

This Book is
Fully Ammended
as per
FINANCE ACT 2025



Applicable for New Syllabus

Best Book for Revising GST

Summarize full GST in 29 Pages

Full Coloured Book

For CA Inter | CS Executive | CMA Inter (May/June/Sep/Dec 26 & Jan 27)

GST CRUX BOOK

CA VIVEK GABA

CA Inter/CS-Executive/CMA Inter
New syllabus

GST
CRUX
Book

as per finance Act 2025 & Latest Circular & Notifications

By CA Vivek Gaba (YouR VG SIR)



PREFACE

It is my pleasure to present to you the '**GST Crux Book**
for CA Inter/CS Executive/CMA Inter
[May/June/Sep/Dec2026 & Jan 2027 onwards exams] a
comprehensive guide to help you excel in your journey
toward success.

I would like to express my heartfelt gratitude to Shri
Nangli Niwasi Bhagwan Ji & **my parents (My Visible**
GOD) for their unwavering love, support, and
encouragement. Your guidance and sacrifices have
shaped who I am today.

To **my wonderful wife**, your love, support, and belief in
me make every achievement more meaningful.

To **my sister and brother**, thank you for always being
there, for your constant support, and for making life
more joyful with your presence.

And **to all the students** who have shown so much love
,support appreciation.

May we continue to be grateful for one another and
cherish the bonds that make us stronger.



Acknowledgements

There are people in this world ,some of them so
wonderful, that made this book become a reality that
you are holding in your hand .I would like to thank all
of them.

SPECIAL THANKS TO

Mr. **Krishna vyas [class student]**who has taken
immense efforts in creating & designing this book.

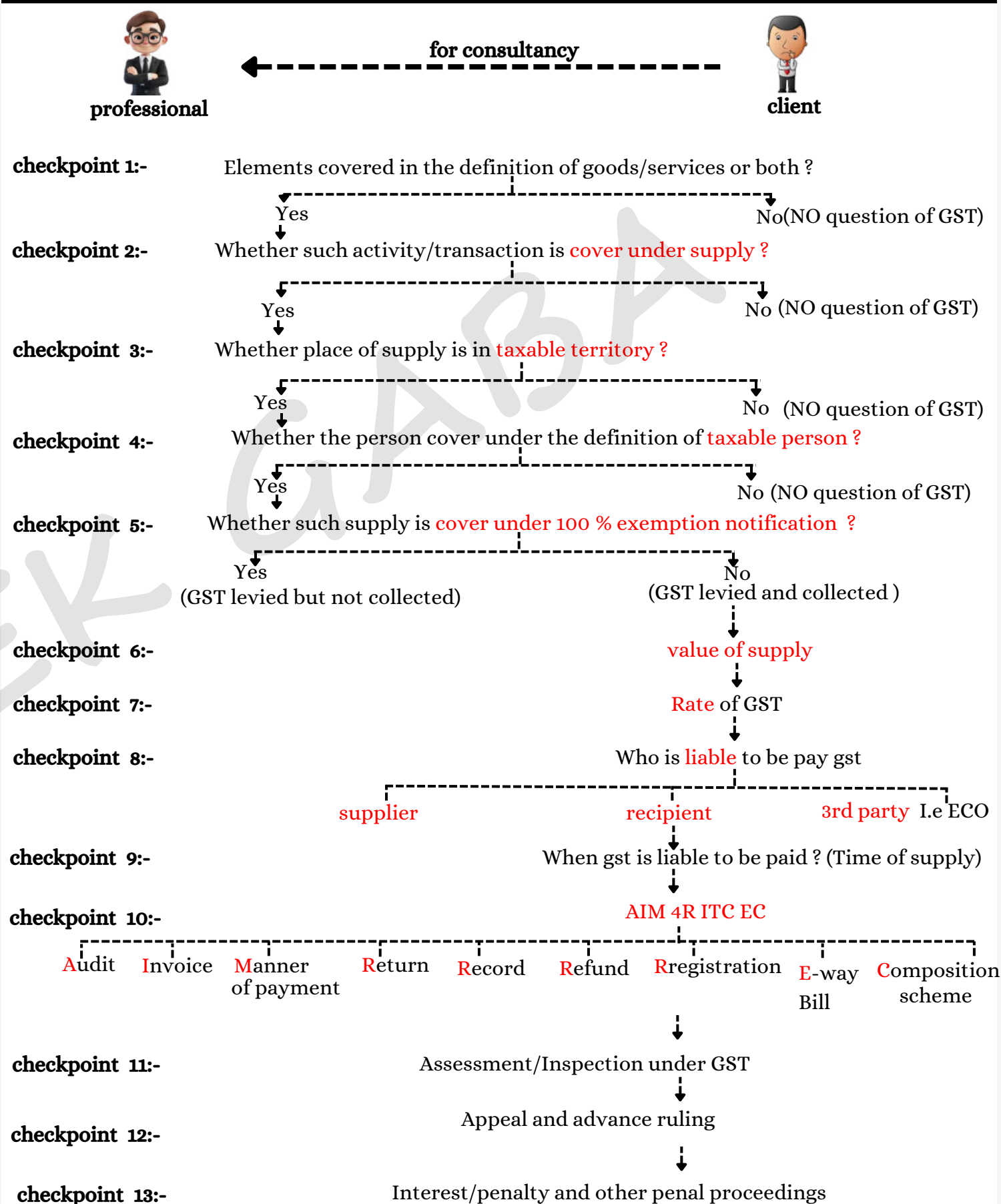
**"Success is the sum of small efforts, repeated
day in and day out."**

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Abbreviation

CG	Central Government	IGST	Integrated goods and services tax
SG	State Government	CGST	Central goods and services tax
UT	Union territory	SGST	State goods and services tax
SOG	Supply of goods	UTGST	Union territory goods & services tax
SOS	Supply of services	ISD	Input service distributor
CTP	Casual taxable person	EI	Educational institute
NR	Non resident	GA	Government authority
T/F	Transfer	GD	Government department
T/O	Turnover	LA	Local authority
ATO	Aggregate turnover	IRP	Invoice registered portal
BC	Body corporate	CFY	Current financial year
FI	Financial institute	PFY	Present financial year
RP	Registered person	POB	Place of business
URP	Unregistered person	NT	Non taxable

ROADMAP OF GST



Meaning of Tax

Compulsory exaction of money by public authority for public purpose, **enforceable by law**.

Meaning of Indirect tax

IDT is tax which **levied** on a person AND **burden** on **different person**.

Difference between DT and IDT

Basis	Direct tax	Indirect tax
Meaning	Levied/burden on same Person	Levied/burden on Different person
Nature	Progressive	Regressive
Concept Of PY/AY	Income of PY assessed In AY	No concept Of PY/AY
Distribute	CG	CG AND SG
Department	CBDT	CBIC
Taxable Event	When income arise	Supply of goods or Services or both

Definition of GST [ARTICLE 366 (12A)]

- Gst is **tax**
- Which is **levied on supply**
- Of **goods** or **services** or **both**
- Except** tax on supply of alcoholic liquor for human

Consumption. & un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption.

Types of GST

- CGST
- SGST
- UTGST
- IGST

Combination of Gst

- Intra state:- **CGST +SGST**
- Intra UT:- **CGST +UTGST**
- Inter state:- **IGST**

About GST

- Taxable event of gst is **supply**
- Gst is **consumption /destination** based tax
- Gst is **value added tax**
- Applicable in India **excluding j/k** on 1/7/2017.including j/k on 8/7/2017

Central level tax subsumed in GST

- Tax on sale or purchase of newspaper
- Excise duty
- Surcharge/cess
- Service tax
- Additional duty on excise
- Conventervailing duty
- Special additional duty of custom
- Central sales tax except 5 petroleum good and alcohol
- Conventervailing duty

State level tax subsumed in GST

- Purchase tax
- Entry tax and octroi
- State cess/surcharge
- Tax on advertisement
- Entertainment tax
- Luxury tax
- Tax on lottery,betting, gambling
- VAT(except 5 pp/alcohol)

Central level tax not subsumed in GST

- Export duty
- Safeguard duty
- Basic custom duty
- Other custom duty
- Excise duty on 5p.p and alcohol

State level tax not subsumed in GST

- Toll tax
- Property tax
- Stamp duty
- Mandi tax
- Professional tax
- Electricity tax
- Road and passenger tax

Limitations in old system and solution by GST

- Multiple taxes (eg.excise,vat,cst,etc.) -----> **GST**
- Multiple taxable event (manufacturing, sale,etc.) -----> **supply**
- Assessee name (seller,trader,Dealer etc.) -----> **taxable person/supplier**
- Double tax -----> **No Double tax (2 time taxes)**
- Cascading effect -----> **No cascading effect (TAX on tax)**
- Different department -----> **ONE department(CBIC)**
- Higher compliance cost -----> **Less compliance cost**
- No uniformity -----> **One nation one tax (5%,12%,18,28%)**

Background of GST

- GST was first levied by **France in 1954**.
- Last country to adopt gst is **malaysia**.
- India has **highest rate** of gst in world I.e **28%**.
- Gst is **paid by supplier** but **funded by consumer**.
- Model of gst:-
 - Australian model
 - Canadian model** -----> **followed in india**
 - Kelkar -shah medel
 - Bagchi -podder model
- India follow **dual GST MODEL** i.e CGST +SGST.
- Indian gst has 5 Rates [0%,5%,12%,18%,28%]. **Except** precious metal has 3% , rough diamond has 0.25 %

GOODS AND SERVICES TAX NETWORK(GSTN)

GSTN is a not for profit, ltd by shares ,**100% govt.company** Wholly owned by CG and SG . GSTN has setup for providing **IT infrastructure and services** to CG,SG, taxpayer and other stakeholders.

Functions of GSTN

- Facilitation of Registration
- Payment of gst
- Return filing** under gst
- Maintenance** of ledgers of taxpayers
- Matching of itc**
- Distribution/apportionment** of gst
- Sharing information** in taxpayer return with CG/SG
- Computation and settlement** of IGST
- Providing **time to time report** to CG/SG

Benefits of Gst

To govt :	- Unified common national market. - Boost to exports - Boost to 'make in india' - Increase in revenue
To busness :	- Simpler taxation system - Easy/less compliance - Ease of doing business - Increase in revenue of business
To consumer :	- Reduction in price of goods/services - Reduction in cascading - Reduction in double tax

ARTICLE 245,246,254

CONSTITUTION OF INDIA -----> **VIIth schedule**

LIST -1st Union list	LIST -2nd State list	LIST -3rd Concurrent list
Law made by= Parliament (A-246)	State assembly	Parliament or State assembly (conflict arise Parliament Prevail. A-254)
Extent of law= (A-245)	Whole of india	Whole of state
		Depend on law making authority.

ENTRY NO. OF TAXATION

List -1	List -2	List-3
Entry no.	Name	Entry no.
82	Taxes on income other than agriculture income	46
83	Custom duty	Taxes on Agriculture Income
84	Excise duty	
85	Corporate tax	

- GST are **not in any entry** ,it origin is **ARTICLE -246A**

ARTICLE 265

No tax shall be levied or collected without authority of law.

ARTICLE 248 : Residuary article

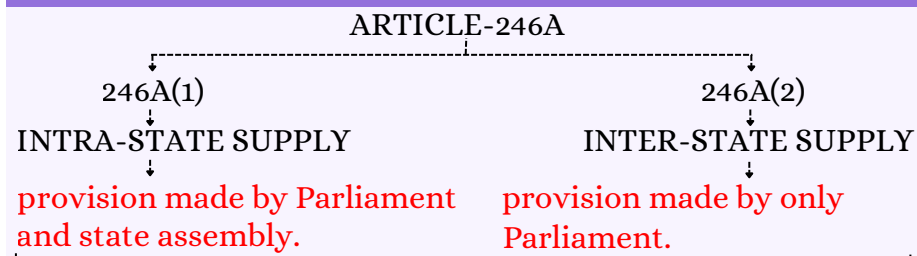
If any matter is not cover in any list then law made by Parliament from entry no.97 of list 1st.

ARTICLE 271 : Power to levy cess/surcharge by Parliament

Parliament may at any time increase any tax by surcharge for the purpose of union.

Concept of cess	Income tax	GST
Name of cess	health and education cess	gst compensation cess
DOB	Finance Act 2018	Gst compensation Act, 2017
Levy on	Tax	Value
Nature	Direct tax	Indirect tax
Rate	4%	3%-290%

ARTICLE-246A : SPECIAL PROVISION WITH RESPECT TO GST



Above gst is not applicable on the following goods

1. Petroleum crude
2. High speed diesel
3. Motor spirit
4. Natural gas
5. Aviation turbine fuel

GST on 5 goods is applicable when gst council will recommend

Meaning of Intra state supply and Inter state supply

section 8 of IGST ACT

INTRA STATE SUPPLY

Where the,
location of supplier
And
place of supply

- Same state
- Same UT

section 7 of IGST ACT

INTER STATE SUPPLY

Where the,
location of supplier
And
place of supply

- Two different states
- Two different UT
- Two different countries
- One state one UT
- Supply to/by SEZ

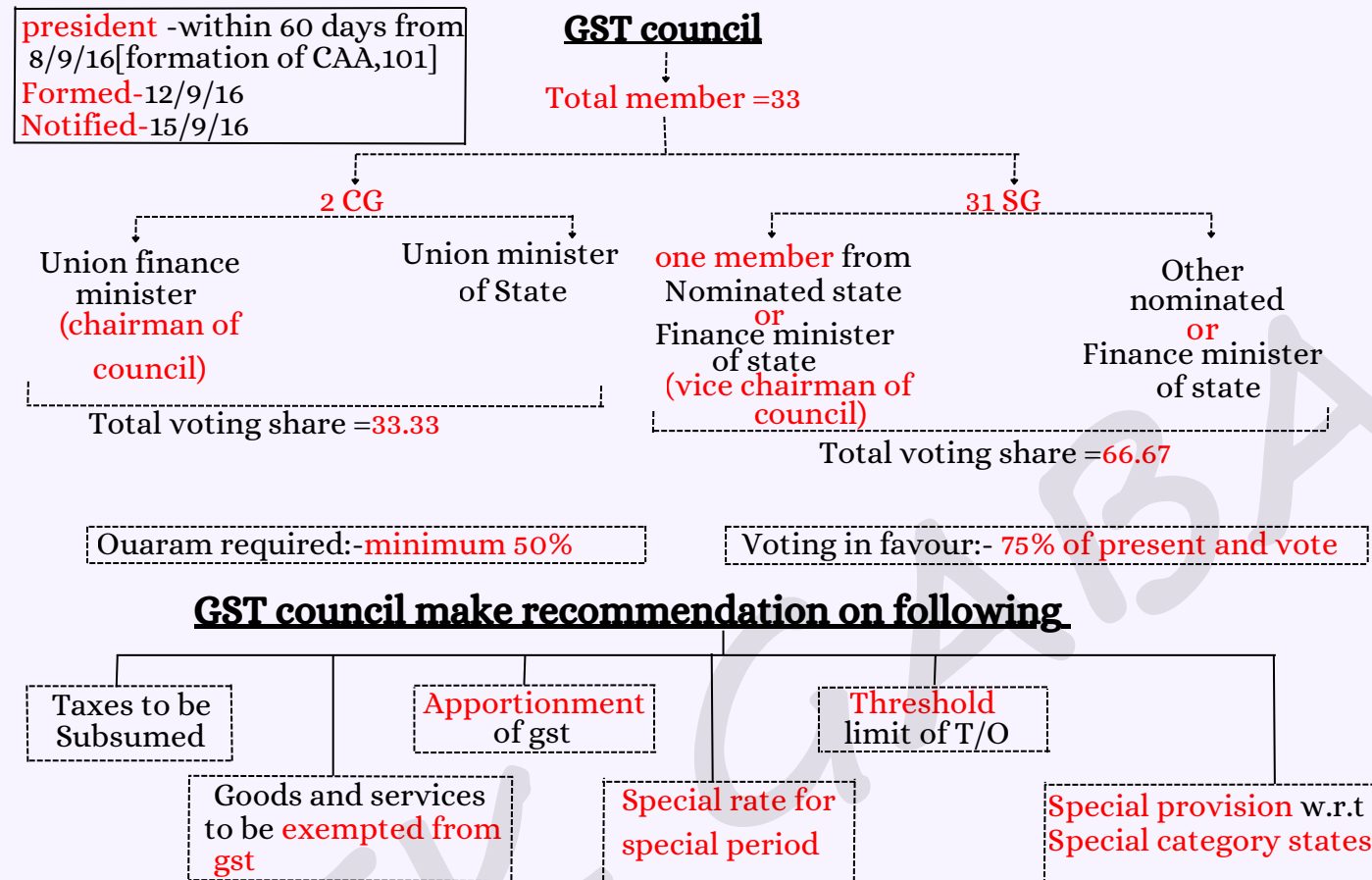
ARTICLE 270: DISTRIBUTION OF TAXES BETWEEN UNION AND STATE

- All of the taxes and duties referred in union list.
- Shall be levied and collected by govt. of india
- Shall be distributed between union and state

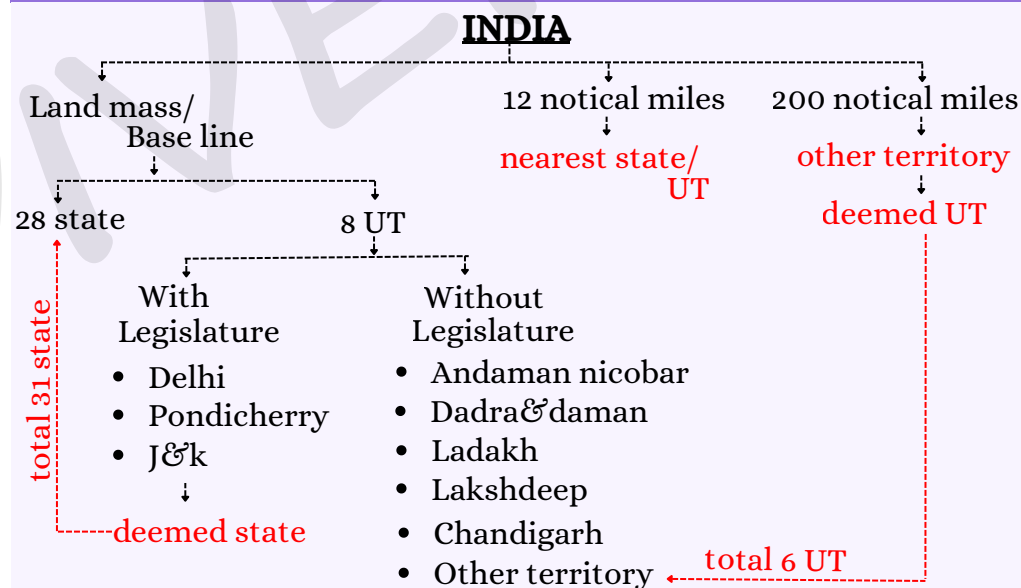
Amendment made after gst

- CGST levied on intra state supply shall also distributed to CG/SG
- IGST component apportioned to union also be distributed.

ARTICLE 279A: FORMATION OF GST COUNCIL



ARTICLE 01 : Definition of India under GST

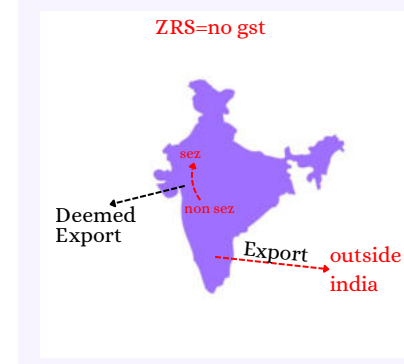


- Teritorial water of india: - 12 NM from base line.
- Exclusive economic zone: - 200NM from base line.
- 1 NM = 1.852km

Tax on tobacco & tobacco product, opium, narcotics, Indian hemp

These products would subject to gst. in addition Central govt have power to levy excise duty i.e double taxation.

ZERO RATE SUPPLY



Definition of Goods [sec 2(52)]

- Every kind of movable property **other than money and securities**
- But **includes** actionable claim, growing crop, grass and things attached to or forming part of the land which are agreed to be severed before supply or contract of supply.

Money [Sec 2(75)]

- means** • Indian legal tender
• Foreign currency
• Cheque, draft
• **Promissory note**
• Bill of exchange etc.

Doesn't include
Any currency that is held for its numismatic value. (Old coin)

Securities (not defined in gst)

Normal meaning:- shares, Debentures, bonds etc.

Actionable claim

Claims to any debt **other than** Debt secured by property or Beneficial interest in movable Property. **Ex. Lottery, betting gambling, unsecured loan**

Movable :- moved as such + marketable value

Definition of Services [sec 2(102)]

- Means anything** other than goods, money and securities
- But **includes** activity related to **use of money** or
- Conversation by cash or by any other mode from currency or
- denomination for **separate consideration is charged**.

Government [2(53)]

- Means the central government.

Local authority

Means • Panchayat • Municipality • Zilla parishad

Supplier [sec 2(105)]

Means person supplying goods or services or both include agent.

Person [sec 2(84)]

- Person **include** • An individual • HUF • Company • Firm
• LLP • AOP or BOI • Body corporate • Trust
• CG/SG • Local authority • Society
• **every artificial person not cover above**

Taxable supply [sec 2(108)]

Means supply of goods or services or both which **levied to tax Under this Act**.

Taxable territory [sec 2(109)]

Means **territory to which provision of this Act is apply**.

Section and schedule cover under supply chapter

Section 7 : Scope of supply

Section 8 : Tax treatment of **composite and mixed supply**

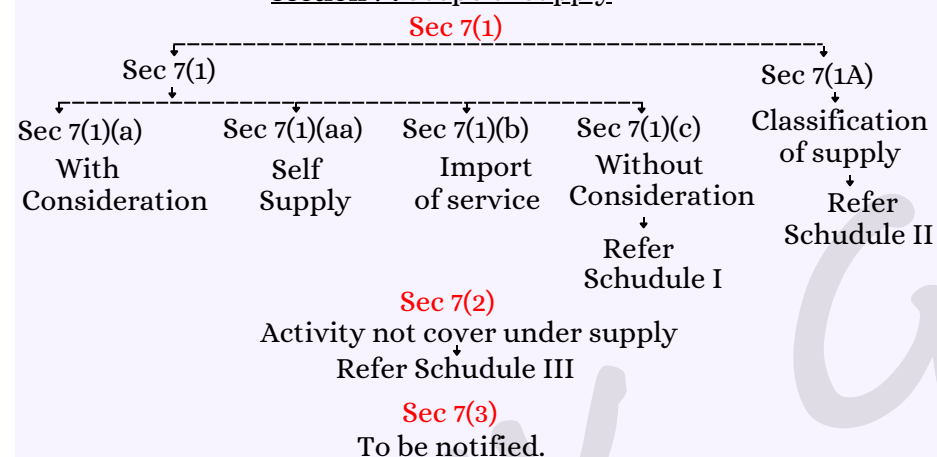
Schedule I : Activity to be treated as supply **without consideration**

Schedule II : Activity or transaction to be treated as supply of goods or Supply of services

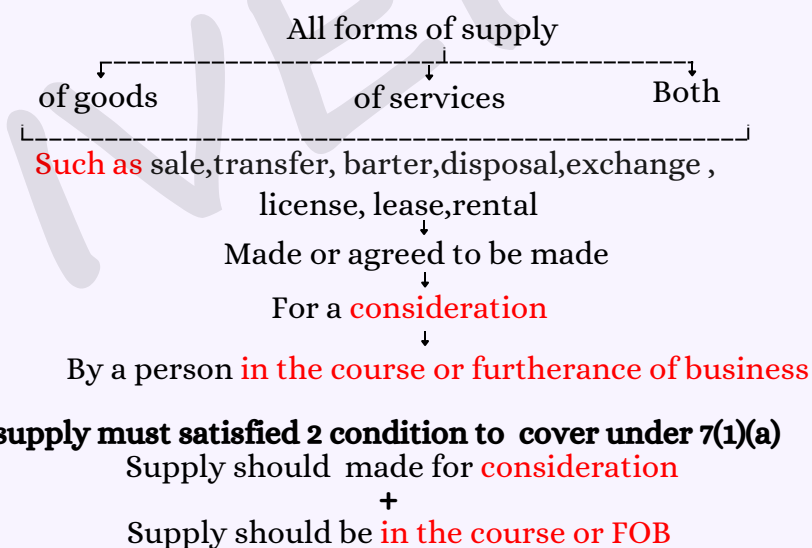
Schedule III : Activity or transaction shall be treated **neither as** supply of goods **or** supply of services

Structure of section 7

section 7 : Scope of supply



Section 7(1)(a) : with consideration



Consideration [sec 2(31)]

Consideration includes **Something in return** it may in form of:-
• monetary
• Non monetary
• Do something
• Not to do something

But exclude subsidy given By CG/SG

Features of consideration

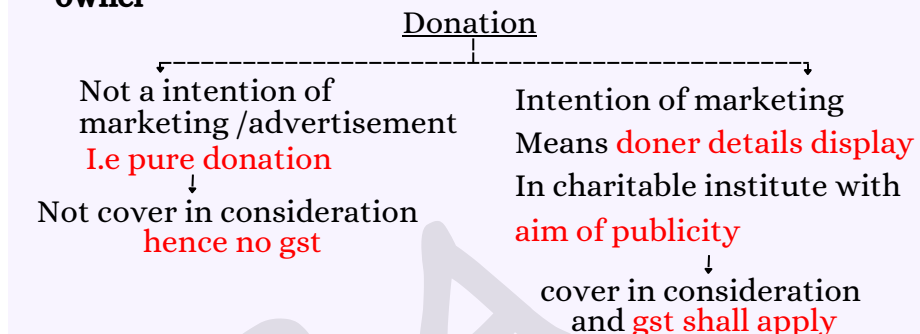
must exist
and
Must be certain
At the time of provision of activity

In the course and FOB

Business and ancillary to business related activity or transaction

Clarification of Government

1. Donation received by charitable institution from individual owner

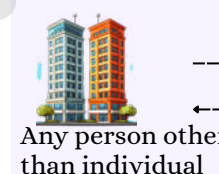


2. Artworks sent by artist to gallery for exhibition.

no consideration flow from gallery to artist **not covered in supply**.

Section 7(1)(aa) : Self Supply

Activity or transaction, by a person, **other than an individual to its member or vice-versa** for cash, deferred payment or other valuable consideration treated as supply.



Any person other than individual

Activity/transaction

With consideration



It's members

Section 7(1)(b) linked with section 7(1)(c) + Schedule I (para 4)

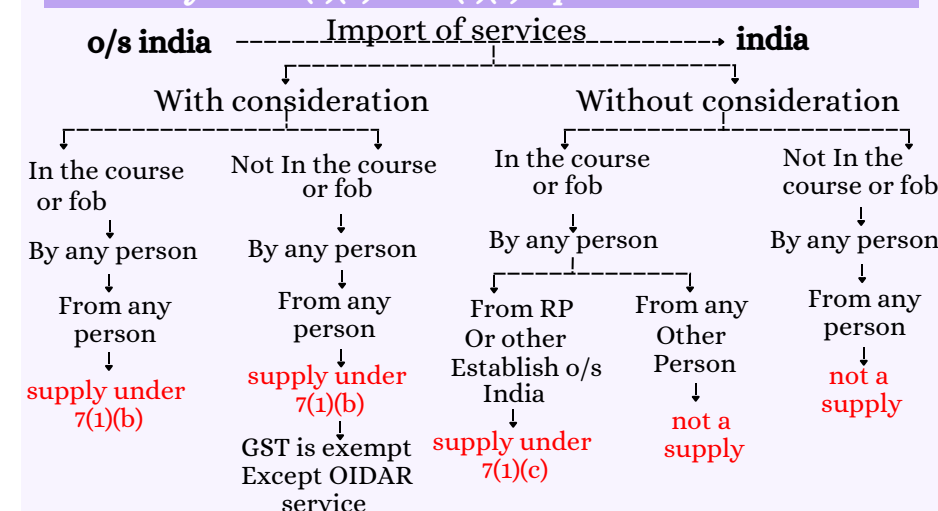
Section 7 (1)(b)

Import of services for a **consideration** whether or not in the course or FOB

Section 7 (1)(c) + para 4 of Schedule I

Import of services by a person **from related person** or **from any other establishment outside India, in the course or FOB**

Analysis of 7(1)(b) and 7(1)(c) + para 4 of Schedule I



Section 7(1)(c): Activity treated as supply without consideration

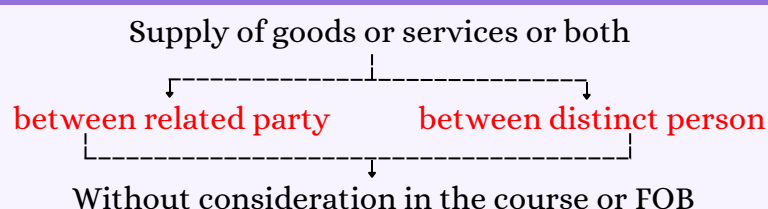
The activities specified in schedule I, made or agreed to be made without consideration treated as supply.

Schedule I para 1

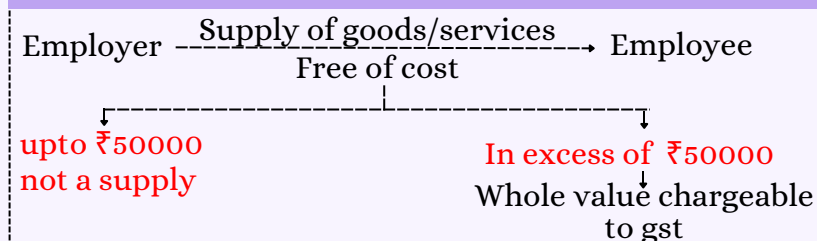
- There must be disposal or transfer of **business asset**
- Transfer or disposal must be **permanent**
- ITC must have been **availed** on such business asset
- without consideration**

All condition satisfied then supply under para-1.

Schedule I para 2



Special point



Distinct person

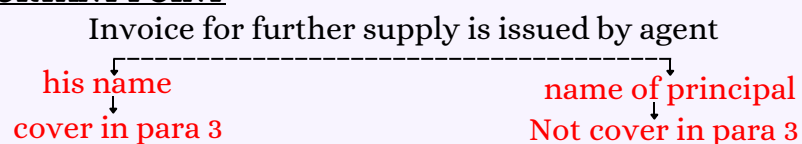
- Establishment of person with **separate registration** whether **within** the **state/UT** or in **different state/UT**
- Where a person having **one** registered establishment in **a state/ut** has **another** establishment in **different state/ut**(not necessary registered)

Schedule I para 3

Supply of **goods**-

- by a **principal to his agent** where the agent undertakes to supply on behalf of the principal without consideration, or
- by a **agent to his principal** where the agent undertakes to supply on behalf of the principal without consideration.

IMPORTANT POINT



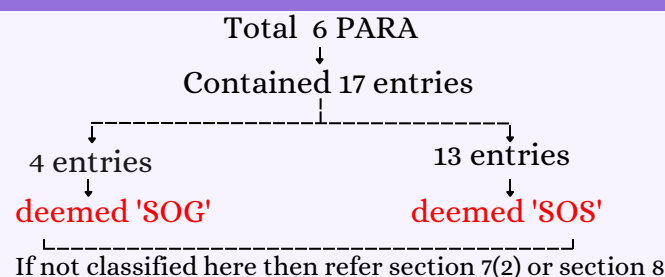
Schedule I para 4

Already cover with section 7(1)(b) import of services from RP

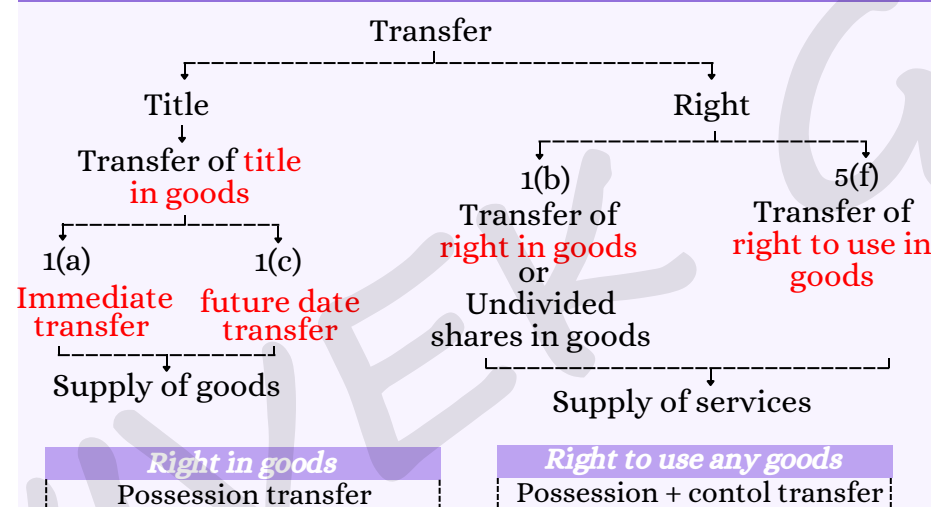
Section 7(1A) :Classification of supply

where certain activities or transaction **constitute a supply** with the provision of section 7(1), they shall be treated **either as supply of goods** or **supply of services** as referred in **schedule II**.

Activities or transaction treated as SOG or SOS



PARA -1 Link with PARA 5(f)



PARA -2 link with PARA -5(a) of Schedule III

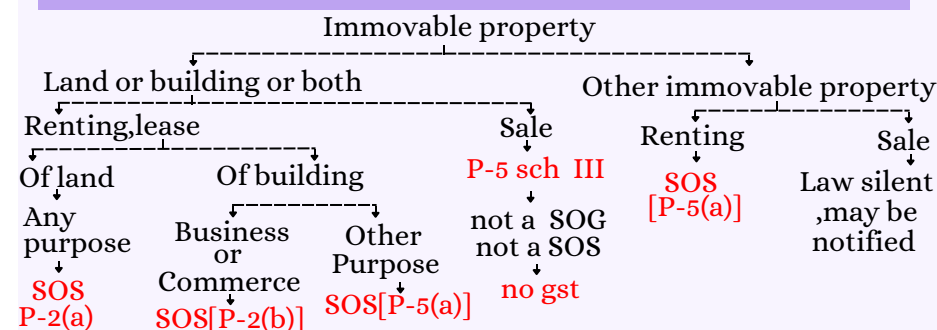
PARA 2 : land and building

- Any lease, tenancy, easement, license to occupy **land** is a **supply of services**.
- Any lease, letting out of the building including a commercial, Industrial or residential complex **for business or commerce**, either wholly or partly, is a **supply of services**.

PARA -5

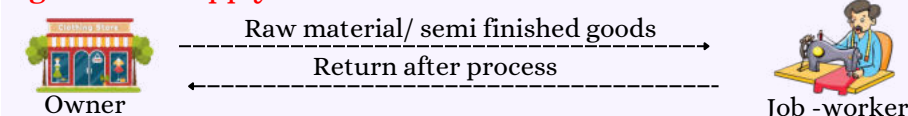
- Renting of immovable property is **supply of services**.

Analysis



PARA- 3 Treatment or process

Any treatment or process which applied to **another person's goods** is a **supply of services**.



Waste and scrap sold by job- worker

Supply u/s 7(1)(a) and **supply of goods** u/s PARA-1 of sch- II

PARA -4

- Where goods forming part of business are transferred or disposed is a **supply of goods**.
Note:- PARA 1(a) cover stock in trade
PARA 4(a) cover business asset
- Where, by or under the direction of person carrying business goods held or used for the business, are **put to private use** or made available **to any person for private use** is **supply of services**.
- where any person ceases to be taxable person, any goods forming part of the assets of the business shall **deemed to be supplied** and **supply of goods** except:-
 - business is transferred as **going concern** to another person
 - business is carried on by a personal representative who is deemed to be a taxable person.

PARA -5

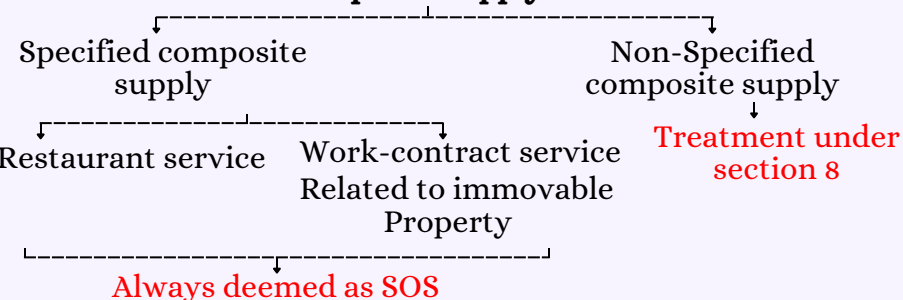
- Renting of immovable property [**other than** cover u/s para 2 2(a)/2(b)]
 - Construction of complex, building etc. **except 100% consideration** has been received **after issuance of completion certificate** or **after it's first occupation** which ever is earlier. **supply of services**.
- Timeline diagram for Para 5(b):
- ```

graph LR
 T1[100% payment or part payment] --> C1[C]
 T1 --> O1[0]
 C1 --> A1[Para 5(b) applicable]
 O1 --> A2[Para 5(b) not applicable]
 T2[100% payment or part payment] --> C2[C]
 T2 --> O2[0]
 C2 --> A3[Para 5(b) applicable]
 O2 --> A4[Para 5(b) not applicable]

```
- Temporary transfer** or permitting the use of any **intellectual property right** is supply of services.
  - Development, design, programming, customisation upgradation, enhance, implementation of **IT software** is Supply of services.
  - Agreeing to the obligation to refrain from an act, or **tolerate an act**(not to do something) is supply of services
  - Transfer of the **right to use any goods** for any purpose is **SOS**.

PARA 6

Composite supply



Tax treatment of non-specified composite supply or mixed supply

Composite supply [section 2(30)]

Composite supply means a supply by a taxable person to recipient consistent of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.

Mixed supply [section 2(74)]

Mixed supply means two or more individual supplies of goods or services or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.

Identification test

Composite supply

- Supply made by taxable person
- Combination of two or more taxable supply
- Naturally bundled
- One is principal supply other is ancillary.
- Not necessary to charge single price

Mixed supply

- Supply made by taxable person
- Combination of two or more individual supply (taxable/NT)
- Not naturally bundled
- Not constitute composite supply
- Charge single price.

Tax treatment of CS (sec 8)

Treated as supply of principal supply

Tax treatment of MS(sec 8)

Treated as supply of which attract HIGHEST RATE OF TAX

Section 7(2) : Activity treated neither as SOG nor SOS

Notwithstanding anything contained in sub-section (1)

- Activities or transactions specified in schedule III
- Such activity or transaction undertaken by the central govt or any local authority, as may be notified by the govt on the recommendation of the council, shall be treated neither as SOG nor a SOS.

Schedule III : Activity treated neither as SOG nor SOS

Total 10 para under Schedule III

PARA -1

Services by an employee to the employer in the course or in relation to his employment.

PARA -2

Services by any Court or tribunal established under any law.

- Court includes district, HC, SC
- Service provided by arbitral tribunal not covered here, it means GST may be applicable

PARA-3

Function performed by → MPs, MLAs, member of panchayat, Member of local authority, IAS, CAG, Prime minister, president etc.

PARA-4

Services of funeral, burial, crematorium or mortuary or transportation of deceased.

PARA-5

Sale of land or building subject to para -2 of schedule II.

PARA-6 [ Para 7, 8, 9, & 10 Next Page]

Actionable claim other than specified actionable claim.

specified actionable claim [sec 2(102A)]

Specified actionable claim means the actionable claims involved in or by way of -

- Betting
- Casinos
- Lottery
- Gambling
- Horse racing
- Online money gaming

Notification or Circulars related to supply

1. Activity related to panchayat/municipality

Services by way of any Activity in relation to a function performed by panchayat or municipality

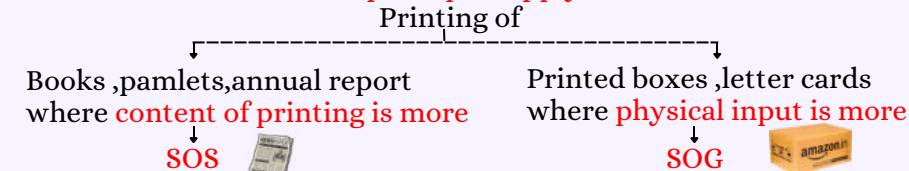
neither treated as SOG Nor SOS.

2. Grant of alcoholic liquor license

Services by way of grant of alcoholic liquor license by state are treated neither as SOG nor SOS.

3. Printing contract

It is clarified that printing contract is a composite supply. Nature determine on the basis of principal supply.

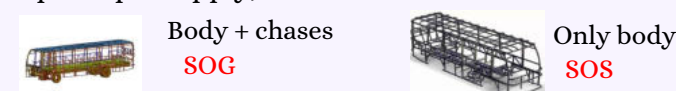


4. Food supplied to patients

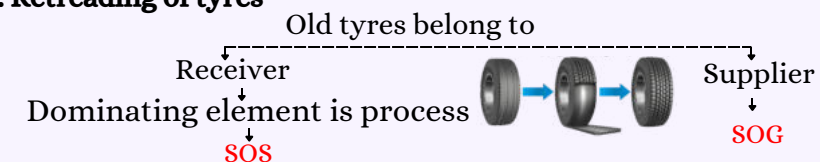
Food supplied to in-patient is part of composite supply of health care and not separately taxable. Food supplied to attendant or visitors are taxable.

5. Activity of bus body building

Classification of this composite supply as goods or services depends on principal supply, determine case to case.



6. Retreading of tyres



7. supply of food and beverages in cinema hall

It is clarified that:

- Supply of food or beverages in a cinema hall is taxable as restaurant services.
- Where cinema ticket and food and beverage are sale combo treated as composite supply. (Rate of cinema hall attract on entire supply)

8. Holding shares of subsidiary company by holding co.

treated neither SOG Nor SOS hence no GST.

9. Inter -state movement of various modes of conveyance between distinct person including:-

Trans, tankers, buses, vessels, trucks, aircraft, etc.

(a) Carriage of goods or passengers or both

Or

(b) For repair & maintenance purpose shall be treated neither as SOG nor SOS.

However, GST shall be leviable on repairs and maintenance done for such conveyance.

10. Inter state movement of rigs, tools and spares and all goods on wheels (like cranes)

Such Inter state movement shall be treated neither as SOG nor SOS.

11. Treatment in case of warranty replacement and repair services

1. Manufacturer Providing Warranty Services

- No GST on free replacement or repair; GST applies if additional charges are collected.
- No ITC reversal required as these are part of original supply.

2. Distributor Providing Warranty Services on Behalf of Manufacturer

- No GST if no consideration is received; GST applies if distributor charges the customer.
- No ITC reversal if GST is charged to the manufacturer or parts are received without charges; ITC reversal applies if credit note is issued.

3. Supply Between Distributor and Manufacturer

- GST is payable if the distributor invoices the manufacturer for replaced parts; no GST if parts are provided without charge.
- The manufacturer can claim ITC on GST paid on such supplies.

4. Repair services by Distributor to Manufacturer

- GST applies when the distributor invoices the manufacturer for repair services.
- The manufacturer can claim ITC on GST paid for these services.

5. Extended Warranty

- If purchased with the original supply, it is part of the composite supply; If purchased later, it is a separate taxable service.
- ITC is available on inputs used for providing extended warranty services.

PARA 7 [Not for CA Inter]

Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India

Para - 8 [Not for CA Inter]

A) Supply of warehoused goods to any person before clearance for home consumption;

B) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.

PARA-9

Activity of apportionment of co- insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in co-insurance agreements

PARA-10

Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer

Circular on Donation

Donations given to charitable or religious institutions are taxable only if the donor gets something in return (a service or benefit).

- If a donation is given voluntarily, and the institution has no obligation to provide any service, it is not a supply under GST.
- Displaying the donor's name (name plate / acknowledgement) only as a mark of gratitude is not considered advertising or promotion.
- Donations given to charitable or religious institutions are taxable only if the donor gets something in return (a service or benefit).
- If a donation is given voluntarily, and the institution has no obligation to provide any service, it is not a supply under GST.
- Displaying the donor's name (name plate / acknowledgement) only as a mark of gratitude is not considered advertising or promotion.

Circular on art work

Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer

Circular on Art Works

- Sending art works by an artist to a gallery only for exhibition is not a supply.
- This is because no consideration is received by the artist at that stage.
- Supply happens only when a buyer purchases a specific art work from the gallery.
- GST is payable at the time of sale, not at the time of exhibition.

Circular on Del - Credere Agent

- A Del-credere Agent (DCA) is a selling agent who helps the principal find buyers.
- The key feature of a DCA is that he guarantees payment to the principal.
- If the buyer defaults, the DCA pays the principal on behalf of the buyer.
- Because of this payment guarantee, DCA earns higher commission than a normal agent.

Clarification. I'm Local Authority

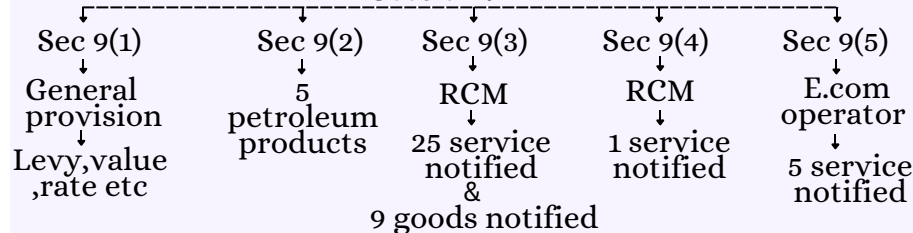
To ensure payment, the DCA may:

- give a short-term loan to the buyer, or
- pay the principal directly and later recover the amount from the buyer.
- The buyer repays the DCA along with interest, as mutually agreed.

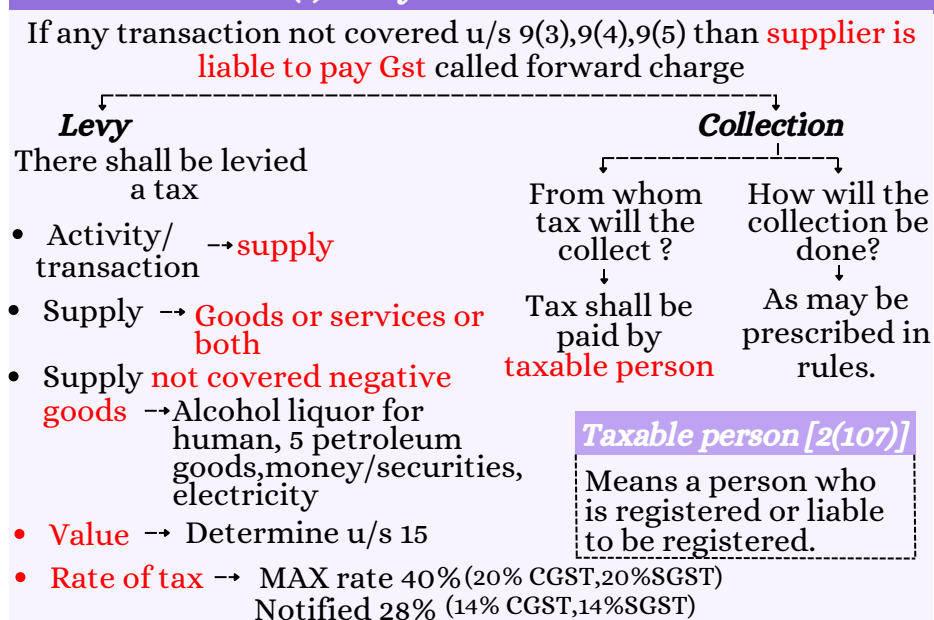
Thus, it has been clarified that DDA cannot be treated as local authority under GST law as DDA does not meet the requirement of local authority as per section 2(69)1 of the CGST Act, 2017.]

## Section cover in chapter

### Section 9

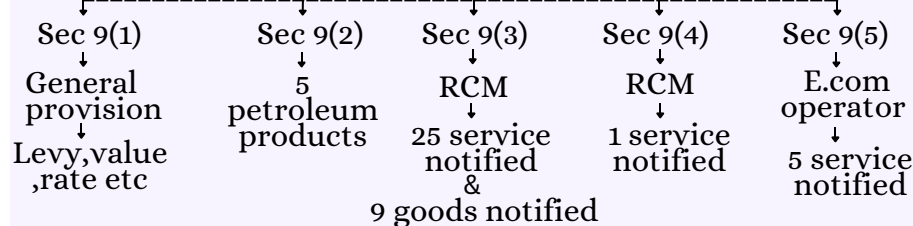


### Section 9(1) : Levy and collection of tax



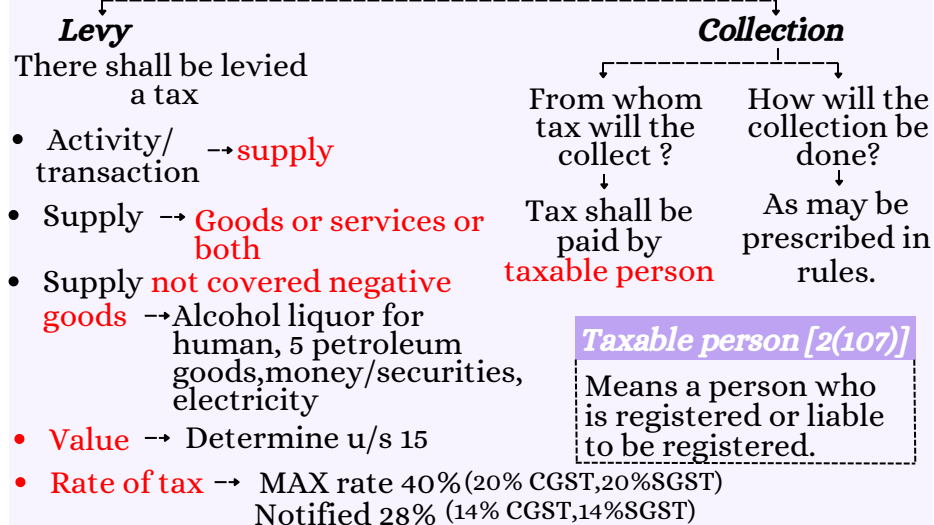
## Section cover in chapter

### Section 9



### Section 9(1) : Levy and collection of tax

If any transaction not covered u/s 9(3),9(4),9(5) than **supplier is liable to pay Gst** called forward charge



### Section 9(2) : Petroleum products

GST applicable on 5 petroleum products from the date when **GST council recommended**. 5p.p → high speed diesel, natural gas, petroleum crude, aviation turbine fuel, motor spirit.

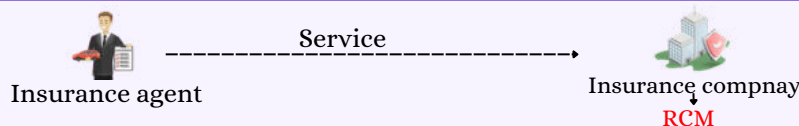
### Section 9(3) : Reverse charge mechanism

GOVT notified specified goods or services or both on which **tax is Paid by Recipient**, who is liable to pay tax.

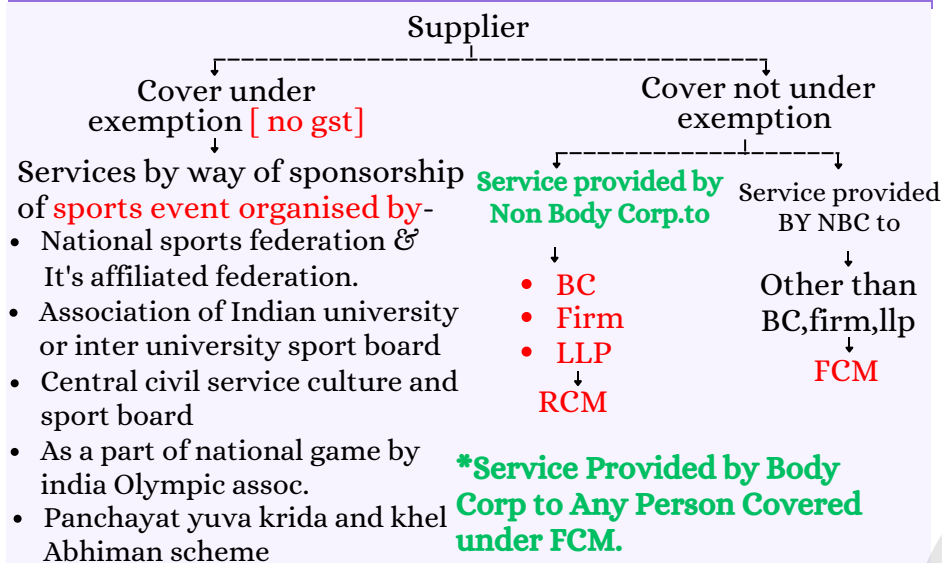
#### Recipient [sec 2(93)]

- Recipient of supply of goods and/or services means-
- where consideration is payable person who is liable to That consideration,
  - where no consideration is Payable
    - Person to whom goods are delivered
    - Person to whom possession or use of goods given
    - Person to whom the service is rendered
- Recipient include agent also

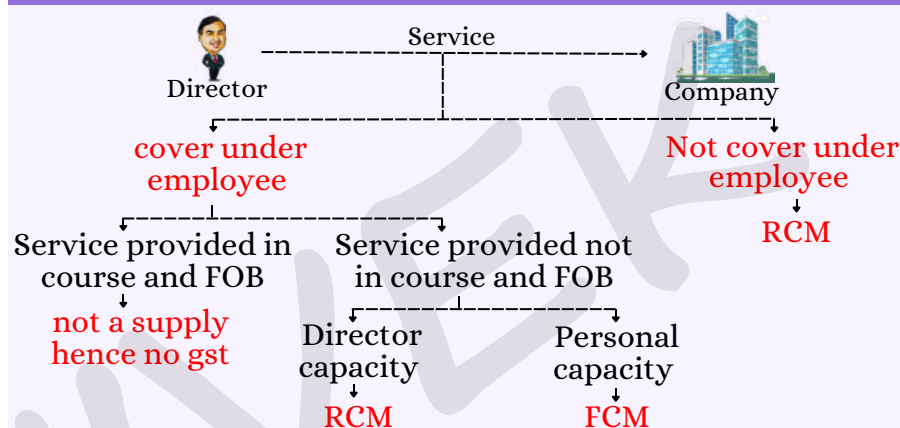
### 1. Insurance agent service



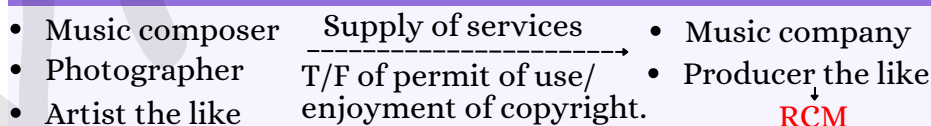
## 2. Sponsorship services



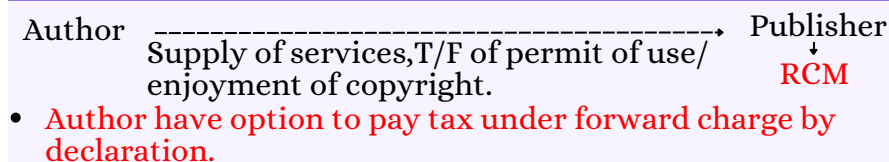
## 3. Service by director



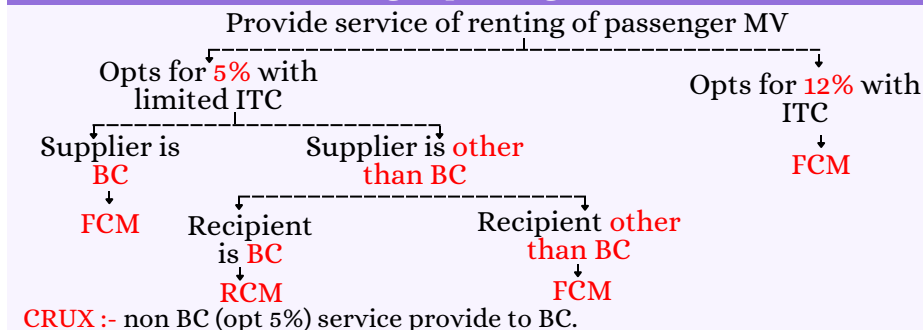
## 4. Copyright service



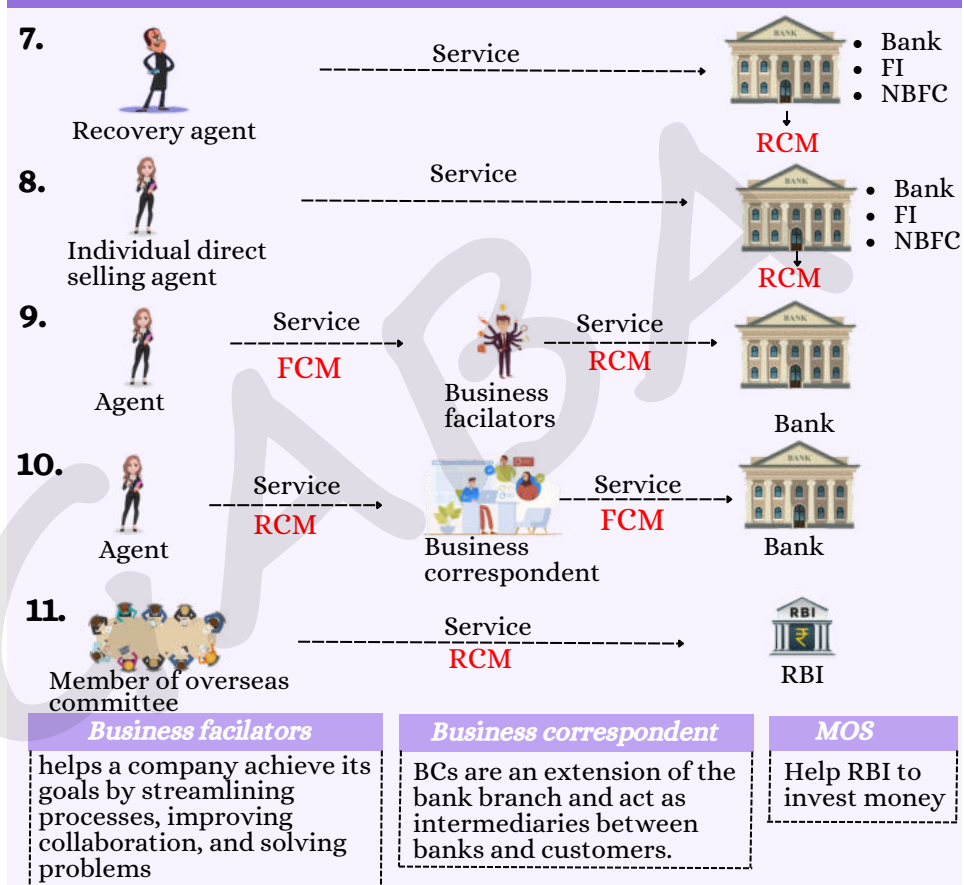
## 5. Copyright service by author to publisher



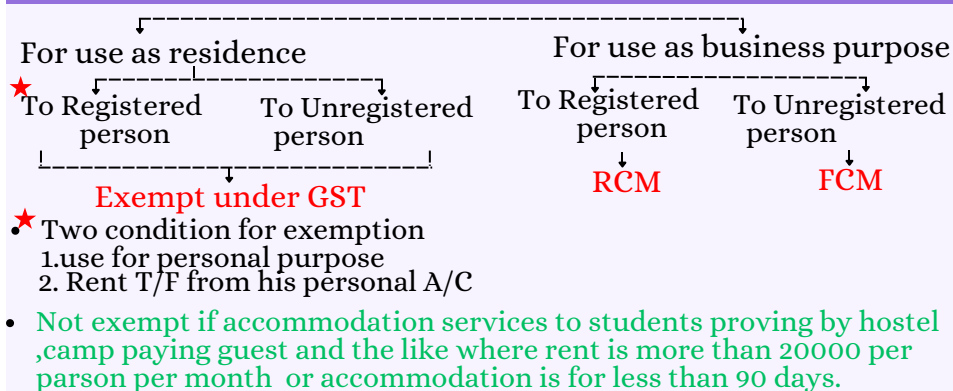
## 6. Renting of passenger vehicle



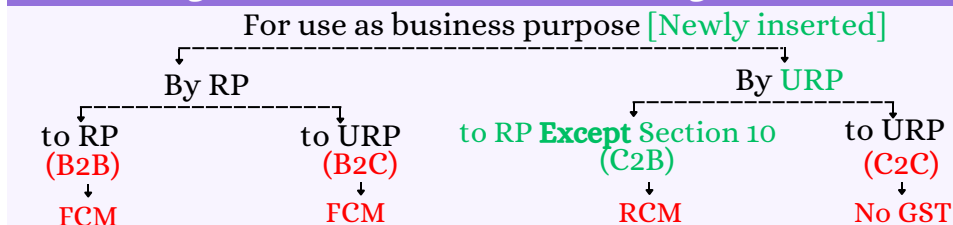
## Services related to banking sector



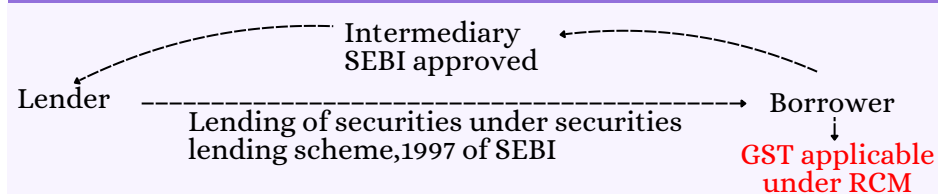
## 12. Renting of Residential dwelling



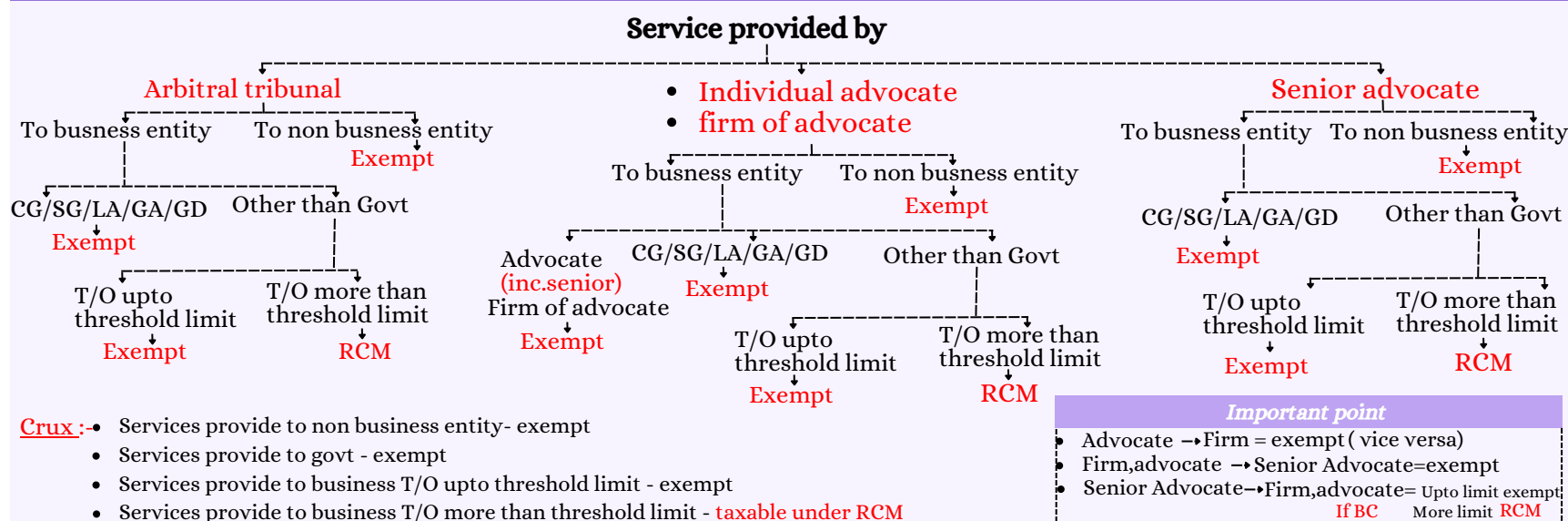
## 13. Renting of other than Residential dwelling i.e commercial



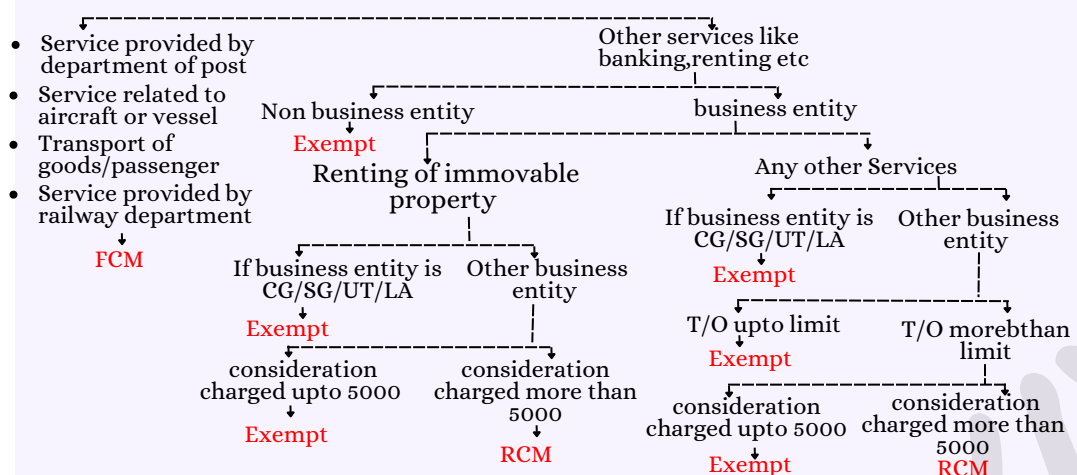
## 14. Lending of securities



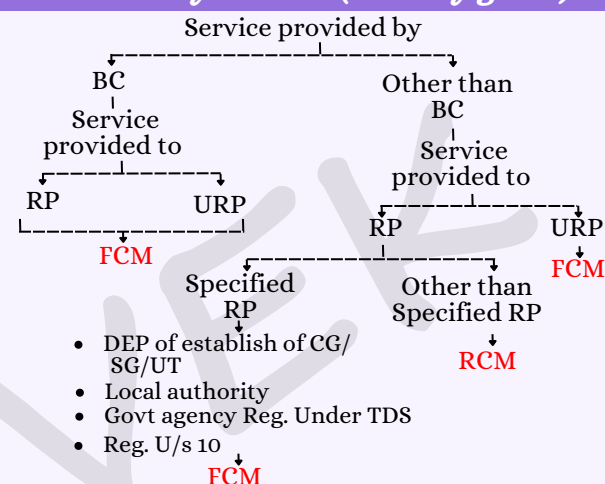
## 15 and 16 . Legal services



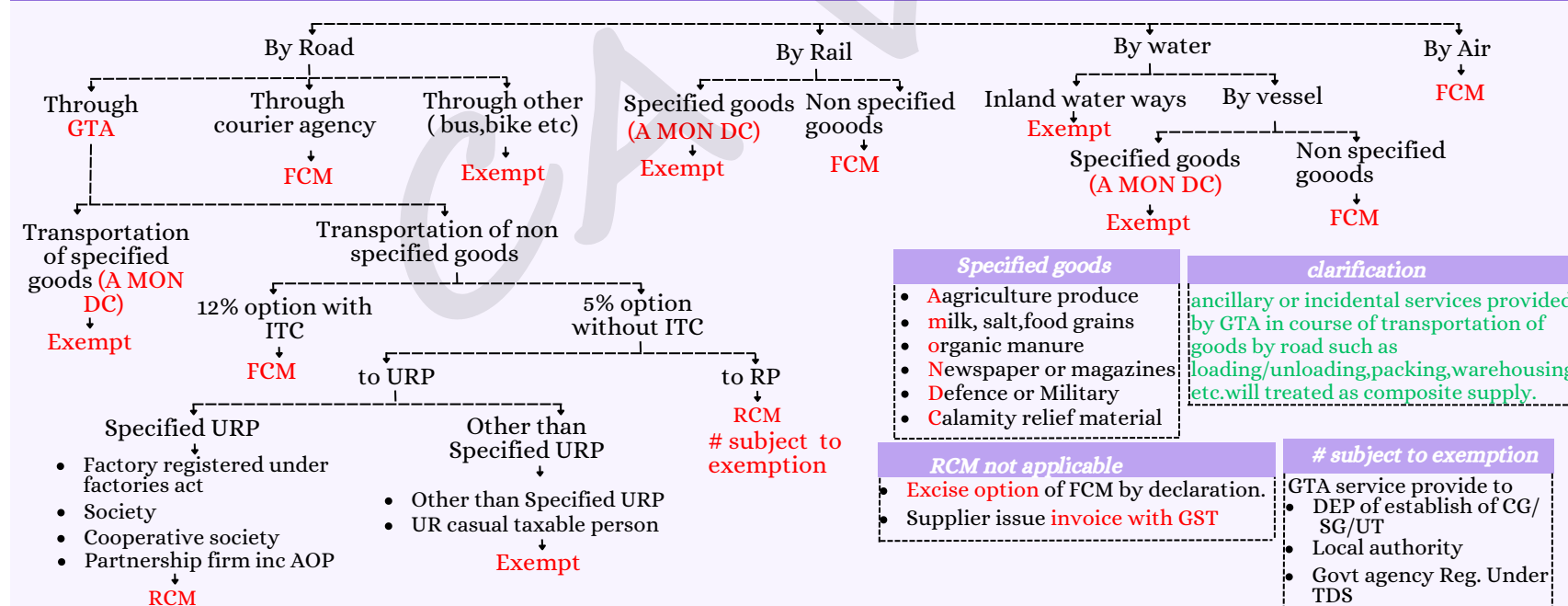
## 17. Government services ( Services provided by CG/SG/UT/LA)



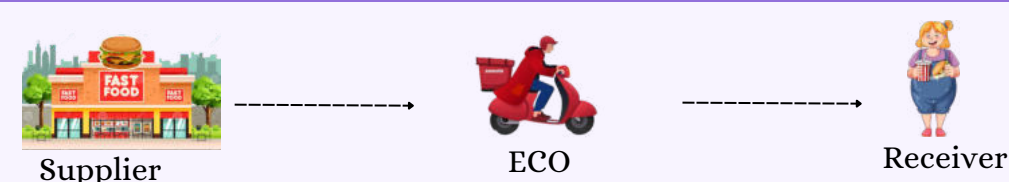
## 18. Security services (Security guard)



## 19. Goods transportation agency services (GTA)



## Section 9(5) : Electronic commerce operator



### Electronic commerce [sec 2(44)]

Means the supply of goods or services or both including digital products over digital or electronic networks.

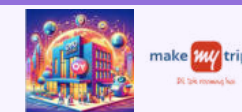
### ECO [sec 2(45)]

Means any person who owns, operates or manage a digital or electronic facility or platform for electronic commerce.

- All goods or other than 4 services specified below Always supplier is liable to pay gst.

### Specified services where ECO is liable to pay gst

#### 1. Providing accommodation



#### 2. House keeping



#### 3. Restaurant services



5. services by way of local delivery except where the person supplying such services through electronic commerce operator is liable for registration under section 22(1) of the Central Goods and Services Tax Act, 2017

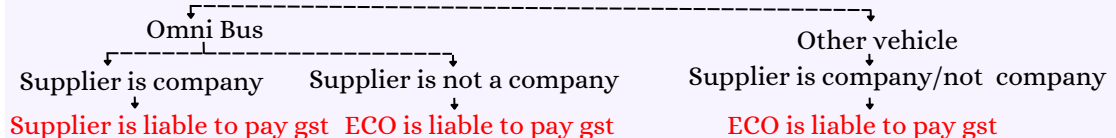
Room Rent is upto 7500 per day

ECO is liable to pay gst

Room Rent is more than 7500 per day

Supplier is liable to pay gst

#### 4. Passenger transportation



### Important clarification related to ECO

- Supplier → Restaurant services → ECO → Receiver  
GST pay by eco
- ECO supplies own goods or services, no Mandatory required to take separate registration for payment of tax of restaurant services.
- Supplier → Restaurant services → ECO → Receiver  
URP  
Gst is liable to pay even supplier is RP or URP
- Supplier → Restaurant services → ECO → Receiver  
Aggregate T/O includes supply by own and by ECO
- Supplier → Restaurant services → ECO → Receiver  
pay GST in cash not claim ITC on such inward supply  
not treated as inward supply for ECO
- Supplier → Charge commission with gst → ECO → Receiver  
GST. = xxx  
(-) ITC = xxx  
xxx
- If ECO is providing restaurant service or any other service, then it will pay GST under 9(5) for the restaurant services and other services ECO will not pay GST that not covered under 9(5) and ECO will collect only TCS. Separate bill issue of supply.
- Where any service not cover in 9(5), ECO shall collect TCS.

## Difference between composition scheme and normal scheme

| Normal scheme                                                                              | Composition scheme                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Covered u/s 9 of cgst act                                                                  | Covered u/s 10 of cgst act                                                                                                                                                                                 |
| ITC available                                                                              | ITC not available                                                                                                                                                                                          |
| GST payable = output tax<br>(-) ITC<br>XXX                                                 | GST payable = output tax<br>(-) ITC<br>XXX                                                                                                                                                                 |
| Make intra state as well as Inter state.                                                   | Cannot make inter state supply<br>(Purchase can intra or inter, sale only intra.)                                                                                                                          |
| Any registered person opt.                                                                 | Only specified registered person opt (ATO 1.5cr/75lakh/50lakh)                                                                                                                                             |
| return under GST<br>2 monthly, 1 annual (total 25)<br>GSTR 1,3B,9                          | Only 2 return annually<br>GSTR-4,9A                                                                                                                                                                        |
| If QRMP Scheme opt<br>1 quarterly, 1 annual (total 5)                                      |                                                                                                                                                                                                            |
| Higher rate (5%,12%,18%,28%)                                                               | Lower rate (1%,5%,6%)                                                                                                                                                                                      |
| Detailed books of accounts                                                                 | Less books of accounts                                                                                                                                                                                     |
| Classification of goods Required                                                           | No Classification required                                                                                                                                                                                 |
| Burden shift on consumer                                                                   | cannot shift on consumer                                                                                                                                                                                   |
| Issue tax invoice                                                                          | Issue bill of supply                                                                                                                                                                                       |
| No such requirement                                                                        | bill of supply mention composition scheme                                                                                                                                                                  |
| No such requirement                                                                        | Mention Composition scheme on board of shop                                                                                                                                                                |
| Cess also payable                                                                          | Cess not payable                                                                                                                                                                                           |
| Payment of gst<br>• Monthly =20th of next Or Month<br>• Quarterly =22/24th of next quarter | Payment of gst<br>• Quarterly =18th of next quarter                                                                                                                                                        |
| Discharge of liability<br>• E-credit ledger<br>• E-cash ledger                             | Discharge of liability<br>• E-cash ledger only                                                                                                                                                             |
| NR or CTP allowed                                                                          | NR or CTP not allowed                                                                                                                                                                                      |
| ECO allowed                                                                                | ECO not allowed                                                                                                                                                                                            |
| Supplier allowed to supply through ECO                                                     | Supplier allowed to supply through ECO only intra state.(only goods )                                                                                                                                      |
| No Such requirement                                                                        | Assessee not allowed to opt if he is manufacturer of:-<br>P=pan masala<br>A=Aerateal water<br>T=Tabacco<br>I=Ice cream<br>Bricks<br>Building bricks<br>Roofing tiles<br>Fly ash bricks<br>Bricks of fossil |

## SECTION 10 OVERRULED ENTIRE GST ACT EXCEPT SECTION 9(3) AND 9(4)

### Section 10(1), 10(2), 10(2A), 10(3)

Eligible assessee = Every registered person

Eligible limit=

| particulars                                    | section     | Normal st | Special st |
|------------------------------------------------|-------------|-----------|------------|
| Goods manufacturer<br>(excluding PATI+ Bricks) | 10(1)/10(2) | 150 lakh  | 75 lakh    |
| Goods trader<br>(Including PATI+ Bricks)       | 10(1)/10(2) | 150 lakh  | 75 lakh    |
| Restaurant service                             | 10(1)/10(2) | 150 lakh  | 75 lakh    |
| Goods manufacturer<br>+ Marginal service       | 10(1)/10(2) | 150 lakh  | 75 lakh    |
| Goods trader<br>+ Marginal service             | 10(1)/10(2) | 150 lakh  | 75 lakh    |
| Restaurant service<br>+ Marginal service       | 10(1)/10(2) | 150 lakh  | 75 lakh    |
| Services other than Restaurant                 | 10(2A)      | 50 lakh   | 50 lakh    |
| Services+ marginal goods                       | 10(2A)      | 50 lakh   | 50 lakh    |

### Marginal service

10% of T/O in PFY  
Or  
5 lakh

Higher

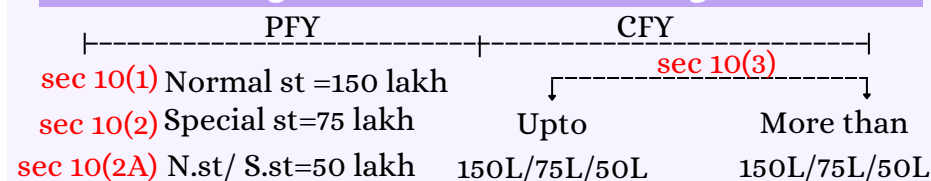
### Important point

1.first time registration then upto threshold limit no gst  
2.CS-150 lakh ,after 150lakh normal gst rate

### Special state(UMMM NAST)

- Uttarakhand • Meghalaya • Mizoram • Manipur
- Nagaland • Arunachal • Sikkim • Tripura

### Diagram for better understanding



- Pay concessional Gst
- No normal gst
- No ITC
- Burden cannot Shift
- Pay normal gst
- ITC Claim
- Burden shift on Consumer

### Important points

- If person have one establishment in normal state and another in special state with same PAN then his eligible ATO check 75 lakh instead of 150 lakh.
- Composition scheme avail starting of year and withdraw any time during year
- If one registered person under a single PAN opts for the normal GST scheme, all other businesses under the same PAN become ineligible for the Composition Scheme.

## How to compute T/O of PFY for eligibility

Consider only :- **outward supply**

Includes

- Inter state supply(Fcm)
- Inter state supply(Rcm)
- Intra state supply(Fcm)
- Intra state supply(Rcm)
- Inter state supply(nil rated/exempted/non taxable)
- Intra state supply(nil rated/exempted/ non taxable)
- Export supply (Actual/deemed) (zero rate supply)
- Any other outward supply.

But does not include

- GST or CESS
- Interest or discount
- Inward supply cover under Rcm

## How to compute T/O of current financial year

Consider only :- **Intra state outward supply**

Includes

- Taxable under Fcm
- Taxable under Rcm
- Exempted
- Nil rated supply
- Non taxable supply

But does not include

- GST or CESS
- Interest or discount
- Inward supply cover under Rcm

## T/O and rates of taxes

| section     | particulars                           | T/O in cfy            | concessional gst      |
|-------------|---------------------------------------|-----------------------|-----------------------|
| 10(1)/10(2) | Goods manufacturer                    | Total turnover        | 1%(0.5 cgst+0.5 sgst) |
| 10(1)/10(2) | Goods trader                          | only taxable turnover | 1%(0.5 cgst+0.5 sgst) |
| 10(1)/10(2) | Restaurant service                    | Total turnover        | 5%(2.5 cgst+2.5 sgst) |
| 10(1)/10(2) | Marginal service with Above category  | only taxable turnover | 1%(0.5 cgst+0.5 sgst) |
| 10(2A)      | Service other than Restaurant service | Total turnover        | 6%(3 cgst+3 sgst)     |
| 10(2A)      | Services + Marginal goods             | Total turnover        | 6%(3 cgst+3 sgst)     |

- Total turnover :- Fcm,Rcm,exempted, nil rated,non taxable
- Only taxable turnover :- Fcm,Rcm

## FORM number Availment or withdrawal of scheme

- Fresh registration - PART B of GST REG o1
- Normal scheme to composite scheme - GST CMP 02
- Auto withdrawal or voluntary exit form scheme - GST CMP 04
- Denial by department
  - Show cause notice - GST CMP 05
  - Reply of show cause notice - GST CMP 06
  - Order passed - GST CMP 07
- Payment of concessional gst - GST CMP 08

### Relevant definitions

#### Location of the recipient of services [sec 2(14)]

Means

- Where a supply is received at a **place** of business for **registration has been obtain**, the location of such place of business;
- Where a supply is received at a **place other than** the Place of business for which **registration has been obtain** That is to say, a fixed establishment elsewhere, the **location of such fixed establishment**;
- Where a supply is received at **more than one establishment** whether the place of business or fixed establishment, the **location of the establishment most directly concerned with the receipt of the supply**; and
- In absence of such places, the location of the usual place of the recipient.

**Location of the recipient of goods** not defined in law, in case of goods it easier to determine where goods are actually located.

#### Location of the supplier of services [sec 2(15)]

Means

- Where a supply is made at a **place** of business for **registration has been obtain**, the location of such place of business;
- Where a supply is made at a **place other than** the Place of business for which **registration has been obtain** That is to say, a fixed establishment elsewhere, the **location of such fixed establishment**;
- Where a supply is made at **more than one establishment** whether the place of business or fixed establishment, the **location of the establishment most directly concerned with the provision of the supply**; and
- In absence of such places, the location of the usual place of the supplier.

**Location of the supplier of goods** not defined in law, in case of goods it easier to determine where goods are actually located.

#### Place of business [sec 2(85)]

Includes

- A place from where the business is **ordinarily carried on** includes A warehouse, a godown or any other place where a taxable person Stores his goods, supplies or receives goods or services or both; or
- A place where a taxable Person **maintain his books of account**; or
- A place where a taxable Person is engaged in business through an agent by whatever name called.

#### Fixed establishment [sec 2(7)]

Means a **place other than the place of business** which is characteristics by a sufficient degree of permanence and suitable **structure** in term of **human and technical resources to supply services**, or to receive and services for it's own need.

**In respect of following cases of supplies to unregistered recipients, the suppliers are mandatorily required to record the name of the State of the recipient on the tax invoice, irrespective of the value of supply of such services, and to declare place of supply of the said services as the location of the recipient (based on the name of State of the recipient) in their details of**

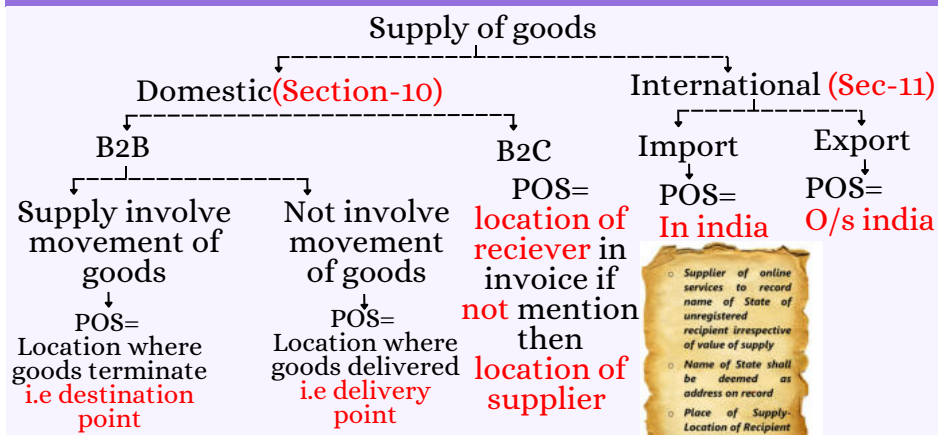
**outward supplies in FORM GSTR-1/1A:-**

- supply of any such online/ digital services,
- OIDAR services and
- online money gaming

### Place of supply in case of goods

Place of supply of goods in following cases

#### 1. Supply of Goods



#### 2. Bill to ship to

POS= **Principal palce** → Third person/who gave direction

#### 3. Goods are assembled or installed at site

POS= where goods **assembled or installed**

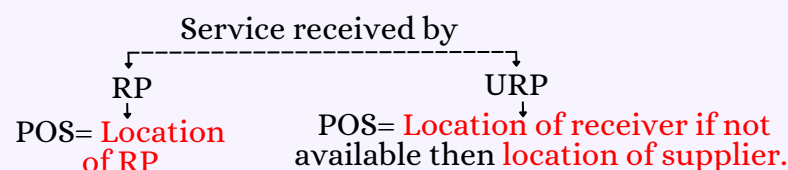
#### 4. Supplied on-board (Section -12)

POS= Where goods **taken on-board**

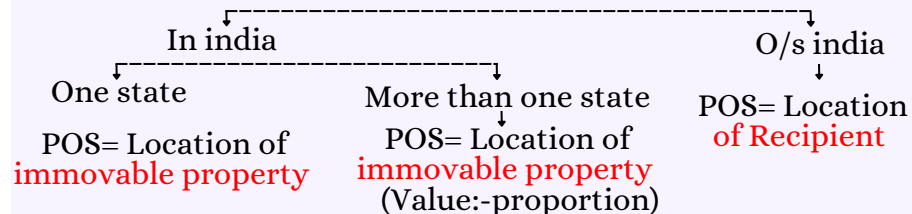
### Place of supply in case of services

Place of supply of services in following cases

#### 1. General Rule



#### 2. Immovable property related services including accommodation in hotel/boat



#### 3. Restaurant and cattering services, personal grooming, fitness, beauty treatment and health service

POS= Where service are **actually performed**

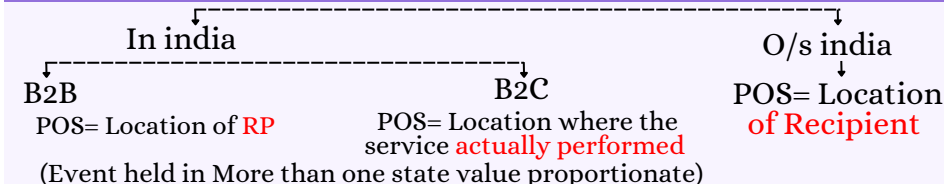
#### 4. Training and performance approval



#### 5. Admission to an event or amusement park

- POS=
- Place where the **event held** or
  - Place where the **park** or
  - Other place** is located

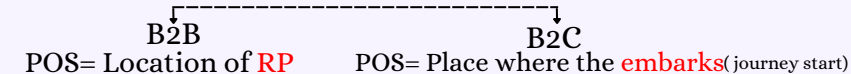
#### 6. Event Organisor Service



#### 7. Transportation of goods including mail or courier



#### 8. Passenger transportation



#### 9. Services on board a conveyance

POS= Location of **first scheduled point of departure**

#### 10. Banking and other financial services inc stock broker

- POS=
- location the **recipient** of services in the **record of the supplier**
  - Location of receiver is not** available then **location of supplier**

#### 11. Insurance services



#### 12. Advertisement services to the GOVT

POS= Each of state/union territory where the advertisement is **broad casted/ displayed/run/disminated**

#### 13. Telecommunication services

- Services involving fixed line, leased and internet leased Circuit, dish antenna etc: location of such **fixed equipment**
- Post-paid mobile/internet services :location of **billing address of the recipient** and if the same is **not available**, **location of supply**
- Pre-paid mobile/internet/DTH services provided
  - Through selling agent/ re-seller /distributor: Address of such selling/**re-seller/distributor in the record of supplier** at the time of supply
  - By any person to final subscriber : location where pre-payment **is received** or place of **sale of vouchers**
  - When payment made through electronic mode : location of **recipient in records of supplier**
- Other cases : address of the **recipient** in the **records of the supplier** and if same is **not available**, **location of supplier.**

**Power to exempt from Tax**

By way of issuance of

Notification Special order

- **Exempt** generally.
  - Either absolutely or subject to such **condition as may be specified**.
  - Goods and/or services of any **Specified description**.
- Exempt from payment of tax circumstances of an **exceptional nature** to be stated in such order, **in public interest**.

**Education services**

School College Private coaching

- Service provided by EI**
- To its student ,faculty, staf
  - By way of entrance exam
  - **Transportation** of students,faculty, staff
  - **Catering** include mid meal
  - **Admission** to EI
  - Conduct of examination
- Service provided by EI**
- To its student ,faculty, staf
  - By way of **entrance exam**
  - supply of online **journal** or **periodicals**
- Taxable**

**New entry**

Affiliation services provided by

Central or State education board or any other similar body to school establish, owned or controlled by CG,SG,UT,LA,GA,GE  
[Only govt school cover , non govt school and college universities not cover]

**Health care services**

Health care services Transportation of patients in ambulance Health care of bird /animal

By a clinical estb/authorised medical practitioners/para -medics

**not exempt if**  
**Room charges > ₹5000 per day** other than ICU/CCU/ICCU/NICU

**Services of transport of passengers**

- Air plane**
- Economy class**
- Embarking or terminating in state
- AP,Assam,Manipur, Meghalaya, mizoram,Nagaland, Sikkim,Tripura, bagdogra.
- Contract carriage** other than Air conditioner
- Stage carriage** other than Air conditioner
- Not exempt if book from ECO**
- Other services provided by**
- **Inland waterways**
  - **Public transport** other than tourism purpose.
  - **metered cab** or auto rickshaw including E-rickshaw [**not exempt if book from ECO**].

**Services provided by ministry of railways**

Services provided by ministry of railways to Individual by way of:-

- Railways in a class other than first class /Air conditioner coach.
  - Metro ,monorail, or tramway
  - **Sale of platform tickets.**
  - **Facility of retiring rooms /waiting rooms.**
  - **Cloak room services.**
  - **Sattery operated car services.**
- Services provided by one zone/division to another zone(s)/division(s).**

**Services related to charity and religious activities**

- Charitable activities **by an entity** registered under sec 12AA/12AB of IT ACT 1961
- Services by a person by way of
- Conduct of any **religious ceremony**
- Room rent **>= ₹1000 per day**
- Premises committee hall **>= ₹10000 per day**
- Renting** a religious place for general public **not exempt if**
- Shop **>= ₹10000 per month**
- KMVN/HAJ committee (Haj and Kailash maansarovar yatra)
- Training/coaching in
- Activities related to **art /culture by individual**
- sports** by charitable entities

**Agriculture related services**

- Rice Agriculture produce
- Loading, uploading, packing, storage or warehousing**
- Ware housing of
- Minor forest produce Cereals, pulses ,fruits & vegetables
- Artificial insemination** of live stock (other than horses)
- Supply of farm labour
- Agriculture operations** of cultivation, harvesting, plant protection & testing
- Agriculture extension services**
- Renting & leasing of**
- Agro machinery Vacant land

**Services provided by government**

- Services by GA to **municipality/panchayat**.
- Services **by GA** to CG/SG/UT/LA/Any person specified by CG/SG/UT/LA against consideration received form CG/SG/UT/LA , **In Form of grants**.
- Services of **old age home** by CG/SG/an entity registered u/s 12AA or 12AB of IT ACT To residents **age >=60 years** against consideration **upto ₹25000 per month**.
- Services by CG/SG/UT to their **undertaking or PSUs** by way of guaranteeing the **loans** ,they form the banking companies & FI.
- Services provided by CG/SG/UT/LA by way of:-
  - Registration under any law.
  - Protection&safety of worker,consumer or public at large including fire license
- Issue of **passport,visa,driving license**,birth certificate ,death certificate.
- Services by CG/SG/UT/LA by way of **tolerating non -performance** of a contract for which consideration in the form or liquidation damages is payable to CG/SG/UT/LA under any contact.
- services by CG/SG/UT by way of deputing officers **after office hours** or on holidays for inspection or container stuffing or such other duties in relation to import export cargo on payment of merchant **overtime charges**.
- Services provided by CG/SG/UT/LA by way of assignment of right to use **natural resources to an individual farmer** for cultivation of plants & rearing of all life forms of animals [except horses], for food, fibre, fuel, raw material or other similar products.
- Services provided by rehabilitation **professionals recognised** under the RCI Act, 1992 by way of rehabilitation, therapy or counselling and such other activity as covered by the said Act at **medical establishments, educational institutions**, rehabilitation centers established by CG/SG/UT/an entity registered under section 12AA or 12AB of the Income-tax Act, 1961.

**Banking and financial**

- **Discount or interest** (other than interest on credit card).
- Sale or purchase of **foreign currency** between banks or authorised dealers.
- **A/C hold** under Pradhan mantri jan dhan yojana.
- **Single transaction upto ₹2000 through credit card**,debit card,charge card or other payment card service.
- 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 Indian rupees.

**Construction services**

- **Pure labour contract**
  - Of construction,Erection, installation, completion, fitting out ,repair ,Maintenance, renovation, or alteration of original work pertaining to
  - Individual house construction or enhancement** under the housing for all (urban)mission/**Pradhan mantri Awas yojana**.
  - Services by Electricity distribution utilities by way of infrastructure for **extending Electricity network** upto **tubewell** of farmer for agriculture use.
- Of construction, Erection, installation of original work pertaining to
- A single residential unit** otherwise than as a part of a residential complex.

**Services of life insurance business**

- Such services by way of annuity under the **National Pension System** by Pension Fund Regulatory .
- Such services by the **Army, Naval and Air Force Group Insurance Funds to members** of the Army, Navy and Air Force, respectively, under the Group Insurance Schemes of CG.
- Services of life insurance provided/agreed to be provided by the **Central Armed Police Forces**.
- Such services by the Naval Group Insurance Fund to the personnel of Coast Guard under the Group Insurance Schemes of CG.
- Such services under following schemes-
  - Janashree Bima Yojana;
  - Aam Aadmi Bima Yojana;
  - Life micro-insurance product as approved by the Insurance Regulatory and Development Authority (IRDA), having maximum amount of cover of ₹2,00,000;
  - Varishtha Pension Bima Yojana;
  - Pradhan Mantri Jeevan Jyoti BimaYojana;
  - Pradhan Mantri Jan Dhan Yogana;
  - Pradhan Mantri Vaya Vandan Yojana.

**Goods transportation agency**

**Already covered under reverse charge.**

## General Insurance business & Life Insurance

Such services under following schemes -

- Hut Insurance Scheme;
- Cattle Insurance under Swarnajaynti Gram Swarozgar Yojna 62;
- Scheme for Insurance of Tribals;
- Janata Personal Accident Policy and Gramin Accident Policy;
- Group Personal Accident Policy for Self-Employed Women;
- Agricultural Pumpset and Failed Well Insurance;
- Premia collected on export credit insurance; Restructured Weather Based Crop Insurance Scheme (RWCIS), approved by the Government of India and implemented by the Ministry of Agriculture;
- Jan Arogya Bima Policy;
- Pradhan Mantri Fasal Bima Yojana (PMFBY);
- Pilot Scheme on Seed Crop Insurance;
- Central Sector Scheme on Cattle Insurance;
- Universal Health Insurance Scheme;
- Rashtriya Swasthya Bima Yojana;
- Coconut Palm Insurance Scheme;
- Pradhan Mantri Suraksha Bima Yojna;
- **Life insurance services provided to an individual or individual with family are exempt from GST, if the insured is not a group.**
- **Health insurance services provided to an individual or individual with family are exempt from GST, if the insured is not a group.**
- **Family means all persons covered as family members in the insurance policy.**
- **Reinsurance of such exempt life or health insurance policies is also GST-exempt.**

## services provided by specified bodies

- Services by the **Employees' State Insurance (ESI)** Corporation to persons governed under the ESI Act, 1948.
- **Services provided by the EPFO** to the persons governed under the Employees Provident Funds (EPF) & Miscellaneous Provisions Act, 1952.
- **Services by CMPFO** to persons governed by Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948.
- **Services by NPS Trust** to its members against consideration in the form of administrative fee.

## Business facilitator/correspondent

The following services are provided in respective capacities:

- **Business Facilitator/Correspondent to a Banking Co.** - Services related to **accounts** in **rural area** branches.
- **Intermediary to Business Facilitator/Correspondent** - Services to a business facilitator or correspondent for banking services in **rural areas**.
- **Business Facilitator/Correspondent to an Insurance Company** - Services in a **rural area** for insurance companies.

## Pension schemes

Services by way of collection of contribution under:

- **Atal Pension yojana**
- **Any Pension Scheme of SG.**

## Services provided to Government

The following services are provided to CG/SG/UT/LA in relation to functions entrusted to Panchayats/Municipalities

- Pure services - These are services **without any goods** involved.
- Composite supply of goods and services - Where the value of **goods does not exceed 25%** of the total value of the supply.
- Services from **Fair Price Shops** - Sale of food grains, kerosene, sugar, edible oil, etc. under the Public Distribution System (PDS) against a commission or margin.
- Services under **insurance schemes** - When the total premium is paid by CG/SG/UT.
- Training services - If **75% or more of the total expenditure** is covered by CG/SG/UT administration.

## Leasing services

**Service Type:** Long-term lease (**30+ years**) of industrial or financial business plots for infrastructure development.

**Providers:** State Government Industrial Development Corporations/Undertakings or entities with **20%+ ownership by CG/SG/UT.**

**Recipients:** Industrial units or developers in industrial/financial business areas.

**Payment:** Upfront amount payable for the lease.

**Conditions:** Subject to specific terms and conditions.

## Legal services

**Already covered under reverse charge.**

## Sponsorship of sports events

**Already covered under reverse charge.**

## Skill development services

Services provided by:-

- **National Skill Development Corporation (NSDC)** set up by the Government of India (GoI).
- Sector Skill Council (**SSC**) approved by NSDC.
- **Assessment Agencies** approved by SSC/NSDC.
- **Training Partners** approved by SSC/NSDC for:
- National Skill Development Programme by NSDC.
- **Vocational skill courses** under the National Skill Certification and Monetary Reward Scheme.
- Other schemes implemented by NSDC.

Additional Services:

- Assessing bodies empanelled by DGT, Ministry of Skill Development & Entrepreneurship for assessments under the SDI Scheme.
- **Training Providers** (Project Implementation Agencies) under DDUGKY, Ministry of Rural Development, offering skill or vocational training courses certified by NCVT.

## Performance by an artist

Artists' performances in folk/classical music, dance, or theatre if the **payment is upto ₹1,50,000, excluding** services as a brand ambassador.

## Right to admission to various events

Admission to:

- Museum, national park, **wildlife sanctuary**, tiger reserve, or **zoo**.
- Protected monuments under the **Ancient Monuments and Archaeological Sites & Remains Act 1958** or relevant state laws.

Admission to events or places where the **entry fee is not more than 500 per person**, including:

- Circus, dance, theatrical performances (drama, ballet).
- Award functions, concerts, pageants, musical performances, or unrecognized sporting events.
- Recognized sporting events.
- Planetariums.

## Services by an un-incorporated or non profit entity registered under any law for the time being in force

Services provided by unincorporated bodies/non-profits to their members, such as:

- Trade unions offering reimbursements or shares of contributions for welfare or activities.
- **Exempt activities** related to social welfare, charitable causes, etc.
- **Housing societies providing up to ₹7,500/month/member** for common goods/services.
- Bodies focused on welfare (industrial/agricultural labor, farmers), or promoting trade, culture, education, etc., against **membership fees up to ₹1,000/year.**

These services are provided for the benefit of members and are typically tax-exempt within specified limits.

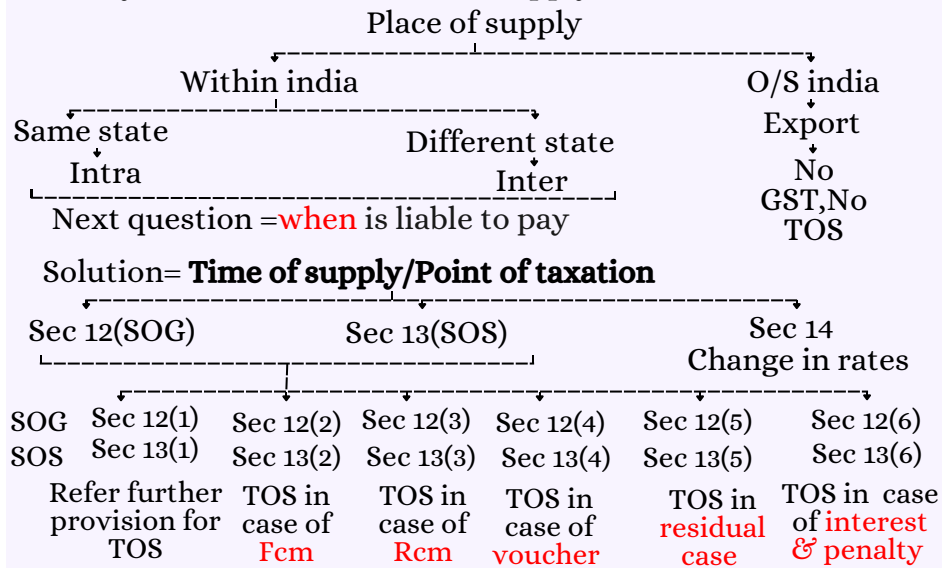
## Other exempt services

Following services are exempt from tax:-

- **Renting residential dwellings for personal use**, excluding rentals to registered persons for business purposes.
- **Hiring motor vehicles** to state transport, local authorities, or GTAs.
- **Access to roads or bridges** for toll charges.
- **Electricity transmission/distribution** by utilities.
- Services by incubatees with a **turnover under 50 lakh within 3 years** of agreement.
- Taxable services by recognized technology/business incubators.
- News services by independent journalists or agencies.
- **Public library services** (books/materials lending).
- Organizing **exhibitions** outside India.
- **Pre-conditioning, pre-cooling, and packaging** of fruits/vegetables.
- **Cold chain services** by the National Centre for Cold Chain Development.
- Services by **foreign diplomatic missions**.
- Granting National Permits for goods carriers.
- Providing information under the RTI Act.
- **Services for sports bodies** (players, referees, etc.).
- Public conveniences like **bathrooms or toilets**.
- **Services like renting metering equipment, testing meters, releasing connections, shifting meters/lines, and issuing duplicate bills related to electricity transmission and distribution.**
- **Research and development services provided for consideration in the form of grants by a government entity or a notified research institution (under Section 35 of the Income Tax Act, 1961) are subject to the condition that the institution is notified at the time of the supply.**
- **Services of insurance provided by the Motor Vehicle Accident Fund, constituted under section 164B of the Motor Vehicles Act, 1988, against contributions made by insurers out of the premiums collected for third party insurance of motor vehicles.**
- **services provided by facility management agency to MCD, Delhi HQ for upkeep of its head quarter building at applicable rates as these services are not covered under the scope of entry at Sr. No. 3A it Means Not Exempt under GST**

### Section cover under chapter

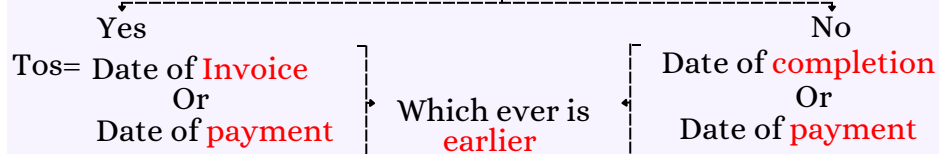
First, we have to ascertain "place of supply" if POS in taxable territory then determine "time of supply"



### Section 13(2) TOS in case of supply of services

Applicability:- All services **except RCM**

**Invoice issue** with in prescribed limit



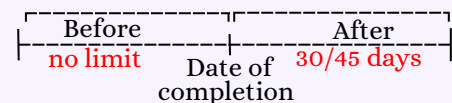
#### Date of payment

Date of **book entry**  
Or  
Date of **bank credit**

#### Invoice issue limit

**30 Days** in normal case or **45 days** in banking, FI, NBFC from the **Date of completion**

#### CRUX of Invoice issue limit



### Concept of advance payment

Advance payment

**upto 1000**

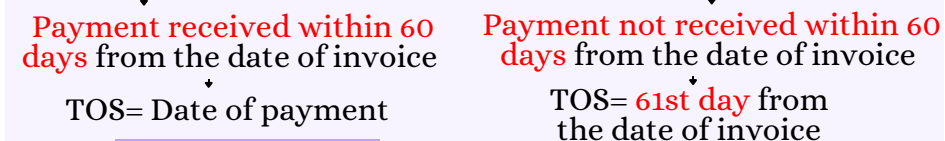
Tos= DOP or DOI  
(At a option of supplier)

**More than 1000**

TOS= DOP

### Section 13(3) TOS in case of RCM

Date of issue of invoice



#### Date of payment

Date of **book entry**  
Or  
Date of **bank credit**

### Section 13(4) TOS in case of Vouchers [OMITTED]

Vouchers

**Identifiable**

TOS= Date of issue of voucher

**Non-Identifiable**

TOS= Date of Redemption of voucher

### Section 13(5) Residual case

If periodic return filed

TOS= Date on which return is to be filed

If periodic return not filed

TOS= Date on which tax is paid

### Section 13(6) TOS in case of interest, penalty etc

TOS= when such **additional consideration received**

### Section 12(2) TOS in case of supply of goods under FCM

Supply of **specified actionable claim**

- Date of **issue of invoice**  
Or
- **Last date** of invoice required to be issued  
Or
- Date of payment  
Whichever is earlier

Supply of other goods

- Date of issue of invoice  
Or
- Last date of invoice required to be issued  
Or
- ~~Date of payment~~  
Whichever is earlier

### Last date of invoice required to issued

Depend on

Supply involves **movement** of goods  
Date of **removal**

Supply **doesn't** involves **movement** of goods  
Date of **delivery**

#### CRUX

Movement involves  
DOI  
Or  
DOR

Movement doesn't involves  
DOI  
Or  
DOD

Earlier

Earlier

### Section 12(3) TOS in case of supply of goods under RCM

TOS=

- Date of **receipt of goods**  
Or
- Date of **payment**  
Or
- **31st day** from the date of **issue of invoice**  
Whichever is earlier

### Clarification on hybrid annuity model of NHAI



Invoice is issued on or before specific date or date of completion

TOS=

Yes

- Issue of invoice  
Or
- Date of receipt of payment  
Whichever is earlier

No

- Due date of payment as per the contract  
Or
- Date of receipt of payment  
Whichever is earlier

### Amendment of section 13 of TOS/POT

(3) In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earlier of the following dates, namely:--

(a) The date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or

(b) The date immediately following sixty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier, in cases where invoice is required to be issued by the supplier; or

(c) The date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient:

Provided that where it is not possible to determine the time of supply under clause (a) or clause (b) or clause (c), the time of supply shall be the date of entry in the books of account of the recipient of supply:

## SECTION COVER UNDER CHAPTER

**GST Liability = value × rate** → Fixed by govt

Determine u/s 15

| 15(1)                          | 15(2) | 15(3) | 15(4)                            | 15(5)                  |
|--------------------------------|-------|-------|----------------------------------|------------------------|
| Value determine u/s 15(1)= xxx |       |       | If value not determine u/s 15(1) | Value in special cases |
| Add:-Inclusion u/s 15(2) = xxx |       |       |                                  |                        |
| Less:Exclusion u/s 15(3) = xxx |       |       |                                  |                        |
| Value of supply = xxx          |       |       | not In ca inter                  |                        |

### Section 15(1)

The value of supply = **Transaction value**

#### Transaction value

**Price actually paid or payable** for the Said supply of goods or services or both.

#### Important point

Transaction value

Buyer and seller are **not related person**

And  
Price is **100% monetary** form(sole consideration)

Value of supply U/s 15(1)

Buyer and seller are **related person**

or  
Price is **not in 100% monetary** form(sole consideration)

Value of supply U/s 15(4)

### Section 15(2)

The value of supply determine u/s 15(1) **shall included**

**a) Any taxes, duties, cess, fees, charges, which are not subsumed in Gst.**

- Example
- Import duty
  - Toll tax
  - Property tax
  - Municipal tax
  - Stamp duty
  - Professional tax
  - Electricity tax
  - Other custom duty
  - Anti-dumping duty
  - Safeguard duty
  - Excise duty on tobacco etc.

**b) Any amount that supplier is liable to pay but incurred by the recipient**

- Selling commission
- Cost of transportation
- Cost of insurance etc.

#### Crux

Expenditure

**Paid by supplier**

Treatment under point C

**paid by recipient**

Add in value in point B

### c) Incidental/ ancillary expenses related to supply

- packing expenditure
- Re-packing
- labeling
- Cost of insurance
- Inspection charges
- Selling commission
- Cost of transportation etc.

**Important point :-** add only when expenses directly link with transaction

### d) Interest/late fees/penalty/for delayed payment

Interst /late fees/ penalty/ for delayed payment

**Gst include**

$$\frac{\text{Interest}}{100 + \text{rate}} \times 100$$

**Gst not include**

Interest

#### Important point

If nothing shall be mention in question, assume Gst is included

### e) Subsidy directly linked to price except subsidy received by CG or SG

**After giving the effect of subsidy**

|                       |     |
|-----------------------|-----|
| Value after effect    | xxx |
| (+) Non- govt subsidy | xxx |
| Value of supply       | xxx |

**Before giving the effect of subsidy**

|                                 |                |
|---------------------------------|----------------|
| Value before effect             | xxx            |
| (-) Govt subsidy                | xxx            |
| <del>(-) Non govt subsidy</del> | <del>xxx</del> |
| Value of supply                 | xxx            |

#### Important point

Subsidy directly link with transaction

### Section 15(3)

The value of supply determine u/s 15(1) **shall exclude/deduct/not include**

#### a) Pre-discount

Any discount which is given:- **Before or at the time of supply**

#### b) Post- discount

Any discount which is given:-

**After the supply subject to condition**

→ **Establish** at or before the time of supply

→ **linked** with price

→ **ITC is attributable to discount** on the basis of document issued by supplier has been **reversed by recipient of supply**.

#### Important point

Discount directly link with transaction

#### Example

Supply of utensils  
VG (wholesaler) → VG give discount of 2 rupee on all order if KV sold 1000 glass in a month. → KV (retailer)

| Order | Glass       | ₹  | Value         | ITC                | ITC reverse | Value |
|-------|-------------|----|---------------|--------------------|-------------|-------|
| 1     | 250         | 10 | 2500          | 125                | 25          | 2000  |
| 2     | 250         | 10 | 2500          | 125                | 25          | 2000  |
| 3     | 250         | 10 | 2500          | 125                | 25          | 2000  |
| 4     | 250         | 10 | 2500          | 125                | 25          | 2000  |
| 5     | 1000<br>200 | 8  | 10000<br>1600 | 500<br>80<br>(100) | 100         | 1600  |

## Some important clarification

### 1. Treatment of TCS

Tcs would not be included as it is interim levy not having the nature of tax, therefore **TCS is not included in value** for the purpose of gst.

### 2. Staggered discount (buy more save more)

Staggered discount, rate of discount increase with increase in the purchase value. It shall **not be included in value**.

### 3. Periodic/year ending/volume/turnover discount

Such discount are excluded to determine the value of supply subject to condition mention under post-supply discount.

### 4. Secondary discount

Such discount shall **not be excluded** while determining the value of supply as such discount are not known at time of supply.

### 5. No claim bonus discount

NCB **shall not be includible** in the taxable value for computation of gst.

### Circular 251/08/2025-GST

#### 1. Financial / Commercial Credit Note (Post-sale discount)

- Taxable value NOT reduced
- GST NOT reduced
- No ITC reversal by recipient
- Full ITC allowed

#### 2. Manufacturer → Dealer post-sale discount (normal trade discount)

- Two independent principal-to-principal sales
- Discount is only price reduction
- Not consideration
- No GST payable

#### 3. Discount linked to supply to end customer

- Manufacturer agrees with end customer on discounted price
- Dealer enabled through discount
- Discount becomes inducement
- GST applicable on such discount

#### 4. Discount vs promotional activity

- General promotion to increase own sales → No service → No GST
- Specific agreed services (ads, branding, exhibitions etc.)
  - Separate agreement + consideration
  - GST applicable

### Value of Supply for Lottery Rule 31A - Not for CA INTER

For lottery supplied by the Organising State, the value of supply is not the full face value of the ticket. Instead, GST law prescribes a deemed value.

The Organising State means the State Government that conducts the lottery, either within its own State or by selling lottery tickets in another State.

The value of supply shall be the higher of the following two amounts:

- 100/140 [Face Value or Price Notified, whichever is HIGHER]

### Some important definition

|                           |                                                                                                                              |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------|
| <b>Input</b>              | Any goods other than capital goods use and intended to use in course and FOB.                                                |
| <b>Input service</b>      | Any service and intended to use in course and FOB.                                                                           |
| <b>Capital goods</b>      | Value capitalized in the books & ITC Available.                                                                              |
| <b>Exempted supply</b>    | <ul style="list-style-type: none"> <li>Nil rated supply</li> <li>100% Exempted supply</li> <li>Non taxable supply</li> </ul> |
| <b>Taxable supply</b>     | Levaible to Tax under this Act                                                                                               |
| <b>Non taxable supply</b> | Not Levaible to Tax under this Act                                                                                           |

### ITC at a Glance/overview

- Section :- 16 to 20
- Avoid cascading.**
- Make GST **destination based Tax.**
- Avail on all input, input service and capital goods use for purpose of business or profession.
- Avail **only taxable person.**
- Use** for payment of **Tax on taxable outward**
- Gst law does not require "one to one" co-relation between input/input service and final product /services. Any eligible **ITC** can be **used** for payment of tax of **any taxable outward supply.**
- ITC can **availed** and **utilised** for the payment of **taxable outward supply.**
- Exempted supply -----> ITC ✗
- Zero rated supply -----> ITC ✓
- Supply both taxable and exempt supply, ITC is available **only** for **taxable supply.**

### Three Main concept related to ITC

| Availment of ITC                                                  | Utilization of ITC                                                 | Refund of ITC                                                                                               |
|-------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Normal ITC<br>Sec 16<br>Sec 17<br>Special ITC<br>Sec 18<br>Sec 19 | For Payment of output tax<br>Sec 49, 49A, 49B<br>rule-88A & sec 20 | <ul style="list-style-type: none"> <li>ZRS</li> <li>Inverted duty structure</li> <li>Other cases</li> </ul> |

Sub part- reversal ITC

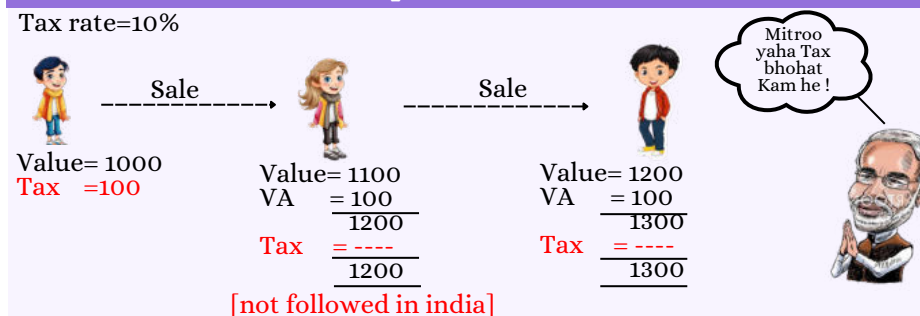
Sec 16 :- Eligibility and condition for taking ITC  
 Sec 17 :- apportionment of credit and blocked credit  
 sec 18 :- Availability of credit in special circumstance  
 Sec 19 :- Taking ITC in respect of input & capital goods sent for job work

### Let understand utilization of ITC

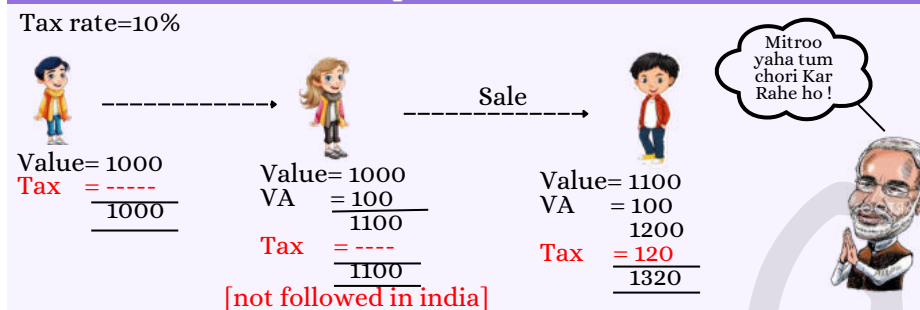
### System of tax collection (worldwide)

1. First point collection
2. Last point collection
3. Multipoint collection
4. multipoint collection with ITC

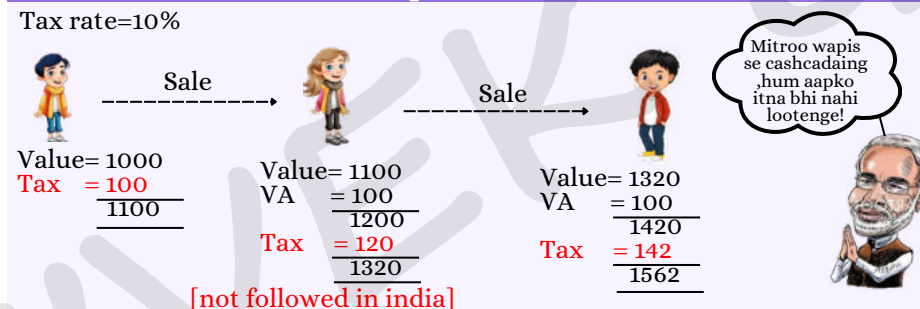
### 1. First point collection



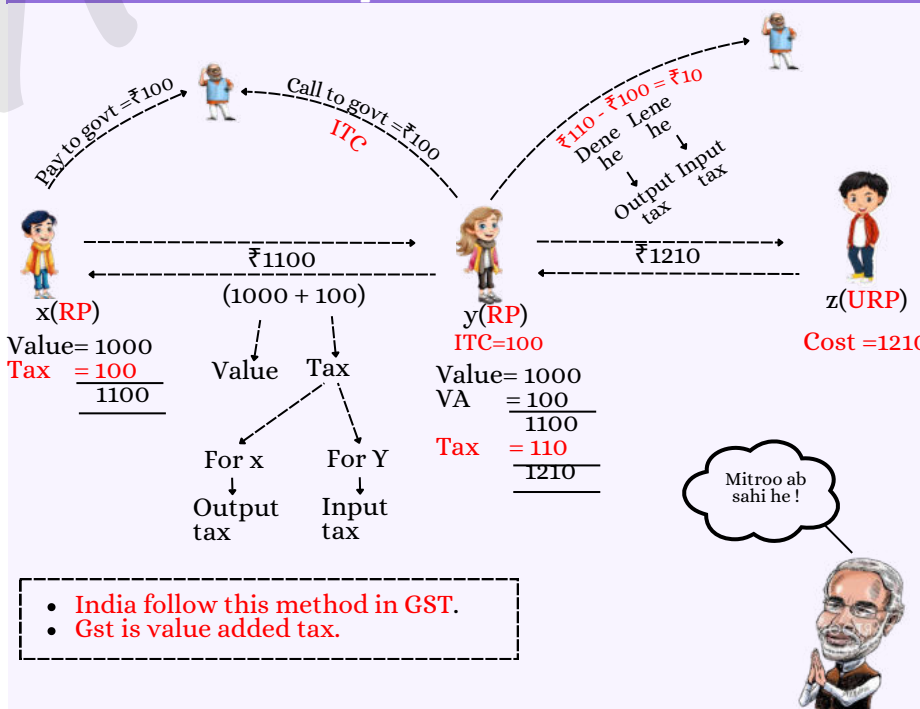
### 2. Last point collection



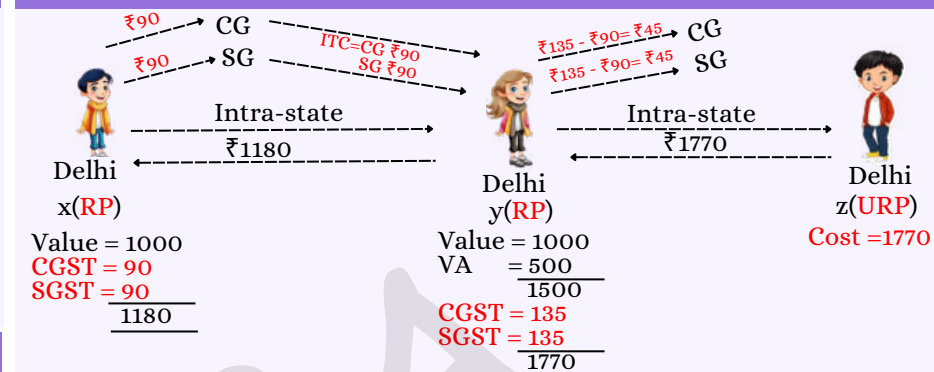
### 3. Multi point collection



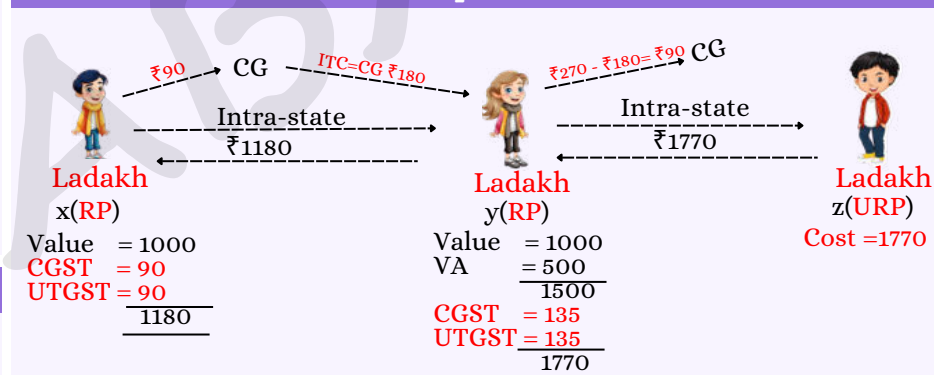
### 4. Multi point collection with ITC



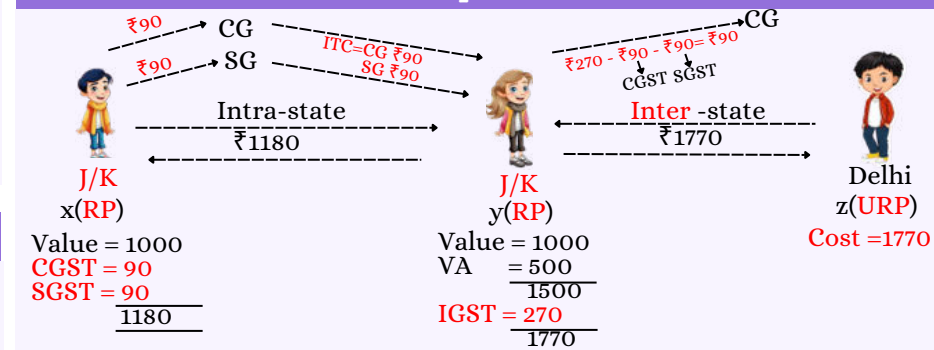
### Example no. 1



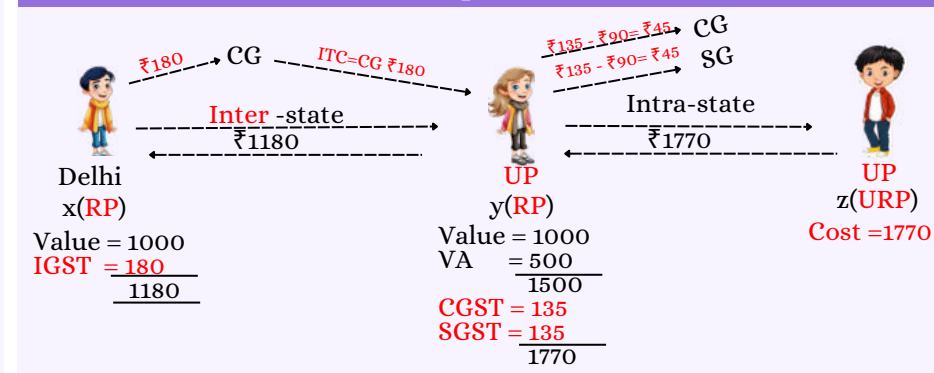
### Example no. 2



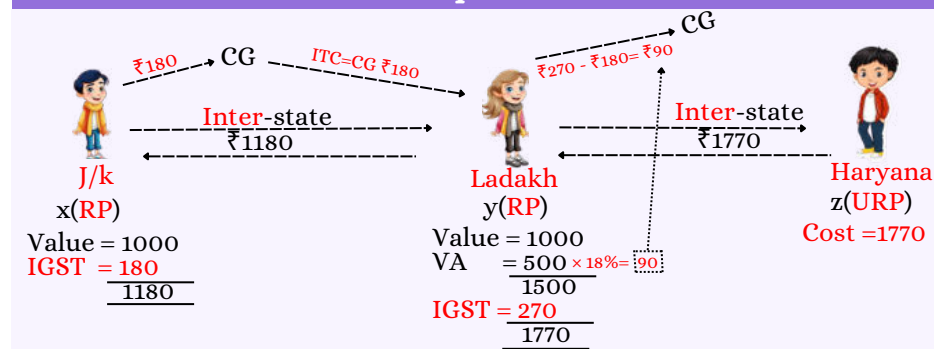
### Example no. 3



### Example no. 4



Example no. 5



Order and manner of ITC utilization

Section 49 read with Rule 88A

- 1.IGST credit can be utilized for the payment of **first IGST,then CGST or SGST at any manner at any Ratio.**
- 2.CGST credit can be utilized for the payment of **first CGST ,then IGST.**
- 3.SGST credit can be utilized for the payment of **first SGST,then IGST.**
- 4.UTGST credit can be utilized for the payment of **first UTGST,then IGST.**

Crux

| Order | manner of utilization | Credit         | payment          |
|-------|-----------------------|----------------|------------------|
| I     | IGST                  | 1st IGST       | 2nd CGST or SGST |
| II    | CGST                  | 1st CGST       | 2nd IGST         |
| III   | SGST/UTGST            | 1st SGST/UTGST | 2nd IGST         |

Note

CGST credit can't be utilized for the payment of SGST/UTGST or vice-versa.

Example no. 6

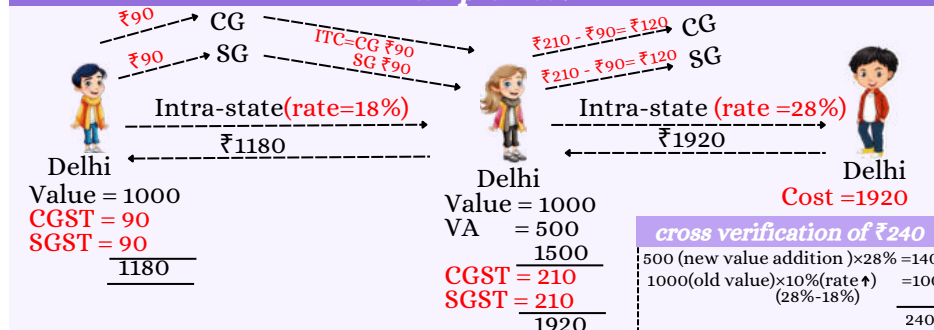
Q) Compute net gst after liability utilization of ITC on the Basis of following details:

| Particular | ITC     | Payment |
|------------|---------|---------|
| IGST       | ₹185000 | ₹127000 |
| CGST       | ₹82000  | ₹110000 |
| SGST       | ₹90000  | ₹140000 |

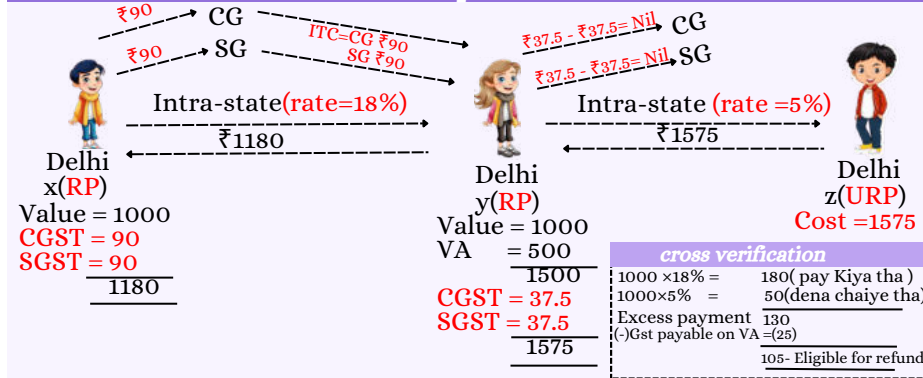
ANS:- Computation of net GST liability

| Particular          | IGST      | CGST     | SGST     |
|---------------------|-----------|----------|----------|
| Gross Gst liability | ₹127000   | ₹110000  | ₹140000  |
| (-)Input tax credit | (₹127000) | (₹28000) | (₹30000) |
| 1.IGST              | —         | (₹82000) | —        |
| 2.CGST              | —         | —        | (₹90000) |
| 3.SGST              | —         | —        | (₹20000) |
| Net Gst liability   | Nil       | Nil      | Nil      |
| ITC C/F             | Nil       | Nil      | Nil      |

Example no. 7



Example no. 8



Rule for ITC

Government

1. Tum mujhe **GST** do me ,tume **ITC** dunga

Exception in

zero rate supply

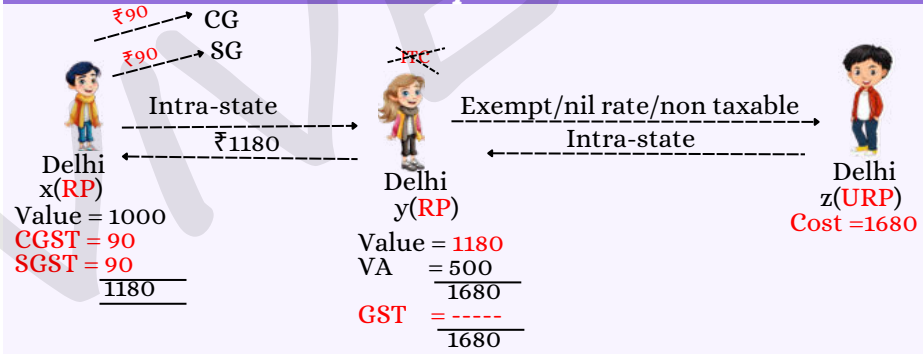
No khoun **[GST]** fir bhi Azadi**[ITC]**

2. Agar phele ITC **USE** Karli he toh wapis **ITC reverse** Karni padegi.

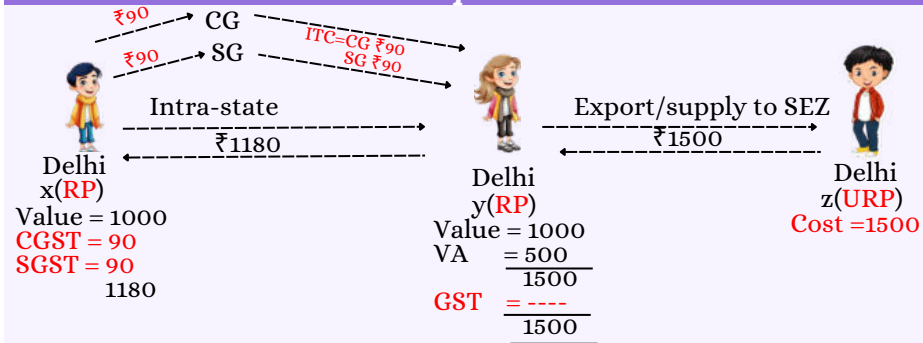
Reason of no tax/GST payable on outward supply

- Exempted (ITC **X**)
- Nil rated (ITC **X**)
- Non Taxable (ITC **X**)
- Export I.e ZRS (ITC **✓**)
- Supply to SEZ(ITC **✓**)

Example no. 9



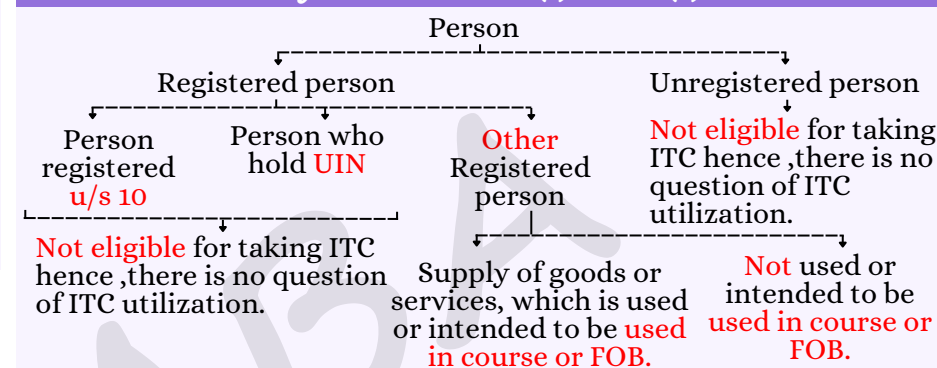
Example no. 10



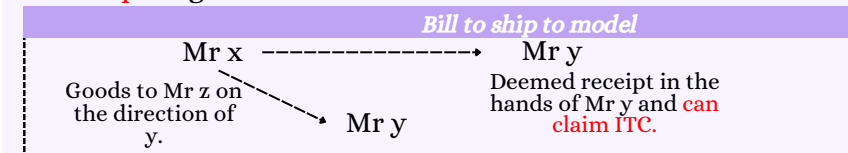
Availment of ITC

Section 16 : Eligibility and condition for taking ITC

Analysis of section 16(1) and 16(2)



1. **Possession** of tax paying document. (Tax invoice,debit note)
2. Details of invoice/debit note **Uploaded by supplier** in the **GSTR -1** or using IFF and details **communicated in the form GSTR -2B.**
3. **Receipt** of goods or services or both.



- 4.Details of ITC in respect of said supply communicated to the registered person u/s 38 "**NOT RESTRICTED**".
5. Tax leviable on supply actually paid to govt.

- **FCM-supplier**
  - **RCM -Receiver**
6. The registered person who is liable taking ITC must have **File his return in GSTR-3B u/s 39.**

Whether above **transaction covered u/s 17(5) "blocked ITC"**



Note 1

- Where Goods received in **lots or installments** against an invoice.
- The registered person is entitled to take **credit** only after receiving the **last lot or installment.**

Note 2

- Where Recipient fails to pay the Supplier **within 180** days from the **invoice date.**
- This applies to all supplies, **except** those under **RCM.**
- The amount equal to the **ITC availed** by the recipient will be **added** to their **output tax liability.**(reversal of ITC)
- Interest **(18% P.a)** will be charged on the added output tax liability.
- The **ITC must be reversed** due to non-payment within the specified period.

## Section 16 (3)

The registered person has **claimed depreciation** on the **Tax component** of the cost of **capital goods** and plant and machinery, the **input tax credit** on said tax component shall **not be allowed**.

### Example

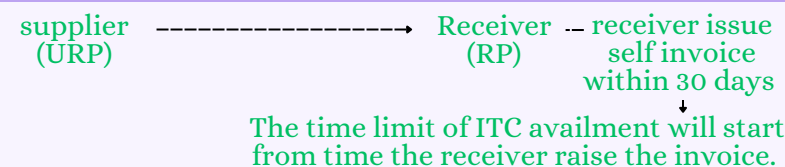
|                                                  |                                                                         |
|--------------------------------------------------|-------------------------------------------------------------------------|
| Cost of plant and machinery = 400000             |                                                                         |
| GST @28% = 112000                                |                                                                         |
| 512000                                           |                                                                         |
| 400000                                           | 112000                                                                  |
| Always claim depreciation u/s 32 of IT ACT 1961. | Either claim depreciation or claim ITC. (at the option taxable person.) |

## Section 16 (4)

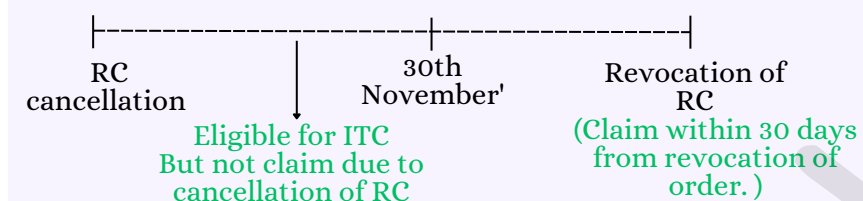
ITC on invoices pertaining to a FY or debit note issued In a FY can be availed anytime :-

Till **30th November** of the succeeding year  
Or  
**Actual Date** of filing of relevant **annual return** } **Whichever is earlier**

### Clarification RCM case



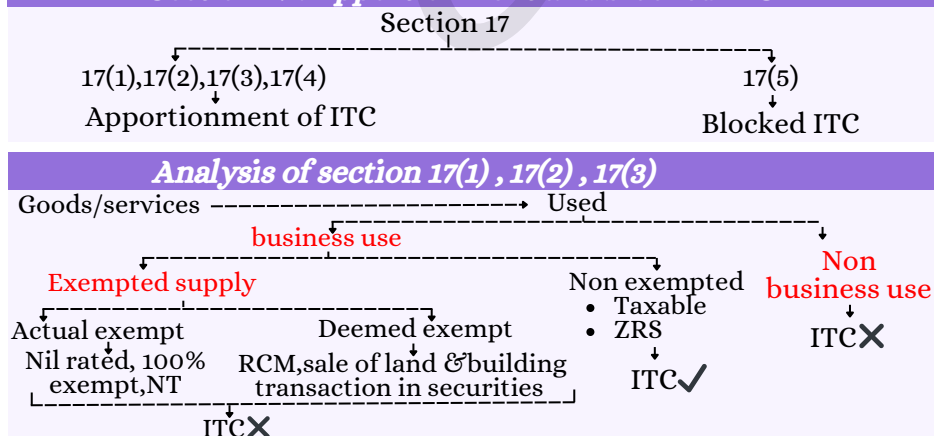
## Section 16 (6) [newly inserted]



## Section 41 : Availment or reversal in specified case

- ITC shall be allowed finally not provisionally.
- ITC availed by RP by the **Tax Payable** thereon **has not been paid** by the corresponding **supplier** then **Recipient Shall Reverse ITC along with Interest (18% p.a.)** if supplier Paid tax to govt after sometime then Recipient can **re-claim/re-avail** ITC of that amount.

## Section 17 : Apportionment and blocked ITC

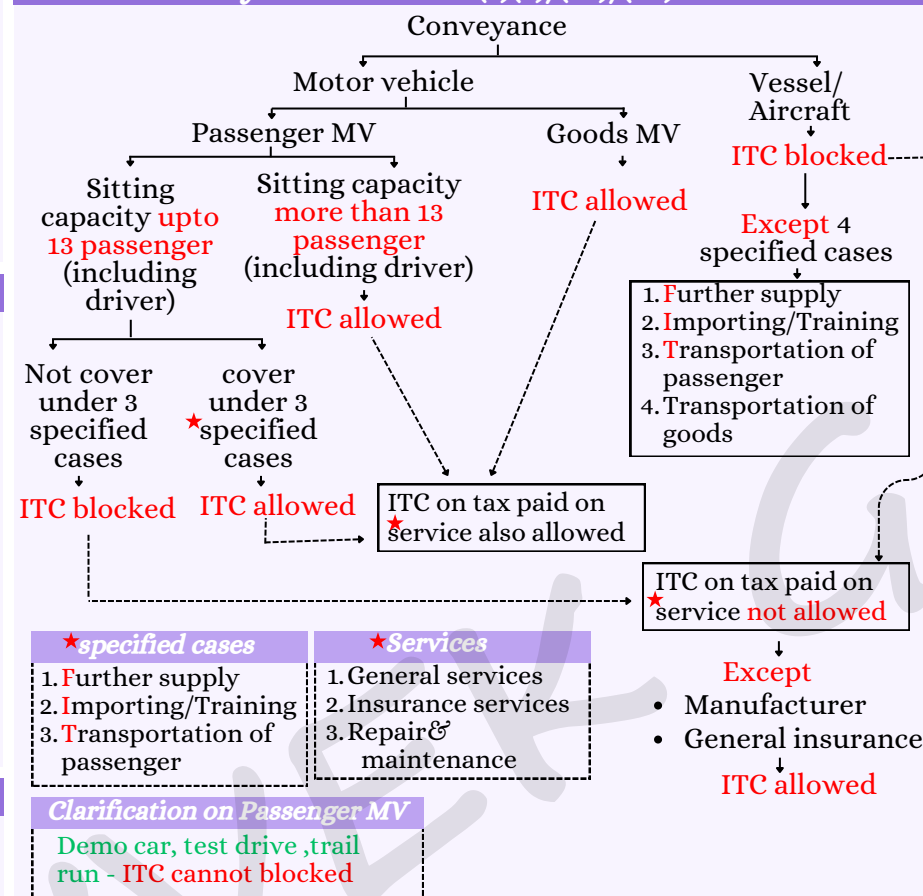


## Section 17(4)

Not In syllabus

## Section 17(5) : ITC Blocked

### Analysis of section 17(5)(a)/(aa)/(ab)



## Section 17(5)(b)

Following supply of goods or services or both :-

- Food and beverages
- Outdoor catering
- Beauty treatment
- Health service
- Cosmetic and plastic surgery
- Leasing, renting or hiring of motor vehicle
- Vessels or aircraft referred in clause (a) or (aa)
- Life insurance and health insurance

### ITC allowed in following case

- If **inward and outward supply** are same.
- Provided such goods or services as **composite supply /mixed supply**.

- Membership of **club, Health, and fitness Centre**;

- Travel benefit extended to employees** on such vacation such as leave or home travel concession.

### Proviso to section 17(5)(b) I.e complete clause (b)

ITC in respect of such goods or services or both **shall be available**, where it is **obligatory for an employer** to provide the same to its Employees under any law.

## Section 17(5)(c)

Goods or services or both on which tax has been paid **u/s 10**.

## Section 17(5)(d)

Goods or services or both received by a **Non resident taxable person** except on goods **imported** by him.

## Section 17(5)(e)

Goods or services or both used for **personal consumption**.

## Section 17(5)(f)

Goods lost, stolen, destroyed, written off or disposed off by way of gift or free samples.

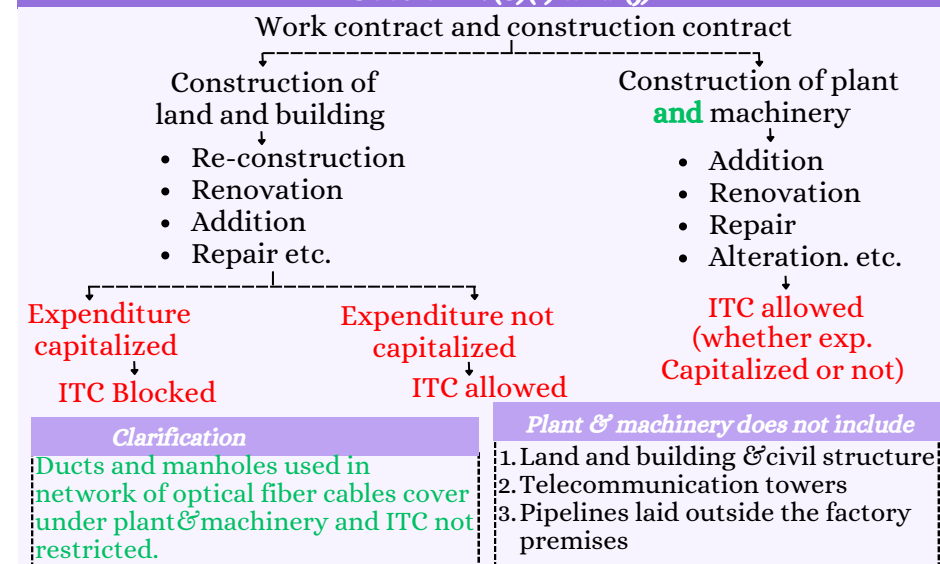
## Section 17(5)(g)

Any tax paid in accordance with the provision of section 74, 129 and 130.

## Section 17(5)(h)

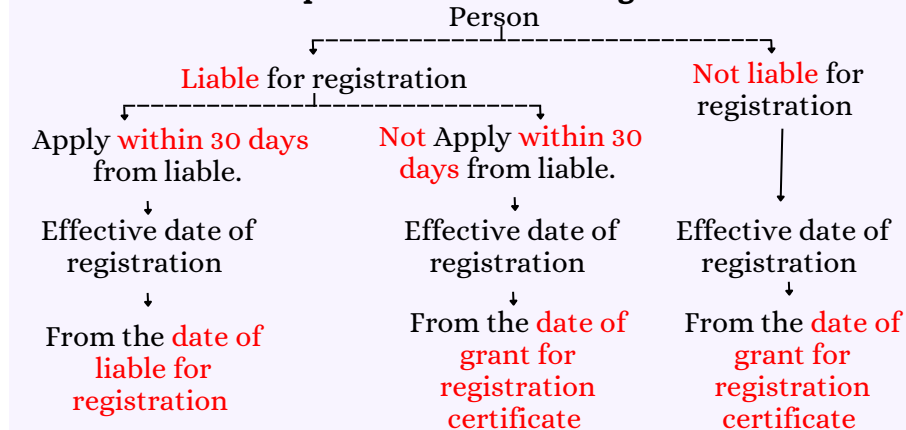
Goods or services provide for **CSR Activity**.

## Section 17(5)(i) and (j)

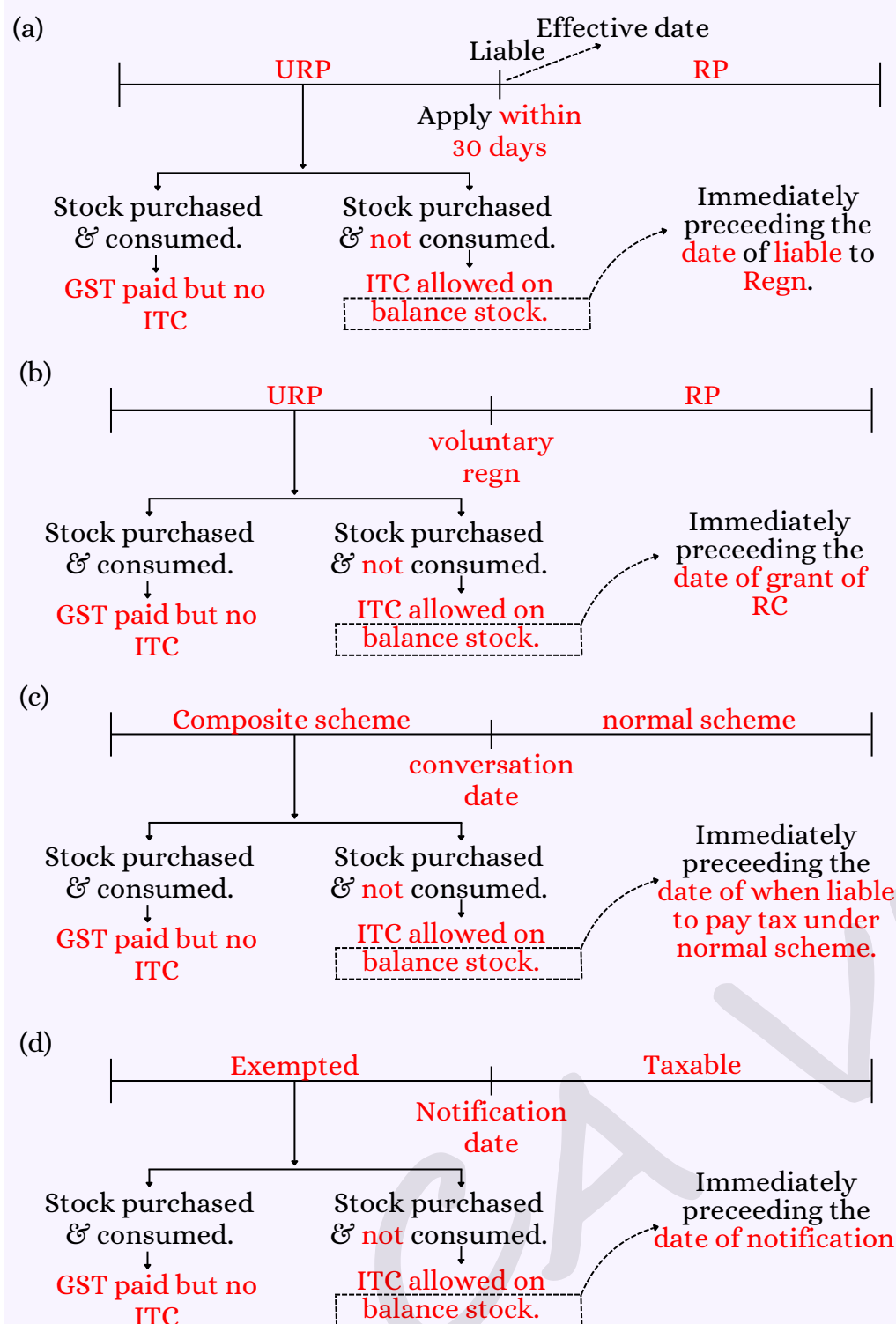


## Section 18 : Availability of credit in special circumstances

### Concept of Effective date of registration



Analysis of section 18(1) and 18(2)



Meaning of stock

- For (a) and (b) clause, stock means **only input stock not capital goods**
- For (c) and (d) clause, stock means **input and capital goods**.

★ How can claim ITC in case of capital goods

|                                     |      |
|-------------------------------------|------|
| Input Tax paid on capital goods     | =xxx |
| (-) 5% each quarter or part thereof | =xxx |
| Balance amount                      | xxx  |
| can claim ITC.                      |      |

Section 18(2) Time limit to claim u/s 18

Upto 1 year from the date of issuance of tax invoice.

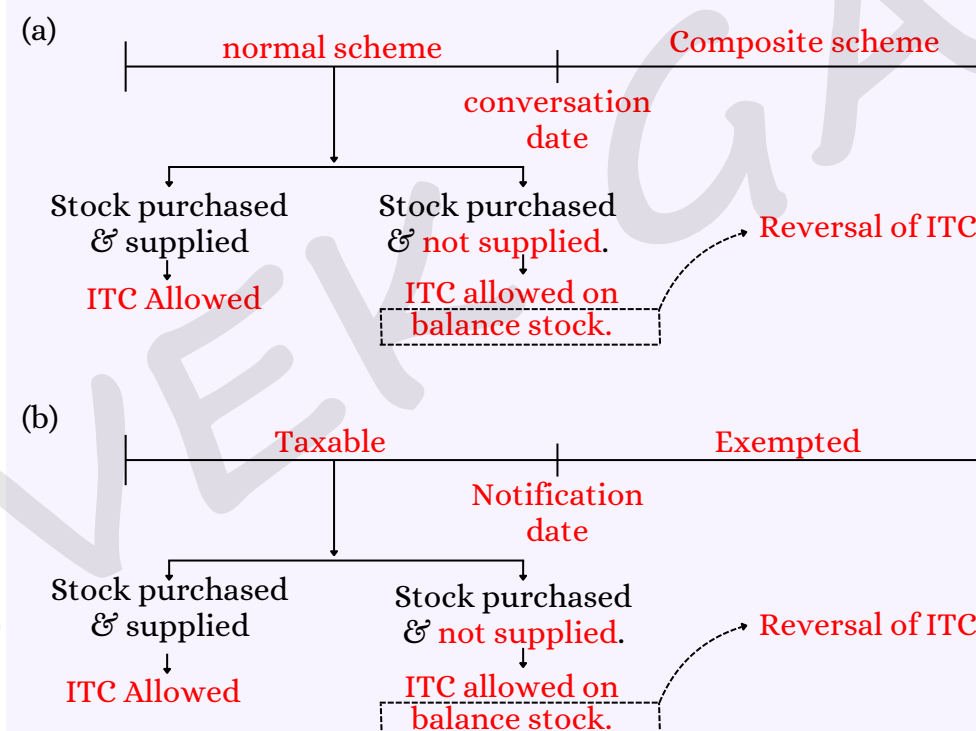
Crux of time limit of normal ITC v/s special ITC

| Normal ITC u/s 16,17,19                                                                    | Special ITC u/s 18                                    |
|--------------------------------------------------------------------------------------------|-------------------------------------------------------|
| 30th NOV of next FY.<br>Or<br>Actual date of filing annual return.<br>whichever is earlier | Upto 1 year from the date of issuance of tax invoice. |

Section 18(3)

In case of amalgamation, merger, demerger, succession of company un-utilized ITC can be carry forward to successor company (I.e Amalgamated company, resulting company, etc.)

Section 18(4)



Meaning of stock

In above both clause, stock means **input and capital goods**.

Reversal of capital goods

ITC reversal =  $\frac{\text{ITC claimed}}{60 \text{ month}} \times \text{remaining useful life (in month)}$

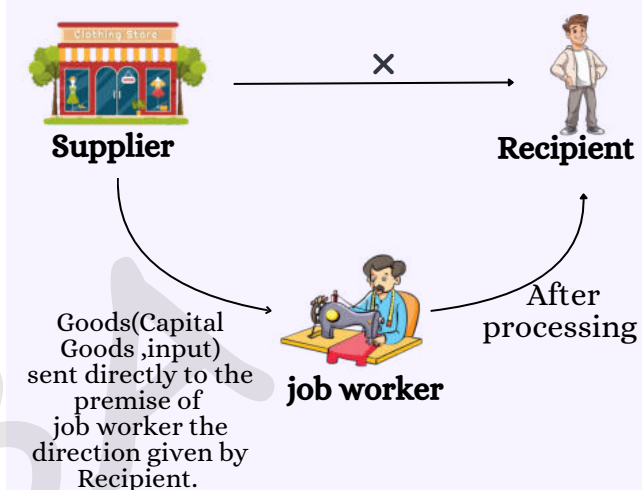
Section 18(6)

In case of supply of capital Goods on Plant and Machinery on which ITC has been taken, The Registered Person Shall Pay an amount equal to ITC taken on Said CG @ P/M reduced by 5% each quarter on Part thereof or Tax on Transaction value of such CG or P/M, whichever is higher.

Crux

Transaction value  $\times$  GST rate  
Or  
ITC availed (-) 5% each quarter or part  
} Whichever is higher

Section 19 : ITC in case of job work



- Although **section 16(2)** provides that ITC Will be allowed only when goods are **actually received** but **under job work this condition is Exempt**.
- Therefore, **ITC can be claimed** even if input /CG directly sent to job-worker being first received to the place of principle business.

**ITC can be availed on the date the vehicles are billed and handed over to the transporter by the OEM at his factory gate**

NO ITC

-Goods used for non-business purpose

- Goods are lost, stolen, destroyed, written off or disposed of by way of gift or free samples

## Section 22/23/24

### Section 22

#### person liable for registration

**Threshold limit** -  
applicable for intra state

Aggregate T/O in CFY

|                                                   |                                                                        |                |
|---------------------------------------------------|------------------------------------------------------------------------|----------------|
| Manipur<br>Mizoram<br>Nagaland<br>Tripura<br>MMNT | Pondicherry<br>Sikkim<br>UK<br>AP<br>Telangana<br>Meghalaya<br>PSU ATM | Other<br>state |
|---------------------------------------------------|------------------------------------------------------------------------|----------------|

|                                    |     |     |     |
|------------------------------------|-----|-----|-----|
| 7 specified goods<br>[PATI BRICKS] | 10L | 20L | 20L |
| Other goods                        | 10L | 20L | 40L |
| Services                           | 10L | 20L | 20L |
| Goods and services                 | 10L | 20L | 20L |

### Section 23

#### person not liable for registration

1.Exclusively supply of exempted goods or services(100% exempt)

2.Agriculturalist

3.person making **only reverse charge supplies.**

4.**Inter state supply of services (taxable) upto 20 lakhs**

5.Inter state taxable supply of notified **handicraft or handmade upto 20 lakhs**

6.**CTP making inter state supply of handicraft goods upto 20 lakhs**

7.Supplier of **services through ECO other than Specified u/s 9(5) upto 20 lakh.**

8.Supplier of **goods who supply intra state through ECO upto 10L/20L/40L**

### Section 24

#### Compulsory/ mandatory registration

1.Inter state supply of goods or services **Except**

2.**CTP** who does not have fixed place of business in state/ut from where he want to make supply **Except**

3.Person receiving supply on which **tax is payable by recipient** on RCM.

4.**NR** taxable person

5.**ECO** who collect **TCS u/s 52**

6.**ECO** who liable to pay gst u/s 9(5)

7. TDS deductor

8.**Agent** of same principal

9.**OIDAR** service provider

10.**ISD**

11.person supply **online money gaming**

12.supplier of **services other than covered u/s 9(5) Except**

13.supplies of goods through ECO **Except**

### Nature of registration

- The registration in GST is **PAN** based & **state specific**.
- One registration per state/UT**, however having separate business entity in a state obtain separate registration.
- GST Identification number called GSTIN-**15 digit number**
- Single registration for all taxes I.e CGST,SGST,IGST,UTGST

### Section 25 : Where and when to apply for registration

1A. Person who is liable to be registered **u/s 22 or 24**

- In every such state/ut in which he is so liable
- within 30 days** from date on which he **become liable** to registration

1B. **CTP or NR** taxable person

- In every such state/ut in which he is so liable
- Atleast **5 days prior to commencement** of business

1C. Person who supply from **Territorial water of india**

- In coastal state/ut where **nearest point of baseline located**
- within 30 days** from date on which he **become liable** to registration .

2. Person having multiple POB in a state/ut may have separate registration for each POB.

3. Person through no liable u/s 22/24 , may get **voluntarily registered**.

4. Person has obtained /required to obtain multiple reg in one/multiple state **establishment of distinct person**.

5. Person has obtain/required to obtain regn with respect to **an establishment** has **another establishment in other state/ut**.

6. **PAN is mandatory** for regn ,TDS may have TANbfor regn.

### Section 25 Continue

6A. RP shall furnish proof of **aadhar no./alternate** means of Identification.

6B. Same as (6A) -individual

6C. Other all type of authorised signatory,managing and authorised patterns, karta shall undergo auth from 1/4/20.

6D. (6A),(6B),(6C) **not applicable to person notified**

- Not a citizen of india
- A department/establishment of CG/SG
- A local authority
- A Statutory body
- A PSU
- A person apply for regn u/s 25(9) I.e UIN

7. NRTP **APP-REG 09** + self attested copy of passport

- 5 day prior to Commencement** of business.

8. Person fails to obtain regn **PO** may **register him**.

9. Specialised **agency of foreign embassy** and class of notified person shall be **granted UIN** for the purpose of refund.

### Section 26 : Deemed registration

- Grant **regn/UIN** under **SGST/UTGST ACT** is **deemed** to be regn/UIN granted under **CGST ACT**,provided applicable has not been rejected under CGST ACT.

- Rejection of application** for registration/UIN under **SGST/UTGST ACT** is **deemed** to be **rejection** of application for registration under **CGST act**.

## Section 27 : Special provision for Grant of registration in case of NRTP or CTP

Before going into nuances of registration provision of CTP and NRTP ,let's **first understand the meaning of CTP and NRTP**.

### Casual taxable person

- In India, if a person is **registered** for business in **one state** but **wants** to make **supplies** from **another state** where they **don't** have a **fixed place of business**, they are required to register in the state from where the supplies are made.
- As per the CGST Act, a CTP is someone who **occasionally** makes supplies of goods or services in a state where they do not have a fixed business location. **CTPs cannot opt for the composition levy**.

### Non resident taxable person

- A person who is foreigner and occasionally wants to effect taxable supplies from any state in India needs registration for the same. such person needs to **register** in the **state from where he seeks to supply as a NRTP**.
- CGST ACT defines NRTP as any person who occasionally undertakes transaction involving supply of goods or services or both, whether as a principle or agent or in any other capacity, but who has **no fixed place of buss. or residence in India**. Further he **cannot exercise** the option to pay tax under **composition levy**.
- Based on aforesaid definitions, following points must be considered -  
→ CTP might be registered with regard to his fixed place of business in some other state/UT, while NRTP does not have fixed place of business/residence in India at all.  
→ **CTP** has to undertake transactions **in course or FOB whereas**. **NRTP** need **not** to undertake transactions in **course or FOB**. (Business test is absent in definition of NRTP).

### Special registration provision of CTP and NRTP

GST law prescribes special procedure for registration as well as for extension of extention of operation period for CTP or NRTP.

They have to apply for registration **atleast 5 days in advance before making any supply** , also registration is granted or period of operation extended only **after they make advance deposit of estimated tax liability**.

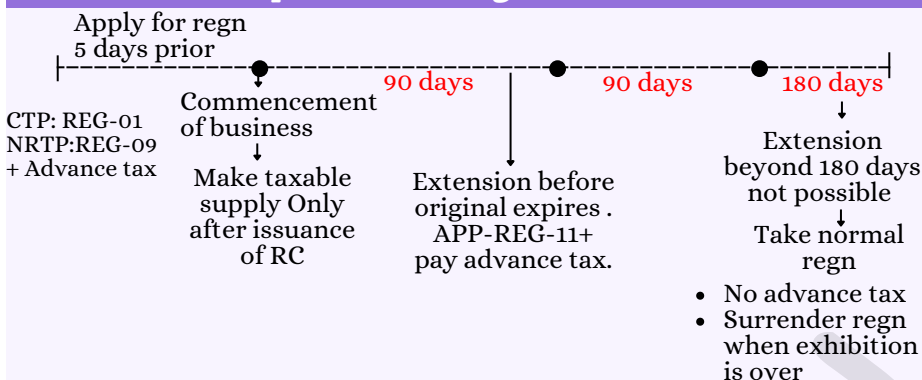
### Special registration procedure is as follows

- Both CTP and NRTP have to **Compulsory registration** under GST irrespective of threshold limit, **atleast 5 days prior to Commencement of business**.
- As per section 25(6) Every person must have **PAN** to be eligible **for registration** .  
→ Since **NRTP** will generally **not have PAN** of india, he may be granted registration on the Basis of **other prescribed document** .  
**Other prescribed document:-** NRTP has to submit self -attested copy of a **valid passport**. along with **application signed by authorised signatory** who is an Indian resident having a valid PAN.  
→ However ,in case of Business entity, incorporated or established O/S india. Application for registration shall be submitted along with its tax Identification No. Or unique No. on the Basis of entity is Identified by govt of that country or its PAN ,if available.

### Continue special registration procedure

- Application will submitted by **N RTP** in prescribed form I.e **GST REG 09** and **CTP** will submit application for registration in Form **GST REG 01**.
- Period of **validity** of registration certificate to CTP/N RTP  
**Period specified in** **90 days** from effective date of registration application  
**Whichever is Earlier**
- Extension validity**  
 Further extension for **90 Days** by making an application before the end of Validity of registration granted him.
- Advance deposit of tax:-** At the time of submitting registration application CTP/N RTP are required to make an advance deposit of tax is an amount equivalent to **estimated tax liability** of such person for the period for which registration is sought.
- Registration of Participants of long run exhibitions:-** In case of long running exhibitions for **period more than 180 days**. Taxable person **cannot treated as CTP**, and thus person would be required to **obtain regn as normal taxable person**.

### CRUX of procedure of regn of CTP or N RTP



### Aggregate turnover (ATO)

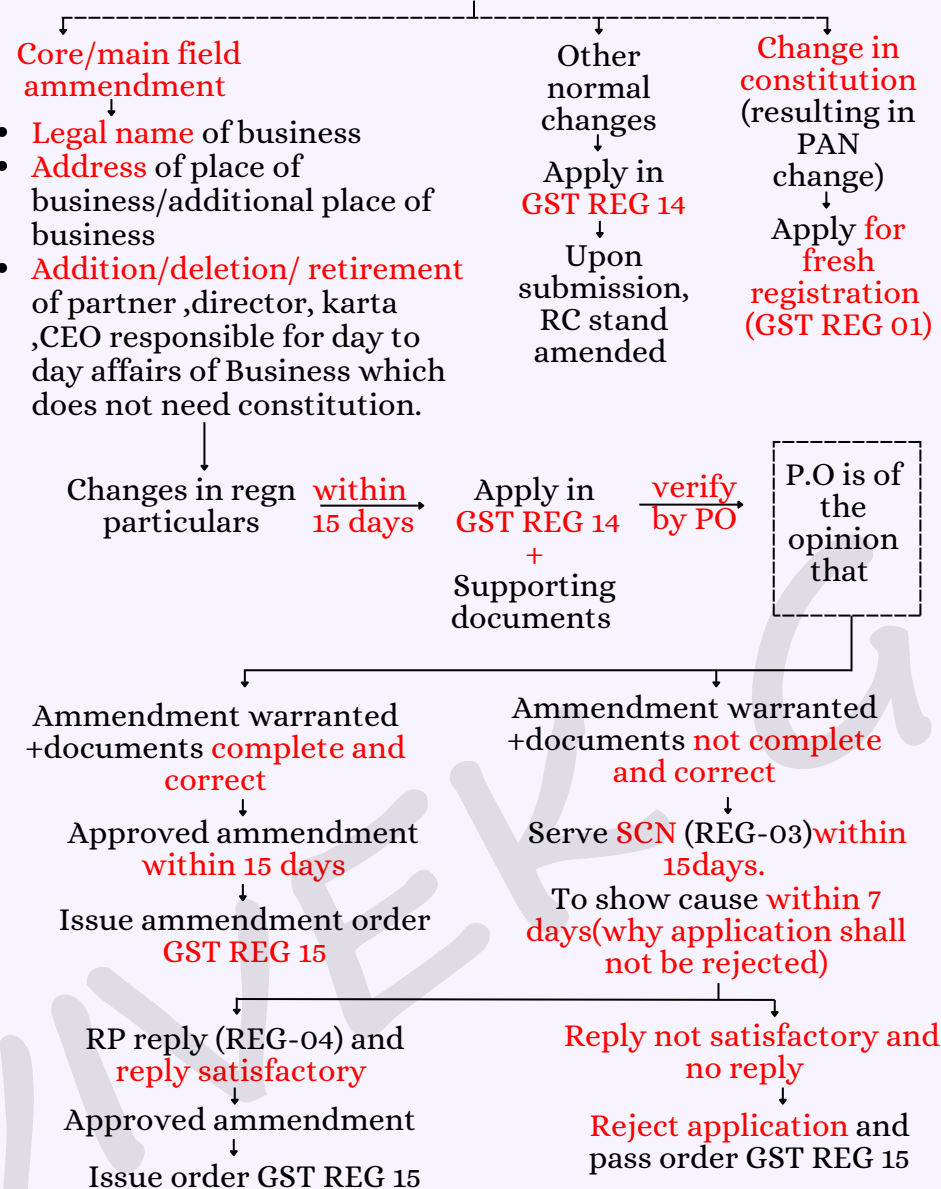
ATO is a crucial parameter for deciding **eligibility of supplier to avail benefit of threshold exemption** from regn and eligibility for **composition scheme**. → Already discussed in composition chapter

### Aggregate turnover

Include (+) Not include (-)

- Value of all outward supplies**
  - Taxable supplies
  - Exempt supplies
  - Export
  - Inter state supplies of person having same PAN be computed on all India Basis.
- Interest/discount**
- CGST/SGST/UTGST/IGST**
- Compensation Cess**
- Value of Inward supplies under RCM.**

### Section 28 : Ammendment of registration



#### Note 1

If **No action by P.O** **Within 15 days**, Rc shall stand **ammended** and ammended RC made available to RP

#### Note 2

Ammendment effective from date of submission of application except by commissioner order

#### Note 3

Change in mobile no./E-mail address only after verification through OTP

### Section 29 : Cancellation/suspension of registration (Rule 22 to 22 and 44)

#### Section : 29(1)

P.O may suo moto / on application by RP or by his legal hier (in case of death) **cancel registration where:-**

- Business discontinued/ transferred fully.**
- change in constitution** (amalgamation ,demerger).
- Taxable person **no longer liable u/s 22/24**, or intend to opt-out of voluntary regn u/s 25(3).

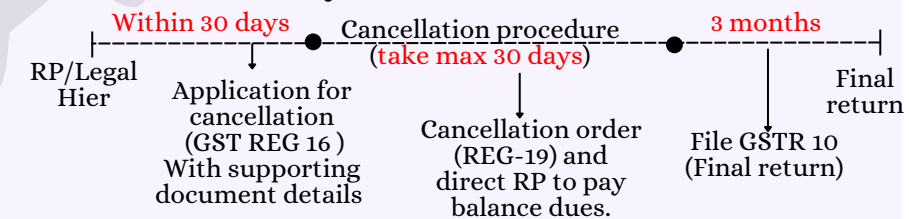
### Section 29(2)

**P.O may cancel registration where :-**

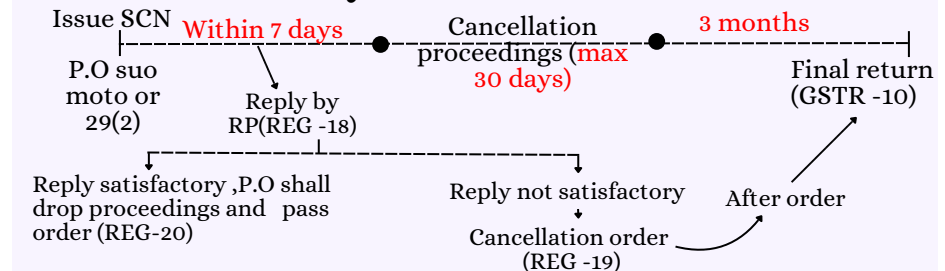
- RP has **contravention** such provisions of ACT/Rules
  - **No Business** from **declared POB**.
  - Issue invoice/BOS **without supply** of goods ,services or both
  - Violates provision of R-10A(bank details).
  - Furnish **incorrect detail** in **GSTR-1**.
  - Violates provision of R-86B(restriction on ITC utilization in E-Credit Ledger).
- Composition taxable person- **No return file** from more than **3 month from due date of GSTR -4**.
- Normal taxable person- **No return** for continous **6 month or 2 quarter's (if QRMP)**.
- Voluntary registration- business not commenced in 6 months.
- Registration **obtain by fraud,willful misstatement, suppression of fact**.

### Procedure of cancellation

#### Case I :- Cancellation by RP



#### Case II :- Cancellation by P.O



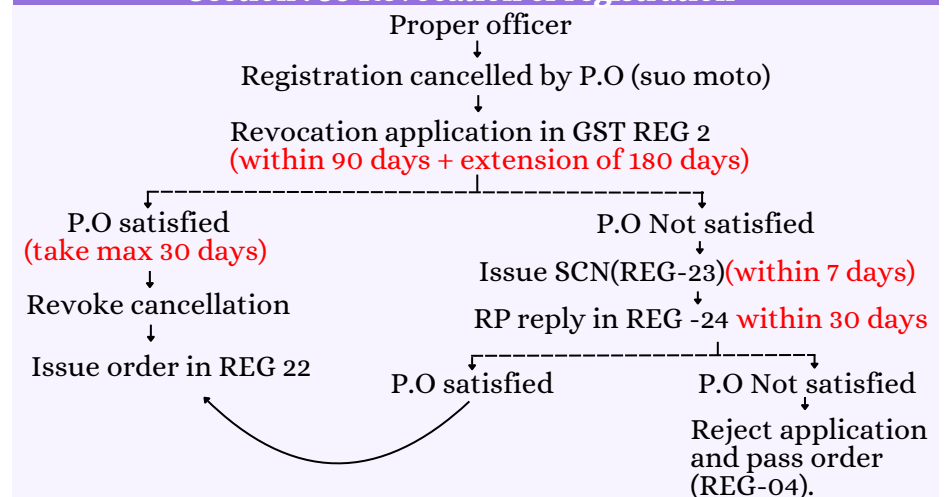
### Section : 29(3)

Cancellation of registration **not to affect liabilities to pay tax and dues** under tihs Act ,for any period prior to date of cancellation, whether or not determine before or after cancellation.

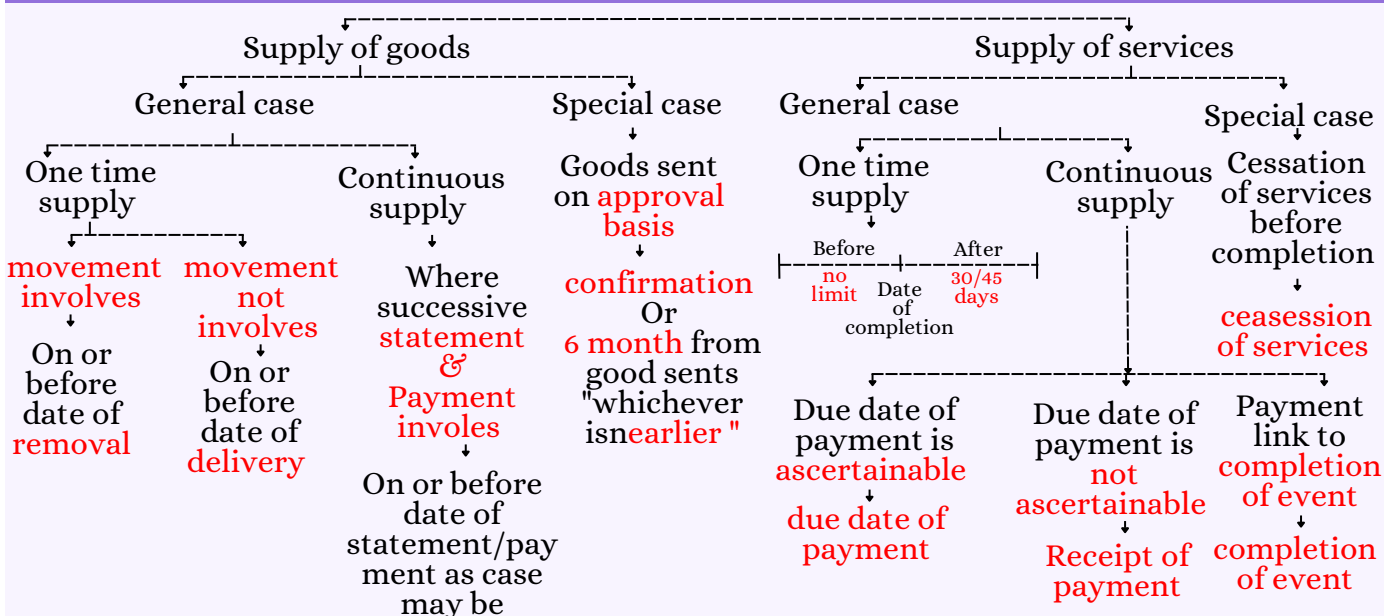
### Section : 29(4)

**Cancellation under SGST ACT ,deemed cancellation under CGST ACT**

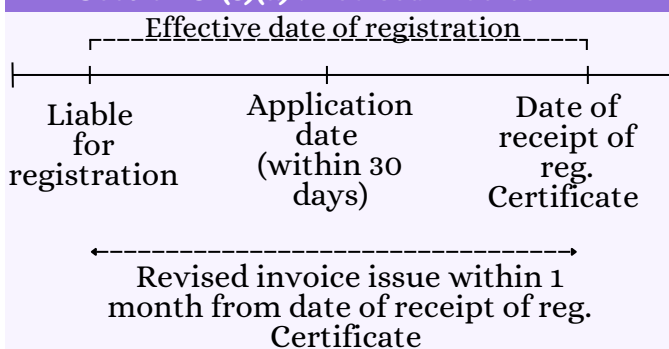
### Section : 30 Revocation of registration



## Supply ( When invoice issue)



## Section 31(3)(a) : Revised invoice



## Section 31(3)(d) and 31(3)(c)

- Supplier issue
- d) In case of advance payment receipt voucher
- c) advance payment received, refund voucher but no supply made

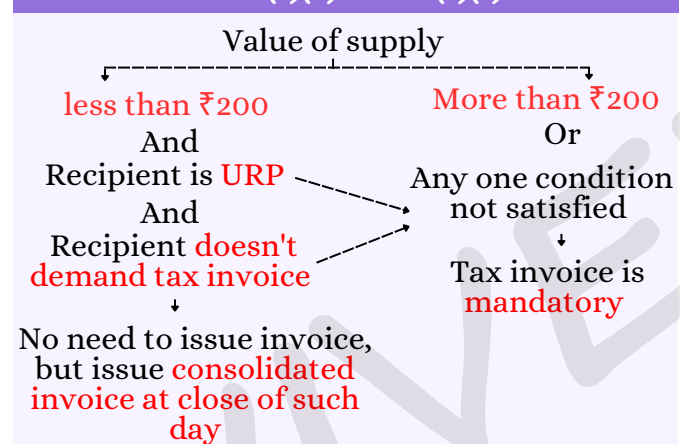
## Section 31(3)(f) and 31(3)(g)

- receiver obligations
- f) In case of RCM self invoice If supplier is URP
- g) receiver under RCM payment voucher Making payment of supply

## Rule 48 : Manner of issue tax invoice

- In case of supply of goods
- Original - buyer
  - Duplicate- Transporter
  - Triplicate - Supplier
- In case of supply of services
- Original - Recipient
  - Duplicate- supplier

## Section 31(3)(b) and 31(3)(c)

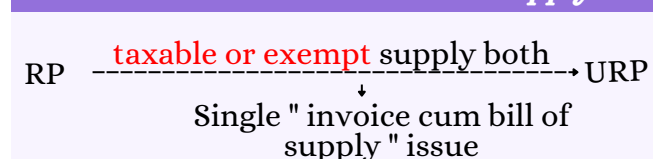


## Rule 55 : Delivery challan

Delivery challan is to be issued instead of invoices, in the following situation :-

- Supply of liquid gas
  - Goods transportation for jobwork
  - Goods transportation other than by way of supplies
  - Such other supplies as case may be notified
- copies of challan
- Original - consignee
  - Triplicate - consignor
  - Duplicate- Transporter

## Rule 46A : Invoice cum bill of supply



## E-Invoice V/S Dyanamic QR code

| particular                    | E-Invoice                                                                      | Dynamic QR code                                       |
|-------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------|
| Notification no.              | N/NO. 13/2020 + N/NO. 05121                                                    | N/NO. 14/2020CT                                       |
| Types of transactions covered | B2B supplies (RP-RP) export cover                                              | B2C supplies (RP-URP) export not cover                |
| Threshold limit               | RP-T/O>5cr in PY form 17-18 onward                                             | RP-T/O>500cr in PY form 17-18 onward                  |
| QR code made available by     | QR code would be generated by IRP and return against e-invoice reported to IRP | QR code would be generated by supplier himself on POS |
| Payment of QR code            | To verification                                                                | To unable payment                                     |

## Important points related to E-invoice

- E-invoice is not mandatory, only notified person are enable to issue e-invoice
- E-invoice is not generated by govt portal
  - Create their own invoice via software
  - Invoice reported to INV Reg portal
  - IRP generate IRN and QR code and return invoice to supplier

## Advantages of E-invoice

- Auto-reporting of invoice into gst return
- Auto-generation of E-way bill
- Reduction in errors
- Easy payment
- Cost-reduction
- Reduction of tax-Evasion
- Elimination of fake invoices

## Content of Tax invoice

- Name, address & GSTN of supplier
- Consecutive serial no. & date of issue
- Name, address & GSTN of recipient (if RP)
- HSN/SAC code
- Total value of supply
- Taxable value of supply
- Place of supply
- Tax payable under RCM

## Exemption from E-invoice

- SEZ units
- Insurer/bank co. /FI Inc NBFC
- GTA
- Supplier of passenger transportation services
- Cinema hall ticket
- Govt department & LA

## Exemption from Dynamic OR

- In case of export
- Insurer/bank co. /FI Inc NBFC
- GTA
- Supplier of passenger transportation services
- Cinema hall ticket
- OIDAR service

## Requirement to furnish HSN code

| ATO in PFY | No of digits | In respect of goods /services/both |
|------------|--------------|------------------------------------|
| upto 5cr   | 4 digits     | B2B :Mandatory<br>B2C :optional    |
| >5 cr      | 6 digits     | Whether supply to RP OR URP        |

## Section 34 + Rule 53 : Concept of debit note or credit note

**A) Credit note:-** If taxable value in Tax invoice is found exceed. taxable value in respect of such supply.

- GST charged on taxable value found exceed
- Goods supplied are returned by recipient
- Goods supplied are found deficient

## Time limit to issue credit note

Details of credit note shall be issued till the end of month of November following the end of FY in which supply was made. I.e 30th Nov of next year

Or actual date of furnish of annual return → Earlier

**B) Debit note:-** Supplementary invoice

- Taxable value in "tax invoice" is found to be less than Tax invoice in respect of such supply.
- Gst charged in tax invoice is found less than gst payable in respect of such supply.
- NO time limit to issue debit note

## Proviso - Section 34

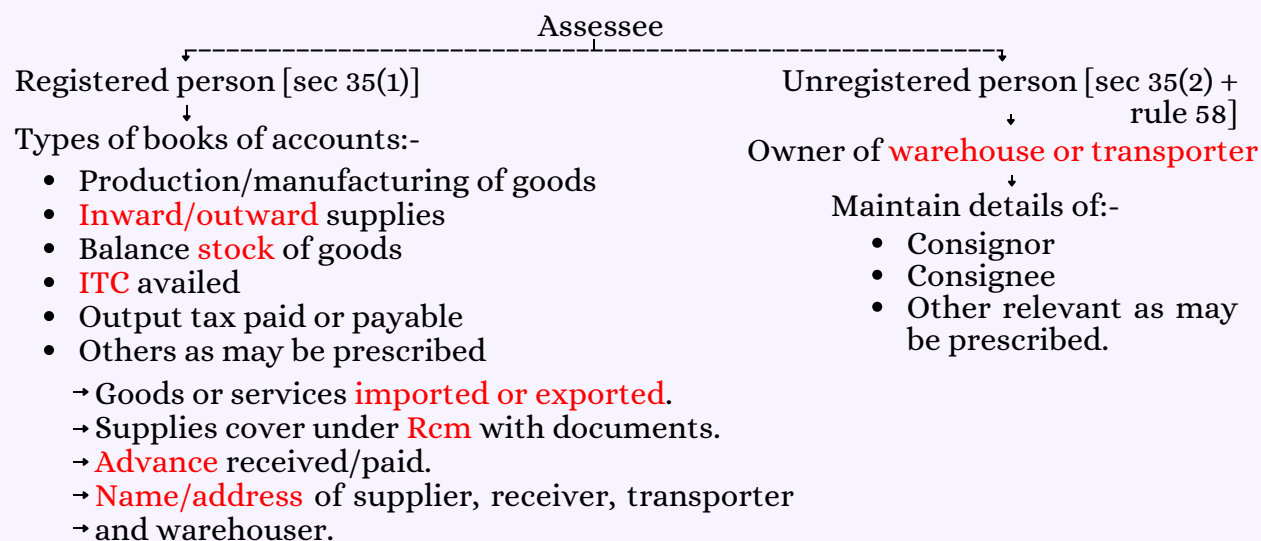
- Registered recipient → ITC must be reversed, otherwise supplier cannot reduce GST.
- Unregistered recipient → Tax should not be passed on, otherwise supplier cannot reduce GST.

## Note

- Assessee/supplier can issue more than one credit /debit note for one Tax invoice.
- Supplier can issue one credit note/debit note for more than one tax invoice.

## Chapter-12 Accounts and records

### Section 35 : Accounts and records



#### Location of maintenance of BOA

- At principle place of business (mentioned in certificate of registration).
- Where more than one place of business, is specified in certificate of registration, Account relating to each place of business shall be kept at such place of business.

#### Rule 57

- A proper backup of all e-records shall be maintained.
- upon demand, RP shall make available records in hard copy or e-copy.
- Upon demand, access to e-records shall be provided and password shall also be shared.

#### Section 36 : Time limit for maintaining BOA

72 months from date of annual return.

#### Mode of BOA

Manual or electronic (at the option of RP)

#### Power of commissioner

Commissioner may notify class of person for:-

- Additional books of account
- Relaxation in books of account.

#### Penal provision

If any default arise u/s 35(1) or 35(2) then punishment u/s 73 or 75( will discuss in CA final)

#### when the party for appeal and revision?

1 year after disposal  
Or  
72 months from the date of annual return

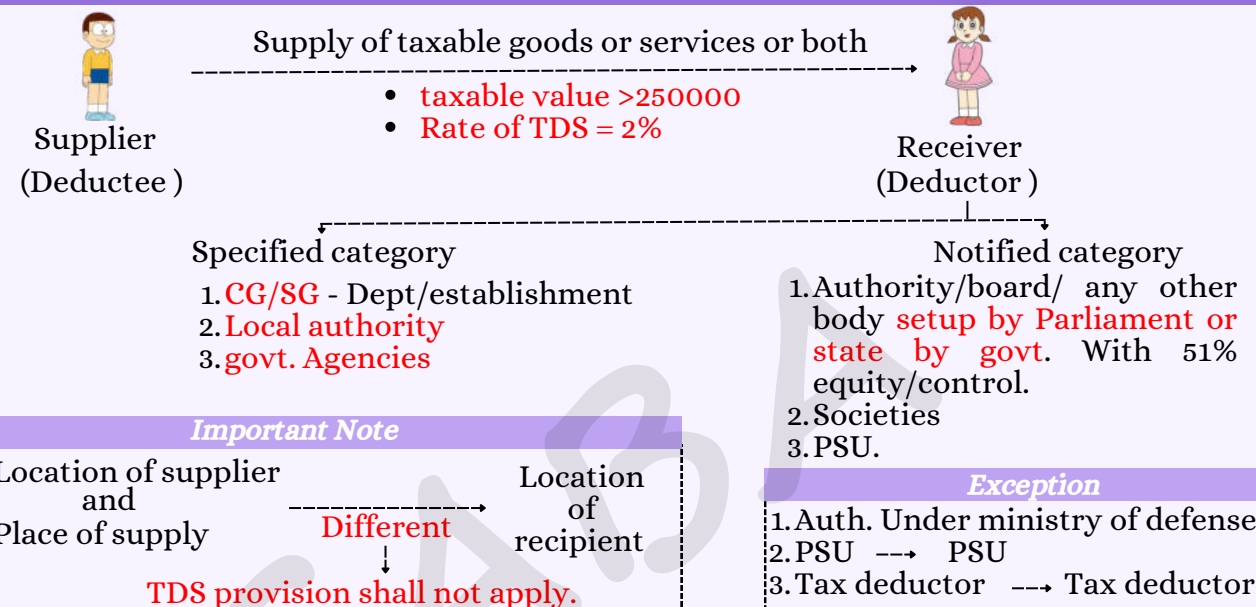
Which ever is later

## Chapter-13 TDS / TCS

### Section 52 : Tax collection at source (tcs)

- Concept :-** TCS refers to the tax which is collected by ECO when a supplier supplies goods or services through ECO and payment for that supplies made through ECO.
- Purpose:-** To enable govt to have Trail of transactions and to monitor & verify compliance.
- Tax collector:-** ECO (Third party), the one who is receiving consideration of supply.
- Eco fulfilling following condition are liable for tcs:-**
  - ECO is not made liable to pay gst.
  - ECO is collecting consideration of supply from recipient and then remitting to supplier.
- Rate :-** 0.5 % ( 0.25 % CGST, 0.25 % SGST).
- Collection procedure :-**
  - Collect tax and then deposit to govt on monthly basis(10th of next month).
  - Furnish monthly statement- GSTR 8, Annual statement GSTR 9B.
- In case of default:-** Interest @18% p.a to be paid + TCS amount if TCS not collected collected but not paid late.

### Section 51 : Tax deduction at source (TDS)



#### Deductor

| Stage of deduction               | Rate of TDS                    | Value                                                         | Others    |
|----------------------------------|--------------------------------|---------------------------------------------------------------|-----------|
| Payment mode or Payment credited | Total 2%<br>(1% CGST, 1% SGST) | Amt in invoice (-) GST or cess<br>Value for TDS deduction xxx | xxx (xxx) |

- TDS payment = 10th of next month (payment through challan)
- compulsory registration for TDS deductor u/s 24
- TDS return = GSTR 7 - 10th of next month.
- TDS certificate- GSTR 7A within 5 days .
- In case of failure to deduct tds = pay interest @18% p.a and Penalty u/s 122 - 10000 or default amt (higher).
- Late payment = ₹100 per day max- ₹5000.
- The refund to the deductor or The deductee arising on account of excess or erroneous deduction shall be dealt with in accordance with provision of sec 54 . Provided, that no refund to be deductor shall be granted ,if the amount deducted has been credited to e-cash ledger of the deductee.

#### Important point

No TDS on nil rated/exempted supply it means TDS applies on taxable supplies or services or both .

**Amendment in Tax Invoice:** Rule 47A provides that where an invoice referred to in rule 46 is required to be by a registered person, who is liable to pay tax under RCM, he shall issue the said invoice within a period of 30 days from the date of receipt of the said supply of goods and/or services, as the case may be.

#### Amendment in Registration:

Every Registration application by a person, who has not opted for authentication of Aadhaar number, shall be followed by taking photograph of the applicant [where the applicant is an individual or of such individuals in relation to the applicant as notified where the applicant is not an individual]

- along with the verification of the original copy of the documents uploaded with the application and
- the application shall be deemed to be complete only after successful verification.

#### Rule 16A Grant of temporary identification number: [Newly Inserted]:

##### Where

- a person is not liable to registration under the Act
- but is required to make any payment under the provisions of the Act,
- the proper officer may grant the said person a temporary identification number and issue an order in Part B of FORM GST REG-12.

## E-WAY Bill concept

- E-way bill is **on movement** not on supply
- Only in case of **goods** - rule 138



## Objective of E-WAY bill

- To control/stop practice of **bogus invoice**, related to goods.
- To control **tax Evasion** in the country.
- To **track movement** of goods.

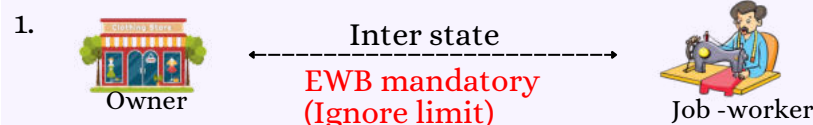
## Is E-way bill is mandatory?

yes, mandatory but **subject to condition:-**

- If value of consignment **exceed ₹ 50000**
- For less than - optional**

## Exception of above point

Means in the following cases, E-way bill is **mandatory irrespective of value** of consignment :-



2. Inter state movement of hand crafted goods.

## Meaning of value

Value of taxable goods + gst + cess

## where required? - Intra/Inter?

EWB required for **Inter as well as Intra state** however, for Intra state value of EWB may vary e.g. Delhi intra state limit upto 100000

## E-way bill made by?



- In case of transportation **by road** EWB can generated by **any person of the above (S+T+R) by Using GSTN**
- In case of **Air/ship/rail** Prepared by **S + R (not transporter)** After movement of goods but before delivery at destination

## How to generate?

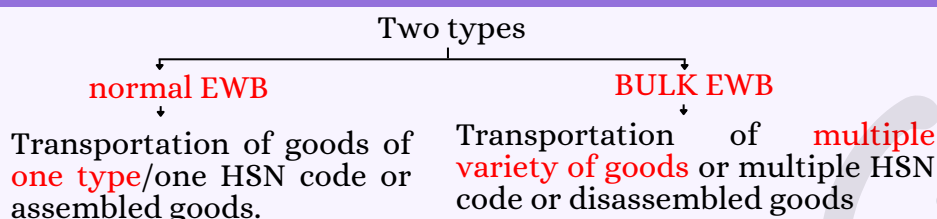
Registered  $\rightarrow$  GSTN : PAN and aadhar no.  $\rightarrow$  Enrollment

| Two parts in EWB                       |
|----------------------------------------|
| Part A supplier/receiver goods details |
| Part B transporter detail              |

User ID/ password

- $\rightarrow$  Login EWB generate
- $\rightarrow$  **12 digit unique no.**
- $\rightarrow$  Having **QR code** for fast verification
- $\rightarrow$  EWB no. sent by **sms/e-mail** to S+T+R

## Types of E-way bill



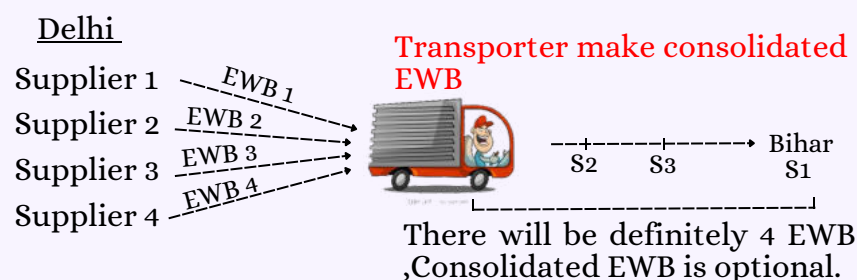
## Cancellation of EWB

- Cancel only by **person who generate**.
- EWB once generated can be cancelled (reason prescribed in GST portal) **cancellation within 24 hours**.
- After verification no cancellation**.

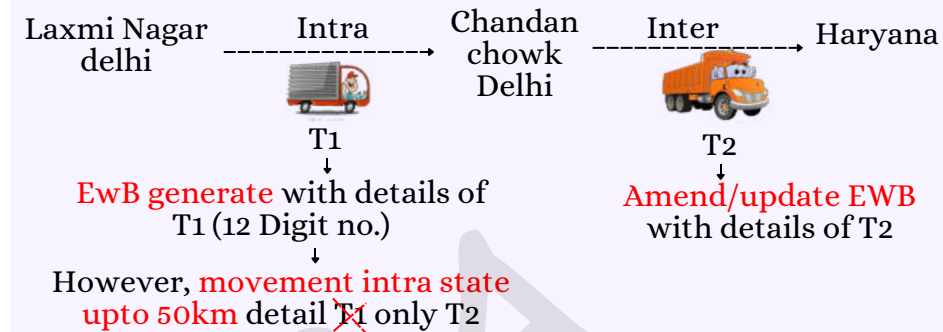
## when E-way bill is not required

- Non -motorized vehicle (eg. **hand rickshaw**)
- exempted good** supply
- non taxable** goods (alcoholic liquor + 5 pp)
- Jewellery, gems, coral etc (**except artificial jewellery**)
- LPG, Gas
- Kerosene oil
- Post, parcel, mail etc-**speed post/courier**
- Currency** not cover in goods
- Custom controlled goods
- movement-o/s the definition of supply (schedule III)**except** job worker case.
- Govt specified areas.
- govt department goods -eg. **defence goods**.
- Empty container transportation**. Factory  $\xrightarrow{\text{EWB}}$  Indane  $\xrightarrow{\text{EWB}}$  Customer
- Goods transport upto **Dharamkata upto 20km**

## Consolidated EWB [GST EWB 02]



## What happened in case of multi vehicle



## Rejection of E way bill

yes, **within 72 hours**, if not rejected then deemed to be accepted.

- Cancellation by generator
  - Rejection by other than generator
- But before movement of goods

## Own master

- List of customers
- List of suppliers
- List of items
- List of destination

## Time of EWB

**Before movement of goods.**

## Relevant form numbers

Rule 138 - Information to be furnished prior to Commencement to movement of goods  $\rightarrow$  GST EWB 01

Consolidated e-way bill  $\rightarrow$  GST EWB 02

- Certain persons must enrol on the GST common portal to generate an e-way bill.
- After submitting details and validation, a unique enrolment number is issued.
- This applies to:
  - Unregistered persons transporting handicraft goods inter-State, who are exempt from GST registration but must generate e-way bill irrespective of value.
  - Unregistered persons who voluntarily choose to generate an e-way bill.

## Validity of EWB

| Cargo type                                                                  | Distance                              | Validity       |
|-----------------------------------------------------------------------------|---------------------------------------|----------------|
| 1. <b>Overdimensional</b> cargo or multi modal cargo (with ship/vessel/T/P) | 1st 20km<br>Additional 20km or part   | 1 day<br>1 day |
| 2. Normal cargo (other than above)                                          | 1st 200km<br>Additional 200km or part | 1 day<br>1 day |

## Blocking of EWB

Person including consignor, consignee, transporter etc. Shall be allowed to furnish information in part A of GST EWB 01 in respect of any outward supply of goods of a RP who :-

- Person availing regular scheme
  - Has **not furnished GSTR 3B** (for **6 months** in normal case or **2 quarter** if QRMP)
  - Has **not furnished GSTR 1** for any **2 months** or **2 quarter's**.
- person availing composition scheme has **not furnished GST CMP 08 for consecutive 2 quarter**.
- person whose registration has been suspended.

## Difference between E-Liability/E-credit ledger/E-cash Ledger

| E-Liability Ledger                                                                                                                                                                                                                                                                                                                                                      | E-credit Ledger                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | E-cash Ledger                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |        |      |                                                  |      |                         |            |                               |                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------|--------------------------------------------------|------|-------------------------|------------|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1.Booking</b> of liability of RP( <b>Debit In E.L.L</b> )<br><b>Discharge</b> of liability ( <b>credit in E.L.L</b> )                                                                                                                                                                                                                                                | <b>ITC availed</b> ( <b>credit</b> in ECL)<br><b>ITC utilized</b> ( <b>debit</b> in ECL)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Deposit</b> by RP ( <b>Credit</b> in ECL)<br><b>Payment</b> by RP ( <b>Debit</b> in ECL)                                                                                                                                                                                                                                                                                                                                                                                                 |        |      |                                                  |      |                         |            |                               |                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>2.All the liability</b> of taxable person under this Act,shall be <b>recorded</b> and maintained <b>in E.L.L.</b><br><ul style="list-style-type: none"><li>Self assessed liabilities.</li><li>Determined by proper officer in any proceedings.</li><li>Created by portal itself.</li><li>Interest may arise time to time ,liability arise due to mismatch.</li></ul> | <b>ITC self assessed</b> in the Return of a RP shall be credited to this E-Credit Ledger.<br><b>Purpose:-</b><br>Amount available in E-ledger maybe used for: <ul style="list-style-type: none"><li>Output Tax liability (<b>FCM ONLY</b>)</li><li>Discharge of tax dues(<b>Only FCM liability</b>)</li><li><del>Discharge of other dues(including RCM)</del></li></ul>                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"><li><b>Deposit through challan</b> (GST PMT 06)</li><li>Specified mode of payment<ul style="list-style-type: none"><li>Internet banking</li><li>Debit/credit card</li><li>NEFT/RTGS</li><li>OTC Payment (by cash, cheque -<b>max 10k</b> per challan.</li></ul></li><li>Additional deposit on E-cash Ledger<ul style="list-style-type: none"><li><b>TDS</b> as deposited by recipient .</li><li><b>TCS</b> as to be deposited by ECO.</li></ul></li></ul> |        |      |                                                  |      |                         |            |                               |                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>3.Order</b> of discharge of the liability:-<br><b>1st</b> -self assessed liability(tax and other dues of <b>previous tax period</b> )<br><b>2nd</b> -self assessed liability(tax and Other dues of <b>current Period</b> )<br><b>Lastly</b> - <b>other liability</b> (Tax/ other dues )(liability determined u/s 73 or 74)                                           | <ul style="list-style-type: none"><li>Manner[49(5),49A,49,B, 88A]<table><tr><th>Order</th><th>Manner</th></tr><tr><td>IGST</td><td>1st IGST then CGST or SGST (<b>Any manner</b>)</td></tr><tr><td>CGST</td><td>1st - CGST<br/>2nd- IGST</td></tr><tr><td>SGST/UTGST</td><td>1st -SGST/UTGST<br/>2nd - IGST</td></tr></table><ul style="list-style-type: none"><li>Rule 86A : Blocking of ITC<ul style="list-style-type: none"><li><b>PO can Restrict a RP</b> from using E.C.L.</li></ul></li><li>Unblocking ITC<ul style="list-style-type: none"><li>Unblocking <b>by commission</b></li><li>Post 1 year ,blocking will cease automatically.</li></ul></li></ul></li></ul> | Order                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Manner | IGST | 1st IGST then CGST or SGST ( <b>Any manner</b> ) | CGST | 1st - CGST<br>2nd- IGST | SGST/UTGST | 1st -SGST/UTGST<br>2nd - IGST | <ul style="list-style-type: none"><li>Utilization of E-cash Ledger<ul style="list-style-type: none"><li>Discharge of <b>tax dues</b>.</li><li>Discharge of <b>other dues</b>.</li></ul></li></ul> <p><b>NOTE:-</b>RP is allowed to <b>T/F</b> deposit from <b>any major/minor head</b> to <b>another major/minor head</b>.</p> <p>↓<br/>Manner of transfer<br/>↓<br/>GST PMT 09 to be submitted.</p> |
| Order                                                                                                                                                                                                                                                                                                                                                                   | Manner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |        |      |                                                  |      |                         |            |                               |                                                                                                                                                                                                                                                                                                                                                                                                      |
| IGST                                                                                                                                                                                                                                                                                                                                                                    | 1st IGST then CGST or SGST ( <b>Any manner</b> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |        |      |                                                  |      |                         |            |                               |                                                                                                                                                                                                                                                                                                                                                                                                      |
| CGST                                                                                                                                                                                                                                                                                                                                                                    | 1st - CGST<br>2nd- IGST                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |        |      |                                                  |      |                         |            |                               |                                                                                                                                                                                                                                                                                                                                                                                                      |
| SGST/UTGST                                                                                                                                                                                                                                                                                                                                                              | 1st -SGST/UTGST<br>2nd - IGST                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |        |      |                                                  |      |                         |            |                               |                                                                                                                                                                                                                                                                                                                                                                                                      |

## CRUX

| Payment (GST+other dues)                                            | By utilization of ITC | By cash |
|---------------------------------------------------------------------|-----------------------|---------|
| • Tax dues (Only FCM)                                               | ✓                     | ✓       |
| • Other dues<br>Interest<br>→ Penalty<br>→ Rcm<br>→ Other dues<br>→ | ✗                     | ✓       |

## Some points

- Due date of Payment is 20th/ 24th/ 22nd of next month Jab POT nikla, Uske next month ki 20th ko.
- Return Can't be filed without Payment of CGST.
- No further Return without Previous.**
- Generate Payment challan GST PMT 06 **valid for 15 Days.**
- Payment Mode** → E-Credit Ledger  
→ E-Cash Ledger.

Payment deposit in E-Cash Ledger in following mode :

Net Banking

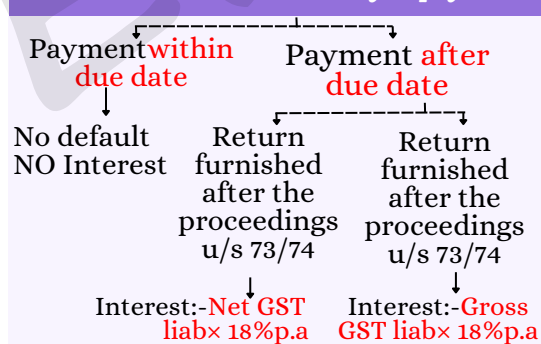
- RTGS
- Debit Card
- NEFT
- Credit Card
- IMPS, etc.

- Payment over the Counter, **maximum** of **10,000** .
- All the Taxpayers will get 3 Electronic Ledger namely:
  - E-Liability Ledger (Rule 85)
  - E-Credit Ledger (Rule 86)
  - E-Cash Ledger (Rule 87)

## E-Liability/E-credit ledger/E-cash Ledger

| particular                              | E-Liability Ledger [Sec49(3) +R-85]                                                                                                                                                                 | E-credit Ledger [Sec49(2) +R-86]                                        | E-cash Ledger [Sec49(1) +R-87]                                                          |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <b>Form</b>                             | <b>GST PMT 01</b><br>Part A- return related liab<br>Part B-other liab                                                                                                                               | <b>GST PMT 02</b>                                                       | <b>GST PMT 05</b>                                                                       |
| <b>Debit</b>                            | • Tax+Int+late fee+other dues( <b>payable as per return</b> ).<br>• Tax+Int+late fee+other( <b>determined by PO</b> )<br>• Tax+Int (arise due to <b>mismatch</b> )<br>• Int(accruing Time to time.) | • <b>Discharge</b> of liabilities<br>• Any <b>refund</b> of ITC u/s 54. | • <b>Discharge</b> of liabilities<br>• Any <b>refund</b> of claimed from e-cash Ledger. |
| <b>Credit</b>                           | <b>Discharge</b> of payment                                                                                                                                                                         | <b>ITC earned</b> in the Tax period                                     | <b>Deposits made through TDS,TCS</b>                                                    |
| <b>Any discrepancy coming to notice</b> | Communication with dept form GST PMT 04                                                                                                                                                             | GST PMT 04                                                              | GST PMT 04                                                                              |

## Section 50 : Interest on delayed payment



| Net GST liab                     | Interest period                                                                                                   |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Gross GST Liab xxx<br>(-)ITC xxx | From the day <b>succeeding the day</b> on which such <b>tax</b> was <b>due to be paid to the date of Payment.</b> |
| Net GST Liab bxxx                |                                                                                                                   |

## Clarification

- Any amount credited to the E- Cash Ledger before the due date but debited for tax payment after the due date,Interest is not considered if it remained in the ledger from the due date until its debit.**
- For interest calculation under Rule 88B, total ITC in ECL (IGST, CGST, SGST) must be considered, not just IGST.**
  - No interest if total ITC balance never falls below wrongly availed IGST credit.
  - Interest applies if total ITC falls below wrongly availed IGST credit.
  - Compensation Cess in ECL is excluded as it is restricted for cess payments only.

## Rule 86A Continuous

- RP availing ITC has been found **non-existent or not** to be **conducting** any business from **registered place** of business.
- RP availing ITC is not in the **possession** of tax invoice/debit note/ prescribed documents.
- Such restriction can be imposed for a **period upto 1 year** from the date of imposing such restrictions.
- However, commissioner/officer can **withdraw** such restriction if he is **satisfied** that conditions for imposing restrictions no longer exist.

## Rule 86B: Restrictions on Use of Amount Available in E-Credit Ledger

## Applicability

- Registered person having **value of taxable supply** (other than exempt supply and zero rated supply ) **In a month exceeding ₹ 50 lakh.**
- Where value of taxable supply in a month is **upto ₹ 50 lakh** the **Restriction** would **not** be **applicable**.

## Nature of restriction imposed

- RP to whom the said rule is applicable, **Amount available** in electronic **credit ledger** shall be **utilized only** to the extent of **99%** of **output tax liability** while discharging such tax liability.
- Balance 1%** of output tax liability needs to be **discharged** from electronic-**cash ledger**.

## Exception to Rule 86B

- Payment of Sum **more than ₹ 1 lakh** as **Income Tax** in each of the **last 2 FYs**.
- Receipt** of refund amount of **more than 1 lakh** on account of un-utilized ITC during PFY.
- Payment of output tax liability through electronic cash ledger **in excess of 1%** of total output tax liability in current FY.
- Specified RP**
  - Govt Department
  - Local authority
  - Public sector undertaking
  - Statutory body.

**Exemption from Filing Annual Return (Section 44(1) – CGST Act)**  
**it has been notified that from Financial Year 2024-25 onwards, any registered person whose aggregate turnover in a financial year does not exceed ₹2 crore is exempted from filing the annual return for that financial year.**

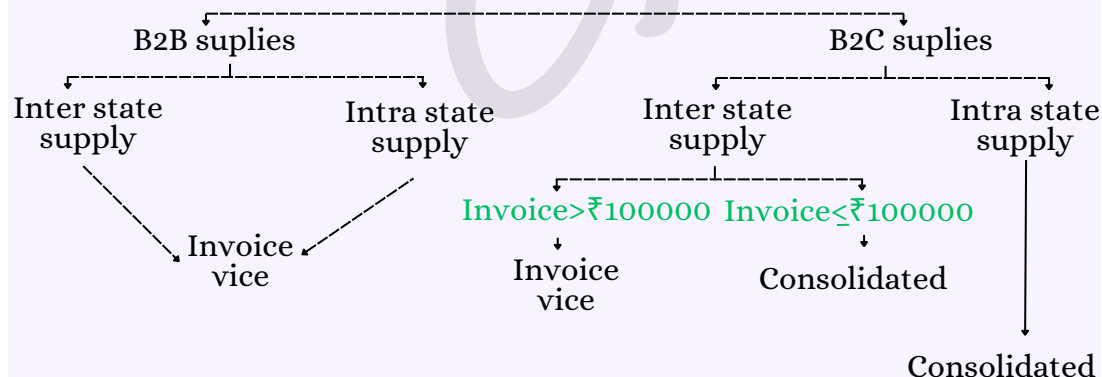
## Rule 86A : Restrictions on utilisation of ITC

- Commissioner/Officer who is empowered to impose **restrictions on utilization of ITC available in electronic credit ledger** ,If he has reasons to believe that ITC has been **fraudulently availed or is ineligible**.
- Restrictions can be imposed in following circumstances.
  - ITC has been availed by the RP on the Basis of Tax invoice/debit note/prescribed Docs-
    - Issued by **non -existent** RP(Supplier) or supplier **not** conducting any **business**
    - from the **place declared** ,or **Without actual receipt** of goods or services or both,or In respect of any supply, the **tax** in respect of which has **not been paid to the govt.**

## List of Return/ statement of gst

| GSTR       | period    | Description             | who files                              | due date                                                                                         |
|------------|-----------|-------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------|
| 1          | Monthly   | Outward supply          | Regular inc CTP                        | 11th of next month                                                                               |
|            | Quarterly | Outward supply          | QRMP Inc CTP                           | 13th of next month                                                                               |
| 1A         | —         | revision of return      | Any person                             | After GSTR 1 and before GSTR 3B                                                                  |
| 3B         | Monthly   | Return                  | Regular inc CTP                        | 20th of next month                                                                               |
|            | Quarterly | Return                  | QRMP Inc CTP                           | 22/24th of next month                                                                            |
| 4          | Yearly    | Return                  | Composition scheme                     | 30th June of next FY                                                                             |
| GST CMP 08 | Quarterly | Payment                 | Composition scheme                     | 18th of next succeeding quarter                                                                  |
| 5          | Monthly   | Return                  | Non-resident                           | 13th of next month or within 7 days of expire of registration. 'Which is earlier'                |
| 5A         | Monthly   | Return                  | OIDAR                                  | 20th of next month                                                                               |
| 6          | Monthly   | Return                  | Input service distributor              | 13th of next month                                                                               |
| 7          | Monthly   | Return                  | TDS-reg                                | 10th of next month                                                                               |
| 8          | Monthly   | Statement               | TCS-ECO                                | 10th of next month                                                                               |
| 9          | Annually  | Return                  | RP other than ISD,TDS,TCS,CTP, NR      | 31st Dec of next fy                                                                              |
| 9A         | Annually  | Return                  | Composition scheme                     | 31st Dec of next fy                                                                              |
| 10         | Final     | Return                  | Registration surrender or cancellation | Within 3 months of date of cancellation or date of order of cancellation. 'Whichever is earlier' |
| 11         | —         | Detail of inward supply | Person who issued UIN                  | —                                                                                                |

## Outward taxable supplies



## Important points

- outward supply **NIL**
  - Return file compulsory (option to file from SMS)
- Registered person is not allowed to furnish GSTR 1 :-
  - Not allowed to file return of next month if not file/ compliance of previous month
  - Not furnished bank details as per rule 10A
  - Mismatch with **GSTR-1 and GSTR-3B**
  - Mismatch with **GSTR-2B and GSTR-3B**

## Rectification of return

- 30th November of next fy  
Or  
Actual Date of for filling annual return } Earlier
- Rectification of account of scrutiny, audit, inspection or enforcement activities **not allowed**.

## Quarterly Return Monthly Payment (QRMP) scheme

**Eligibility:-** T/O upto **5 crore in py**

**Condition:-** Must furnished last return

**Manner:-** can opt- **1st day of 2nd month of preceeding to 1st month of quarter** for which **option** is being exercised.

**Validity:-**

- Not required for exercised option every quarter
- Unless they revise the said option

**Payment:-**

- Fixed sum method
- self assessment method

## 1. Fixed sum method

**Payment Calculation:**  
35% of the cash tax paid in the preceding quarter's return (if filed quarterly), or  
The cash tax paid in the last month of the preceding quarter's return (if filed monthly).

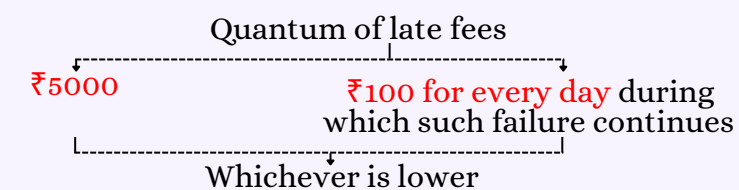
**Exemptions:**  
No payment is required for the 1st month of the quarter if the electronic ledger balance is sufficient or if there is no tax liability.  
No payment needed for the 2nd month if the cumulative balance covers both the 1st and 2nd month's liability or if there is no tax liability.

**Eligibility:**  
The method is unavailable to taxpayers who haven't filed returns for a complete tax period (from the first to the last day of the tax period).

## 2. Self assessment method

- Tax is paid based on inward and outward supplies, and ITC using Form GST PMT-06.
- ITC details are auto-drafted in Form GSTR-2B each month.
- QRMP-registered persons can choose between Fixed Sum or Self-Assessment method for two months in the quarter.
- Payments in the first two months are adjusted when filing Form GSTR-3B for the quarter.
- Leftover amounts can be refunded or carried forward after filing the return.
- Deposits cannot be used for other purposes until the quarter's return is filed.
- Interest Applicability:
  - Fixed Sum Method:** No interest if tax is paid on time using the auto-calculated amount. Interest applies for late payments or late filing of GSTR-3
  - Self-Assessment Method:** Interest under Section 50 for unpaid tax (net of ITC) after the due date for the first two months, paid through GSTR-3B.
- Note: No late fee for delayed payments in the first two months of the quarter.

## Late fees for delay in filling return



## GST PRACTITIONER

Means person who **approved as practitioner**

## 1) Function of gst practitioner

- Furnish statement u/s 37 (**GSTR -1**)
- Furnish return u/s 39(**GSTR -3B/4/5/6/7**)
- Furnish return u/s 44(**GSTR -9/9A**)
- Furnish return u/s 45(**GSTR -10**)
- Other functions
  - Deposit E-cash ledger
  - Furnish info for generation of EWB
  - Cancellation/ammendment of registration
  - Filling refund application
  - Filling intimation to pay tax u/s 10 or withdrawal u/s 10

## 2. Eligibility for GST Practitioner

A person can enroll in GSTP if he :-

- Indian citizen**
- sound mind**
- Not Insolvent**
- Not convicted from court**

Satisfy **any one** condition of the following

- He is **retired judge** of commercial **tax dept** of any **SG** or **retired judge** of **CBIC**
- He has enrolled as **sales tax practitioner** or **TRP** under any old law for **5 year or more**
- He has passed -
  - Graduate/post Graduate** from Indian university
  - Degree of any foreign university which is recognized by Indian university
  - final exam of CA/CS/CMA**

## 3. Manner of enrollment

Apply over **common portal** for enrollment  
**P.O check** eligibility of person for GSTP  
 Issuance of **enrollment certificate**  
 Enrollment is **permanent unless cancelled**

## 4. Surrender of enrollment

- Surrender application over portal
- Enquiry by commission
- Enrollment cancellation order

## 5. Cancellation of enrollment

GST officer cancel **if found guilty**  
**Manner-**

- Show cause notice of such misconduct
- Reply by GSTP
- Removal order

# About CA VIVEK GABA

**MOST LOVED AND DEDICATED TEACHER IN TAXATION**



Qualified CA at the Age of 20

Merit in Taxation in CA-IPC and CA-Final

Authored many Books on Taxation (like Chart Book, QB, etc.)

Taught 63,000+ Students & Received Awesome Feedbacks

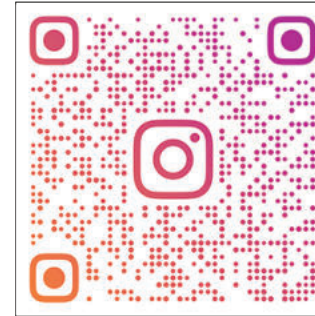
Fellow Chartered Accountant

Certified Corporate Tax Planner

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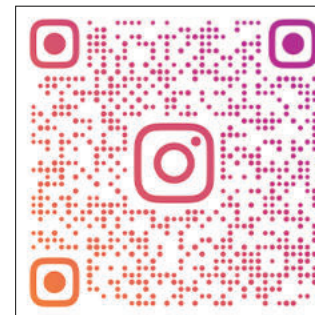
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