



**ARHAM  
INSTITUTE**

**CA, CMA, INTER**

# GST



**CA VARDHAMAN DAGA**

## **AMENDMENT SHEET (FINANCE ACT 2025)**

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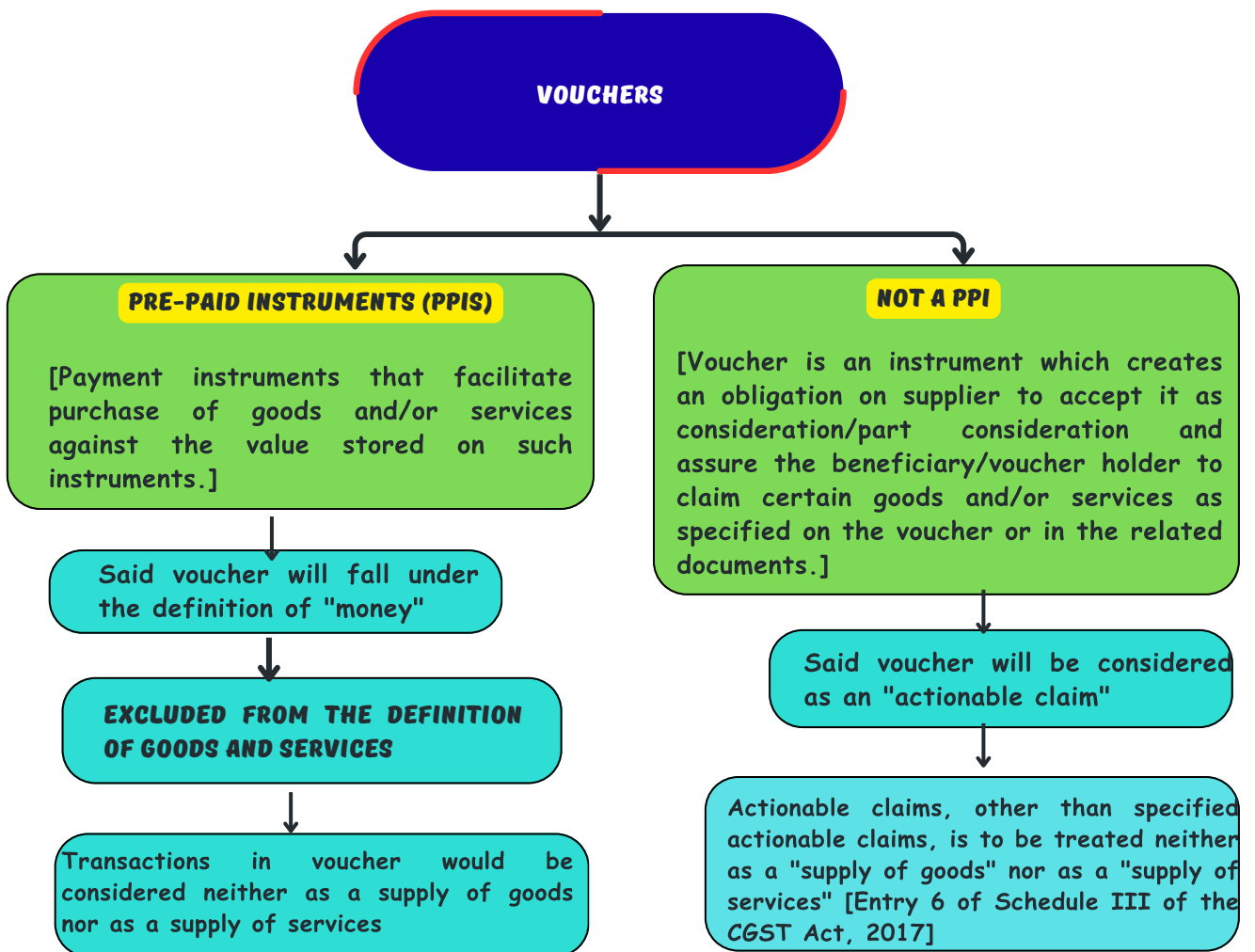
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## CHAPTER - 2

### SUPPLY UNDER GST

**CLARIFICATION REGARDING TRANSACTIONS IN VOUCHERS [CIRCULAR NO. 243/37/2024 GST DATED 31.12.2024]**



Thus, the transactions in voucher themselves cannot be considered either as a supply of goods or as a supply of services. However, supply of underlying goods and/or services, for which vouchers are used as consideration or part consideration, may be taxable under GST.



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# AMENDMENT SHEET (FINANCE ACT 2025)

## CHAPTER - 2 SUPPLY UNDER GST

### TRANSACTIONS IN VOUCHERS BY DISTRIBUTORS/ SUB- DISTRIBUTORS/DEALERS/AGENTS ETC.

#### VOUCHERS DISTRIBUTED ON PRINCIPAL-TO-PRINCIPAL (P2P) BASIS

[Distributors/sub-distributors/ dealers (DSDs) purchase vouchers at discounted rate and sold to subdistributors, corporates or end customers. DSDs earn trading margin [Selling price - Acquisition cost].

Thus, DSDs own the vouchers, retaining full ownership and control of the vouchers throughout the process.]

This amounts to  
trading of vouchers.

NOT BE LEVIABLE TO GST AS PER  
SECTION 9(1)

#### VOUCHERS DISTRIBUTED ON PRINCIPAL- AGENT BASIS

[Voucher issuer and the Distributors/ Sub-distributors/ Agents (DSAs) operate on a principal-agency basis. DSAs do not own vouchers, but act as an agent of voucher issuer and operate under specified obligations set by him (e.g., marketing, promotion, other support services). DSAs earn commission/fees which are treated as a supply of services to the voucher issuer.]

This amounts to  
trading of vouchers.

### VOUCHER DISTRIBUTION MODELS

#### PRINCIPAL - TO - PRINCIPAL MODEL

DSPs Purchase and  
sell vouchers,  
retaining ownership  
and earning margin



#### PRINCIPAL -AGENT MODEL

DSAs as agents, earning  
commission for services  
provided

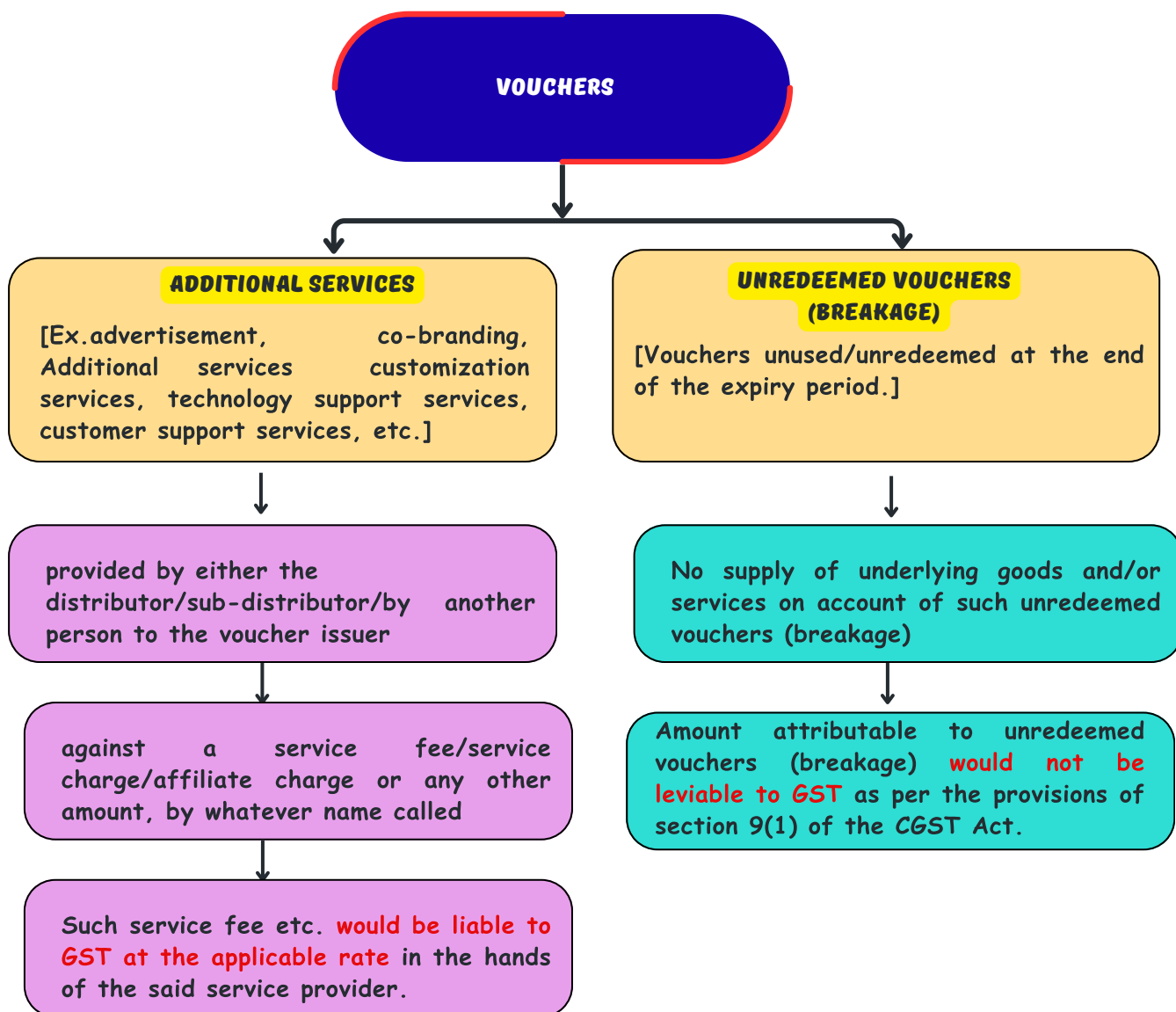


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## CHAPTER - 2 SUPPLY UNDER GST



In the preceding paras, we have discussed, how to determine whether a given activity or transaction constitutes a supply. Once an activity or transaction qualifies as supply, one needs to determine whether the same is leviable to GST or not. Though the provisions relating to levy and collection of GST have been discussed at length in Chapter 3 - Charge of GST in this Module of the Study Material, a brief idea of the same is provided hereunder.

# CHAPTER - 5

## EXEMPTIONS FROM GST



### GOODS TRANSPORTATION SERVICES

#### TRANSPORTATION OF GOODS BY DIFFERENT MODES [ENTRY 18]

Services by way of transportation of goods—

(a) by road except the services of—

- (i) a goods transportation agency;
- (ii) a courier agency;

(b) by inland waterways

are exempt.

Nothing contained in this entry shall apply to:

- (i) local delivery services provided by an Electronic Commerce Operator; or
- (ii) local delivery services provided through an Electronic Commerce Operator. [Explanation][Inserted by Notification No. 16 /2025-CT (Rate) dated 17-09-2025 w.e.f. 22-09-2025.]

- "Goods transport agency" means any person who provides service in relation to transport of goods by road and issues a consignment note by whatever name called, but does not include
  - (i) an electronic commerce operator by whom the services of local delivery are provided,
  - (ii) an electronic commerce operator through whom the services of local delivery are provided"
- "Courier agency" means any person engaged in the door-to-door transportation of time-sensitive documents, goods or articles utilising the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles. [Para 2(u) of Notification No. 12/2017-CT (Rate)]

### SERVICES PROVIDED BY A GOODS TRANSPORT AGENCY [ENTRY 21]

Services provided by a goods transport agency, by way of transport in a goods carriage of—

- agricultural produce;
- milk, salt and food grain including flour, pulses and rice;
- organic manure;
- newspaper or magazines registered with the Registrar of Newspapers;
- relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; or
- defence or military equipments

#### OTHER ASPECTS :

Goods transport agency has been defined in the Notification to mean any person who:



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# AMENDMENT SHEET (FINANCE ACT 2025)

## CHAPTER - 5 EXEMPTIONS FROM GST

- provides service in relation to transport of goods by road and
- issues consignment note, by whatever name called

but does not include -

- (a) an electronic commerce operator by whom the services of local delivery are provided,
- (b) an electronic commerce operator through whom the services of local delivery are provided.

Thus, it can be seen that issuance of a consignment note is the sine-qua-non for a supplier of service to be considered as a GTA. If such a consignment note is not issued by the transporter, the service provider will not come within the ambit of GTA.

If a consignment note is issued, it indicates that the lien on the goods has been transferred (to the transporter) and the transporter becomes responsible for the goods till its safe delivery to the consignee. It is only the services of such GTA, who assumes agency functions, that is being brought into the GST net

### LIFE INSURANCE SERVICES TO AN INDIVIDUAL [ENTRY 36C][INSERTED BY NOTIFICATION NO. 16 /2025-CT (RATE) DATED 17-09-2025 W.E.F. 22-09-2025.]

Services of life insurance business provided by an insurer to the insured, where the insured is not a group are exempt. However, this exemption shall apply to a contract of insurance where the insured is an individual, or an individual and family of the said individual. Family shall include all individuals insured as family in the contract of insurance.

- 'Group' means group of persons who join together with a commonality of purpose or for engaging in a common economic activity, other than availing insurance, and includes -
  - (a) Employer - employee groups, where an employer-employee relationship exists between the master/group policyholder and the members of the group in accordance with the applicable laws;
- Non employer - employee groups, where a clearly evident relationship exists between the master/group policyholder and the members of the group, for services/ activities other than insurance. [Para 2(zfb) of Notification No. 12/2017-CT (Rate)]



### HEALTH INSURANCE SERVICES TO AN INDIVIDUAL [ENTRY 36D][INSERTED BY NOTIFICATION NO. 16 /2025-CT (RATE) DATED 17-09-2025 W.E.F. 22-09-2025.]

Services of health insurance business provided by an insurer to the insured, where the insured is not a group are exempt. However, this exemption shall apply to a contract of insurance where the insured is an individual, or an individual and family of the said individual. Family shall include all individuals insured as family in the contract of insurance.

- 'Health insurance business' means the effecting of contracts which provide for sickness benefits or medical, surgical or hospital expense benefits, whether in-patient or out-patient, travel cover and personal accident cover. [Para 2(zga) of Notification No. 12/2017-CT (Rate)]



### REINSURANCE SERVICES[ENTRY 36E][INSERTED BY NOTIFICATION NO. 16 /2025-CT (RATE) DATED 17-09-2025 W.E.F. 22-09-2025.]

Reinsurance of the insurance services specified in serial numbers 36C or 36D are exempt.

## CHAPTER - 6

### TIME OF SUPPLY



THE PROVISIONS RELATING TO TIME OF SUPPLY OF GOODS AS CONTAINED IN SECTION 12 ARE SUMMARISED IN THE DIAGRAM GIVEN BELOW :

**TIME OF SUPPLY OF VOUCHERS  
EXCHANGEABLE FOR GOODS#**



**DATE OF ISSUE OF VOUCHER, IF THE  
SUPPLY IS IDENTIFIABLE AT THAT POINT**



**DATE OF REDEMPTION OF VOUCHER  
IN OTHER CASES**



**#SECTION 12(4) RELATING TO TOS OF VOUCHERS  
HAS BEEN OMITTED BY FINANCE ACT, 2025.**

THE PROVISIONS RELATING TO TIME OF SUPPLY OF SERVICES AS CONTAINED IN SECTION 13 ARE SUMMARISED IN THE DIAGRAM GIVEN BELOW :

**TIME OF SUPPLY OF  
VOUCHERS EXCHANGEABLE FOR  
SERVICES**



**DATE OF ISSUE OF VOUCHER, IF THE  
SUPPLY IS IDENTIFIABLE AT THAT POINT**



**DATE OF REDEMPTION OF VOUCHER  
IN OTHER CASES**



**#SECTION 13(4) RELATING TO TOS OF VOUCHERS  
HAS BEEN OMITTED BY FINANCE ACT, 2025.**



## CHAPTER - 8

### INPUT TAX CREDIT



#### INPUTS AND INPUT SERVICES FOR CONSTRUCTION OF IMMOVABLE PROPERTY :

Goods or services or both received by a taxable person for construction of an immovable property on his own account including when such goods or services or both are used in the course or furtherance of business

However, credit is allowed if they are is supplied for construction of **plant and machinery**[Amended by the Finance Act, 2025 w.r.e.f. 01-07-2017]



## CHAPTER - 10

### TAX INVOICE, CREDIT AND DEBIT NOTES



#### CREDIT AND DEBIT NOTES [SECTION 34]

##### DETAILS OF CREDIT NOTE TO BE GIVEN IN RETURN [SECTION 34(2)] :

- Any registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note—

- in the return for the month during which such credit note has been issued but not later than 30<sup>th</sup> November following the end of the financial year in which such supply was made, or

the date of furnishing of the relevant annual return,

whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed.

[Amended by the Finance Act, 2025] No reduction in output tax liability of the supplier shall be permitted, if the—

(i) input tax credit as is attributable to such a credit note, if availed, has not been reversed by the recipient, where such recipient is a registered person; or

(ii) incidence of tax on such supply has been passed on to any other person, in other cases.

## CHAPTER - 11

### ACCOUNTS AND RECORDS



#### NON ACCOUNTAL OF GOODS OR SERVICES - DEEMED SUPPLY - LIABLE FOR TAX [SECTION 35(6)]

Subject to the provisions of Section 17(5)(h), where the registered person fails to account for the goods or services or both in accordance with the provisions of Section 35(1), the proper officer shall determine the amount of tax payable on the goods or services or both that are not accounted for, as if such goods or services or both had been supplied by such person and the provisions of Section 73 or Section 74 or Section 74A, as the case may be, shall, mutatis mutandis, apply for determination of such tax.

## CHAPTER - 15

### RETURNS



#### COMMUNICATION OF DETAILS OF INWARD SUPPLIES AND INPUT TAX CREDIT [SECTION 38]

- (1) Statement of ITC : The details of outward supplies furnished by the registered persons u/s 37(1) and of such other supplies as may be prescribed, and **statement** containing the details of input tax credit shall be made available electronically to the recipients of such supplies in such form and manner, within such time, and subject to such conditions and restrictions as may be prescribed.
- (2) **Details in Auto Generated statement of ITC** : The **statement** shall consist of —
- (a) details of inward supplies in respect of which credit of input tax may be available to the recipient; and
- (b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient, on account of the details of the said supplies being furnished u/s 37(1) -
- (i) by any registered person within such period of taking registration as may be prescribed; or
- (ii) by any registered person, who has defaulted in payment of tax and where such default has continued for such period as may be prescribed; or
- (iii) by any registered person, the output tax payable by whom in accordance with the statement of outward supplies furnished by him under the said sub-section during such period, as may be prescribed, exceeds the output tax paid by him during the said period by such limit as may be prescribed; or
- (iv) by any registered person who, during such period as may be prescribed, has availed credit of input tax of an amount that exceeds the credit that can be availed by him in accordance with clause (a), by such limit as may be prescribed; or
- (v) by any registered person, who has defaulted in discharging his tax liability in accordance with the provisions of Section 49(12) subject to such conditions and restrictions as may be prescribed; or
- (vi) by such other class of persons as may be prescribed.
- (c) **such other details as may be prescribed.** [Amended by the Finance Act, 2025]

