



THAT'S IT ON

GOODS AND SERVICES TAX (GST)

© THARUN RAJ

**For CA INTERMEDIATE
MAY & NOV '24 EXAMS
(New Syllabus)**

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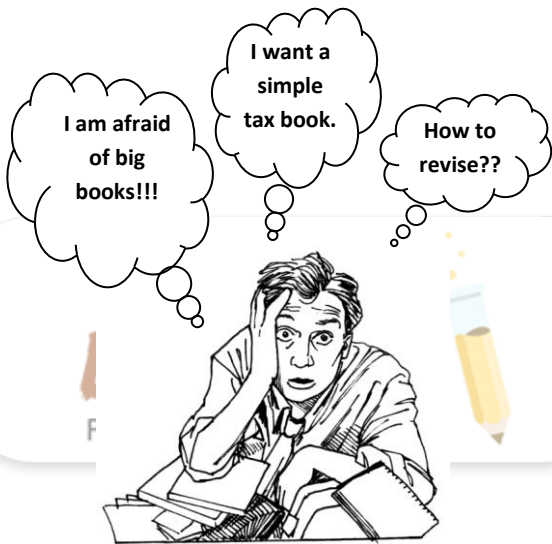
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PREFACE



This book is designed to cater the above needs of every student.

FOREWORD

The CA profession is a dizzy road with thorns for an ultimate bliss in life. The student must undergo intensive coaching and learn many new concepts which are of divergent nature say it be accounts, audit, tax, costing, law etc., On my interaction with many students at Inter level, I came to know that they are very much in need of a simple indirect tax book covering all topics which helps them to revise the subject from time to time and one day before exam.

As a faculty, it is a herculean task for me to make things simple - to the point and at the same time ensuring that the essence of law in indirect tax is not missed.

It took me a considerable amount of time and I sincerely thank the almighty and my family for enabling me to put enough efforts required to bring this novel concept into your hands.

However, the detailed information may not be available in this book, but I ensured that the crux required for appearing exams is covered. It is always advisable to read the main text and base this book as a revision exercise.

By the Author



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AMENDMENTS

In this book all amendments for May ' 24 Exams are covered and denoted with **A** and below is the index of amendments for easy reference (Video explanation is in Tharun's Brainery YouTube channel).

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BRAINERY
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VARIOUS ABBREVIATIONS USED IN THIS BOOK

ADOI	Actual date of invoice
AJP	Artificial Juridical Person
ATO	Aggregate Turnover
AWB	Air Way Bill
B2B	Business to Business – Recipient is Registered
B2C	Business to Consumer – Recipient is unregistered
BC	Body Corporate
BG	Bank Guarantee
CaGo	Capital Goods
CESS	Compensation Cess
CG	Central Government
CGST	Central Goods and Services Tax
CTP	Casual Taxable Person
CVD	Counter Veiling Duty
DDOI	Due date of invoice
DOC	Date of Completion
DOI	Date of Invoice
DOP	Date of Payment
DTA	Domestic Tariff Area
ECL	Electronic Cash Ledger
ECO	E Commerce Operator
ECRL	Electronic Credit Ledger

ELL	Electronic Liability Ledger
FCM	Forward Charge Mechanism
FG	Finished Goods
FM	Finance Minister
GAAP	Generally Accepted Accounting Principles
GSTC	GST Council
GSTN	GST Network
GSTR	GST Returns
HUF	Hindu Undivided Family
IFF	Invoice Furnishing Facility
IGST	Integrated Goods and Services Tax
IPR	Intellectual Property Rights
IS	Input Services
ISD	Input Service Distributor
ITC	Input Tax Credit
JSON	Java Script Object Notation
LOR	Location of Recipient
LOS	Location of Supplier
LR	Lorry Receipt
MOT	Merchant Overtime Charges
MP	Member of Parliament
NBFC	Non Banking Finance Company
NRTP	Non Resident Taxable Person
NTOR	Non taxable online recipient
NTR	Non taxable recipient

OIDAR	Online Information database access or Retrieval
P&M	Plant & Machinery
POS	Place of Supply
QR	Quick Reference Code
QRMP	Quarterly Return Monthly Payment
RBI	Reserve Bank Of India
RCM	Reverse Charge Mechanism
RM	Raw Materials
RP	Registered Person
RR	Railway Receipt
SAD	Special Additional Duty
SEZ	Special Economic Zone
SG	State Government
SGST	State Goods and Services Tax
SWS	Social Welfare Surcharge
TCS	Tax Collected at Source
TDS	Tax Deducted at Source
TOS	Time of Supply
U/S	Under Section
URP	Unregistered Person
UTGST	Union Territory Goods and Services Tax
VAT	Value Added Tax
WIP	Work In Progress

THAT'S IT – 1

INTRODUCTION TO GST

GST is implemented in India w.e.f 1/7/17.

HOW GST IS FORMED?

1. All indirect taxes levied in the past by CG (Excise duty, Service tax, Central Sales tax) got subsumed into GST. [CST even though levied by CG but collected & retained by SG]
2. Customs duty is outside the ambit of GST
3. However, additional customs duties, Counter Veiling Duty (CVD) to counter-balance excise duty and Special Additional Duty (SAD) to counter-balance sales tax, is subsumed into GST
4. Indirect taxes levied in the past by SG (VAT, Advertisement Tax, Luxury Tax, Entertainment Tax, Betting Tax, Purchase Tax i.e., Octroi) got subsumed into GST
5. However, Entertainment Tax or other taxes levied by local authorities **not got subsumed into GST**

India has adopted dual GST model through Constitution (101st Amendment Act), 2016 from Brazil and Canada, where both CG & SG has power to levy tax on the common tax base (i.e., Value)

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***GST Council:-**

1. Article 279A of constitution
2. Constituted by President of India
3. Union FM is its Chairman.
4. State FM & MP of state affairs in charge of revenue are its members. (In total, 33 members | Quorum = 50% | CG Vote = 1/3rd weight | SG Vote = 2/3rd weight | Weighted majority required to take a decision = 3/4th)
5. Decision making Body of GST.

TYPES OF GST:

1. CGST – Central Goods and Services Tax – Levied on intra-state supply by CG.
2. SGST – State Goods and Services Tax – Levied by SG on intra-state supply [For 28 states + 3 UT's with state legislature]
3. UTGST – Union Territory Goods and Service Tax – Levied by CG on intra-state supply [For UT's without state legislature]
4. IGST – Integrated Goods and Services Tax – Levied by CG on inter-state supply
5. GST Comp. Cess shall be levied on notified goods by CG – to compensate loss of tax revenue to states on account of implementation of GST upto 31/03/2026

Note: IGST is levied by Central Government and 50% out of that is transferred to state based on Place of Supply (POS). If POS cannot be ascertained, it shall be paid to consuming state.

INTRA-STATE SUPPLY SEC. 8 OF IGST ACT:

Location of Supplier and Place of Supply is in Same state (or) Same UT

INTER-STATE SUPPLY SEC. 7 OF IGST ACT:

Location of Supplier and Place of Supply is in two different state (or) two different UT's (or) a state and a UT.

Note: Generally, location of recipient considered as place of supply

ZERO-RATED SUPPLIES:

Meaning	<ol style="list-style-type: none"> 1. Export of goods or Services 2. Supplies to SEZ unit/Developer
Whether GST paid on inward supply?	Yes and can be availed as ITC

Option (i)	Pay IGST on outward supply by utilizing ITC and get the refund of gross IGST
Option (ii)	Don't pay any GST on outward supply but get refund of ITC w.r.to GST paid on inward supply i.e., inputs and input services.

- State of J&K is divided into two Union territories – UT of Ladakh (UT without state legislature where UTGST Act is applicable) and UT of J & K (UT with state legislature where SGST Act is applicable).
- UT of Dadra & Nagar Haveli and UT of Daman & Diu got MERGED into single UT.

GST NETWORK [SEC.146 - CGST ACT]:

- It provides information technology infrastructure for implementation of GST. It is referred to as common portal and provides services to tax payers, CG, SG, banks and other stakeholders.
- It facilities registration, payment to tax, furnishing of returns, settlement of IGST, E-way bill etc.

THAT'S IT – 2 SUPPLY UNDER GST

Levy of GST = Taxable Event under GST = SUPPLY of goods or services or both

Supply – Sec. 7 of CGST Act, 2017

7(1) – Includes

7(1A) – Classification of supply as goods and services (Read with Schedule II)

7(2) – Excludes (Read with Schedule III)

7(3) – CG on the recommendations of GST council is empowered to notify Supply of goods as supply of services and viceversa

7(1) - Supply INCLUDES

7(1)(a) - Any activity for **consideration** in the course or furtherance of **business**

7(1)(aa) - Any activity **between a [person other than Individual], and [its members]** for a consideration

7(1)(b) - Import of services for **consideration**, **whether or not** in the course or furtherance of **business**

Eg: Netflix, Amazon prime, Zoom, Cloud storage

7(1)(c) - Activities in Schedule I even though **not for consideration**

D - Disposal of business assets on which ITC has been availed

R - Related party transactions (incl. transaction between distinct persons)

I - Import of services by a person from related persons or establishment outside India

P - Principal Agent transactions w.r.to Goods, when agent is acting on behalf of principal

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If an activity is not covered in Sec. 7(2) - Exclusions, then Sec. 7(1) should be checked. If such activity is not in Sec. 7(1), then such activity is not a supply

7(2) - Supply EXCLUDES (Read with Schedule III)

S - Sovereign Functions of Govt

(All activities of Govt. other than

- Department of post
- Transportation of goods or passengers
- Airport or Port
- Services to business entities)

Treated
as
supply

P - Posts (Govt, Constitutional and Nominated)

A - Actionable Claims other than lottery, betting and gambling

L - Legal Fees collected by Court or Tribunal

L - Land Sale (incl. Sale of immovable property, where entire consideration is received after obtaining completion certificate or First occupation whichever is EARLIER)

E - Employee to Employer in the course of employment

D - Death related (Funeral, Burial, Mortuary etc.,)

S - Sale in High Seas (i.e., Sale before Import)

L - Liquor Licence by SG

O - Outside the country movement of goods

W - Warehoused goods soled under Customs

Note:

1. Gifts by employer to employee not exceeding ₹50,000 p.a per employee is excluded from supply. If value of gift > ₹50,000, entirely it is treated as supply.
2. Specified Actionable Claims [HC BLOG] – Horse racing, Casinos, Betting, lottery, Online gaming (incl. online money gaming), Gambling. A

CBIC CIRCULAR RELATED TO SEC.(7)(2) OF CGST ACT.**CBIC Circular**

Sale of land after some development such as levelling, laying down drainage lines, electricity lines etc., is also sale of land and excluded from supply. However, Services provided for development of land is not excluded from supply and shall attract GST.

CBIC Circular

Perquisites provided by the employer to employee in terms of contractual agreement entered into between them, will not be subject to GST when the same are provided in terms of contract.

Summary of Sec. 7(1):

Sec.	Nature of Supply	Consideration	Course or furtherance of business	Point of View
7(1)(a)	Any Activity	✓	✓	S
7(1)(aa)	Any activity between (Persons Other than individual) and (it's members)	✓	✓	S
7(1)(b)	Import of services	✓	✓/X	R
7(1)(c) read with Sch. I	D	X	✓/X	S
	R	X	✓	S
	I	X	✓	R
	P	X	✓	S

*S = Supplier & R = Recipient

#D = Disposal of business asset on which ITC availed

R = Related party transactions (incl. transaction between distinct persons)

I = Import of services from a related person or another establishment located outside India

P = Principal – Agent Transactions (Only goods)

IMPORTANT DEFINITIONS/POINTS:

I. MEANING OF GOODS & SERVICES:

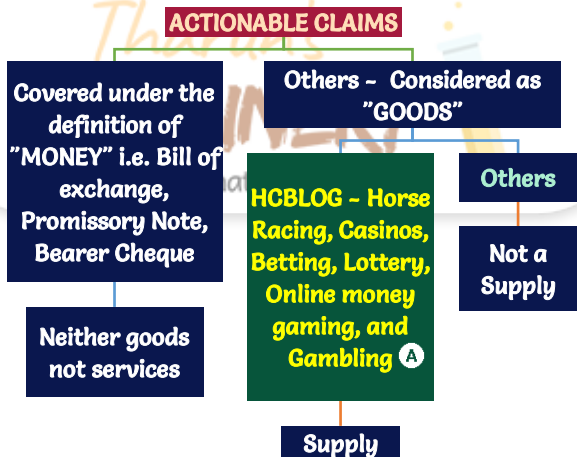
	Section 2(52)	Section 2(102)
	GOODS	SERVICES
MEANS	Any kind of movable property	Anything other than goods
INCLUDES	<ul style="list-style-type: none"> ⊃ Actionable Claims ⊃ Growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply. 	<ul style="list-style-type: none"> ⊃ Transaction in money for a separate consideration ⊃ Facilitating or arranging transaction in securities is included in services (Eg. Stock broking, depository)
EXCLUDES	<ul style="list-style-type: none"> ⊃ Money ⊃ Securities 	

Actionable claims = An Instrument which entitles

1. Right to receive a benefit or recover a debt,
2. which is transferable and
3. legally enforceable and
4. holder of such right is entitled to receive benefit or recover debt.

Ex. Bill of Exchange, Promissory Note, Lottery and bearer cheque etc.

II. GST ON ACTIONABLE CLAIM:



IMPORTANT POINTS RELATING TO SPECIFIED ACTIONABLE CLAIMS ^A

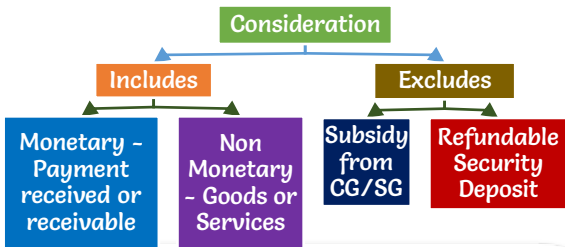
- "**Online Gaming**" means offering of a game on the internet or an electronic network and includes online money gaming;



- "**Online Money Gaming**" means online gaming in which players pay or deposit money or money's worth, including virtual digital assets, in the expectation of winning money or money's worth, including virtual digital assets, in any event including game, scheme, competition or any other activity or process, **whether or not its outcome or performance is based on skill, chance or both** and whether the same is permissible or otherwise under any other law for the time being in force.

Money = Indian currency (or) Foreign Currency (or) Any instruments recognized by RBI but does not include old currency, which is not in circulation.
[Sale of crypto & sale of old coins, treated as Supply of goods]

III. MEANING OF CONSIDERATION – S. 2(31):



- ⇒ Consideration can be received from recipient or any other person (Presence of Consideration is relevant)
- ⇒ Consideration should be in respect of, in response to, or for the inducement of supply of goods or services
- ⇒ Activity without consideration (or) Consideration without activity; is not a supply u/s 7(1)(a)

Donations

Conditional - Obligation on supplier to do something

Treated as consideration

Supply u/s 7(1)(a)

Unconditional - No obligation on supplier to do anything

Not treated as consideration

Not a supply

If Donor name displayed anywhere in the premises against donation: (Not Obligated)

Business Name displayed - Supply u/s 7(1)(a)

Display of name does not result into business advantage - Not a supply

IV. MEANING OF PERSON – S. 2(84):



Person under IT Act, 1961:- An individual, a HUF, a Company, A Firm, an AOP, local authority, Artificial Juridical person & other body corporate.

V. MEANING OF BUSINESS – S. 2(17):

- a) Any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;
- b) Any activity in connection with or incidental or ancillary to sub clause (a)
- c) Above activity, whether or not there is volume, frequency, continuity or regularity;
- d) Supply or acquisition of goods including capital goods and services in connection with commencement or closure of business.
- e) Provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities to its members; Maintenance charges collected by Resident welfare association
- f) Admission, for a consideration, of persons to any premises; Entry tickets
- g) Services supplied by a person as the holder of an office which has been accepted by him in the course or furtherance of his trade,

- profession or vocation; [CA becoming central council member]
- h) activities of a race club including by way of totalisator or a license to book maker or activities of a licensed book maker in such club; and [Race Club incl. betting transactions]
- i) Any activity or transaction undertaken by the CG, SG or any local authority in which they are engaged as public authorities; [Govt Activities]

VI. MEANING OF RELATED: [TRANSACTION VALUE U/S 15 NOT APPLICABLE AND VALUE DETERMINED IN TERMS OF RULES]

As per Explanation to Section 15, persons shall be deemed to be related if –

1. such persons are officers or directors of one another's businesses; – Mr. X is appointed as officer of Mr. Y's business and Mr. Y is appointed as officer of Mr. X's business. Now Mr. X and Mr. Y are related.
2. such persons are legally recognised partners in business; – Partners in a firm are related

3. such persons are employer and employee¹;
4. any person directly or indirectly owns, controls or holds twenty-five per cent. or more of the outstanding voting stock or shares of both of them; - Mr. A invests $\geq 25\%$ in X Ltd. and $\geq 25\%$ in Y Ltd. Now X Ltd. and Y Ltd. are related
5. one of them directly or indirectly controls the other; - Meaning of control - Investment $> 50\%$, (or) Majority common BOD, (or) Controlling operations.
6. both of them are directly or indirectly controlled by a third person; - X Ltd. is controlled by A Ltd. and Y Ltd. controlled by A Ltd., Now X Ltd. and Y Ltd. are related;
7. together they directly or indirectly control a third person; - X Ltd. invested 28% in A Ltd. and Y Ltd. invested 30% in A Ltd. As both X Ltd. and Y Ltd. together control A Ltd., X Ltd. and Y Ltd. are related;
8. they are members of the same family; (Family MEANS the spouse and children of the person, whether or not dependent and the parents, grandparents, brothers and sisters of the person if they are wholly and mainly dependent on the said person)

¹ However, services by employee to employer in the course of employment is not treated as supply as per schedule III of CGST Act, 2017.

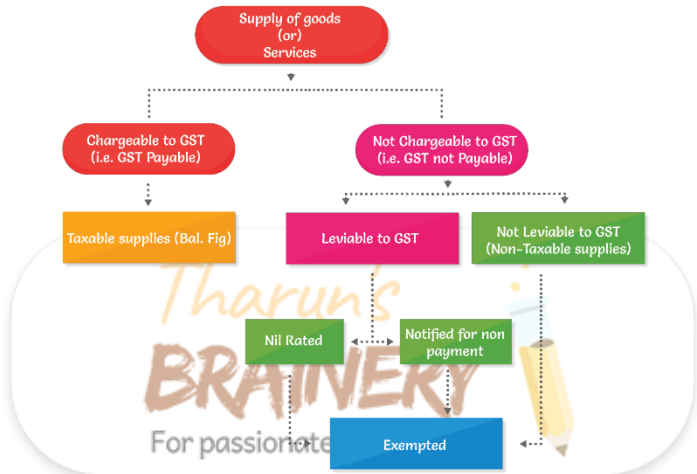
9. **sole agent** or sole distributor or sole concessionaire, howsoever described, of the other, shall be deemed to be related.

VII. MEANING OF VARIOUS SUPPLIES:

	Taxable Supply	Exempted Supply	Non-taxable supply	Zero rated supply
Section	2(108) of CGST Act, 2017	2(47) of CGST Act, 2017	2(78) of CGST Act, 2017	16 of IGST Act, 2017
MEANS	G/S/GS, which is leviable to tax	G/S/GS, Which attracts nil rate of tax (or) Wholly exempt from tax and includes non-taxable supply	G/S/GS, which is not liable to tax	Supply of G/S/GS: a) Export b) Supply to SEZ unit/ Developer

Goods not liable to tax – 1) Alcoholic Liquor for Human Consumption & 2) Petroleum products –

Crude Oil, Petrol, Diesel, Aviation Turbine Fuel and Natural Gas



VIII. MEANING OF AGGREGATE TURNOVER:

As per Sec. 2(6) of CGST Act, 2017 AGGREGATE TURNOVER **MEANS** aggregate value of

- ➔ Taxable supplies
- ➔ Exempt supplies²
- ➔ Exports

² Includes Non-taxable supplies or nil rated supplies

⇒ Interstate supplies³

Of persons having same PAN, to be computed on all India basis.

BUT EXCLUDES

- ⇒ Inward supplies on which tax is payable by a person on reverse charge basis
- ⇒ CGST/SGST/UTGST/IGST/Comp. Cess

IX. GST ON SALE OF FLATS/BUILDINGS:

Before obtaining Earlier of CC or FO	After obtaining Earlier of CC or FO	GST	Nature
Money* Received	-	Payable	Works Contract Service
-	Money* received	Not payable (i.e. Excluded from supply)	Sale of immovable property

³ Includes supplies to SEZ unit/Developer (Even though it is zero rated, it is included in aggregate turnover)

Part Money* received	Remaining Money* received	Payable on entire Money*	Works Contract Service
----------------------	---------------------------	--------------------------	------------------------

*Money = Consideration (Monetary/Non-Monetary)

CC = Completion Certificate (Issued by competent authority)

FO = First Occupation = Date on which a flat is occupied by the buyer in the project (It is deemed as completion and remaining flats un-booked excluded from supply)

X. MEANING OF WORKS CONTRACT:

“Works Contract” – A Contract involving transfer of property in goods as well as supply of services, in relation to immovable property against a single consideration. [In earlier indirect tax regime, the same was classified under both goods and services, and in GST it is classified completely as service]

XI. MEANING OF JOB WORK:

“Job Work” – Carrying out any process on the goods belonging to other registered person & the words job worker shall be construed accordingly

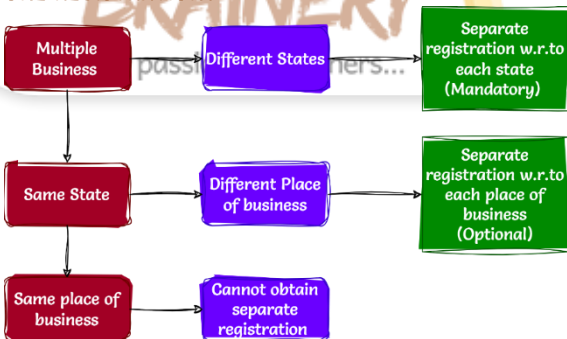
- ⇒ Job-worker (Supplier) may or may not be registered
- ⇒ But principal manufacturer (Recipient) should be registered

- Process carried out may or may not be manufactured
- Job work is supply of service (Usual rate is 6%/12%)
- If recipient is unregistered, it is not job work but treated as some other services (Rate will be 18%)

XII. MEANING OF DISTINCT PERSONS:

Every registration of a person to their another registration is a DISTINCT PERSON

WHEN A PERSON IS REQUIRED TO OBTAIN MORE THAN ONE REGISTRATION?



Note: Another establishment in another state, whether registered or not registered, treated as distinct person

Meaning of recipient

Consideration is payable

Person who is liable to pay consideration

Consideration is not payable - Goods

Person who receives such goods and includes an agent of such person

Consideration is not payable - Services

Person who receives services and includes an agent of such person

XIII. CLASSIFICATION OF SUPPLY INTO GOODS OR SERVICES [SEC. 7(1A) READ WITH SCH. II]:

Activity	Supply of goods	Supply of Services
Movable Property	Transfer of title ⊖ Present (Eg: Sale) ⊖ Future (Eg: Hire Purchase)	Transfer of right to use (Eg: Renting or Leasing)

<p>Immovable Property</p>	<p>Transfer of title</p>	<p>⇒ Construction (Eg: Lifts & Escalators) ⇒ Transfer of right to use (Eg: Renting of land)</p>
<p>IPR</p>	<p>Permanent transfer (Eg: Patent of a technology sold to a company)</p>	<p>Temporary Transfer (Eg: Music director composing music for a movie)</p>
<p>Carrying out process on goods belonging to others</p>	<p>Substantial material required for the process is supplied by supplier</p>	<p>Substantial material required for the process is supplied by recipient</p>
<p>Supply of goods along with services</p>		
<p>Notified Supplies</p>		<p>a) Works Contract b) Information Technology Software c) Supply of food</p>

Other supplies	Classified based on composite & Mixed Supply	
Composite Supply	If principal supply is supply of goods, then entire transaction is supply of goods (Eg: AC + Installation)	If principal supply is supply of service, then entire supply is supply of service (Eg: Coaching + Study Materials)
Mixed Supply	If highest rate supply is supply of goods, then entire transaction is supply of goods (Eg: TV + Optional warranty)	If highest rate supply is Supply of service, then entire transaction is supply of service (Eg: Video Lectures + Pen-drive)
Any other activity	×	Doing an act (or) Not doing an act (or) Tolerating an act
<p>*Supply of goods by an unincorporated association or body to its members is treated as supply of goods is omitted. It may now constitute supply of goods or services, depending upon the supply involved.</p>		

COMPOSITE SUPPLY VS. MIXED SUPPLY

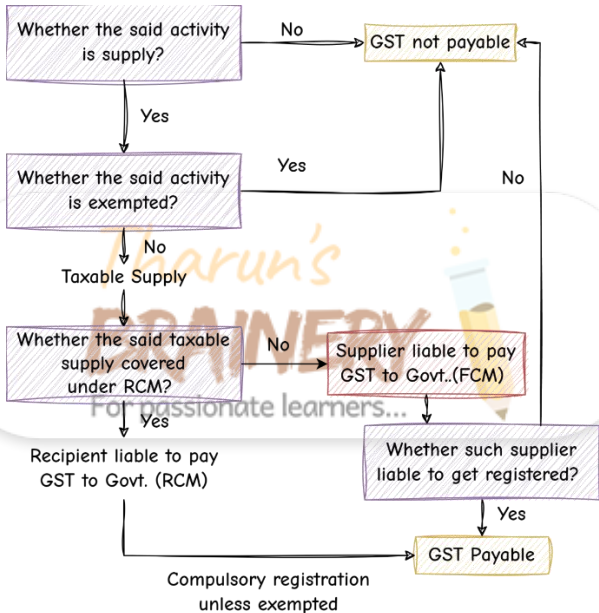
(SEC. 8 OF CGST ACT):

	COMPOSITE SUPPLY	MIXED SUPPLY
Meaning?	Two or more supplies naturally bundled in the ordinary course of business of supplier	Two or more supplies not naturally bundled in the ordinary course of business of supplier
Type of supplies involved?	Taxable supplies	Taxable supplies (or) exempted supplies (or) non-taxable supplies
How the price should be?	Single Price (or) Separate Price	Single Price
Principal supply?	Yes, one of the supplies should be principal supply	Principal supply is not relevant

Rate of GST?	Rate of principal supply is applicable on all supplies	Highest rate out of supplies is applicable on all supplies
Examples?	1. AC + Installation 2. Transportation + Insurance 3. Replacement of parts during servicing of vehicles + Labour Charges	1. Inverter + Battery 2. Renting of building + Renting of Furniture 3. Popcorn + Coke in a Theatre

Note: If there are two or more supplies, which is not a composite supply and also not involving single price, then it is individual supplies and taxable accordingly.

DETERMINING TAXABILITY OF AN ACTIVITY/TRANSACTION



THAT'S IT – 3: LIABILITY TO PAY GST

Section	9(3)	9(4)	9(5)
When applicable?	Notified Goods /Services supplied	Inward supplies by a notified RP from an URP	Supply of notified services through ECO
What are notified?	List of Services [SIRR CG GOT SALADS]	Purchases by a promoter or builder	H = Housekeeping Services (Eg: Urban company) A = Accommodation Services (Eg: Goibibo)

			<p>T = Transportation of passengers service (Eg: Ola, Uber)</p> <p>E = Eating food from restaurant (Eg: Swiggy, Zomato)</p>
Who will pay GST?	Recipient	Recipient	ECO
Supplier	RP/URP	URP	<p>H & A = URP</p> <p>T & E = RP (or) URP</p>

For passionate learners...

SEC. 9(3) READ WITH NOTI. NO. 13/2017 – SERVICES UNDER RCM – SIRR CG GOT SALADS

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
S	Security Lending as per SEBI by lender of securities to borrower of securities	N.A	N.A	N.A
I	Import of Services ^A	Import of other than OIDAR by NTR [OIDAR = Services whose delivery is mediated by	N.A	Import of OIDAR Services by NTOR

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		information technology over internet] [NTR = Unregd. individual for personal purpose, Trust importing for charitable activities and Govt for non-business purpose]		[NTOR = Any unregd. Person or Regd. Person only for deducting TDS]
R	Renting of motor vehicles	1. Hiring of MV > 12 passengers to State	1) Supplier should be other than	If any one condition is not satisfied

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		transport undertaking 2. Hiring of Electric MV > 12 passengers to local authority 3. Hiring of MV that can carry goods to a GTA 4. Hiring of MV to a person providing transportation	body corporate; and 2) Recipient should be body corporate; and 3) Rate of GST should be 5%	

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		services to educational institution providing education upto 12 th standard or equivalent		
R	Renting of residential property	<ol style="list-style-type: none"> 1. Renting to unregistered person 2. Renting to registered individual 	Recipient should be registered	N.A

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		for family stay		
C	Copyright services (i.e., Temporary transfer of IPR)			
	- Original literary	N.A	N.A	If author opts to pay GST under FCM (Lock-in period: 1 year from the date of

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
				exercising option)
	- Dramatic Works	N.A	N.A	N.A
	- Musical Works	N.A	N.A	N.A
	- Artistic Works	N.A	N.A	N.A
G	Goods Transport Agency Services A	1. Notified goods – Agricultural produce, food grains (incl. flours and	N.A	If GTA opts to pay GST under FCM (Lock-in period:

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		<p>pulses, milk and salt), Organic Manure, News papers and magazines, relief materials for natural or man-made disasters, defense and military equipment.</p> <p>2. Recipient is Individual, HUF or AJP, who are</p>		<p>Financial Year)</p> <p>Option to be exercised between 1st Jan to 31st March of preceding FY</p>

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		unregistered and not having a factory 3. Recipient is registered only to deduct TDS under Sec. 51		
G	Government Services to business entities incl. services of parliament (or) state legislature	<u>Specific Exemptions:</u> 1. Right to Information (RTI) Act charges	Not applicable	1. In case of renting of immovable property to an unregistrere

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
	<p>(or) Court (or) Tribunal</p> <p>Note: In case of court (or) tribunal, it is services other than legal fees i.e., renting etc.,</p> <p>Note: Cost of petroleum recovery expenses is by</p>	<p>2. Inter departmental services</p> <p>3. Right to use telecom spectrum allocated before 1/4/16 (Both one-time charges and annual royalty)</p>		<p>d business entity</p> <p>2. In case of supply of goods or services by Indian Railways</p> <p>A</p>

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
	lease holder, which is also exempted.	<p>4. Right to use natural resources allocated before 1/4/16 (Only one-time charges)</p> <p>5. Right to use natural resources to individual farmer</p>		

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		(Assigned any time) – Both one-time charges and annual royalty 6. Merchant Overtime Charges under Customs 7. Safety certificate charges		

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		<p>8. Consideration for tolerating an act</p> <p>9. Share of <u>profit petroleum</u> [Revenue from operations (-) Cost petroleum (-) Royalty] for assigning right to extract petroleum crude or natural</p>		

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		<p>gas (Govt. receives share in profit on extraction in addition to royalty)</p> <p>10. Registration charges under any law</p> <p>11. Fee for birth/death certificate,</p>		

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		<p>Driving license, Visa (or) Passport</p> <p>12. Guarantee commission for guaranteeing loans taken by PSU's</p> <p>13. Excess Royalty Collection contractor to</p>		

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		<p>the extent of variable royalty</p> <p>14. Fee for granting national permit to goods carriage to operate throughout India/Contiguous states</p> <p><u>General Exemptions:</u></p>		

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		<ol style="list-style-type: none"><li data-bbox="511 304 805 660">1. To a business entity whose ATO during PY does not exceed threshold limit (Not applicable for renting of immovable property) (or)<li data-bbox="511 667 805 862">2. Value of supply \leq ₹5,000 per invoice (In case of continuous supply of		

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		services, ≤ ₹5,000 for a Financial Year)		
O	Overseeing Committee services	N.A	N.A	N.A
T	Transferable development rights (TDR)/ Floor Space Index (FSI)/ Long term lease of land by	Proportionate exemption to residential units booked before completion certificate or first	N.A	N.A

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
	landowner to promoter/builders	occupation, whichever is earlier.		
S	Sponsorship services by organizer of event	Sponsorship of a recognized sporting event	Recipient should be body corporate or firm	Recipient is other than body corporate or firm
A	Agents Services			
	Insurance agent to Insurance company	Services of business facilitator or business	N.A	N.A

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		correspondent in rural area		
	Recovery agent to Bank/NBFC	N.A	N.A	N.A
	Direct selling agent to Bank/NBFC	N.A	Supplier should be other than body corporate (or) Firm	If supplier is body corporate (or) Firm
	Business facilitator to banking company	Services by business facilitator in rural area	N.A	N.A

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
	Agent of business correspondent to business correspondent	Services by agent of business correspondent in rural area	N.A	N.A
L	Legal services i.e., Advocate services by individual advocate or firm of advocates to business entity	<ol style="list-style-type: none"> 1. Services to a person other than business entity 2. Services to CG/SG/LA/Govt authority/Govt entity 3. Services to another individual 	N.A	N.A

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		advocate or firm of advocates (Not applicable in case of services by senior advocate) 4. Services to a business entity whose ATO during PY \leq threshold limit		
A	Arbitrator Services to a business entity	1. Services to a person other than business entity 2. Services to CG/SG/LA/Govt	N.A	N.A

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
		authority/Govt entity 3. Services to a business entity whose ATO during PY \leq threshold limit		
D	Directors Services to a company or body corporate	If director is employee of a company or body corporate, then it is not a supply	Not Applicable	Director providing services in personal or private capacity A

	Service	Exemptions	Conditions for RCM	Non applicability of RCM
S	Security Agency Services to a registered person	N.A	1) Supplier should be other than body corporate, and 2) Recipient should be registered but not opting for composition scheme or not	If any condition not satisfied

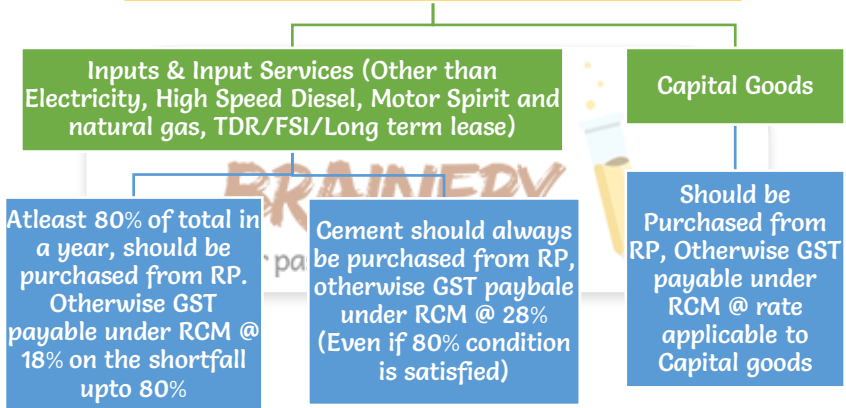
	Service	Exemptions	Conditions for RCM	Non applicability of RCM
			registered only to deduct TDS	

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SEC. 9(4) – PURCHASES FROM AN UNREGISTERED PERSON

Inward Supplies of promoter or Builder



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

	Notified Service	Supplier	Non applicability of Sec.9(5) i.e., Supplier shall pay GST
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	RP/URP	If transportation is through OMNIBUS by a company A

	passengers) by a company.		
E	Eating food from restaurant (Eg: Swiggy, Zomato) Note: Supply of food by a restaurant in a hotel having declared tariff of > ₹7,500 per unit per day or equivalent, not covered under Sec. 9(5)	RP/UR P	If the restaurant is in the specified premises i.e., in a hotel having declared tariff > ₹7,500 per day

IMPORTANT POINTS:

1. When ECO is liable to pay GST on above services, they are not required to deduct TCS [Tax Collected at Source under Sec. 52].

Note: Sec.9(5) & Sec. 52 are mutually exclusive

2. Only in case of notified services [Sec. 9(5)], ECO is liable to pay GST. In other cases, Supplier shall pay GST, & ECO shall pay GST on commission.

3. Every ECO who is liable to pay GST (or) who is liable to deduct TCS is compulsorily required to get registered.
4. Also, every supplier of goods (Taxable/Exempted) through ECO is compulsorily required to get registered under GST irrespective of their ATO. However, if such supplier is making only Intra-State supply of goods then they should register as and when $ATO > \text{Threshold Limit for registration}$. ^(A)
5. Supplier of notified services [Sec. 9(5)] (Or) Supplier of other than notified services [Sec. 9(5)] through ECO is required to get registered only when their $ATO > \text{Threshold Limit for Registration}$.

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V. SUMMARY OF IMPORTANT CIRCULARS

Circular No.	Issue involved?	Clarification
Vide Circular No. 01/01/2017 (Dt: 07.07.17), Vide Circular No. 21/21/2017,	Whether inter-state movement of various modes of conveyance carrying goods or passengers or both, or for repairs and maintenance, between distinct persons as specified in section 25(4) of the CGST Act [except in cases where	It is clarified that such interstate movement of Trains, buses, trucks, tankers, trailers, vessels, containers, aircrafts - Carrying goods or passengers or both, or - For repairs and maintenance, shall not constitute supply and not chargeable to GST. However, applicable CGST/ SGST/ IGST, as the case may be shall be leviable on repairs and

	<p>such movement is for further supply of the same conveyance] , is leviable to IGST?</p>	<p>maintenance done for such conveyance. Also, the above circular is extended to interstate movement of rigs, tools and spares, and all goods on wheels (like Cranes) and except in case where movement of such goods is for further supply of the same.</p> <p>Note: This circular can be applied even in case of intra state, if there are multiple registrations in the state.</p>
<p>Circular No. 57/31/2018</p>	<p>When an agent is termed as "Acting on</p>	<p>An agent should: 1. Represent principal in all aspects</p>

	behalf of principal”?	2. raise invoice in their name (or) accept invoice in their name i.e in Agent's name
Circular No. 11/11/2017 (Dt: 20.10.17)	Whether supply of books, pamphlets, brochures, envelopes, annual reports, leaflets, cartons, boxes etc., printed with design, logo, name, address or other contents supplied by the recipient of such supplies, would	Printing of books, pamphlets, brochures, annual reports, and the like, where only content is supplied by the publisher – Supply of Service Printed envelopes, letter cards, printed boxes, tissues, napkins, wall paper etc., printed with design, logo etc. supplied by the recipient – Supply of goods

	constitute supply of goods or supply of services?	
Circular No. 34/08/2018 Dt: 01.03.2018)	Whether activity of bus body building, is a supply of goods or services?	Determined on the basis of principal supply involved in the transaction
Circular No. 34/08/2018 (Dt: 01.03.2018)	Whether rethreading of tyres is a supply of goods or services?	Supply of rethreaded tyres, where the old tyres belong to the supplier of rethreaded tyres, is a supply of goods. If the old tyres belongs to recipient, then it is treated as supply of service.
Circular No.	Whether Priority	In GST, there is no exemption to trading in PSLCs.

34/08/2018 (Dt: 01.03.2018)	Sector Lending Certificates (PSLCs) are outside the purview of GST and therefore not taxable?	Thus, PSLCs are taxable as goods (Always, chargeable to IGST under RCM)
Circular No. 22/22/2017 GST dated 21.12.2017	Whether art works sent by artists to galleries for exhibition not being a supply?	It is only when the buyer selects a particular art work displayed at the gallery, that the actual supply takes place and applicable GST would be payable at the time of such supply
	Whether tenancy rights or pagadi system is chargeable to GST?	In relation to residential property → Exempted In relation to commercial property → Taxable

<p>Circular No. 140/10/2020 Dt: 10.06.20</p>	<p>GST on Directors remuneration</p>	<p>Executive Director or Whole-time director is an employee of the company and TDS deducted u/s 192 of Income Tax Act 1961, not covered under GST. The part of Director's remuneration which is declared separately other than 'salaries' and subjected to TDS u/s 194J shall be treated as consideration and therefore, taxable under RCM.</p>
<p>Circular No. 186/18/2022 Dt: 27/12/2022</p>	<p>Whether insured getting no claim bonus from insurance</p>	<p>It is not a supply of service and no claim bonus cannot be considered as consideration for any supply</p>

	company is supply of service?	provided by insured to insurance company.
Circular No: 73/47/2018 Dt: 05/11/2018	Whether interest received by del-credere agent is chargeable to GST?	<p><u>If del-credere agent is raising invoice in the name of principal</u></p> <ul style="list-style-type: none"> • interest collected by del-credere agent is exempted under interest on loans/advances/deposits. <p><u>If del-credere agent is raising invoice in its name</u></p> <ul style="list-style-type: none"> • interest collected by del-credere agent is taxable under interest on account of delay in receipt

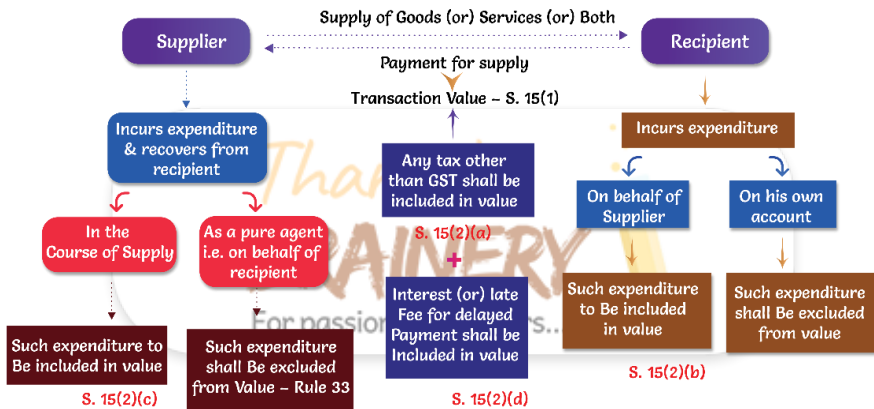
		of consideration.
Circular No: 196/04/2023 Dt: 17/07/2023	Whether owning a controlling interest in form of shares by holding company in subsidiary company is supply of service?	Activity of holding shares of subsidiary company by holding company cannot be treated as supply of service and cannot be taxed under GST (A)
Circular No: 201/13/2023 Dt: 01/08/2023	Whether supply of food and beverages in cinema hall will be taxed under service of exhibition of cinema?	It is clarified that supply of food and beverages independently as that are cinema exhibition service will tax under restaurant services.

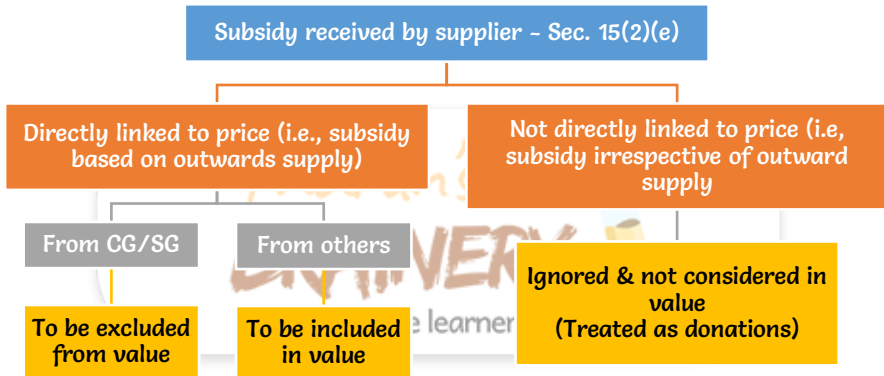
THAT'S IT - 4

VALUE OF SUPPLY

MEANING & INCLUSIONS – SEC. 15(1) AND SEC. 15(2):

- Value of Supply = Transaction Value
- Transaction Value = Price actually paid or payable for supply of goods or services
- However, Value of supply = Transaction value, if 2 conditions are satisfied
- Condition – 1: Price must be sole consideration
- Condition – 2: Supplier and Recipient are not related
- **If any of the above 2 conditions (or) both the conditions are not satisfied, then the value shall be determined as per CGST Rules, 2017**[Not Applicable for Exams]





Note: If question is silent, consider the given price as after reducing the subsidy amount given in question. i.e., Original price – Subsidy = Given Price.

EXCLUSIONS FROM VALUE OF SUPPLY – SEC. 15(3) OF CGST ACT, 2017:

Discount given	Example	Treatment
Before or at the time of supply	Trade Discount	Allowed as deduction
After supply but terms are agreed before supply	Cash Discount	Allowed as deduction - Credit note shall be issued - Recipient should reverse proportionate ITC
After supply and terms are not agreed before supply	End of season sale discount	Not allowed as deduction [GST payable on value before discount]

Issue: Whether GST is applicable on an additional / penal interest on the overdue loan? Whether such penal interest would be exempt under entry 27 of Exemption notification or it would be taxable treating it as consideration for liquidated damages.

Clarification: There are two transaction options involving EMI that are prevalent in the trade. In view of the provisions of law discussed above, these two options, along with the GST applicability are as follows-

Option (i)

Hire-purchase transaction

Supplier collects the consideration in installments, where such installment covers price of the goods plus interest towards time value of money

This Interest is included in value and even penal interest for delay in payment of installment is also included in value

Option (b)

Hire purchase financing

Supplier finances the product and collects principal and interest as EMI or installments and interest involved in such financing transactions are Exempted

As interest is exempted, Penal Interest also exempted.

Circular No: 186/18/2022 Dt: 27/12/2022

Issue: Whether No claim bonus given by insurance company to insured can be claimed as deduction while computing Value of Supply?

Clarification: It shall be claimed as deduction from the value if the same is shown in invoice as per Sec. 15(3).

Circular No: 190/02/2023 Dt: 13/01/2023

Issue: Whether incentive paid by ministry of electronics and information technology to acquiring bank under the incentive scheme of RUPAY debit card and low value BHIM – UPI transactions?

Clarification: It is considered in the nature of subsidy by central government
∴ Not included in the value.

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Note:

TCS Not to be included in Value: U/s 15(2) of CGST Act any taxes, cess, duties shall be included in the value of supply but TCS is not includable in the value as it is interim levy but not having character of tax – Circular No. 76/50/2018

GST IMPLICATIONS ON DEBIT NOTE AND CREDIT NOTE (SEC. 34):

	When?	Who?	Time limit	Consequence to supplier	Consequence to recipient
Debit Note	Recipient has to pay an amount beyond invoice price	Supplier to Recipient	N.A	INCREASE in Output tax liability	INCREASE in ITC
		Invoice Value ↑		Reported in GSTR -1 and in GSTR - 3B	Reported in GSTR-3B under availment of ITC
Credit Note	Recipient has to pay an	Supplier to Recipient	30 th Nov of next FY or date of	DECREASE in Output tax liability	REVERSAL of ITC (or) INCREASE in

	amount less than the invoice price	Invoice Value ↓	filing annual return whichever is EARLIER		Output tax liability
				Reported in GSTR -1 and in GSTR - 3B	Reported in GSTR-3B under Reversal of ITC

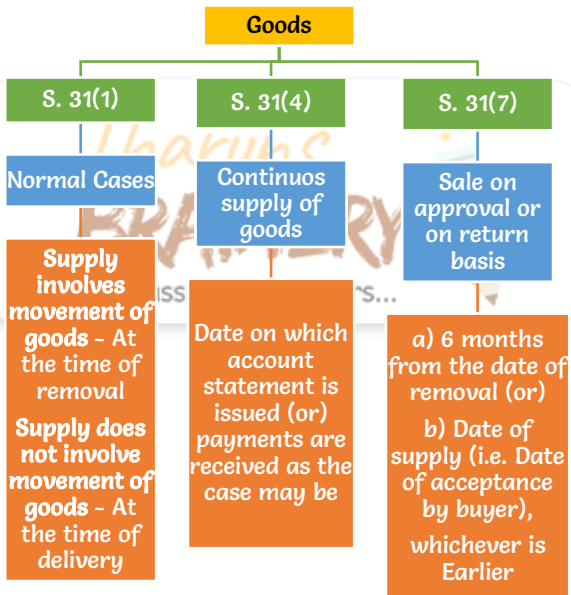
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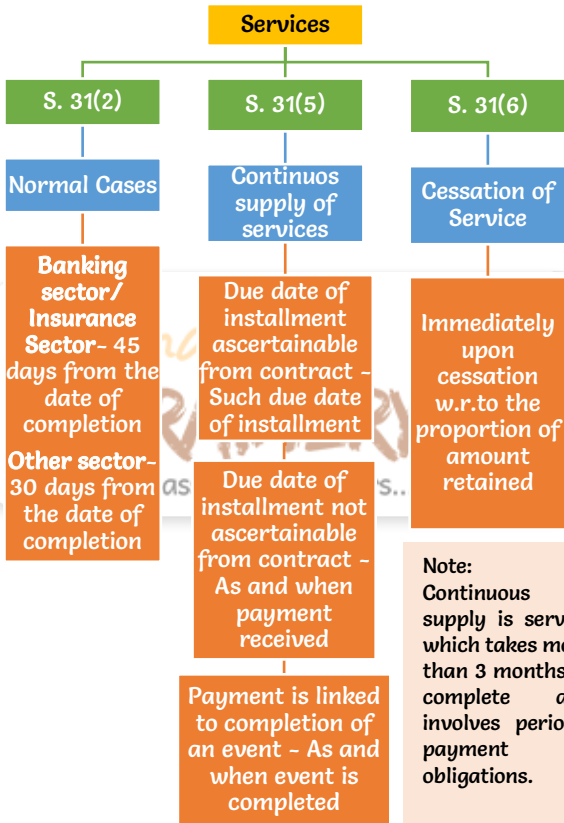


THAT'S IT – 5

INVOICE & TIME OF SUPPLY

DUE DATE OF INVOICE [SEC. 31]





TOS IN CASE OF GOODS & SERVICES:

GOODS		SERVICES	
Section	TOS	TOS	Section
12(1)	Liability to pay GST is determined on the basis of TOS		13(1)
12(2)	<p><u>TOS in case of FCM</u> <u>In case of a person opting for Composition Scheme and specified Actionable Claims, TOS is ADOI (or) DDOI (or) DOP, whichever is EARLIER</u> ^A</p> <p>Note: GST payable on advances in case of goods covered under FCM</p> <p><u>Other Cases</u></p>	<p><u>TOS in case of FCM</u> ADOI within DDOI, then ADOI (or) DOP, whichever is EARLIER ADOI not within DDOI, then DOC (or) DOP, whichever is EARLIER</p> <p>Note: GST payable on advances in case of services covered under FCM</p>	13(2)

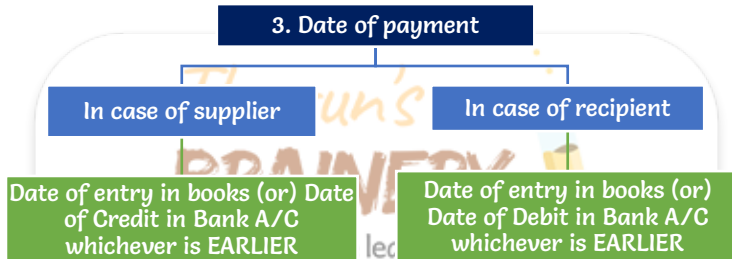
	<p>ADOI (or) DDOI, whichever is EARLIER</p> <p>Note: GST not payable on advances in case of goods covered under FCM</p>		
12(3)	<p><u>TOS in case of RCM</u></p> <p>a) Date on which goods are received</p> <p>b) Date of which payment is made to supplier</p> <p>c) 31st day from the DOI</p> <p>Note: GST payable on advances in case of goods covered under RCM</p>	<p><u>TOS in case of RCM</u></p> <p>a) Date of which payment is made to supplier</p> <p>b) 61st day from the DOI</p> <p>Note: GST payable on advances in case of services covered under RCM</p>	13(3)
12(4)	<p><u>In case of Vouchers</u></p> <p>Identifiable Voucher → At the time of issuance of voucher</p>		13(4)

	Non-Identifiable Voucher → At the time of redemption of voucher	
12(5)	<u>In case TOS is not ascertainable as per any sub section</u> [Applicable in case of evasion of GST by a taxable person] Periodical return has been filed → Due date of filing such return Periodical return not filed → Date of payment of GST	13(5)
12(6)	<u>In case of addition to value in the form of interest, late fee etc., for delay in payment of consideration</u> As and when such additional consideration is received. (GST payable on RECEIPT basis)	13(6)

Additional Points:

1.. In case of **goods** covered under FCM, **on advances GST is not payable** and GST is payable only upon invoice, as the TOS is Due date of Invoice (or) Actual Date of Invoice, whichever is EARLIER. But in case of **services** under FCM, **GST is payable on advances.**

2. Upto ₹1,000 received in excess of the invoice, in case of services covered under FCM, TOS can be (i) Date of Invoice (or) (ii) determined as per Sec. 13(2) – **Supplier has option to choose**



4. In case of supply of services between **associated enterprises** [Sec. 92A of Income Tax Act], where supplier is outside India and recipient is in India, TOS shall be date of entry in the books of recipient or date of payment to supplier, whichever is EARLIER

5. When goods are taken outside India for exhibition, it is not a supply. But when the same is not brought back within 6 months it is deemed to be supply in terms of Sec. 31(7)

6. Tax component should be shown separately in invoice [Sec.33]

VARIOUS DOCUMENTS INVOLVED IN GST:

	Document	Situation of issuance?	Who will issue?		Time of issue
1	Tax invoice	Supplying a) Taxable goods b) Taxable services	If supplier is registered	Supplier will issue	Specified [See above]
			If supplier is unregistered	Recipient will issue in case of RCM	
2	Bill of supply	A registered person a) Supplying exempted goods	Supplier		Specified

		or services or both (Or) b) Paying tax under the composition scheme shall issue 'Bill of Supply'		[Same as due date of invoice]
3	Invoice cum bill of supply	A Registered person is supplying taxable as well as exempted Goods / Services or both to an unregistered person	Supplier	Specified [Same as due date of invoice]

In case of low value supplies (i.e., Value of Supply < ₹ 200), tax invoice as well as bill of supply not required if the recipient is unregistered, recipient is not in need of invoice and a consolidated invoice needs to be raised by the end of the day.

Note: in case of multiplex theatres, an invoice ^(E Ticket deemed as invoice) to be issued even if the value of supply is < ₹ 200

4	Debit Note [Sec. 34]	a) The Taxable value charged less (tax invoice < actual taxable value) Tax charged less (tax invoice < tax payable)	Supplier	Not Specified [Usually on receipt basis]
5	Credit Note [Sec. 34] ⁴	a) Taxable value charged in excess (tax invoice > actual taxable value) (or)	Supplier Note: Credit note cannot be issued in case of bad debts	Before 30 th Nov end of next FY (or) date of filing annual return,

⁴ One or more Credit note/Debit Notes can be issued for multiple invoices- Notification No.74/2018 Dated 31.12.2018.

		<p>b) Tax charged in excess (tax invoice > tax payable)</p> <p>c) Sale return Where goods or services or both supplied are deficient</p>		whichever is earlier
6	Revised tax invoice	Every registered person who has been granted registration with effect from a date earlier than the date of issuance of certificate of registration to him, may issue revised tax invoices in	Supplier	Within 1 month from the date of certificate of registration

Note: Revised tax invoice cannot be issued if application for registration not made within 30 days from the date on which liability to register arises

		respect of taxable supplies effected during the period starting from the effective date of registration till the date of the issuance of the certificate of registration	Effective Date of Registration: <u>If applied within 30 days from the date when liable</u> → Date on which such person is liable to register <u>If not applied within 30 days</u> → Date on which registration is granted	
7	Receipt Voucher	Whenever advance is received by the supplier from the recipient	Supplier Note: It is required only if payment is received before issuance of invoice	Not specified (Immediately upon advance)

8	Payment Voucher	A registered person who is liable to pay tax under section 9(3) and 9(4) shall issue a payment voucher at the time of making payment to the supplier	Recipient	Not specified (Immediately upon payment)
9	Refund voucher	Refund of advance received and invoice is not yet generated	Supplier Note: If amount is refunded after issuance of tax invoice, then a credit note shall be issued by supplier to recipient	Not specified (Immediately upon refund)
10	Delivery Challan	a) Supply of liquid gas where the quantity at the time	Supplier	Not specified

		of removal is not known. b) Transportation of goods for job work, c) Transportation of goods for reasons other than by way of supply.		(As and when goods are moved)
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Note:

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HSN CODE IN INVOICE:

Usually HSN code is for goods & it is 8 digits. However, if

ATO during PY \leq ₹5 Crores – For B2B = 4 digits to be mentioned

ATO during PY $>$ ₹5 Crores – For B2B & B2C = 6 digits to be mentioned

Note: For services, it is service accounting code (SAC) & it is 6 digits.

E – INVOICE:

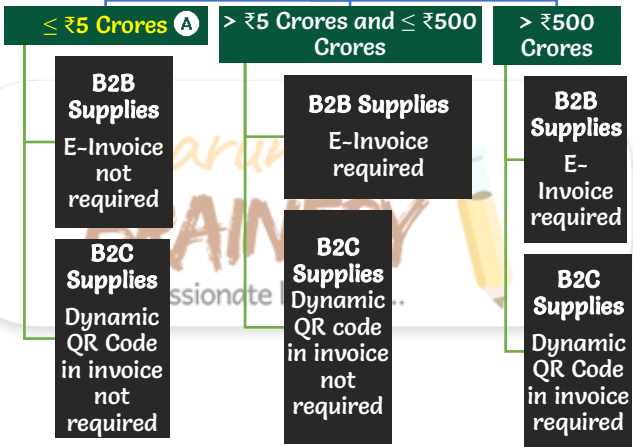
Obtaining the following, from Invoice Registration Portal (IRP) w.r.to a normal tax invoice by uploading the JSON in such IRP is known as E-Invoice.

1. Invoice Reference Number (IRN)
2. Quick Reference (QR) Code
3. Digital Signature

- Physical copy of invoice not required, in case where E invoice is applicable. QR Code can be produced before the proper officer for verification, when required
- Types of transactions for which E-Invoice is required:

- B2B transactions (Outward Supplies, whether covered under FCM (or) RCM)
- Zero rated supplies
- Credit notes and Debit notes (B2B)

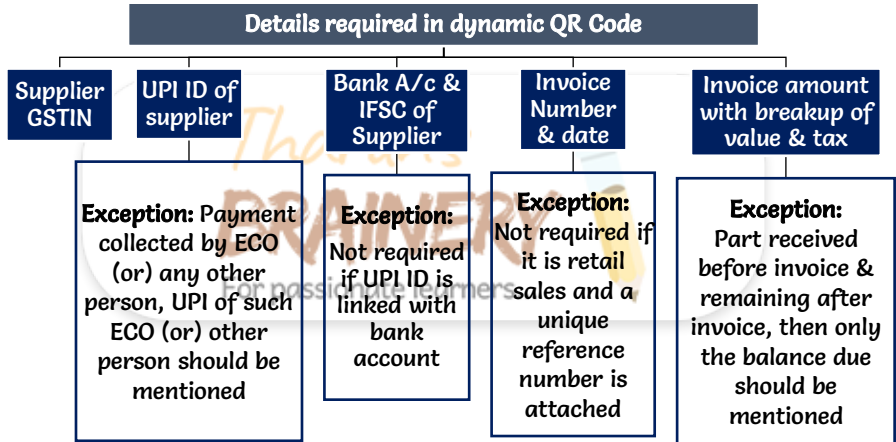
ATO in any PY from 2017-18



- Invoice should be in prescribed form (GST INV 01)
- It is optional for a tax payer whose ATO during any PY ≤ ₹5 Crores

- E-invoice gets auto populated in GSTR-1 and E Way Bill
- Physical copy of invoice not required, in case where E invoice is applicable.
- QR Code can be produced before the proper officer for verification, when required
- **Types of transactions for which E-Invoice is required:**
 - ➔ B2B transactions (Outward Supplies, whether covered under FCM (or) RCM)
 - ➔ Zero rated supplies
 - ➔ Credit notes and Debit notes (B2B)

Note:

DYNAMIC QR CODE:

Exception to mentioning dynamic QR Code in Invoice:

- If payment is received before (or) at the time of generating invoice & cross reference of such payment received (In case of cash receipt, the date on which cash is received) is mentioned in invoice.
- LOS = India, LOR = Outside India, POS = India and payment in convertible Forex, it is not an export of service and dynamic QR code not required

<p><u>Irrespective of the ATO, E-Invoice not required in case of following suppliers</u></p> <p><u>[BIGGEST]</u></p>	<p><u>Irrespective of the ATO, QR Code not required in case of following suppliers</u></p> <p><u>[BIGG TOE]</u></p>
<p>B = Banking Company/Financial Institution/NBFC</p>	<p>B = Banking Company/Financial Institution/NBFC</p>
<p>I = Insurance Company</p>	<p>I = Insurance Company</p>
<p>G = Goods Transport Agency</p>	<p>G = Goods Transport Agency</p>

G = Government Department & Local Authority	G = Government Department & Local Authority
E = Exhibition of film in Multiplex Cinema Theatre	T = Transportation of passengers (Any mode)
S = SEZ Unit (But SEZ developer is required to issue an E-invoice) [QR Code applicable]	O = OIDAR supplier located outside India & making supply to NTOR in India.
T = Transportation of passengers (Any mode)	E = Exhibition of film in Multiplex Cinema Theatre

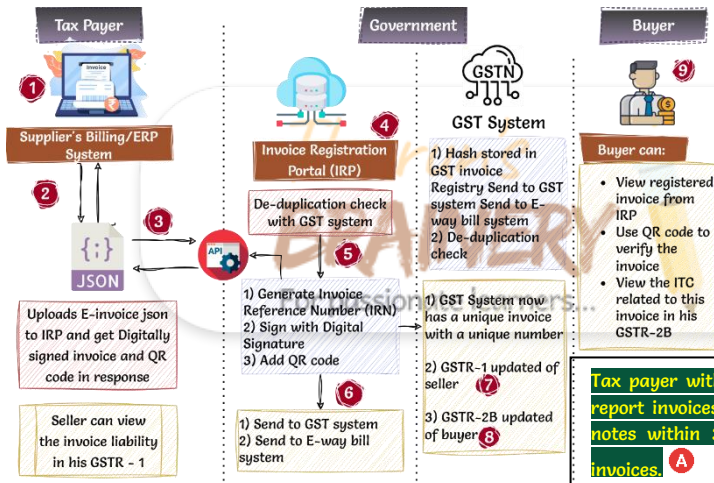
Circular No: 186/18/2022 Dt: 27/12/2022

Issue: Whether Exemption for mandatory generation of E-Invoices is available for entity as whole or only in respect of certain supplies made by said entity?

Clarification: It is clarified that this exemption is available for entity as a whole. For Example, if bank provides other services, even then E-Invoice not applicable for those other services.

THAT's IT on GST for CA Inter

E – INVOICE PROCESS:



Note: If a supplier is required to issue E-Invoice, but not issued E-Invoice & issued normal invoice, then recipient cannot avail ITC, even though such invoice reflects in GSTR-2A/2B of recipient.

Tax payer with ATO \geq ₹ 100 crores shall report invoices including debit and credit notes within 30 days from the date of invoices. A

THAT'S IT - 6

INPUT TAX CREDIT (ITC)

GSTR - 1: Details of outward supplies to be furnished by every registered person – Invoice wise. (Sec. 37)

GSTR - 2A: Based on GSTR - 1 (or) Invoice Furnishing Facility, furnished by every supplier, recipient can generate a statement of inward supplies in GSTR-2A auto populated from GSTR -1 filed by suppliers.

GSTR - 2B: GSTR-2B is a static month-wise auto-drafted statement for regular taxpayers introduced on the GST portal. It is like 2A but remains static. (Sec. 38)

GSTR-3B: Consolidated details of outward supplies, inward supplies, GST payable and GST paid shall be reported by every registered person. (Sec. 39)

S.No	Particulars	GSTR-2A	GSTR-2B
1.	Type	Dynamic	Static
2.	TDS/TCS details	Reflected	Not reflected
3.	Details of invoices if GSTR-1	Reflected	Not reflected (However, it is reflected in subsequent

	filed after due date		month GSTR-2B)
4.	Purpose	Reference	For availment of ITC

Supplier

Recipient

Outward Supplies in GSTR-1/IFF

Reflected in GSTR-2B (Matched ITC)

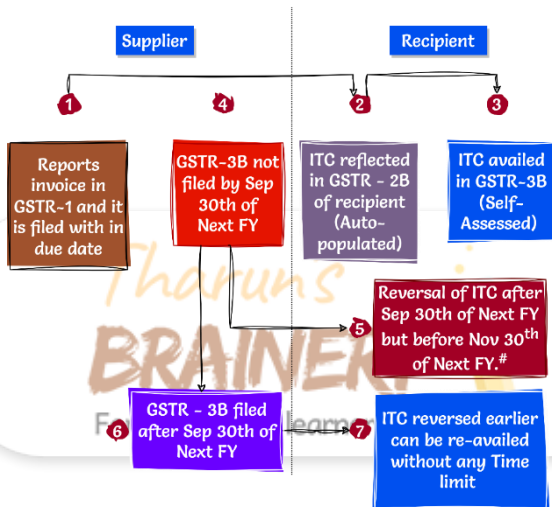
Filed By Due date

Avail ITC in GSTR-3B (Self Assessed)
 = ITC as per GSTR-2B
 (-) Blocked ITC
 (-) Used for non business purpose
 (-) Used for exempted supplies
 (+) GST under RCM
 (+) Re-availment of ITC reversed earlier
 (+) ITC not availed in earlier periods but reflected in GSTR-2B of the period

Note:

Only matched ITC can be availed as per Sec. 41

REVERSAL OF ITC IF SUPPLIER NOT FILED GSTR-3B (SEC 41 READ WITH RULE 37A)



If not reversed by Nov 30th of next FY, interest @ 18% shall be payable from the date of utilization till the actual date of reversal / payment.

Note:

MANNER OF UTILIZATION OF CREDIT [SEC. 49(5) OF CGST ACT, 2017]:

Principle – 1:				
1. There is no restriction w.r.to IGST i.e., IGST Credit can be used for payment of any GST liability and any GST Credit can be used for payment of IGST liability				
2. Amongst other taxes, respective credit can be used for payment of respective liability and Cross utilisation not allowed				
Principle – 2:				
Priority	IGST Credit	CGST Credit	SGST Credit	UTGST Credit
1	IGST payable	CGST payable	SGST Payable	UTGST Payable
2	CGST Payable (or) SGST (or) UTGST payable – Rule 88A	IGST payable	IGST Payable	IGST Payable

Principle – 3:

Before utilizing CGST and SGST Credit; Credit of **IGST should be completely exhausted**. Order of utilization of IGST credit, as specified in Principle 1

Principle – 4:

For payment of IGST liability, Credits should be utilised in following order:

- 1.IGST Credit
- 2.CGST Credit
- 3.SGST Credit (or) UTGST Credit

Note:

1. IGST Credit after utilizing for payment of IGST liability can be used for payment of CGST & SGST/UTGST liability in any proportion (So, multiple answers possible in the exam). My view is that depending upon the CGST and SGST liability, it should be apportioned.
2. GST Compensation Cess can be availed as ITC and utilized only for payment of GST Compensation Cess on outward supplies.

CONDITIONS FOR AVAILMENT OF ITC [SEC. 16]:

1. Only registered person can avail ITC.
2. Inward supplies on which ITC to be availed should be used or intended to be used in the course or furtherance of business.
3. Recipient should be in possession of tax paid document – Tax invoice (or) Debit Note (or) ISD invoice (or) Bill of entry.
4. Recipient should have actually received goods or services.
5. Supplier should have furnished the details of invoices in GSTR – 1
6. **Supplier should have paid tax w.r.to such supply within Sep 30th of Next FY (Rule 37A).**
7. Recipient should have filed the returns (i.e., GSTR – 3B).
8. GST paid on inward supply should be reflected in GSTR-2B under “ITC available” and should not be restricted. (As per Sec. 38, in few cases ITC shall be restricted in GSTR-2B)

Input tax means the Central Tax (CGST), State Tax (SGST) or Union Territory Tax (UTGST) charged on supply of goods or services or both made to a registered person. It also **includes** tax paid on reverse charge basis and IGST charged on import of

goods. It **doesn't include tax** paid under composition levy.

Contents of Invoice for Availing ITC: If the invoice does not contain all the specified particulars but contains the following details, ITC can be availed by such person

1. **Description of goods or services,**
2. **Total value of supply of goods or services or both,**
3. **The amount of tax charged,**
4. **GSTIN of the supplier and recipient and**
5. **Place of supply** in case of inter-State supply.

INWARD SUPPLIES MEANS

1. **Capital Goods**-Goods which are capitalized in the books
2. **Inputs**-Goods others than Capital Goods
3. **Input Services**- Any Services Received

DEEMED DELIVERY – EXPLANATION TO SEC. 16(2):

When goods are delivered to any person (or) services are provided to any person, on the instructions of the recipient, the date on which such person has received goods (or) services, it is deemed that recipient has received the goods (or) services.

Note: In case of Bill to Ship to transactions, billing address can avail ITC

GOODS RECEIVED IN LOTS OR INSTALLMENTS – 1ST PROVISO TO SEC. 16(2):

ITC shall be availed only on receipt of last lot or installment of goods.

REVERSAL OF ITC FOR NON-PAYMENT OF CONSIDERATION TO SUPPLIER – 2ND PROVISO TO SEC. 16(2):

If recipient has not made payment (Value + Tax) to supplier within 180 days from the date of invoice, then so much of the ITC **proportionate to the amount not paid to the supplier** availed by recipient shall be reversed along with interest @ 18% p.a FROM the first date after the date of utilization of ITC TILL the date of reversal. (However, interest not payable if availed ITC is not utilized).

Note: Above proviso **not applicable** to

- Supplies covered under RCM u/s 9(3)
- Supply without consideration u/s 7(1)(c)
- Payment to third party on behalf of supplier u/s 15(2)(b)

ITC can be re-availed as and when payment is made to supplier after 180 days, but interest paid cannot be availed as ITC (There is no time limit for re-availment).

ITC NOT AVAILABLE IN CASE OF DEPRECIATION COMPUTED ON GST [SEC. 16(3)]:

If depreciation u/s 32 of IT Act, 1961 is computed on full invoice value including GST, then ITC cannot be availed.

Eg: Purchase of capital goods = ₹10,00,000 (GST on the same is ₹1,20,000). If depreciation is computed on ₹11,20,000 then ITC w.r.to ₹1,20,000 not available.

TIME LIMIT FOR AVAILMENT OF ITC [SEC. 16(4)]:

With respect to invoice of a FY, by 30th November of next FY (or) Date of filing Annual Return, whichever is EARLIER [Note: Time limit not applicable in case of re-availment of ITC reversed earlier]

In case of debit note, availment of ITC depends on the debit note date but not the date of invoice related to such debit note

APPORTIONMENT OF CREDIT [SEC. 17(1), 17(2) AND 17(3)]:

- ⇒ Inward supplies used exclusively in taxable outward supplies or business purpose → ITC available
- ⇒ Inward supplies used exclusively in exempted or non-business purpose → ITC not available
- ⇒ Inward supplies used for both taxable and exempted outward supplies → Proportionate ITC available
- ⇒ Inward supplies used for both business purpose and non-business purpose → Proportionate ITC available

Note: Zero Rated Supplies will be covered under taxable supplies for the purpose of availment of ITC

MEANING OF EXEMPT SUPPLIES (This definition is only for the purpose of non availment/ reversal of ITC):

1. Supplies notified as exempt (Other than int. on loans (or) Sale of duty credit scrips)#
2. Nil rated supplies.
3. Non-taxable supplies.
4. Supplies covered under RCM (i.e. Supplier of RCM supplies cannot take any ITC but recipient can take ITC).

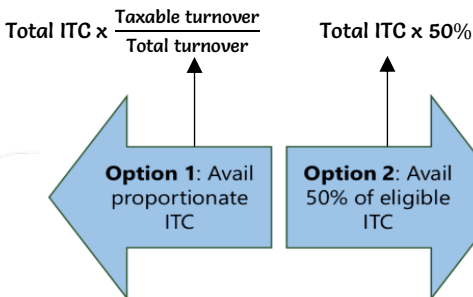
5. Sale of land (In such case, the value shall be deemed to be Stamp duty value).
6. Sale of building, where entire consideration is received after obtaining completion certificate or first occupation, whichever is earlier. (Value shall be stamp duty value).
7. Sale of securities (In such case, the value shall be deemed to be 1% of the sale value of such security).
8. **Supply of warehoused goods to any person before clearance for home consumption.** ^A

Services by way of accepting deposits, extending loans or advances, in so far as the consideration is represented by way of interest or discount except in case of banking company or Financial Institution or NBFC, is treated as taxable for availment of ITC. Also, Sale of duty credit scrips treated as taxable for availment of ITC.

Note:

If gifts (or) free samples treated as supply u/s 7(1)(c), then ITC not required to be reversed on inward supplies.

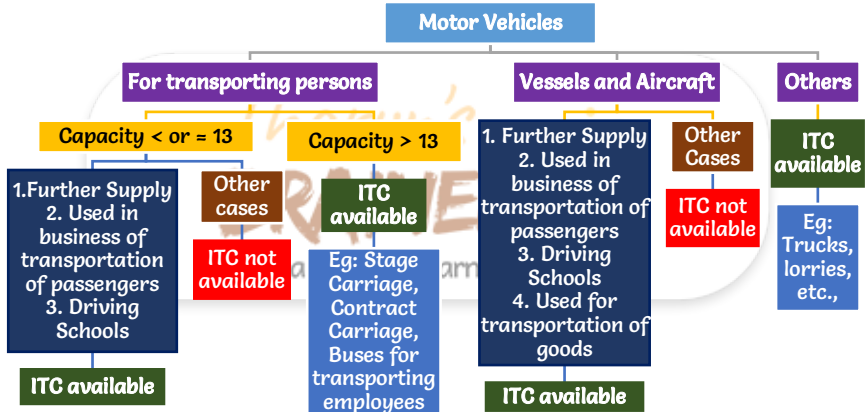
SPECIAL PROVISION FOR AVAILMENT OF ITC BY BANKING COMPANY & FI (INCL. NBFC) – SEC. 17(4)

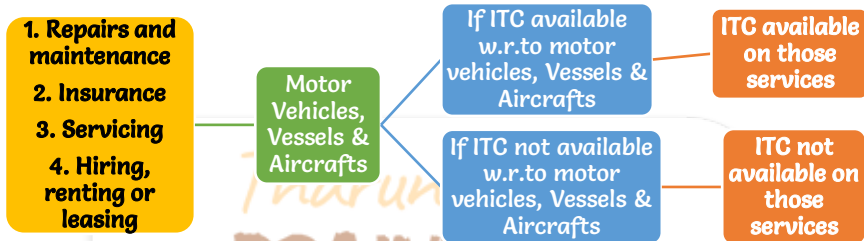


- ⇒ In case of **Option 2** Exclusively used for non-business purpose and Blocked Credits u/s 17(5), ITC should not be availed. 50% computed on remaining ITC (Incl. used for exempted supplies and used for taxable supplies)
- ⇒ In case of **Option 2** Restriction of 50% shall not apply to the tax paid on supplies made to another registration within the same entity (No need to reverse 50% w.r.to inward supplies from a distinct person)
- ⇒ Option once exercised cannot be withdrawn during remaining part of the year.

BLOCKED CREDITS [SEC. 17(5) OF CGST ACT, 2017]:

I. MOTOR VEHICLES RELATED:





Key points:

1. While determining the capacity, driver should be included i.e., 13 (incl. driver)
2. Further supply incl. purchase and sale of motor vehicles (or) Motor Vehicles used in the business of renting (or) Hiring (or) Leasing
3. Repairs, Insurance and Servicing of motor vehicles received by a General insurance company is always eligible for ITC.

4. Hiring (or) Renting (or) Leasing of motor vehicles as a statutory obligation by employer to employee is also eligible for ITC. (Statutory obligation can be under any law)
5. Ambulance and Caravan are not motor vehicles for transportation of persons.

II. CONSTRUCTION RELATED:



Works Contract involves transfer of property in goods as well as provision of services for a single consideration

EXCEPTIONS:

1. The above discussion is not applicable to supplier i.e. If a works contractor receives construction service for construction of an immovable property then ITC can be availed on construction services
2. Construction of plant and machinery even though immovable (P&M excludes telecommunication towers and pipelines laid outside factory)
3. If Construction expenditure is charged to P&L, then also ITC can be availed on above inward supplies

Sale of building by a Promoter (or) Builder, when covered under supply

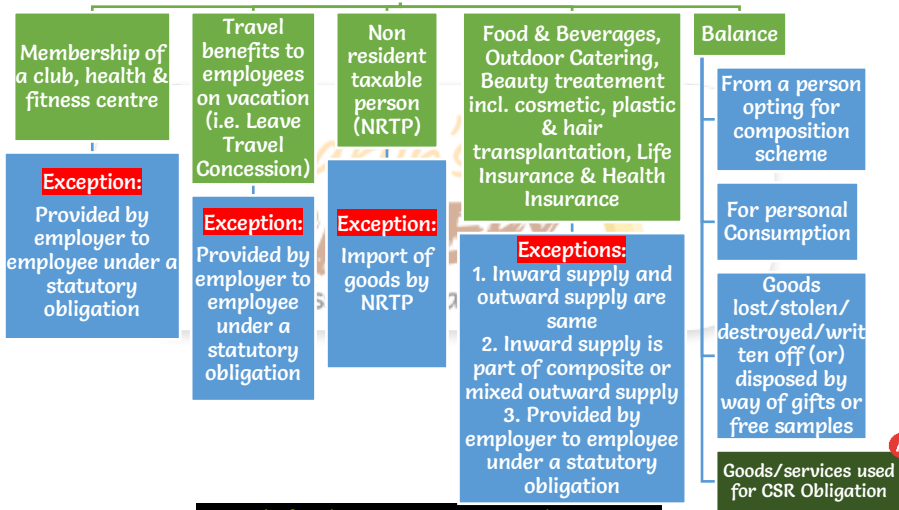
GST @ 1.5% or 7.5%

ITC not available, even though such inward supplies are not blocked ITC

GST @ 12% or 18%

ITC available on inward supplies, other than blocked credit under Sec. 17(5)

III. Other Blocked Credits



ITC IN SPECIAL CIRCUMSTANCES [SEC. 18 OF CGST ACT, 2017]:**SEC. 18(1) – AVAILMENT OF ITC ON CLOSING STOCK**

Sec	18(1)(a)	18(1)(b)	18(1)(c)	18(1)(d)
Situation	Liable to get registered and applied within 30 days	Voluntarily got registered	Regd. person migrated from composition scheme to normal scheme	Regd. Person's exempted supplies became taxable
Closing Stock	⇒ Inputs in stock ⇒ Inputs contained in WIP in stock ⇒ Inputs contained in FG in stock Note: Matching not required		⇒ Inputs in stock ⇒ Inputs contained in WIP in stock ⇒ Inputs contained in FG in stock ⇒ Capital goods Note: Matching required	
On which date	Immediately preceding the date on which liable to get registered	Immediately preceding the date of registration	Immediately before the date of migration	Immediately before the date of such conversion

SEC. 18(2) – TIME LIMIT

THE ABOVE CLOSING STOCK SHOULD HAVE BEEN PURCHASED WITHIN 1 YEAR

Note:

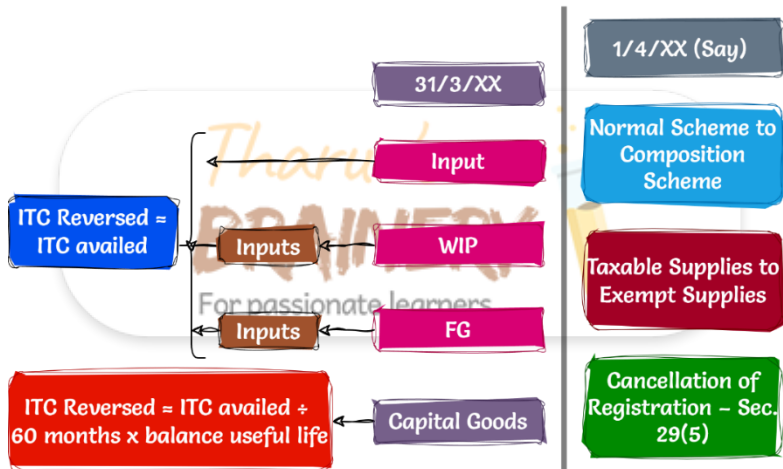
- ⇒ ITC w.r.to GST paid on inputs can be availed.
- ⇒ In case of Capital goods ITC shall be GST paid (-) $5\% \times \text{No. of quarters from the date of purchase till the date of migration/conversion}$
- ⇒ An electronic declaration in **FORM GST ITC 01** shall be made Within 30 days or such extended time by commissioner, from the date of eligibility of availment of ITC under Sec. 18(1).
- ⇒ This declaration shall be certified by a practicing CA/CMA **if the claim of ITC > ₹2,00,000**

SEC. 18(3) – TRANSFER OF ITC:

- Where there is a change in the constitution of a RP on account of sale, merger, demerger or transfer of the business **with the specific provisions for transfer of liabilities**, the said RP shall be allowed to transfer the ITC which remains unutilised in his ECRL to such sold, merged, demerged or transferred business

- Transferor furnishes details of such transaction on sale of business in form **FORM GST ITC-02** electronically in common portal with request to transfer unutilised tax credit in electronic credit ledger of transferee
- A certificate of CA/CMA is to be furnished and the transfer details to be accepted by the transferee.
- In case of demerger, credit shall be transferred to the new entities in the ratio of net assets [Whether ITC availed or not on such assets], post demerger
- Transfer or change in the ownership of business will include transfer or change in the ownership of business due to death of the sole proprietor.
- Transferor and Transferee should be in same state [Restriction as per GST Portal]
- **When a single registration gets converted into multiple registrations within the state, then also ITC against the single registration can be distributed to multiple registrations by filing **FORM GST ITC 02A** (Assets ratio as on the date of new registrations should be considered for this purpose)**

SEC. 18(4) & 29(5) – REVERSAL OF ITC ON CLOSING STOCK:



Additional Points:

- **Inputs and capital goods can be purchased any time, on which ITC is availed. If ITC not availed on such inputs and capital goods, then reversal shall not arise**
- **If capital goods are purchased before 5 years and on which ITC is availed, then reversal shall not arise**
- **If invoice pertaining to such inputs not available, then market value as on 31/3/XX can be considered and practicing CA/CMA certificate required in such case.**
- **Details of reversal needs to be reported in FORM GST ITC – 03**
- **If there is balance in ITC after reversal, it shall be lapsed.**
- **If there is any shortfall for reversal, then such shortfall shall be payable using cash ledger**
- **Computation to be made separately for CGST, SGST/UTGST and IGST**

GST PAYABLE UNDER SEC. 18(6):

When capital goods are supplied on which ITC is availed, GST payable shall be HIGHEST of the following:

- a) ITC availed (-) 5% for every quarter (or) part thereof FROM the date of invoice TILL the date of supply
- b) GST payable on the value of capital goods determined under sec. 15

Note: This section not applicable in case of refractory bricks, moulds & dies, jigs and fixtures, supplied as scrap. In such case, GST payable on normal sale value.

For passionate learners...

Circular on replacement of parts during warranty:

A

- ❖ Reversal of ITC by manufacturer shall not arise even if such replacement of parts is without any consideration
- ❖ If any consideration is charged w.r.to such replacement then it is supply u/s 7(1)(a) & GST is payable on such consideration (Reversal of ITC shall not arise)
- ❖ Amount paid towards additional warranty taxable at the rate applicable to the product for which the warranty is taken, provided amount paid at the time of purchase of product. If such additional warranty is taken separately, not at the time of purchase of product, it is taxable at 18%.

THAT'S IT - 7

EXEMPTIONS IN GST

I. AGRICULTURE RELATED SERVICES:

1. Any service in relation to agriculture or agricultural produce is EXEMPTED
2. "AGRICULTURE" means cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products.
3. "AGRICULTURAL PRODUCE" means any produce out of agriculture, on which either no further processing is done or 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 **Note: Paddy is an agricultural produce but rice is not an agricultural produce**
4. In case of rice, only loading, unloading, packing, storage or warehousing is EXEMPTED.
5. Artificial insemination of livestock is EXEMPTED

6. Services by way of storage/warehousing of cereals, and pulses.
7. Warehousing of minor forest produce is EXEMPTED

Note: - Warehousing of fruits, Vegetables & other agricultural procedure is 1 above.

II. PENSION SERVICES:

Contribution under **Atal Pension Yojana** or any state government operated pension fund is **EXEMPTED**

Note:

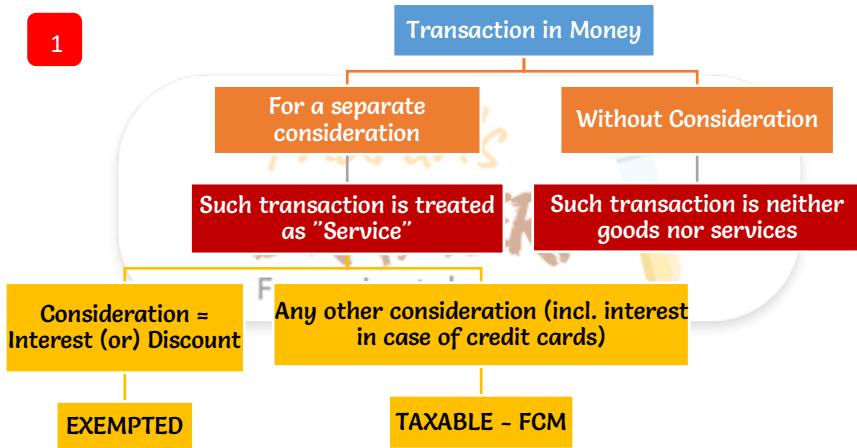
THARUN'S
BRAINERY



For passionate learners...

III. BANKING AND OTHER FINANCIAL SERVICES:

1



2. Services provided by a banking company to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY)

3. FOREX Transactions (incl. Money changing)		
Supplier	Recipient	GST
Bank	Bank	EXEMPTED
Forex dealer	Forex dealer	EXEMPTED
Bank	Forex dealer	EXEMPTED
Forex dealer	Bank	EXEMPTED
Bank (or) Forex dealer	Customer	TAXABLE - FCM

4. Services by an acquiring bank, to any person in relation to settlement of an amount upto ₹2,000 in a single transaction transacted through credit card, debit card, charge card or other payment card service **i.e., GST on processing charges for a transaction upto ₹2000 is exempted.**

5. Services by the following persons in respective capacities –

(a) business facilitator or a business correspondent to a banking company with respect to accounts in its rural area branch; - **Exempted** & **to urban area branch**
- Taxable

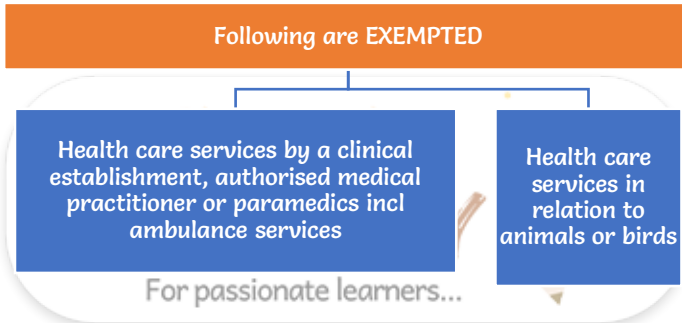
[BC Services – FCM & BF Services – RCM]

(b) any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in entry (a) **(If the main agent's service is exempted then sub agent's service also exempted)**

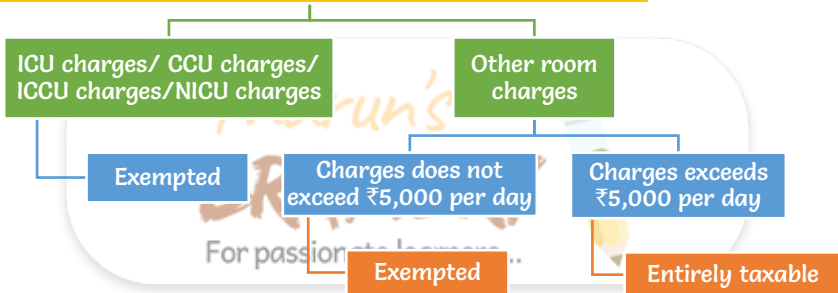
[Agent of BC Services – RCM & Agent of BF Services – FCM]

6. Services by an intermediary* of financial services located in a multi services SEZ with IFSC status to a customer located outside India for international financial services in currencies other than INR ***Such intermediary can receive consideration in INR or Foreign Currency for their services. Their services shall not fall under export of services as POS is location of supplier u/s 13 of IGST Act.**

IV. HEALTH CARE SERVICES:



Room charges collected by a clinical establishment for providing health care services



HEALTH CARE: Pre-treatment (Diagnosis); Treatment; Post-treatment (Care) for any disease, illness, injury, pregnancy in any recognized system of medicine incl. transportation in ambulance but does not include cosmetic, plastic surgery and hair transplantation, other than for restoring body parts affected due to congenital defects, developmental abnormalities, injury or trauma

CLINICAL ESTABLISHMENT: Hospitals, Nursing home, clinic or any other place where health care service is provided

AUTHORISED MEDICAL PRACTITIONER: Having a minimum MBBS degree and registered with Indian Medical Council

PARAMEDICS: Nurse, Lab technician, Physio therapist

CBIC Circulars:

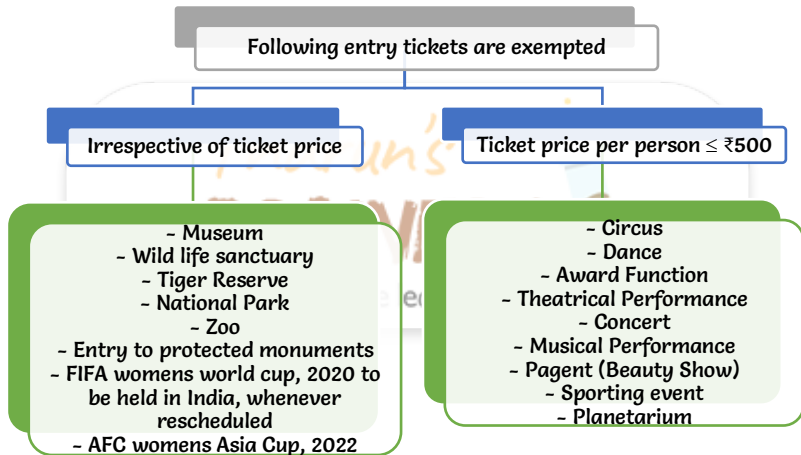
- Renting of rooms to inpatients in hospital and food supplied to inpatients, is part of health care service and is exempted – Circular No. 27/01/2018 & 32/06/2018
- Services provided by consulting doctors to hospitals is also exempted – Circular No. 32/06/2018

- Services by way of Assisted reproductive technology (ART)/ In Vitro Fertilization (IVF) to treat infertility is covered under health care services and it is exempted.
- **Services provided by rehabilitation professionals** recognized under the Rehabilitation Council of India Act, 1992 by way of rehabilitation, therapy or counselling medical establishments, educational institutions, rehabilitation centres established by Central/State Government/ Union Territory or an entity registered under section 12AA (or) 12AB of the Income Tax Act, 1961

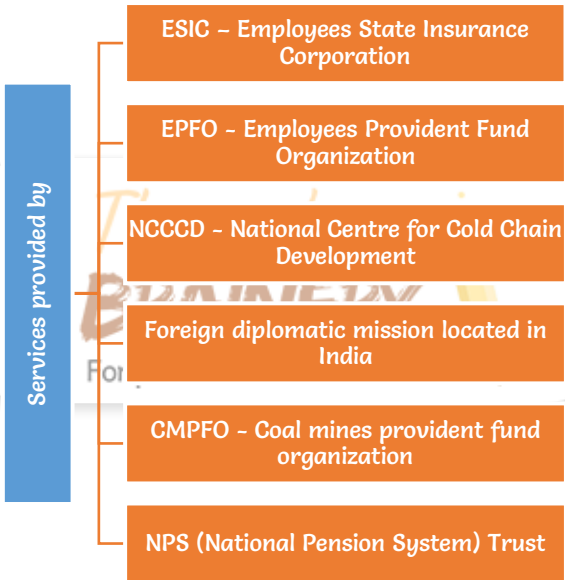
Note:

For passionate learners...

V. ENTRY TICKETS:



VI. SERVICES BY SPECIFIED ORGANIZATIONS:



VII. INSURANCE SERVICES – FOLLOWING ARE EXEMPTED:

1. Services of life insurance business provided by way of annuity under National Pension System (NPS)
2. Group life insurance service by Army, Navy, Airforce, coast guard & **Central Armed Forces**
3. Services of general insurance business provided under government schemes (Targeted to – Agriculture and farmers; BPL (Below Poverty Line); Women and Infants, unemployed) [Niramaya Health insurance is also exempted]
4. Life Insurance under various government scheme (Scheme ends with words Yojana) and Micro life insurance having sum assured as ₹2,00,000
5. Insurance services provided to government
6. Reinsurance of any exempted insurance service is also exempted
7. Services provided by Business Facilitator/Business Correspondent to insurance company in rural area is exempted.

VIII. CHARITABLE AND RELIGIOUS SERVICES:

1. Services by an entity registered under sec. 12AA (or) 12AB of Income Tax Act 1961 by way of specified charitable activities – 1) Public health; 2) Advancement of religion; spirituality; yoga; 3) educational programs to orphans, physically or mentally traumatized persons, prisoners and persons over 65 years residing in rural area; 4) environmental preservation.
2. Services by an old age home run by CG/SG/Charitable trusts under Sec. 12AA (or) 12AB – to its residents (aged 60 years or more); against consideration upto ₹25,000 per month per member, provided that the consideration charged is inclusive of charges for boarding, lodging and maintenance
3. Services by any person by way of conduct of religious ceremony (Eg: purohit)
4. Services by specified organizations for religious pilgrimage – Kailash mansarovar, Haj

IX. EDUCATION SERVICES – EXEMPTED:

1. Services provided by an educational institution by way of conduct of entrance examination against consideration in the form of entrance fee.

“Central and State Educational Boards” are treated as Educational Institution for the limited purpose of providing services by way of conduct of examination to the students. Therefore, National Board of Examination (NBE) or National Testing Agency is an ‘Educational Institution’ in so far as it provides services by way of conduct of entrance examination, to the students is EXEMPTED.

2. Amount paid to training providers under Deen Dayal Upadaya Grameena Kousalya Yojana for providing training in relation to vocational education courses.
3. Any service provided by,

National skill development corporation

setup
by CG

Sector skill council

approved
by NSDC

Assessment agent
Training partner

In relation to Any notified programme, course or scheme by the above.

5. Services provided by an educational institution to **Student, Faculty & Staff**

Cat - 1
Upto 12th
Std

Cat - 2
Education for obtaining
a qualification
recognised by law

Cat - 3
Approved
vocational
Education

CBIC Circular: Application fee for entrance (or) fee charged for issuing eligibility certificate (or) fee collected for issuing migration certificate to the ex-students, is exempted.

6. Services provided to educational institution

Service	Exempted to
Transportation of students, faculty and staff	Category 1
Catering	Category 1
Security	Category 1
Housekeeping	Category 1
Admission to	All 3 categories
Conduct of examination	All 3 categories
Online periodicals and journals	Category 2

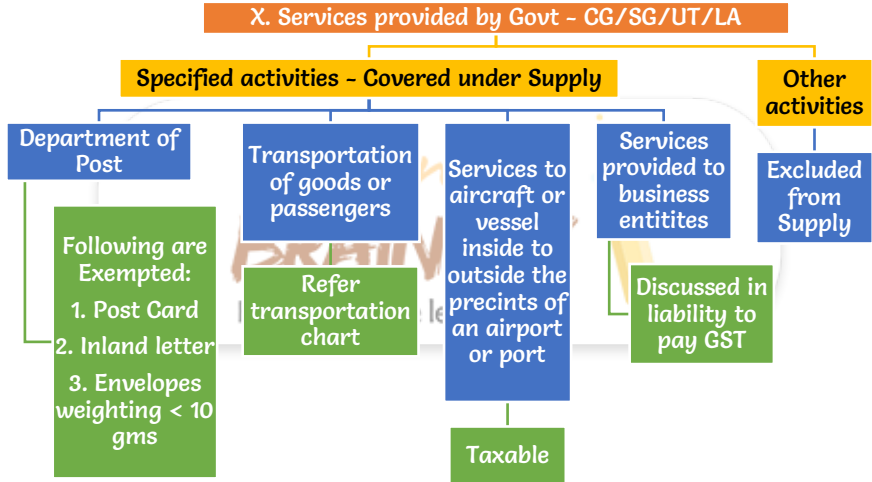
CBIC Circular: Exemption of GST is provided to Services supplied to an educational institution including anganwadi (which provide pre-school education also), by way of serving of food including mid- day meals under any midday meals scheme, sponsored by Government irrespective of the funding of such supplies from government grants or corporate donations

7. Training in recreational activities relating to arts and culture (Should be provided by an individual)

8. Training in recreational activities relating to sports (Should be registered as a Sec. 12AA/12AB trust)

9. Services by assessment bodies under Skill development Initiative scheme

Note:



SERVICES PROVIDED TO GOVERNMENT:

1. Services provided by any person to Government (Incl. CG/SG department, UT, local authority)/~~Govt. Authority/Govt. Entity~~⁵, W.r.to functions entrusted under Article 243G or 243W of the constitution – Pure services are Exempted (or) Composite supply of goods or services, where value of goods $\leq 25\%$ of total value is also exempted

Note: Government includes Public Works Department. (A)

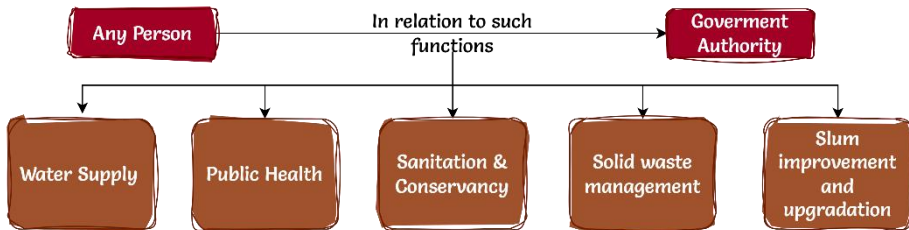
CBIC Circular: Composite supply of service by way of milling of wheat into wheat flour, along with fortification, by any person to a State Government for distribution of such wheat flour under Public Distribution System is not eligible for exemption, as value of goods involved is $> 25\%$

⁵W.e.f 1/1/22, exemption not available, if such services are provided to Government authority (or) Government entity (i.e., exemption available only if the services are provided to Government)

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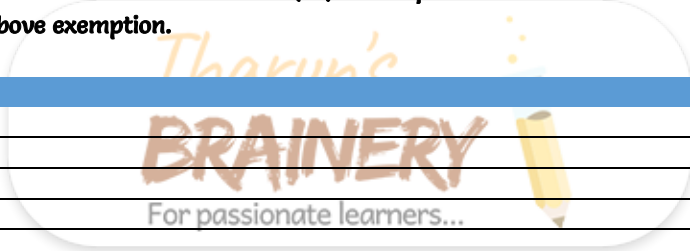


3. Any training program for which $\geq 75\%$ of total expenditure is borne by CG/SG/UT
4. Services provided by any institutions/ NGOs under the central scheme of "Scholarships for students with Disabilities" where total expenditure is borne by the Government.

CBIC Circular:

Services procured by Indian army which does not perform any functions listed in the Article 243G (or) 243H of the constitution are not covered under above exemption.

Note:



XI. Renting [Incl. leasing, licensing etc.,] - following are exempted

Movable property

- Hiring of a means of transport that can carry > 12 passengers to a state RTC
- Hiring of a means to transport goods to a GTA
- Hiring of electric vehicle that can carry > 12 passengers to a local authority
- Hiring of bus to a person providing transportation services to an educational institution upto 12th std (or) equivalent

Immovable property

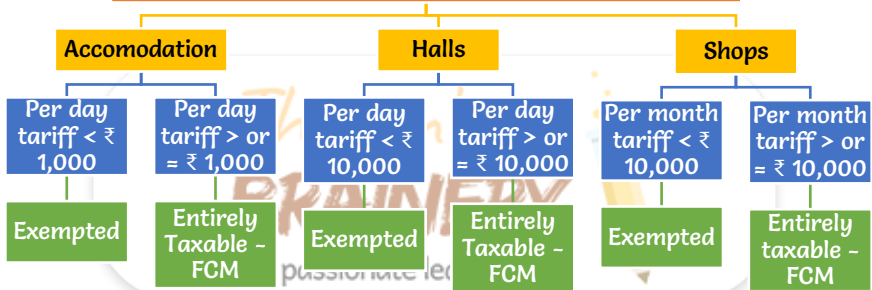
Land

Upfront charges (Incl. preferential location charges) w.r.to long term lease (≥ 30 years) of industrial plots (or) plots for development of infrastructure for finance business by SG industrial development corporation.

Building

Residential property for residential purpose to an unregistered person
 Explanation: Renting to registered individual for their family stay is treated as renting to unregistered person and it is exempted.

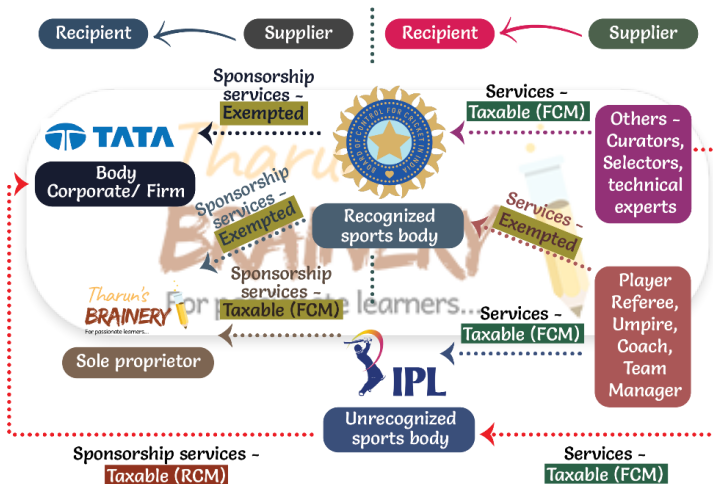
XII. Renting of the precincts of religious place meant for general public registered as a trust under income tax



LIABILITY TO PAY TAX IN CASE OF RENTING OF MOTOR VEHICLES:

1. Supplier – Other than BC, Recipient – BC and Applicable rate – 5%, then it is RCM
2. Other case of renting – FCM

XIII. SPORTS SERVICES:



Recognized Sports Body = National Sports Federation, Inter-university sports board, Paralympic committee, Indian Olympic association, Central civil services cultural and sports board and Panchayat Sports board.

Note: Service provided by one recognized sports body to another recognized sports body is exempted.

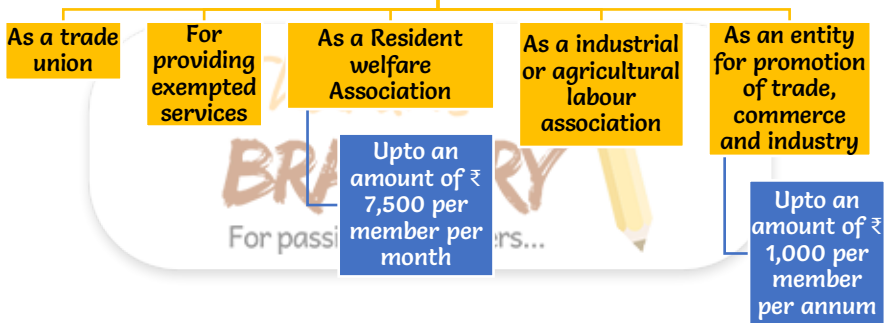
Note:

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XIV. Services by an unincorporated body or non profit entity to its members - Following are EXEMPTED



Electricity supplied by Malls, Airport operators, Real estate owner, Real estate developer, Resident Welfare Association A

Pays electricity charges on behalf of members and claims reimbursement of actual electricity charges from members - Pure Agent

It shall not form part of the value

Collects from members on actual basis for electricity as charged by state electricity board - Deemed as Pure Agent

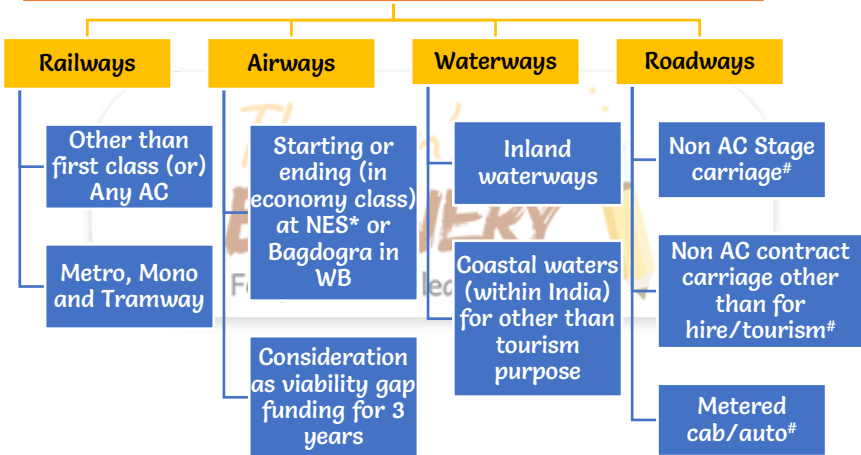
It shall not form part of the value

Collects charges from member on adhoc basis which sometimes exceeds actual electricity charges of Electricity Board

It shall form part of the value (Entirely)

Note: In case of Resident Welfare Association (RWA) collects an amount exceeding ₹7,500 per month per member, then entire amount is TAXABLE

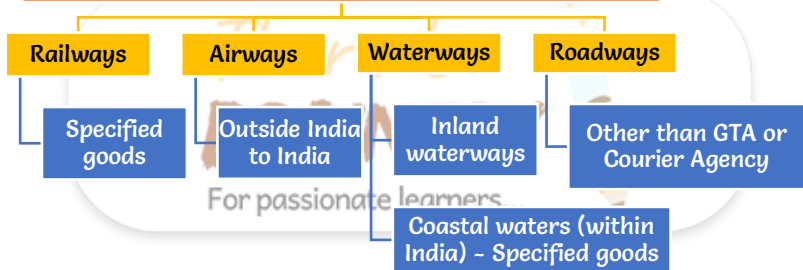
XV. Transportation of passengers - Following are EXEMPTED



#W.e.f 1/1/22, exemption not available if the services are provided through ECO

*North Eastern States (MMTN ASAM) – Manipur, Mizoram, Tripura, Nagaland, Assam, Sikkim, Arunachal Pradesh and Meghalaya.

XVI. Transportation of goods - Following are EXEMPTED



Note: Transportation of goods by waterways from outside India to India is TAXABLE. Also, w.e.f 01/10/22, Transportation of goods by airways (or) waterways from India to outside India is TAXABLE.

XVII. GTA SERVICES – FOLLOWING ARE EXEMPTED:

1. Specified goods
2. Recipient is CG/SG/UT/LA registered only to deduct TDS u/s 51
3. Recipient is Individual/HUF/AJP, all are unregistered and not having factory

Note: In case of Transportation of goods by road consignment note has to be issued.

Specified goods – 1) Agricultural produce; 2) Food grains (incl. pulses, Flours, milk and salt); 3) Organic Manure; 4) News-papers and magazines; 5) Defence or military equipment; 6) Relief materials for natural or manmade disasters

Note: In any other case for GTA, either FCM (GST @ 12%/GST@5% - without ITC) or RCM (GST @ 5%) they can select as an option during a Financial Year.

Such option should be selected between 1st Jan & 31st March of previous year & option once selected remains till the subsequent selection is made. (A)

CBIC Circular:

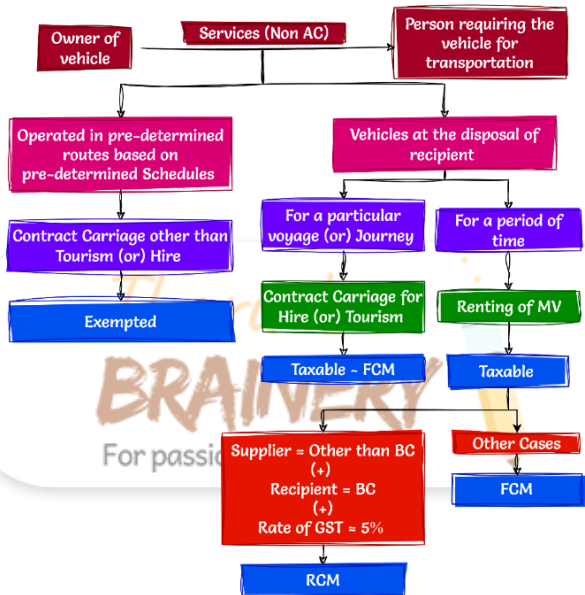
1. Amount collected for transportation of passengers in private ferry in coastal waters falls under public transportation of passengers in a vessel and it is exempted, However, if it is predominantly for tourism, then it is taxable.

Note:

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2.



Note:

XIX. Construction Services:

1. Construction of an individual house (irrespective of floor area or cost) not as a part of complex is EXEMPTED [Individual House – A house occupied only by one family]
2. Construction, repair, alternation, renovation etc., of following projects is EXEMPTED
 - Housing for all Mission
 - Pradhan Mantri Awas Yojana (PMAY)
3. 1/3rd of the Gross value of flat is exempted towards Land (or) Undivided Share of Land, when Gross value includes value of land.
4. **Transfer of development rights** – Floor Space Index (or) Transferable Development Rights by land owner to promoter/builder is EXEMPTED (+) Long term lease of land (30 years or more) by land owner to promoter/builder is EXEMPTED, provided the land is used for construction of residential flats and such flats are booked before the completion certificate.
5. **Exemption w.r.to inward supply of FSI/TDR/Long term lease** (in such case liability to pay GST is on promoter/builder under RCM) = **Value of inward**

$\text{supply} \times 18\% \times (\text{Floor area of residential flats booked before completion certificate or first occupation, whichever is earlier}) \div (\text{Total Floor area of all the flats in the project})$

Illustration:

Value of inward supply of TDR/FSI = ₹10,00,000
(Excl. GST @ 18%)

GST payable on inward supply = ₹1,80,000

Floor area of residential flats booked before CC = 28,000 sq.ft

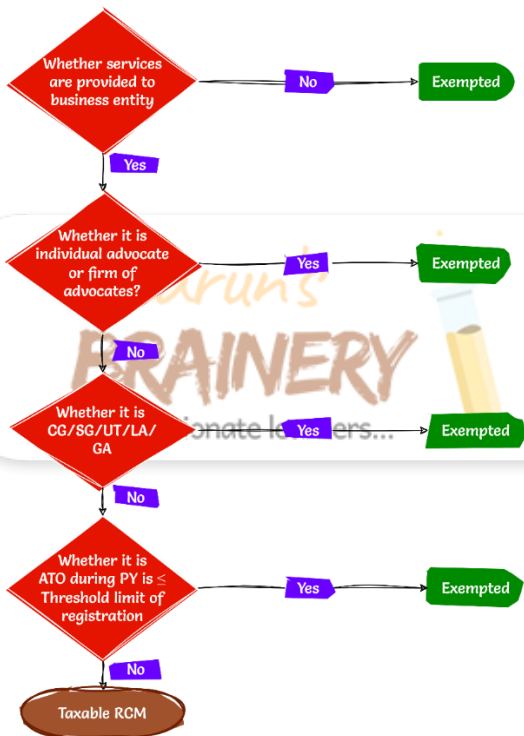
Total floor area of the project (incl. residential and commercial) = 50,000 sq.ft

Exemption w.r.to inward supply = ₹1,80,000 \times 28,000/50,000 = ₹1,00,800

GST payable under RCM on inward supply = ₹1,80,000 (-) ₹1,00,800 = ₹79,200

Latest CBIC Circular: GST is applicable on annuities paid for construction of road where certain portion of consideration is received upfront while remaining payment is made through deferred payment (annuity) spread over years

XX. Individual advocate (other than senior advocate) or firm of advocates:



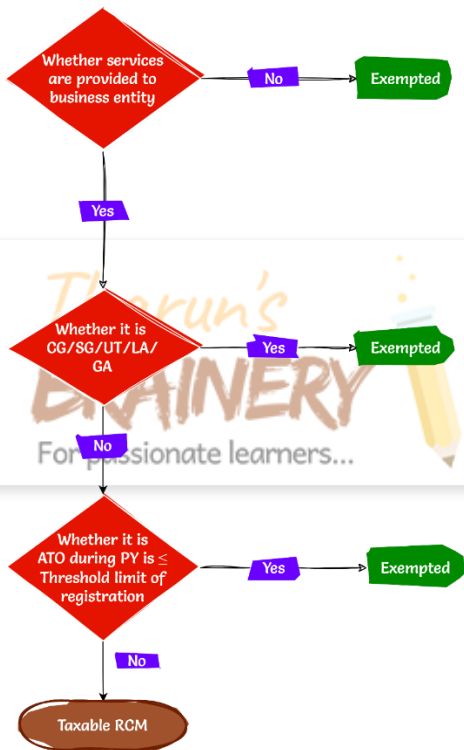
Note:

- Services provided by Senior advocate to Individual advocate or firm of advocates is not exempted. In such case, the ultimate litigant/applicant/petitioner shall be deemed to be recipient.
- An advocate (Individual or Firm) and an arbitrator is not required to get registered as they are exclusively engaged in supplies covered under RCM [Sec. 23 overrides Sec. 24]

Note:

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XXI. Senior Advocate (or) Arbitrator Services:



XXII. EXEMPTIONS UNDER IGST ACT:

1. **Both Supplier of service and recipient of service located outside India – The said service is exempted, even if place of supply is in India –** However, this exemption is not applicable in case of transportation of goods by vessel from outside India to India (In such case importer of such goods is liable to pay GST on the transportation service)
2. **Services provided by a tour operator to a foreign tourist in relation to a tour conducted wholly outside India** [Tour operator services is intermediary services and the place of supply is the location of supplier. Even though location of supplier and place of supply is in India in this case, the said service is exempted]
3. Services provided by a tour operator to a foreign tourist on relation to a tour conducted partly in India and partly outside India; exemption is w.r.to that part conducted outside India computed as follows:

= a) Total consideration $\times \frac{\text{No of days outside India}}{\text{Total number of days}}$ (or)

Total Consideration $\times 50\%$, whichever is lower [Time spent ≥ 12 Hrs, considered as full day and Time spent < 12 hrs, considered as half day]

4. **Services provided by an intermediary when location of both supplier and recipient of goods is outside the taxable territory**

XXIII. MISCELLANEOUS EXEMPTED SERVICES:

1. Transfer of a going concern, as a whole or an independent part thereof
2. Supply of services associated with transit cargo to Nepal and Bhutan (Both to and from covered in exemption as per CBIC Circular, if the cargo container returns empty).
3. Services by way of collecting or providing news by an independent journalist, press trust of India or United news of India

4. Services of public libraries by way of lending books, publication or any other knowledge enhancing content or material.
5. Services by an organizer to any person in respect of business exhibition held outside India
6. Services by way of public conveniences such as provision of facilities of bathroom, washroom, lavatories, urinal or toilet.
7. Service by way of access to a road or a bridge on payment of toll charges.

Note: Overloading charges at toll plazas is also exempted. Higher toll charges for not having fastag is also exempted.

8. Services by a performance artist in Folk or classical art forms of music or dance or theatre, where amount charged is upto ₹1,50,000 for a performance excluding services provided by such artist as a brand ambassador.

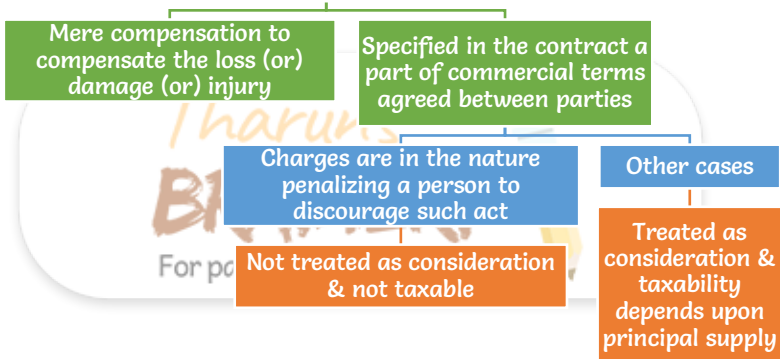
9. Services by way of training or coaching in recreational activities relating to arts or culture [by an individual] or sports [by a charitable trust]
10. Satellite Launch services supplied by Indian Space Research Organization, Antrix Corporation or New Space India Limited.

⇒ **Liquidated damages (Sec. 73 of Contract Act 1972)**

- When a contract has been broken, the party which suffers by such breach is entitled to receive from the other party compensation for any loss (or) damage caused to him

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Liquidated damages (or) Compensation collected for breach (or) non performance contract



THAT'S IT – 8: COMPOSITION SCHEME (CS)

Particulars	CS under Sec. 10(1)	CS under Sec. 10(2A)
1. When applicable?	ATO during PY \leq ₹ 1.5 Crores (₹ 75 lakhs in case of 8 special category states [#])	ATO during PY \leq ₹ 50 lakhs
2. To whom it is applicable?	Manufacturer, Trader & Supply of food service provider (However they can provide any services upto 10% of turnover during PY (or) ₹ 5,00,000, whichever is higher)	Manufacturer, Trader & Any Service Provider
3. Benefit of reduced rates	1% (0.5% CGST & 0.5% SGST) on Total Turnover in case of Manufacturer	6% (3% CGST & 3% SGST) on Total Turnover

	5% (2.5% CGST & 2.5% SGST) on Total Turnover in case of supply of food service provider 1% (0.5% CGST & 0.5% SGST) on Taxable Turnover in case of Trader (or) Service provider upto limit allowed.	
4. CY limit for reduced rates	₹ 1.5 Crores/ ₹ 75 lakhs	₹ 50 lakhs
5. Difference in Conditions	Manufacturer of notified goods* cannot opt but a trader of notified goods can opt [S NINE RCM]	Manufacturer of notified goods* and supplier of notified services cannot opt [NINE RCM]

***Notified goods – Pan Masala, tobacco and tobacco products, Ice cream, edible ice Aerated Waters, bricks and roofing tiles.**

Notified services – Not yet notified

***MMTNUSAM = Manipur, Mizoram, Tripura, Nagaland, Uttarakhand, Sikkim, Arunachal Pradesh, Meghalaya.**

Disadvantage of composition scheme:

Person opting for composition scheme [Both Sec. 10(1) and 10(2A)] cannot avail ITC on their inward supplies and cannot charge composite tax to the customer. They shall issue bill of supply but not tax invoice.

COMPOSITION SCHEME U/S 10(1) NOT APPLICABLE:

- S** Service providers (Whether taxable or exempted) other than (a) restaurant service providers; (b) Services upto a limit allowed
- N** Non Resident Taxable Person
- I** Interstate supplier of goods (or) services (Whether taxable or exempted)
- N** Non Taxable Supplies
- E** Supplier of goods (or) services through **E Commerce Operator** ^A
- R** RCM u/s 9(4) non paid stock held as on the date of opting for composition scheme
- C** Casual Taxable Person
- M** Manufacturer of certain notified goods - Icecream, Edible ice, Pan masala, Tobacco & Tobacco products, Aerated Waters, Bricks & roofing tiles

What is the meaning of aggregate turnover for determining the eligibility for composition scheme?

Aggregate turnover will be computed on the basis of turnover on an all India basis and will include value of all taxable supplies, exempt supplies and exports made by all persons with same PAN, but would exclude inward supplies under reverse charge as well as GST group (i.e., CGST/SGST/UTGST/IGST/Comp.cess)

Interest income will not be considered for calculating aggregate turnover as well as turnover in a state or UT (Applicable only for Composition scheme but not for registration)

PERSON OPTING FOR COMPOSITION SCHEME CAN PROVIDE SERVICES UPTO 10% OF TURNOVER:

- ⇒ Person who opts to pay tax under Sec. 10(1), may supply services (other than supply of food), of value not exceeding 10% of turnover in a State or Union territory in the preceding financial year or ₹ 5 lakh rupees, whichever is higher
- ⇒ While computing the above, exempted services by way of extending deposits, loans or advances in so far as the consideration is represented by

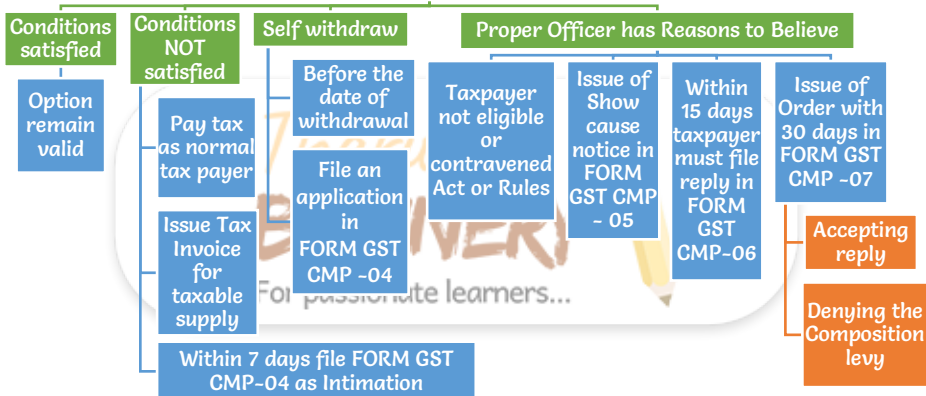
way of interest or discount, shall not be taken into account.

- ⇒ **The tax rate applicable for these services is (i.e., 0.5% CGST % 0.5 SGST on taxable turnover)**

OTHER PROCEDURAL PROVISIONS:

- ⇒ Already registered – Apply in CMP 02 before commencement of financial year
- ⇒ Not already registered – Apply in GST REG 01 and select composition scheme (Any time during a financial year)
- ⇒ Display “Composition Taxable Person” in every notice (or) signboard displayed at principal place of business and every additional place of business
- ⇒ File quarterly return along with payment of tax in CMP 08 by 18th of the month following every quarter.
- ⇒ GST payable on Value as per Bill of supply during current quarter (+) Advances received during the current quarter pertaining to next quarter (-) Advances received during previous quarter pertaining to current quarter.
- ⇒ File annual return in GSTR – 4 by 30th April of succeeding financial year

VALIDITY OF COMPOSITION LEVY



Statement in FORM GST ITC – 01 within 30 days of Intimation/Application/Order furnish details of stock of Inputs, Inputs Contained in semi-finished or finished goods, Capital goods.

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OVERVIEW OF FORMS INVOLVED:

FORM	PURPOSE	DUE DATE
GST CMP 02	Intimation of willingness to opt for scheme by a registered person	Prior to commencement of financial year
GST ITC 03	Details of inputs lying in stock, inputs in WIP and FG lying in stock and capital goods. – To be filed by a person filing FORM GST CMP 02 (For reversal of ITC on closing stock)	Within 60 days from the commencement of relevant financial year
GST CMP 04	Intimation of Withdrawal from Scheme	Within 7 days of occurrence of event
GST ITC 01	Details of inputs lying in stock, inputs in WIP and FG lying in stock and capital goods – For availment of ITC on closing	Within 30 days of the date of conversion

	stock on account of conversion from composition scheme to normal scheme	
GST CMP 05	Show Cause Notice on contravention of rules or Act	On Contravention of Act or Rules
GST CMP 06	Reply to Show Cause Notice	Within 15 days of receipt of notice
GST CMP 07	Issue of Order	Within 30 days of receipt of reply
GST CMP 08	Return to be filed by a person opting for composition scheme	Within 18 days from the end of the quarter

Denial of composition scheme on account of non-fulfilment of conditions specified therein - Prospective (or) Retrospective?

In case of denial of option to pay tax under composition levy by the tax authorities, the effective date of such denial shall be from a date, including any retrospective date, as may be determined by tax authorities. However, such

effective date shall not be prior to the date of contravention of the provisions of the CGST Act/ CGST Rules.

MEANING OF VARIOUS TURNOVER:

	ATO for determining eligibility for CS	Turnover for determining 10% limit of services	Turnover for payment of GST under CS
Period for which it is determined	PY	PY	CY
Basis	All India	State/UT wise	State/UT wise
Taxable supplies	Included	Included	Included
Exempt supplies	Included	Included	Included
INTEREST ON LOANS etc.,	Excluded	Excluded	Excluded
Non-taxable supplies	Included	Included	Not Applicable*

Export of goods or services	Included	Included	Not Applicable *
Interstate supply	Included	Included	Not Applicable*
Inward supplies under RCM	Excluded	Excluded	Excluded
Taxes i.e., GST Group	Excluded	Excluded	Excluded
Pre-Registration Turnover	Included	Included	Excluded

***Not Applicable = These supplies cannot be made during the current year and if made, the person is disqualified from composition scheme**

THAT'S IT – 9

REGISTRATION

THRESHOLD LIMITS:

1. For 4 North Eastern States (MMTN) - Manipur, Mizoram, Tripura & Nagaland - ₹ 10 lakhs limit for both goods and Services
2. For (USTAMP) - Uttarakhand, Sikkim, Telangana, Arunachal Pradesh, Meghalaya & Pondicherry - ₹ 20 lakhs limit for both goods and services
3. For all other 21 states - ₹ 20 lakhs limit for services and ₹ 40 lakhs limit for goods

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Important Points:

- ⇒ ATO computed on all India basis and not state wise
- ⇒ The limit of ₹ 40 lakhs is applicable only in case of exclusive supply of goods.
- ⇒ If a person is engaged in exclusive supply of services (or) supply of both goods and services, the limit of ₹ 20 lakhs/10 lakhs should be considered.

- ⇒ If supplies are made from multiple states and if taxable supplies are made from special category states, only then ₹ 10 lakhs limit is applicable
- ⇒ If supplies are made from multiple states and in those states if USTAMP is also one of the states then threshold limit is ₹ 20 lakhs
- ⇒ The limit of ₹ 40 lakhs is not applicable in the following cases:
 1. Persons who voluntarily got registered
 2. Persons who are compulsorily required to get registered under Sec. 24
 3. Persons making supply of ice cream, edible ice, Pan Masala, Tobacco and tobacco products, **Bricks & Roofing tiles**

LIABLE FOR REGISTRATION [SEC. 22(1)]

As and when ATO during a financial year > Threshold limit as discussed above

EXEMPTION FROM REGISTRATION [SEC. 23]

- ⇒ Exclusively engaged in making exempt supplies (incl. Non-taxable supplies)

- Agriculturist to the extent out of cultivation of land
- Exclusively engaged in RCM supplies

Note: If a person is making both exempted and taxable supplies, then the above exemption not available.

➤ **Person making supply of goods through E-Commerce who is required to collect TCS u/s 22 and having ATO of PY and Current FY below the threshold limit, Subject to the following conditions** **A**

- I. He shall not make interstate supply of goods
- II. He shall not make supply of goods through E-Commerce more than one state/UT.
- III. Declare PAN, Address, State/UT on the portal for validation.
- IV. No supplies shall be made through ECO unless person has been granted enrolment number on successful validation.
- V. Enrolment number cease to be valid from the date of registration if granted registration u/s 25.

COMPULSORY REGISTRATION* [SEC. 22]:**COMPULSORY REGISTRATION* [SEC. 22]:**

- ☞ Registered under earlier indirect tax regime – Sec. 22(2)
- ☞ Transfer of business (Normal) – Sec. 22(3)
- ☞ Transfer pursuant to a scheme of amalgamation, merger or demerger etc., – Sec. 22(4)

NOTE: THEY CAN MAKE APPLICATION FOR CANCELLATION OF REGISTRATION, IF THEIR AGGREGATE TURNOVER FALLS BELOW THRESHOLD LIMIT.

COMPULSORY REGISTRATION* [SEC. 24]:

I	Interstate supplier of taxable goods (other than Handicrafts)
C	Casual Taxable Person (Other than Handicrafts)
R	Recipient under RCM – Sec. 9(3)
E	<ul style="list-style-type: none"> • ECO liable to pay GST u/s 9(5) - HATE (Housekeeping, Accommodation, Transportation of passengers & Eating food from restaurant) • ECO liable to deduct TCS u/s 52
A	Agent making supply of goods or services on behalf of supplier
T	TDS Deductor u/s 51

I	Input Service Distributor
O	OIDAR Supplier located outside India and making supplies to NTOR (NTOR = Any URP importing services for other than business or commerce)
N	Non-Resident Taxable Person (NRTP)
S	Supplier of goods through ECO (other than those making only intra state supplies)

*Irrespective of threshold limit, a person is liable to get registered

Note:

1. Sec. 23 Overrides Sec. 22(2), Sec. 22(3), Sec. 22(4) and Sec. 24
2. Sec. 24 Overrides Sec. 22(1)

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PROCEDURE FOR REGISTRATION [SEC. 25]:

Form	Purpose
REG 01	Application for registration
REG 02	Acknowledgement
REG 03	Notice for discrepancies
REG 04	Reply to Notice
REG 05	Rejection of application
REG 06	Certificate of registration

- ▶ Application for registration to be submitted within 30 days from the date when liable for registration.
- ▶ REG 01 to REG 02 = Immediate
- ▶ REG 01 to REG 03 = 7 working days
- ▶ REG 01 to REG 06 = 7 working days
- ▶ REG 03 to REG 04 = 7 Working days
- ▶ REG 04 to REG 05/06 = 7 Working days
- ▶ **Bank details can be furnished within 30 days from the date of registration (or) date of filing GSTR - 1/IFF, whichever is earlier. (Not applicable to those who is required to deduct TDS u/s 51 or collect TCS u/s 52)** A

Above registration procedure not applicable:

1. Non-Resident Taxable Person
 2. OIDAR supplier located outside India
 3. TDS/TCS Deductor
 4. UIN (Unique Identification Number) holder
- ▶ **Aadhaar authentication is mandatory and can be completed within 15 days from submission of part-B of GST REG 01.**
 - ▶ Date of authentication (or) 15 days from submission of Part - B of REG-01, whichever is EARLIER shall be **DEEMED TO BE THE DATE OF SUBMISSION OF APPLICATION.**

- ▶ Physical verification shall be conducted within 30 days of submission of application (i.e., 15 days from Part -B of REG-01), if Authentication is not done.

▶ **Applicability of Aadhaar Authentication:**

	Person	Applicable	Not applicable
1	Individual/ Sole Proprietor	Citizen of India	Not a citizen of India
2	HUF	Karta	Co-parceners (i.e., other members of HUF)
3	Firm/LLP	Authorised or Managing partner	Other partners
4	Company/ Body Corporate/ Other entity	Authorised Signatory	Members other than authorised Signatory
5	Government		CG/SG department
6			Local Authority
7			Statutory Body

8			Public Sector Undertaking
9	Others		UIN Holder

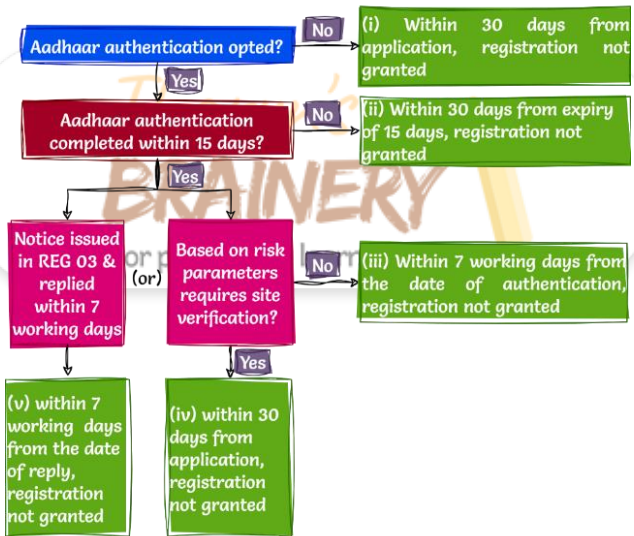
Note: The above persons are not required to undergo Aadhaar authentication even though they have already registered. But other than above, if they have already registered, should undergo authentication.

TIME LIMIT FOR UPLOADING DETAILS OF PHYSICAL VERIFICATION: **A**

- i. Where the proper officer is satisfied that the physical verification of the place of business of a person is required **AFTER** the grant of registration: he may get such verification of the place of business done and the verification report along with the other documents, including photographs, shall be uploaded in prescribed form on the common portal **within a period of 15 working days** following the date of such verification.
- ii. Where the physical verification of the place of business of a person is required **BEFORE** the grant of registration the proper officer shall get such verification of the place of business done and the verification report along with the other

documents, including photographs, shall be uploaded in prescribed form on the common portal **at least 5 working days prior to the completion of the time period specified in the said proviso.**

DEEMED REGISTRATION:



Time limit for making application for registration:

	Situation		liable for registration	Time limit
1	Sec. 24	CTP & NRTP	Starting of business	Atleast 5 days before start of business
		Others	Starting of business	
2	Registered under earlier law		1/7/17	Within 30 days
3	Transfer of business	Amalgamation/ demerger by order of high court/ tribunal	Date of certificate of incorporation issued by ROC to transferee	
		Other Cases	Date of transfer	
4	Any other person		Date on which ATO >	

		Threshold limit	
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SPECIAL PROVISIONS RELATING TO CTP & NRTP [SEC. 27]:

REGISTRATION VALIDITY = MAX. 90 DAYS + 90 DAYS

On sufficient cause being shown by the said taxable person, PO ay extend the said period of 90 days by a further period not exceeding 90 days

ADVANCE TAX TO BE PAID AT THE TIME OF REGISTRATION + EXTRA AMOUNT FOR EXTENSION PERIOD:

- ▶ At the time of submission of application for registration, make an advance deposit of tax for an amount equal to the estimated tax liability (Net Liability i.e. after adjustment of estimated ITC) for the period for which registration is sought.
- ▶ Where any extension is sought, an additional amount of tax equal to estimated tax liability of such extended period shall be deposited.

- ▶ Advance tax shall be credited to electronic cash ledger, which shall be adjusted against final liability determined.

DISTINGUISHING POINTS:

CTP	NRTP
A person who occasionally undertakes transactions involving supply of goods or services or both in the course or furtherance of business, whether as principal, agent or in any other capacity, in a state/UT where he has no fixed place of business	Any person who occasionally undertakes transactions involving supply of goods or services or both, whether as principal or agent or in any manner, but who has no fixed place of business or residence in India
Undertakes transactions in the course or furtherance of business	No such requirement
Has a PAN	Does not have a PAN. He can take

	registration with Passport
Application Form – GST REG 01	Application Form – GST REG 09
Files return in Form – GSTR 1, GSTR 3B	Files return in Form – GSTR 5

AMENDMENT IN REGISTRATION [SEC. 28]:

Amendment in	Registration certificate shall stand amended upon	Effective date of amendment
Non-core fields	Submission of the application for amendment on the common portal (Deemed Approval)	Any particular of the application for registration shall not stand amended with effect from a

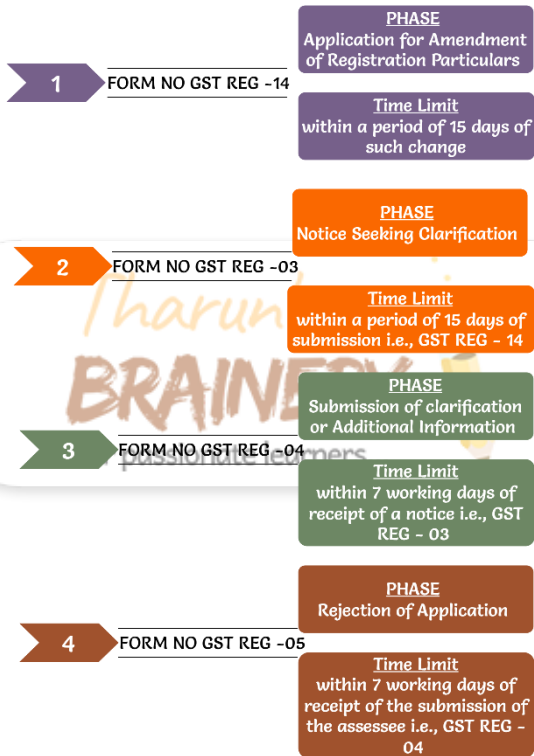
Core fields:	Approval	date earlier
1. Name of business	of PO required.	than the date of submission
2. Address of principal and additional place of business	Such amendment shall take effect from	of the application except with
3. Top management details(i.e., Partners, Karta, Managing committee, Board of trustees, CEO etc)	the date of occurrence of event warranting such amendment	the commissioner Retrospective amendment in registration is possible only with the order of commissioner

Retrospective amendment in registration is possible only with the order of commissioner

Note: Change in Constitution resulting in change in PAN, requires cancellation of old registration and obtaining fresh registration.

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PROCEDURE:



CANCELLATION OF REGISTRATION [SEC. 29] :

Application by registered person (or) suo-moto cancellation by officer [FORM GST REG 16]:

1. Transfer or discontinuance of business
2. Change in constitution of business
3. Taxable person no longer liable to be registered

Note: Aadhaar Authentication mandatory for registered persons filing application for cancellation of registration

SUO-MOTO CANCELLATION BY OFFICER [SCN IN FORM GST REG 17]:

1. Contravention of provisions of Act or Rules
2. Person opting for composition scheme not filed annual return (GSTR-4) of a FY within 3 months from Due date.
3. Registered person (other than above) has not filed returns for 6 consecutive months (or) 2 consecutive quarters.
4. Registration obtained by fraud
5. Obtained voluntary registration and not commenced business within 6 months

Note: Even, TCS/TDS deductor can make application for cancellation of registration.

MEANING OF "CONTRAVENTION OF PROVISIONS" LEADING TO CANCELLATION OF REGISTRATION

[RULE 21]:

- a) Does not conduct any business from declared place of business [Wrong address]
- b) Issues invoice or bill of supply in violation of provisions or rules [Wrong Invoice]
- c) Violates the provisions of Anti-profiteering
- d) Do not furnish bank details within specified time
- e) Avails ITC in contravention of Sec. 16 (i.e., conditions for availment) [Wrong ITC]
- f) Liability in GSTR - 1 > Liability in GSTR - 3B for one or more tax periods; ITC in GSTR-3B > ITC in GSTR-2B for one (or) more tax quarters.
- g) Does not pay 1% of gross liability through ECL, when monthly turnover > ₹50 lakhs (Rule 86B)

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SUSPENSION OF REGISTRATION:

Once a registered person has applied for cancellation of registration or the proper officer seeks to cancel his registration, the proper officer may suspend his registration during the pendency of the proceedings relating to cancellation of registration filed by such registered person

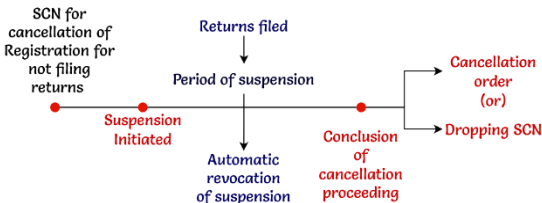
Note: Suspension of registration can be without affording reasonable opportunity of being heard.

Situation	Period of suspension
Where registered person has applied for cancellation of registration	the registration shall be deemed to be suspended from: (a) the date of submission of the application or (b) the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation.
Where cancellation of the registration has been initiated by the Department	with effect from a date to be determined by him, pending the completion of the proceedings for cancellation of registration.

A registered person, whose registration has been suspended as above:

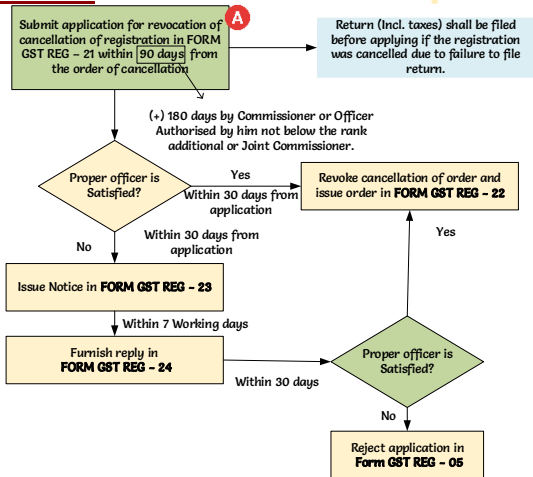
- shall not make any taxable supply (**i.e. can make taxable supplies but cannot issue tax invoice**) during the period of suspension and
- shall not be required to furnish any return under section 39 (**i.e. GSTR - 3B**)

The suspension of registration shall be deemed to be revoked upon completion of the cancellation proceedings by the proper officer.



REVOCACTION OF CANCELLATION OF REGISTRATION

[SEC. 30]:



Note:

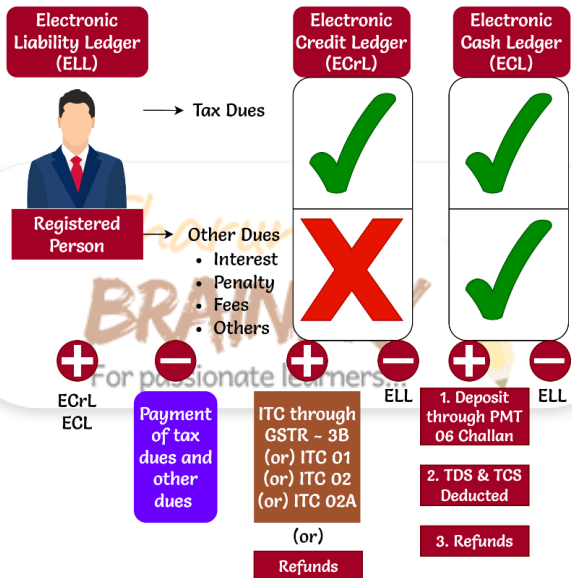
Aadhaar Authentication mandatory for registered persons, filing application for revocation of cancellation of registration

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THAT'S IT – 10: PAYMENT PROCESS

AN OVERVIEW [SEC. 49]:



- ▶ **Electronic Liability Ledger (GST PMT 01); Electronic Credit Ledger (GST PMT 02) and Electronic Cash Ledger (GST PMT 05)**

- ▶ Balance in Electronic credit ledger or electronic cash ledger after payment of interest, penalty, fee or any other amount may be refunded.
- ▶ Any discrepancy in ledger is communicated through GST PMT 04

SPECIAL POINTS W.R.TO ELECTRONIC CASH LEDGER (ECL):

- Modes of deposit through GST PMT 06 challan – Internet banking, debit Card, Credit Card, NEFT/RTGS, Cash deposit over the counter [Upto ₹ 10,000 per tax period permitted], UPI and IMPS.
- When payment is debited in bank account but not credited in ECL, then communication to payment gateway shall be made through GST PMT 07
- For transfer of balances between major heads and minor heads in ECL, FORM GST PMT 09 is notified.
- Balance available in Electronic cash ledger can be transferred between distinct persons – FORM PMT 09. [However, transferor should not have

any unpaid liability in Electronic Liability Ledger]

SPECIAL POINTS ON ELECTRONIC CREDIT LEDGER (ECRL):

- Refund from electronic credit ledger is possible only in 2 cases-Inverted tax structure [Tax rate on output < Tax rate on inputs]; zero rated supplies
- REFUND TO THE ORIGINAL SOURCES LEDGER: where registered person has claimed refund of any amount paid as Tax wrongly paid or Paid in excess for which debit has been made from the ECRL Then the said amount, if found admissible, proportionate amount debited from ECRL, shall be re-credited to ECRL by an order made in FORM GST PMT 03
- When a registered person claims erroneous refund of ITC, upon payment of such refund along with interest & penalty, proper officer shall pass an order in FORM GST PMT 03A for recredit to ECRL.

- Balance in Electronic Credit Ledger can be used only for payment of tax but cannot be used for payment of interest, penalty, fee and others.
- Also, balance in ECRL can be used only for payment of GST under FCM but not payment of GST under RCM.
- **Balance available in ECRL may be restricted for utilization by proper officer.**

RESTRICTION ON UTILIZATION OF AMOUNT AVAILABLE IN ELECTRONIC CREDIT LEDGER [RULE 86A]:

GST officer has power to disallow the setoff of provisional credit against GST payable, **for a maximum period of 1 year**, if he is of the opinion that

- ⊖ ITC availed against an invoice issued by a supplier, who is not in existence (or) not doing business from the place where supplier has obtained registration.
- ⊖ ITC availed by a recipient who is not in existence (or) not doing business from the place where recipient has obtained registration.
- ⊖ ITC availed without receipt of goods
- ⊖ ITC availed against an invoice, for which supplier has not paid tax to Government.

- ☞ Invoice or Debit note against which ITC availed is not in existence.

Note: Upon expiry of 1 year from the date of restriction, the registered person shall be able to debit input tax credit so disallowed, subject to any other action that may be taken against such person.

RESTRICTION ON UTILIZATION OF AMOUNT AVAILABLE IN ELECTRONIC CREDIT LEDGER [RULE 86B]:

Turnover in a month > ₹50 lakhs	Pay 1% of Gross liability through ECL Even if there is balance in ECRL to pay liability
Turnover meaning	Total turnover (-) Zero rated (-) Exempted (-) Taxes Exempted incl. non taxable
Not applicable to:	Govt. Dept. PSU Local Authority Statutory Body

The above Rule is not applicable also in the following cases:

1. Such person (or) proprietor (or) Karta (or) M.D (or) any of its 2 partners deposited income tax of > ₹1 lakh in each of the last 2 years
2. Received a refund of unutilized ITC > ₹1 lakh in preceding FY
3. Paid > 1% of the total output tax liabilities through cash ledger calculated cumulatively upto the month in the current financial year.

SEC. 50 – INTEREST ON DELAYED PAYMENT OF TAX

Situation – 1	Situation – 2	Situation – 3
Delay in filing GSTR-3B [Sec. 50(1)]	Invoice not reported in GSTR-1 & GSTR-3B of a month but paid in another month [Sec. 50 (1)]	ITC wrongly availed and wrongly utilised [Sec. 50(3)]
Interest @ 18% FROM the first date after	Interest @ 18% FROM the first date after due	Interest @ 18% FROM the first date after utilisation of ITC

due date TILL the actual date of payment	date TILL the actual date of payment	TILL the date of reversal
Computed on amount paid through Electronic Cash Ledger (i.e., net liability)	Computed on amount paid through Electronic Cash Ledger & Electronic Credit Ledger (i.e., Gross Liability)	Computed on ITC utilised i.e., the extent to which balance in ITC falls below availed ITC
Date of payment = Actual date of filing GSTR-3B	Date of payment = Actual date of filing GSTR-3B (or) if payment through DRC-03, date of filing such form	Date of utilisation = Actual date of GSTR-3B (or) due date of GSTR-3B, whichever is earlier w.r.to the months in which balance in ITC falls below wrongly availed ITC Date of

		reversal = Actual date if GSTR-3B
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CLARIFICATION ON CHARGING OF INTEREST UNDER SECTION 50(3) IN CASES OF WRONG AVAILMENT OF IGST CREDIT AND REVERSAL THEREOF – CBIC CIRCULAR **A**

- ❖ In the cases where IGST credit has been wrongly availed and subsequently reversed on a certain date, there will not be any interest liability under section 50(3) if, during the time period starting from such availment and up to such reversal, the balance of ITC in the ECL, under the heads of IGST, CGST and SGST taken together, has never fallen below the amount of such wrongly availed ITC, even if available balance of IGST credit in ECL individually falls below the amount of such wrongly availed IGST credit.
- ❖ Credit of compensation cess available in ECL cannot be taken into account while considering the balance of ECL for the purpose of calculation of interest under rule 88B(3) in respect of wrongly availed and utilized IGST, CGST or SGST credit.

THAT'S IT – 11: RETURNS UNDER GST

Form	Description	Frequency
GSTR-1	Details of outward supplies (Other than QRMP Scheme)	11 th of the month following every month
	Details of outward supplies (QRMP Scheme)	13 th of the month following every quarter
IFF	In case of QRMP Scheme, for first 2 months in a quarter	13 th of the month following every month
GSTR-3B	Summary of outward supplies along with input tax credit (Notified States - Gujarat, Madhya Pradesh, Chhattisgarh, Maharashtra, Telangana, Andhra Pradesh, Karnataka, Tamil	If QRMP not opted: 20 th of the month following every month If QRMP opted: 22 nd of the month following every month - Notified States 24 th of the month following

	Nadu and Kerala, Andaman, Puducherry, Goa, Daman, Diu, Dadra and Nagar Haveli)	every month – Other states
CMP-08	Statement-cum-challan to make tax payment by a composition scheme tax payer	18 th of the month following every quarter.
GSTR-4	Annual Return for a taxpayer registered under the composition scheme	30 th April of succeeding financial year.
GSTR-5	Return for a NRTP	13 th of month, following every month (or) 7 days from expiry of registration, whichever is earlier
GSTR-5A	Return to be filed by OIDAR supplier located outside India	20 th of the month, following every month

GSTR-6	Return for an input service distributor	13 th of the month, following every month
GSTR-7	TDS details	10 th of the next month.
GSTR-8	TCS details	10 th of the next month.
GSTR-9/9B	Annual return (Normal/E-Commerce operator)	31 st December of next financial year.
GSTR-9C	Reconciliation statement - Self assessed	31 st December of next financial year, if ATO during PY > ₹5 cr.
GSTR-10	Final return to be filed by a taxpayer whose GST registration is cancelled.	Within three months of the date of cancellation or date of cancellation order, whichever is later.

GSTR-11	Details of inward supplies to be furnished by a person having UIN	At the time of filing refund claim
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Special Points on returns:

1. Sequential filing of returns:

Month 1

Month 2

Month 3



- Govt. on the recommendations of GST council may allow a person to file GSTR-1, even if GSTR-1 is not filed for prior periods.
- In the following cases, even though supplier declared the details of outward supplies in GSTR-1, ITC can be restricted in GSTR-2B as per Sec. 38
 - Supplier is a newly registered business
 - Supplier has filed GSTR-1 but not GSTR-3B
 - Supplier's liability in GSTR-1 > liability in GSTR-3B
 - Supplier's ITC in GSTR-3B > ITC in GSTR-2B

- Supplier has received demand notices and defaulted in payment of taxes and such default continues.
- Supplier defaulted in payment of 1% of gross liability through ECL in terms of Rule 86B

1. Communication of discrepancies & recovery mechanism [Rule 88C & Rule 88D]

Criteria	88C	88D ^A
Trigger Point	Difference in Outward Supply – Liability declared in form GSTR 1 exceeds the tax payable in form GSTR 3B by such amount and such percentage	Difference In ITC claimed – Credit availed in form GSTR 3B exceeds the credit as per auto generated statement in Form GSTR 2B
Communication by Department	Part A- GST DRC – 01B	Part A – GST DRC – 01C
Communication by	Upload on the Portal + E-Mail	Upload on the Portal + E-Mail
Response Time	7 Days	7 Days
Response to be filed in	Part B -GST DRC -01B	Part B – GST DRC – 01C

Options available	<ol style="list-style-type: none"> 1. Pay the Difference 2. Explain the difference 3. Partial payment and explain the balance 	<ol style="list-style-type: none"> 1. Pay the Difference 2. Explain the difference 3. Partial payment and explain the balance
If no response / unsatisfactory response	Recovery of Tax under Section 79 + liability posted in Electronic liability ledger	SCN under Section 73/74
Impact on Filing of Returns / Access to GST Portal	<ol style="list-style-type: none"> 1. Not allowed in file returns in Form GSTR 1 2. Rule 59 - Once GSTR 1 not filed. GSTR 3B filing gets blocked 3. Rule 138E - If GSTR 1 not filed for two consecutive 	<ol style="list-style-type: none"> 1. Not allowed in file returns in Form GSTR 1 2. Rule 59 - Once GSTR 1 not filed. GSTR 3B filing gets blocked 3. Rule 138E - If GSTR 1 not filed for

	tax periods, E-Way Bill facility gets blocked 4. Rule 21A - Suspension of registration	two consecutive tax periods, E-Way Bill facility gets blocked 4. Rule 21A - Suspension of registration
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Persons not required to file GSTR - 1/3B (T²ONIC):	Annual return is not required to be filed by (CAG TONIC):
T = TDS Deductor T = TCS Deductor O = OIDAR supplier located outside India and making supplies to non-taxable recipient in India N = Non-Resident Taxable Person (NRTP) I = Input Service Distributor (ISD)	CAG = RP whose books are subject to audit by CAG T = TDS Deductor O = OIDAR supplier located outside India and making supplies to non-taxable recipient in India N = Non-Resident Taxable Person (NRTP)

C = Composition scheme tax payer	I = Input Service Distributor (ISD)
	C = Casual Taxable Person (CTP)

FILING NIL RETURNS THROUGH SMS:

The following returns can be filed through SMS if all the entries in the return are nil

- (i) GSTR – 1
- (ii) GSTR – 3B
- (iii) GST CMP 08

FIRST RETURNS [SEC.40]

Every registered person 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 first return furnished by him after grant of registration.

NOTICE TO RETURN DEFAULTERS [SEC. 46]

A notice in GSTR – 3A shall be issued, if returns are not filed. After issuance of notice, returns should be filed within **15 days** from such notice date.

QRMP Scheme	ATO \leq ₹ 5 Crores in PY.
	GSTR-1 on a quarterly basis by 13th of the month following every quarter and GSTR-3B on a quarterly basis by 22nd or 24th of the month following every quarter.
	Monthly payment of tax through PMT 06 using Fixed Sum Method (FSM) or Self Assessment Method (SAM) by 25th of next month for 2 months in a quarter.
	B2B invoices may be furnished (optional) on a monthly basis through Invoice Furnishing Facility (IFF), which is reflected in GSTR-2A/2B of recipient
QRMP scheme is GSTIN wise & distinct person have the option to avail the scheme for one or more GSTIN.	

Timeframe to opt in	First day of second month of preceding quarter to the last day of the first month of the quarter.		
A	B	FY:	Timeline for opt-in
1	2	2021-22	

	April – June (Q1)	1 st Feb 2021 to 30 th April 2021
	July – Sept (Q2)	1 st May 2021 to 31 st July 2021
	Oct – Dec (Q3)	1 st August 2021 to 31 st Oct 2021
	Jan – March (Q4)	1 st Nov 2021 to 31 st Jan 2022
Condition to opt in	Last return must be furnished on date of exercising the option.	
GSTR-1 or availing IFF facility?	<ul style="list-style-type: none"> • The scheme provides the IFF facility for first two months to furnish the detail of outward supply till the 13th of the succeeding month (This facility is optional) • Details furnished using IFF facility need not require to re-furnish in GSTR-1. Therefore, only invoices of last month of the quarter is require to furnish in GSTR-1. • Exception: The said details of outward supplies shall not 	

	<p>exceed the value of ₹ 50 lakhs in each month.</p> <ul style="list-style-type: none"> On non-opting of this facility, detail of outward supply to be made in GSTR-1 quarterly.
Payment method (at the option of tax payer)	<p>*Fixed sum method:-</p> <p>Quarterly filer of GSTR-3B of previous Qtr:- 35% of tax liability in cash paid in preceding Qtr.</p> <p>Monthly filer of GSTR-3B of previous Qtr:- 100% of tax liability in cash paid in last month of preceding Qtr.</p>
	<p>*Self-assessment method: - No payment in cash be made if sufficient balance available in Electronic cash/credit ledger for first two month of the quarter after ascertaining all the taxes on the outward & inward supplies.</p>
	<p>No, the manner of declaring the tax on outward & inward supplies are same. But the tax paid in first two month would now be offset along with the third month liability.</p>
Any change in manner of filing the GSTR-3B	

Compulsory opt out	When aggregate turnover exceed ₹5 crore in any quarter in current FY shall opt to furnish the monthly returns from the succeeding quarter.
Levy of late fees	Late fees would be applicable for delay in furnishing GSTR - 1 or GSTR-3B.
	No late fee is applicable for delay in payment of tax in first two months of the quarter.

INTEREST ON ACCOUNT OF SHORT PAYMENT (OR) NON-PAYMENT UNDER QRMP SCHEME: -

	FSM	SAM
TAX W.R.TO 1st month (or) 2nd month of the quarter not paid by 25th of next month	Interest @18% p.a. from 26 th of next month till the date of payment	Interest @ 18% p.a. from 26 th of next month till the date of payment
Diff. tax (Actual tax - Tax paid) w.r.t 1 st month (or)	N.A	Interest @ 18% p.a. from 26 th of next month till the

2 nd month of the quarter.		date of payment
GSTR- 3B for the quarter filed late	Interest @ 18% p.a. from 23rd/25th the month following quarter till date of filing GSTR-3B on the net liability mentioned in GSTR-3B	Interest @ 18% p.a. 23rd /25th of the month following quarter till the date of filing GSTR-3B on the net liability mentioned in GSTR-3B.

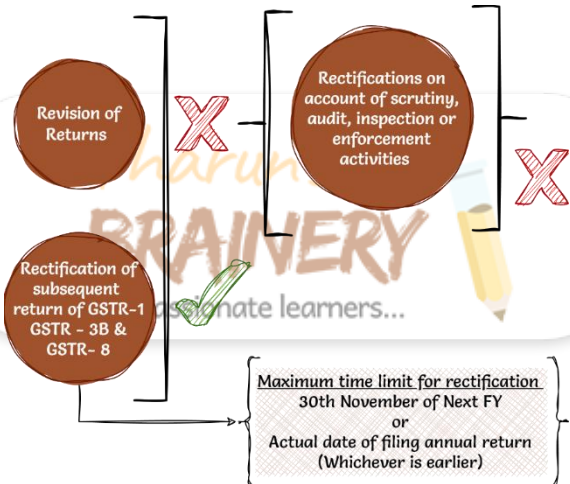
LATE FEE FOR DELAY IN FILING RETURN [SEC. 47]:

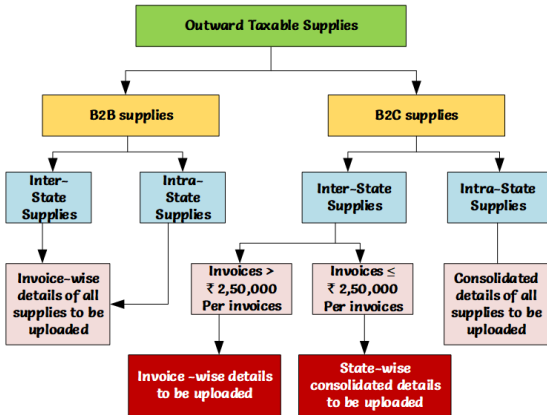
Type of return	Situation	Late Fee (under CGST Act)	Subject to maximum (Under CGST Act)
GSTR - 1, GSTR - 3B [w.e.f. Month or quarter ending	Nil Return	₹10 for every day	₹250
	ATO during PY ≤ ₹1.5 Crores:	₹25 for every day	₹1,000
	ATO during PY > ₹1.5	₹25 for every day	₹2,500

June, 2021 onwards]	Crores but \leq ₹5 Crores		
	ATO during PY $>$ ₹5 Crores	₹25 for every day	₹5,000
GSTR - 5, GSTR - 5A, GSTR - 6	Nil return	₹10 for every day	₹5,000
	Other than Nil return	₹25 for every day	₹5,000
GSTR - 7		₹25 for every day	₹1,000
GSTR - 8		₹100 for every day	₹5,000
GSTR - 4 [W.e.f. FY: 2021-22 onwards]	Nil return	₹10 for every day	₹250
	Other than Nil return	₹25 for every day	₹1,000
GSTR - 9/9B/9C	ATO during PY \leq ₹5 Crores:	₹25 for every day	0.02% of turnover in the state or UT.
	ATO during PY $>$ ₹5 Crores but \leq ₹20 Crores	₹50 for every Day	0.02% of turnover in the state or UT.
	ATO during PY $>$ ₹20 Crores	₹100 for every day	0.25% of turnover in the state or UT.

Note: An equal amount of late fee is payable under SGST Act also. Late fee under IGST is not applicable, if late fee under CGST & SGST is paid.

RECTIFICATION OF GSTR-1 & GSTR-3B:





Note:

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THAT'S IT - 12

E-WAY BILL

- It is to be generated before movement of goods.
- It is not applicable in case of EXEMPTED goods.
- It is not applicable if the value of goods (incl. GST & excl. EXEMPT SUPPLIES) \leq ₹50,000 (However, in case of job-work and handicrafts, it is required).
- It has 2 parts – Part A, comprises of GSTIN details of supplier and recipient, document number and reason for transportation and Part B, comprises of transport details.

Validity of E – Way bill:

	Cargo	Validity period
1	Over Dimensional Cargo (ODC) or Multi- Modal Transportation (MMT) in which at least one leg involves transport by ship	1 day for every 20 kms or part thereof

2	In other cases (i.e., other than above)	1 day for every 200 kms or part thereof
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NOTE: THE VALIDITY OF E-WAY BILL MAY BE EXTENDED WITHIN 8 HOURS FROM THE TIME OF ITS EXPIRY (VALIDITY COUNTED FROM MIDNIGHT OF THE DAY WHEN E WAY BILL IS GENERATED)

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FAQ'S ON E WAY BILL:

S.No.	Question	Answer
1.	When E-Way bill is not required?	<ol style="list-style-type: none"> 1. Transportation by non-motorized vehicle. 2. Goods transported from Customs port, Airport, air cargo complex or land customs station to Inland Container Depot (ICD) or Container Freight Station (CFS) for clearance by Customs. 3. Goods transported under Customs supervision or under Customs seal. 4. Transit cargo transported to or from Nepal or Bhutan. 5. Movement of goods for Ministry of Defence. 6. Empty Cargo containers are being transported. 7. Consignor transporting goods to or from between place of business and a weighbridge for

		weightment at a distance of 20 kms, accompanied by a Delivery challan.
		<ol style="list-style-type: none">8. Goods being transported by rail where, the Consignor of goods is the Central Government, State Governments or a local authority.9. Goods specified as exempt from E-Way bill requirements in the respective State/Union territory GST Rules.10. Transport of certain specified goods<ul style="list-style-type: none">• LPG for supply to household and non-domestic exempted category customers. (Other than dealer of cylinder).• Kerosene oil sold under Public Distribution System.• Postal baggage.• Natural or cultured pearls.

		<ul style="list-style-type: none"> Jewellery, goldsmith and silversmith wares. (Other than imitation jewellery) Used personal and household effects.
2.	Whether E Way bill is required if movement of goods is not for supply?	Yes (Irrespective of whether it involves supply or not)
3.	Whether ₹50,000 limit is for taxable goods or exempted goods	Taxable goods. If invoice has both taxable and exempt goods, we need to consider the invoice value of taxable goods
4.	While computing invoice value, whether GST to	While determining the limit of ₹ 50,000 GST TO BE INCLUDED

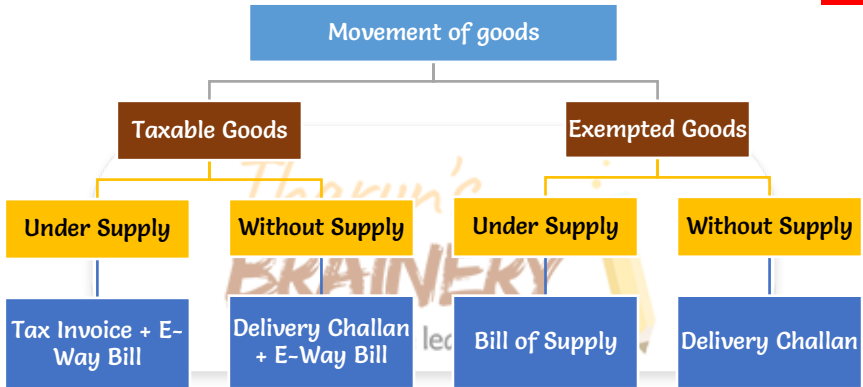
	be included or excluded?	
5.	Who will generate E Way bill?	<ul style="list-style-type: none">Registered Person – E-way bill must be generated when there is a movement of goods of more than ₹ 50,000 in value to or from a Registered Person.Unregistered Persons – Unregistered persons are also required to generate e-Way Bill. However, where a supply is made by an unregistered person to a registered person, the receiver will have to ensure all the compliances are met as if they were the supplier.
		<ul style="list-style-type: none">Transporter – Transporters carrying goods by road, air, rail, etc. need to generate E-Way Bill if the supplier has not generated an E-Way Bill.

6.	Whether transporter is required to generate if supplier has not generated because the invoice value \leq ₹ 50,000?	Transporters should generate the E-way bill (as Form EWB-01 or EWB-02) where all the consignments in the conveyance: <ul style="list-style-type: none">▶ Individually (i.e., each invoice/delivery challan) is less than or equal to ₹ 50,000 BUT▶ In Aggregate (all documents put together) exceeds ₹ 50,000
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7.	Blocking of E-Way Bill	<ul style="list-style-type: none">➤ E-Way bill cannot be generated, if return (GSTR – 1 or GSTR – 3B or GST CMP 08) is not filed for 2 consecutive tax periods.➤ E-Way bill generation facility is blocked only w.r.to outward movement of goods by a registered person who has not filed returns as above.➤ However, E-Way bill can be generated in respect of inward supplies of said registered person.
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8.	Other points	<ul style="list-style-type: none">➤ In case of “Bill to Ship to” transactions, one E-way bill is sufficient and it can be generated either by consignor or by consignee.➤ Multi Vehicle updation is possible in E-Way bill.➤ Part B should be updated within 15 days from updation of Part A.➤ E-Way Bill should be accepted by recipient within 72 hours from generation or delivery of goods, whichever is EARLIER.➤ Part B may be updated by supplier, recipient or transporter.
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THAT'S IT - 13

GST PRACTITIONER [SEC. 48]

Role of a Certified GST Practitioner



Following are added vide Notification No. 3/2019 (effective from 1.02.2019)

- (1) Furnish information for generation of e-way bill;
- (2) Furnish details of challan in FORM GST ITC-04 (i.e., goods send and received from jobwork);
- (3) File an application for amendment or cancellation of Unique enrollment number for a transporter and a warehouse keeper.
- (4) File an intimation to pay tax under the composition scheme or withdraw from the said scheme

Eligibility Conditions

Citizen of India

Person of sound Mind

Not adjusted as an insolvent

Not been convicted by a competent court for an offence with imprisonment not less than 2 years

Responsibility for correctness of particulars:

1. The responsibility for correctness of any particulars furnished in the return or other details filed by the GST practitioners shall continue to rest with the registered person on whose behalf such return and details are furnished.
2. Any statement furnished by the GST practitioner shall be made available to the registered person on the GST Common Portal.
3. For every statement furnished by the GST practitioner, a confirmation shall be sought from the registered person over email or SMS.
4. The registered person before confirming, should ensure that the facts mentioned in the return are true and correct before signature.
5. However, failure to respond to request for confirmation shall be treated as deemed confirmation.
6. The GST practitioner shall prepare all statements with due diligence and affix his digital signature on the statements prepared by him or electronically verify using his credentials. If the GST practitioner is found guilty of misconduct, his enrolment will be liable to be cancelled. A show cause notice would be issued to him in the form GST PCT-3.

THAT'S IT - 14

TDS VS TCS

WHEN APPLICABLE?

TDS

[Sec.51 of CGST Act]

Supply to Notified recipient

Notified Recipients are

- a) Govt-CG/SG/UT/LA
- b) Govt Agency
- c) Public Sector Undertaking (PSU)
- d) Govt body where equity participation of Govt is > or equal to 51%

TCS

[Sec.52 of CGST Act]

Supplies through E-Commerce Operator

Supplier should be different from E Commerce Operator and such ECO should not be a mere agent (i.e. Payment gateway or logistics operator)

WHO IS LIABLE TO DEDUCT AND AT WHAT RATE?

TDS

[Sec.51 of CGST Act]

Notified Recipient @ 2%

Non Applicability

1. Supplier is unregistered
2. Supplies are Exempted or non taxable
3. Contract value does not exceed ₹ 2,50,000
4. Supplies between notified recipients
5. Recipient liable to pay GST under RCM
6. Location of recipient and Place of supply not in the same state

TCS

[Sec.52 of CGST Act]

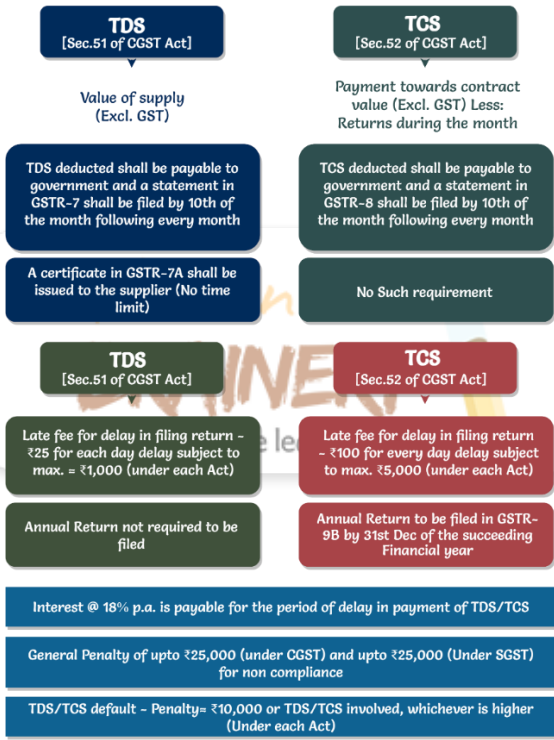
E Commerce Operator @ 1%

Non Applicability

1. Supplier is unregistered
2. Supplies are Exempted or non taxable
3. Notified Services u/s 9(5)
4. Payment is not collected by ECO

- TDS computed on amount remitted to supplier by recipient
- TDS not applicable, if it is intra-state supply and recipient in another state

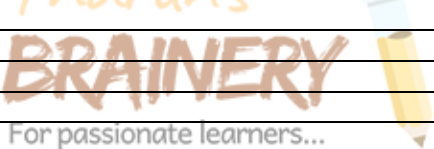
COMPUTATION AND COMPLIANCE?



Note: TDS/TDS deducted shall be reflected in GSTR – 2A of supplier, which is reflected in Electronic Cash Ledger and is used for payment of GST liability. It can also be used for payment of interest, penalty (or) late fee, payable

Time limit for rectification of GSTR 8 (TCS Return):
30th November of succeeding financial year (or)
Date of filing annual return for the financial year
WHICHEVER IS EARLIER

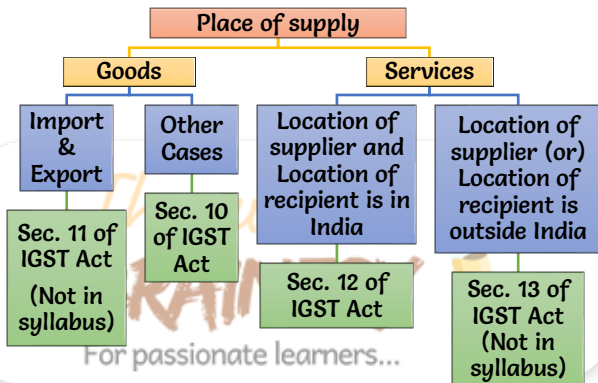
Note:



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THAT'S IT - 15

PLACE OF SUPPLY



If both LOS and LOR are outside India, POS cannot be determined for such service and it is EXEMPTED. SC in UOI vs. Mohit minerals pvt ltd. (2022) held that GST should not be levied on this transactions.

POS IN CASE OF GOODS [SEC. 10 & SEC. 11 OF IGST ACT, 2017]:

Sec.	Situation	POS
10(1)(a)	Supply involves movement of goods	<p><u>To registered person</u> → Ending point</p> <p><u>To unregistered person</u> → Location of recipient in the records of supplier otherwise Location of supplier A</p>
10(1)(b)	Bill to ship to Transaction	Billing address
10(1)(c)	Supply does not involve movement of goods	<p><u>To registered person</u> → Location of goods</p> <p><u>To unregistered person</u> → Location of recipient in the records of supplier otherwise Location of supplier A</p>
10(1)(d)	Goods assembled or installed at site	Location of such assembly
10(1)(e)	Supply on board a conveyance	Starting point of goods

Note: In case of conflict between Sec. 10(1)(a)/10(1)(b)/10(1)(c) over Sec. 10(1)(d)/Sec. 10(1)(e), then Sec. 10(1)(d)/10(1)(e), shall prevail. **[specific provision prevails over general provision].**

In case of services, if LOS is INDIA and POS is determined under Sec. 13 and if it is in INDIA, then it will never come under intra-state supply, but treated as DEEMED INTER STATE SUPPLY, as the reference for intrastate supply is only Sec. 12

POS IN CASE OF SERVICES [SEC. 12 & SEC. 13 OF IGST ACT, 2017]:

Nature of service	POS as per Sec. 12
General Provisions	B2B = LOR B2C = LOR in the records of supplier (If not available then LOS)
In relation to immovable property (IP) incl. accommodation	If IP in India – IP location If IP is outside India – LOR
Performance based – Individuals	Food & Beauty related – Performance location

	<p>Training & Performance appraisal</p> <p>B2B = LOR</p> <p>B2C = performance location</p> <p>All other services – General provisions</p>
Event related	<p>Admission – Event location</p> <p>Organising: B2B = LOR</p> <p>B2C = Event location (If event outside India, then LOR)</p>
Transportation of goods ^A	<p>B2B = LOR</p> <p>B2C = Starting point of goods</p>
Transportation of passengers	<p>B2B = LOR</p> <p>B2C = Starting point of passenger</p>
Services on board a conveyance	Starting point of conveyance
Telecommunication (incl. Broadband and DTH)	<p>Fixed Line = Equipment location</p> <p>Mobile (Post-paid) = Billing Mobile (Prepaid) = Dealer address [Online</p>

	recharge = General Provisions]
Advertisement services to Govt.	Each state where advertisement is provided

Note: In case of other services, General provisions are applicable.

SEC. 12 – B2B VS. B2C:

1. Training and performance appraisal
2. Organizing an event
3. Transportation of goods or passengers

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IGST RULES

Rule No	Rule Description	How to determine POS?		
3	Manner of determination of proportion of value attributable to different States or Union territories, in the case of supply of advertisement services to the Central Government, a State Government, a statutory body or a local authority Note: In any other case, it is amount		Type of Advertisement	Factor for value allocation
		1	On Trains	Length of railway track in each state/UT, for that train
		2	On railway tickets	No. of railway stations in each state/UT
		3	On TV Channels#	Number of viewers (Published by BARC*) of such

<p>payable (i.e., expenditure ratio)</p> <p>*BARC - Broadcast Audience Research Council</p> <p>**TRAI - Telecom Regulatory Authority of India</p> <p>#Figures of last week of a given quarter will be used for calculations for the succeeding quarter. If the data pertains to more than one state, ratio of population shall be used.</p>			channel in each state/UT
	4	On internet#	<p>DEEMED TO BE PROVIDED ALL OVER INDIA</p> <p>Number of internet subscribers in all states & UT's</p>
	5	Through SMS#	<p>Number of telecom subscribers (Published by TRAI**) in each state/UT</p>

4 & 8	<p>Computation of value of services <u>where immovable property is located in more than one State</u> and where the location of supplier and recipient is in India</p> <p>Note: Same provision applicable for S. 12 and S.13</p>	<p>Type of services in relation to immovable property</p>	<p>Factor for proportionate value allocation</p>
		Accommodation and its ancillary services	Number of nights stayed in such property
		Accommodation by a houseboat or vessel and its ancillary services	Time spent by the boat or vessel in each such State/ UT
		All other services provided in relation to immovable	Area of the immovable property lying in each State/ UT

		property not covered above	
5 & 9	Computation of value of services <u>where event is organised in more than one State</u> and where the location of supplier and the recipient is in India	GAAP i.e., Expenditure ratio Note: Same provision applicable for S. 12 and S.13	
6	Computation of value of services <u>where leased circuit is installed in more than one State</u> and where the location of supplier and the recipient is in India	the supply of services shall be treated as made in each of the respective States or Union territories, <u>in proportion to the number of points lying in the State or Union territory.</u>	

CLARIFICATIONS THROUGH CIRCULARS:**POS for supply of services w.r.to advertising sector ^A**

Sale of Space/Sale of Rights to use the Space on hoarding / structure of vendor to client / advertising company for display of their advertisement

Vendor providing advertisement services on hoarding/ structure owned or taken on rent by him

Sec. 12(3)(a) - Location of immovable property

POS

If IP in India - IP location
If IP is outside India - LOR

Sec. 12(2) - General provisions

POS

B2B = LOR
B2C = LOR in the records of supplier
(If not available then LOS)

EXPORT OF GOODS VS. EXPORT OF SERVICES:

Export of goods – Sec. 2(5) of IGST Act, 2017	Export of Services – Sec. 2(6) of IGST Act, 2017
Taking goods out of India to a place outside India (Consideration in foreign exchange is not a condition)	<ul style="list-style-type: none"> • LOS = India • LOR = Outside India • POS = Outside India • Consideration = convertible foreign exchange (Except for services to Nepal & Bhutan, as notified by RBI) • Supplier and recipient are not merely establishments of the same person <p>Note: Supply from a company incorporated in India to its establishments outside India, which are incorporated under the laws outside India, would qualify as 'export of services', subject to fulfilment of other conditions.</p>

DEEMED INTER-STATE SUPPLIES:

The following supplies are deemed to be inter-state supplies, irrespective of location of supplier and place of supply:

1. Supplies to SEZ (or) by SEZ
2. Import of goods (or) Services
3. Export of goods (or) services
4. Location of supplier in India and Place of Supply is outside India
5. Supply of goods to a tourist (At present, it is not effective)
6. Supply of goods or services, beyond territorial waters and upto Exclusive Economic Zone⁶ (Supply in taxable territory not elsewhere specified)
7. LOS is India and POS is India as per Sec. 13 of IGST Act
8. Security Lending under SEBI
9. Trading in Priority Sector Lending Certificates (PSLC)
10. Advances cannot be categorized into Intra (or) Inter

⁶ 200 Nautical Miles from Base Line.

SUPPLIES IN TERRITORIAL WATERS (I.E., 12 NAUTICAL MILES FROM BASE LINE) – SEC. 9 OF IGST ACT, 2017:

If location of supplier or place of supply is in territorial waters, then the nearest coastal state/UT shall be taken as the location of supplier or place of supply.

For Example, If a marine engineer registered in Tamil Nadu provides repair services to a Mr. Music located outside India, for his ship located in territorial waters of India, and the place of supply is the location where services are actually performed, i.e., location of the ship. But, as the ship is in territorial waters, place of supply shall be the nearest coastal state where the ship is located and if the nearest coastal state is Andhra Pradesh, then, the nature of supply is inter-state supply to the marine engineer. If the nearest coastal state is Tamil Nadu, Then nature of supply is intra state supply to marine engineer.

THAT'S IT - 16

ACCOUNTS & RECORDS

I Inward Supplies

F Foreign Trade - Import and Export

O Outward Supplies


R RCM purchases

M Manufacture related

A Advances received, paid and adjusted

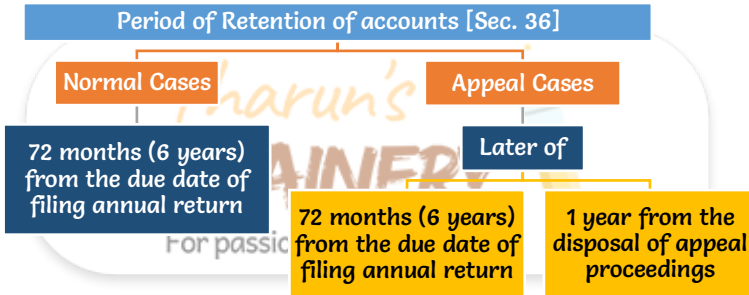
T Tax details - Input tax and output tax

S Stock of goods



Not required for a person opting for composition scheme

As per **Sec. 35**, the above records to be maintained by every registered person, in principal place of business and records pertaining to additional place of business in each additional place of business.



Note: Every transporter (or) Warehouse keeper, even though not registered, should obtain Unique Enrollment Number (UEN) & maintain necessary records.