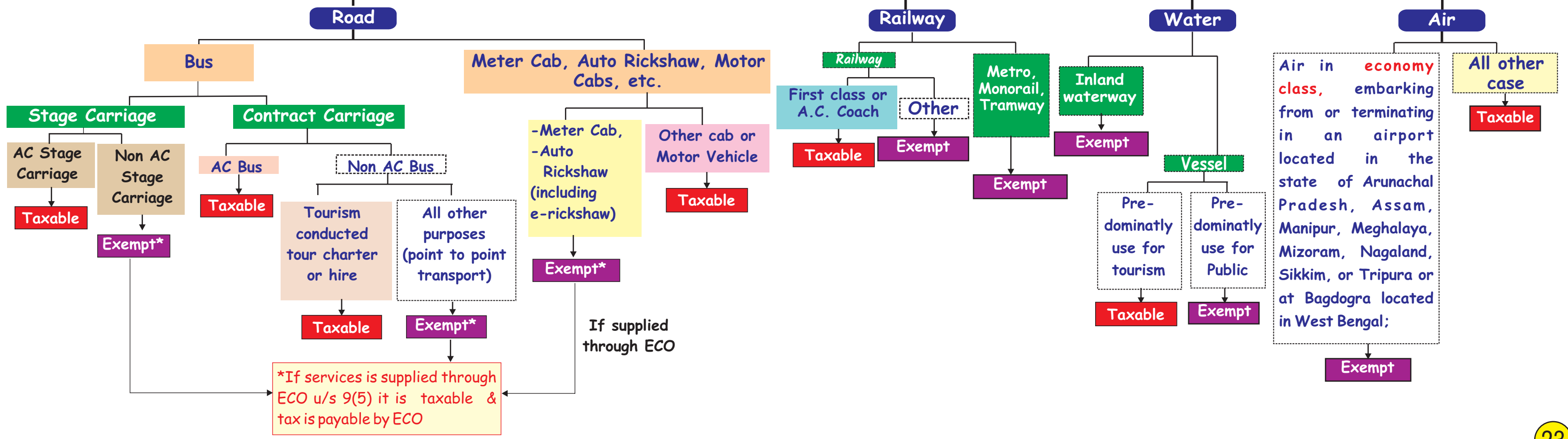
**Agricultural Produce (A.P.):** means any produce of agriculture on which

- ⇒ either no processing is done
- ⇒ such processing is done as is **usually done by a cultivator or producer**
  - which does not alter its essential characteristics
  - but makes it marketable for primary market.


 Tomato	 Tomato Ketchup	 Sugar Cane	 Sugar & jaggery	 Potato	 Potato Chips
 Grams	 Pulses	 Paddy	 RICE	 Raw Cotton	 Ginned Cotton
 Cow	 Dung	 Milk Pasteurization <small>Note : Usually not done by producer</small>		 Pasteurized Milk	
 Grains	 <small>Note : Usually done by producer &amp; does not essential character</small>	 Wheat	 Flour <small>Note : Usually not done by producer</small>		

Sl.No. 55 <span style="background-color: yellow; border-radius: 50%; padding: 2px;">Imp</span>	<b>Exemptions on intermediate production processes</b> Carrying out an intermediate production process as job work in relation to agriculture  (Cir. no. 19/19/2017) Milling of paddy into rice <b>cannot</b> be considered as an intermediate production process in relation to cultivation of plants for food, fibre or other similar products or agricultural produce, hence not eligible for exemption
Sl.No. 57 <span style="background-color: yellow; border-radius: 50%; padding: 2px;">Imp</span>	Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of <b>fruits and vegetables</b> .
Sl.No. 24 <span style="background-color: yellow; border-radius: 50%; padding: 2px;">Imp</span>	Services of Loading, Unloading, warehousing, packing, storage of <b>Rice</b> .
Sl.No.24A	Warehousing of minor forest produce
Sl.No.24B <span style="background-color: yellow; border-radius: 50%; padding: 2px;">Imp</span>	"Services by way of storage or warehousing of cereals, pulses, fruits and vegetables.
Sl.No.55A	Services by way of Artificial insemination of live stock <b>other than horses</b>

S.No.14&15 PASSENGER TRANSPORT SECTOR Imp



Sl.No.18 TRANSPORTATION OF GOODS	
Road	Railway
Inland Waterways	Air/Vessel
Pipelines or Conduit	
GTA/Courier	Other road transport
Taxable	Exempt
Fully taxable	Exempt
Fully taxable	Fully taxable
Fully taxable	
Exemptions to GTA/Vessel/Rail	
D	Defence or military equipments.
R	Relief material for victims
M	Milk, Salt, food grains, flours, pulses or rice
O	Organic manure
N	Newspaper or Magazines
A	Agriculture produce
Sl.No. 21B Transport of goods by GTA to Govt.	
GTA	Transport of Goods
Exempt	CG/SG/UT
	LA
	Govt. Agency
Registered only for Deducting TDS u/s 51	

Sl. No. 22	Services by way of giving on hire-		
Imp	(a)	to a state transport undertaking, a motor vehicle meant to carry more than 12 passengers	
	(aa)	to a LA, an Electrically operated vehicle (EOV) meant to carry more than 12 passengers.	
	(b)	to a GTA, a motor vehicle means of transportation of goods.	
	(c)	to a person providing services of motor vehicle for transportation of students, faculty and staff to an EI providing services by way of school.	
			
CBIC Clarifications			
1	Transport of Minerals within mines by Tipper, Dumper etc	It is a rental service for transportation of goods	Taxable
2	GTA + Cargo Handling (Packing + Loading + Unloading)		
	Bundle services with GTA	Composite Supply	Taxable as GTA
	Separate Invoice for Cargo handling	Non treated as Composite supply	Taxable as cargo handling

RENTING OF IMMOVABLE PROPERTY			
Sl.No.12	Renting of Residential Dwelling (RD) - for use as residence		
Supplier	Receipient	Taxability	Who will pay tax
➤ Any Person [RP + URP]	URP(if use for residence)	Exempt	—
➤ Any Person [RP + URP]	RP But if RP is - Proprietor - using RD in Personal capacity for own residence - Renting on own account	Taxable  Exempt	Under RCM recipient (RP) is liable to pay tax  —
Sl.No.12A	Accommodation Services ( Hostels, residence for student, Camps, Paying Guest accommodations & the like. ) - Value ≤ 20,000 PP/PM for Continuous period of 90 days		
➤ Any Person [RP + URP]	Any Person [RP + URP]	Exempt	—
When tax payable on accommodation services:-		CBIC Clarifications	
➔ Value > 20,000 PP/PM or		1	hostel accommodation or long-term service apartments/hotels
➔ Supplied for non-continuous period of 90 days		It is taxable under entry 12 but exempt under entry 12A ( if conditions of entry 12A are met)	
➔ If charges on daily basis & not on monthly basis		2	hostels for poor and middle-class students run by charitable trusts
Renting of Immovable property other than Residential Dwelling (Fully taxable)			
➤ RP	Any Person [RP + URP]	Taxable	Supplier (FCM)
➤ URP	RP	Taxable	Under RCM recipient (RP) is liable to pay tax

EXEMPTION IN BANKING AND FINANCIAL SECTOR	
Sl. No. 27	Exemption
Imp	(a) Consideration - Interest or discounting On extending Deposits Loan Advances Except:- Interest involved in credit card services All other services of Bank / FI/NBFC are taxable
	(b) sale or Purchase of Foreign Currency Amongst Bank Amongst Dealer Amongst Bank & Dealer
	Exempt Discounting of cheque promissory note, BOE Discounting of C.P. or C.D. Interest on debentures or bond Repos & reverse Repos Penal Interest = Interest
	Taxable Processing, documentation fees charged by bank Interest on finance lease (delay payment of consideration)



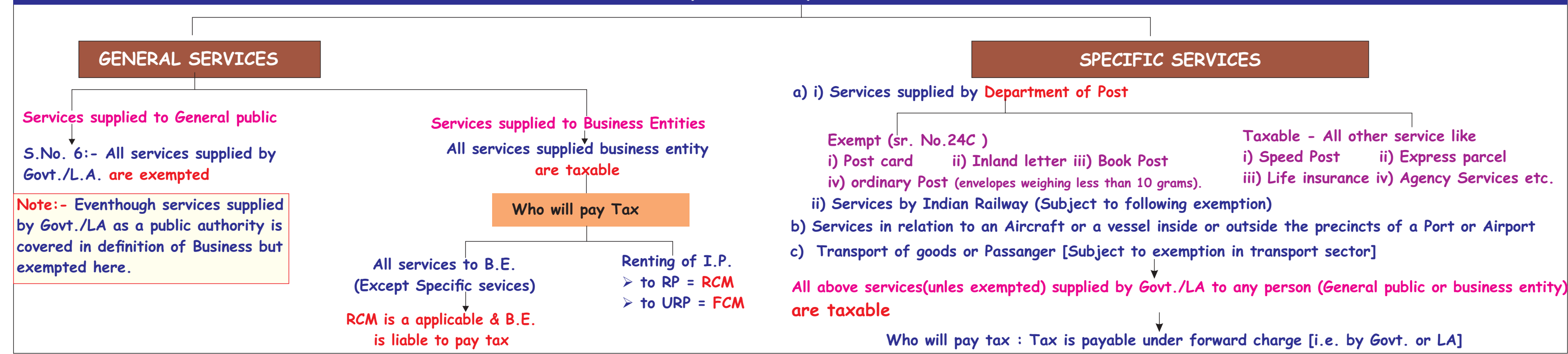
**Imp Exemptions in Education Sector**

Service Taken by Educational Institution	Sl.No.66:- Educational institution (EI)	Service supplied by Educational Institution
1)Transportation of students, faculty or staff 2) Catering (including mid-day meal) 3)Security, cleaning or house keeping 4) Supply of online education as Journal or periodicals 5)Service relating to admission to or Conduct of examination (eg. paper setting , Answers evaluation etc.)	<p><b>Exempt only if supplied to School</b></p> <p><b>Exempt only if supplied to Colleges etc.</b></p> <p><b>Exempt if supplied to all education Institute</b></p> <p>1) Private coaching classes are <b>Taxable</b> 2) Only 5 input services to EI in respective cases are exempt. Thus, all other services supplied to EI are <b>Taxable</b></p>	<p><b>Exemptions</b></p> <p>1) Any service supplied by such <b>EI</b> to its student and faculty or staff. (e.g. education fees lab charge, lab charges, transportation, catering etc. 2) Service by way of Conduct entrance examination against <b>entrance fees</b></p> <p><b>Taxability</b> Any Service supplied to any person other than student faculty or staff by such <b>EI</b> then it is taxable e.g. 1) Auditorium of school given to other for seminar 2) Placement services to corporate 3) franchisees fees to various franchisees.</p>

Qualification recognised by law				Taxability in various scenario				Sr.No. 66A:- Affiliation service		
Scenario	Recognized by law	Taxability		Service	Taxability	Reason		Service provided by	Service provided to	Taxability
1. Services by IIM- - long duration program - Short Duraton Program	<b>Yes</b> , by IIM Act <b>No</b>	<b>Exempt</b> <b>Taxable</b>		1. Isuance of migration certificate	<b>Exempt</b>	Services by E.I. to Student		1. Affiliation service provided by Central or State Educational Board or Council or other similar body	To schools owned or controlled by - CG/SG/UT/LA - Govt. Authority/Entity To Pvt Schools	<b>Exempt</b> [Sr.No. 66A] <b>Not Exempt =Taxable</b>
2. Maritime courses approved by DG shipping	<b>Yes</b> , by Merchant Shipping Act	<b>Exempt</b>		2. Supply of food in Anganwadi [by Govt. or Corporate]	<b>Exempt</b>	Canteen services to pre-School		2. Affiliation service provided by Universities	To Colleges	<b>Not Exempt = Taxable</b> Cir No. 234/28/2024
3. Flying training courses approved by DGCA	<b>Yes</b>	<b>Exempt</b>		3. Catering services -School to student - Pvt. canteen to Std.	<b>Exempt</b> <b>Taxable</b>			Sl. No. 71	Services provided by training providers under the Deen Dayal Upadhyaya Grameen Kaushalya Yojana, offered by the Ministry of Rural Development, include skill or vocational training courses certified by the NCVET.	

Exemption Related to Entertainment, Museum etc.				Exemption in Government Sector	
<p>Service - performance by <b>Artist - Folk or classical form</b> <b>Sl.No.78</b></p> <p><b>Consideration ≤ ₹1,50,000</b></p> <p><b>Exception -</b> service as a brand ambassador (Taxable)</p> <p><b>Note:-</b> If consideration is more than ₹1,50,000 then full amount is taxable.</p>				<p><b>Access to Road or bridge on Payment of toll</b></p> <p>Sl. No. 23 Access to Road or bridge on Payment of toll</p> <p>SI No.61A Granting National permit to goods carriage &amp; to operate through India.</p> <p><b>Services by foreign diplomatic missions in india</b></p> <p>Sl. No. 59 All services provided by a foreign diplomatic mission located in India</p> <p><b>Note:- Taxable Service:</b> Services provided by office or establishment of an international organization.</p>	
<p>Service - Admission to (ticket charges)</p> <p><b>Si.No.81: Entertainment event</b></p> <p>(a) Circus ➢ dance ➢ Theatrical Performance</p> <p>(b) Award Function ➢ Concert ➢ Pageant ➢ Musical Performance ➢ Non-recognised sporting event</p> <p>(c) Recognised sporting event</p> <p>(d) Planetarium</p> <p><b>Consideration does not exceeds ₹500 per Person</b></p>					
<p><b>Si.No.79A: Monument</b></p> <p>Protected monuments</p> <p><b>Consideration - No Limit</b></p>					
<p><b>Si.No.79: Zoo etc</b></p> <p>➢ Museum ➢ National Park ➢ Wildlife sanctuary ➢ Tiger reserve ➢ Zoo</p> <p>(a) art or culture <b>by an individual or</b></p> <p>(b) Sport by charitable entity registered u/s 12AAor 12AB of I.T. Act</p> <p>Painting, dance Singing classes</p>					

Services provided by Government/LA



Other Exemptions [services provided by Govt. /LA]

Turnover or Value based		Railway Related services (Newly Inserted)		Certification or Registration based		Others	
Sl.No. 7	Service provided by Govt/Local Authority to Business Entity where its Aggregate T/O less than such amount in PFY make it eligible for exemption from registration <b>Exception :</b> above exemption not applicable to (a) Specific services (Ref. above part 2) (b) Renting of immovable property	Sl.No. 9E	Services provided by Railways to individuals by way of ➤ Sale of platform tickets, ➤ Facility of retiring rooms/waiting rooms, ➤ Cloak room services & ➤ Battery-operated car services.	Sl. No. 61	Service provided by Govt/LA by way of ➤ Issuance of passport, ➤ Visa driving licence, ➤ Birth Certificate or Death Certificate	Sl. No. 8	Service provided by Govt. or LA to another Govt. or LA. <b>Exception:</b> Specific services (Ref. above part 2)
Sl. No. 9	Service provided by Govt/LA Where Gross Amount Charge per service (per invoice) does not exceeds ₹ 5000 & in case where <b>continuous supply of service</b> the limit is ₹5000 in a F.Y <b>Exception:</b> Specific services (Ref. above part 2) <b>Note:-</b> Renting of immovable property (any amount) = <b>Taxable</b>	Sl.No. 9F	Intra railway transactions between different zones / divisions are exempt.	Sl. No. 47	Service provided by Govt/LA by way (a) Registration required under any law (b) Testing, calibration, safety, check for protection or safety of worker, consumer or public at large	Sl. No. 62	Fines or liquidated damage for tolerating non performances of Contract
		Sl.No. 9G	➤ SPVs provide infrastructure to Railways for use and maintenance during the concession period for consideration, ➤ while the Railways offers maintenance services to the SPVs for the same infrastructure, also for consideration.  A special-purpose vehicle (SPV) is a legal entity that allows multiple investors to pool their capital and make an investment in a single company.			Sl. No.65A	Services by way of providing information under the Right to Information Act, 2005
						<b>Circular no. 190/02/2023</b> Accommodation services by Defence mess to person other than business entity are exempt & such services are qualified as services by Govt.	

Taxability of transaction of providing loan by an overseas affiliate to its Indian affiliate or by a person to a related person (Circular No. 218/12/2024):-

- 1) If no consideration (other than interest/discount) is charged for a loan/credit from a related person or overseas affiliate: It is not considered a SOS & no GST is charged.
- 2) If consideration (in addition to interest/discount) is charged for a loan/credit from a related person or overseas affiliate: It is considered a SOS & GST is applicable.

GST on statutory collections made by RERA (Circular No. 228/22/2024):

RERA is considered a govt authority. Thus, statutory collections by RERA are exempt.



Exemption in sport sector	
Sl. No. 68 <b>Imp</b>	Service Provided to recognized Sport Body <b>by-</b> a) An individual as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a recognized sports body; b) Another recognised sports body;

Exemption in Construction Sector	
Sl.No. 10	Construction etc or Original Work to Pradhan Mantri Awas Yojana
Sl.No. 11	Construction etc or Original Work to Single Residential Unit

Miscellaneous	
Sl. No. 2	Transfer of a Going Concern
Sl. No. 52	Organization of Business Exhibition Outside India
Sl. No. 77 <b>Imp</b>	<div><div><div>Exemption - Services by RWA to Members</div><div><div>Services by</div><div>- Un-incorporated body</div><div>- Registered not profit Entity</div></div><div><div>To</div><div>By Way of</div><div>Its Member</div></div><div><div>Re-imbursement of charged</div><div>Share of contribution</div></div><div><div>RWA or housing society</div><div>Exemption Upto Amount = ₹ 7500 per month / per member</div><div>For sourcing of goods or services</div><div>⇒ From third person</div><div>⇒ For common use of its member</div></div></div></div>
Sl. No. 77A	<div><b>CBIC Clarification:-</b> 1) SOS by RWA to its members for contribution upto ₹ 7,500 per month per member (PM<sup>2</sup>) are exempt 2) RWA required to pay GST, only if such subscription &gt; ₹ 7,500/- per month per member &amp; ATO of RWA by way of SOS &amp; SOG &gt; ₹ 20 L 3) RWAs are entitled to take ITC of GST paid by them on capital goods (taps, pipes, other sanitary/ hardware filling, etc.) and Input services such as repair and maintenance service. 4) The ceiling of ₹ 7,500 (PM<sup>2</sup>) shall be applied separately for each residential apartment owned by him. 5) If amount exceeds 7500, GST shall be payable on the entire amount.</div>

Other Exemptions	
Exemption Charitable and Religious Sector	
Sl.No.60	Services provided by specified organization with respect to Kailash Mansarovar and Haj Pilgrimage exempted
Exemption in banking and financial sector	
Sl.No.34	Services by Acquiring Bank to any person for Card transaction settlement ₹ 2,000 (Services by Payment Aggregators's are exempt but not for Payment Gateways)
Sl.No.27A	Services provided by a banking company to - Basic Saving Bank Deposit account holders under Pradhan Mantri Jan Dhan Yojana
Exemption in sport sector	
Sl.No.53	Sponsorship of Certain Sport Events (Read from Notes)
Sl.No.82	Admission to events organised under FIFA world cup 2017
Sl.No.9A	Services Provided by and to FIFA
Sl.No.9AA	Services Provided by and to FIFA at its subsidiary directly, indirectly related to event under FIFA U-17 Women's World cup 2020 to be hosted in India <b>whenever rescheduled.</b>
Sl.No.9AB	Services provided by and to Asian Football Confederation (AFC) and its subsidiaries directly or indirectly related to any of the events under AFC Women's Asia Cup 2022 to be hosted in India.

Sl.No.82A	Service by way of right to admission to the event organise under FIFA U-17 Women's World cup 2020 <b>[whenever rescheduled. ]</b>
Sl.No.82B	Services by way of right to admission to the events organised under AFC Women's Asia Cup 2022

Services provided by Government to Business Entity	
Sl.No.63	Assignment of right to use natural resources to an Individual farmer for the purpose of Agriculture. (service provided by Govt./LA)
Sl.No.9C	Service Provided by Govt. Entity against consideration in form grants to another Govt. or LA, received from Govt./LA
Sl.No.9D	Services by an old age home run by Govt. /Entity reg. u/s 12AA or 12AB, to its resident (Age 60 years or more) (Consideration-upto ` 25000 per month per member)(Consideration includes boarding/loading/maintenance charges)
Sl.No.65	Merchant overtime charges for inspection of import container by custom officers.

Services provided to Government	
1) Services provided by fair price shop	
2) Supply of pure services & composite supplies (where value of goods constitutes ≤ 25% of total value of supply) made to Govt. or LA in relation to functions entrusted under article 243G or 243W.	
<b>CBIC Clarification:- Cir no. 245/02/2025:</b> MCD receives services like housekeeping, maintenance etc for its office upkeep which are not related to the municipal functions under Article 243W of the Constitution, thus <b>taxable</b> under GST.	
3) Services provided to a Governmental Authority by way of - (a) water supply (b) public health (c) sanitation conservancy (d) solid waste management (e) slum improvement & upgradation	
4) Insurance scheme where total premium is paid by Government	
5) Training program to Government where for which <b>75% or more</b> expenditure is borne by Government.	
6) Passenger transport Service by air where boarding or termination at a regional connectivity scheme, Airport avails the consideration in the form of viability gap funding.	

Miscellaneous	
Sl.No.39	Intermediary Service- Read From Notes
Sl.No.39A	Services by an intermediary of financial services
Sl.No.48	Services recognised by Biotechnology Industry Research Assistance Council
Sl.No.49	by way of collecting or providing news by ⇒ An independent journalist, ⇒ Press Trust of India or ⇒ United News of India;
Sl.No.50	Public Library Service
Sl.No.76	by way of public conveniences such as provision of facilities of Bathroom, Washrooms, Lavatories, Urinal or Toilets.
Sl.No.9B	Exempting Supply of Services associated with Transit Cargo to Nepal & Bhutan
	Exempt certain supplies to NPCIL
Sl.No.69	Service by NSDC, NCVET, etc.

Other Exemption	
Sl.No.30	Services provided by Employees State Insurance Corporation
Sl.No.31	Services provided by Employees Provident Fund Organisation (EPFO) to persons governed under the Employees provident Funds and Miscellaneous Provisions Act, 1952.

Sl.No.31A	Services Provided by coal mines provident fund organisation
Sl.No.31B	Services Provided by National Pension system
Sl.No.58	Services provided by National Centre for Cold Chain Development under Ministry of Agriculture, Cooperation and Farmer's Welfare by way of cold chain knowledge dissemination.
Sl.No.38	Services by way of collection of contribution under any pension scheme of the SGs
Sl.No.41	Long term lease of plot 30 years or more by State Government Industrial Development Corporations for development of infrastructure for financial business,
Sl.No.19C	Satellite launch services
Sl.No.25	Transmission or Distribution of Electricity
Sl. No.25A	Services of renting meters, testing equipment, connecting electricity, shifting meters & issuing duplicate bills. These help utilities serve their customers.
Sl. No.44A	Research & development services funded by grants supplied by Govt entity or Notified research association, university, college, or institution. <b>Note:</b> The institution must be notified when the research service is provided.
Sl.No.36A	<div>⇒ GST liability on reinsurance of specified general &amp; life insurance schemes:- GST on reinsurance services for schemes in Sl. Nos. 35 &amp; 36 is exempt as per Cir No. 228/22/2024</div> <div>⇒ GST liability on reinsurance of insurance schemes for which total premium is paid by Govt.:- GST on reinsurance services for insurance under Sl. No. 40 is exempt as per Cir No. 228/22/2024.</div> <div>Circular No. 228/22/2024:-</div> <div>As per IRDAI, 'Retrocession' is when a reinsured risk is further ceded to another Indian Insurer or a Cross Border Re-insurer (CBR). Thus, 'reinsurance' under Sl. No. 36A includes 'retrocession' services.</div>
Sl.No.36B	Insurance Services Provided by the Motor Vehicle Accident Fund

Circular no. 177/09/2022

- It is clarified that ⇒ Services of IVF are covered under health care and thus **exempt**.
- ⇒ Tickets purchased for transportation from one point to another irrespective of ferry is owned/operated by PSU are **exempt**
  - ⇒ If transportation takes place over pre-determined route on a pre-determined schedule. However, if it is hired for period of time, it is **taxable**
  - ⇒ Fee charged from prospective students for entrance/admission/issuance of migration certificate are **exempt**.
  - ⇒ Additional fee collected through higher toll charges from vehicles not having Fastag is also **exempt**.
  - ⇒ Services provided by the guest anchors in lieu of honorarium are **taxable**
  - ⇒ Movement of empty containers from Nepal and Bhutan, after delivery of goods there is a service associated with the transit cargo to Nepal and Bhutan, hence it is **exempt**.
  - ⇒ Services of sanitation & conservancy services are provided by Indian Army or any other Govt Department are **taxable**.
  - ⇒ Renting of trucks and other freight vehicles with driver for a period of time is a service of renting of transport vehicles with operator are **taxable**.
  - ⇒ Location charges/preferential location charges (PLC) paid upfront in addition to the lease premium for long term lease of land constitute part of upfront amount charged are **exempt**

Cir No. 206/18/2023

Supply of pure services & composite supplies by way of horticulture / horticulture works (where value of goods constitutes ≤ 25% of total value of supply) made to CPWD are eligible for exemption.





CA Vishal Bhattad

# Chapter 9 - SEC 49 : Payment of Tax

Debit		Credit		Debit		Credit		Debit		Credit		Debit		Credit	
Sec 49(1): E-Cash Ledger		E-Credit Ledger		E-Credit Ledger		E-Credit Ledger		E-Credit Ledger		E-Credit Ledger		E-Credit Ledger		E-Credit Ledger	
49(3) Utilization of E-Cash Ledger		Deposit of Amount in E-Cash Ledger		49(4) Utilization of E-Credit		49(2) Amount assessed in E-credit Ledger		Discharge of Tax Liability Sec 49(7) & (8) (IMP)		1. All liabilities (tax, interest, penalty etc.) shall be recorded and maintained in an Electronic Liability Register		Utilization of E-Liability Register		E- Liability Register	
It may be utilised for making payment of [Liability Register]		It may be used for making payment of output tax only		The IC as self assessed in the return of a R.P. shall be credited to his E-Credit ledger		Balance if any in E- credit ledger will be carry forward (without time limit)		2. Order of Discharge of liability -		(a) Self-assessed tax, and other dues related to Returns of Previous Tax Period		(b) Self-assessed tax, and other dues related to the Return of the Current Tax Period		(c) Any other amt payable under this Act including the demand for recovery of tax u/s 73/74/74A	
⇒ Tax (output/RCM)		⇒ Internet banking /UPI/IMPS		Analysis:-		Manner of utilization of ITC [Sec 49(5) + Sec 49(A) + Sec 49(B)]		*Other dues : Interest, Penalty, Late fee		Debit Amount (DR)		Credit Amount (CR)		⇒ Amount payable towards tax, interest, fees penalty or any other dues.	
⇒ Interest ⇒ Penalty		⇒ By using credit or debit cards		Tax dues		INWARD SUPPLY		⇒ Amount payable on demand order u/s 73/74/74A		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable under RCM		⇒ Any amount payable towards interest, penalty, fees.	
⇒ Fees (late fee) ⇒ Any other dues		⇒ NEFT or RTGS		Utilisation of cash ledger		OUTWARD SUPPLY		⇒ Amount payable towards interest, penalty, late fee		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
Balance if any in E- cash ledger will be carry forward or refunded		Payment (PMT-06) by above mode only through authorised bank.		Utilisation of Credit ledger		1. IGST		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
1) Over the Counter(OTC) cash Payment - ₹ 10,000 per challan per tax period		⇒ Amount of TDS u/s 51		Interest		2. CGST		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
Exception : Cash payment (OTC) without limit:-		⇒ Amount of TCS u/s 52		Penalty		3. SGST		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
a) Payment by Govt. Department or person notified by Comm.		2) Special Payment mode for OIDAR or Online money gaming:- International money transfer system of SWIFT network.		Fees		Note: Cross credit of CGST & SGST/UTGST are not allowed.		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
b) P.O. authorised to recovery dues from person including recovery through sale of property/during investigation etc.		Rule 87 :- Tax Payment Challan		Other Amt.		Imp Points - E-Credit Ledger (Cir.No. 172/04/2022)		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
2) Special Payment mode for OIDAR or Online money gaming:- International money transfer system of SWIFT network.		E-Challan		Other Aspects relating to challan		⇒ Used for Payment of Output Tax		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
		PMT- 06		CPIN :- 1. Common portal Identification Number.		⇒ Cannot be used for RCM		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
		Validity		2. It is created for every Challan successfully generated by the taxpayer.		⇒ Cannot be used for payment of other liabilities		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
		Date of payment		3. It is a 14-digit unique number to identify the challan.		Note:- Cannot be used to repay erroneous refunds sanctioned in cash		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
		Credit to E-cash Led.		4. CPIN remains valid for a period of 15 days.		Sec 49(6) Refund :- E-cash & E-Credit Ledger		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
		RBI 's e-Scroll		CIN:- 1. Challan Identification number		Refund of excess balance:-		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
		Non-Generation of CIN		2. It is when payment is actually received by authorised banks or RBI & credited in the Govt. A/c		1) E-cash ledger:- Immediately allowed on filing application of refund in FORM RFD - 01		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
		Reporting Discrepancies		3. It is indication of successful payment of account.		2) E-Credit Ledger :- Refund of excess balance of ITC is not allowed except in following cases		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
		Payment by URP		4. CIN is communicated by authorised bank to taxpayer as well as to CP.		i) ITC of ZRS		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	
				5. It is 18 digit number that is 14 digit CPIN plus 4 digit Bank code.		ii) Inverted duty rate (Output tax is less than Input tax)		⇒ TDS u/s 51 or TCS u/s 52		⇒ Amount payable u/s 10 (C.L.)		⇒ Any amount payable towards interest, penalty, fees.		If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.	

Special Discussion- Transfer of balance of E-Cash Ledger (all following amounts are assumed)									
Major Head				20th of next month			Transfer between own E-cash ledger		
Minor Head	IGST (₹)	CGST (₹)	SGST (₹)	Output Tax	IGST	CGST	SGST	Transfer bet <sup>n</sup> E-Cash Ledger of DDP (PMT - 09)	
Tax	50,000	10,000	10,000	Less: ITC	(30,000)	(5,000)	(5,000)	R.P. can transfer (through PMT-09) amount between different major & minor heads within their E-cash Ledger for payment	
Interest	1,000	500	500	Net liability	30,000	25,000	25,000	IGST/CGST/SGST/UTGST/Cess	
Fee	-	-	-	Existing Bal.	(50,000)	(10,000)	(10,000)	Note :- Any transfer between any head-allowed	
Penalty	-	2,000	2,000	Shifting	IGST	10,000	10,000	R.P. can also trasfer any amount available in major & minor heads of IGST/CGST in E-cash ledger to the E-Cash Ledger for IGST/CGST of DDP (u/s 25(4)/25(5))	
Other	-	-	-		Interest	1,000	1,000	Provided there is no unpaid liability in his (first DDP who is transferring amount) E-Liability register.	
					Penalty	2,000	2,000	Note:- Transfer major & minor head of SGST/UTGST between DDP is not allowed.	





Sec 51- TDS	
Who is liable (i.e who will deduct TDS)	<ul style="list-style-type: none"> <li>Specified persons like <b>CG, SG, LA, Govt Agencies.</b></li> <li>Public Sector Undertakings (PSU).</li> <li><b>Society</b> established by CG/SG under Society Act.</li> <li>An <b>authority/Board</b> or Other body established by Any act or Govt. with 51% or more equity concern with Govt.</li> <li><b>Any RP receiving supplies of metal scrap from other RP.</b></li> </ul>
TDS rate	1% CGST, 1% SGST or 2% IGST
Threshold limit	TDS is applicable only when <b>taxable value of contract exceeds ₹2.5 lakh</b> (excluding GST). TDS is deducted at the time of credit or payment, whichever is earlier.
Payment	<p>The diagram illustrates TDS calculation based on contract value and payment schedule. For a contract value of ₹2,00,000, two payments of ₹1,50,000 and ₹50,000 are shown, both resulting in 'No TDS'. For a contract value of ₹3,00,000, two payments of ₹2,00,000 and ₹1,00,000 are shown, resulting in TDS of ₹4,000 and ₹2,000 respectively.</p>
Due date	Deductor shall deposited TDS deducted by <b>10th of succeeding month.</b>
TDS Certificate	<b>GSTR-7A</b> to be provided to deductee.
TDS Return	<b>FORM GSTR-7</b> (on or before the 10th day of the month succeeding the calendar month)
Non-Compliance	Failure to deposit TDS: Interest @ 18% u/s 50(1) & Penalty u/s Sec 73 or 74/74A/122
E-cash ledger	TDS deducted shall <b>reflect in Cash ledger</b> of Deductee.
Excess or erroneous deduction of TDS	<b>Refund</b> as per Sec 54, <b>but no refund, if TDS is credited to E-cash ledger of deductee.</b>
Non-Applicability	<ul style="list-style-type: none"> <li>Value of taxable supply in a Contract value <math>\leq ₹ 2,50,000</math></li> <li>Exempt supplies</li> <li>Supplies under RCM.</li> <li>Supplier is URP.</li> <li>LOS &amp; POS are in same state, but LOR is in different state.</li> <li>SOG/SOS between all notified persons u/s 51(1)(a) to (d), <b>excluding metal scrap received by RPs.</b></li> </ul>

Sec 52- TCS	
<p style="text-align: center;"><b>ECO</b></p> <pre> graph TD     ECO[ECO] --&gt; ECO95[ECO notified u/s 9(5)]     ECO --&gt; ECOOther[All other ECO of goods or Services]     ECO95 --&gt; NoTCS95[No provision of TCS is applicable &amp; 100% liability to pay tax is on ECO]     ECOOther --&gt; OwnWebsite[If own goods or services are supplied from own website]     ECOOther --&gt; Agent[If ECO is acting an agent]     ECOOther --&gt; Operator[If Goods or Services supplied through ECO where the consideration with respect to such supplies is to be collected by the operator]     OwnWebsite --&gt; NoTCSOwn[No TCS]     Agent --&gt; NoTCSAgent[No TCS]     Operator --&gt; TCSApplicable[TCS provision is applicable]         </pre>	
Who is liable	Every ECO not being an agent is required to collect tax on <b>Net value of Taxable supplies.</b>
TCS Rate	<b>0.25 % CGST, 0.25% SGST &amp; 0.50% IGST</b>
Net Value of Taxable supplies:	Aggregate value of taxable supplies <b>other than</b> notifies services u/s 9(5) XX Less: Aggregate value of taxable supplies returned to supplier (XX) Net value of taxable supplies XX <b>Note:</b> Above value is calculated for each supplier on <b>monthly basis</b> . No TCS if net value is Nil or Negative.
Monthly Statement	<b>GSTR-8 by 10th of next month</b> but maximum within 3 years from its due date. <b>Note:</b> After filing of GSTR-8 by ECO, supplier can claim TCS in their E-cash ledger.
Annual Statement	<b>GSTR-9B before 31st Dec following the end of FY.</b>
Rectification of errors:	Any omission or incorrect particulars (other than in scrutiny, audit, inspection), ECO can rectify in the statement along with interest. <b>Time limit:</b> Earlier of 30th Nov of next FY or date of filing Annual statement.
Late Fee	<b>Lower of:</b> ₹ 200 [ ₹100 each for CGST & SGST] for every day during which such failure continues or ₹ 10,000 [ ₹5,000 each for CGST & SGST]
Penalty	U/s 122 & Penalty upto ₹ 25,000
Foreign ECO:	Foreign ECO not having place of business in India would be liable to TCS where supplier & customers are in India & shall register in each state/UT.
Non-Applicability	<ul style="list-style-type: none"> <li>If supplier is not liable for registration, ECO is not required to collect TCS.</li> <li>Exempt supplies.</li> <li>Composition taxpayers cannot make <b>SOS</b> through ECO.</li> <li>Import of goods or services as it is covered under RCM.</li> <li>Supplies own product through his own website.</li> <li>Goods purchased from different Vendors &amp; then sold under own billing.</li> </ul>

# CHAPTER 10: Input Tax Credit



CA Vishal Bhattar

<p><b>Sec 2(59) Input :</b> Means <b>any goods</b> used/ intended to be used by supplier, in the course / furtherance of business.(other than Capital Goods)</p>	<p><b>Sec 2(60) Input Service :</b> Means <b>any service</b> used/ intended to be used by supplier, in the course / furtherance of business.</p>	<p><b>Sec 2(19) Capital Goods :</b> Means goods, the value of which is capitalised in the books of accounts of the person claiming the input tax credit and which are used or intended to be used in the course or furtherance of business</p>	<p><b>Sec 2(62) "Input Tax":-</b> 1) CGST / SGST / UTGST / IGST charged on any supply of goods or services or both made to him (Inward Supply) 2) the IGST charged on import of goods 3) the tax payable under the RCM <b>but does not include the tax paid under the composition levy</b></p>	<p><b>Sec 2(82) "Output Tax":</b>"Output tax" in relation to a taxable person, <b>means</b> the tax chargeable under this Act on                      ➔ taxable supply ➔ of goods or services or both                      ➔ made by him or by his agent  <b>but excludes</b> tax payable by him on reverse charge basis.</p>
--	--	--	--	---

## Sec 16 : Eligibility & Conditions for ITC

### 1) Eligibility criteria-

- ➔ **Person**= Registered,
- ➔ **Supply**= Used/Intended to be used in course / furtherence of his business

### 2) Conditions for availment of ITC:- (Overriding sec 16)

a)	He is in possession of a Tax Invoice/ debit not or other documents (as specified below)			
	Rule 36- Documents Requirement :-			
	1) <b>ITC availed on the basis of following docs.-</b> Invoice by supplier/ Invoice by recipient (RCM)Self-invoice/ Debit note/ Bill of entry/ Revised Invoice/ Docs. by ISD.			
	2) <b>Mandatory Requirement in Invoice</b> - Details of tax, descriptions of goods or service, value of supply, GSTIN & place of supply (Only in case of Inter-State Supply).			
	3) <b>No ITC</b> - if tax has been paid & demand is confirmed because of fraud etc.			
aa)	the details of the invoice or debit note has been furnished by the supplier in GSTR-1/1A and such details have been updated in GSTR - 2B of recipient.			
36 (4)	<b>No ITC by a RP unless,-</b> (a) The details of such invoices or debit notes have been furnished by the supplier in the statement of outward supplies in Form GSTR 1 & <b>GSTR 1A</b> or using IFF & (b) the details of <b>ITC in respect of</b> such invoices or debit notes have been communicated to the RP in FORM GSTR-2B.			
b)	He has received the Goods/Services/Both			
	<b>(For Bill to Ship to-</b> it shall be deemed to be received ➔ Goods- When goods are delivered by supplier to the recipient ➔ Services- When services are provided by supplier			
	Cummulative Conditions of 16(2)(a)/(ab)/(b)			
Situations	Date of receipt of Invoice	Date of receipt of G/S	Updated in GSTR -2B	Eligibility of ITC
A)	25.04.XX	26.04.XX	April	In April
B)	28.04.XX	03.05.XX	April	In May
C)	05.05.XX	29.04.XX	May	In May
D)	10.04.XX	15.04.XX	July	In July
	<b>ITC Eligibility for Goods Delivered Under Ex-Works Contract - Sec 16(2)(b) [Cir. No. 241/35/2024]-</b> ➔ In the automobiles sector, dealers can claim ITC when vehicles are handed over to the transporter at the OEM's factory gate under EXW contracts. This is considered as "receipt of goods" u/s 16(2)(b) ➔ If the supplier arranges transport and insurance on behalf of the dealer, and the dealer bears the risk of loss in transit, ITC is still allowed. ➔ However, ITC is not allowed if the goods are used for non-business purposes, lost, stolen, or given as gifts/free samples.			

(ba) The details of input tax credit in respect of the said supply communicated to such registered person under section 38 has not been restricted(blacklist)

c) Tax charged on such supply= has been actually paid to Govt. by the supplier

**Sec 41 :- Claim of ITC and Provisional acceptance thereof**

- ➔ The taxpayer shall self-assess and claim ITC in GSTR 3B.
- ➔ In case the taxpayer has claimed ITC of GST which is not paid/ deposited by the corresponding supplier, than the taxpayer / recipient shall reverse the ITC along with interest as per rule 37A.
- ➔ The recipient shall be eligible to re-claim the ITC reversed, on payment of GST by the supplier.

**Rule 37A: Reversal of ITC in the case of non-payment of tax by the supplier and reavailment thereof:-**

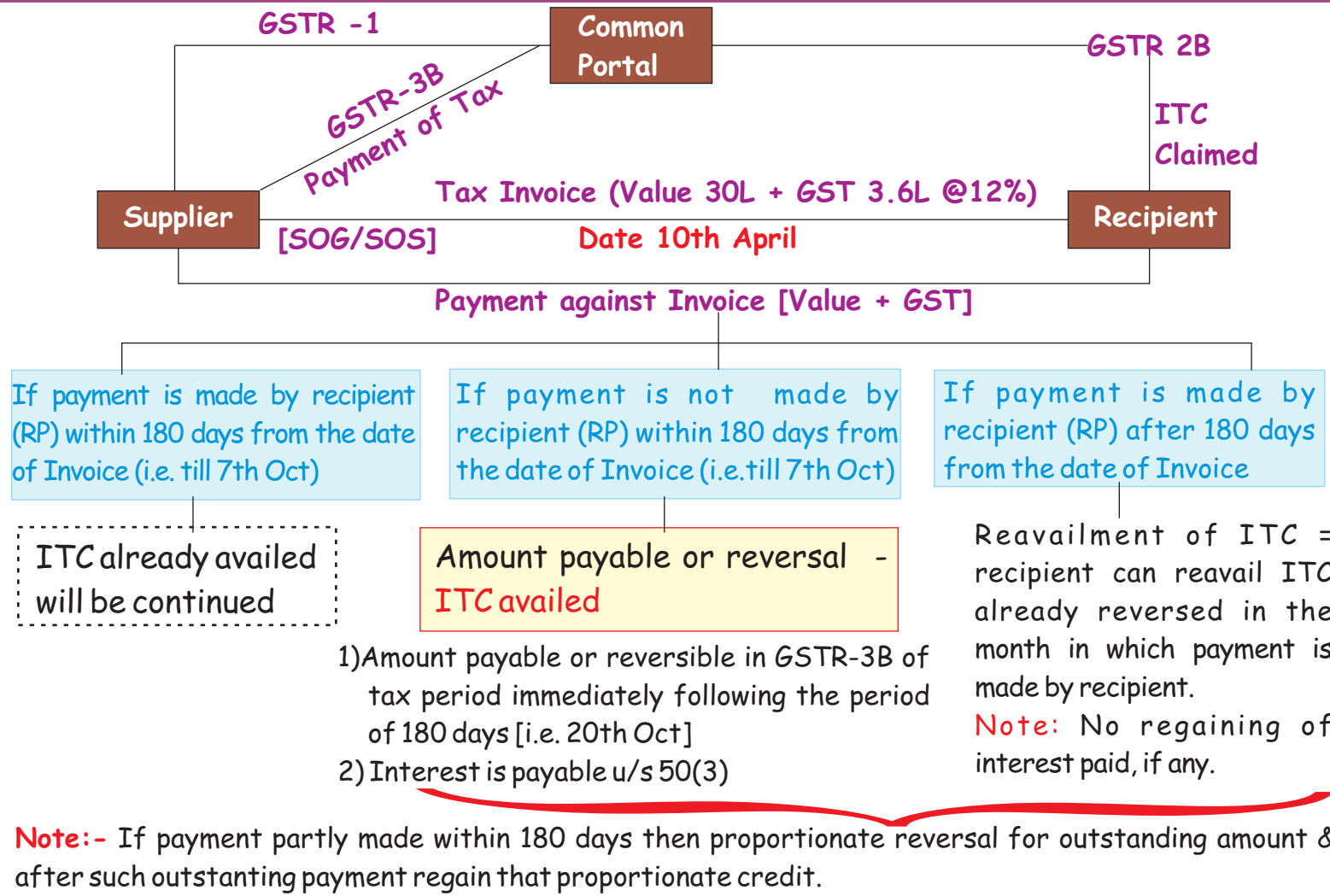
- ➔ If the **RP** has availed ITC & supplier furnished his **GSTR-1 /1A** & if supplier has not furnished GSTR-3B of tax period till the **30th Sep** following the end of F.Y., then the **RP** shall reverse ITC in his GSTR-3B on or before **30th Nov** following the end of FY.
- ➔ If ITC is not reversed by **RP** till **30th Nov**, then amount shall be payable with interest u/s 50
- ➔ If supplier furnishes GSTR-3B subsequently for a tax period, **RP** may re avail ITC reverse earlier.

d) He has furnished return u/s 39

- Proviso 1 :- ITC if Goods are received in Lot :-** Where the goods against an invoice are received in lots or instalments, the registered person shall be entitled to take credit upon receipt of the last lot or instalment
- Proviso 2:- Payment for the invoice to be made within 180 days (Rule 37)**
- Default :** Failure by Recipient to pay (**Wholly or partly**) to the supplier the within 180 days from Invoice date.
  - Consequence :** Amount equal to the ITC availed **proportionate to amount not paid to supplier** shall be **paid by him along with interest payable u/s 50.**
  - Details to be furnished :** Details of defaulted supply, value not paid, ITC availed to be mentioned in GSTR-3B for the month immediately after the expiry of 180 days from Invoice date.
  - Regain of Credit :** Regain when payment is made **to supplier** (Time limit u/s 16(4) is N.A. for regaining of ITC)
  - Non Applicability :** This provision not applicable
    - a) Tax payable under RCM
    - b) Deemed supplies without consideration [Sch.I]
    - c) Value of supplies on account as per sec 15(2)(b)



2nd Proviso:- Payment to supplier within 180 Days [Rule 37]



3) When depreciation is claimed on tax component-

Where the registered person has claimed depreciation on the tax component of the cost of capital goods and plant and machinery under the provisions of the Income-tax Act, 1961, the input tax credit on the said tax component shall not be allowed.

4) Time limit of availing ITC-

A RP shall not be entitled to take input tax credit in respect of any invoice or debit note for SOG or SOS or both after the **30th day of November** following the end of F.Y to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier.

Time Limit for Availing ITC on RCM Supplies from URPs u/s 16(4) (Cir. No. 211/5/2024)

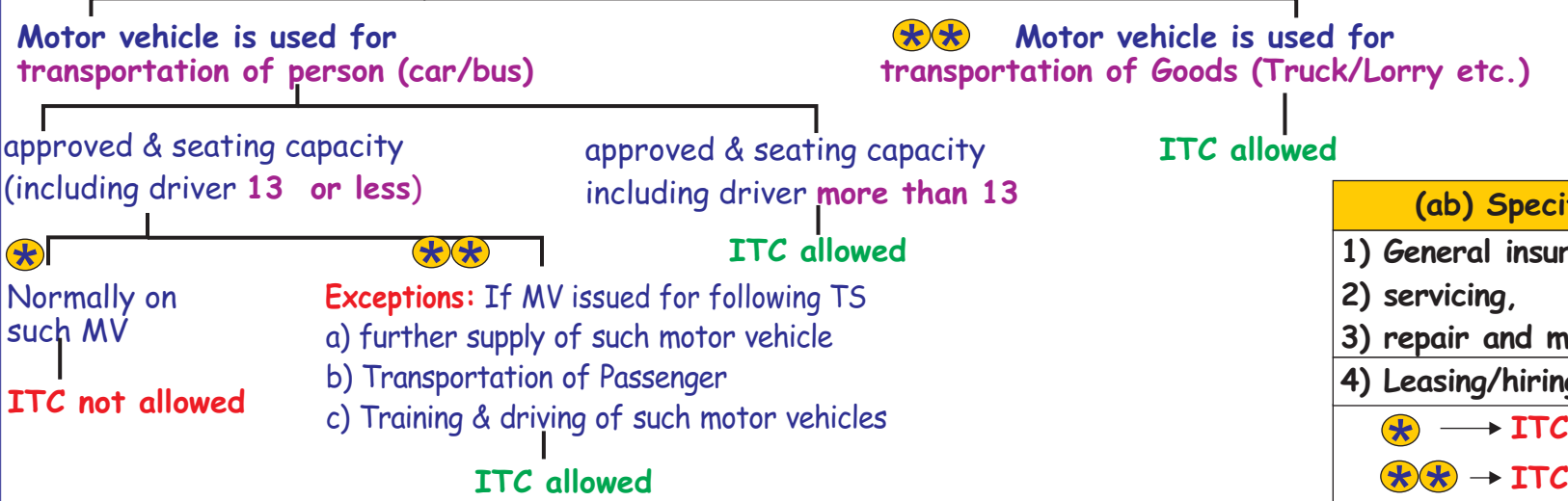
Issue	Clarification
Services received from URP without consideration	The recipient must issue an invoice and pay tax under RCM.
Time limit for ITC u/s 16(4)	ITC time limit is based on the F.Y. when the self invoice is issued, not when the supply was received.
Invoice issued after TOS	If the self invoice is issued late, the recipient must pay interest on delayed tax & may face penalty u/s 122.

6) Claiming ITC for invoices post revocation of registration cancellation

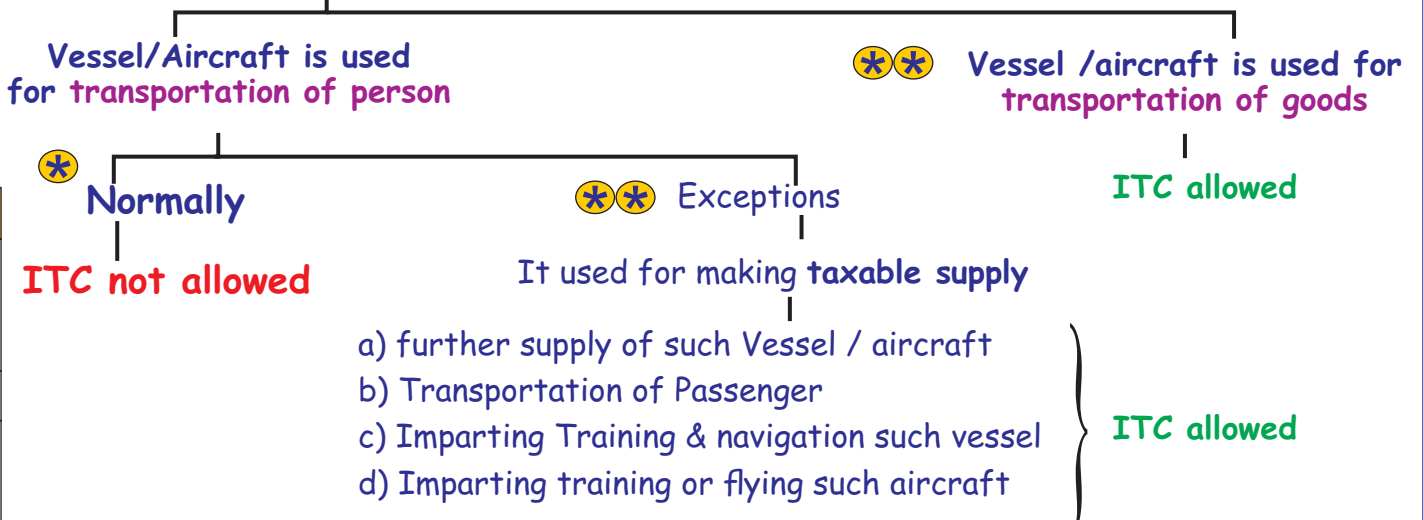
- ➔ If RP's registration is cancelled and later revoked, he can claim ITC for invoices not restricted by Sec 16(4) at the time of cancellation.
- ➔ ITC can be claimed in the return filed till the later of following dates:
  - Earlier of 30th Nov of following year or date of furnishing Annual return.
  - The return for the period between cancellation and revocation, if filed within 30 days of the revocation order.

Sec - 17(5) Blocked Credit

(a) Motor vehicles



(aa) Vessel & Aircraft



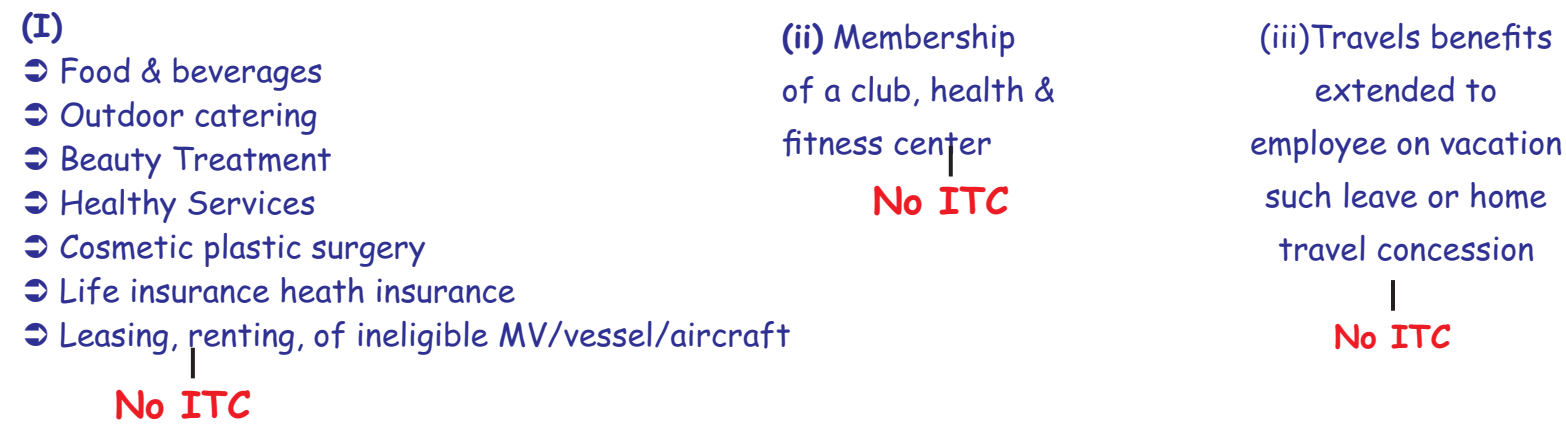
(ab) Specified services

1) General insurance,
2) servicing,
3) repair and maintenance
4) Leasing/hiring/renting (clause b)
★ → ITC Not available
★★ → ITC available

Availability of ITC in respect of Demo Vehicles (Cir. no. 231/25/2024)

ITC on demo vehicles used for transporting up to 13 people (including the driver) u/s 17(5)(a)	Clarification	ITC on demo vehicles capitalized in books of account by authorized dealers	Clarification
Demo vehicles used to promote sales (Trial run & Demonstration to potential buyers)	ITC is not blocked	Demo vehicles capitalized as "capital goods"	ITC can be claimed on taxes paid.
Demo vehicles used for employee transport or management (not for further supply)	ITC is blocked	Depreciation claimed on the tax portion of the capitalized demo vehicle	ITC cannot be claimed.
Dealers merely acting as agent of manufacturer and manufacturer is selling demo vehicles later	ITC is blocked	Capitalized demo vehicle sold later	Tax must be paid u/s 18(6) & Rule 44(6).

(b) Goods /services used in business not eligible for IT (mostly for employee, director, Guest etc.)



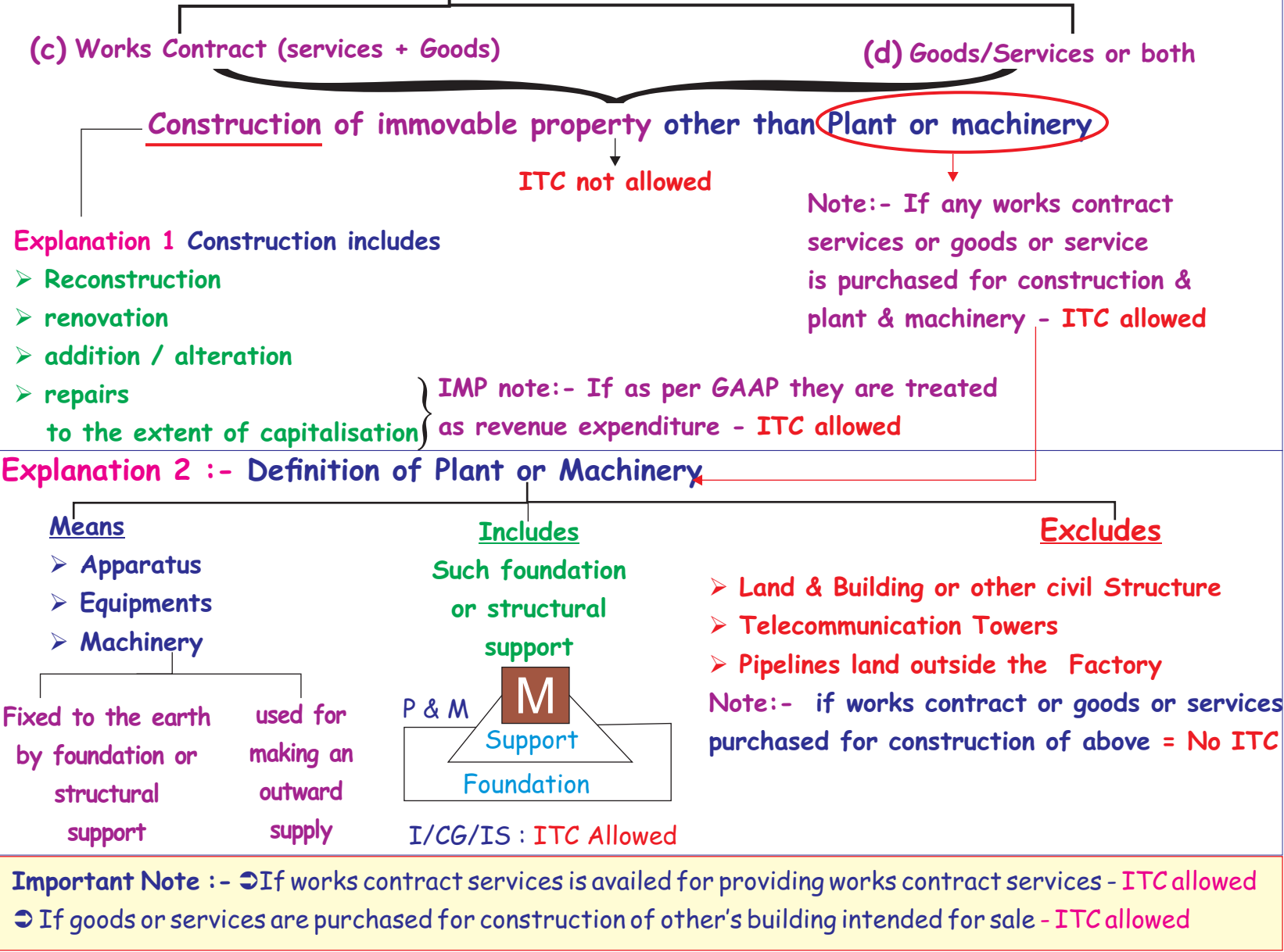
Exceptions(in following cases ITC allowed) :-

a) making outward supply of same category of goods/services or both or

b) Element of composite or Mixed supply

Note:- If above supplies are provided to employees under any statutory obligation, ITC Allowed

c) & d) Construction Sector

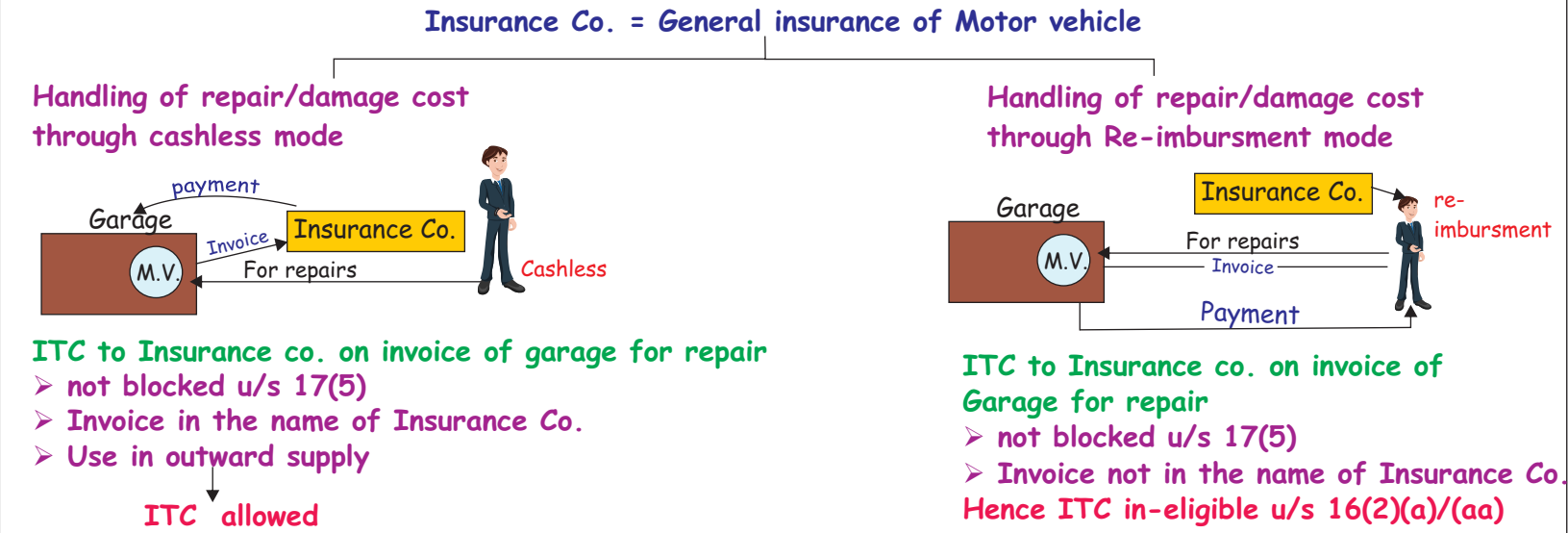



Other Points		
	Non eligibility of ITC	Explanation
e)	Goods or services or both on which tax has been paid under sec 10	अगर composition supplier के composition tax, invoice में लगाकर दे रहा है, जो नहीं देना चाहिये था. So, recipient को उस Tax का credit नहीं मिलेगा
f)	Goods or services or both received by NRTP	No ITC (Remark: ITC available on imported goods by NRTP)
fa)	Goods &/or services received by taxable person, which are used/intended to be used CSR activities.	No ITC
g)	Goods or services or both used for personal consumption	No ITC
h)	Goods	Goods
	Lost, destroyed, stolen, written off Wholly or Partly	Distributed by way of Gift/sample
		<div><div>⊕ No ITC is available</div><div>⊕ If ITC is availed then it needs to be reversed</div></div> <div><div>If ITC is taken on such goods</div><div>As per para I Sch I, it is treated as supply. GST is payable on value as determined u/r 30</div><div>No need to reverse ITC</div></div> <div><div>If ITC is not taken on such goods</div><div>Then as per sec 17(5) (h)</div><div>ITC is not allowed</div></div>
i)	Any tax paid u/s 74 for any period up to FY 2023-24.	

ITC for Ducts & Manholes in Optical Fiber Cable Networks u/s 17(5) (Cir. No. 219/13/2024)

Issue	Clarification
Ducts & Manholes classification	Ducts and manholes are part of the OFC network and not land or buildings, so they are "Plant & Machinery."
ITC eligibility	Ducts & manholes are eligible for ITC & not blocked u/s 17(5)(c) & (d).

ITC Entitlement for Insurance Co. on Motor Vehicle Repairs in Reimbursement Claims (Cir.No.217/11/2024)

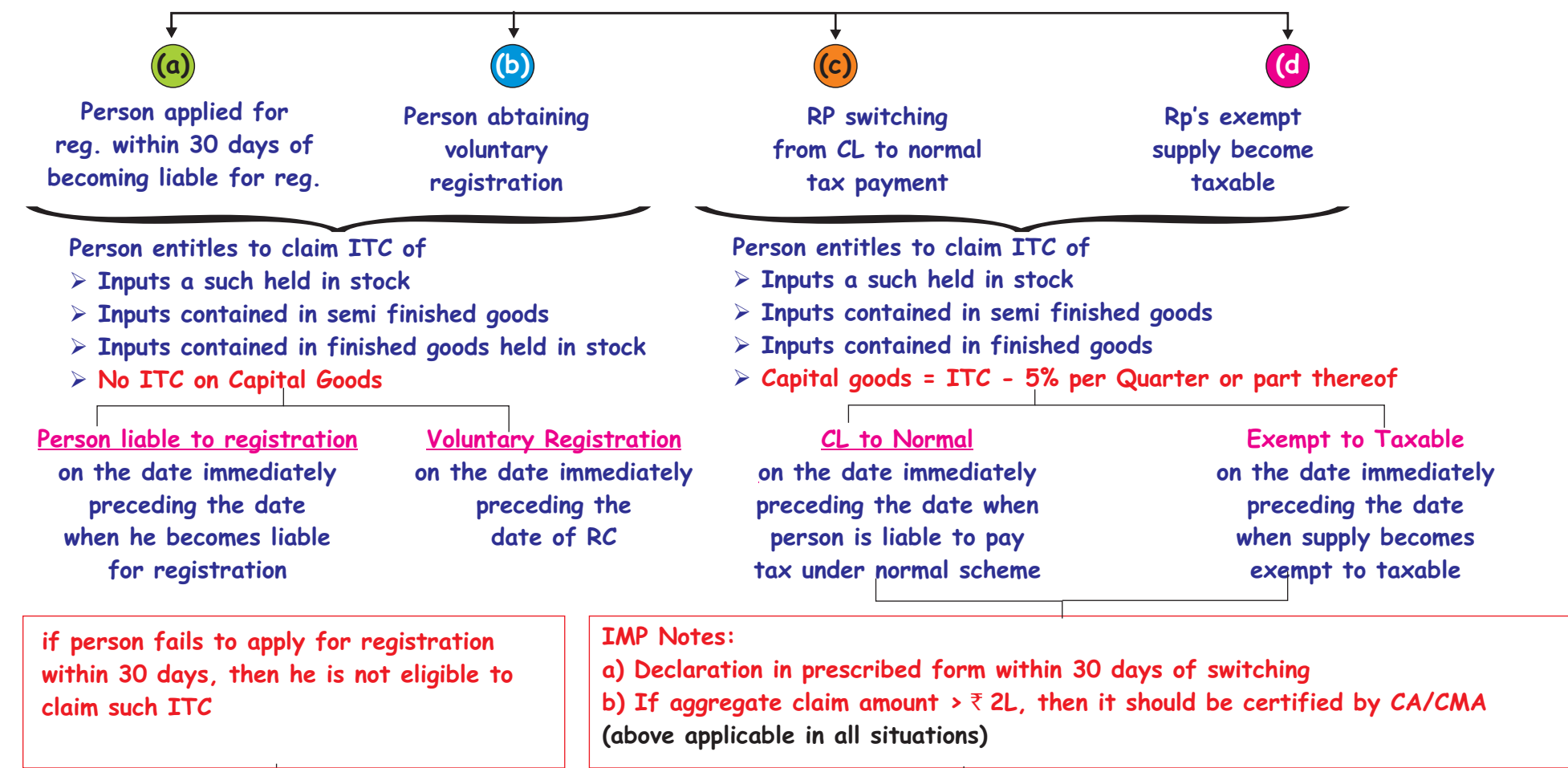


Free Sample and gift treatment under GST		Buy one, Get One offer		
Not a supply as no consideration is included but			Supplier	Supply
ITC taken on such goods			GST = 500	Shirt 1
ITC not taken			GST = 500	Shirt 2
It shall be treated as supply			Invoice	
Value - Rule 31		Shirt 1 5000		
ITC - available		Shirt 2 Free		
		5000		
		Single price for both shirts, hence No need to reverse ITC		



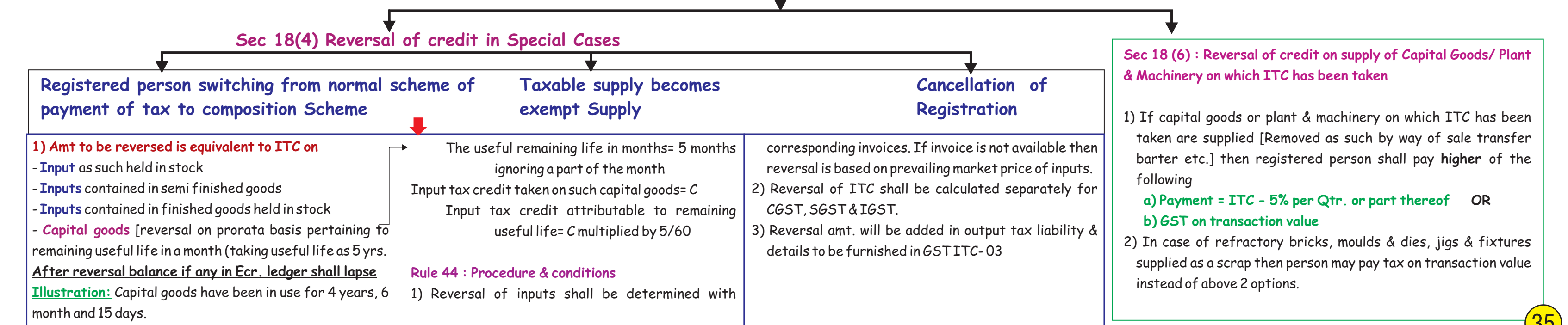
# Sec 18 : Availment or Reversal of Credit

## Sec 18(1) Availment of Credit

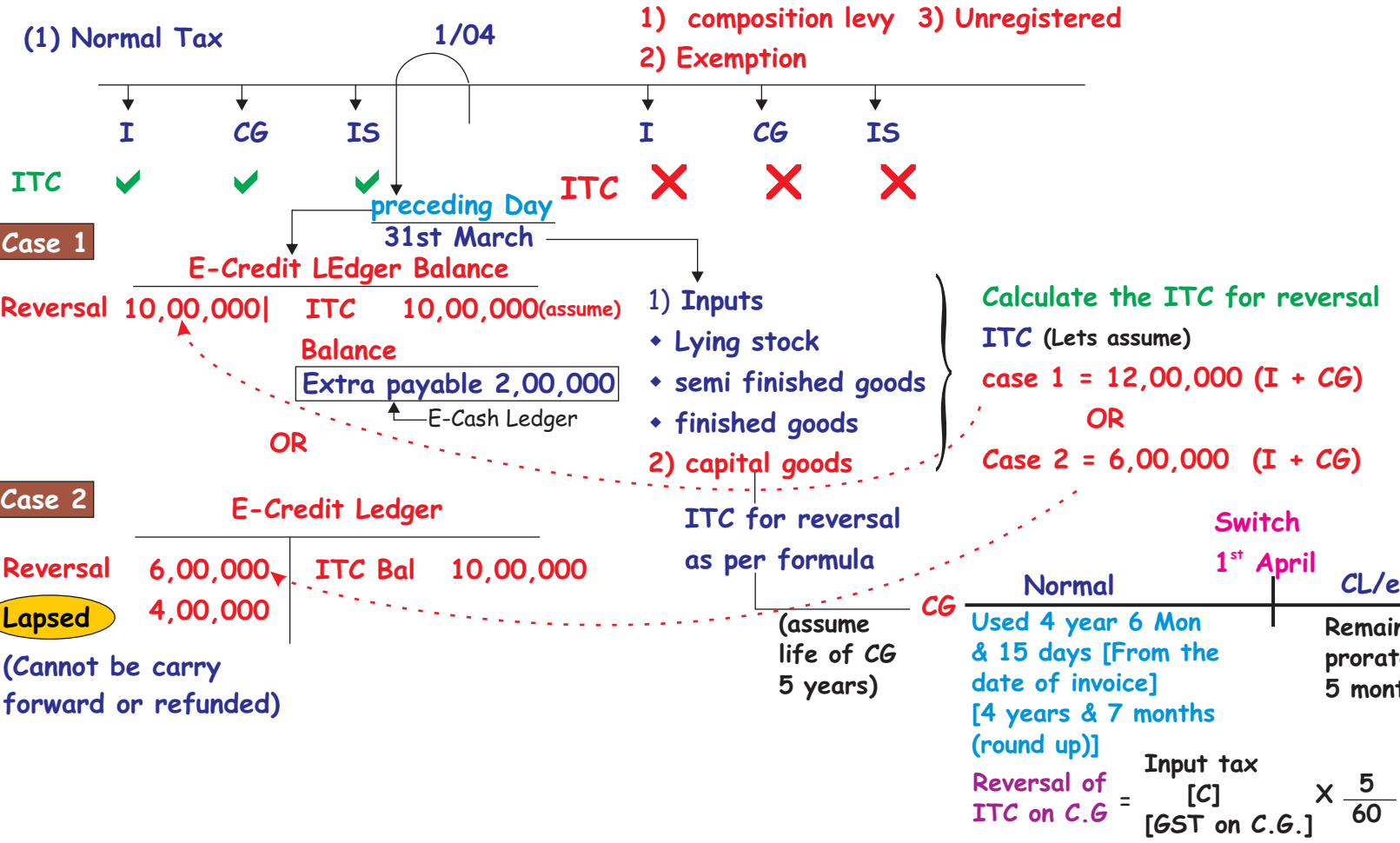


**Section 18(2) :** Person is not entitled to take ITC of I/CG after expiry of one year from the date of invoice.

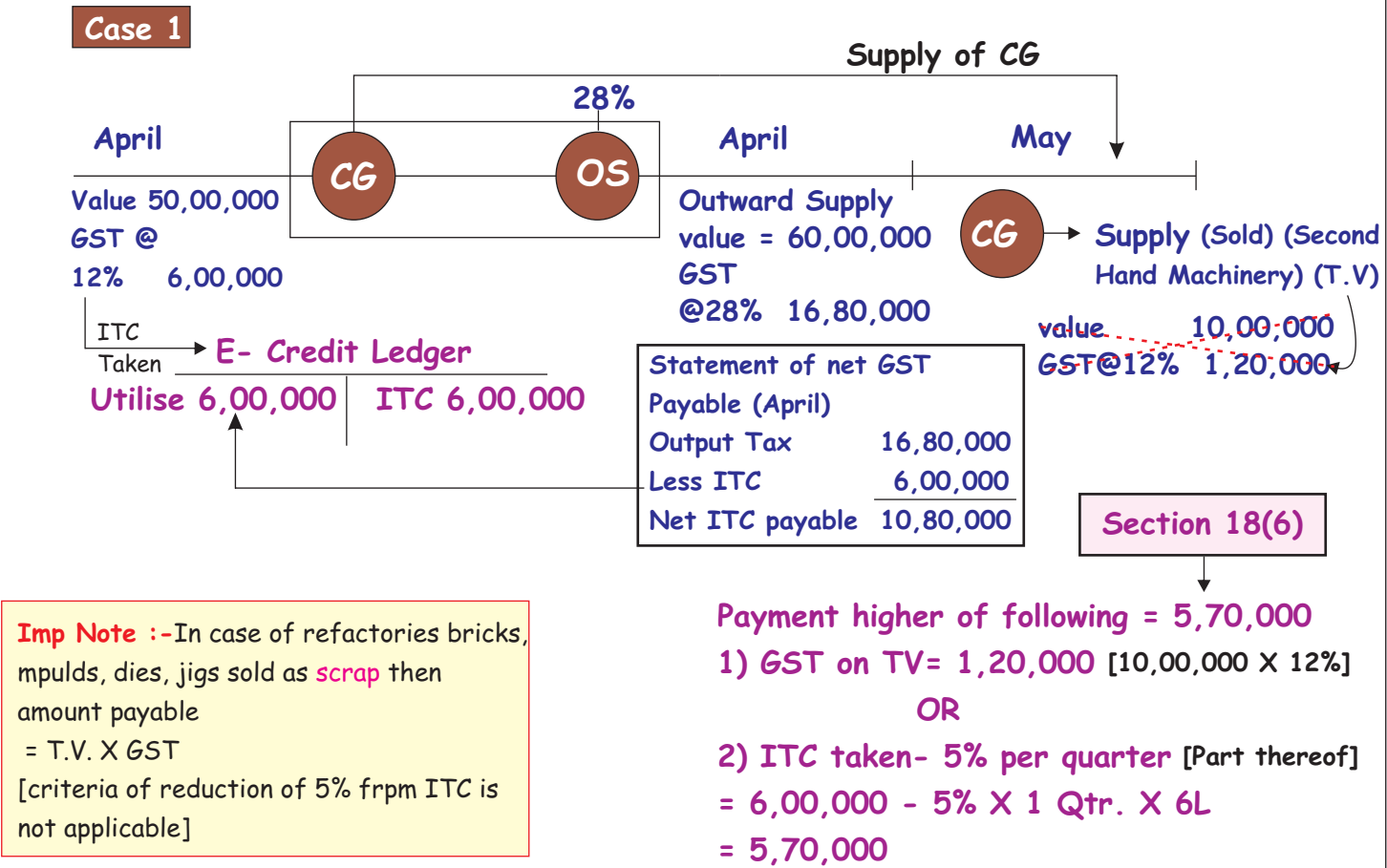
## Reversal of Credit



Reverse Switching [Section 18(4)]



Why Sec 18(6) is given



Rule 86A: Restrictions on ITC Utilisation

Authority to Restrict ITC	Commissioner or authorized officer can restrict ITC.
Restriction on Liability & Refund	<ul style="list-style-type: none"><li>➤ ITC cannot be used to pay any liability u/s 49.</li><li>➤ Unutilized ITC cannot be refunded.</li></ul>
Circumstances for imposing Restrictions	<ol style="list-style-type: none"><li><b>Invalid Documents:</b> ITC claimed on documents issued by<ul style="list-style-type: none"><li>➤ A non-existent or inactive business, a</li><li>➤ A person who hasn't paid the tax, or</li><li>➤ Without receipt of goods/services.</li></ul></li><li><b>Non-existent RP:</b> ITC claimed by a RP found to be non-existent or not operating from the registered business place.</li><li><b>Lack of Valid Documents:</b> ITC claimed without possession of valid documents (tax invoices, debit notes etc.)</li></ol>
Duration of Restrictions	Restrictions last up to 1 year, can be lifted if conditions change.

Rule 86B: Restrictions on ITC available in Credit Ledger

Applicability of Rule 86B	Applies to RPs with taxable supply > ₹ 50 lakh/month.
ITC Utilization Limit	<ul style="list-style-type: none"><li>➤ Cannot use &gt; 99% of output tax to discharge output tax liability.</li><li>➤ 1% must be paid from E-cash ledger.</li></ul>
Exceptions	<ol style="list-style-type: none"><li>1. Paid more than ₹ 1L of income tax in last 2 years.</li><li>2. Received more than ₹ 1L of ITC refund (ZRS/ITS).</li><li>3. Paid more than 1% of tax from E-cash ledger.</li><li>4. Government/PSU/LA/Statutory body.</li></ol>
Commissioner's Authority	May remove restriction after verification.

Taxability of Services Between Offices of Same Organisation in Different States(Cir.No.199/11/2023)

Issue	Clarification	
Can Head Office (HO) Avail ITC for Common Services and Issue Invoices to Branch Office (BO), or Must It Use ISD?	ITC Distribution Method	HO can either use the ISD mechanism or directly issue tax invoices to BO.
	ISD Registration	If HO chooses the ISD mechanism, it must register as an ISD u/s 24(viii).
	Services Specifically for Bos	ITC or invoices can only be issued if the services are specifically for or provided to the BO.
Is HO Required to Issue Invoices for Internally Generated Services to BOs When Full ITC is Available?	Valuation as per Rule 28(2)	If BOs are eligible for full ITC, the invoice value from HO to BO is considered the OMV.
	Uninvoiced Services	If HO doesn't issue an invoice, the value of services is <b>deemed Nil</b> and treated as OMV when full ITC is available.
Is Salary costs to be included by HO?	Inclusion of Employee Salary Costs	HO is not required to include employee salary costs in taxable value, even if BOs can't avail full ITC.





# Chapter 11:- REGISTRATION



CA Vishal Bhattar

Sec 22 Persons liable for registration		
Every supplier liable to be registered in the State or UT from where he makes a taxable supply , if his <b>Agg. T/O</b> in a F.Y. <b>exceeds following limits.</b>		
<b>Analysis:-</b> Limit for Threshold		
State/UT	If exclusively engaged in SOG	If engaged in SOS or SOG + SOS
⇨ Manipur   ⇨ Mizoram   ⇨ Nagaland ⇨ Tripura	10 lakhs	10 lakhs
⇨ Pondicherry   ⇨ Uttarakhand ⇨ Meghalaya   ⇨ Arunachal Pradesh ⇨ Telangana   ⇨ Sikkim	20 lakhs	20 lakhs
<b>All the other States incl. following Sp. category state - Assam, J&amp; K, H.P.</b>	<b>40 lakhs</b>	20 lakhs
In following cases extended limit 40 Lakh is not applicable		
a)	Required to take compulsory registration	General threshold also not available
b)	Person who taken voluntary registration.	
c)	Supply of i) Ice-cream or edible ice   ii) Pan Masala iii) All Tobacco & Tobacco product   iv) Fly ash bricks v) Fly ash aggregates vi) Fly ash blocks vii) Building Bricks viii) Bricks of fossils ix) Earthen or roofing tiles or ruffing tiles	10L/20L threshold is available
<b>Interest or Discounting :-</b> For Calculation of threshold limit, Interest or Discount on loan, advances & deposits is includible, but for determining extended limit, it shall not be considered.		
<b>Other aspects:-</b>		
Agent	Supply made by agent on the behalf of principals to be <b>added</b> in agg. t/o of agent (if agent issues own invoice = compulsory reg. u/s 24)	
Job-worker	Supply made by job worker on the behalf of principals <b>not to be added</b> in agg. t/o of JW	
Transfer of business	When business is transferred, whether on account of succession or otherwise then Transferee/Successors shall take new reg.	

Sec 23: Persons not liable for Registration (even if agg. t/o exceeds threshold)
1. Engaged in exclusive supply of ⇨ not liable to tax or ⇨ wholly exempt from tax. 2. An <b>Agriculturist</b> , to the extent of supply of produce out of cultivation of land. 3. Person who are only engaged in making supplies on which is tax <b>liable to be paid on reverse charge</b> basis by the recipient u/s 9(3)
<b>Note:</b> This notification doesn't apply to suppliers of metal scrap.
<b>Sec 2(7) of "agriculturist"</b> means an individual or a HUF who undertakes cultivation of land - (a) by own labour, or (b) by the labour of family, or (c) by servants on wages under own or family supervision

Sec 24:- Compulsory Registration	
(i) <b>Persons making any inter-State taxable supply</b>	<b>Exceptions :</b> Following category of person not required to register till threshold of 20/10Leventhough making Inter- State taxable supply (a) Persons making inter-State <b>supplies of taxable services</b> (b) Person making inter-state taxable supplies of <b>handicraft goods</b> . <b>Conditions:</b> Person holding PAN & generate E way bill
(ii) <b>Casual taxable persons making taxable supply</b>	<b>Exceptions :</b> CTP making taxable supplies of handicraft goods.(eligible for 10L/20L/40L threshold)
(iii) Persons who are required to pay tax under <b>reverse charge</b>	
(iv) Person who are required to pay tax under <b>Sec 9(5) -ECO</b>	
(v) <b>Non-resident taxable persons</b> making taxable supply	
(vi) Persons who are required to <b>deduct TDS u/s 51</b> . (Separate Registration for TDS is required)	
(vii) Persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an <b>agent or otherwise (agent issuing own invoice)</b>	

(viii) <b>Input Service Distributor</b> , (Separate Registration for ISD is required)
(ix) <b>every ECO who is required to collect TCS u/s 51. ((Separate Registration for TCS is required)</b>
(x) <b>Person supplies goods or services through ECO u/s 52</b>
<div> <div>SOS</div> <div>No compulsory Registration</div> <div>Note:- Reg. is required after threshold</div> </div> <div> <div>SOG</div> <div>If following cond's are fulfilled No compulsory Registration</div> <div>In other cases compulsory reg u/s 24</div> </div>
⇨ No inter State Supply for such supplier by ECO ⇨ Declared on portal PAN & address of POB & State ⇨ Portal will grant enrollment no. after validation of PAN ⇨ ECO shall not allow supply unless enrolment no. provided to it. ⇨ Supplier after crossing threshold apply for Reg. & enrollment no. shall be ceases <b>Note:-</b> Registration is required after threshold
(xi) <b>every person supplying OIDAR services</b> from a place outside India to a person in India, other than a RP.
(xia) <b>every person supplying online money gaming</b> from a place outside India to a person in India; and
(xii) Any other person <b>notified by C.G.</b>

Sec25:- Timeline for application for Registration & other procedure						
Particulars		Where	When			
Person who is liable to be register u/s 22/24		In every such ST/UT in which he is so liable	within 30 days from the date on which he becomes liable to registration	Voluntary Registration	A person who is not liable to be registered under section 22 or section 24 may get himself registered voluntarily. All the provision of this act is applicable.	
Units in SEZ or SEZ Developer		shall apply for a separate registration for unit in SEZ & outside the SEZ in a same ST or UT.		DDP	Already discussed in sec 25(4) and 25(5)	
Person making supply in Territory Water		in the coastal State or UT where the nearest point of the appropriate baseline is located.		Bank Details	Rule 10A :- RP (except person liable to TDS/TCS) shall furnished Bank A/c details on common portal after obtaining certificate of registration & a GSTIN but earlier of : ➞ within 30 days from date of grant of registration, or ➞ before furnishing GSTR-1 or IFF.	
A CTP or a NRTP		in every such State/UT in which he is so liable	Note:- In case of TDS/TCS, Bank details are mandatory at the time of Registration.			
PAN	1. Person shall have a PAN in order to be eligible for grant of registration 2. Exceptions : (a) A Person required to deduct TDS      (b) A NRTP (Passport basis)			Issue of Registration Certificate [Rule 10]	1. Certificate of registration in GST REG-06 and GSTIN of 15 digit . 2. Display of RC and GSTIN on the name board at the entry and in a prominent location at his Principal POB and additional POB. 3. Effective date of registration :	
Registration in State	Normally single registration in a state shall be allowed but Separate registration if multiple place of business within a State/UT may be granted at the option of supplier.				Application files from Liability date	Registration Effective from
					within 30 days	Date on which the person becomes liable to registration
					Not within 30 days	date of grant of registration



Sec 25 - Authentication (Aadhar) Process under GST

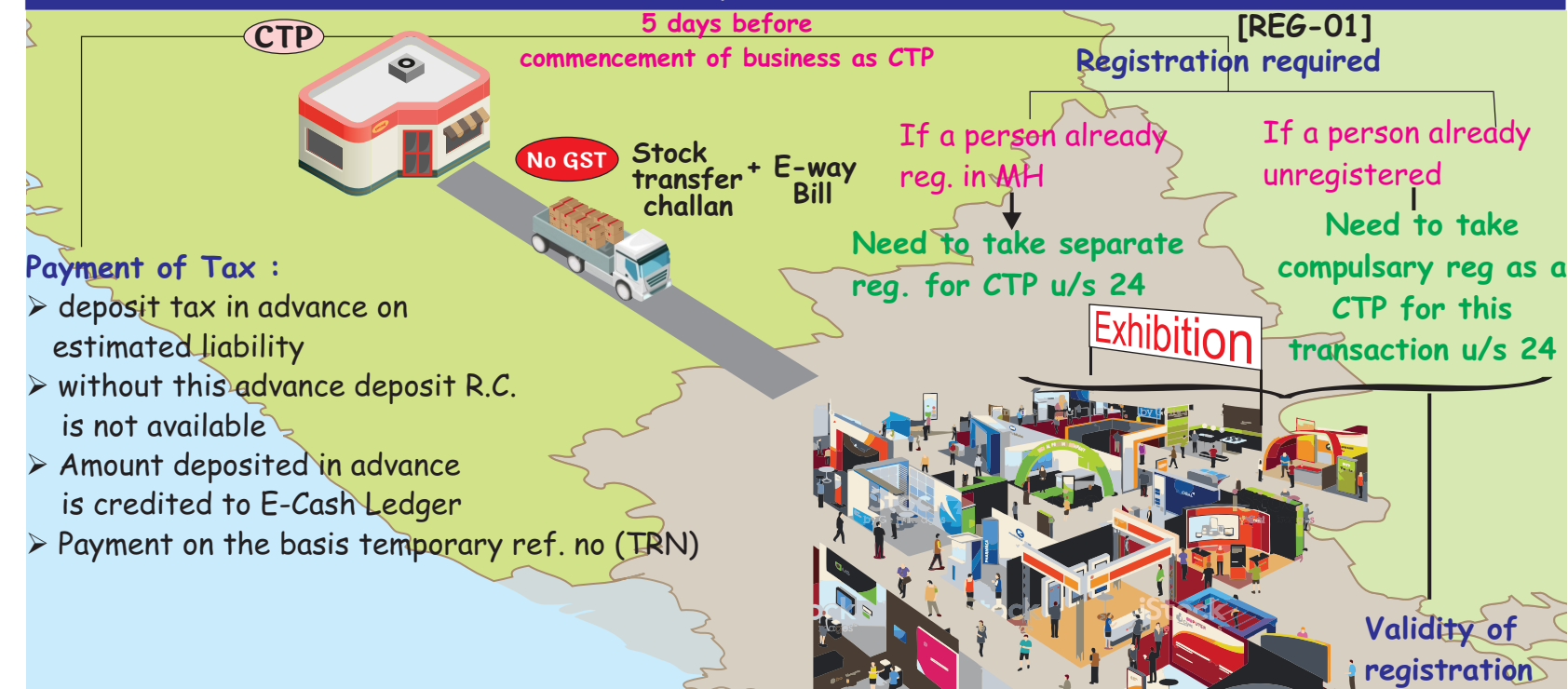
<b>Object</b> To control fake invoices, dummy address registration & multiple registration at same place.			
<b>Sec 25 (6A) read with Rule 10B</b> RP shall undergo authentication of Aadhar no.(if addhar is not authenticated earlier) for following purposes 1) application for revocation of cancellation of registration 2) For filing of refund application 3) refund for export goods	<b>Person Applying for fresh Registration</b>		
	<b>Sec 25 (6B): Individual</b> 1) <b>Authentication:</b> Individual shall undergo ⇒ Authentication or ⇒ Furnish proof of possession of Aadhar no. with Reg. application in order to eligible for grant of reg.  <b>The consequences for failure to undergo authentication or Aadhar No. is not assigned : Reg. shall be granted only after physical verification of the place of business in the presence of the said person</b>	<b>Sec 25 (6C) : Every person other than individual</b> 1) <b>Authentication:</b> Such person shall undergo Authentication or Furnish proof of possession of Aadhar no. of ⇒ Karta (HUF) ⇒ M.D. (Company) ⇒ Whole time director (Company) ⇒ Member of managing committee (AOP) ⇒ Board of trustees (Trust) ⇒ Authorised representative ⇒ Authorised Signatory ⇒ Notified person by C.G.	<b>AA not applicable to 25(6D)</b> (a) not a citizen of India (b) a Department or establishment of the CG or SG (c) a Local Authority (d) a Statutory Body (e) a Public Sector Undertaking (f) a person applying for registration u/s 25(9)(UIN)  <b>Physical verification of business premises</b> (1) If physical verification of POB is needed after grant of registration:- PO may get it done & verification report & other documents with photos, shall be uploaded in REG-30 within 15 working days following date of such verification. (2) If physical verification of POB is needed before grant of registration:- PO shall get it done & verification report & other documents with photos shall be uploaded in REG-30 at least 5 working days prior to completion of time period to grant reg.

Procedure under Rule 8(4A) & Rule 9: - Registration & Adhar Authentication (AA)		Persons liable to obtain UIN
<div><div>Application + AA Opted [PART A + PART B]</div><div>W.D. = working days</div><div>Applicant not opted for AA</div><div>Date of Application = Date of Submission of App (PART A + PART B)</div><div>Deficiency</div><div>No Deficiency</div><div>1st proviso Rule 9(1)</div><div>2nd proviso Rule 9(1)</div><div>1) Physical examination of POB</div><div>2) Verification of such document as deemed fit by P.O.</div><div>Example</div><div>⇒ Passport</div><div>⇒ ID</div><div>Grant of R.C. within 30 days from the date of submission of application</div><div>Deemed Reg. : Rule 9(5)</div><div>If Reg not given within 30 Days from the date of submission of the application</div><div>P.O. not satisfied with clarification</div><div>Reject Application</div><div>P.O. is satisfied with clarification or having no objection</div><div>grant of R.C. within 7 W.D. of clarification</div><div>Deemed Reg. : If Reg not given within 7 WD from the date of clarification</div></div>		<b>Notified Persons :</b> ⇒ Any specialized agency of the UN Organization or ⇒ any Multilateral Financial institution and organization as notified under the UN ⇒ consulate or embassy of foreign countries and ⇒ any other person notified by the Commissioner  It is for Refund of taxes on the notified supplies of goods or services received by them, as may be prescribed.  <b>Imp Points for Grant of UIN</b> a. Application shall be submitted by persons requiring UIN b.within 3 working days from the date of application, officer shall assign UIN or reject the application. c. Registration is deemed to have been granted after expiry of 3 days. d. It shall be applicable to the territory of India

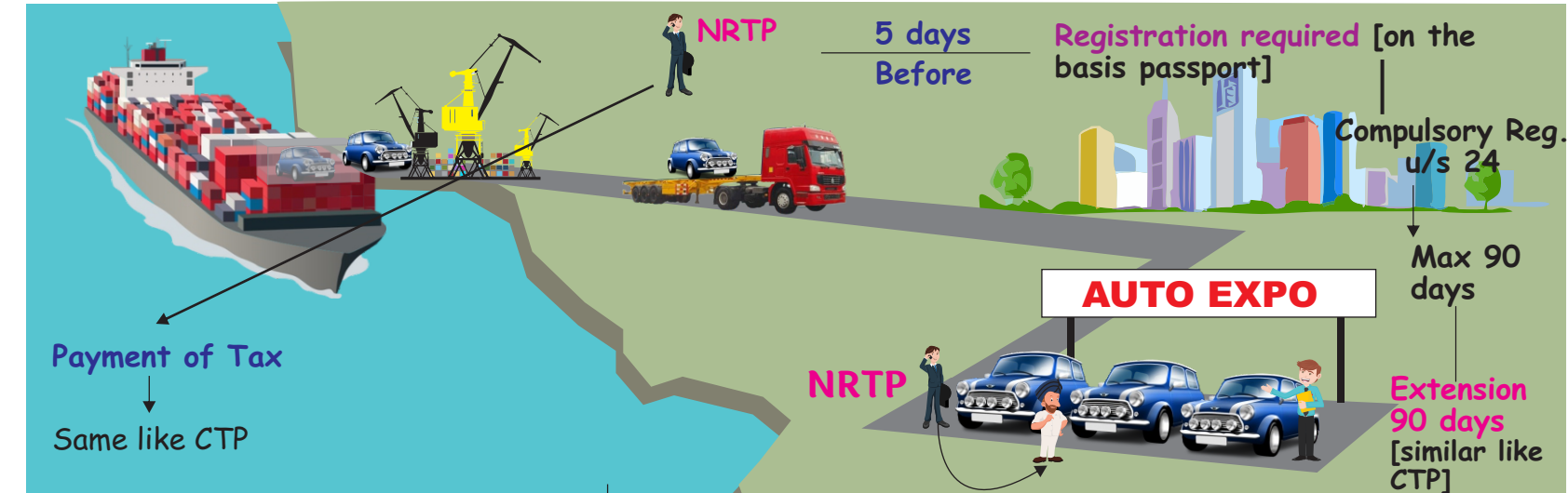
Sec 26 - Deemed Registration

Grant of registration/UIN under any SGST Act/ UTGST Act is deemed to be registration/UIN granted under CGST Act/ IGST Act

Sec 27 Concept of CTP and NRTP



<b>Eligibility of ITC</b> <ul style="list-style-type: none"><li>CTP can take ITC of Input/CG/IS while making payment of tax in advance</li><li>If reg. extended for further 90 days then he again deposit tax on estimate liability</li></ul>	<b>Return filing [CTP]</b> <ol style="list-style-type: none"><li>He will submit GSTR -1 on 11th of next month [during CTP period]</li><li>He will submit GSTR -3B on due date [during CTP period]</li><li>a) If final tax is more than adv. tax paid then differential amt. is payable b) If final tax is less than adv. tax paid then he can claim Refund</li></ol>	<ol style="list-style-type: none"><li>For a period as mentioned in application</li><li>but max for 90 days [which can be further extended for 90 days]</li></ol>
---	--	--



<b>Eligible of ITC</b> No ITC except Imported goods	<b>Return</b> Special Return (GSTR-5)	<b>Sale - Tax invoice</b> value 1,00,000 IGST %18% 18,000
--	--	---

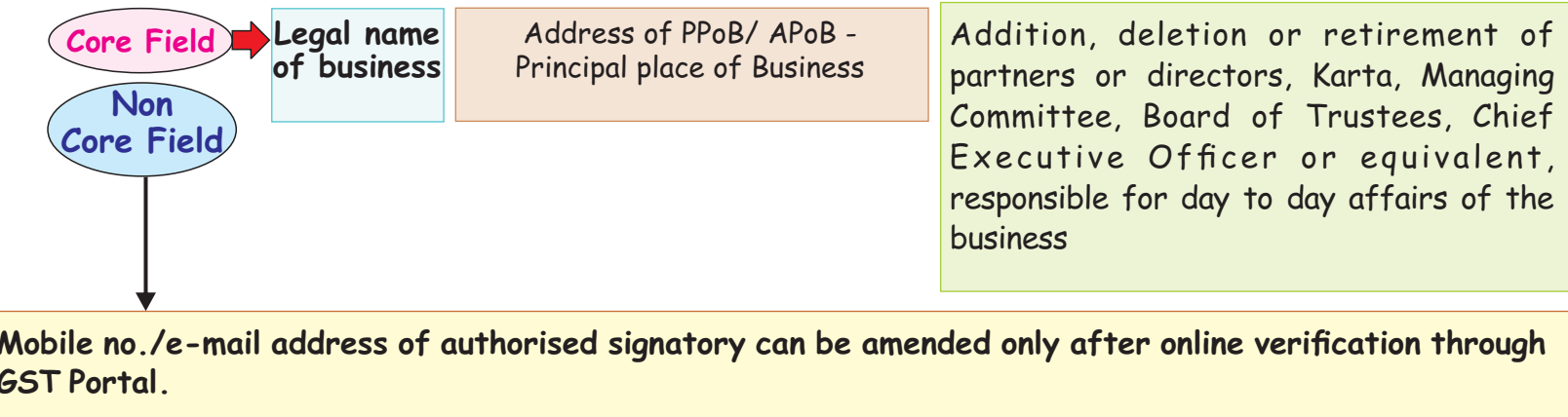
Concept of CTP and NRTP

<b>CTP= a person who occasionally undertakes transactions</b> <ul style="list-style-type: none"><li>involving supply of SOG &amp;/or SOS</li><li>in the course or furtherance of business,</li><li>whether as principal, agent or in any other capacity,</li><li>in a ST/UT where he has no fixed POB</li></ul>	<b>NRTP= any person who occasionally undertakes transactions</b> <ul style="list-style-type: none"><li>involving supply of SOG &amp;/or SOS</li><li>whether as principal or agent or in any other capacity,</li><li>but who has no fixed place of business or residence in India.</li></ul>
---	---

<b>Registration provisions</b> <ul style="list-style-type: none"><li>Compulsory registration u/s 24</li><li>Registration before commencement of business and with advance POT</li><li>Registration REG-01</li><li>PAN required</li></ul>	
<b>Threshold Exemption</b> Not available	
<b>Composition Scheme</b> Not available	
<b>Return provisions</b> GSTR-1, GSTR-3B	
<b>ITC provisions</b> ITC of all I/CG/IS is available	
<b>Important Comment</b> <ul style="list-style-type: none"><li>CTP or NRTP will apply for Registration at least 5 days prior to commencement of business</li><li>Advance deposit of tax at the time of Submitting the registration application.</li><li>Registration is valid for 90 days (further extension for 90 days)</li><li>Annual Return is not required for CTP &amp; NRTP</li></ul>	

Sec 28 :- Amendment of Registration

- Intimation of any changes in the information furnished to be made to proper officer within 15 days.
- Amendments in non core field can be made directly on common portal but approval is required for Amendments in core fields.





Sec 29:- Cancellation of Registration		
Suo Moto Cancellation [Section 29 (1) & (2)]	➡ Business discontinued   ➡ Transferred including death   ➡ Demerged ➡ Amalgamated with others   ➡ Otherwise disposed of	
	➡ Change in the constitution of the business	
	➡ The TP is no longer liable to be registered u/s 22 or 24 or ➡ intends to optout of the registration voluntarily	
Cancellation of registration by PO on his own motion only	Following are the circumstances where the PO may cancel the registration of a person from such date, including any retrospective date, as he may deem fit:-	
	a)	A RP has contravened following provisions (Rule 21):-
	b) & c)	Dummy POB or invoice   ➡ He does not conduct any business from the declared POB or ➡ He issues invoice/bill without supply in violation of GST law.
	Violation of Specified provision	➡ He violates the provisions of Anti-Profeetering measure ➡ He violates the provision of furnishing of bank account details ➡ He avails ITC in violation of sec 16 oread with rules ➡ He violates the provision of rule 86B [restriction of 99% ITC]
	Mismatch of GSTR-1/1A & 3B	Outward supply declared in GSTR-1/1A for one or more tax period is in excess of supplies declared in return.
	Non-filing of return	Normal scheme   RP has not furnished monthly returns for a continuous period of 6 months
		QRMP scheme   RP has not furnished returns under QRMP for a continuous period of 2 tax periods (i.e. 2 quarters).
		Composi- tion Levy   A person paying tax under Composition Scheme (Sec 10) has not furnished return for a F.Y. beyond 3 months from the due date of furnishing the said return
		fails to file return after revocation order   ➡ failed to file returns due between the order of cancellation and revocation of registration within 30 days of the revocation order. ➡ If the cancellation was retrospective, failed to file all returns from the date of order of cancellation date to the revocation order within 30 days.
	d)	No start of business   Voluntary RP u/s 25(3)(Voluntary registration) has not commenced business within 6 months from the date of registration.
	e)	Fraudulent Activity   Registration has been obtained by means of fraud, wilful misstatement or suppression of facts.
	Proviso	PO shall not cancel registration without giving the person an opportunity of being heard.
	Proviso	During pendency of proceedings relating to cancellation of registration, PO may suspend the registration for the period & in the manner prescribed.

Suspension of Registration

Applied for cancellation

OR

Suspend the Registration

While pendency of cancellation proceeding

Scenerio	Effective Date of Suspension
Registered Person applied for cancellation of registration.	Date of Submission of application or Date from which cancellation is sort } Later
Cancellation initiation by Department	Date Determination by Proper Office

➤ While Registration suspended -

- ➡ shall not make taxable supply (i.e. shall not issue a tax invoice & shall not charge the tax on supplies paid not him )
- ➡ Shall not furnish any return

➤ Suspension shall be revoked with effect from suspension Date [Provision of revised tax invoice & first return applicable]

Procedure for Cancellation

Where the RP applies for cancellation

Where the PO cancels the registration

1) RP shall apply within 30 days of occurrence of the event warranting cancellation,

2) furnishing the details of

- ➡ inputs held in stock or
- ➡ inputs contained in semi-finished/ finished goods held in stock and of
- ➡ capital goods held in stock

on the date from which cancellation of registration is sought, liability thereon, payment, if any made & relevant documents.

Proper officer (PO) shall issue the order of cancellation within 30 days of submission of application for the same.

PO shall issue a SCN to the registered person who has to reply to said notice within 7 days.

Proceedings shall be dropped

If reply to SCN is satisfactory

Where instead of replying to SCN, person furnishes all pending returns & makes full payment of tax along with interest & late fee.

Cancellation order shall be issued within 30days of reply to SCN where registration is liable to be cancelled

Sec 30:- Revocation of Cancellation of Registration

1) RP whose reg. is cancelled by P.O. apply for revocation [subject to rule 10B] of cancellation within 90 Days from date of service of order of cancellation.

2) Extension :- by Commissioner or an authorised officer- not below the rank of AC or JC for further upto 180 days

3) On application P.O. may revoke cancellation or reject application

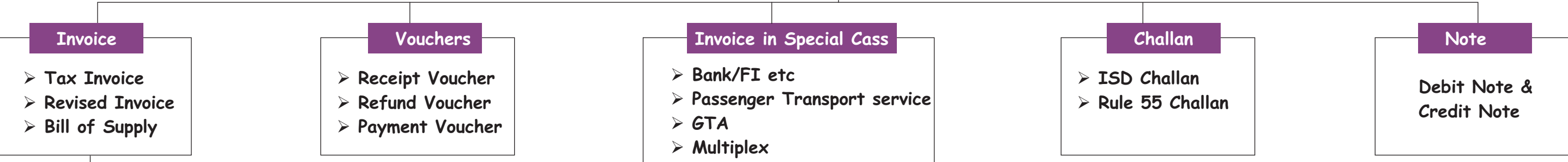
4) Revocation under SGST/UTGST act shall deemed to revocation under CGST/ IGST Act.

V'smart Academy

41



# CHAPTER 12 - TAX INVOICE, DEBIT NOTE & CREDIT NOTE

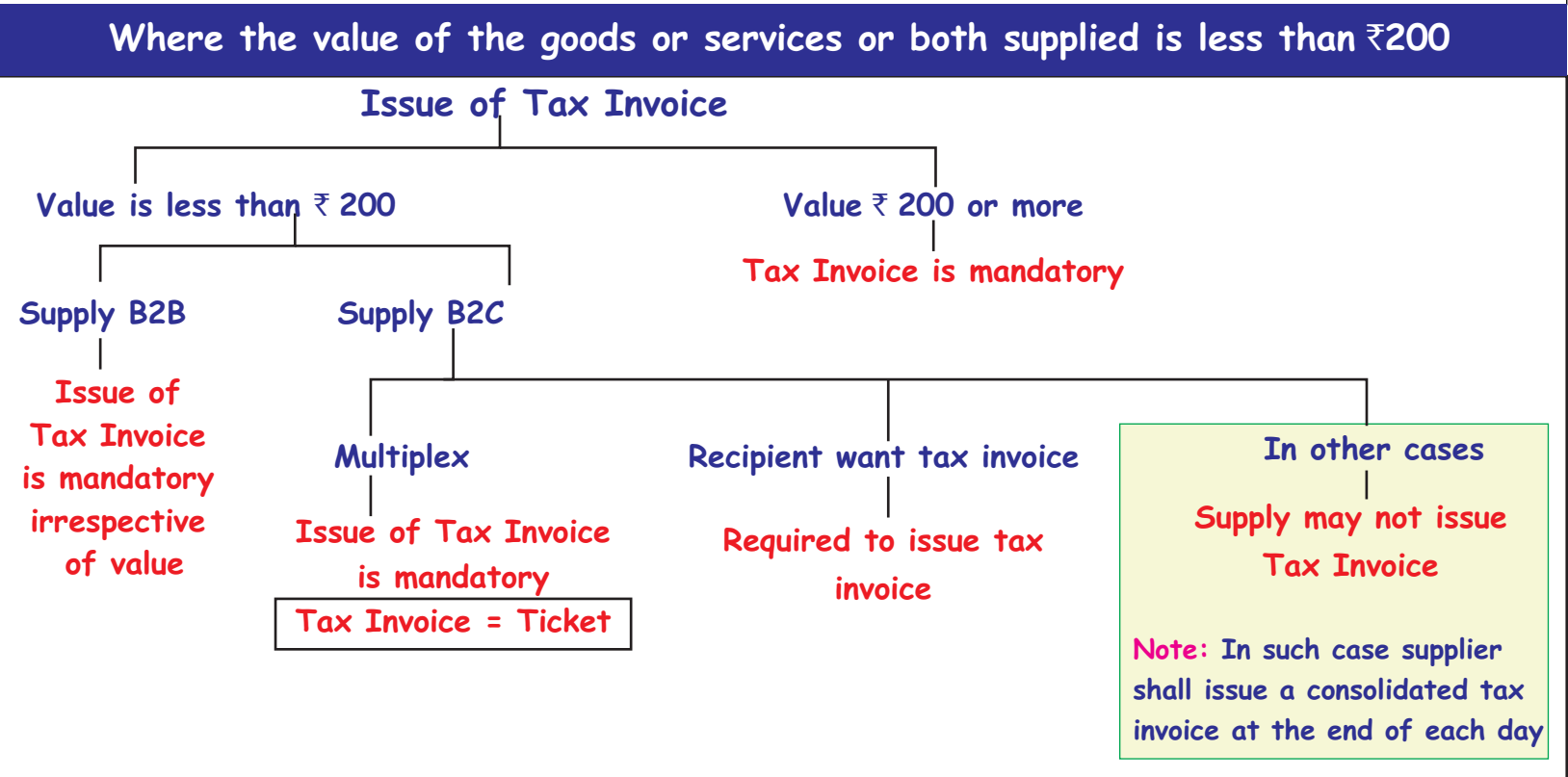


Particular	Tax Invoice : Supply of goods		Tax Invoice : Supply of Service	
Normal case	Invoice shall be issued - On or before		Invoice shall be issued - On or before	
	a) If movement involved-	At the time of removal for supply	a) Provision of services	within 30 days from Completion
	b) In other case-	At the time of delivery or made available	b) Bank/FI/NBFC/ Insurer	within 45 days from Completion
			Insurer/ Bank/ FI/ NBFC/ Telecom/ other notified person	where service to DDP, i) When Supplier records in books of A/c ii) Last date of qtr. whichever is earlier
	Government may (a) specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed. (b) subject to the condition mentioned therein, specify the categories of services in respect of which— (i) any other document deemed to be a tax invoice or (ii) tax invoice may not be issued.			
Continuous Supply of goods / services	Invoice shall be issued before or at the time ➤ each such successive statement or ➤ each such successive payment is received Whichever is earlier		Invoice shall be issued on or before a) Due date of payment by recipient ascertainable in contract-on such date b) If due date not ascertainable - date of payment received c) If completion of event are fixed in contract-Last date of completion of such event	
Supply on sale or return/ Approval basis	Invoice shall be issued a) Before/at the time of supply [i.e. approval given by recipient] b) 6 months from the date of removal, } whichever is earlier		—	
Cessation of SOS	—		Invoice shall be issued at the time when supply ceases & such invoice only to the extent supply made before such cessation	

Content of Invoice [Rule 46]			
a) Name, Address and GSTIN	f) HSN code	i) Total value	n) Address of delivery
b) Consecutive Number Series	g) Description of SOG/SOS	j) Taxable value	o) If reverse charge applicable
c) Date of Issue	h) Quantity of goods	k) Rate of tax	p) Signature of digital Signature
d) Name of address & GSTIN or UIN of recipient	l) Amount of tax charged	q) Nature of document	
e) Other details of Unregistered recipient	m) Place of supply	r) Quick Response(QR) Code	

s) Declaration that not required to prepare an invoice as per rule 48(4)

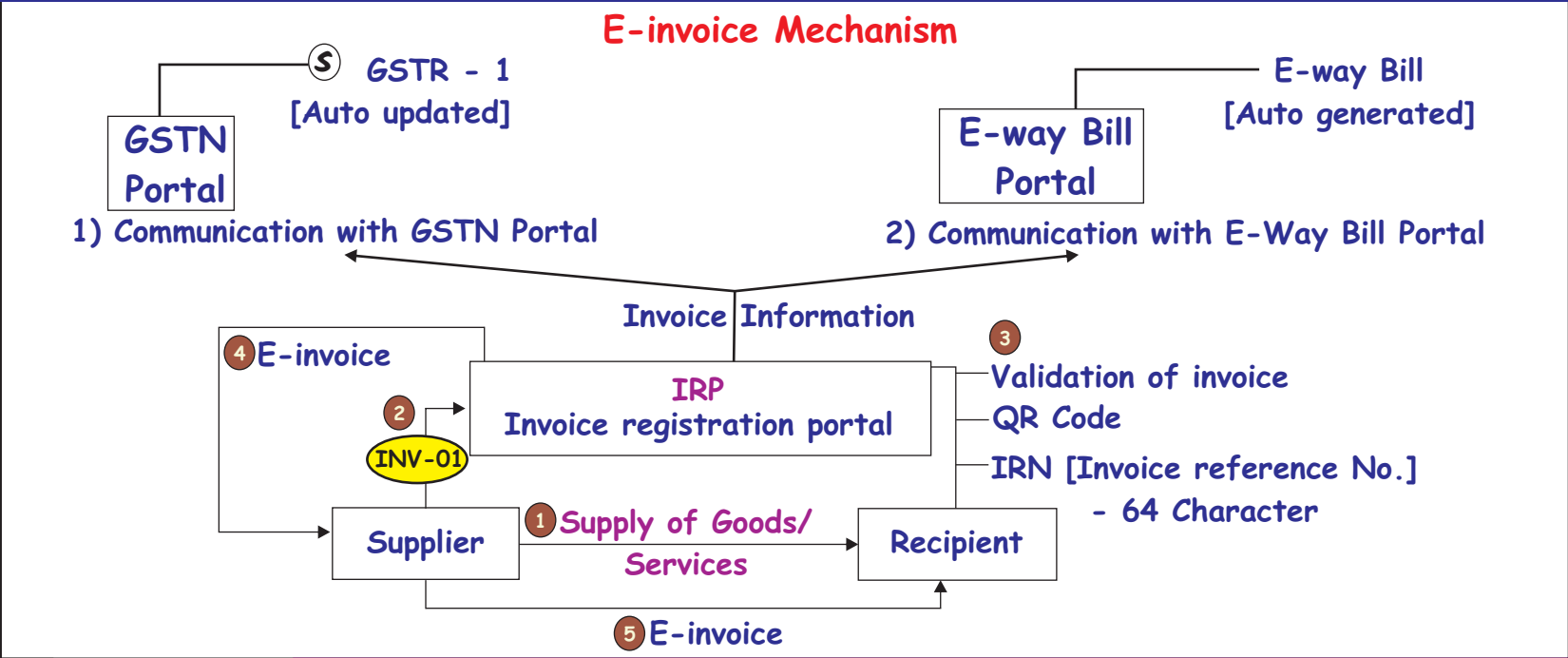
Notes : 1)Consecutive serial number shall not exceed 16 characters for tax Invoice in one/multiple series shall be maintained same for a F.Y.



Manner of issuing Tax Invoice Rule 48:-	
Normal Invoice	1) In case of taxable SOG Invoice shall be prepared in <b>Triplicate</b> 2) In case of taxable SOS Invoice shall be prepared in <b>Duplicate</b> 3) Serial number of invoices issued during a tax period shall be furnished electronically in GSTR - 1/ <b>1A</b>
E-Invoice	1)Notified classes of person obtaining invoice reference no. from E-invoice portal 2) Invoice void, if invoice reference no. not quoted 3) Does not require to issue Duplicate or Triplicate copy



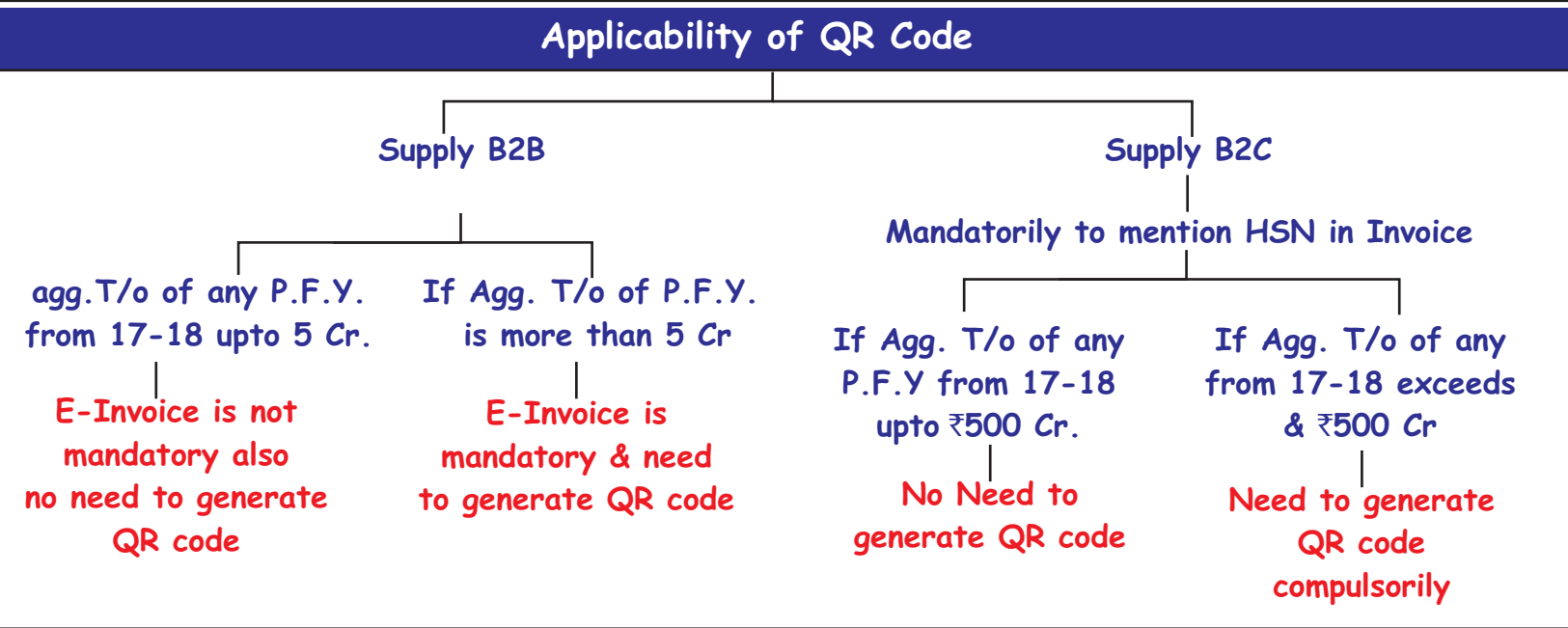
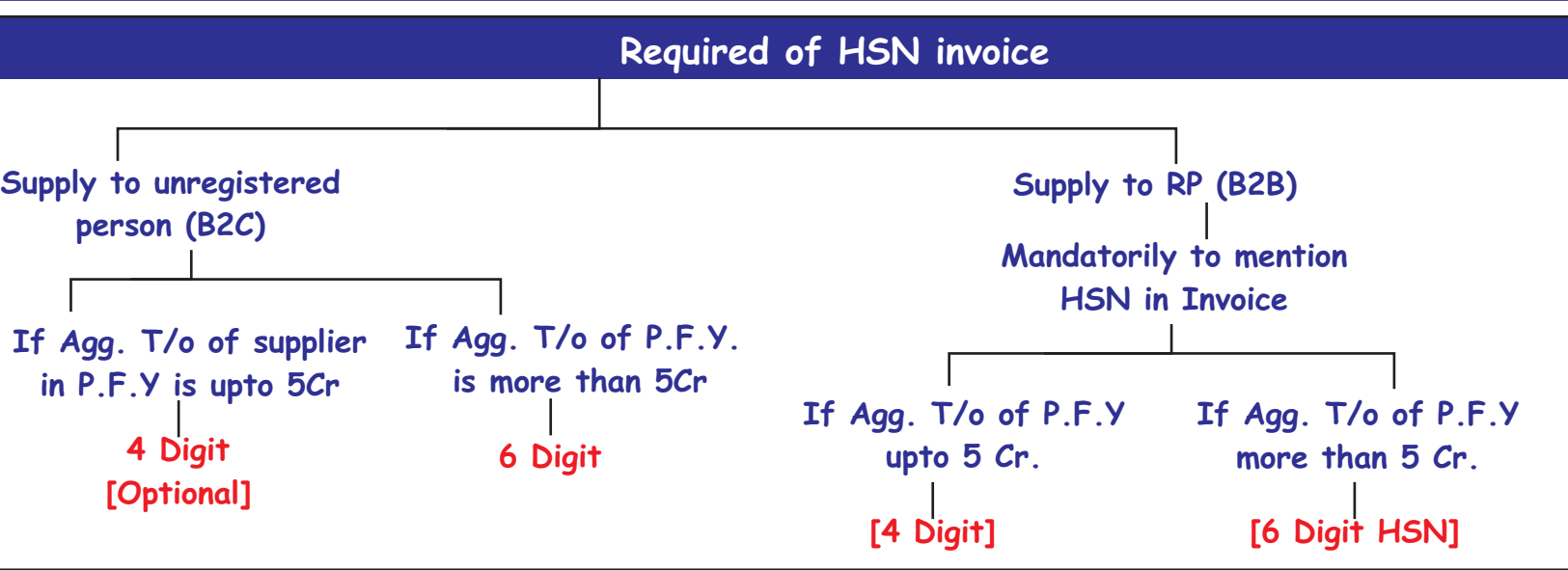
Rule 48(4) : E-invoicing



1	What is E-Invoicing?	An E-invoice refers to the requirement for businesses to generate and issue invoices electronically through the government's IRP (Invoice registration portal).
2	Applicability	RP with an Agg. T/o exceeds ₹5 crores in Any P.F.Y. from 2017-18 onwards are required to issue e-invoices for ➤ B2B transactions ➤ exports Supply ➤ Debit Note & Credit note.
3	Non-Applicability	<div>1) for B2C invoices</div> <div>2) RP with an Agg. T/o below / upto ₹5 crores in all F.Y. from 2017-18,</div> <div>3) Input Service Distributors (ISD),</div> <div>4) Import of goods,</div> <div>5) Government, LA, SEZ units, insurers, banks, NBFCs, GTA, suppliers of passenger transportation &amp; Multiplexes.</div> <div>6) Certain reverse charge scenarios (explain later).</div> <div>7) Exempt Supply (nil rate + wholly exempt + non-taxable)</div>
4	Advantages of E-Invoicing	<div>➤ <b>Efficiency:</b> Automates reporting of invoices in GST returns and e-way bill generation.</div> <div>➤ <b>Accuracy:</b> Reduces transcription errors &amp; facilitates reconciliation with purchase orders.</div> <div>➤ <b>Tax Compliance:</b> Helps in matching ITC with output tax, reducing tax evasion.</div> <div>➤ <b>Fraud Prevention:</b> Curbs fake invoicing and fraudulent ITC claims.</div>
5	Important Notes for SEZ	<div>➤ <b>SEZ Units vs. Developers:</b> Only SEZ units are exempt from E-invoicing &amp; not SEZ developers i.e. provision of E-invoice applicable to SEZ Developer.</div> <div>➤ <b>Entity-Wide Exemption:</b> The exemption applies to the entire entity of SEZ unit, regardless of the nature of the supply.</div>
6	E-Invoice incase of Reverse Charge	<div>E-invoicing mandates are primarily directed at suppliers based on their annual turnover thresholds</div> <div>➤ <b>If supplier is RP (u/s 9(3))</b> :- Supplier required to generate an E-invoice for taxable supplies (for B2B), regardless of whether the transaction is under RCM or not.</div> <div>➤ <b>If supply from URP to RP (u/s 9(3)/(4))</b>:- Since the supplier is unregistered, they are not required to generate an e-invoice.</div> <div>Note:- Although the recipient is responsible for paying GST under RCM, they are not required to generate an e-invoice as the responsibility of e-invoicing rests solely with the registered suppliers who meet the turnover criteria, and this does not extend to recipients under RCM.</div>

7	Non-applicability of provision of normal invoice	<div>➤ Normal Invoice or computer generated invoice applies in any manner shall not be treated as an invoice (if provision of E-invoice is applicable).</div> <div>➤ 3 copies of invoices is not required in case of E-invoice.</div> <div>➤ Digital signature also not required in case of E-invoice.</div>
8	Amendment/ cancellation of e-invoices	<div>➤ Cancellation need to be reported into the IRN Portal within 24 hours.</div> <div>➤ After 24 hrs should be manually cancelled on the GST portal before the returns are filed.</div> <div>➤ Once an IRN is cancelled, the same invoice number cannot be used again.</div> <div>➤ Any amendments to an e-invoice can be made only on the GST Portal.</div>
9	Circular No. 198/10/2023	E-invoices must be issued for supplies to registered Government Departments / agencies / LA by RP surpassing the turnover threshold of ₹5 CR.

HSN & QR Code in Invoice

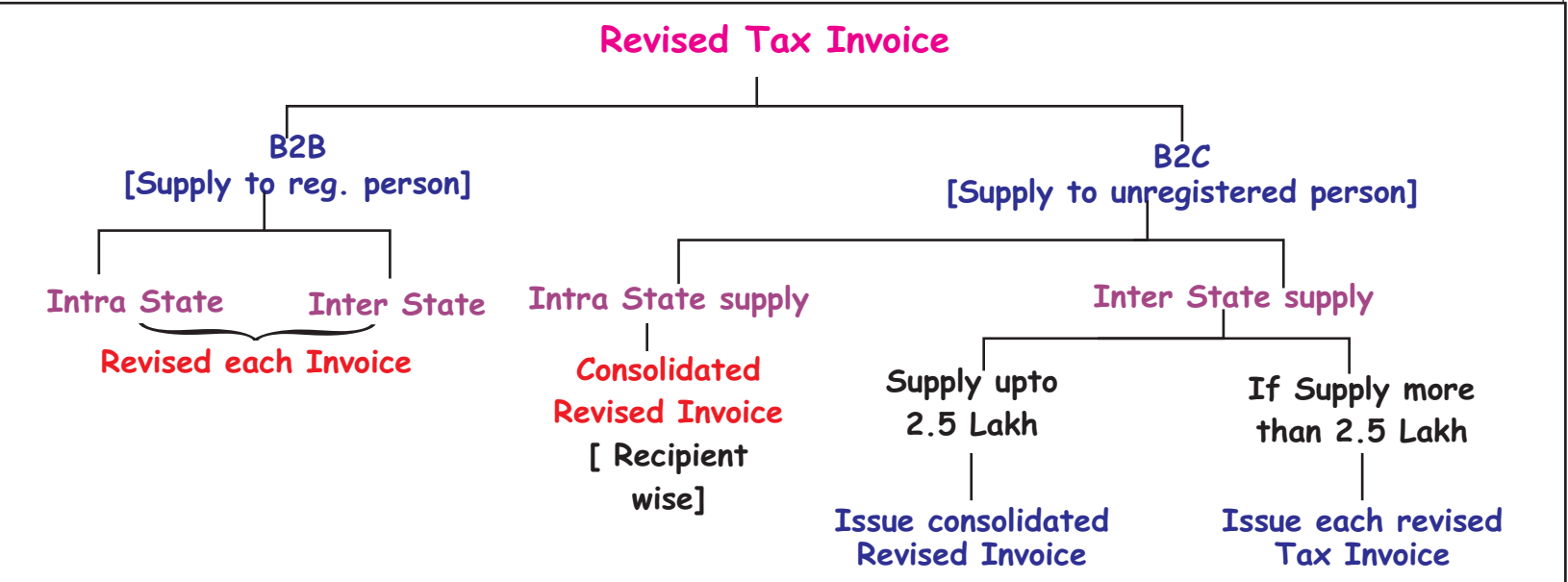


Student Notes:-

**Revised Invoice:-**  
Revised Invoice to be issued from effective date of registration till the date of issuance of RC within 1 month from the date of issuance of RC.

**Consolidated revised tax invoice:-** RP may issue a consolidated revised tax invoice

- 1. in respect of all taxable supplies made to a recipient who is URP
- 2. In the case of inter-State supplies, where the VOS does not exceed ₹ 2.5 Lakhs to URP



**Bill of Supply:-**

- 1. On Supply of **Exempt** Goods or Services
- 2. Paying tax under **Composition Scheme**.

Endorsement for Export Invoice:-		
Condition	Declaration in invoice	Required Details
Payment of Integrated Tax	"Supply meant for export/supply to SEZ unit or SEZ developer for authorised operations on payment of integrated tax"	(i) Name and address of the recipient (ii) Address of delivery (iii) Name of the country of destination
Without Payment of Integrated Tax	"Supply meant for export/supply to SEZ unit or SEZ developer for authorised operations under bond or letter of undertaking without payment of integrated tax"	(i) Name and address of the recipient (ii) Address of delivery (iii) Name of the country of destination

**Invoice-cum-bill of supply**

Person is supplying taxable as well as exempted supply a single "Invoice-cum-bill of supply" may be issued for all such supplies.

**Student notes**

VOUCHERS

**Receipt Voucher**  
**Sec 31 (3)(d)**

A RP shall, on receipt of advance payment with respect to any supply of goods or services , issue a Receipt Voucher evidencing receipt of such payment.

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

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

**Refund Voucher**  
**Sec 31 (3)(e)**

Where on receipt of advance payment with respect to any supply of goods or services the RP issues a Receipt Voucher, but subsequently

- no supply is made and
- no tax invoice is issued in pursuance thereof,

the said registered person may issue to the person who had made the payment, a Refund Voucher against such payment.

```
graph LR
    S[Supplier] -- "1) Advance  
2) Receipt Voucher  
3) No Supply &  
4) No Invoice  
5) Refund Voucher" --> R[Recipient]
```

**When to issue refund voucher**

**Analysis:-**

Supply is made but no Invoice is given

Refund voucher not allowed

**Note:-** GST is payable on supply

Invoice is made but no supply is done

Refund voucher not allowed

**Note:-** In that case supplier can issue credit note & claim the adjustment in output tax

Supply is not made & also no Invoice is issued

Refund voucher is allowed

**Note:-** supplier can claim GST refund of advance [In case of refund voucher only refund is allowed]

**Payment Voucher & Self Invoice**  
**Sec 31 (3)(g)**

- **Payment Voucher:** It is issued by recipient when making payment to supplier under RCM.
- **Self-Invoice:** If goods/services are received from an unregistered supplier (including TDS-only registered), the recipient must issue a self-invoice under RCM.
- **Time Limit:** Recipient must issue self-invoice within 30 days of receiving goods/services (Rule 47A).

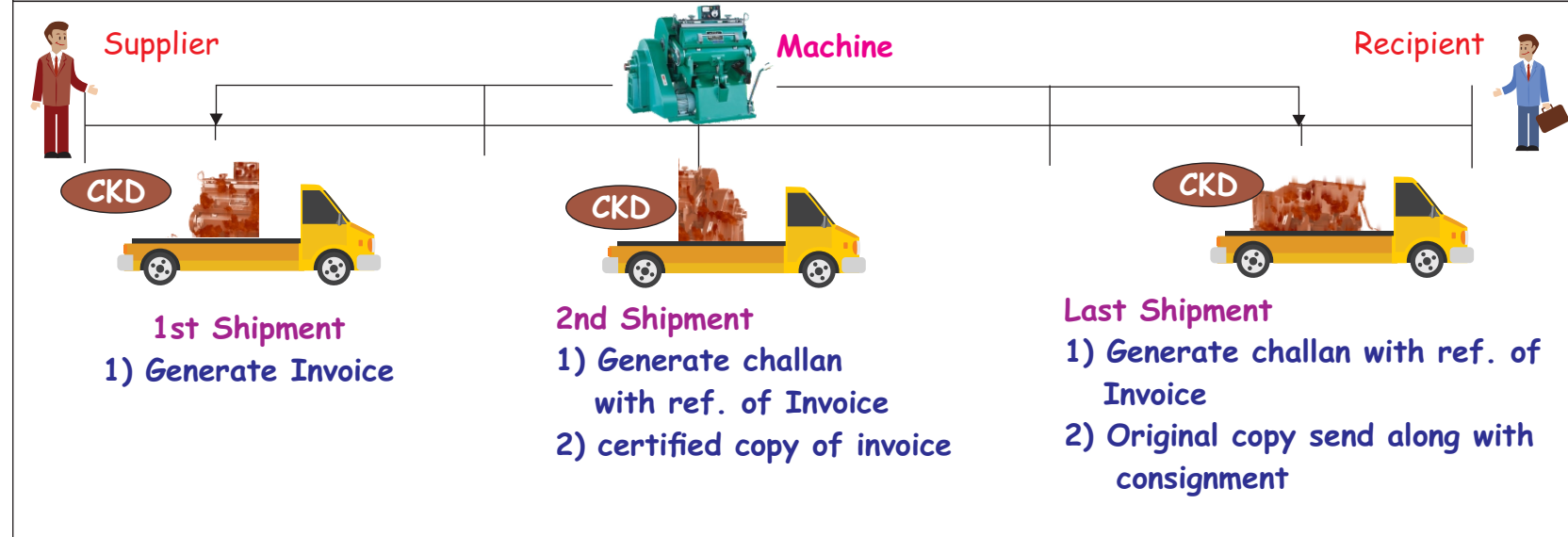
```
graph LR
    URP((URP)) -- "RCM 9(3) / 9(4)  
Govt." --> RP((RP))
    RP -- "Supply G/S under RCM" --> URP
    RP -- "Invoice by Supplier value 1,00,000" --> URP
    RP -- "Payment to supplier for invoice value = 1,00,000" --> URP
    RP -- "Issue payment voucher by R" --> RP
    RP -- "Self tax Invoice by R" --> RP
```

**Payment under RCM = 12,000**



Tax invoices in Special Cases (Rule 54)		
Supplier of taxable service	Document in lieu of the tax invoice	
	Optional information	Mandatory information
Insurer/Banking/ FI/ NBFC	• Serial number • Address of the recipient	Information for a Tax Invoice, u/r 46
		Such document may be required
	The said supplier may issue a consolidated tax invoice for SOS made during a month at the end month.	
Supplier of passenger transportation service	• Serial number • Address of the recipient	Information for a tax invoice, u/r 46
		Tax invoice = ticket
Admission to Exhibition of cinematography films in multiplex screens	Tax Invoice = E-Ticket	
	Other information as prescribed for a tax invoice, u/r 46	

Delivery Challan/ Invoice for Transportation of Goods (Rule 55)
Nature of supply (1) Supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known, (2) Transportation of goods for job work, (3) Transportation of goods for reasons other than by way of supply, or (4) Such other supplies as may be notified by the Board
Supply of goods in SKD/CKD/batches/lots:-
Where the goods are being transported in a semi knocked down (SKD) or completely knocked down condition (CKD) or in batches or lots, (a) the supplier shall issue the complete invoice before dispatch of the first consignment; (b) the supplier shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice; (c) Copies of the corresponding delivery challan shall accompany each consignment along with a duly certified copy of the invoice; and (d) the original copy of the invoice shall be sent along with the last consignment.



Sec 34 - Credit Note & Debit Note	
Credit Note :-	
Circumstances of Issuance of Credit Note	⇒ the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, ⇒ the goods supplied are returned by recipient, ⇒ the goods &/or services supplied are found to be deficient, ⇒ the goods or services don't meet the recipient's quality expectations. ⇒ Any other similar reasons.
Reducing Tax Liability	⇒ Issuing a credit note decreases the supplier's tax liability. ⇒ Correspondingly, the recipient's Input Tax Credit also reduces.
Restrictions on Credit Notes	<b>Exceptions:</b> GST credit note can not be issued ⇒ Not allowed for secondary discounts which is not agreed at the time of supply. ⇒ Financial/commercial credit notes can be issued but won't affect Tax Liability.

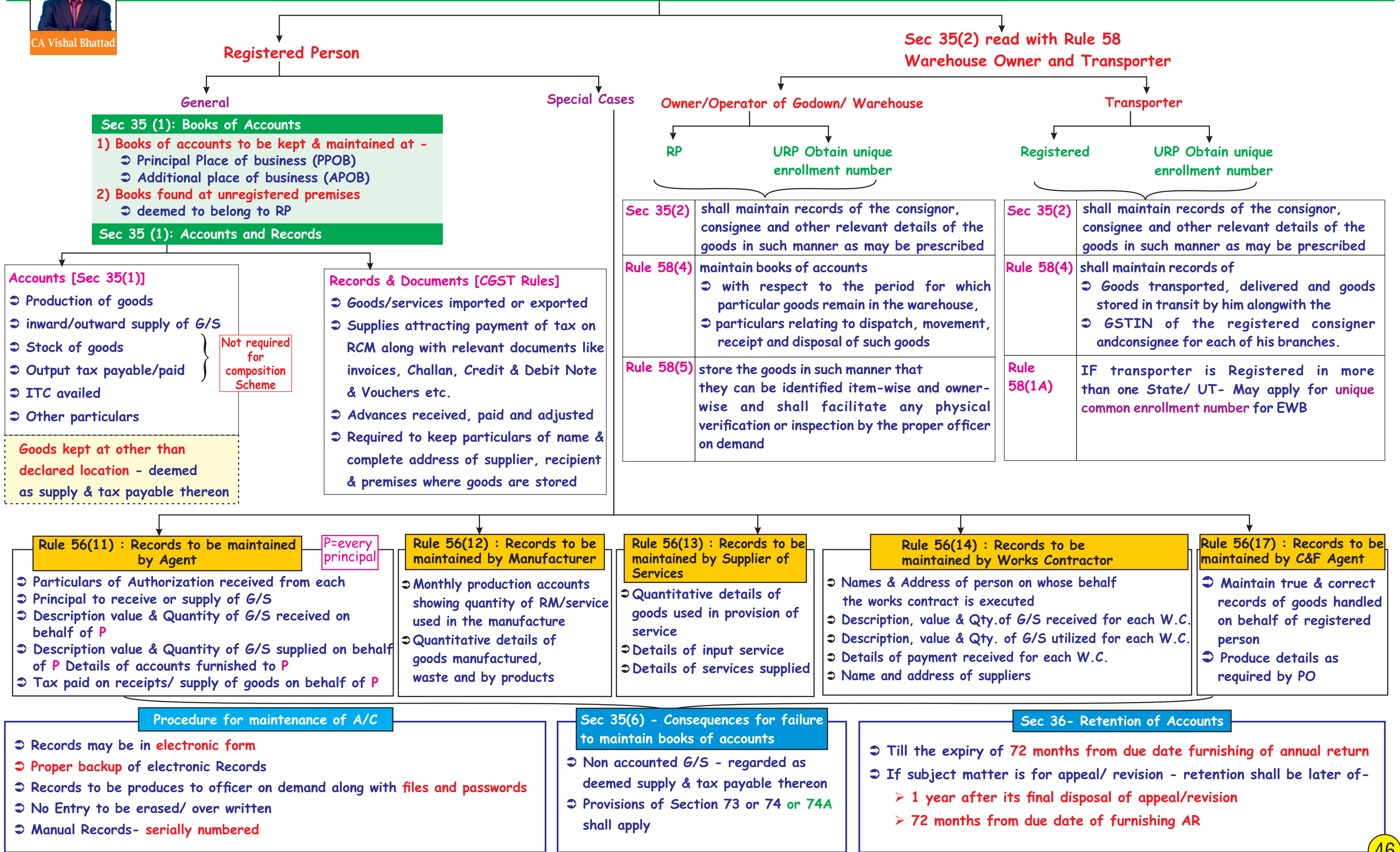
Debit Note:-	
Circumstances of Issuance of Debit Note	⇒ the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply, ⇒ the quantity received by recipient is more than what is declared in tax invoice, or ⇒ any other similar reasons.
Additional Tax Liability	⇒ A debit note/supplementary invoice creates additional tax liability ( "Debit note" = supplementary invoice). ⇒ Treatment of a debit note/ supplementary invoice is identical to that of a tax invoice for returns and payment purposes.

Details of Debit Note/Credit Note to be declared in return	
Time limit to declare details of Credit note issued & other relevant pts.	⇒ <b>Declaration in Returns:</b> Must be declared in the tax return of the month when the credit note is issued. ⇒ <b>Deadline for Declaration:</b> Earlier of two dates: ➢ 30th November following the end of F.Y. in which such supply was made or ➢ Date of furnishing of the relevant <b>annual return</b> . ⇒ <b>Adjustment of Tax Liability:</b> Tax liability to be reduced in the month in which credit note is issued. ⇒ <b>Restriction:</b> No reduction in output tax liability if incidence of tax and interest have been passed to another person or ITC is not reversed by recipient. ⇒ <b>Flexibility:</b> A single credit can address multiple invoices.
Time limit to declare details of Debit note issued	⇒ <b>Declaration Timing:</b> In the tax return for the month when the debit note is issued. ⇒ <b>Tax Liability Adjustment:</b> added in tax liability in which debit is issued. ⇒ <b>Flexibility:</b> Single debit note can address multiple invoices <b>Note:-</b> There is no time limit for issue of Debit note.



CA Vishal Bhattad

# CHAPTER 13: ACCOUNTS & RECORDS







# Chapter 11- Sec 68 & Rule 138 : E-Way Bill

## General Discussion

### What is an E-Way bill why is it required?

E-Way Bill is a compliance mechanism

- Where in by way of a digital interface
- The person causing the movement of goods
- upload the relevant information prior to commencement of movement of goods
- Generates E-Way Bill on GST Portal

**Relevance :-**

- Hassle free movement
- Track movement of goods
- Control tax evasion
- Eliminate State boundary check post

### Who & When E-way Bill is required to be generate?

**Who :-** Every R.P. (Supplier or recipient) who causes the movement of goods

- in relation to a supply or
- Reasons other than supply or
- Due to inward supply from an URP

**When :-** Consignment value exceeds ₹ 50,000

**Voluntary Generation**  
(even if consignment value is ₹ 50000 or less)

Consignment value exceeds ₹ 50,000

Every R.P. causing movement of goods

Can authorized ECO or Courier Agency or Transporter to furnish details in Part-A

**Mandatory Generation**

Job Work

Principal or Job Worker (if Registered)

- Inter State movement
- E-Way Bill is required Irrespective of consignment value

handicraft goods

Person exempted from obtaining registration U/s 24(i)&(ii)

### Details in E-Way Bill

Part A		Part B						
GSTIN of Supplier,		Vehicle Number for Road						
Place of Dispatch <small>Indicate the PIN Code of place of dispatch.</small>	Bill To	Transporter document no. / Defense vehicle no./Temporary vehicle Registration no./Nepal or Bhutan Vehicle Registration no.)						
	Ship To							
GSTIN of Recipient								
Place of Delivery (PIN Code also), <small>indicate the PIN Code of place of delivery.</small>								
Document Number <small>May be of Tax Invoice, Bill of Supply, Delivery Challan or Bill of Entry.</small>								
Document Date								
Value of Goods,								
HSN Code, <table><tr><td>Annual T/O of preceding F.Y.</td><td>HSN Code Digit</td></tr><tr><td>Upto 5 Cr</td><td>4 Digit</td></tr><tr><td>Above 5 Cr</td><td>6 Digit</td></tr></table>		Annual T/O of preceding F.Y.	HSN Code Digit	Upto 5 Cr	4 Digit	Above 5 Cr	6 Digit	
Annual T/O of preceding F.Y.	HSN Code Digit							
Upto 5 Cr	4 Digit							
Above 5 Cr	6 Digit							
Reason for Transportation, etc.								
Information in part B is optional								
If Distance up to 50 Km within State or UT in case of transportation from POB to transporter's Place or vice-versa								

### Determination of Value

Mandatory generation of E-Way bill if Value exceeds ₹50,000

Determined as per Section 15

Declared in invoice/ Bill of Supply/ Delivery Challan Issued in respect of said consignment

Includes CGST SGST/ UTGST IGST Cess

Excludes Value of Exempt Supply of goods

**Note:-** Specially for E-Way Bill value includes GST

### When E-Way Bill is required to be generated?

Goods Transported by Road

E-way bill to be generated before movement of goods

Self Transportation (own vehicle/hired or public conveyance)

Part A  
Consignment Details

Part B  
Vehicle Number

RP

Goods Transported by Railways

by R.P.(supplier/recipient)

Information in Part B before/After commencement of movement of goods but it shall not be delivered unless EWB is produced at the time of delivery

Part A  
Consignment Details

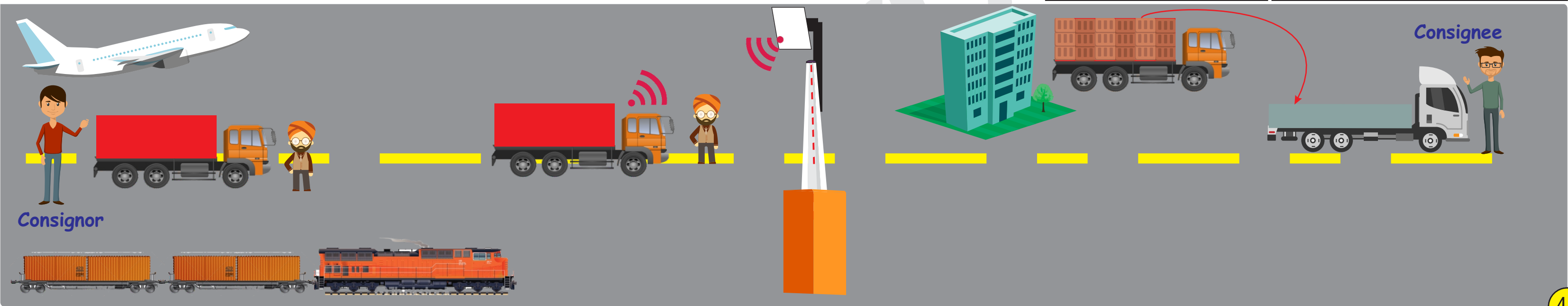
Part B  
Vehicle Number

Transporter (UEN/GSTIN)

GTA Unregistered → Unique Enrollment Number (UEN)

GTA Registered → Single Registration → GSTIN  
→ Multiple Registration → Common UEN

Goods transported by Air/Vessel

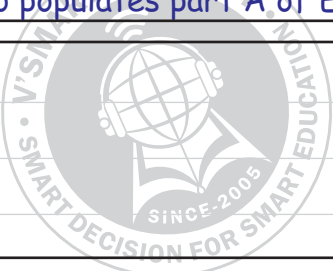


<div><div>Validity of E-Way Bill</div><div><div>Other than over dimensional cargo</div><div>In case of Over Dimensional Cargo</div></div><div><div>upto 200km ↓ 1 day</div><div>for every additional 200 km or part ↓ 1 additional day</div><div>upto 20km ↓ 1 day</div><div>for every additional 20 km or part ↓ 1 additional day</div></div><div>Note :- Multi modal shipment where one leg in ship the above both options are available</div><div>Other Points:-<ul style="list-style-type: none"><li>Validity period shall be counted from time at which E-Way bill has been generated (after completion of info in part B by transporter)</li><li>Validity of E-way bill may be extended within 8 hrs from the time of its expiry</li><li>First day shall be expired on mid night of succeeding day</li></ul></div><div><div>14th April 10 am EWB</div><div>15th -16th 12 am Midnight</div><div>16th-17th 12 am Midnight</div><div>1- Day</div><div>1- Day</div></div></div>	<div>Non-Requirement of E-Way Bill<ul style="list-style-type: none"><li>Transportation of<ul style="list-style-type: none"><li>Non Taxable Goods</li><li>Jewellery/ precious stone <b>excepting Imitation Jewellery</b></li><li>Currency</li><li>Postal, Baggage</li><li>Personal effect</li><li>Empty cargo container</li></ul></li><li>Transported by non motorised vehicles</li><li>Movement of goods under-ministry of defense</li><li>Supply under Schedule-III</li><li>Supply under Custom supervision</li><li>Transport of exempt goods (except de-oiled cake) etc.</li></ul><div>Note- there are more cases of non requirement of EWB for that refer notes.</div></div>	<div>Documents to be carried by Person in Charge<p>The person in charge of a conveyance shall carry—</p><p>(a) the invoice or bill of supply or delivery challan, Bill of Entry etc. and</p><p>(b) a copy of the e-way bill in</p><ul style="list-style-type: none"><li>physical form or</li><li>EWB no. in electronic form or</li><li>mapped to a RFI Device embedded on to the conveyance</li></ul><div>Clause (b) Not Applicable :- for movement of goods by rail or by air or vessel.</div></div> <div><div>Inspection of E-Way Bill</div><div><div>Rights of Commissioner</div><div>Rights of person</div></div><div><ul style="list-style-type: none"><li>Right to intercept any conveyance verify E-way bill</li><li>Right to install Radio Frequency</li><li>Identification device</li><li>Right to physical verification of conveyance</li></ul><div>If vehicle detained for more than 30 mins transporter may upload the information in EWB-04 on common portal</div></div><div>Summary Report &amp; final Report -to be recorded online in EWB-03 Part A(summary)- within 24 hrs of inspection Part B (Final)- within 3 days of inspection [Extension available for further 3 days]</div></div>
---	---	--

Special Discussion

<div>Transshipment of Goods<ul style="list-style-type: none"><li>Consignor / Recipient (who has furnished Part A) or</li><li>Transporter</li></ul>can assign the E-Way Bill to another registered transporter to update Part B of E-Way bill for further movement of goods. <div>Note- only 1 EWB is required</div></div>	<div>Bill to Ship to Transportation</div> <div>Part A of E-Way Bill shall contain :<ul style="list-style-type: none"><li>Place of Dispatch(address of Place)</li><li>Bill to (Details of "Bill to"party)</li><li>Ship to (Address of "Ship to" party)</li></ul><div>Note- only 1 EWB is required</div></div> <div><div>Invoice Reference Number</div><div>Reduces burden of carrying physical copy of Invoice</div><div>Auto populates part A of E-way Bill</div></div>	<div>Multiple Consignment</div> <div>Transporter will generate the E-Way Bill in following cases</div> <div><div>1. If consignor &amp; Consignee has not generated E-Way Bill and Value of Goods carried in the conveyance is more than ₹ 50000 -Generation of E-Way bill in EWB-01.</div><div>2. May also generate a consolidated e-way bill in EWB-02.</div></div> <div>Note - Applicable only for transportation by Road</div>	<div>Rule 138E:-Restriction of furnishing of information in part A of EWB-01.</div> <div>in respect of any outward movement of goods of a registered person who -</div> <div><div>(a) composition dealer has not furnished the returns for two consecutive tax periods; or</div><div>(b) Other Person has not furnished the returns for a consecutive period of Two Tax Periods</div><div>(c) Other person has not furnished the statement of outward supplies for anytwo months or quarters, as the case may be.</div><div>(d) being a person, whose registration has been suspended under the provision of rule 21A(1) or 21A(2) or 21A(2A)</div></div>
---	---	---	---

<div>Student Notes:-</div>
----------------------------



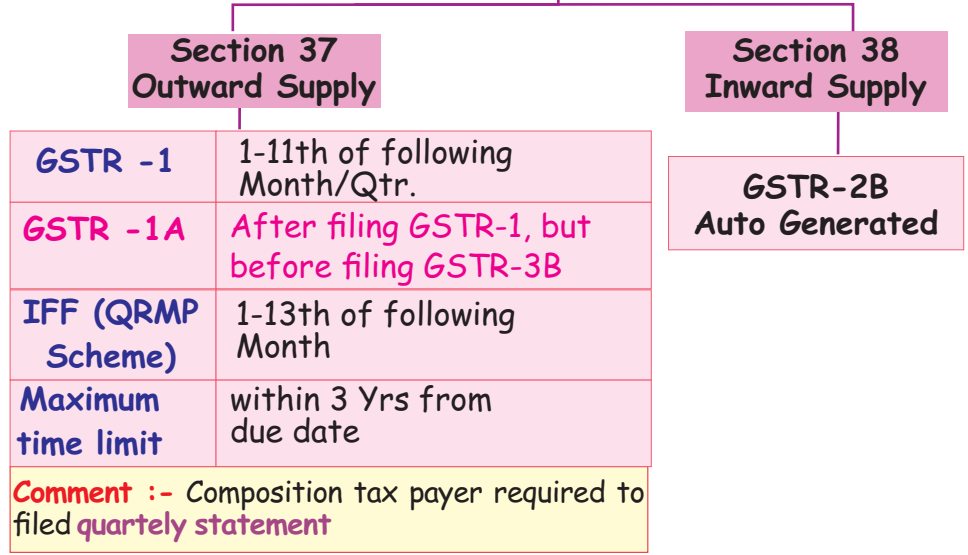




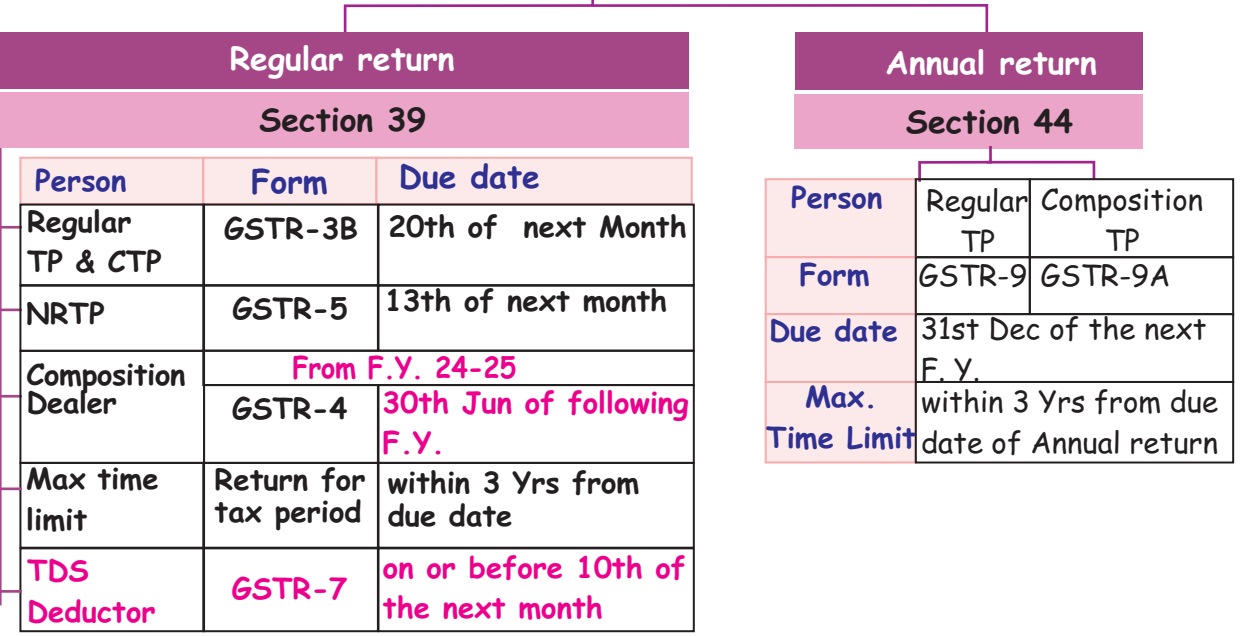
# Chapter 14 - RETURN

## Statement / Return

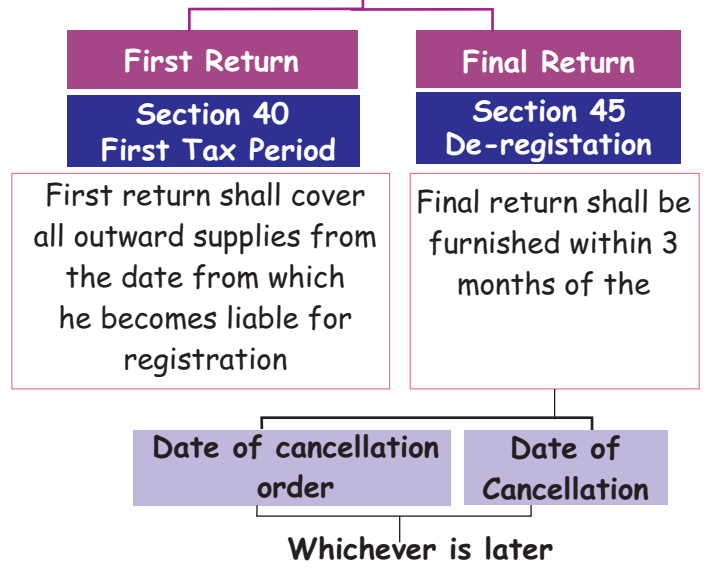
### Statement



### Normal Return



### Other Return



## Outward and Inward Supply Statement (Sec 37 & Sec 38)

Type of TP	Form No.	Periodicity	Due date	Not Applicable to
Every registered person (Incl. CTP)	GSTR-1	Monthly (Details of outward supplies)	11th of the next month	(a) Composition taxpayer (b) NRTP (c) ISD
	GSTR-1A	Amended or Additional details of Outward supply	Between 11th to 21st of next month	(d) Person liable to TDS & TCS (e) OIDAR

Details of Outward Supply		Rectification of Error:
Invoice wise details	⇒ Inter-State and Intra-State supplies made to RP, and ⇒ Inter-State supplies with invoice value more than ₹ 1L made to URP	RP can rectify error in GSTR 1 & GSTR 3B (other than scrutiny, Audit & Inspection)& time limit is Earlier of 30th Nov or Date of Annual return
Consolidated details	⇒ Intra-State supplies made to URP for each rate of tax, and ⇒ State wise Inter-State supplies with invoice value upto ₹ 1L made to URP for each rate of tax	

## Furnishing of Returns [Sec 39]

Type of TP	Form No.	Periodicity	Due date	Not Applicable to
Every registered person	GSTR-3B	Monthly (or a part of the month)	20th of the next month	(a) Supplier of OIDAR services (b) Composition taxpayer (c) NRTP (d) ISD (e) Person deducting TDS &TCS
		Note:- In case of QRMP scheme refer next page)		

### 2) Return by Composition taxpayer (Sec. 39(2) and rule 62)

Type of TP	Form No.	Periodicity	Due date
Composition taxpayer	GSTR-4	Yearly (or part thereof) Note: Furnish a statement every quarter or, part thereof containing the details of payment of self-assessed tax in FORM GST CMP -08 till the 18th day of the month succeding such quarter	30th June following the end of such F.Y

### 3) Annual Return

Type of TP	Form No.	Periodicity	Due date	
Registered Normal taxpayer	GSTR-9	Annual Return	31st Dec of next F.Y.	(a) Supplier of OIDAR services (b) Composition taxpayer (c) NRTP (d) ISD (e) Person deducting TDS&TCS f) CTP (g) those referred to in the proviso to sec 35(5),

⇒ a **self-certified reconciliation statement**, reconciling the value of supplies declared in the return furnished for the F.Y.,  
⇒ with the **audited annual financial statement** for every financial year electronically,

### 4) Final Return

Type of taxable person	Form No.	Periodicity	Due date
RP and whose registration has been cancelled	GSTR-10	Final Return	within 3 months of date of cancellation or date of order of cancellation (whichever is later)

### 5) OIDAR Services & Online money gaming from outside India

Type of taxable person	Form No.	Periodicity	Due date
OIDAR Services to NTOR or other RP & Online money gaming	GSTR-5A	Monthly Return	On or before 20 <sup>th</sup> day of succeeding month

### First Return (Sec 40)

Every RP who has made outward supplies in the period between the date on which he became liable to registration till the date on which registration has been granted shall declare the same in the first return furnished by him after grant of registration.

Rule 59(6) :- Restriction on furnishing GSTR -1 or IFF	
Restriction on furnishing GSTR -1 or IFF :- Notwithstanding anything contained in this rule,	
(a) RP (Monthly Scheme): Can not furnished GSTR-1	if he has not furnished the return in FORM GSTR-3B for preceding month
(b)RP (QRMP Scheme): Can not furnished GSTR-1 or using IFF	if he has not furnished the return in FORM GSTR-3B for preceding tax period
(d)If intimation is issued under Rule 88C(1) :- RP cannot furnish GSTR-1 or using IFF for a subsequent tax period, unless he deposits intimated amount or furnishes a reply to explain it	
(e)If intimation is issued under rule 88D(1):- RP cannot file GSTR-1 or using IFF for subsequent tax period, unless he pays such excess ITC or furnishes a reply to explain it.	
(f) Bank details under rule 10A:- RP cannot file GSTR-1/using IFF, if he has not furnished details of bank account as per rule 10A.	

Late fee u/s 47 for delayed filing of GSTR-1 and/or GSTR-3B		
1) RP - GSTR -1 = Nil or GSTR 3B =Nil	₹20 per day(i.e. ₹10 per day each under CGST & SGST) but max.=₹ 500 (i.e. 250 under CGST & SGST each)	
2) RP other than those covered in (1) above (i.e. there is outward supply in GSTR - 1 or tax payable as per GSTR-3B)	Agg. T/o of ≤ ₹1.5 cr. in PFY	⇒ ₹50 per day(i.e. ₹25 per day each under CGST & SGST) ⇒ max.= ₹2000 (i.e. 1000 under CGST & SGST each)
	Agg. T/o more than 1.5 Cr but ≤ 5 Cr. in PFY	⇒ ₹ 50 per day(i.e. ₹25 per day each under CGST & SGST) ⇒ max.=₹ 5000 (i.e. 2500 under CGST & SGST each)
3) RP having Agg. T/o > 5 Cr. in PFY	₹ 50 per day (i.e. ₹25 per day each under CGST & SGST) but max.=₹10,000 (i.e. 5000 under CGST & SGST each)	

Late fee u/s 47 for delayed filing of GSTR - 4 under Composition scheme		
1)	If Total tax payable in GSTR-4 is Nil	⇒ ₹20 per day(i.e. ₹ 10 per day each under CGST & SGST/UTGST) but ⇒ maximum=₹ 500 (i.e. 250 under CGST & SGST/UTGST each)
2)	If RP other than in (1) above	⇒₹ 50 per day(i.e.₹25 per day each under CGST & SGST/UTGST) but ⇒ maximum=₹2000 (i.e. 1000 under CGST & SGST/UTGST each)

Late fee u/s 47 for failure to furnish annual return by due date [N/No. 07/2023- CT]		
1)	RP having an aggregate turnover <= ₹5 Cr. in relevant F.Y.	⇒ ₹ 50 per day(i.e.₹ 25 per day each under CGST & SGST/UTGST) but ⇒ maximum= 0.04% (i.e. 0.02 % under CGST & SGST/UTGST each) of T/o in State or UT
2)	RP having an Agg. T/O of > ₹ 5 Cr & and <= ₹20 Cr in relevant F.Y.	⇒ ₹100 per day (i.e. ₹50 per day each under CGST & SGST/UTGST) but ⇒ maximum=0.04% (i.e. 0.02 % under CGST & SGST/UTGST each) of T/o in State or UT
3)	RP having an Agg T/O of > ₹20 Crores in relevant F.Y.	⇒ ₹200 per day (i.e. ₹100 per day each under CGST & SGST/UTGST) but ⇒ 0.50% of the turnover in State/UT (0.25 % under CGST & SGST/UTGST each)

Late fee u/s 47 for delayed filing of GSTR - 7 by person liable to deduct tax at source u/s 51	
⇒ ₹ 50 per day(i.e. ₹ 25 per day each under CGST & SGST/UTGST) but maximum = ₹ 2,000 (i.e. ₹ 1,000 under CGST & SGST/UTGST each)	
N/n 23/2024: The government has reduced the late fee for filing GSTR-7 (TDS return) late, from June 2021 onwards:	
1. Late fee is limited to ₹25 per day of delay.	
2. Maximum late fee is ₹1,000 total for each return.	
3. No late fee if no TDS (CGST) was deducted for that month.	

Goods and Service Tax Practitioners	
Concept of GSTP	
⇒ A RP may authorised an approved GSTP to furnish information, on his behalf, to the Government.	
⇒ GSTN will provide separate user ID and Password to GSTP to enable him to work on behalf of his clients without asking for their user ID and passwords.	
⇒ They can do all the work on behalf of taxpayers as allowed under GST Law.	
⇒ A taxpayer may choose a different GSTP by simply unselecting the previous one and then choosing a new GSTP on the GST portal.	
Eligibility Criteria for GSTP	
Basic Conditions:- 1) Citizen of India 2) Person of Sound Mind 3) Not adjudication as insolvent 4 ) not been convicted by court	
Other Conditions:- 1) Retired officer of Govt. Not below lower the rank of group B gazetted officer for not less than 2 years	
2) enrolled as a sales tax practitioner or tax return preparer under the existing law for a period of not less than five years	
3) he has passed, (i) a graduate of postgraduate degree (ii) a degree of any Foreign University recognized by any Indian University or	
(iii) any other examination notified by the Government, or (iv) He has passed a) ICAI ; or b) ICAI (CMA); or c) ICSI.	

Activities which can be undertaken by a GSTP	
(a) furnish the details of outward supplies;	
(b) furnish monthly, quarterly, annual or final return;	
(c) make deposit for credit into the electronic cash ledger;	
(d) file a claim for refund;	
(e)file an application for amendment or cancellation of registration;	
(f) furnish information for generation of e-way bill;	
(g) furnish details of challan in FORM GST ITC-04;	
(h) file an application for amendment or cancellation of enrolment under rule 58; and	
(I) file an intimation to pay tax under the composition scheme or withdraw from the said scheme:	
⇒ Provided that where any application relating to	
⇒ a claim for refund or	
⇒ an application for amendment or	
⇒ cancellation of registration or	
⇒ where an intimation to pay tax under composition scheme or to withdraw from such scheme has been submitted	



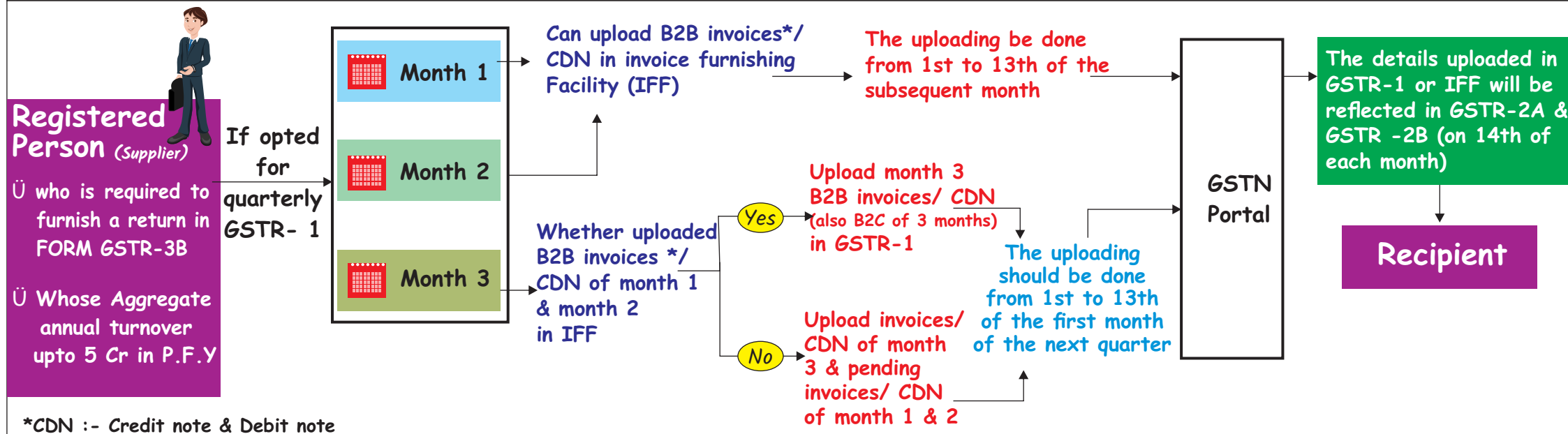


CA Vishal Bhattad

# QRMP SCHEME

(This new Scheme will be effective from 01.01.2021)

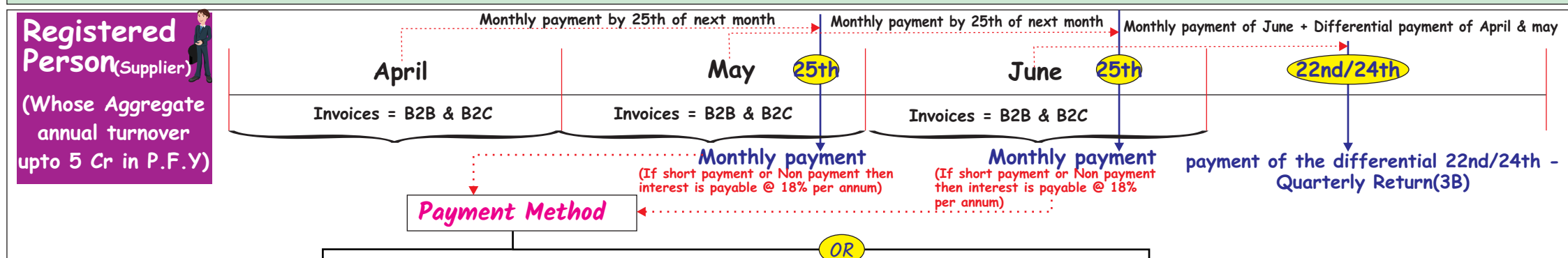
## Registered Person - Opting for QRMP Scheme (Submission of details of Outward supplies )



## Important Points

1. The aggregate annual turnover for the P.F.Y. shall be calculated in the common portal taking into account the details furnished in the returns by the taxpayer for the tax periods in the P.F.Y.
2. Value of supply in IFF shall not exceeds ` 50 lakhs for each month
3. After 13th of the month, this facility for furnishing IFF for previous month would not be available.
4. Details given in IFF not required to be given again in GSTR-1
5. Where QRMP option has been exercised once, they shall continue unless RP revise the said option.
6. It is further clarified that the option to avail the QRMP Scheme is GSTIN wise
7. Some GSTINs of same PAN can opt for the QRMP Scheme and remaining GSTINs may not opt for the Scheme.

## QRMP - Monthly Payment & Interest Liability



### 1. Fixed Sum Method (FSM)

Payment of tax in the 1st and the 2nd month of the quarter.

Sr. No.	Type of Taxpayer	Tax to be paid
1.	Who furnished GSTR-3B quarterly for the last quarter	35% of tax paid in cash(E-Cash Ledger) in the preceding quarter
2	Who furnished GSTR-3B monthly during the last quarter	100% of tax paid in cash in the last month of the immediately preceding quarter

The balancing amount of tax is to be paid in the 3rd month.

### 2. Self-Assessment Method (SAM)

Here the taxpayer can pay the tax liability by considering the tax liabilities on inward and outward supplies and as per the ITC available.

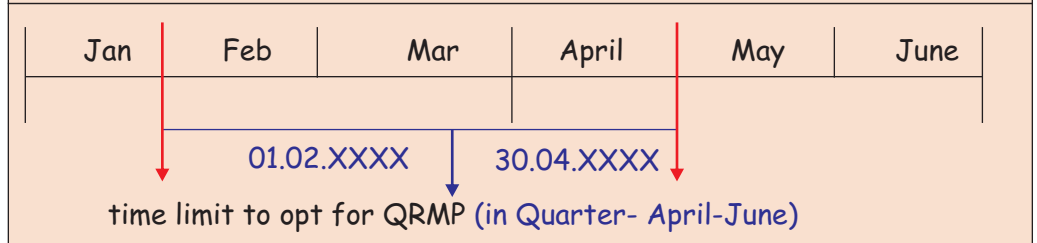
**There are certain conditions where no tax needs to be paid:**

- **1st Month of Quarter:** The tax liability is Nil. OR The balance in the electronic cash ledger is adequate for the tax liability for the same month.
- **2nd Month of Quarter:** The tax liability is Nil. OR The balance in the electronic cash ledger is adequate for the cumulative tax liability for the IThst two months of the quarter.

## Rule 61A: Manner of opting Quarterly return

Ü Facility to avail the Scheme on the common portal would be available throughout the year.

Ü A registered person can opt in for any quarter from first day of second month of preceding quarter to the last day of the first month of the quarter.



## Student Notes :-

## Example

In case the last return filed was on quarterly basis for Quarter Ending March, 2021:				In case the last return filed was monthly for tax period March, 2021:			
Tax paid in Cash in Quarter (January -March, 2021)		Tax required to be paid in each of the months - April and May, 21		Tax paid in Cash in March,21		Tax required to be paid in each of the months - April and May, 21	
CGST	100	CGST	35	CGST	50	CGST	50
SGST	100	SGST	35	SGST	50	SGST	50
IGST	500	IGST	175	IGST	80	IGST	80
Cess	50	Cess	17.5	Cess	---	Cess	---

