



Brainery

Institute Of Commerce Studies
(A Unit of Tharuns Brainery Pvt. Ltd)

CA Inter

GST

AMENDMENTS

For May 26 Exams

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LEVY AND COLLECTION UNDER CGST

COMPARATIVE DIFFERENCE BETWEEN SUBSECTIONS OF SEC. 9:

Section	Sec. 9(3)	Sec. 9(4)	Sec. 9(5)
When applicable?	Notified goods or Services supplied	Inward supplies by a notified RP from an URP	Supply of notified services through ECO
What are notified?	List of Services [Notification No: 13/2017] List of Goods [Notification No: 04/2017]	Purchases by a promoter or builder	I = Instant local delivery (Eg. Swiggy genie) H = Housekeeping Services (Eg: Urban company) A = Accommodation Services (Eg: Goibibo) T = Transportation of passengers service (Eg: Ola, Uber) E = Eating food from restaurant (Eg: Swiggy, Zomato) 
Who will pay GST?	Recipient	Recipient	ECO
Supplier	RP/URP	URP	[I, H & A = URP] [T & E = RP/URP]

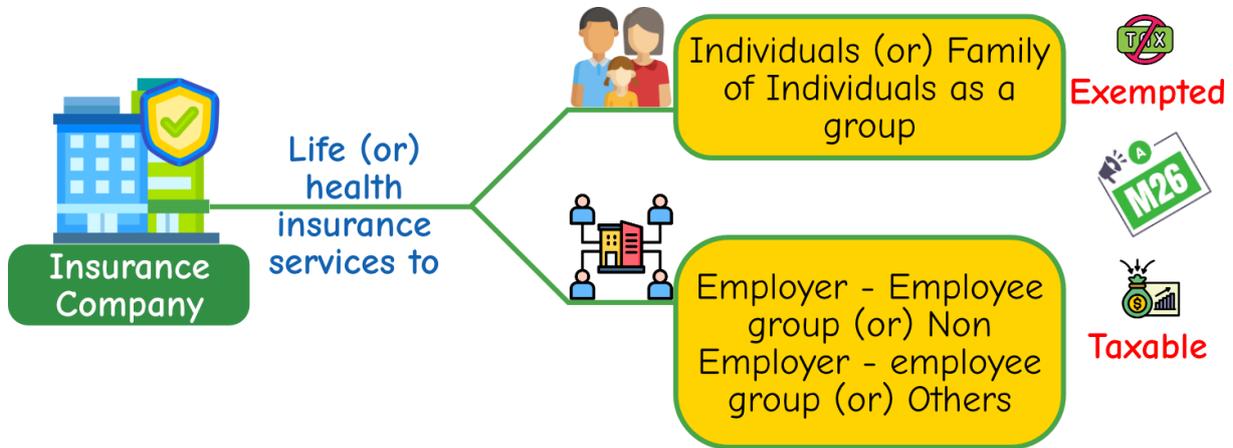
SEC. 9(5) – LIABILITY TO PAY GST ON E COMMERCE OPERATOR (ECO) IN CASE OF NOTIFIED SERVICES:

In case of following categories of services, GST on Intra state and Interstate supplies shall be paid by ECO:



	Notified Service	Supplier	Non applicability of Sec.9(5) i.e., Supplier shall pay GST
I	Instant local delivery (Eg: Swiggy genie, Rapido parcel)	URP	If the supplier is liable to be registered
H	Housekeeping Service (Eg: Urban Clap, Quikr Services)	URP	If the supplier is registered
A	Accommodation Service (Eg: Goibibo, Make my Trip)	URP	If the supplier is registered
T	Transportation of passengers by any type of motor vehicle (Eg: OLA, UBER, REDBUS, RAPIDO), other than OMNI BUS (Capacity > 6 passengers) by a company.	RP/URP	If transportation is through OMNIBUS by a company
E	Eating food from restaurant (Eg: Swiggy, Zomato) Supply of food by a restaurant in a hotel having Value of supply of > ₹7,500 per unit per day or equivalent, not covered under Sec. 9(5)	RP/URP	If the restaurant is in the specified premises i.e., in a hotel having Value of supply > ₹7,500 per day

EXEMPTIONS UNDER GST



The following services are exempt from GST:

- Services of life insurance business provided by an insurer to the insured, where the insured is not a group.
- Services of health insurance business provided by an insurer to the insured, where the insured is not a group.
- Reinsurance of the above exempt life and health insurance services.

Note:

1. The exemption applies where the insured is [an individual], or [an individual and family of such individual]. Family includes all individuals insured as family in the contract of insurance.
2. Group insurance contracts are not covered by this exemption. If the insured is a “group”, GST continues to apply. ‘Group’ means a group of persons who join together: With a commonality of purpose or For engaging in a common economic activity, other than availing insurance. It includes:
 - a. Employer–employee groups: Where an employer–employee relationship exists between the master/group policyholder and members of the group.
 - b. Non employer–employee groups: Where a clearly evident relationship exists between the master/group policyholder and members of the group for services/activities other than insurance.

Question:

M/s Secure Life Insurance Co. Ltd., a registered insurer, provided the following insurance services during the month of October 2025. The details of premiums collected (exclusive of GST, wherever applicable) are as under:

Sl. No.	Nature of Insurance Service	Insured	Premium Collected (₹)
1	Individual life insurance policy	Mr. A (individual)	1,20,000
2	Family health insurance policy	Mr. B and family	80,000
3	Group health insurance policy	XYZ Ltd. for its employees	2,50,000

4	Group personal accident policy	ABC Trade Association for its members	1,00,000
5	Reinsurance of individual health insurance policies	Another insurer	60,000
6	Reinsurance of group health insurance policies	Another insurer	90,000

Assume that:

- All policies are issued in India and are otherwise taxable unless specifically exempt.
- The insurer charges GST @ 18% on taxable insurance services.
- Ignore input tax credit and other procedural aspects.

You are required to Compute the total taxable value and the GST payable by M/s Secure Life Insurance Co. Ltd. for the month of October 2025.

Answer:

Sl. No.	Nature of Insurance	Insured	Premium (₹)	Exempt / Taxable	Reason
1	Individual life insurance	Mr. A (individual)	1,20,000	Exempt	Life insurance to individual (not a group)
2	Family health insurance	Mr. B & family	80,000	Exempt	Health insurance to individual & family
3	Group health insurance	XYZ Ltd. (employees)	2,50,000	Taxable	Group = employer-employee group
4	Group personal accident	ABC Trade Association	1,00,000	Taxable	Non employer-employee group with common purpose
5	Reinsurance of individual health policies	Another insurer	60,000	Exempt	Reinsurance of exempt health insurance
6	Reinsurance of group health policies	Another insurer	90,000	Taxable	Reinsurance of taxable group insurance

Particulars	Amount (₹)
Group health insurance (XYZ Ltd.)	2,50,000
Group personal accident (ABC Association)	1,00,000
Reinsurance of group health insurance	90,000
Total Taxable Value	4,40,000
GST = 18% of ₹4,40,000	₹79,200

INSTANT LOCAL DELIVERY BY ECO (NOT THROUGH ECO) IS TAXABLE.

Instant local delivery (Eg. Swiggy genie, Rapido parcel) whether by ECO (or) through ECO is taxable



Further Analysis:

- Services by way of local delivery have been notified under Section 9(5) of the CGST Act, 2017. As a result, the Electronic Commerce Operator (ECO) shall be liable to pay GST on such services. This shifts the tax liability from the actual service provider to the ECO. However, if the supplier of local delivery service is liable for registration under Section 22(1) of the CGST Act then Section 9(5) is not applicable, the actual supplier will remain liable to pay GST.
- The exemption available to services by way of transportation of goods shall NOT apply to Local delivery services provided by an ECO, or Through an ECO. Hence, local delivery

services via ECO become taxable, even if similar transport services might otherwise be exempt.

- **Exclusions from GTA:** (i) ECO by whom services of local delivery are provided, and (ii) ECO through whom services of local delivery are provided. Thus, ECOs involved in local delivery are expressly kept outside the scope of GTA.
- **Local delivery by ECO Vs. Local delivery through ECO** – In case of local delivery by ECO, The ECO itself provides the delivery service using its own delivery fleet or riders. Eg: Amazon, Flipkart, Swiggy Instamart etc., However, in case of local delivery through ECO, The actual delivery is done by a third-party delivery person, but the service is arranged, booked, or facilitated through the ECO's platform. Eg: Porter, Rapido parcel, Shadowfax, Shiprocket etc.,

Question:

M/s QuickDrop Pvt. Ltd. operates a digital platform in Bengaluru facilitating hyperlocal delivery of goods within the city. During April 2025, the following transactions were undertaken:

- QuickDrop used its own delivery riders to deliver groceries from local shops to customers and collected ₹12,00,000 as delivery charges;
- through its mobile application, QuickDrop connected customers with independent delivery partners (not its employees) for local delivery of parcels and collected ₹18,00,000 as delivery charges from customers;
- Out of the partner-fleet deliveries, ₹5,00,000 pertains to deliveries carried out by M/s SpeedCart, a courier agency which is registered under GST and independently liable to be registered under section 22(1) of the CGST Act, 2017. All the above services are local deliveries provided on or after 01.04.2025. QuickDrop claims that the services are exempt as transportation of goods and also contends that, in respect of partner-fleet deliveries, the services are not provided by it but by third parties.

In the light of the provisions of section 9(5) of the CGST Act, 2017, Notification No. 17/2025–CT (Rate) dated 17.09.2025, and the amendment to the exemption notification and definition of GTA effective from 01.04.2025, examine the taxability and determine who is liable to pay GST in respect of the above services. Also, briefly comment on whether QuickDrop can be regarded as a Goods Transport Agency (GTA) for these services.

Answer:

As per Notification No. 17/2025–CT (Rate) dated 17.09.2025, services by way of local delivery have been notified under section 9(5) of the CGST Act, 2017. Consequently, the Electronic Commerce Operator (ECO) is made liable to pay GST on such services, as if it is the supplier of the service. However, this provision does not apply where the actual supplier of such services is independently liable for registration under section 22(1) of the CGST Act, 2017.

Further, the exemption for transportation of goods has been amended to specifically exclude local delivery services provided by or through an ECO. Therefore, such services are not eligible for exemption. Moreover, with effect from 01.04.2025, the definition of Goods Transport Agency (GTA) has been substituted to exclude an ECO by whom or through whom local delivery services are provided, and hence QuickDrop cannot be treated as a GTA for these services.

Applying the above provisions to the given facts, the tax liability is determined as under:

Particulars	Amount (₹)	Nature of Service	Person liable to pay GST	Reason
Own-fleet deliveries by QuickDrop	12,00,000	Local delivery by ECO	QuickDrop (ECO)	Own supplies and GST not payable under Section 9(5)

				(paid through ECL as well as ECRL)
Partner-fleet deliveries through platform (excluding SpeedCart)	13,00,000	Local delivery through ECO	QuickDrop (ECO)	Notified u/s 9(5); liability shifts to ECO – Paid only through ECL
Deliveries by SpeedCart (registered)	5,00,000	Local delivery through ECO	SpeedCart (supplier)	Exception applies as supplier is independently liable u/s 22(1)

Thus, GST shall be payable by QuickDrop Pvt. Ltd. on delivery charges of ₹25,00,000 (₹12,00,000 + ₹13,00,000). In respect of ₹5,00,000 attributable to M/s SpeedCart, GST shall be payable by SpeedCart itself, since it is independently liable for registration.

Further, QuickDrop’s contention that the services are exempt as transportation of goods is not valid, since the exemption does not apply to local delivery services provided by or through an ECO.

Also, QuickDrop cannot be regarded as a GTA, as the amended definition of GTA specifically excludes ECOs providing or facilitating local delivery services with effect from 01.04.2025.

RATE OF GST ON GTA INCREASED TO 18%.

GTA has an option to choose either FCM [GST @ **18% (with ITC)** (or) 5% (without ITC)] or RCM (GST@5%) during a Financial Year. However, Such option should be selected between 1st Jan & 31st March of previous year & option once selected remains till the subsequent selection is made.



Question:

M/s SwiftRoad Carriers, a Goods Transport Agency (GTA) registered under GST in Maharashtra, has exercised the option to pay GST under Forward Charge Mechanism (FCM) for the Financial Year 2025–26 within the prescribed time (between 1st January and 31st March of the previous year). Accordingly, it is eligible to charge GST @ 18% with full ITC or GST @ 5% without ITC on its outward supplies, at its option, for each consignment. For the month of August 2025, the following details are available:

Outward Supplies (Freight Charges Billed)

Particulars	Taxable Value (₹)	GST Rate Charged
Freight billed to registered manufacturing companies	18,00,000	18%
Freight billed to traders opting for concessional rate	12,00,000	5%

Inward Supplies during the Month (August 2025)

S. No.	Nature of Inward Supply	Taxable Value (₹)	CGST (₹)	SGST (₹)	Total GST (₹)
1	Inputs (Diesel, spares & consumables)	3,00,000	27,000	27,000	54,000

2	Input Services (Vehicle repair & maintenance)	2,00,000	18,000	18,000	36,000
3	Capital Goods (Purchase of truck)	10,00,000	90,000	90,000	1,80,000
	Total	15,00,000	1,35,000	1,35,000	2,70,000

Assume that:

- All inward supplies are used exclusively for GTA services.
- There are no exempt supplies other than the GTA services taxed @ 5% without ITC.
- Ignore time of supply and any ineligible ITC provisions under section 17(5).
- All values are exclusive of GST.

Compute the net GST payable in cash by M/s SwiftRoad Carriers for the month of August 2025 under the CGST and SGST Acts.

Answer:

GTA paying tax @ 5% is not eligible for ITC. Hence, supplies taxed @ 5% are to be treated as “non-ITC eligible / exempt” for Rule 42 reversal purposes. Since common inputs, input services and capital goods are used for both Proportionate ITC reversal is required under Section 17(2) read with Rule 42 & Rule 43.

Inward supplies used commonly for both:

Particulars	CGST (₹)	SGST (₹)
Inputs	27,000	27,000
Input Services	18,000	18,000
Capital Goods	90,000	90,000
Total ITC	1,35,000	1,35,000
(-) ITC attributable to exempt supply (12/30)	(54,000)	(54,000)
Net Eligible ITC	₹81,000	₹81,000

Output GST Liability

Particulars	Taxable Value (₹)	Rate	CGST (₹)	SGST (₹)
GTA services @ 18%	18,00,000	9% + 9%	1,62,000	1,62,000
GTA services @ 5%	12,00,000	2.5% + 2.5%	30,000	30,000
Total Output Tax			1,92,000	1,92,000
(-) Eligible ITC			(81,000)	(81,000)
Net GST payable			₹1,11,000	₹1,11,000

TIME OF SUPPLY (TOS)

Goods (Sec. 12)	Time of Supply	Services (Sec. 13)
Sec. 12(1)	Liability to pay GST based on TOS	Sec. 13(1)
Sec. 12(2)	ToS in case of FCM	Sec. 13(2)
Sec. 12(3)	ToS in case of RCM	Sec. 13(3)
Sec. 12(4)	ToS in case of Vouchers	Sec. 13(4)
Sec. 12(5)	ToS in residual cases	Sec. 13(5)
Sec. 12(6)	ToS in case of interest/late fee/penalty for delay in receipt of consideration	Services (Sec. 13)

Sec. 12(4) & 13(4), which prescribes the TOS in case of vouchers is omitted and at present TOS for goods (or) services supplied against such vouchers is to be determined as per regular provisions of Sec. 12/Sec. 13.

Question:

ZenFit Wellness Pvt. Ltd., a company registered under GST in Maharashtra, provides taxable wellness and physiotherapy services. On 10th January 2026, ZenFit issued gift vouchers worth ₹5,00,000 to Corporate Solutions Ltd. after receiving the full consideration on the same date. The vouchers were redeemable by the employees of Corporate Solutions Ltd. for availing services within six months. ZenFit treated the issuance of vouchers as a taxable supply and paid GST accordingly in January 2026.

Out of the said vouchers, vouchers worth ₹3,50,000 were redeemed on 20th February 2026, vouchers worth ₹1,00,000 were redeemed on 15th April 2026, and the balance vouchers worth ₹50,000 remained unredeemed even after expiry. Invoices for the services rendered by Zenfit Wellness Pvt. Ltd. is raised on 18th March 2026 for ₹4,50,000 to the customers who redeemed or intended to redeem the vouchers against services.

Assuming that the applicable GST rate on the services is 18% and ignoring input tax credit and exemptions, determine the correct time of supply of services, the taxability of

unredeemed vouchers, and compute the GST payable for the relevant tax periods, giving reasons in brief.

Answer:

As per the CBIC clarification on vouchers, transactions in vouchers themselves are neither a supply of goods nor a supply of services, and GST is leviable only on the underlying goods or services when such vouchers are redeemed.

Further, vide the Finance Act, 2025, the specific provisions relating to time of supply of vouchers have been omitted, and vouchers are now treated merely as a mode of consideration. Accordingly, the date of redemption of the voucher is to be treated as the date of receipt of payment for the purpose of determining the time of supply of the underlying goods or services. In the present case, ZenFit issued vouchers worth ₹5,00,000 on 10th January 2026 and received the consideration on that date. However, since issuance of vouchers is not a supply, GST was not correctly payable in January 2026. The time of supply of services arises only when the vouchers are redeemed.

Therefore, in respect of vouchers worth ₹3,50,000 redeemed on 20th February 2026, the time of supply for services under Sec. 13(2) of CGST Act, as invoice is issued within due date, shall be -

- a) Date of invoice – 18th March 2026 and
- b) Date of payment received - 20th February 2026, being the date of receipt of consideration in terms of redemption, Whichever is earlier i.e., 20th February 2026.

Similarly, in respect of vouchers worth ₹1,00,000 redeemed on 15th April 2026, the time of supply for services under Sec. 13(2) of CGST Act, as the invoice is issued prior to supply of service, shall be -

- a) Date of invoice – 18th March 2026 and
- b) Date of payment received - 15th April 2026, being the date of redemption of voucher, whichever is earlier i.e., 18th March 2026.

As regards the balance vouchers worth ₹50,000 which remained unredeemed (breakage), the CBIC has clarified that where vouchers are not redeemed, there is no supply of underlying goods or services, and the amount retained cannot be treated as consideration for any supply. Accordingly, no GST is payable on such unredeemed vouchers.

VALUE OF SUPPLY

- Earlier CBIC issued a Circular wherein supplier shall obtain a declaration from recipient / certificate from CA/CMA of recipient to ensure that recipient reversed ITC based on credit note issued by supplier.
- At present, this Circular is omitted.
- If credit notes are issued to unregistered recipient, question of ITC reversal shall not arise and supplier can report in GSTR-1 and liability of supplier gets reduced in GSTR-3B.
- If credit notes are issued to registered recipient and reported in GSTR-1, it is reflected in Invoice Management System (IMS) of recipient and in GSTR-2B as ITC reversal.

TREATMENT OF SECONDARY (OR) POST SUPPLY DISCOUNT: - CBIC CIRCULAR

Situation	GST liability of supplier	ITC of recipient	Tax treatment
Financial/Commercial Credit Note (Not u/s 34)	Not reduced	Fully available & not required to reverse	Treated as Post-supply discount
Credit Note u/s 34	Reduced	Proportionate ITC reversed	Reported in GSTR-1 & GSTR-3B
Discount by manufacturer dealer as an inducement to sell to end customer	GST applicable to Dealer	ITC available to manufacturer based on dealers invoice	Discount received = Consideration earned by dealer
Discount by manufacturer to dealer for specific sales promotion services	GST applicable to Dealer	ITC available to manufacturer based on dealers invoice	Such discount is consideration for sales promotion service.
Discount by manufacturer to dealer for generic promotion	NO GST to Dealer	ITC not required to be reversed by Dealer	Discount received \neq consideration

Question:

Alpha Motors Ltd., a manufacturer of electronic appliances, supplies goods to Beta Distributors, a registered dealer, on principal-to-principal basis. During the month of December 2025, the following transactions took place:

1. Alpha Motors sold goods to Beta Distributors for a list price of ₹50,00,000 plus GST @ 18%. After the end of the month, Alpha Motors issued a financial/commercial credit note of ₹2,00,000 to Beta Distributors towards year-end performance incentives. The said credit note was not linked to any pre-agreed discount and no GST credit note was issued. Beta Distributors made payment to Alpha Motors after adjusting the said amount.
2. Out of the above goods, Beta Distributors sold certain goods to end customers at a discounted price of ₹55,00,000 as per a pre-existing agreement between Alpha Motors and the end customers. To enable this, Alpha Motors issued a financial credit note of ₹1,50,000 to Beta Distributors.
3. Separately, Beta Distributors undertook a special advertising and co-branding campaign for Alpha Motors as per a written agreement, for which Alpha Motors agreed to pay a fixed consideration of ₹1,00,000.

You are required to compute the amount of ITC, if any, to be reversed by Beta Distributors, and the GST payable, if any, by Beta Distributors and/or Alpha Motors on the above transactions.

Answer:

As per Section 16(1) of the CGST Act, 2017, a registered person is entitled to avail input tax credit (ITC) of the tax charged on supplies used in the course or furtherance of business. Further, as clarified by CBIC Circular No. 251/08/2025-GST, where a supplier issues financial/commercial credit notes (and not GST credit notes), the supplier is not entitled to reduce his output tax liability and, correspondingly, the tax charged from the recipient also does not get reduced. In the present case, Alpha Motors Ltd. sold goods to Beta Distributors for ₹50,00,000 plus GST @ 18% amounting to ₹9,00,000 and subsequently issued a financial/commercial credit note of ₹2,00,000 towards year-end incentives, which was not pre-agreed. Since this credit note does not result in any reduction in the transaction value or tax liability, Beta Distributors is not required to reverse any ITC attributable to such discount.

Further, in respect of the post-sale discount of ₹1,50,000 given by Alpha Motors to enable Beta Distributors to sell goods to end customers at a discounted price as per a pre-existing agreement between Alpha Motors and the end customers, the CBIC has clarified that such discount is in the nature of an inducement for the supply of goods by the dealer to the end customer and, therefore, forms part of the overall consideration for such supply by the dealer to the end customer. Therefore, value of supply shall be ₹55,00,000 + ₹1,50,000 = ₹56,50,000 and GST payable on above is ₹56,50,000 X 18% i.e., ₹10,17,000. However, this does not affect the original supply from Alpha Motors to Beta Distributors and does not require any reversal of ITC by Beta Distributors in respect of the original purchase.

Separately, Beta Distributors has undertaken special advertising and co-branding activities for Alpha Motors for a fixed consideration of ₹1,00,000 under a written agreement. As clarified, where a dealer undertakes specific promotional activities for the manufacturer for a clearly defined consideration, such activity constitutes a distinct supply of service by the dealer to the manufacturer and is liable to GST. Accordingly, Beta Distributors is liable to pay GST @ 18% on ₹1,00,000 i.e., ₹18,000.

REGISTRATION

SIMPLIFIED GST REGISTRATION

Person whose estimated total liability \leq ₹2,50,000 p.m. Can opt for registration electronically. Based on data analysis & risk parameters, registration granted within 3 working days.



Sub-rule	Provision Summary
(1)	Eligibility: Any applicant under Rule 8 (i.e., new GST registration applicant) whose total monthly output tax liability \leq ₹2.5 lakh may opt for registration under this simplified route.
(2)	Aadhaar authentication mandatory. Persons not opting for Aadhaar authentication (except those notified under Section 25(6D)) are not eligible .
(3)	Only one registration per PAN per State/UT under this rule.
(4)	After successful Aadhaar authentication, registration to be granted electronically within 3 working days .
(5)	Withdrawal from this scheme: The taxpayer can exit by filing Form GST REG-32 , provided— (a) 3 months' returns filed (if before 1 Apr 2026) (b) 1 tax period's return filed (if after 1 Apr 2026) (c) All returns up to withdrawal date filed.
(6)	Any change in registration particulars (filed in REG-01) must be updated under Rule 19 before applying for withdrawal.
(7)	While processing withdrawal application, Aadhaar or biometric verification and document verification may be done based on risk parameters .
(8)	Acknowledgment procedure under Rule 8(5) & (6) applies mutatis mutandis to the withdrawal application.
(9)	Withdrawal application will be verified as per Rule 9 .
(10)	After verification, officer will issue— Order approving withdrawal (Form REG-33) , or Order rejecting application (Form REG-05) —within the same time period as Rule 9.
(11)	Once withdrawal order is issued, taxpayer can report output tax liability exceeding ₹2.5 lakh/month only from the following month .
(12)	For prior periods (before withdrawal order month), taxpayer cannot revise tax liability beyond ₹2.5 lakh/month.
(13)	If cancellation proceedings under Section 29 are initiated after withdrawal application, the withdrawal will be rejected , and deemed approval under Rule 9(5) will not apply.

Simplified GST Registration and Withdrawal Process [Rule 14A]



Question:

M/s BrightEdge Solutions, a partnership firm located in Tamil Nadu, is engaged in providing taxable services exclusively to registered persons. Its total output tax liability (CGST + SGST + IGST + Cess) on such supplies is ₹2,10,000 per month. On 5th August 2026, the firm applied for GST registration through the common portal under Rule 8 and opted for Aadhaar authentication. Based on data analysis and risk parameters, the application was identified as low risk.

In another case, M/s Zenith Traders, a sole proprietorship in the same State, has a monthly output tax liability of ₹3,20,000 on supplies made to registered persons. It also applied for registration on 5th August 2026 but did not opt for Aadhaar authentication.

Further, Mr. R, who is already registered in Karnataka under the same PAN, applies for another registration in Karnataka on 10th August 2026 by opting for the facility under Rule 14A.

Assume that none of the applicants are persons notified under section 25(6D) of the CGST Act.

You are required to answer, with reasons:

- (a) Whether M/s BrightEdge Solutions is eligible to be granted registration electronically within three working days? If yes, under which rule and why?
- (b) Whether M/s Zenith Traders can be granted registration under Rule 14A? State the reason for your answer.
- (c) Whether Mr. R can obtain another registration in the same State under Rule 14A against the same PAN?
- (d) If M/s BrightEdge Solutions later wishes to withdraw the option availed under Rule 14A, which form should be used and what would be the consequence?

Answer:

- (a) As per Rule 14A of the CGST Rules, 2017, any person whose total output tax liability (CGST + SGST/UTGST + IGST + Cess) on supplies made to registered persons does not exceed ₹2,50,000 per month may opt for electronic grant of registration. If such option is availed and Aadhaar authentication is successfully completed, registration shall be granted within 3 working days from the date of application. In the given case, M/s BrightEdge Solutions has a monthly output tax liability of ₹2,10,000, which is within the prescribed limit, and it has opted for Aadhaar authentication. Further, the application is identified as low risk. Hence, M/s BrightEdge Solutions is eligible to be granted registration electronically within 3 working days under Rule 14A read with Rule 9A.
- (b) Rule 14A provides that any person who has not opted for Aadhaar authentication shall not be eligible for grant of registration under this rule. Further, the benefit is available only if the monthly output tax liability does not exceed ₹2,50,000. In the given case, M/s Zenith Traders has a monthly output tax liability of ₹3,20,000, which exceeds the threshold limit, and it has not opted for Aadhaar authentication. Therefore, M/s Zenith Traders is not eligible to be granted registration under Rule 14A.
- (c) As per Rule 14A, notwithstanding anything contained in Rule 11, a person registered under this rule in a State or Union territory shall not be eligible to obtain another registration in the same State or UT under this rule against the same PAN. Since Mr. R is already registered in Karnataka under the same PAN and seeks another registration in the same State by opting for Rule 14A, he is not eligible to obtain such registration under this rule.
- (d) The rules provide that the option availed under Rule 14A can be withdrawn subject to prescribed conditions. For this purpose, the taxpayer is required to file FORM GST REG-32 (Application for Withdrawal). Upon acceptance, the proper officer shall pass an order in FORM GST REG-33. Accordingly, if M/s BrightEdge Solutions wishes to withdraw the option, it must apply in FORM GST REG-32, and the withdrawal order will be issued in FORM GST REG-33.