

Central Goods and Services Tax Act,2017

Chapter 8

Pl;ace of Supply 157

Chapter 9

Exemptions under GST 179

Chapter 10

Payment of Tax and TDS-TCS 225

Chapter 11

Input Tax Credit 243

Chapter 12

Registration 279

Chapter 13

TA Invoice, Debit Note and Credit Note 313

Chapter 14

Accounts, Records and E-Way Bill 335

Chapter 15

Return 353

Chapter 8

Place of Supply 157

Sec1	**Preliminary**	157
Sec2	Important Definitons	157
Sec 5	Levy and Collection of Tax	158
Sec 6	**Exemption under GST**	158
Sec 7, 8,9	**Determination of nature of Supply**	159
Sec 10	**Place of Supply of goods other than supply of goods imported into or exported from India**	161
Sec 12	**Place of supply of services where location of supplier and recipient is in India**	163

Chapter 9

Exemption 179

Sec 11	**Power to Grant exemption from tax**	180

Chapter 10

Payment of Tax & TDS-TCS 225

Sec 49	**Payment of Tax, interest penalty and other amount**	227
Sec 49A	**Utilisation of ITC subject to certain conditions**	230
Sec 49B	**Order of utilisation of ITC**	230
Sec 50	**Interest on delayed payment of Tax**	232
Sec 51	**TDS**	235
Sec 52	**TCS**	239
Rule 85	**Electronic Liability Registered**	232
Rule 86	**Electronic Credit Ledger**	230
Rule 87	**Elelctronic Cash ledger**	227

Rule 88	Identification number for each transaction	232
Rule 88A	Order of utilisation of ITC	230

Chapter 11

Inpuit Tax Credit 243

Sec 16	Payment of Tax, interest penalty and other amount	246
Sec 17	Apportionment of ITC & Block Credit	255
Sec 18	Availability of credit in special circumstances	268
Sec 41	Availment of self assessed ITC	248
Rule 36	Documentary requirements and conditions of ITC	246
Rule 37	Reversal of Input Tax Credit in case of non-payment of consideration	250
Rule 37A	Reversal of Input Tax Credit in case of non-payment of tax by the supplier and reavailment thereof	248
Rule 38	Claim of credit by a banking company or a financial institution.	268
Rule 40	Manner of claiming Credit in special Circumstances	268
Rule 41	Transfer of credit on sale , merger amalgamation etc.	274
Rule 44	Reversal of ITC in special Circumstances	271
Rule 86A	Conditions of use of amount available in electronic credit ledger	275
Rule 86B	Restriction on use of amount available in electronic credit ledger	275

Chapter 12

Registration 279

Sec 22	Persons liable for registration	281
Sec 23	Persons not liable for registration	284
Sec 24	Compulsory registration in certain cases	285

Sec 2 5	**Procedure for registration**	288
Sec 26	**Deemed registration**	300
Sec 27	**Special provisions relating to CTP & NRTP**	301
Sec 28	**Amendment of registration**	304
Sec 29	**Cancellation/suspension of registration**	305
Sec 30	**Revocation of cancellation of registration**	309

Chapter 13

Tax Invoice 313

Sec 31(1)	In normal case of supply of goods	317
Sec 31A	Facility of Digital payment to Recepient	332
Sec 32	Prohibition of unauthorised collection of Tax	332
Sec 33	Amount of tax to be indicated in tax invoice and other documents.	333
Sec 34	Credit and Debit notes	330
Rule 46	Tax Invoice	318
Rule 47	Time limit of issuing tax invoice For Supply of Service	315
Rule 48	Issuing Tax Invoice	319
Rule 49	Bill of Supply	323
Rule 50	Receipt Voucher	325
Rule 51	Refund Voucher	325
Rule 52	Payment Voucher	326
Rule 53	Revised Tax invoice	323
Rule 54	Tax invoice input service distributor	327
Rule 55	Transportation of goods without issue of invoice	328

Chapter 14

Accounts and records & Eway- Bill 335

Sec 35	Accounts and other records	336
Sec 36	Period of retention of Acounts	339
Sec 68	E-Way Bill	340

Chapter 15

Return 353

Sec 37	Furnishing details of outward supplies	355
Sec 38	Furnishing details of Inward supplies & ITC	358
Sec 39	Furnishing of returns	362
Sec 40	First return	371
Sec 44	Annual return.	371
Sec 45	Final return	372
Sec 46	Notice to return defaulters	372
Sec 47	Levy of late fee	372
Sec 48	Goods and services tax practitioners	375

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CHAPTER - 8
PLACE OF SUPPLY (IGST Act)

Table of Content

Sec	Description	Pg.No.
Sec 1	Introduction	157
Sec 2	Important Definitions	157
Sec 5	Levy and Collection of Tax	158
Sec 6	Exemption under IGST	158
Sec7,8 & 9	Determination of nature of Supply	159
Sec 10	Place of supply of goods other than supply of goods imported into, or exported from India.	161
Sec 12	Place of supply of services where location of supplier and recipient is in India.	165

Introduction :-

GST is primarily a destination based consumption tax. The POS of a particular transaction, coupled with the location of the supplier, will determine the nature of the tax to be paid by a tax payer. Based on its nature of transactions, the type of supply is determined whether to consider it as an "Intra State Supply" or an "Inter State Supply".

IGST Act has been drafted mainly to address the supplies falling under the purview of Inter State supplies of goods & services or both. Thus, it will be beneficial to maintain uninterrupted ITC chain on interstate transactions & it will also ease the compliance procedure due to maintenance of proper records.

Refer our Questionnaire: CCP 07.01.01.00

Important Definitions:-

Sec 2(14):- "Location of the recipient of Services" means

a	where a **supply is received** at a **place of business** for which the **registration** has been obtained,	the location of **such place of business**
b	where a **supply is received at a place other than the place of business** for which registration has been obtained (a fixed establishment elsewhere),	the location of **such fixed establishment** **"Fixed Establishment" 2(7) :** means a place (other than the registered place of business) which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services or to receive and use services for its own needs.
c	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
d	**in absence of such places,**	the location of the **usual place of residence** of the recipient

i.e Service is taken at a place which is not Registered.

Sec 2(15):- "Location of supplier of Services" means

a	where a **supply is made** from a **place of business** for which the **registration** has been obtained,	the location of **such place of business**
b	where a **supply is made** from a **place other than the place of business** for which registration has been obtained (a fixed establishment elsewhere),	the location of **such fixed establishment**
c	where a **supply is made** from **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
d	**in absence of such places**	the location of the **usual place of residence** of the supplier

Section 5 : Levy and Collection of IGST

1 Subject to the provisions of sub-section (2), there shall be **levied** a tax called the integrated goods and services tax

- on all **inter-State supplies** of goods or services or both **except on the supply of alcoholic liquor for human consumption,**
- on the value determined under section 15 of the Central Goods and Services Tax Act and
- at such rates, not exceeding forty per cent., as may be notified by the Government on the recommendations of the Council and

collected in such manner as may be prescribed and shall be paid by the taxable person

Proviso — **Levy of IGST on imported goods**

Provided that the integrated tax on goods **other than the goods as may be notified by the Government on the recommendations of the Council** imported into India

- shall be levied and collected in accordance with the provisions of sec 3 of the Customs Tariff Act, 1975
- on the value as determined under the said Act [ACD = Additional Custom Duty]
- at the point when duties of customs are levied on the said goods u/s 12 of the Customs Act, 1962.

N/No. 03/2023 – IT Dt. 29/09/2023 w.e.f. 01/10/2023:-
It notifies supply of online money gaming as the goods on import of which the proviso to section 5(1) of said Act shall not apply, but on which integrated tax shall be levied and collected u/s 5(1) of the said Act.

Sec 5 (2)	**Non taxable goods (Petroleum products)**	**Already Discussed in Previous Chapter**
Sec 5 (3)/(4)	**RCM**	
Sec 5 (5)	**ECO**	
Section 6 :	**Exemptions in IGST (discussed in chapter 5)**	

Imported goods
- All Imported goods → IGST = ACD = Governed by Customs Act
- Online Money gaming = Specified Actionable Claim = Goods → It is Govern by IGST Act

Inter-State & Intra State supply

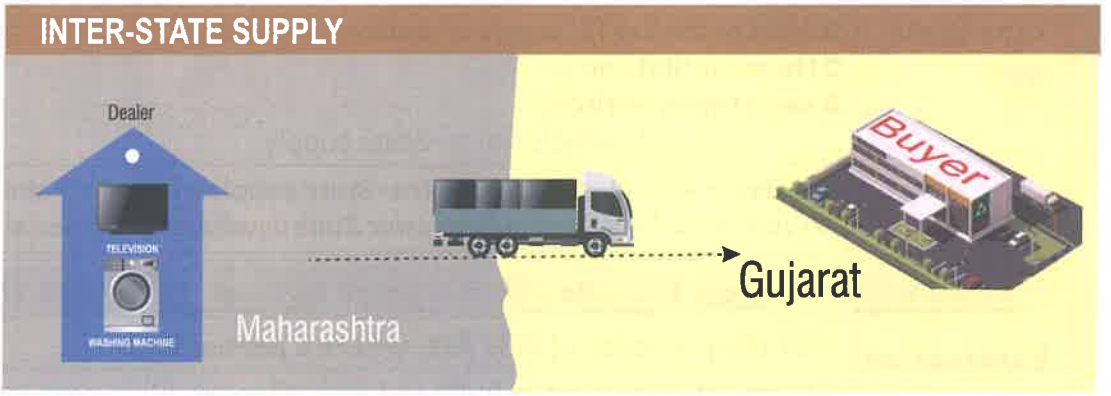
Section 7 : Inter-State Supply

1 Inter-State SOG (within India)

Subject to Sec 10, **supply of goods**, where the Location Of The Supplier (LOS) and the Place Of Supply (POS) are in

(a)	two different States
(b)	two different Union territories; or
(c)	a State and a Union territory,

shall be treated as a supply of goods in the course of inter-State trade or commerce.



3 Inter-State SOS (within India)

Subject to Sec 12, **supply of services**, where the Location Of the Supplier (LOS) and the Place Of Supply (POS) are in

(a)	two different States
(b)	two different Union territories; or
(c)	a State and a Union territory,

shall be treated as a supply of services in the course of inter-State trade or commerce.



5 Inter-State Supply - SOG or SOS outside India

Supply of goods or services or both,

~~(a)~~	when the **supplier is located** in India and the POS is outside India [i.e Export]
~~(b)~~	**to** or **by** a SEZ developer or a SEZ unit
~~(c)~~	in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,

shall be treated as a supply of goods or services or both in the course of inter-State trade or commerce.

Note : Any supply that fall outside the scope of Intra state supply will not escape GST but would be an inter state supply, due to this residual provision.]

Refer Question from our Questionnaire: CCP 07.02.02.00

Section 8 : Intra-State Supply

1	**Intra State SOG**	Subject to the Sec 10, supply of goods where the LOS & POS of goods are in ➲ the same State or ✓ ➲ same Union territory ✓ shall be treated as intra-State supply ✳ **Proviso:-** Provided that the following supply of goods shall not be treated as intra-State supply namely- (i) supply of goods to or by a SEZ developer or a SEZ unit; (ii) goods imported into the territory of India till they cross the customs frontiers of India; or (iii) supplies made to a tourist referred to in section 15. always treated as Inter-State
2	**Intra State SOS**	Subject to the Sec 12, supply of services where the LOS & POS of services are in ➲ the same State or ➲ same Union territory shall be treated as intra-State supply **Proviso:-** Provided that the intra-State supply of services shall not include supply of services to or by a Special Economic Zone developer or a Special Economic Zone unit.

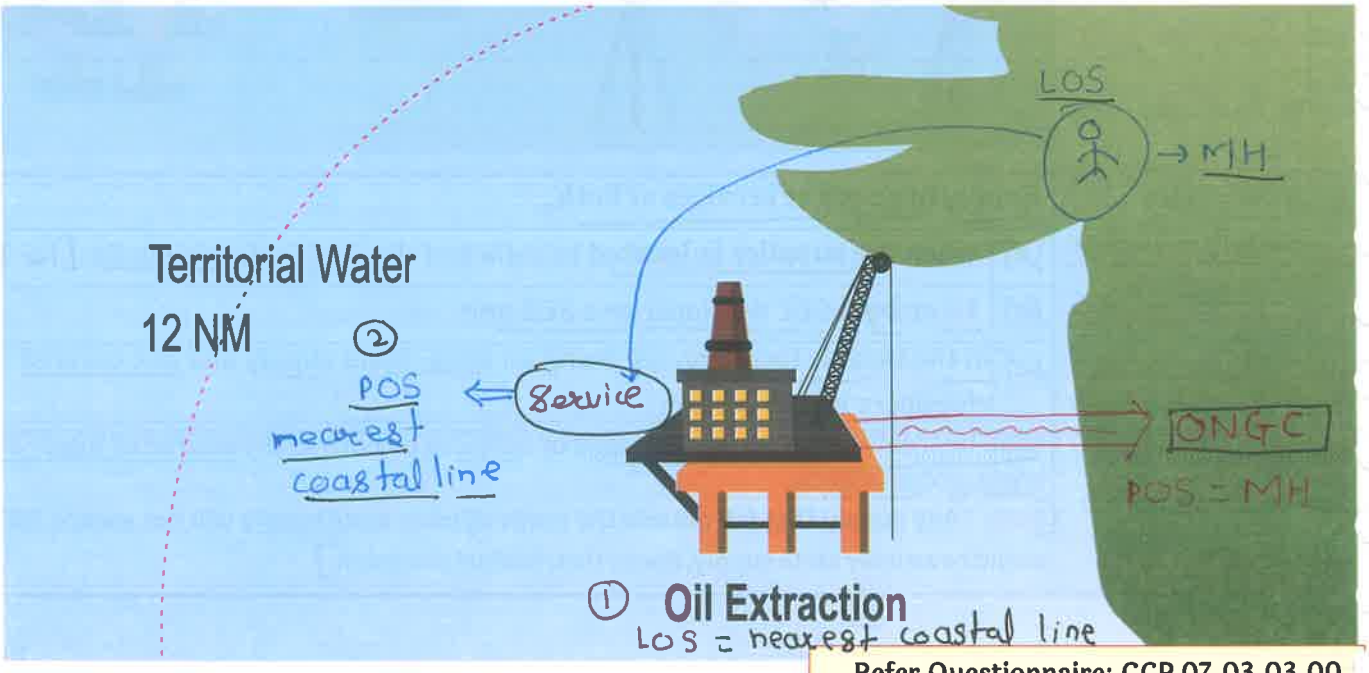
Explanation to Sec 8 Establishment treated as separate person (DDP) already covered u/s 25(4) & 25(5)

	Explanation 1	**For the purposes of this Act, where a person has-**
		(i) an establishment in India and any other establishment outside India
		(ii) an establishment in a State & UT and any other establishment outside that State or UT
		(iii) an establishment in a State & UT and any other establishment registered within that State or UT,
		then such establishments shall be treated as establishments of distinct persons.
	Explanation 2	A person carrying on a business through a branch or an agency or a representational office in any territory shall be treated as having an establishment in that territory.

✳✳✳

Section 9 : Supply in Territorial Water

Scenario	Situations	LOS & POS
a)	Supplier's location is in the territorial waters	LOS is the coastal State or UT nearest to the baseline
b)	Place of supply is in the territorial waters	POS is the coastal State or UT nearest to the baseline



Refer Questionnaire: CCP 07.03.03.00

Determination of Place of Supply

Sec 10 : PLACE OF SUPPLY OF GOODS OTHER THAN SUPPLY OF GOODS IMPORTED INTO, OR EXPORTED FROM INDIA.

(domestic supply)

THE POS OF GOODS, OTHER THAN SUPPLY OF GOODS IMPORTED INTO, OR EXPORTED FROM INDIA, SHALL BE AS UNDER.

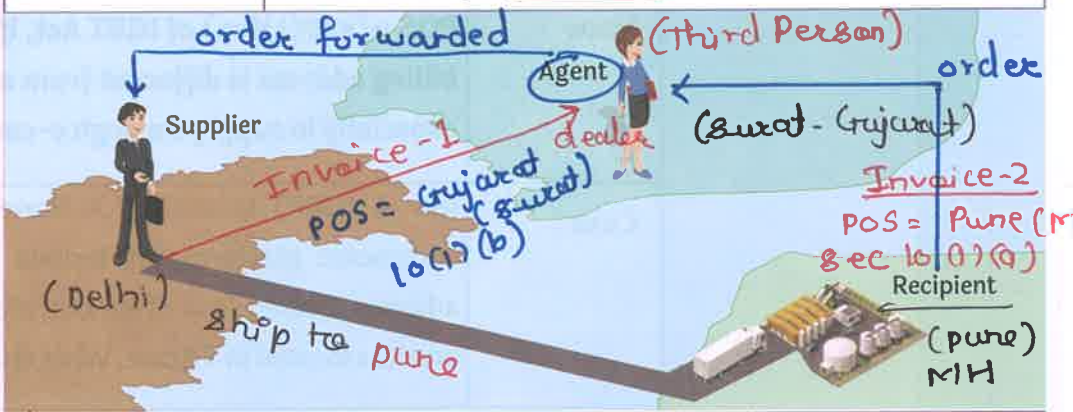
(a) Goods Involving Movement

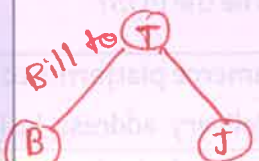
Refer Question from our Questionnaire: CCP 07.04.04.00

Place of Supply	POS = 'where the goods are located' when the movement terminate for delivery to recipient.
Determining the Location of the Goods'	➲ The 'location of the goods' is determined by tracking their journey from the supplier to the recipient.
	[Note:- The movement can be carried out by the supplier, recipient, or another party like a transporter, as long as the destination is disclosed.]
Practice Questions	**P1** – XYZ Pvt. Ltd. of Pune, Maharashtra sells 10 refrigerators to Chaggan Pvt. Ltd. of Mumbai, Maharashtra for delivery at place of business of Chaggan Pvt. Ltd. in Pune. Determine Place of Supply.
	P2 – Babban Pvt. Ltd. of Nasik, Maharashtra sells 20 refrigerators to Dhakkan Pvt. Ltd. of Jaipur, Rajsthan for delivery at place of business of Dhakkan Pvt. Ltd. in Jaipur, Rajsthan. Determine Place of Supply.

(b) Bill To Ship To

Place of Supply	➲ Applicable in 'bill to ship to' transactions or sales of goods in transit on the instruction of a third person. ➲ POS = The principal place of business of the third person. Cie ~~dealer~~ dealer/Agent (on whose direct^{n} goods are supplied)
Two Supplies Involved	➲ This provision addresses the first supply from the supplier to the third person. ➲ The second supply (third person to recipient) is governed by Sec 10(1)(a), based on the goods' location at the end of the movement.





Refer Question from our Questionnaire: CCP 07.04.05.00 (IMP)

MCQ:- Tolaram Ltd. (a supplier registered in Uttar Pradesh having principal place of business at Noida) asks Bholaram Ltd. of Ahmedabad, Gujarat to deliver 50 washing machines to its buyer Jholaram Ltd. at Jaipur, Rajasthan. The place of supply ~~of supply~~ between Tolaram Ltd. and Jholaram Ltd. is _____ and place of supply ~~of supply~~ between Bholaram Ltd. and Tolaram Ltd. is _____.

a) Rajasthan, Uttarpradesh
b) Uttarpradesh, Gujrat
c) Uttar Pradesh Rajasthan
d) Rajasthav, Gujtrat

(c) Supply not involving movement of goods (as is where is basis)

Place of Supply

POS = Location of the goods at the time of the delivery to the recipient



Practice Questions

P3 – Newton Pvt. Ltd. (New Delhi) has leased its machine (cost ₹ 8,00,000) to Gravity Pvt. Ltd. (Noida, Uttar Pradesh) for production of goods on a monthly rent of ₹ 35,000. After 12 months Gravity Pvt. Ltd. requested Newton Pvt. Ltd. to sell the machine to it for ₹ 5,00,000, which is agreed to by Newton Pvt. Ltd. Determine Place of Supply. For sale of Machine

P4 – Gangadhar Ltd. (Mumbai, Maharashtra) opens a new branch office at Gurugram, Haryana. It purchases a building for office from Gajodhar Builders (Gurugram). It also enters into a separate contract with Gajodhar Builders for purchase of pre-installed office furniture and fixtures in the building. Determine Place of Supply. For sale of Furniture to Gangadhar.

(ca) Supply made to URP

Overriding sec 10(1)(a)/(c), POS in case of OTC sales to URP is as follows:- over the counter

(i)	If address of URP is recorded in invoice	POS is location as per address of URP recorded in invoice. **Note:-** Simply mentioning the State of URP instead of complete address would be sufficient.
(ii)	If address of URP is not recorded in invoice	POS is the location of supplier

Clarification on sec 10(1)(ca) of IGST Act on POS of goods to URPs (Circular No.209/3/2024 dt. 26.06.24):-

Issue	**POS u/s 10(1)(ca) of IGST Act, if SOG is made to URP where billing address is different from address of delivery of goods, especially in supply through e-commerce platforms?**
Case	Mr. A (URP) located in X State places an order on an e-commerce platform for mobile phone. He provides billing address located in X state but mobile is to be delivered at an address located in Y State. What shall be the POS?
Clarification	➲ For goods supplied through e-commerce platforms to URP, if billing address differs from the delivery address in invoice, **POS shall be the address of delivery of goods recorded on invoice i.e. State Y.** ➲ Supplier may record the delivery address as address of recipient on invoice to determine POS in this case.

(d) Goods are assembled or installed at site

Place of Supply

POS = Place of such installation or assembly

Notes:-

1) This situation involves a composite supply, consisting of goods and an ancillary installation/assembling service.
2) The principal supply in such cases is the supply of goods that are being installed.



Refer Question from our Questionnaire: CCP 07.04.07.00

Practice Questions

P 5 : Ghoomghoom Pvt. Ltd. (New Delhi) purchases a machine from Dhoom Pvt. Ltd. (New Delhi) for being installed in its factory at Noida, Uttar Pradesh. Determine Place of Supply.

P 6 : Pure Refineries (Mumbai, Maharashtra) gives a contract to Mowgli Ltd. (Ranchi, Jharkhand) to supply a machine which is required to be assembled in a power plant in its refinery located in Kutch, Gujarat. Determine Place of Supply.

POS : Kutch (Gujarat)

(e) Goods are supplied on board a conveyance, including
- **a vessel,**
- **an aircraft,**
- **a train or**
- **a motor vehicle**

Place of Supply

POS = Location at which such goods are taken on board.

Notes:-

1) Goods supplied on board a conveyances include items like books and miscellaneous products sold by train hawkers or packaged food items sold on airplanes.
2) This provision applies even if the supply is made by a passenger on the conveyance and not necessarily by the carrier of the conveyance.



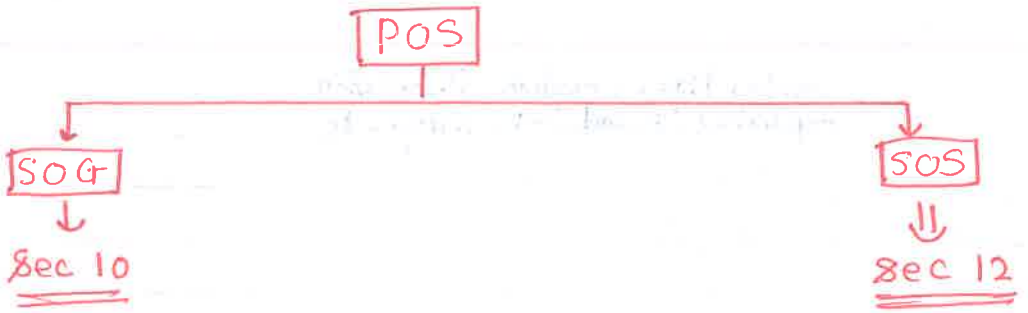
Refer Question from our Questionnaire: CCP 07.04.08.00

P 7 : Maurya (New Delhi) boards the New Delhi-Kota train at NewDelhi. He sells the goods taken on board by him (at New Delhi), inthe train, at Jaipur during the journey. Determine Place of Supply.

u/s 10(1)

2) Where the place of supply of goods cannot be determined, the place of supply shall be determined in such manner as may be prescribed. (till no Rules are prescribed by Govt.) Rule कोई को नहीं है।

Refer Chart Book



SEC 12 : DETERMINATION OF POS FOR TRANSACTION WITHIN INDIA

1) PLACE OF SUPPLY OF SERVICES WHERE LOCATION OF SUPPLIER AND LOCATION OF RECIPIENT IS IN INDIA.

LOS LOR

The provisions of this section shall apply to determine the **POS** of services where the **location of supplier** of services and the **location of the recipient** of services is in India.

2) PLACE OF SUPPLY GENERALLY (THE DEFAULT RULE)

Except the services specified in sub section (3) to sub section (14)

Description		Place Of Supply
Supply of services [General Principle] ↓ Any service other than covered under sub-sec (3) to (14)	(a) Made to registered Person (B2B) ✓	Location of such person [Registered Recipient]
	(b) Made to a person other than registered Person (B2C)	(i) the location of the recipient where the address on record exists (ii) the location of the supplier of services in other cases. (address does not exist of recipient)

Notes-

1) The default presumption for POS in respect of registered recipients (B2B supply of services) is the location of such person. Since the recipient is registered, address of recipient is always there and the same can be taken as **proxy** for POS.

2) The default presumption for POS in respect of unregistered recipients (B2C supply of services) is also the location of recipient. However, in many cases, the address of recipient is not available; in such cases, location of the supplier of services is taken as **proxy** for POS.

Refer Question from our Questionnaire:
CCP 07.05.09.00

P 8: Mr. A (a Chartered Accountant registered in New Delhi) makes a supply of service to his client Mr. B of Noida, Uttar Pradesh (registered in Uttar Pradesh). Determine place of supply.

P 9: Mr. A, a Chartered Accountant in Gurugram, Haryana, (registered in Haryana) provides consultancy services to his client Mr. C who is a resident of New Delhi but is not registered under GST. Determine place of supply. would your answer differ if address of Mr 'C' is not existing in the record of A.

3) PLACE OF SUPPLY OF IMMOVABLE PROPERTY SERVICES

Description	Place Of Supply
Services supplied → construction, erection, installation repairing / plumbing / tiling etc. (a) **directly in relation to an immovable property**, including services provided by architects, interior decorators, surveyors, engineers and other related experts or estate agents, (b) any service provided by way of leasing ← grant of rights to use immovable property or Renting etc. for carrying out or co-ordination of construction work; or	**Location at which** ➲ the immovable property or ➲ boat or vessel, **is located or intended to be located**
(c) by way of **lodging accommodation** by a hotel, inn, guest house, home stay, club or campsite, by whatever name called, and including a house boat or any other vessel; or Renting of Room by Hotel	
(d) by **way of accommodation in any immovable** property for eg. Marriage Hall / Lawns / Convention Hall ➲ organising any marriage or reception or matters related thereto, ➲ official, social, cultural, religious or business function ➲ including services provided in relation to such function at such property; or → Sound system / chairs / utensil	**Note:-** The provision applies to both constructed/developed and yet-to-be-constructed / developed property.
(e) any **services ancillary** to the services referred to in clauses (a), (b) (c) and (d)	

If the location of the immovable property or boat or vessel is

located or intended to be located outside India, (Refer Chart)	POS = **Location of the recipient.** [Exception to above] **
(B) **Located in more than one State or Union territory,**	**supply of services shall be treated as made in each of the respective States or Union territories,** ➲ **in proportion to the value for services separately collected** or determined in terms of the contract or agreement entered into in this regard or ➲ **in the absence of such contract or agreement**, on such other basis as may be prescribed (as per Rule 4 - Discussed on next page).

P10:- KTS Builders (Mumbai) is constructing a factory building for PLM Pvt. Ltd. (Kolkata), in New Delhi. Determine POS

HW **P 11:-** Shah and Shah, an architectural (12(3)) firm at Kolkata, has been hired by MKF Builders of Mumbai to draw up a plan for a high rise building to be constructed by them in Ahmedabad, Gujarat. Determine Place of Supply
Hint: POS = Gujarat

HW **P 12:-** Mr. Ramesh, a Chartered Accountant, (New Delhi) travels to Mumbai for business and stays in a hotel there. Determine place of Supply Supplier = Hotel, Recipient = Mr Ramesh [POS = Mumbai (MH) i.e. Hotel]

* ** *** **P 13 :** Mr. X, a consulting engineer based in Mumbai, Maharashtra renders professional services in respect of an immovable property of Mr. Y (Bangalore) located in Australia. Determine Place of Supply.

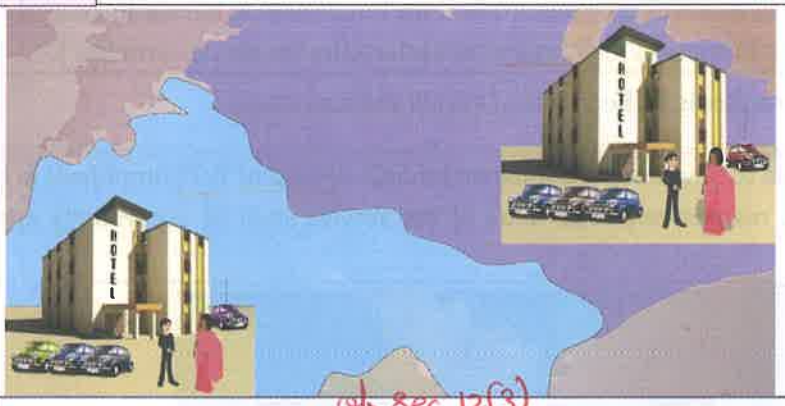
(B)

Rule 4:- The supply of services attributable to different States or UTs, u/s 12(3) of IGST Act:-

	In case of service	Basis of apportionment & Value of services
(i)	**Provided by way of lodging accommodation** ➲ by a hotel, inn, guest house, club or campsite, by whatever name called (except cases where such property is a single property located in two or more contiguous States or Union territories or both) ➲ services ancillary to such services	The supply of services shall be treated as made in each of the respective States or Union territories, in proportion to the **number of nights stayed in such property;**

Illustration ✳

Facts	A hotel chain X charges a consolidated sum of Rs.30,000/- for stay in its two establishments in Delhi and Agra, where the stay in Delhi is for 2 nights and the stay in Agra is for 1 night.
POS	The place of supply in this case is both in the Union territory of Delhi and in the State of Uttar Pradesh
VOS	The service shall be deemed to have been provided in Delhi and Uttar Pradesh in the ratio **2:1** respectively. The value of services provided will thus be apportioned as Rs.20,000/- in Delhi and Rs.10,000/- in Uttar Pradesh .



(ii)	**In case of all other services in relation to immovable property** (of Sec 12(3)) ➲ including services by way of accommodation in any immovable property for organising any marriage or reception etc. ➲ in cases of supply of accommodation by a hotel, inn, guest house, club or campsite, by whatever name called where such property is a single property located in two or more contiguous States or UTs or both, and services ancillary to such services	The supply of services shall be treated as made in each of the respective States or Union territories, in proportion to the **area of the immovable property lying in each State or Union territory**

P-15

Illustration ✳

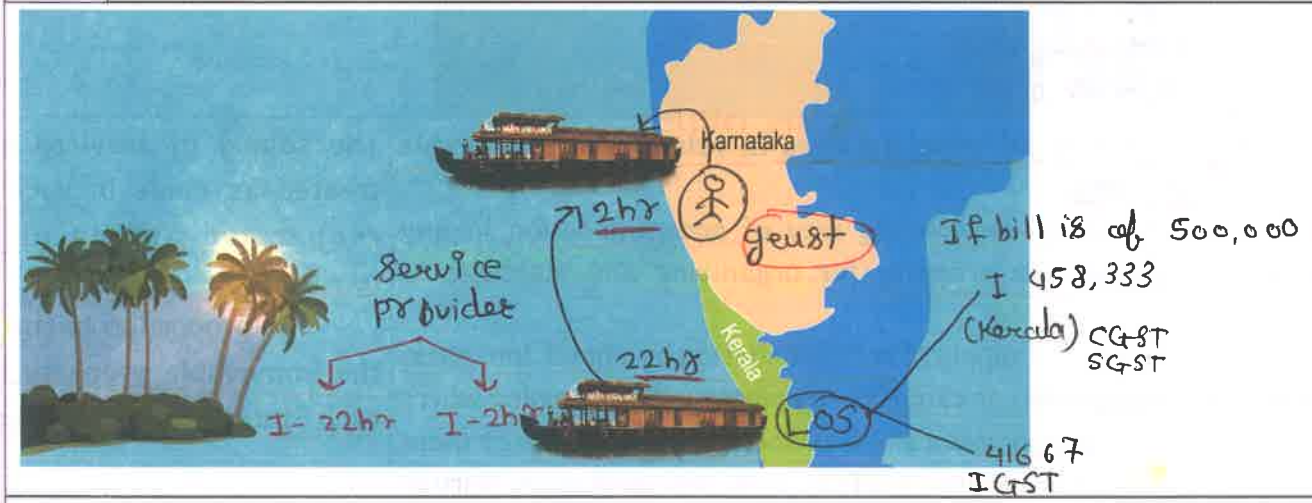
Facts	There is a piece of land of area 20,000 square feet which is partly in State S1 say 12,000 square feet and partly in State S2, say 8000 square feet. Site preparation work has been entrusted to T. The ratio of land in the two states works out to 12:8 or 3:2 (simplified).
POS	The place of supply is in both States S1 and S2.
VOS	The service shall be deemed to have been provided in the ratio of 12:8 or 3:2 (simplified) in the States S1 and S2 respectively. The value of the service shall be accordingly apportioned between the States.



(iii)	➲ By way of lodging accommodation by a house boat or any other vessel and ➲ services ancillary to such services	The supply of services shall be treated as made in each of the respective States or Union territories, ➲ in proportion to the time spent by the boat or vessel in each such State or Union territory, ➲ which shall be determined on the basis of a declaration made to the effect by the service provider.

Illustration

Fact	A company C provides the service of 24 hours accommodation in a houseboat, which is situated both in Kerala and Karnataka in as much as the guests board the house boat in Kerala and stay there for 22 hours but it also moves into Karnataka for 2 hours (as declared by the service provider).
POS	The place of supply of this service is in the States of Kerala and Karnataka.
VOS	The service shall be deemed to have been provided in the ratio of 22:2 or 11:1 (simplified) in the states of Kerala and Karnataka, respectively. The value of the service shall be accordingly apportioned between the States



MCQ 2:- Brijraj is on a business trip for 5 days where he has to stay for 3 days in Mumbai (Maharashtra) and 2 days in Ahmedabad (Gujarat). He stays in the hotels of Royal Group of Hotels for which a consolidated sum of ₹ 50,000/- was charged by the hotel for stay in its two establishments in Mumbai and Ahmedabad for 3 nights and 2 nights respectively. The place of supply in this case is in _____.

(a) Maharashtra and Gujarat both and the service shall be deemed to have been provided in Maharashtra and Gujarat in the ratio 3:2 respectively.

(b) Maharashtra as his stay was longer in Mumbai.

(c) Maharashtra and Gujarat both and the service shall be deemed to have been provided in Maharashtra and Gujarat in the ratio 1:1 respectively.

(d) Gujarat

Refer Questionnaire: CCP 07.05.10.00 (IMP)

4) PLACE OF SUPPLY BASED ON PERFORMANCE

Description	Place Of Supply
Supply of ➢ restaurant and catering services, ➢ personal grooming, ➢ fitness, ➢ beauty treatment, ➢ health service including cosmetic and plastic surgery	Location where the services are actually performed. Refer Questionnaire: CCP 07.05.11.00

P 17: Mr. A, a business man from Pune dines in a restaurant at Mumbai while on a business trip. Determine place of supply.

P 18: Mr. Timmy Ferreira, a makeup artist at Kolkata, goes to Jaipur, Rajasthan for doing the makeup of Ms. Simran Kapoor, a Bollywood actress based in Mumbai. Determine place of supply. Hint POS = Jaipur, Rajasthan

5) PLACE OF SUPPLY OF TRAINING AND PERFORMANCE APPRAISAL SERVICES

Description		Place Of Supply
POS in relation to training and performance appraisal	(a) To registered Person (B2B)	Location of such person [Registered Recipient]
	(b) Person other than registered person (B2C)	Location where the services are actually performed.

P 19 : Mr. Suresh (unregistered person based in Noida) signs up with Excellent Linguistics (New Delhi) for receiving training on English speaking at their New Delhi Centre. Determine place of supply.

MCQ 3 : DEO Consultants (Kolkata) impart GST training to accounts and finance personnel of Sun Cements Ltd., Guwahati, Assam (registered office) at the company's Mumbai (Maharashtra) office which is also registered under GST. The contract is entered with Guwahati office. In the given case, place of supply is _____.

(a) Kolkata (b) Assam
(c) Maharashtra (d) Either Assam or Maharashtra at the option of Sun Cements Ltd

Refer Questionnaire: CCP 07.05.12.00

6) PLACE OF SUPPLY FOR ADMISSION TO EVENTS

→ Ticket charges

Description	Place Of Supply
Services provided by way of admission to a ➲ cultural, artistic, sporting, scientific, educational, entertainment event or ➲ amusement park or any other place and ➲ services ancillary thereto	Place ➲ where the event is actually held or ➲ where the park or such other place is located.

P 20 : Mr. A, a resident of Ghaziabad, Uttar Pradesh, buys a ticket for a circus organized at Gurugram, Haryana by a circus company based in New Delhi. Determine place of supply.

P21 : Mr. B of New Delhi buys a ticket for an amusement park located in Noida, Uttar Pradesh. Determine place of supply. POS = Noida (UP)

Refer Questionnaire: CCP 07.05.13.00

7) PLACE OF SUPPLY FOR ORGANISATION OF EVENTS [event Management Co.]

Services provided by way of

Description		Place Of Supply
(a) organisation of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to a conference, fair, exhibition, celebration or similar events or (b) services ancillary to organisation of any of the events or services referred to in clause (a) or assigning of sponsorship to such events	To registered Person (B2B)	Location of such person [i.e. Registered Recipient]
	To Person other than registered person (B2C)	Place where the event is actually held ***** If the event is held outside India, POS = location of the recipient.

Explanation Where the event is held in more than one State or UT and a consolidated amount is charged for SOS relating to such event,

Refer Questionnaire: CCP 07.05.14.00 (IMP)

POS = Taken as being in each of the respective States or UTs

- ➲ in proportion to value for services separately collected or determined in terms of the contract or agreement entered into in this regard or
- ➲ in the absence of such contract or agreement, on such other basis as may be prescribed (as per Rule 5 – Refer below).

Supplier

P 22 : Mega Events, an event management company at New Delhi, organizes an award function for Shah Diamond Merchants of Ahmedabad (registered in Gujarat), at Mumbai. Determine place of supply.

** **P 23 :** Mega Events, an event management company at New Delhi, organizes an award function for Shah Diamond Merchants of Ahmedabad (registered in Gujarat), at Mauritius. Determine place of supply.

P 24 : An event management company – Moonlight Events Private Limited – has to organize some promotional events in States S1 and S2 for a recipient Mr. Atmaram (unregistered). 3 events are to be organized in S1 and 2 in S2. They charge a consolidated amount of 10,00,000 from Mr. Atmaram. Determine place of supply.

Supplier (R)

MCQ 4:- Grand Wedding Planners (Chennai) is hired by Laddoo Singh (unregistered person based in Hyderabad) to plan and organise his wedding. The place of supply is (i) _____ if wedding is to be held at New Delhi, or (ii) _____ if wedding is to be held in Seychelles.

a) New Delhi, Hydrabad ✓ b) New Delhi, Seychelles

c) Chennai, Seychelles d) Chennai, Hyderabad

Rule 5 — Prescribed for SOS attributable to different States or UT under Sec 12 (7) of the said Act

In case of service	Basis of apportionment
where the services are supplied to a person other than a RP, in the absence of any contract or agreement	Value shall be determined by application of the generally accepted accounting principles (GAAP).

Illustration	**Facts**	**An event management company E has to organise some promotional events in States S1 and S2 for a recipient R. 3 events are to be organised in S1 and 2 in S2. They charge a consolidated amount of Rs.10,00,000 from R.**
	POS	The place of supply of this service is in both the States S1 and S2.
	VOS	The proportion arrived at by the application of GAAP is 3:2. The service shall be deemed to have been provided in the ratio 3:2 in S1 and S2 respectively. The value of services provided will thus be apportioned as Rs. 6,00,000/- in S1 and Rs. 4,00,000/- in S2.

8) PLACE OF SUPPLY FOR TRANSPORTATION OF GOODS

Description		Place Of Supply
Supply of services ➲ **by way of transportation of goods,** ➲ **including by mail or courier to**	**(a) To registered Person (B2B)**	**Location of such person** (R.P)
	(b) Person other than registered person (B2C)	**Location at which such goods are handed over for their transportation.** **Refer Questionnaire: CCP 07.05.15.00**

P25: M/s Sukhiram Pvt. Ltd. is a registered company in New Delhi. It sends its courier to Pune through M/s Brue Air Courier Service. Determine place of supply. ↳ Supplier

HW **P26 :** Mr. Bindisaar, an unregistered person, of New Delhi sends a courier to his brother in Amritsar, Punjab. Determine place of supply. a courier Service is provided by DHL to Mr. Bindisaar.
↳ Hint : POS = where goods handed over = Delhi

P27 : Pinelaps Pvt. Ltd., a Goods Transportation Agency based in Kanpur, Uttar Pradesh, is hired by Hezal Enterprises (registered supplier in Kanpur) to transport its consignment of goods to a buyer in New Delhi. Determine place of supply. U.P (Supplier)

P28 : Sukhwinder Transports Pvt. Ltd., a Goods Transportation Agency based in Noida, Uttar Pradesh, is hired by Chhaya Trade Links (registered supplier in New Delhi) to transport its consignment of goods to a buyer in Kanpur, Uttar Pradesh. Determine place of supply. Hint B2B → POS = New Delhi

P29 : Mr. Srikant, a manager in a Bank, is transferred from Bareilly, Uttar Pradesh to Bhopal, Madhya Pradesh. Mr. Srikant's family is stationed in Kanpur, Uttar Pradeh. He hires Goel Carriers of Lucknow, Uttar Pradesh (registered in Uttar Pradesh), to transport his household goods from Kanpur to Bhopal. Determine place of supply.
B2C → goods are handed over at Kanpur = POS

9) PLACE OF SUPPLY FOR TRANSPORTATION OF PASSENGER

Description		Place Of Supply
Supply of passenger transportation service	**(a) To registered Person (B2B)**	**Location of such person** જ્યાં થી Passenger ↑ બેઠા ત્યાં
	(b) Person other than registered person (B2C)	place where the passenger embarks on the conveyance for a continuous journey જ્યાં થી બેઠો તે ↑
Proviso	B2C **where the right to passage is given for future use and the point of embarkation is not known at the time of issue of right to passage, the place of supply of such service shall be determined as per Sec 12(2).** i.e location of recipient.	જ્યાં થી ચઢ્યો
Explanation	For the purposes of this sub-section, the return journey shall be treated as a separate journey, even if the right to passage for onward and return journey is issued at the same time.	

Analysis	"Conveyance" as per sec 2(34) of CGSTAct, includes vessel, aircraft & a vehicle
	"Continuous Journey" as per sec 2(3) of IGST Act, means a journey for which a single or more than one ticket or invoice is issued at the same time, either by a single supplier of service or through an agent acting on behalf of more than one supplier of service, and which involves no stopover between any of the legs of the journey for which one or more separate tickets or invoices are issued
	Explanation : The term 'stopover" means a place where a passenger can disembark either to transfer to another conveyance or break his journey for a certain period in order to resume it at a later point of time
	If a journey is not a continuous journey , then each journey shall be treated as a separate journey & liable to tax accordingly.

Example:-1) Issue of right to passage for future use-point of boarding not known at the time of issue of right

(i) An airline may issue seasonal tickets, containing say 10 leafs which could be used for travel between any two locations in the country.

(ii) The card issued by New Delhi metro could be used by a person located in Noida, or New Delhi or Faridabad, without the New Delhi metro being able to distinguish the location or journeys at the time of receipt of payment.

P30 : Mr. Amar (registered person in New Delhi) travels from Mumbai to Bangalore in Airjet flight. Mr. Amar has bought the tickets for the journey from Airjet's office registered in New Delhi. Determine place of supply.

P31 : Mr. Subramanian (unregistered person in Chennai) has come to Delhi on a vacation. He buys pre-paid Delhi Metro Card from Delhi Metro (New Delhi) for hassle free commute in the National Capital Region. Determine place of supply.

P32 : Mr. Shyam, an unregistered person, based in Gurugram, Haryana books a two-way air journey ticket from New Delhi to Mumbai on 5th December. He leaves New Delhi on 10th December in a late-night flight and lands in Mumbai the next day. He leaves Mumbai on 14th December in a morning flight and lands in New Delhi the same day.

The return journey is treated as a separate journey, even if the tickets for onward and return journey are issued at the same time.

10) PLACE OF SUPPLY OF ON BOARD SERVICES

Description	Place Of Supply
Supply of services on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle,	Location of the first scheduled point of departure of that conveyance for the journey.

Example — **P33:-** Mr. X is travelling from Delhi to Mumbai in an Airjet flight. He desires to watch an English movie during the journey by making the necessary payment. Determine place of supply.

On Board supply of goods

Sec 10(1)(e) → Place where goods are taken on board.

On Board SOS

Sec 12(10) → Location of 1st schedule point of the conveyance for the Journey.

11) PLACE OF SUPPLY OF TELECOMMUNICATION SERVICES

The POS of telecommunication services including data transfer, broadcasting, cable and direct to home television services to any person shall

	Nature of Supply		Place Of Supply	Recipient
(a)	➲ Fixed telecommunication line (landline telephone) ➲ Leased circuits ➲ Internet leased circuit ➲ Cable or dish antenna		Location where the telecommunication line, leased circuit or cable connection or dish antenna is installed for receipt of services	Any Person
(b)	Post-paid mobile connection for telecommunication and internet services		➲ Location of billing address of the recipient of services in the records of the supplier of services ➲ Location of the supplier of services if the address is not available	
(c)	Pre-paid mobile connection for telecommunication, internet services and DTH services (recharge coupon, vouchers, net pack etc.)	(i) Services provided through a ➲ selling agent ➲ re-seller ➲ distributor of subscriber identity module card or recharge voucher	➲ Address of the selling agent/ re-seller/ distributor as per record of the supplier at the time of supply ➲ Location of the supplier of services if the address is not available	
		(ii) Services provided by any person to final subscriber	Location where such prepayment is received or such vouchers are sold	
(d)	Other cases	General	➲ The address of the recipient as per the records of the supplier of services	
		If the address is not available	➲ Location of the supplier of services	
	Proviso Pre-paid services, the payment for which is made through internet banking/ other electronic mode of payment		Location of the recipient of services in the records of the supplier of services	

Explanation (C)

Where the leased circuit is installed in more than one State or UT and a consolidated amount is charged for supply of services relating to such circuit,

POS = taken as being in each of the respective States or UTs

➲ **in proportion to value for services separately collected** or determined in terms of the contract or agreement entered into in this regard or

➲ **in the absence of such contract or agreement**, on such other basis as may be prescribed **(as per Rule 6- Refer below)**.

P34: Mr. A (Maharashtra) ges a landline phone installed at his home from BSNL Ltd. POS = MH (Installed)

P35 : Mr. Y (Pune) gets a DTH installed at his home from Bharati Ltd. Determine place of supply. POS = Pune (MH) (Installed)

P36 : Mr. D (Surat) takes a post-paid mobile connection in Mumbai from Idea Ltd. Mr. D's billing address existing records of Idea Ltd. Determine place of supply. POS = Billing address = Surat (Guj)

P37 : Mr. E (New Delhi) gets his post-paid bill paid online from Goa. The payment being made through electronic mode. Determine place of supply. POS = Billing address = New Delhi.

P39 : Mr. F (Puducherry) gets a pre-paid recharged from a grocery shop in Chennai. Determine place of supply.

POS = address of selling agent (grocery shop) = Chennai

Rule 6	Prescribed supply of services attributable to different States or UTs u/s 12(11) of the said act	
	In case of service	**Basis of apportionment**
	In case where leased circuit is installed in more than one State or UT (as discussed above)	The supply of services shall be treated as made in each of the respective States or Union territories, In proportion to the number of points lying in the State or Union territory

Notes:- The number of points in a circuit shall be determined in the following manner:

(i) In the case of a circuit between two points or places, the starting point or place of the circuit and the end point or place of the circuit will invariably constitute two points

(ii) Any intermediate point or place in the circuit will also constitute a point provided that the benefit of the leased circuit is also available at that intermediate point



Illustration		
	Facts 1	**A company T installs a leased circuit between the Delhi and Mumbai offices of a company C. The starting point of this circuit is in Delhi and the end point of the circuit is in Mumbai. Hence one point of this circuit is in Delhi and another in Maharashtra.**
	POS	The place of supply of this service is in the Union territory of Delhi and the State of Maharashtra.
	VOS	The service shall be deemed to have been provided in the ratio of 1:1 in the Union territory of Delhi and the State of Maharashtra, respectively.
	Facts 2	**A company T installs a leased circuit between the Chennai, Bengaluru and Mysuru offices of a company C. The starting point of this circuit is in Chennai and the end point of the circuit is in Mysuru. The circuit also connects Bengaluru. Hence one point of this circuit is in Tamil Nadu and two points in Karnataka.**
	POS	The place of supply of this service is in the States of Tamil Nadu and Karnataka.
	VOS	The service shall be deemed to have been provided in the ratio of 1:2 in the States of Tamil Nadu and Karnataka, respectively.
	Fact 3	**A company T installs a leased circuit between the Kolkata, Patna and Guwahati offices of a company C. There are 3 points in this circuit in Kolkata, Patna and Guwahati. One point each of this circuit is, therefore, in West Bengal, Bihar and Assam.**
	POS	The place of supply of this service is in the States of West Bengal, Bihar and Assam.
	VOS	The service shall be deemed to have been provided in the ratio of 1:1:1 in the States of West Bengal, Bihar and Assam, respectively.

12) PLACE OF SUPPLY OF BANKING AND FINANCIAL SERVICES

Description	Place Of Supply
Supply of banking and other financial services, including stock broking services to any person	Location of the recipient of services on the records of the supplier of services Provided that if the location of recipient of services is not on the records of the supplier, POS = Location of the supplier of services.

P40: Mr. A (Pune) buys shares from a broker in BSE (Mumbai). Determine place of supply. POS = Pune
we assume that address of Mr. A exist in the record of broker.

P41 : Mr. C, an unregistered person from Varanasi, Uttar Pradesh, visits a bank registered in New Delhi for getting a demand draft made. No records exist of Mr C in Bank. Determine place of supply. POS = Location of supply = New Delhi

P42 : Mr. B (New Delhi) withdraws money from Axis Bank's ATM in Amritsar. Mr. B has crossed his limit of free ATM withdrawals. Bank has charged extra fees. Determine place of supply. POS = ~~New Delhi~~
we assume that address of recipient is not exist in record
↓ location of supplier = Amritsar

13) PLACE OF SUPPLY OF INSURANCE SERVICES

Description		Place Of Supply
Supply of insurance services	(a) To registered Person (B2B)	Location of such person
	(b) Person other than registered person (B2C)	Location of the recipient of services on the records of the supplier of services.

HW

P43: Mr. A, CEO of XY Ltd., Mumbai (a company registered in Maharashtra) buys insurance cover for the inventory stored in company's factory located at Mumbai, from Excellent Insurers, Chennai (registered in Tamil Nadu). Determine place of supply. B2B = POS = MH (supplier)

P44: Ms. B (unregistered resident of Kolkata) goes to her native place Patna, Bihar and buys a medical insurance policy for her parents there from Safe Insurers, Patna (registered in Bihar). Determine place of supply. B2C = Address of Parent = Service provided to parent => POS = Bihar

14) SEC 12 (14) : PLACE OF SUPPLY OF ADVERTISEMENT SERVICE TO GOVERNMENT

Description	Place Of Supply
Advertisement service to the CG/SG/Statutory body/ LA meant for the States or UTs identified in contract or agreement	Each of such States or Union territories where the advertisement is broadcasted/ run /played (Read with Rule 3 of IGST Rules)

Summary

Rule 3:- Place of Supply of Advertisement service to Government(IGST Rules)		
Sr. No.	**Type of advertisement**	**Factor which determines the proportionate value of service attributable to the dissemination in each State/Union territory**
1	Advertisements in newspapers and publications	Amount payable for publishing an advertisement in all the editions of a newspaper or publication, which are published in each State/Union territory
2	Advertisements through printed material like pamphlets, leaflets, diaries, calendars, T-shirts, etc.	Amount payable for the distribution of a specific number of such material in each State/Union territory
3	Advertisements in hoardings (other than those on trains)	Amount payable for the hoardings located in each State/UT
4	Advertisements on trains	Length of the railway track in each State/UT, for that train
5	Advertisements on the back of utility bills of oil and gas companies, etc.	Amount payable for the advertisements on bills pertaining to consumers having billing addresses in each State/UT
6	Advertisements on railway tickets	Number of Railway Stations in each State/UT
7	Advertisements on radio stations	Amount payable to such radio station, which by virtue of its name is part of each State/UT
8	Advertisement on television channels	Value of service in each state or UT = Amount payable for such service X Number of viewers of such channel in each State/ UT. **Viewership shall be calculated in the following manner :-** i) State or UT wise figure for that channel published by Broadcast Audience Research Council ii) Figures published in last week of preceding quarter shall be used for succeeding quarter iii) If channel viewership figures relate to a region comprising of more than one state or UT then, viewership figures for region X ratio of populations of that State or UT as determined in the latest Census
9	Advertisements in cinema halls	Amount payable to a cinema hall or screens in a multiplex in each State/ Union territory.
10	Advertisements on internet	**Step 1:** Service shall be deemed to have been provided all over India **Step 2 :** Value of service in each state/UT = Total amount for such services X Ratio of No. of internet subscribers in concerned States or Uts No. of internet subscribers shall be calculated in the following manner, samely:- i) State/UT wise figure published by Telecom Regulatory Authorities of India

		ii) Figures published for last quarter of preceding F.Y shall be used for succeeding F.Y. Year iii) If figure of No. of internet subscribers relates to a region comprising of more than one State or UT, then No. of internet subscribers in a State or UT = No. of subscribers in the region X Ratio of populations of that State or UT as determined in the latest Census
11	Advertisements through SMS	Value of service in each state/UT = Total Amount payable for such services X ratio of No. of telecom subscribers in concerned States or UTs. No. of telecom subscribers shall be calculated in the following manner namely:- i) State/UT-wise figures published by Telecom regulatory Authority of India on its website ii) Figure published for preceding quarter shall be used for succeeding quarter iii) If figures of No. of telecom subscribers relates to a telecom circle comprising of more than one state or UT, then, No. of telecom subscribers in a State or UT = No. of subscribers for telecom circle X Ratio of Population of State/UTs , as determined in latest Census.

Ye table પઢને કી જરૂરત નહીં હૈ

CHAPTER - 9
EXEMPTIONS FROM GST

INDEX

CGST Act, 2017		IGST Act, 2017	
Sec 11	Exemptions	Sec 6	Exemptions

Sr.No.	Title	
1.	Sec 11: Power to Grant exemption from tax (Sec 6 of IGST Act)	180
2.	List of Services Exempt under CGST/SGST:	182
	A) Exemption related to Health Care Sector	184
	B) Exemption related to Charitable and Religious Sector	186
	C) Exemption related to Legal Sector	187
	D) Exemption related to Agriculture Sector	192
	E) Exemption related to Transportation Sector	197
	F) Exemption related to Renting of Immovable Property	198
	G) Exemption related to Entertainment Sector	200
	H) Exemption related to Banking and Financial Sector	203
	I) Exemption related to Education and Training Sector	206
	J) Exemption related to Sports Sector	207
	K) Exemption related to Government Sector	214
	L) Exemption related to Construction Sector	216
	M) Miscellaneous	217
3.	Other Exemptions	

Section 11 - Power to grant exemption from tax (Sec 6 of IGST Act)

1	**General Exemption** Refer table of Next page	➲ CG/SG Empowerment: GST law authorizes the Central or State Government to grant tax exemptions. ➲ GST Council Recommendation: Exemptions are granted based on the recommendation of the GST Council. ➲ Notification Issuance : Exemptions are communicated through notifications in Official Gazette. ➲ Whole or Partial Tax Exemption: Exemptions can apply to the entire tax or a portion of it. ➲ Public Interest Criteria: Exemptions must serve the public interest. ➲ Coverage: Exemptions can cover specified goods, services, or both. ➲ Absolute/Unconditional Exemption: No conditions apply; mandatory exemption. ➲ Conditional Exemption: Exemption comes with specified conditions; optional for registered persons. In Public Interest, the Government may generally exempt supply of goods and/ or services of any specified description → on recommendation of the GST council → BY NOTIFICATION → either absolutely or subject to such conditions as may be specified in the notification → wholly/ partly → with effect from such date as may be specified in such notification.
2	**Special Exemption** Refer table	➲ CG/SG Empowerment: GST law authorizes the CG/SG to special order for exemption with reason. ➲ GST Council Recommendation: Exemptions are granted based on the recommendation of the GST Council. ➲ Applicability: Applicable to only that person to whom the order is given ➲ Criteria: It shall be granted in exceptional situations. ➲ Whole or Partial Tax Exemption: Exemptions can apply to the entire tax or a portion of it. ➲ Coverage: Exemptions can cover specified goods, services, or both. ➲ Absolute/Unconditional Exemption: No conditions apply; mandatory exemption. ➲ Conditional Exemption: Exemption comes with specified conditions; optional for registered persons. The Government may exempt any goods and/or services on which tax is leviable from payment of tax → BY SPECIAL ORDER → on recommendation of the GST Council → under circumstances of an exceptional nature to be stated in such order → in the public interest
3	**Explanation to Exemption** © Not imp	➲ Explanation Insertion: The government can clarify a notification/order's scope or applicability within 1 year of its issuance. ➲ Retrospective Effect: The inserted explanation applies retrospectively from the notification/order's initial issuance. ➲ Entry in Notification: The clarification pertains to a specific entry in the notification and is effective from its inception, not the clarification's issuance date.

		Example:- Principal Notification No. 11/2017 CT (R) dated 28.06.2017 came into force with effect from 01.07.2017. Thereafter, a new entry - Entry no. 3(vi) was inserted w.e.f. 21.09.2017. Subsequently, an explanation was also inserted with respect to entry no. 3(vi) by issue of a notification on 26.07.2018 [i.e. within 1 year of the insertion of entry 3(vi)]. Although the effective date mentioned in the notification which inserted said explanation was 27.07.2018, said explanation will be effective from the inception of entry 3(vi) in notification i.e. 21.09.2017 and not 27.07.2018
	Mandatory Exemption (Explanation to sec 11) MCQ	Scope: Applies to supplies of goods &/or services covered by absolute exemptions. Mandatory Exemption: Registered persons supplying such goods &/ or services shall not collect tax exceeding the effective rate.

Refer Question from our Questionnaire:CCP 08.01.01.00

Difference between General & Special Exemption

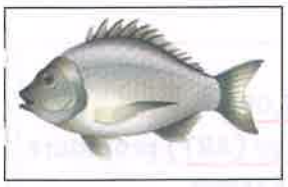
General Exemption	Special Exemption	Common Points :
Its issued by Govt. by notification in Official Gazatte	Its issued by Govt. by Special order	1) Exemption may be absolute or conditional 2) Exemption may be partly or wholly
It is applicable generally i.e. to all members at particular industry	It is applicable to special person to order is given	
It is generally in Public interest	Its in (exceptional) circumstances for charitable purpose or defence or etc.	

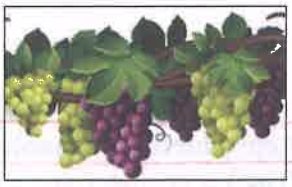
GOODS EXEMPT FROM TAX

A list of items have been notified under section 11(1) of the CGST Act, 2017/section 6(1) of the IGST Act, 2017. These items have been exempted from whole of the tax. Since GST is a tax for common man, everyday items used by the common man have been included in the list of exempted items.

Items such as unbranded atta/maida/besan, unpacked food grains, milk, eggs, curd, lassi and fresh vegetables are among the items exempted from GST.

Some of the examples of the goods exempted from tax have been provided herein:


Live Fish (0301)


Grapes (0806)


Fresh Milk (0401)


Potatoes (0701)


Indian National Flag (63)

Comment:- Exemption to goods from GST is not relevant for your exams

LIST OF SERVICES EXEMPT FROM TAX

Specific Services Exempt from CGST and IGST :- Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 unless otherwise specified, has exempted the various services wholly from CGST. Each of the entries of the exemption notification have been discussed from next page:

(Note:- Entry numbers have been given only for reference purposes and are not relevant for examination purpose)

S. No.

Health Care Sector

74 EXEMPTION RELATED TO HEALTH CARE:

Exemption

a) **Health care services** provided by
- a clinical establishment,
- an authorised medical practitioner, or
- paramedics.



b) Services provided by way of transportation of a patient in an ambulance, other than those specified in (a) above.

Note:- Health care services provided by a clinical establishment, an authorised medical practitioner or paramedics of a religious or charitable trust are also exempt.

Clarification on Ambulance Service provided under National Health Mission (NHM)

By SG to patients	SG provide ambulance service free of cost to patients by itself or through Private Service Providers (PSPs). Transportation of patients in ambulance are **exempt** in both cases.
By PSPs [under NHM] to SGs:-	➲ PSPs charge fee from SG to provide this service on their behalf to patients. ➲ Ambulance services are one of the functions entrusted to Panchayats and Municipalities under Article 243G and 243W of Constitution of India & the same would be **exempt as under:-** a. Entry 3:- If it is a pure service and not a composite supply involving supply of any goods, & b. Entry 3A:- If it is a composite supply of goods & services in which the value of supply of goods constitutes not more than 25% of value of said composite supply (discussed later).

HW

Taxability

Services provided **by a clinical establishment** by way of providing **room** having room charges **exceeding ₹ 5,000 per day** to a person receiving health care services **are taxable** (i.e. they are exempt when charges are <= ₹5000 per day).

➲ But in case of Intensive care unit (ICU)/ Intensive Cardiac Care Unit (ICCU)/ Critical Care Unit (CCU)/ Neo natal Intensive Care Unit (NICU), this **proviso is not applicable** & Exemption is available.

Refer Question from our Questionnaire: CCP 08.02.02.01 (IMP)

Meaning of Health Care Services

means	**Diagnosis or treatment or care** for illness, injury, deformity, abnormality, or pregnancy in any recognised system of medicines in India and Clarifications:- 1) Rooms rent in hospitals = Care = Exempted upto ₹ 5,000 2) Services in form of Assisted Reproductive Technology (ART) procedure such as in vitro fertilization (IVF) = Health Care = Exempt
Includes	services of transportation of the patient to and from a clinical establishment (i.e. Ambulance service)
but does not include	hair transplant or cosmetic or plastic surgery, But if, such services are supplied to restore / reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma then exemption is available.

Other Relevant Definitions

Paramedics means:-

Trained health care professionals, for example nursing staff, physiotherapists, technicians, lab assistants etc.

Clinical Establishment means

Hospital, nursing home, clinic, sanatorium etc, & a place of an establishment carrying out **diagnostic or investigative** services of diseases

Authorised Medical Practitioner means

Registered medical practitioner recongnised by medical Councils

Following systems of medicines are the recognized systems of medicines in India:-

Allopathy	Yoga	Ayurveda	Naturopathy
Homeopathy	Siddha	Unani	

Any other system of medicines that may be recognized by the CG

CBIC Clarification (Circular no. 32/06/2018)

1) Services provided by senior doctors/ consultants/ technicians:

Services provided by senior doctors/consultants/ technicians hired by the hospitals, whether employees or not, are healthcare services which are **exempt**

2) Amount charged by hospitals from the patients:

The entire amount charged by them from the patients including the **retention money** & the fees/payments made to the doctors etc., is towards the healthcare services provided by the hospitals to the patients and is **exempt**

Example:- Hospitals charge the patient, say ₹10000 & pay to the consultants / technicians only ₹ 7500 & keep the balance for providing ancillary services which include nursing care, infrastructure facilities etc=**Total ₹10,000 will be exempt.**

3) Food supplied to the patients:

a) **Food prepared by the canteens run by the hospitals.**

i) **Food supplied to admitted patients:** Food supplied to the in-patients as advised by the doctor/nutritionists is a part of **composite supply** of healthcare &**Exempt.**

ii) **Food supplied to non-admitted patients:** Supplies of food by a hospital to patients (not admitted) or their attendants or visitors **are taxable.**

iii) **Supply food to the doctors & their staff:** Such supplies **are taxable**



b) **Outsourced by the Hospitals from outdoor caterers.**

The suppliers shall **charge tax** as applicable & hospital will get **no ITC.**

Refer Question from our Questionnaire: CCP 08.14.24.00 - (iv) (IMP)

Non Applicability of Exemption (key points)

a) Supply of Non-Healthcare Services in Clinical Establishment's premises: Services like renting shops, auditoriums, and displaying advertisements within clinical establishments

b) Room Rent in Hospitals Exceeding ₹5,000 (except ICU, etc.):Renting a room in a hospital where the room rent exceeds ₹5,000 .

c) Hair Transplant and Cosmetic Surgery: Cosmetic or plastic surgery for beauty purposes, including hair transplants.

d) Food Supplies by Hospitals: Supplies of food by a hospital to non-admitted patients, doctors, visitors and staff .

e) Healthcare Services by Non-Notified Persons: Supply of healthcare services by individuals like Sadhus, Tantriks, etc., who are not recognized healthcare providers.

f) Unrecognized System of Medicine: Healthcare services not recognized under established systems of medicine (e.g., Reiki, Acupuncture).

g) Health and Fitness Services: Services related to physical well-being, such as yoga classes, gym services, and aerobics.

Refer Question from our Questionnaire: CCP 08.02.02.00

46	**Health Care of Animals or Birds Services**	
		Exempt :- Health care services of animals or birds provided by a veterinary clinic.
74A	**Service provided by rehabilitation professionals**	
		Exempt:- Services provided by recognized rehabilitation professionals by way of ➢ rehabilitation, ➢ therapy or ➢ counselling or ➢ other specified activities at medical establishments, educational institutions, rehabilitation centres established by CG, SG or UT or registered charitable trust under Sec 12AA or 12AB of the Income tax Act, 1961.

Charitable & Religious Sector

Sr. No.		
1	**Charitable Activities**	
	Exemption	Exemption is available subject to following two conditions :- (i) The entity should be registered under sec 12AA/12AB of the Income tax Act, 1961, and (ii) The entity must carry out one or more of the specified charitable activities.
	Definition of Charitable Activities	**The term 'charitable activities' mean activities relating to-**
		i) PUBLIC HEALTH by way of: a) Care or counselling of: ➲ terminally ill / severely disabled (physical/mental) persons. ➲ persons afflicted with HIV/AIDS. ➲ persons addicted to a dependence forming substance such as narcotics drugs or alcohol. b) Public awareness of preventive health, family planning or prevention of HIV.
		ii) Advancement of religion or spirituality or yoga Note: GST will not be payable on fee charged for yoga camps conducted by charitable trusts.
		iii) Advancement of Educational Programmes/Skill development relating to ➲ abandoned, orphaned or homeless children. ➲ physically or mentally abused and traumatized persons. ➲ prisoners or ➲ persons over the age of 65 years residing in a rural area
		iv) Preservation of Environment including watershed, forests & wildlife

Refer Question from our Questionnaire: CCP 08.03.03.00

CBIC Clarification

Taxability or exemption of various activities related to advancement of religion, spirituality, or yoga [Circular No. 66/40/2018]:

S.No.	Activity Type	Taxability
i)	Fee or consideration charged from participants for participating in religious, yoga, or meditation programmes or camps meant for advancement of religion, spirituality, or yoga	Exempt
ii)	Residential programs or camps where lodging and boarding costs are included in fee charged, primarily aimed at advancing religion, spirituality, or yoga (composite supply)	Exempt
iii)	Charitable or religious trusts providing accommodation or serving food and drinks against any form of consideration, including donations (without a primary focus on religion, spirituality, or yoga)	Taxable
iv)	Activities like fitness camps, aerobics classes, dance, music, etc., not related to religion, spirituality, or yoga	Taxable

Non Applicability of Exemption (key points)

1) **Charitable Activities by Unregistered Trusts:** Charitable activities conducted by trusts not registered under section 12AA or 12AB of the Income Tax Act, 1961.
2) **Activities by Registered Trusts - Not Charitable:** Activities by trusts registered under section 12AA or 12AB of the Income Tax Act, 1961, which do not fall within the definition of charitable activities. For e.g.
   - ➢ Hostel accommodation provided to students.
   - ➢ Organization of religious yatras or pilgrimages by charitable or religious trusts.
3) **Goods and Services supplied to Charitable/Religious Trusts:** Unless explicitly exempted, all goods and services supplied to charitable or religious trusts .

13 **Exemption**

Religious Activities

a) Charges for conducting religious ceremonies:-



- ➲ **Religious ceremonies** are life-cycle rituals and special religious poojas performed according to religious texts.
- ➲ These ceremonies are conducted by individuals authorized by religious texts and typically include events like birth, marriage, and death rituals.

b) Renting of precincts of religious place meant for general Public:-



- ➲ **Ownership Requirement:** The religious place should be owned or managed by an entity registered under specified sections (12AA/12AB/10(23C)(v)/10(23BBA)) of the Income Tax Act.
- ➲ **Consideration Limit:** To qualify for the exemption, the consideration charged for renting shall be as under,

	Renting	It is exempt where charges are
i)	Renting of Rooms	Less than ₹ 1000 per day
ii)	Renting of Premises, Community halls, kalyanmandapam or open area & the like	Less than ₹ 10,000 per day
iii)	Renting of Shops or other spaces for business or commerce	Less than ₹ 10,000 per month

Refer Question from our Questionnaire: CCP08.03.04.00

Non-Applicability of Exemption (Key Points)

Refer Question from our Questionnaire: CCP 08.03.05.00 (IMP)

a. Activities other than conduct of religious ceremony.
b. Renting of precincts of religious place where consideration is as follows:-

	Renting	It is Taxable where charges are
i)	Renting of Rooms	₹ 1000 or more per day
ii)	Renting of Premises, Community halls, kalyanmandapam or open area and the like	₹ 10,000 or more per day
iii)	Renting of Shops or other spaces for business or commerce	₹ 10,000 or more per month

Legal Sector

Sr. No. 45

Legal Services

Exemption

a) Arbitral Tribunal Services

Services provided by an arbitral tribunal to

(i)	Any person other than a business entity
(ii)	Business entity with an **aggregate turnover** up to such amount in the PFY as makes it eligible for exemption from registration
(iii)	CG, SG, UT, LA, Governmental Authority or Government Entity

b) Legal service by Firm/Individual Advocate other than senior Adv.

Legal Services provided by Firm/Individual Advocate other than senior advocate to

(i)	Advocate or partnership firm of advocates providing legal services
(ii)	**Any person** other than a business entity
(iii)	Business entity with an aggregate turnover up to such amount in the PFY as makes it eligible for exemption from registration
(iv)	CG, SG, UT, LA, Governmental Authority or Government Entity

c) Senior Advocate Services

Legal Services provided by Senior Advocate to

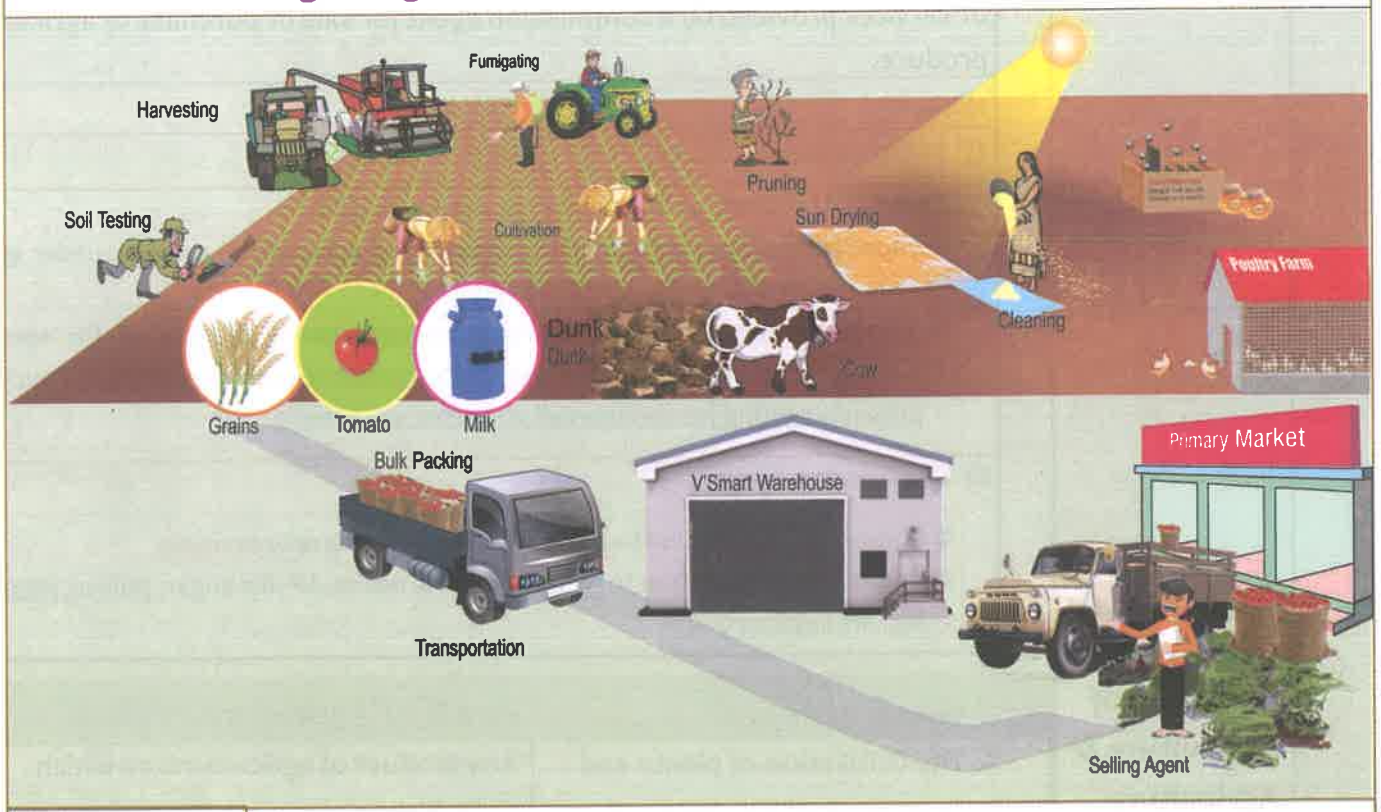
(i)	**Any person** other than a business entity
(ii)	Business entity with an **aggregate turnover** up to such amount in the PFY as makes it eligible for exemption from registration
(iii)	CG, SG, UT, LA, Governmental Authority or Government Entity

Non Applicability of Exemption (key points)

1) T/o exceeds threshold in PFY:- In all 3 cases above, services provided to business entity where Agg. T/o exceeds threshold in PFY (in such case RCM is applicable)
2) Legal services provided to another advocate or firm:- Legal service supplied by senior advocate to another advocate including senior advocate or partnership firm of advocates - whose Agg. T/o in PFY exceeds threshold for registration is taxable under RCM
3) Services other than Legal Services:-All services other than Legal service supplied by Advocate & firm of Advocate like Renting, Actuary, etc. are **taxable**.

Refer Question from our Questionnaire: CCP 08.04.06.00

54 **Services relating to Agriculture Services**



Exemption

Services relating to
- ➲ cultivation of plants &
- ➲ rearing of all life forms of animals (except horses) for food, fibre, fuel, raw material, or other similar products or Agriculture Produce by way of

a) Agricultural operations directly related to production of any agricultural produce **including cultivation, harvesting, threshing, plant protection or testing.**

b) Supply of farm labour.

c) Processes carried at agricultural farm including
➲ tending, ➲ harvesting, ➲ curing, ➲ trimming, ➲ cooling or
➲ pruning, ➲ drying, ➲ sorting, ➲ sun drying, ➲ bulk packaging and such
➲ cutting, ➲ cleaning, ➲ grading, ➲ fumigating, like operations
which do not alter essential characteristics of agricultural produce but make it only marketable for the primary market.

d) Renting/leasing of
- ➲ agro machinery or
- ➲ vacant land with or without a structure incidental to its use.

Example:- Raj leased a vacant land with a greenhouse and storage shed to a farmer Ramesh, for agricultural purposes. This service is exempt from GST as it is considered incidental to agricultural use.

e) Loading, unloading, packing, storage or warehousing of agricultural produce(AP).

f) Agriculture extension services.

Notes:-
1)Agricultural Extension Services (AES) involve applying scientific research and knowledge to farming practices through farmer education and training.

2) AES aims to improve farmer's knowledge of crop techniques and boost productivity through various means such as training courses, farm visits, advisory bulletins, and more.

g) Services by any Agricultural Produce Marketing Committee (APMC) or Board or services provided by a commission agent for sale or purchase of agricultural produce.

Notes:-

1) **APMC Services**

- Services by APMC or Boards are not subject to GST.
- These committees regulate the marketing of agricultural produce under state laws and provide various support services.
- Services directly related to cultivation and rearing of animals for specific purposes are exempt, but services which are not related to agriculture, such as property renting for commercial purposes, are taxable.

2) **Commission Agent**

- Commission in relation to sale or purchase of AP is only **exempt.**
- Commission in relation to goods which is not an AP like sugar, pulses, jaggery, etc. are liable to GST

Refer chart.

Definition of Agriculture & Agriculture produce (AP)

Agricultural Activity	Para 2(d) "Agricultural Produce"
➲ The cultivation of plants and ➲ Rearing of all life-forms of animals, for food, fibre, fuel, raw material or other similar products. ➲ Except the rearing of horses,	Any produce of agricultural on which ➲ Either no processing is done or ➲ Such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market.

IMPORTANT READING **following activities are covered within the scope of agriculture:**

✓ Pisciculture - Breeding of fish;	✓ Sericulture - Rearing of silk worms;
✓ Floriculture - Cultivation of ornamental flowers;	✓ Horticulture;
✓ Forestry.	



Criteria where Produce is not treated as AP:-

(a) Processing that fundamentally changes the essential characteristics of agricultural produce, e.g., potato chips or tomato ketchup.

(b) Processes that make agricultural produce marketable in the retail market. e.g. the processes of grinding, sterilizing, extraction packaging in retail packs of agricultural products, which make the agricultural products marketable in retail market, would NOT be covered in this entry.

***

Determination of AP in certain cases:-

Tea and Coffee: Green tea leaves & coffee beans are considered agricultural produce, while processed tea and coffee fall outside this definition.

Jaggery: Processing sugarcane into jaggery alters its essential characteristics, making it ineligible for exemption. [Non A.P]

Pulses: Pulses like dal obtained after dehusking or splitting are not agricultural produce. Whole pulse grains like whole gram or rajma are considered as agricultural produce.

Some other cases:- processed spices, processed dry fruits, processed cashew nuts etc. fall are not agricultural produce.

55 Process of Job Worker

Exemption	Carrying out intermediate production processes as job work in the cultivation of plants and rearing of animals (excluding horses) for food, fiber, fuel, raw materials, etc.or agricultural produce.
Non Applicability of Exemption	**Clarification on custom milling of paddy into rice:-:-** Milling of Paddy: Milling of paddy is not considered an intermediate production process related to cultivation. It occurs after the cultivation process is completed and paddy has been harvested. *** Processing into Rice: Typically, the processing of paddy into rice is not conducted by cultivators but by rice millers. This process also alters the essential characteristics of paddy, making it ineligible for exemption under Entry 55 of GST. **Summary:-** Milling of paddy into rice does not qualify for GST exemption as it is not a part of the intermediate production process related to the cultivation of plants for agricultural produce.

24 Services Relating to rice [This exemption does not include commission agent of APMC service of rice ⇒ Taxable

Exemption	Services by way of loading, unloading, packing, storage or warehousing of rice.

24A Warehousing of minor forest produce

Exemption	Services by way of warehousing of minor forest produce

24B Storage or Warehousing of Pulses, Fruits, Nuts etc.

Exemption	Services by way of storage or warehousing of cereals, pulses, fruits and vegetables.

57 Packing, Cooling etc. of Vegetable or Fruits

Exemption	Services by way of ⇒ pre-conditioning, ⇒ pre-cooling, ⇒ ripening, ⇒ waxing, ⇒ retail packing, ⇒ labelling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables

55A	Services by Way of Artificial insemination
Exemption	Services by way of artificial insemination of livestock (other than horses).

Non-Applicability of Exemption (Key Points)

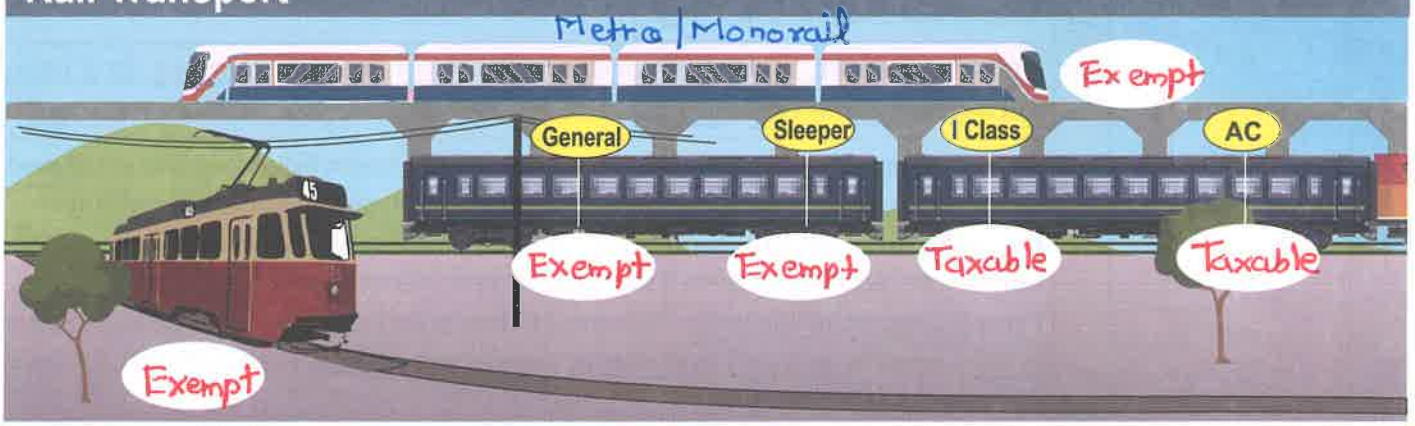
Refer Question from our Questionnaire: CCP 08.05.07.00 (IMP), CCP 08.05.08.00, CCP 08.14.24.00 - (ii)

a)	Services relating to rearing of horses.
b)	Loading, unloading, packing, storage or warehousing of items other than AP **except rice & any other specific exemption.**
c)	APMC & commission agent's services which are not related to agriculture or AP - such as property renting for commercial purposes or related to sugar, pulses, jaggery, etc.
d)	Services relating to processed Tea & Coffee beans, Jaggery, Pulses, processed spices, processed dry fruits, processed cashew nuts etc. which are not AP.
e)	Milling of paddy into **rice.**
f)	Processing that fundamentally changes the essential characteristics of AP.
g)	Processes that make agricultural produce AP marketable in **retail** market.
h)	Job work processes relating to rearing of **horses.**
i)	Artificial insemination of **horses.**

Road Transport



Rail Transport



Air Transport



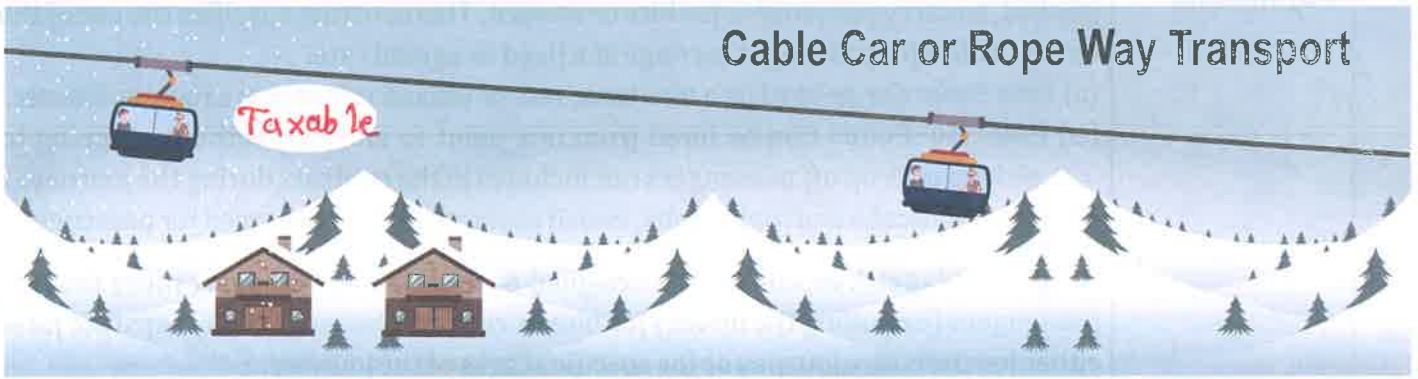
Inland Waterway (River transport)



Vessel Transport



Cable Car or Rope Way Transport



Refer Chart

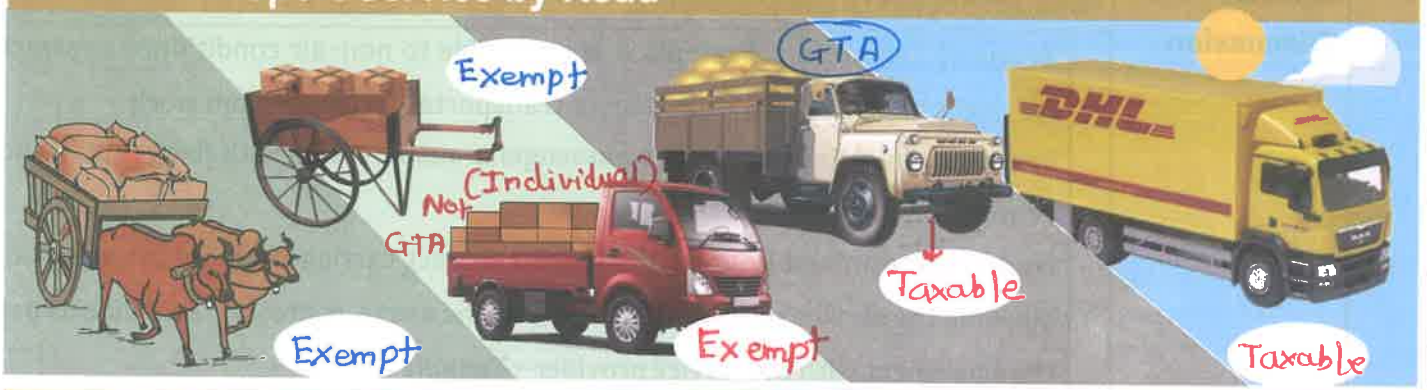
Transport Sector

Sr. No.		
17 & 15	**Passenger Transport Service**	
	Exemption	Service of transportation of passengers, with or without accompanied belongings, by
		a) Railways in a class other than –
		i) First class; or
		ii) An air conditioned coach;
		b) Metro, monorail or tramway;
		c) Inland waterways; [River]
		d) Public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and
		Note: Coverage: Regular public ships or vessels sailing between Indian locations are covered, even if some passengers are tourists, as long as the predominant purpose isn't tourism. **Exclusion:** Services by leisure/charter vessels or cruise ships, primarily intended for tourism, are not covered, even if some passengers are not tourists. **Ferry Transport within India:** Exempts if tickets is for public transport between points in India, whether operated by private or government entities. For e.g. Private ferries in Andaman and Nicobar Islands.
		e) Metered cabs, or auto rickshaws (including e-rickshaws)
	Refer Question from our Questionnaire: CCP 08.06.10.00	However, nothing contained in item (e) above shall apply to services supplied through an ECO, and notified under sec 9(5) of the CGST, 2017. Further, tax on such services shall be paid by ECO.
	Exemptions	Transport of passengers, with or without accompanied belongings, by –
		a) Air in economy class, embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located in West Bengal.
		b) Non-airconditioned contract carriage other than radio taxi, for transportation of passengers, excluding tourism, conducted tour, charter or hire; or
		c) Stage carriage other than air-conditioned stage carriage.
		However, nothing contained in items (b) and (c) above shall apply to services supplied through an ECO, and notified under sec 9(5) of the CGST, 2017. Further, tax on such services shall be paid by ECO
	Definitions (c)	**Contract Carriage:** A motor vehicle engaged under a contract, either expressed or implied, to carry passengers for hire or reward. This contract specifies the use of the entire vehicle for passenger carriage at a fixed or agreed rate. (a) **Time Basis:** Can be hired on a time basis, with or without reference to a route or distance. (b) **Point-to-Point:** Can be hired from one point to another, without stopping to pick up or drop off passengers not included in the contract during the journey. **Includes:** Maxicabs and motor cabs, even if separate fares are charged for passengers.
		Stage Carriage: A motor vehicle designed or modified to transport more than six passengers (excluding the driver) for hire or reward. Passengers pay separate fares either for the entire journey or for specific stages of the journey.

Special Discussion	**Hiring of non-air conditioned contract carriages by firms for transportation of their employees to and from work**	
		Scope of Exemption: Exemption is applicable to non-air conditioned contract carriages hired by firms for employee transportation to and from work. **Predetermined Routes:** Covers passenger transportation with fixed routes and schedules - **Exempt** **Non Predetermined Routes:** When the contract carriage is hired for a period, allowing the service recipient to determine the usage, route, and schedule as per the agreement with the service provider - **Taxable**
Non Applicability of Exemptions (Key Points)	a)	Passenger transport in railways in first class or AC coach.
	b)	Passenger transport by cable car and ropeway
	c)	Public transport tourism purpose in a vessel between places in India.
	d)	Services by leisure/charter vessels or cruise ships, primarily intended for tourism, even if some passengers are not tourists.
	e)	Transport of passengers, by non-AC contract carriage other than radio taxi excluding tourism, conducted tour, charter or hire or by non-AC stage carriage, supplied through ECO u/s 9(5).
	f)	Hiring of non-AC contract carriages by firms for transportation of their employees to and from work where it is hired for a period, allowing the service recipient to determine the usage, route, and schedule as per the agreement with the service provider.
	g)	Passenger transport by AC - Stage/contract carriage.
	h)	Metered Cab or Auto Rickshaws supplied services through ECO u/s 9(5).
	i)	Air transport by other than economy class in notified area.
	j)	Air transport in economy class where there is no embarking & termination in states mentioned above in exemption.
	k)	Transport by non-AC radio taxi.
	l)	Non-AC contract carriage used for tourism, conducted tour, charter or hire.

Refer Question from our Questionnaire: CCP 08.06.09.00 (IMP) & CCP 08.06.11.00

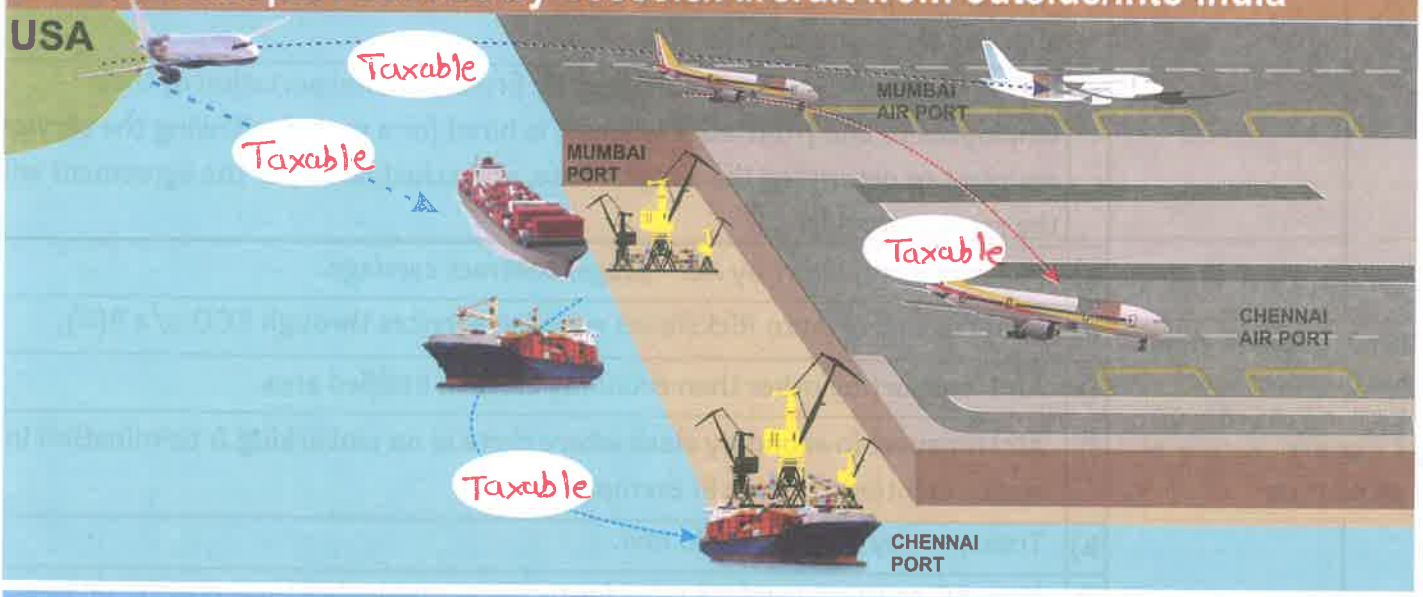
Goods Transport Service by Road



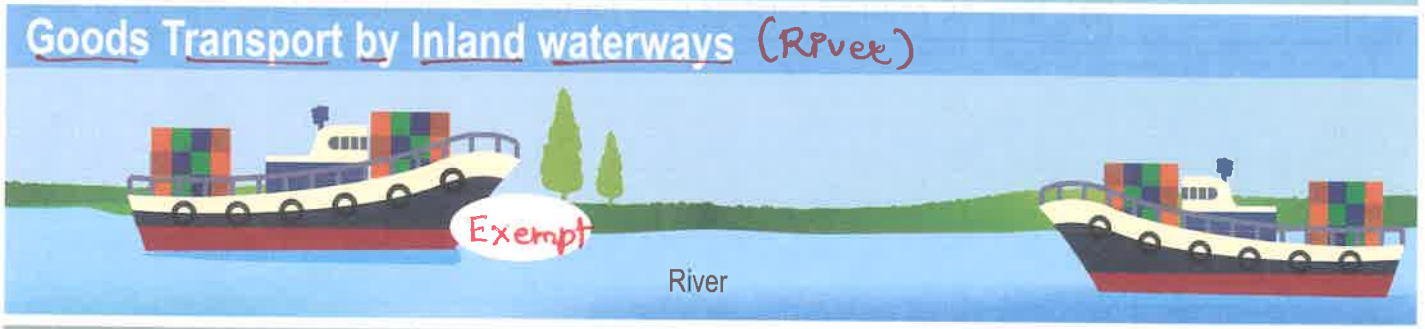
Goods Transport Service by Rail



Goods Transport Service by Vessels/Aircraft from outside/into India



Goods Transport by Inland waterways (River)





18 Goods Transport Services

Exemption

Services by way of transportation of goods-
(a) by road except the services of (i) a goods transportation agency; (ii) a courier agency;
(b) by inland waterways.

Definitions

1) **Definition of GTA (Goods Transport Agency):**
- A GTA is a service provider offering road transport services for goods and issues a consignment note.
- The issuance of a consignment note is a crucial requirement for qualifying as a GTA.
- Individual truck or tempo operators who do not issue consignment notes are exempt from GST.

2) **Definition of Courier Agency :**
- A courier agency is a person engaged in the door-to-door transportation of time-sensitive documents, goods, or articles.
- Express cargo services also fall under courier agency.

Clarification

1) **Intermediary and Ancillary Services:**
- Intermediary and ancillary services are like loading/unloading, packing / unpacking, transshipment, and temporary warehousing provided in the course of road transport of goods.
- GTA invoices include the value of these intermediary and ancillary services, making them part of the composite supply of GTA services.
- If such ancillary services are provided separately and charged separately, they are treated as distinct supplies.

2) **Transport of Minerals Within Mining Area by tippers, dumpers, loaders, etc.:**
- These vehicles like tippers, dumpers, loaders, and trucks, are typically hired by the mining lease operator.
- The service provided is essentially "rental services of transport vehicles with operator," and the person renting the vehicles defines how and when they are operated.
- This service is not considered as a service of transportation of goods by road and is not eligible for exemption.

3) **GTA with cargo handline services eg. packing charges, loading, unloading charges etc. (Cir. No. 234/28/2024)**
- **Bundle Invoice:-** Ancillary/incidental services provided by GTA in the course of transportation of goods by road is a composite supply of transport of goods, irrespective of invoicing method used by it.
- **Separate Invoice:-** If such services are not provided in the course of transportation of goods and are invoiced separately, then these services will not be treated as composite supply of transport of goods.

20/21 Transportation by Rail, Vessel & GTA

Exemption

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V. imp

Transportation of following goods by Rail, Vessel & GTA in goods carriage

a)	agricultural produce
b)	**Milk, Salt and food grain including flours, pulses and rice.**
c)	organic manure [fertilizers]
d)	Newspaper or magazines registered with the Registrar of Newspapers
e)	Relief materials meant for victims of natural or man-made disasters, calamities, Accidents or mishap
f)	Defence or military equipments

Refer Question from our Questionnaire: CCP 08.07.12.00

21B Transportation of goods by GTA for Govt.

Exemption

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

a)	a Department or Establishment of the CG or SG or UT; or
b)	local authority; or
c)	Governmental agencies,

which has taken registration under the CGST Act, 2017 only for deducting tax **u/s 51** and not for making a taxable supply of goods or services.

22 Hiring of means of transport

Exemption

Services by way of giving on hire-

a)	**to a state transport undertaking** (STU), a **motor vehicle** meant to carry **more than 12 passengers.**
aa)	**to a local authority,** an **Electrically operated vehicle** (EOV) meant to carry **more than 12 passengers.**
b)	**to a goods transport agency**, a means of transportation of goods
c)	**Motor vehicle for transport of students, faculty and staff,** **to a person providing services** of transportation of students, faculty and staff **to an educational institution** providing services by way of pre-school education and education upto higher secondary school or equivalent.

Non Applicability of Exemptions (Key Points)	a)	Transportation of goods by GTA except items specified above in exemption or by courier agency.
	b)	Goods transported by Railways except items specified above in exemption.
	c)	Goods transported by Vessel except items specified above in exemption.
	d)	Transport of Minerals Within Mining Area by tippers, dumpers, loaders, etc. (clarification).
	e)	Goods transported by Pipelines.
	f)	Transport of goods by Air.
	g)	Goods transport service by GTA to Department/Establishment of Govt., LA, Govt. agencies making taxable supplies.
	h)	Motor vehicle meant to carry upto 12 passengers given on hire to STU.
	I)	EOV meant to carry upto 12 passengers given on hire to LA.
	j)	Motor vehicle given on hire for transport of students, faculty and staff, to person transporting students, faculty and staff of educational institution other than pre-school education and education upto higher secondary school or equivalent.

Refer Question from our Questionnaire: CCP 08.07.13.00

Read this exemption with RCM.

**** V.V.V.V. V. Imp

Sr. No — Renting of Immovable Property Sector

12 Renting of Residential Dwelling

Flat / house / Bunglow

Exemption	Services by way of **renting** of **residential dwelling** for use as residence **except where the residential dwelling is rented to a registered person** **Comment:-** This service is exempt when recipient is unregistered person.
Explanation **Refer Question from our Questionnaire: CCP 08.14.31.00 - (1)**	For the purpose of exemption under this entry, this entry shall cover services by way of renting of residential dwelling to a registered person where, – ➲ the registered person is proprietor of a proprietorship concern & rents the residential dwelling in his personal capacity for use as his own residence and ➲ such renting is on his own account and not for the proprietorship concern
Explanation 2 (inserted) i.e. Non-applicability **newly inserted by N/No. 04/2024 w.e.f. 15/07/24**	Nothing contained in this entry shall apply to- a) accommodation services for students in student residences; b) accommodation services provided by Hostels, Camps, Paying Guest accommodations & the like. **Comment:-** ➢ Student residences refer to accommodations provided to students specifically. It includes student hostels/apartments, university/college dormitories, off-campus student housing & similar living quarters. ➢ Services provided by educational institutions, including housing as composite supply, is exempt from GST, but taxability of such individual service supplied depends on its nature & type of institution providing it.

	Pictorial Diagram	
	Applicability of RCM	Tax on renting of residential dwelling to a registered person is payable by the registered person under reverse charge whether such residential dwelling is being used for commercial purposes or residential purposes.
	Non-Applicability of Exemption	➲ Renting of residential dwelling for use as residence to a registered person (other than proprietor covered in explanation above) ➲ Renting of residential dwelling for commercial use to registered or unregistered person is liable to GST

12A Accommodation services

newly inserted by N/No. 04/2024 w.e.f. 15/07/24

Supply of accommodation services having value of supply less than or equal to ₹20,000 per person per month provided that the accommodation service is supplied for a minimum continuous period of 90 days

Non-applicability:-	➲ VOS exceeds ₹ 20,000 per person per month. ➲ Accommodation services supplied for less than 90 days. ➲ Accommodation services supplied for minimum non-continuous 90 days.

GST liability on certain accommodation services [Cir. No. 228/22/2024]

Issue:-	**1. Whether service of hostel accommodation, service apartments/hotels booked for longer period is a service of renting of residential dwelling for use as residence & exempted under Sl. No. 12?** **2. Whether service of hostels for poor & middle-class students run by charitable trusts is exempt?**
Clarification:-	➢ **It is not exempt under entry 12 but it will be exempt under entry 12A,** if it satisfies the conditions given thereunder.

Entertainment Sector

78 Classical or folk Artist

Exemption	The activities by a performing artist in folk or classical art forms of music, dance, or theater are exempt if consideration does not exceed ₹1,50,000. (Per Performance)
Non Applicability of Exemptions (Key Points)	➲ If consideration exceeds ₹1,50,000, the entire amount becomes subject to GST. ➲ Performance in other art forms such as Western music, modern theatre, acting in films or TV, painting, sculpture, etc., are taxable. ➲ Services provided by an artist acting as a brand ambassador.

Refer Questionnaire: CCP 08.08.15.00(IMP)

A **'brand ambassador'** promotes or endorses goods, services, events, or names for marketing purposes.

Ticket charges

81 Admission to Entertainment Event

Exemption

Services by way of right to admission to-

a)	circus, dance, or theatrical performance including drama or ballet
b)	award function, concert, pageant, musical performance or any sporting event other than a recognised sporting event
c)	recognised sporting event,
d)	Planetarium

where the consideration for admission is not more than ₹ 500 per person as referred to in (a), (b) (c) or (d) above.

Non-Applicability of Exemption

- If consideration exceeds ₹500, the entire amount becomes subject to GST.
- Admission to amusement park, bowling alleys

79A Admission to Protected Monuments

Exemption

Services by way of admission to a protected monument so declared under the Ancient Monuments and Archaeological Site and Remains Act 1958 or any of the State Acts, for the time being in force

79 Admission to Museum, National Park etc

Exemption

Services by way of admission to a

- museum,
- national park,
- wildlife sanctuary,
- tiger reserve or zoo.





Note: Limit of ₹500 is not applicable in Entry no. 79A & 79

80 Service by way of Training or coaching in recreational activities

Exemption

Refer Questionnaire: CCP 08.08.14.00

Services by way of training or coaching in

(a) Recreational activities relating to- arts or culture, by an individual or

(b) Sports by charitable entities registered under section 12AA or 12AB of the Income-tax Act.



Comment:- Training or coaching in all forms of arts, culture or sports is covered under this entry, namely, dance, music, painting, sculpture making, literary activities, theatre, etc. of any school, tradition or language or any of the sports.

Non Applicability of Exemptions (Key Points)

a)	**Training by person other than individual:-** Training/coaching in recreational activities relating to arts or culture provided by person other than individual.
b)	**Training by person other than registered charitable entity:-** Training or coaching in sports are provided a person other than a charitable entity registered u/s 12AA or 12AB of Income-tax Act.
c)	**Areas other than arts or culture:-** Training or coaching in recreational activities relating to the areas other than arts or culture.

Banking & Finacial Sector

Sr. No 27

Banking & Financial Services

Exemption

(a) Services of extending deposits, loans, or advances are exempt if the consideration is represented by interest or discount. (Cheque discountin, BoE)
(other than interest involved in credit card services);

(b) Transactions related to the sale or purchase of foreign exchange.
Specifically includes transactions:

- Amongst banks.
- Amongst authorized dealers of foreign exchange.
- Between banks and authorized dealers..

Note:- Services provided to the general public for sale or purchase of foreign exchange - **Taxable**



Exemption & Taxability in Banking Sector

Exemption	Taxable
➢ Interest on fixed or saving deposits and similar bank deposits	➢ Interest & Late payment charge on credit card
➢ Interest on loan, overdraft, or CC	➢ Service charges, fees, documentation fees, broking charges, and similar fees
➢ Interest on mortgages or loans	➢ Charges or fees for CBLO transaction
➢ Interest or discount on Corporate deposits	➢ Service charges, fees, or documentation charges, broking charges or fees, etc. of CPs & Cds
** ➢ Discounting of cheque, promissory note, bill of exchange, invoice	➢ Transaction processing fees for the takeover of loans
➢ Interest or discount for Collateralized Borrowing and Lending Obligations (CBLO)	➢ Share of profit to investor from investments equity, etc
* ➢ Discount/subscription of Commercial Paper (CP) or Certificates of Deposit (CD)	➢ Services by commercial banks to RBI as not covered in any exemption / exclusion.
* ➢ Interest on debentures and bonds (i.e. debt instruments) etc.	➢ Sale or purchase of foreign exchange to/from general public.
➢ Interest component for the takeover of loan by banks	
*** ➢ Interest/Charges for delayed payment of brokerage, settlement obligations, or margin trading facilities (Service by way of extending loan)	

Refer Questionnaire: CCP 08.09.16.00 (IMP)

Special Discussion for banking Sector

Some Special Issues

i) Repos and Reverse Repos:

Repurchase and reverse repurchase (repo) transactions are considered loans or deposits and are exempt from GST under Entry 27.

ii) Assignment or Sale of Debts:

- Debts are actionable claims & all actionable claims except ~~lottery, betting & gambling~~ specified actionable claims are exempt under GST. [i.e. covered in Sch-III]
- Charges collected during the transfer or assignment of debts are subject to GST.

iii) Interest on Finance Lease Transactions:

Interest on finance lease transactions is taxable under GST as it is not purely in the nature of extending loans & consideration is also not purely as interest.

iv) Interchange Fees on Card Settlement:

Fees for card settlement between banks are considered a separate transaction and are subject to GST.

v) Securitization Transactions:

- Securities assets (i.e. securities) are not subject to GST.
- Service charges/fees or documentation fees, broking charges, etc. in securitization transactions are liable to GST.

vi) Additional/Penal Interest on Overdue Loans:

- Levy of additional/penal interest is exempt under Entry 27 if it satisfies the definition of "interest."
- Such interest is not treated as consideration for liquidated damages.

Clarification (Imp)

Clarification on taxability of transaction of providing loan by an overseas affiliate to its Indian affiliate or by a person to a related person (Circular No. 218/12/2024 dt 26.06.24):-

Issue:-Whether processing fee/ administrative charges/ loan granting charges etc. or interest/ discount charged for granting of loan by a person to a related person or by an overseas affiliate to its Indian affiliate is a deemed taxable supply or not u/s 7(1)(c) read with para 2 & 4 of Sch I?

Clarification:-

Supply of services	As per **sec 7(1)(c) & Para 2 & 4 Sch I**, supply of goods &/or services or import of service between/from related persons, when made in the course or furtherance of business, shall be treated as supply, even if made without consideration.
Exemption	Granting loans/ credit/ advances, for consideration being interest or discount, is exempt.
Charges other than interest/ discount	➢ Processing fee/service fee/facilitation fee/ loan granting charges/ administrative charges is one-time charge to apply for loan to cover administrative cost to process loan & is non-refundable. ➢ These are generally charged by bank/FI & independent lender for checking financial standing, credibility of applicant, etc. ➢ Overseas affiliates or domestic related persons generally do not

			charge processing fee/ service fee, except interest/discount on loan because they may not require to follow such processes. ➢ Even between unrelated parties (bank/ independent lender & borrower), processing fee/ administrative charges/ loan granting charges etc., might not be there or might be waived based on their relations. ➢ Thus, Charges except interest/discount are consideration that are liable to GST.
		** Conclusion	1. If consideration (other than interest/discount) is not charged from related person, or by overseas affiliate from Indian party for extending loan/credit:- ➲ There is no supply of service between them u/s 7(1)(c) read with para 2 & 4 of Sch I. ➲ There is no question of levy of GST on it by resorting to OMV as per rule 28. 2. If consideration (in addition to interest/discount) is charged from related person, or by overseas affiliate from Indian party for extending loan/credit:- ➲ It is a supply of services of processing/facilitating/ administering, etc. of loan. ➲ Such consideration will be liable to GST.

Education Sector

66 Education & Training

Exemption on Output services

Any service provided BY an EDUCATIONAL INSTITUTION

(a) to its students, faculty and staff

Notes:- Service includes education fees, lab charges, transportation, catering etc.

(aa) by way of conduct of entrance examination against consideration in the form of entrance fee

Definition of Educational Institution

EDUCATIONAL INSTITUTION (EI)

"EI" means an institution providing services by way of

(i) Pre-school education and education up to higher secondary school or equivalent

Notes:-

✳ **Boarding Schools:** Education with residence & food = composite supply, where Principal supply is education = Exempt
Hostel Services by school = Exempt
Annual Subscription/Fees by school = Exempt

(ii) Education as a part of a curriculum for obtaining a qualification recognized by law

Notes:-

➲ Scope: It normally covers services provided by Colleges, Universities or Institutes which provides education for obtaining a qualification recognized by law.

➲ Recognisation by Law: Qualification must be recongnized by Indian Law and not by foreign Law. Thus any Education Service provided under qualification recognized by foreign law is taxable

Education services provided	Covered in sub-clause (ii)	Reasons
Conduct of degree courses by colleges, universities or institutions	✓	These courses lead to grant of qualifications recognized by law
Training given by private coaching institutes	✗	Such training does not lead to grant of a recognized qualification.
Education as a part of a prescribed curriculum for obtaining a qualification recognized by a law of a foreign country	✗	Only a course recognized by an Indian law is covered herein.

✳ ➢ Dual Qualifications: clubbing of recognize & non-recognize courses = Mixed supply where GST is payable at highest rate.

➢ Incidental Auxiliary Courses: hobby classes or extra-curricular activities in furtherance of overall well-being = Naturally Bundle fall under composite supply, where principal supply is education = Exempt.

✳ ➢ Distance learning Graduate or Post-Graduate: For qualification recognized by law = Exempt

(iii) Education as a part of an approved vocational education course.

Notes:- Approved vocational education course includes

➲Approved Vocational Course: A course by ITI/ ITC affiliated to NCVET or SCVT offering courses in trades notified under the Apprentices Act, 1961.

Private ITI :- Services given by private ITIs exclusively for trades designated under the Apprentices Act, 1961 are exempt from GST. However, services relating non-designated trades are subject to GST.

➲Modular Employable Skill Course (Skills for gainful employment to school drop-outs, workers etc.): A course approved by NCVET, run by Directorate General of Training, Ministry of Skill Development and Entrepreneurship.

NCVET = National Council for Vocational Education and Training, SCVT = State Council for Vocational Training

(iv) The Central and State Educational Boards shall be treated as "EI" for the limited purpose of providing services by way of conduct of examination to the students.

Explanation :- Any authority, board or body set up by the Central Government or State Government including National Testing Agency(NTA) classified as an "EI", when providing examination services, including entrance tests

Taxability:- GST applies to other services by these Boards, like providing accreditation to an institution or professional. For instance, fees for FMGE (Foreign Medical Graduate Examination) screening tests are subject to GST.

Refer Question from our Questionnaire: CCP 08.14.31.00 - (2)

Special Issues & Clarification

Services by IIM [Circular No. 82/01/2019]

1) All IIMs fall under the category of "EI" as they deliver education as a part of curriculum recognized by law.

2) IIM Programs provides:
- ➢Long duration programs (1 year or more) where they provide diploma/degree certificates as per the IIM Act, 2017 = Exempt
- ➢Short Duration non- recognized Programs and Certificates = Taxable

Supply of Food in mess & Canteen [Circular No. 151/07/2021]

1) Catering by "EI" to its students, faculty, and staff - Exempt

2) Outsourced Catering Services provided by someone other than the "EI" = Taxable

Refer Question from our Questionnaire: CCP 08.14.24.00 - (iii)

Entrance fee for conduct of entrance examination/fee for admission/issuance of migration certificate [Circular No. 177/09/2022]

1) All services offered by an "EI" to its students, including charges for entrance exams, are exempt from GST.

2) Scope of Exemption: : This exemption covered fees for admission, entrance, application fees for entrance exams, or fees for eligibility certificates in the admission process.

3) * Issuance of Migration Certificate: Services offered by an "EI" in terms of providing migration certificates to outgoing or former students = Exempt.

	Fees Charged from prospective employers for campus interview	
	"EI" like IITs and IIMs charge a fees from potential employers, including corporate houses and MNCs = Taxable (as service to a person other than student)	
(B)	Maritime courses approved by DG Shipping [Circular No. 117/36/2019]	
	1) Recognition Under Law: Maritime Training Institutes and their courses are approved by the Director General of Shipping & they are recognized under the Merchant Shipping Act, 1958	
	2) Status and Exemption: Maritime Training Institutes are deemed as "EI". Thus, Courses conducted by them are exempt	
***	GST on flying training courses conducted by FTO approved by the DGCA [Cir.No. 234/28/2024]	
	Education as a part of an approved vocational education course :- It is **clarified** that approved flying training courses conducted by Flying training Organizations (FTOs) approved by Directorate General of Civil Aviation (DGCA), wherein the DGCA mandates the requirement of a completion certificate, are exempt.	
Exemption on Input services (service supplied to "EI")	**"EI"**	**Exempted Input Services (Services Supplied to "EI")**
	"EI" providing pre-school education and education up to higher secondary school or equivalent	(i) transportation of students, faculty and staff (ii) catering, including any mid-day meals scheme sponsored by the CG, SG & UT (iii) security or cleaning or house-keeping services performed in such "EI" (iv) services relating to admission to, or conduct of examination by, such institution
Note: Conduct of examination also includes evaluation of exam papers.	"EI" providing education as a part of a curriculum for obtaining a recognized qualification	(i) services relating to admission to, or conduct of examination by, such institution (ii) supply of online educational journals or
	"EI" providing education as a part of approved vocational education course	Services relating to admission to, or conduct of examination by, such institution.
	Very Important Note:- All other input services of "EI" or we can say that other services supplied to "EI" are Taxable (e.g. Renting of Immovable Property, Audit, Accounting etc.)	
Examples	1) Sunrise Academy, a pre-school near Mumbai, subscribed to online journals on child development. The supply of these online journals to such institutions is not exempt from charges.	
	2) "KM Logistics offered transportation services for students and faculty between their homes and Greenfield Academy, a higher secondary school. Such transportation services to institutions up to higher secondary level are exempt from charges."	
	3) "Oasis University, recognized for its degree courses, plans its half-yearly exams in November. It compensated external paper setters and examiners and used printing services for the question papers. Services related to exams provided to educational	

			institutions are exempt. Hence, services used by Oasis University for this purpose are exempt from charges."
	***	4)	"Knowledge High School hired Efficient Services Ltd. for on-campus security and housekeeping, which are exempt from charges. However, when the school used their services for an Annual Day event at an off-campus auditorium, those services became taxable. Only on-campus services at a higher secondary school are exempt."
	** Special Issues & Clarification		Supply of Food in Anganwadis and School [Circular No. 149/05/2021]
	Refer Questionnaire: CCP 08.10.17.00 & CCP 08.10.18.00 (IMP)	1)	Anganwadi as "EI": Anganwadis offer pre-school non-formal education, classifying them as an "EI" (as pre-school).
		2)	Food Service to Anganwadi: Food serving to anganwadis (irrespective of being government-sponsored or supported through corporate donations) = Exempt.

66A *** Affiliation Services by Educational Boards or Councils to Government-Controlled Schools

newly inserted by N/No. 08/2024

Services of affiliation provided
- by a Central or State Educational Board or Council or any other similar body,
- To a school established, owned or controlled by the CG, SG, UT, LA, Govt. authority or Govt. entity.

CBIC Clarification		GST on Affiliation services provided by Universities to Colleges & Education Board to Schools [Circular No. 234/28/2024]
	1.	➲ Universities' affiliation services to colleges does not involve student admissions or exams. = Taxable ➲ These services are not exempt from taxes, so an 18% GST applies.
	2.	➲ Affiliation services provided to schools by Education board or Councils does not include student admissions or exams ➲ These services are taxable.

Sports Sector

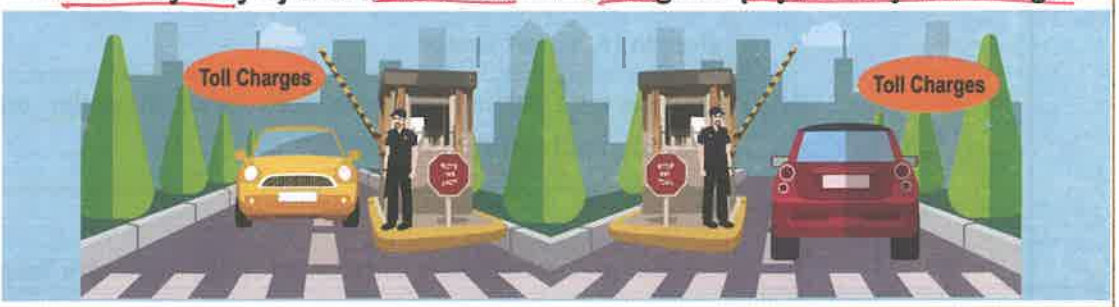
68 Service Provided to Recognized Sports Body by Sportsman

Exemption	i)	Services by Individual to recognised Sports Body: Services provided to a recognised sports body ➲ by an individual as a player, referee, umpire, coach or team manager ➲ for participation in a sporting event organised by a recognized sports body.
	ii)	Services by Another Recognised Sports Body: Services provided to a recognised sports body by another recognised sports body.
Non Applicability of Exemptions (Key Points)		1) Services by individuals such as selectors, commentators, curators, technical experts are taxable. 2) Service of a player to a franchisee which is not a recognized sports body is also taxable. eg ipl

	Definition of Recognized Sports body (for Casual Reading) –	(i) The Indian Olympic Association, (ii) Sports Authority of India, (iii) National sports federation recognized by the Ministry of Sports and Youth Affairs of the Central Government, and its affiliate federations, (iv) National sports promotion organizations recognized by the Ministry of Sports and Youth Affairs of the Central Government, (v) The International Olympic Association or a federation recognized by the International Olympic Association or (vi) federation or a body which regulates a sport at international level and its affiliated federations or bodies regulating a sport in India;

Refer Question from our Questionnaire: CCP 08.11.19.00

Government Sector

Sr. No		
23	**Access to Road or bridge on Payment of toll**	
	Exemption **Refer Question from our Questionnaire: CCP 08.14.31.00 - (3)**	**Service by way of access to a road or a bridge on payment of toll charges** 
	CBIC Clarification	**Overloading charges at toll plaza. [Circular No. 164/20/2021]** It is clarified that overloading charges at toll plazas would get the same treatment as given to toll charges = **Exempt.**
		Additional toll fees collected for not having fastag . It is essentially payment of toll for allowing access to roads or bridges to such vehicles and **Exempt .**
61A	**Service by way of granting national permit**	
	Exemption	Services by way of **Granting National Permit** ➲ to a goods carriage [eg. truck] → connected state. ➲ to operate through-out India / contiguous States.
59	**Services by Foreign Diplomatic Missions**	
	Exemption	Service provided by a Foreign Diplomatic Mission Located in India **Note:** Services provided to such mission are taxable under GST 

Services by Government & Local Authority

Sr. No		
6	**Services by CG, SG, UT or LA**	
	Exemption	**All services** provided **by** the Central Government, State Government, Union territory or local authority **excluding the following**
	Non Applicability of Exemptions	Following services are taxable which are provided by CG, SG, UT or LA
		(a) services by the Department of Posts **and the Ministry of Railways (Indian Railways)**
		Note:- Services by Department of Post are Taxable subject to exemption in Sr.No. 24C
		(b) **services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;** — Specific Services
		(c) transport of goods or passengers; or
		Note:- Transport service of Govt.or LA are Taxable subject to exemption given in Transport Sector
		(d) any service, other than services covered under entries (a) to (c) above, provided to business entities.
		Note:- 1)Services covered under entries (a) to (c) above are Taxable under forward charge irrespective of the fact that they are provided to general public or Business Entity. 2) If any services provided by CG, SG or LA to Business Entity, then it will be taxable under Reverse charge
	Definitions	**"Government"**
		1) **"Government"** means CG, SG or UT
		Local Authority
		2) **Sec 2(69) Means A :** ➲ Panchayat ➲ Municipality ➲ Municipal Committee & District Board, ➲ Cantonment Board, ➲ Regional Council and ➲ Development Board
		Government Entity
		3) **As per Para 2(zfa) means an authority or a board or any other body including a society, trust, corporation,** (i) set up by an Act of Parliament or State Legislature; or (ii) established by any Government **with 90%** or more participation by way of equity or control, to carry out a function entrusted by the CG, SG, UT or LA.
		Business Entity
		4) **As per para 2(n)** business entity means any person carrying out business.

	CBIC Clarification	**Accommodation services supplied by Air Force Mess and other similar messes to its personnel** [Circular No. 190/02/2023]
		➲ Accommodation services offered by Air Force Mess and other comparable messes, such as Army mess and Navy mess, cater to their personnel and individuals not affiliated with a business entity. ➲ These services fall under Entry 6 & **Exempt** provided the services given by such messes are recognised as those supplied by the CG, SG, UT or LA
		General Insurance policies provided by Government
		General Insurance services by CG, SG UT or LA to individual persons – **Exempt** under entry 6
24C	**Department of Post**	
	Exemption	Services by the department of post by way of ➲ post card, ➲ inland letter, ➲ book post and ➲ ordinary post (envelopes weighing less than 10 grams).
	Special Discussion & Analysis Refer Question from our Questionnaire: CCP 08.12.20.00	**Services provided by the Department of Posts**
		➲ **Primary Services by Department of Posts :** The Department of Posts offers essential postal services, such as postcards and registered post, fulfilling universal postal obligations, money transfers, savings account operations, and pension payments. They also provide Speed Post, Express Parcel Services & Agency Services, which are taxable. ➲ **Agency Services :** Additionally, they handle mutual funds distribution, passport applications, and bill collection on commission basis, termed as Agency services which are taxable. ➲ **Exemptions Under Entry 6 and Entry 24C :** While Entry 6 exempts services provided by CG, SG and others (excluding Department of Posts), Entry 24C specifically exempts services by the Department of Posts concerning postcards, inland letters, book post, and ordinary post (for envelopes weighing under 10 grams). Hence, for other services provided the Department of Posts, standard tax liabilities apply without reverse charge considerations.
7	**Services provided to a business entity by CG, SG, UT or LA**	
	Exemption	**Services to a business entity by CG, SG, UT or LA** are exempt if its Agg. T/o in the P.F.Y. qualifies it for exemption from registration under the GST Act.
	Taxability	This exemption doesn't cover ➲ Specific services (as mention in exclusion list of above entry no. 6) and ➲ Renting of immovable property services (to RP or URP).
	Special Discussion	**Reverse Charge Mechanism:** GST on services (barring specified services) offered by governments or authorities to a business entity [with turnover exceeding the exemption limit of registration under the CGST Act] is payable under reverse charge by the business entity.

	Refer Question from our Questionnaire: CCP 08.12.21.00	**Forward Charge:** Reverse charge doesn't apply to ➲ renting of immovable property services for unregistered persons (URP) and ➲ when 'specified services' are provided to such business entity.
9	**Service provided by Govt where consideration is upto ₹5000**	
	Exemption	**Services by CG, SG, UT or LA** where the consideration for such services does not exceed ₹5000. **Proviso:-** In case of Continuous supply of services, Exemption is available only if the consideration does not exceeds ₹ 5,000 in FY.
	Taxability	This exemption doesn't cover ➲ Specific services (as mention in exclusion list of above entry no. 6) and ➲ If consideration exceeds ₹ 5000 then, entire value is taxable. **Note:-** Renting of immovable property services is not covered in exception, Hence, we can say that exemption is available if value does not exceeds ₹ 5000 .
9E	**Certain services provided by Indian Railways:-**	newly inserted by N/No. 04/2024 w.e.f. 15/07/24
	Exemption	Services provided by Ministry of Railways (Indian Railways) to **individuals** by way of- a) Sale of platform tickets; b) Facility of retiring rooms/waiting rooms; c) Cloak room services; d) Battery operated car services. **Analysis:** Exemption on railway services reduces cost burden on passengers, making railway travel more affordable.
9F	**Services provided by one zone/division under Ministry of Railways**	
	Exemption newly inserted by N/No. 04/2024 w.e.f. 15/07/24	Services provided by one zone/division under Ministry of Railways (Indian Railways) to another zone(s)/division(s) under Ministry of Railways (Indian Railways). **Analysis:** Intra railway transactions between different zones/divisions are exempt.
9G	**Services provided by Special Purpose Vehicles (SPVs) to Ministry of Railways**	
	Exemption newly inserted by N/No. 04/2024 w.e.f. 15/07/24	Services provided by Special Purpose Vehicles (SPVs) to Ministry of Railways (Indian Railways) by way of allowing Ministry of Railways (Indian Railways) ➲ **to use the infrastructure** built & owned by them during the concession period against consideration & ➲ **services of maintenance** supplied by Ministry of Railways (Indian Railways) to SPVs in relation to the said infrastructure built & owned by the SPVs during the concession period against consideration

47 Government Services Related to registration or Certification

Exemption	Services provided by CG, SG UT or LA by way of a) **registration** required under any law for the time being in force; b) **testing, calibration, safety check or certification** relating to protection or safety of workers, consumers or public at large, including fire license, required under any law for the time being in force.

61 Government Services Related to issue of Passport etc.

Exemption	Services by CG, SG, UT or LA by way of issuance of ➲ passport, ➲ visa, ➲ driving licence, ➲ Birth certificate or death certificate.

8 Service provided by Govt to govt.

Exemption	Services provided by CG, SG, UT or LA to another CG,SG,UT or LA
Taxability	This exemption doesn't cover ➲ Specific services (as mention in exclusion list of above entry no. 6)

34A Service supplied by way of Guaranteeing the loans

Exemption	Service supplied **by CG, SG, UT or LA** to their undertakings or Public Sector Undertakings(PSUs) **by way of guaranteeing the loans** taken by such undertakings or PSUs from the **Banking company** and **financial institutions.**

62 Liquidated Charges by Govt.

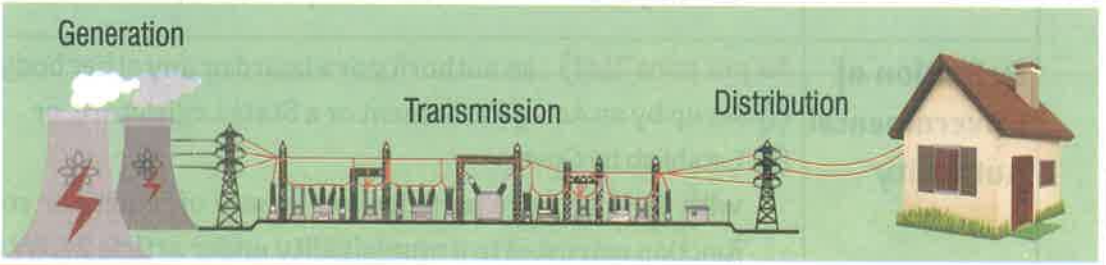
Exemption	Services provided by CG, SG, UT or LA by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable to the CG, SG, UT or LA under such contract. **Example:-** The Public Works Department of Karnataka contracted M/s. ABC, a construction company, to build its office complex by 31st December. If terms were breached, damages or penalties would apply. M/s. ABC failed to complete the construction by the deadline. Consequently, the Department demanded damages and M/s. ABC paid ₹10,00,000/- for non-performance. This payment is exempt from tax.

4/5 Service provided by Governmental Authority for Article 243W & 243G

Exemption	➲ Services provided by a **governmental authority** related to functions entrusted to a **municipality under Article 243W** of the Constitution. ➲ Services provided by a **governmental authority** concerning functions given to a **Panchayat under Article 243G** of the Constitution.
Definition of Governmental Authority	**As per para 2(zf) :** an authority or a board or any other body (i) Set up by an Act of Parliament or a State Legislature, or (ii) Establish by Govt. **with 90%** or more participation by way of equity or control, to carry out any function entrusted to a **municipality under article 243W** of the Constitution or to a **Panchayat under Article 243G** of the Constitution

	CBIC Clarification	**GST on statutory collections made by Real Estate Regulatory Authority (RERA) [Cir. No. 228/22/2024 dt. 15/07/24]**
		➢ RERA is constituted under Real Estate (Regulation & Development) Act, 2016 to regulate real estate development & construction of building entrusted to them under Indian Constitution. ➢ RERA is a governmental authority as per definition in exemption notification. ➢ **Thus, statutory collections made by RERA are exempt.**
65A	**Right to Information Act, 2005**	
	Exemption	Services by way of providing information under the Right to Information Act, 2005

Services to Government

Sr. No.		
3B	**Public services to Government Authority**	
	Services provided to a Governmental Authority by way of - (a) water supply; (b) public health; (c) sanitation conservancy; (d) solid waste management; and (e) slum improvement and upgradation.	
***72	**Training Program for Government**	
	Exemption	Services provided to the CG, SG or UT administration under any training programme for which 75% or more of the total expenditure is borne by the CG, SG or UT administration.
	Clarification	Coaching services under 'Scholarships for students with Disabilities" [Circular No. 164 /20 /2021-GST]
		Services provided by any institutions/ NGOs under the central scheme of 'Scholarships for students with Disabilities" where total expenditure is borne by the Government = Exempt
25	**Transmission or Distribution of Electricity**	
	Exemption	'Transmission or distribution of electricity by an electricity transmission or distribution utility"
	Pictorial Presentation	

	Definition	Electricity Transmission or Distribution Utility (ETDU) It includes the following: ➲ The Central Electricity Authority ➲ A State Electricity Board ➲ The Central Transmission Utility (CTU) ➲ A State Transmission Utility (STU) notified under the Electricity Act, 2003 ➲ A distribution or transmission licensee licensed under the said or ➲ Any other entity entrusted with such function by the central or state Government.
	Non - Applicability of Exemption **Refer Question from our Questionnaire: CCP 08.12.22.00**	In this regard CBIC has clarified that the other services provided by DISCOMS (distribution companies) to consumer against charges are **liable to GST** such as,- i. Application fee for releasing connection of electricity ii. Rental Charges against metering equipment iii. Testing fee for meters/transformers, capacitors etc. iv. Labour charges from customers for shifting of meters or shifting of service lines v. charges for duplicate bill
25A	**Ancillary Services in Electricity Transmission & Distribution**	Newly Inserted by N/N 08/2024
	Exemption	Supply of services by way of ➲ providing metering equipment on rent, testing for meters / transformers / capacitor etc., releasing electricity connection, ➲ shifting of meters/service lines, issuing duplicate bills etc., which are incidental or ancillary to the supply of transmission and distribution of electricity provided by electricity transmission and distribution utilities to their consumers.

Sr. No. — Construction Sector

10 (c) Construction etc or Original Work to Pradhan Mantri Awas Yojana

Exemption

Services provided by	By way of		
way of **pure labour contracts** of	Construction	Installation	Repair Maintenance
	Erection	Completion	Renovation or
	Commissioning	Fitting out	Alteration of

➲ civil structure or ➲ any other original works pertaining to the beneficiary-led individual house construction or enhancement under the 'Housing for All (Urban) Mission or Pradhan Mantri Awas Yojana".

Definitions

"Original Works" means- all new constructions;

(i) All types of additions and alterations to abandoned or damaged structures on land that are required to make them workable.

(ii) Erection, commissioning or installation of plant, machinery or equipment or structures, whether pre-fabricated or otherwise.

* **

11 * Construction etc or Original Work to Single Residential Unit

Exemption

	Services By way of		
Pure labour contracts of	Construction ✓	of	Original Work pertaining to A single residential unit otherwise than as a part of a residential complex (खुद के Plot पे खुद का घर तो Exempt)
	Erection ✓		
	Commissioning ✓		
	Installation ✓		

Definitions

1. "Single Residential Unit" means a self-contained residential unit which is designed for use, wholly or principally, for residential purposes for one family.

> **Note:-** Construction of Bungalow or house having more than one rooms in a unit and cannot be separated or sold individually as per municipal record, then it would be treated as single residential unit & no GST is payable on aforesaid activities.

2. "Residential Complex" means any complex comprising of a building or buildings, having more than one single residential unit

Refer Question from our Questionnaire: CCP 08.13.23.00

An Unincorporated Body & Housing Society

77 Service by an unincorporated Body or a Non-Profit Entity

Exemption

Service by an unincorporated body or a non- profit entity registered under any law for the time being in force, to its own members by way of reimbursement of charges or share of contribution

a)	as a trade union;
b)	for the provision of carrying out any activity which is exempt from the levy of GST; or
c)	up to an amount of ₹ 7500 per month per member for sourcing of SOG & SOS from a third person for the common use of its members in a housing society or a residential complex.

Refer Question from our Questionnaire: CCP 08.14.25.00 - (1) (IMP)

Clarification

Co-operative Housing Society or Resident Welfare Association (RWA)

Meaning	➲ Co-operative Housing Society is a collective body of persons who stay in a residential society ➲ It provide services like collecting dues, maintenance, and security to members. ➲ It's included in definition of person like a club or AOP who provides service to its member. & sec 7(1)(a9) applies.
GST Implications & Registration	Housing society activities can attract GST. Registration required if turnover exceeds the threshold unless exempted.
Exemption	RWA services to its members, up to ₹ 7500 per month per member, are exempt.
Taxability * *	If society's monthly contribution is below ₹ 7,500/- per member, no GST is charged, even if registered.

Non requirement of Registration	1) If the society/RWA's turnover is below the registration threshold and monthly member contributions are under ₹ 7,500 (exempt services), and no other taxable services are provided, then there's no need for GST registration. 2) Even if maintenance charges are over ₹ 7500 per month per member, an RWA doesn't need GST registration if its annual turnover remains below the threshold.

Annual turnover of RWA	Monthly maintenance Charges	Whether Exempt?
More than ₹ 20 lakh	More than ₹ 7500	No ✓
	₹ 7500/- or less	Yes ✓
₹ 20 lakh or less	More than ₹ 7500	Yes ✓
	₹ 7500/- or less	Yes ✓

** **Multiple Flats Ownership**	A person may own 2 or more flats in the housing society / residential complex, the ceiling of ₹ 7500/- per month per member is applied separately for each residential apartment owned by the person.
If maintenance charges exceeds ₹7500	if the monthly contribution exceeds ₹ 7,500/- per member, entire contribution is taxable. Example:- RWA collected the maintenance charges of ₹9,000 per month per member, GST @18% shall be payable on the entire amount of ₹9,000 and not on [₹9,000 - ₹7,500] = ₹1,500.
ITC Credit.	RWA's ITC Entitlement: RWA can take ITC of GST paid on capital goods (e.g., generators, water pumps, lawn furniture) and goods (e.g., taps, pipes, sanitary/hardware fittings). Input Services for ITC: ITC is also available on input services like repair and maintenance used for making supplies to members. Discharging GST Liability: The availed ITC can be used to discharge GST liability on supplies where the amount charged exceeds ₹ 7,500 per month per member.
Taxability on charges collected by societies	Government Services: Services by government bodies to non-business entities, including Property and Water Tax collected by RWA for Municipal Corporation, are exempt from GST. Statutory Charges and GST: Non-Agricultural Tax and Electricity Charges aren't GST taxed unless the society provides the services in which case they're liable. RWA Service Charges and GST: Sinking fund, maintenance fund, parking, non-occupancy charges, and late fees attract GST, being society-collected service charges.

77A	Service by an unincorporated Body or a Non-Profit Entity
Exemption	Services provided **by an unincorporated body or a non-profit entity** registered under any law for the time being in force, engaged in,- (i) activities relating to the welfare of industrial or agricultural labour or farmers; or (ii) promotion of trade, commerce, industry, agriculture, art, science, literature, culture, sports, education, social welfare, charitable activities and protection of environment, to its own members against consideration in the form of **membership fee upto an amount of one thousand rupees (Rs 1000/-) per member per year**

Miscellaneous Sector

Sr. No.	
2	**Transfer of a Going Concern**
Exemption	Services - ➲ By way of transfer of a going concern, ➲ As a whole or an independent part thereof; **Note:-** ➢ TRANSFER of a going concern means transfer of a running business which is capable of being carried on by the purchaser as an independent business, ➢ Such sale of business as a whole will comprise comprehensive sale of immovable property, goods and transfer of unexecuted orders, employees, goodwill etc. ➢ Transfer of business for a lump sum, often referred to as slump sale, falls under this category.
52	**Organization of Business Exhibition outside India**
Exemption	Services by an organiser to any person in respect of a business exhibition held outside India.
9B	**Supply of services to transit cargo for Nepal and Bhutan**
Exemption	Supply of services associated with transit cargo to Nepal and Bhutan (landlocked countries).

Other Relevant Exemptions

(For Self Study)

Charitable and Religious Sector

60 Service for Kailash Mansarovar and Haj pilgrimage

Exemption:- Services by a **specified organisation** in respect of a **religious pilgrimage** facilitated by the Government of India, under bilateral arrangement.

Specified organization means-

- Kumaon Mandal Vikas Nigam Limited (KMVN), a Government of Uttarakhand Undertaking; or
- 'Haj Committee of India' or 'State Haj Committee including Joint State Committee'

Banking and Financial Sector

27A Service Provided by Banking Company

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

34 Service by an Acquiring Bank

Exemption:- Services by an acquiring bank, to any person in relation to settlement of an amount upto ₹ 2,000 in a single transaction transacted through credit card, debit card, charge card or other payment card service.

Sports Sector

53 Sponsorship of certain Sport Events

Exemption:- Services by way of sponsorship of sporting events organised -

(a) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, State, zone or Country;
(b) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat;
(c) by the Central Civil Services Cultural and Sports Board;
(d) as part of national games, by the Indian Olympic Association; or
(e) under the Panchayat Yuva Kreeda Aur Khel Abhiyaan Scheme.

Government related services

63 Government Services for right to use natural resources for Agriculture

Exemption:- Services provided by CG, SG, UT or LA by way of assignment of right to use natural resources to an individual farmer for cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products.

9C Service Provided by Govt. Entity

Exemption:- Supply of service **by Government Entity in the form of grants to**

- CG, SG, UT or LA or
- any person specified by CG, SG, UT or LA

against consideration received from CG, SG, UT or LA

9D Service Provided by an old age home run by Government

Exemption:- Services by an **old age home** run by Central Government, State Government or by an entity registered under section 12AA or 12AB of the Income-tax Act, 1961

to its residents (aged 60 years or more) against consideration **upto ₹ 25,000 per month per member**, provided that the consideration charged is inclusive of charges for boarding, lodging and maintenance.

65 Government Services of MOT charges on Import/Export

Exemption:- Services provided **by CG, SG or 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.**

65B Services Supplied by a State Government to Excess Royalty Collection Contractor (ERCC)

Exemption:-Service Supplied by SG to Excess Royalty Collection Contractor (ERCC) **by way of assigning the right to collect royalty** on behalf of the State Government on the mineral dispatched by the mining lease holders.

"Mining lease holder" means a person who has been granted mining lease, quarry lease or license or other mineral concession under the Mines and Minerals (Development and Regulation) Act, 1957, the rules made thereunder or the rules made by a State Government under sub-section (1) of section 15 of the Mines and Minerals (Development and Regulation) Act, 1957

Provided that at the end of the contract period, ERCC shall submit an account to the State Government and certify that the amount of goods and services tax deposited by mining lease holders on royalty is more than the GST exempted

on the service provided by State Government to the ERCC of assignment of right to collect royalty and where such amount of GST paid by mining lease holders is less than the amount of GST exempted, **the exemption shall be restricted to such amount as is equal to the amount of GST paid by the mining lease holders** and

the ERCC shall pay the **difference between GST exempted on the service provided by State Government to the ERCC of assignment of right to collect royalty and GST paid by the mining lease holders on royalty.**

44A Research & Development Services Funded by Govt Entities & Notified Institutions

Exemption:-Research and development services against consideration received in the form of grants supplied by –

Newly Inserted by N/N 08/2024

(a) a Government Entity; or

(b) a research association, university, college or other institution, notified u/s 35(1)(ii)/(iii) of Income Tax Act, 1961.

Proviso:- Research association, university, college or other institution, notified u/s 35(1)(ii)/(iii) of Income Tax Act, 1961 is so notified at the time of supply of the research and development service.

Service Provided to Government

11A Services provided by Fair Price Shop

Exemption:-Service provided **by Fair Price Shops to Central Government** by way of sale of food grains, Kerosin, Sugar, Edible Oil etc. under Public Distribution System(PDS) against consideration **in the form of commission or margin.**

3A	**Service to Govt. by way of any Activity in relation to article 243G or 243W**
	Exemption:- **Composite supply of goods and services** in which the value of supply of goods constitutes **not more than 25 %** of the value of the said composite supply ➲ provided to the CG, SG, UT or LA ➲ a Government or Union territory or local authority or **by way of any activity in relation to any function entrusted to a Municipality under article 243W of the Constitution or Panchayats under article 243G of the Constitution.**
40	**Insurance Scheme for Government Services**
	Exemption:- Services provided to the CG, SG, UT under any **insurance scheme** for which total premium is paid by the CG, SG or UT.
16	**Transport by Air to Central Govt.**
	Exemption:- Services provided to the Central Government, by way of transport of passengers with or without accompanied belongings, by air, embarking from or terminating at a **regional connectivity scheme** airport, against consideration in the form of viability gap funding. Provided that nothing contained in this entry shall apply on or after the expiry of a period of three years from the date of commencement of operations of the regional connectivity scheme airport as notified by the Ministry of Civil Aviation.

Other Government Sector

30	**Services provided by Employees State Insurance Corporation**
	Exemption:- Services by the Employees' State Insurance Corporation to persons governed under the Employees' State Insurance Act, 1948 .
31	**Services provided by Employees Provident Fund**
	Exemption:- Services provided by the Employees Provident Fund Organisation to the persons governed under the Employees Provident Funds and the Miscellaneous Provisions Act, 1952 .
31A	**Services provided by Coal Mines Provident Fund Organisation**
	Exemption:- Services by Coal Mines Provident Fund Organisation to persons governed by the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948.
31B	**Services provided by National Pension System (NPS)**
	Exemption:- Services by National Pension System (NPS) Trust to its members against consideration in the form of administrative fee.
38	**Pension Scheme of State Government**
	Exemption:- Services by way of collection of contribution under any pension scheme of the State Governments.
58	**Service Provided by National Centre for Cold Chain Development**
	Exemption:- provided by the National Centre for Cold Chain Development under the Ministry of Agriculture, Cooperation and Farmer's Welfare by way of cold chain knowledge dissemination.
41	**Service by State Government Industrial Development Corporations**
	Exemption:- "Upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable in respect of service by way of granting of long term lease of 30 years, or more) of industrial plots or plots for development of infrastructure for financial business,

	provided by the State Government Industrial Development Corporations or Undertakings or by any other entity having **20 % or more** ownership of CG, SG or UT to the industrial units or the developers in any industrial or financial business area.
	Explanation:- For the purpose of this exemption, the CG, SG or UT shall have 20 % or more ownership in the entity directly or through an entity which is wholly owned by the Central Government or union territory.
	Conditions:- 1) 'Provided that the leased plots shall be used for the purpose for which they are allotted, that is, for industrial or financial activity in an industrial or financial business area 2) Provided further that the State Government concerned shall monitor and enforce the above condition as per the order issued by the State Government in this regard 3) Provided also that in case of any violation or subsequent change of land use, due to any reason whatsoever, the original lessor, original lessee as well as any subsequent lessee or buyer or owner shall be jointly and severally liable to pay such amount of central tax, as would have been payable on the upfront amount charged for the long term lease of the plots but for the exemption contained herein, along with the applicable interest and penalty 4) Provided also that the lease agreement entered into by the original lessor with the original lessee or subsequent lessee, or sub- lessee, as well as any subsequent lease or sale agreements, for lease or sale of such plots to subsequent lessees or buyers or owners shall incorporate in the terms and conditions, the fact that the central tax was exempted on the long term lease of the plots by the original lessor to the original lessee subject to above condition and that the parties to the said agreements undertake to comply with the same
19C	**Service Provided by Satellite Services**
	Exemption:- Satellite launch services.
37	**Collection of Contribution under Atal Pension Yojana**
	Exemption:- Services by way of collection of contribution under the **Atal Pension Yojana.**
70	**Service Provided under SDI Scheme**
	Exemption:- Services of assessing bodies empanelled centrally by the Directorate General of Training, Ministry of Skill Development and Entrepreneurship by way of assessments under the Skill Development Initiative Scheme.
71	**Training Service under Deen Dayal Upadhyaya Grameen Kaushalya Yojana**
	Exemption:- Services provided by training providers (Project implementation agencies) under **Deen Dayal Upadhyaya Grameen Kaushalya Yojana** implemented by the Ministry of Rural Development, Government of India by way of offering skill or vocational training courses certified by the National Council for Vocational Education and Training.
44	**Service Provided by Incubatee**
	Exemption:- Services provided **by an incubatee** up to a total turnover of 50,00,000 in a financial year subject to the following conditions, namely:- (a) the total turnover had not exceeded fifty lakh rupees during the preceding financial year; and (b) a period of three years has not elapsed from the date of entering into an agreement as an incubatee.
	Definition:- Para 2(zh) "incubatee" means an entrepreneur located within the premises of a Technology Business Incubator or Science and Technology Entrepreneurship Park recognised by the National Science and Technology Entrepreneurship Development Board (NSTEDB) of the Department of Science and Technology, Government of India and who has entered into an agreement with the Technology Business Incubator or the Science and Technology Entrepreneurship Park to enable himself to develop and produce hi-tech and innovative products

Construction Sector

10A	**Services Supplied by Electricity Distribution Utilities**
	Exemption:- Services supplied by electricity distribution utilities by way of construction, erection, commissioning, or installation of infrastructure for extending electricity distribution network upto the tube well of the farmer or agriculturalist for agricultural use.
41A/ 41B	**Supply of TDR, FSI, long term lease (premium)**
	Exemption:- Supply of TDR, FSI, long term lease (premium) of land **by a landowner to a developer** have been exempted subject to the condition that the constructed flats aresold before issuance of completion certificate and tax is paid on them. Exemption of TDR, FSI, long term lease (premium) shall be withdrawn in case of flats sold after issue of completion certificate, but such withdrawal shall be limited to 1% of value in case of affordable houses and5% of value in case of other than affordable houses. This will achieve a fair degree of taxation parity between under construction and ready to movable property [Effective from 01.04.2019]
	Clarification on availability of GST exemption on the upfront amount payable in installments for long term lease of plots
	Clarification:- In respect of GST exemption granted vide Entry 41 on the upfront amount which is determined upfront but is paid or payable in instalments for long term (30 years, or more) lease of industrial plots or plots for development of financial infrastructure, it has been clarified vide Circular No. 101/20/2019 GST dated 30.04.2019 that GST exemption on the upfront amount is admissible irrespective of whether such upfront amount is payable or paid in one or more instalments, provided the amount is determined upfront

Life/ General Insurance Sector

28	**Services of life Insurance Business**
	Exemption:- Services of life insurance business provided by way of annuity under the **National Pension System** regulated by the Pension Fund Regulatory and Development Authority of India under the Pension Fund Regulatory and Development Authority Act, 2013. **Note :** Para 2(zn) "life insurance business" has the same meaning as assigned to it in clause (11) of section 2 of the Insurance Act, 1938 ;
29	**Services of Life Insurance Business**
	Exemption:- Services of life insurance business provided or agreed to be provided 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 the CG.
29A	**Services of Life Insurance Business**
	Exemption:- Services of life insurance provided or agreed to provided by the **Naval Group Insurance Fund** to the personnel of Coast Guard under the Group Insurance Schemes of the Central Government.
29B	**Services of Life Insurance**
	Exemption:- Services of life insurance provided or agreed to be provided by the Central Armed Police Forces (under Ministry of Home Affairs) Group Insurance Funds to their members under the Group Insurance Schemes of the concerned Central Armed Police Force.

35 Specified General Insurance Scheme

Exemption:-Services of general insurance business provided under following schemes –

(a) Hut Insurance Scheme;
(b) Cattle Insurance under Swarnajaynti Gram Swarozgar Yojna (earlier known as Integrated Rural Development Programme);
(c) Scheme for Insurance of Tribals;
(d) Janata Personal Accident Policy and Gramin Accident Policy;
(e) Group Personal Accident Policy for Self-Employed Women;
(f) Agricultural Pumpset and Failed Well Insurance;
(g) premia collected on export credit insurance;
(h) Restructured Weather based Crop Insurance Scheme (RWCIS)
(I) Jan Arogya Bima Policy;
(j) Pradhan Mantri Fasal Bima Yojana (PMFBY)
(k) Pilot Scheme on Seed Crop Insurance;
(l) Central Sector Scheme on Cattle Insurance;
(m) Universal Health Insurance Scheme;
(n) Rashtriya Swasthya Bima Yojana;
(o) Coconut Palm Insurance Scheme;
(p)Pradhan Mantri Suraksha BimaYojna;
(q) Niramaya Health Insurance Scheme implemented by the Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 (44 of 1999).
(r) Bangla Shasya Bima

36 Life Insurance Services

Exemption:- Services of life insurance business provided under following schemes-

(a) Janashree Bima Yojana;
(b) Aam Aadmi Bima Yojana;
(c) Life micro-insurance product as approved by the Insurance Regulatory and Development Authority, having maximum amount of cover of **₹2 Lacs;**
(d) Varishtha Pension BimaYojana;
(e) Pradhan Mantri Jeevan JyotiBimaYojana;
(f) Pradhan Mantri Jan DhanYogana;
(g) Pradhan Mantri Vaya Vandan Yojana.

Definitions:- Para 2(zo) "life micro-insurance product" shall have the same meaning as assigned to it in clause (e) of regulation 2 of the Insurance Regulatory and Development Authority (Micro-insurance) Regulations, 2005;

36A Re-Insurance Services

Exemption:- Services by way of reinsurance of the insurance schemes specified in serial number **35 or 36 or 40**

Circular No. 228/22/2024 dt. 15/07/24.

Inclusion of retrocession services in reinsurance. :-

- As per IRDAI (Re-insurance) Regulations, 2018, 'Retrocession' means a re-insurance transaction whereby a part of assumed reinsured risk is further ceded to another Indian Insurer or a CBR (Cross Border Re-insurer).
- Thus, 'reinsurance' under Sl.No. 36A of exemption notification **includes 'retrocession' services.**

39	**Intermediary Service**
	Exemption:- Services by the following persons in respective capacities – (a) business facilitator or a business correspondent to a banking company with respect to accounts in its rural area branch (b) any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in entry (a); or (c) business facilitator or a business correspondent to an insurance company in a rural area.
	Clarification on the scope of services by BF/BC to banking company with respect to accounts in rural areas [Circular No. 86/05/2019]
	Clarification:- Services provided by a BF/BC to a banking company in their respective individual capacities should fall under the Heading 9971 (Banking and Financial and related services) and such services should be with respect to accounts in a branch located in the rural area of the banking company. The criteria for classification of branch of a bank as located in rural area and the services which can be provided by BF/BC, is governed by the RBI guidelines. Therefore, classification adopted by the bank in terms of RBI guidelines in this regard should be accepted.
39A	**Intermediary Service**
	Exemption:- Services by an intermediary of financial services located in a multi servies SEZ with International Financial Services Centre (IFSC) statues to a customer located outside India for international financial services in currencies other than Indian rupees (INR).
	Explanation:- For the purposes of this entry, the intermediary of financial services in IFSC is a person- (i) who is permitted or recognized as such by the Government of India or any Regulator appointed for regulation of IFSC or (ii) who is treated as a person resident outside India under the Foreign Exchange management (International Financial Services Center) Regulations, 2015. (iii) who is registered under the Insurance Regulatory and Development Authority of India (International Financial Service Center) Guidelines, 2015 as IFSC Insurance Officer. (iv) who is permitted as such by Securities and Exchange Board of India (SEBI) under the Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015
48	**Services recognised by Biotechnology Industry Research Assistance Council (BIRAC)**
	Exemption:- Taxable services, provided or to be provided, **by a Technology Business Incubator or a Science and Technology Entrepreneurship Park** recognised by the National Science and Technology Entrepreneurship Development Board of the Department of Science and Technology, Government of India or bio-incubators recognised by the Biotechnology Industry Research Assistance Council, under the Department of Biotechnology, Government of India.
49	**News Services**
	Exemption:- Services by way of **collecting or providing news by** an independent journalist, Press Trust of India or United News of India.
50	**Public Library Service**
	Exemption:- Services of **public libraries** by way of lending of books, publications or any other knowledge-enhancing content or material.

76	Public Services
	Exemption:- Services by way of **public conveniences** such as provision of facilities of bathroom, washrooms, lavatories, urinal or toilets.

Training Sector

69	Service by NSDC etc.	Substituted by N/N 08/2024
	Exemption:- Any services provided by – a. the National Skill Development Corporation set up by the Government of India; b. the National Council for Vocational Education and Training; c. an Awarding Body recognized by the National Council for Vocational Education & Training; d. an Assessment Agency recognized by the National Council for Vocational Education and Training; e. a Training Body accredited with an Awarding Body that is recognized by the National Council for Vocational Education and Training, in relation to- i) the National Skill Development Programme or any other scheme implemented by the National Skill Development Corporation; or ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or iii) any National Skill Qualification Framework aligned qualification or skill in respect of which the National Council for Vocational Education and Training has approved a qualification package.	

Refer Questionnaire for Question on Combined Provisions: CCP 08.14.24.01, CCP 08.14.26.00, CCP 08.14.27.00, CCP 08.14.28.00 (IMP), CCP 08.14.29.00, CCP 08.14.30.00, CCP 08.14.31.00 - (4) (IMP)

CHAPTER - 10
PAYMENT OF TAX & TDS-TCS

INDEX

Section	Description	
Sec 49	Payment of tax, interest, penalty and other amounts	227
Sec49A	Utilisation of ITC subject to certain conditions.	230
Sec 49B	Order of utilisation of ITC	230
Sec 50	Interest on delayed payment of tax	232

Section	Description	
Sec 51	TDS	235
Sec 52	TCS	239

CGST rules pertaining to Payment of Tax

Rule No.	Description	
85	Electronic Liability Register	232
86	Electronic Credit Ledger	230
87	Electronic Cash Ledger	227
88	Identification number for each transaction	179
88A	Order of utilization of input tax credit	230

Introduction

- Under GST regime, CGST, SGST, UTGST, IGST, CESS, interest, late fee, penalty, TDS, TCS, etc. are required to be paid to Govt.
- Electronic Ledgers or E-Ledgers are a unique feature under GST regime which are of 2 types:-
  - 1st set is prepared & updated by Tax payer- **E-Cash Ledger** & **E- Credit Ledger.**
  - 2nd set is prepared & updated based on returns furnished by Registered person or Tax authority i.e. **E-Liability register.**
- Once, a person is registered under GST, these 3 E-ledgers are automatically opened & displayed on his dash board on common portal at all times.

Note:- Payment of tax provisions of CGST Act are also made applicable to IGST Act u/s sec 20 of IGST Act.

Important Definitions :-

Sec 2(14):- Authorised bank

shall mean a bank or a branch of a bank authorised by the Government to collect the tax or any other amount payable under this Act

Sec 2(26):- Common Portal → GSTN Portal

means the common goods and services tax electronic portal referred to in section 146

Sec 2(36):- Council

means the Goods and Services Tax Council established under article 279A of the

Sec 2(43):- Electronic Cash ledger

means the electronic cash ledger referred to in Section 49(1)

Sec 2(46):- Electronic Credit ledger

means the electronic credit ledger referred to in Section 49(2)

Sec 2(80):- Notification

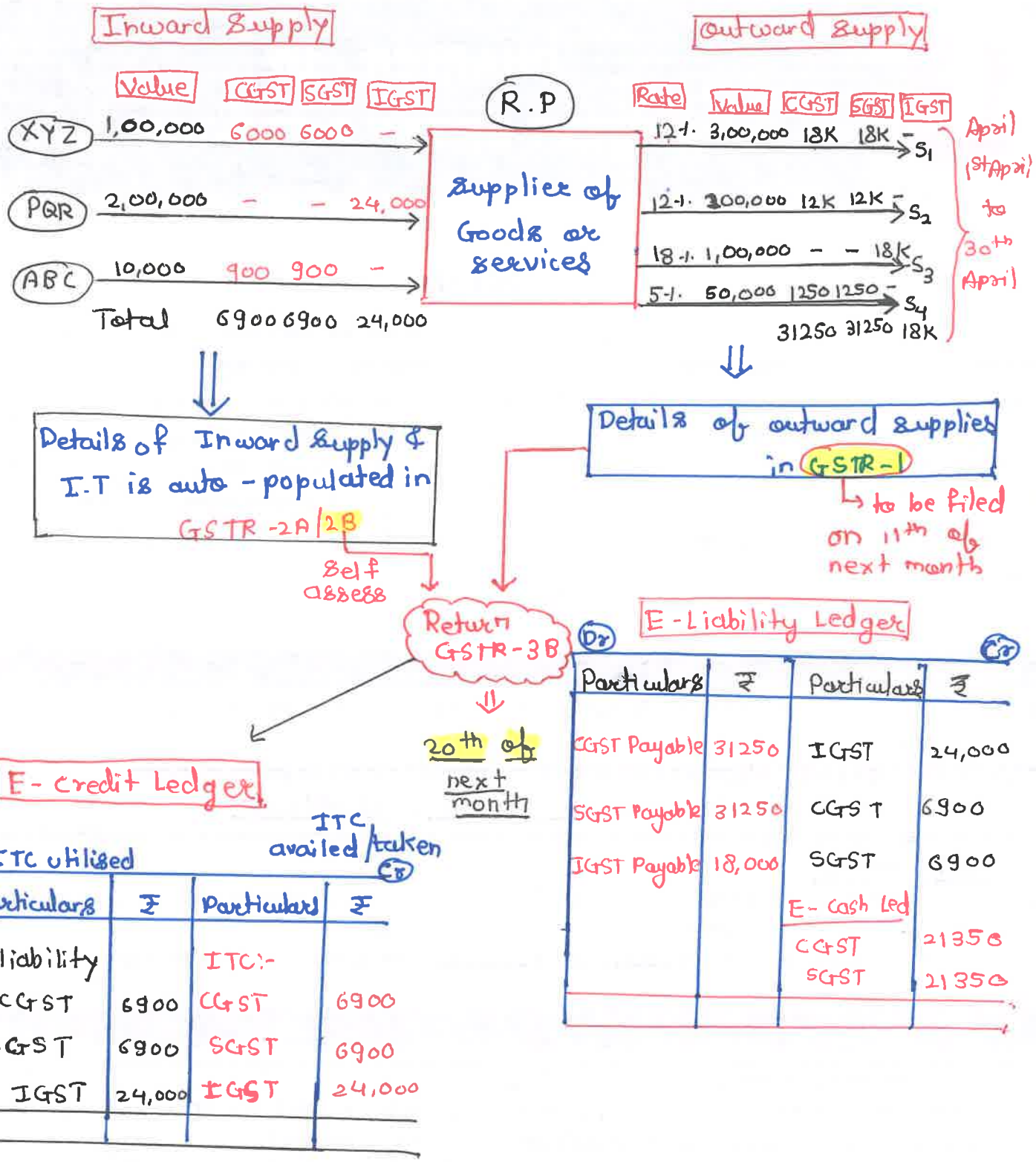
means a notification published in the Official Gazette and the expression 'notify" and 'notified" shall be construed accordingly

Sec 2(106):- Tax Period ✳

means the period for which the return is required to be furnished GSTR-3B

Sec 2(117):- Valid return GSTR-3B

means a return furnished under section 39(1) on which self-assessed tax has been paid in full


Inward Supply
Outward Supply
Value
CGST
SGST
IGST
R.P
XYZ 1,00,000 6000 6000 -
PQR 2,00,000 - - 24,000
ABC 10,000 900 900 -
Total 6900 6900 24,000
Supplier of Goods or services
Rate
Value
CGST
SGST
IGST
12% 3,00,000 18K 18K - S1
12% 3,00,000 12K 12K - S2
18% 1,00,000 - - 18K S3
5% 50,000 1250 1250 - S4
31250 31250 18K
April (1st April to 30th April)
Details of Inward Supply & I.T is auto-populated in GSTR-2A/2B
Self assess
Details of outward supplies in GSTR-1
to be filed on 11th of next month
Return GSTR-3B
20th of next month
E-Liability Ledger
Dr
Cr
Particulars ₹ Particulars ₹
CGST Payable 31250 IGST 24,000
SGST Payable 31250 CGST 6900
IGST Payable 18,000 SGST 6900
E-cash Led
CGST 21350
SGST 21350
E-credit Ledger
ITC availed/taken
Dr ITC utilised Cr
Particulars ₹ Particulars ₹
E-liability
CGST 6900 CGST 6900
SGST 6900 SGST 6900
IGST 24,000 IGST 24,000
E-Cash ledger
Dr Cr
Particulars ₹ Particulars ₹
E-liability → Ledger
CGST 21350
SGST 21350
bal C/F
CGST 28650
SGST 28650
IGST 50,000
cash deposit
CGST 50,000
SGST 50,000
IGST 50,000
TDS ✓
TCS ✓
Such excess balance of E-cash ledger
a.) either C/F for use of next month liability
or
b.) It can be refunded
GST ⇒ TDS TCS

ELECTRONIC CASH LEDGER [SECTION 49(1),(3),(6),(10) & (11) READ WITH RULE 87 OF CGST RULES]

Deposition of amount in E-Cash Ledger

E- Cash Ledger

- **E- Cash Ledger** is an online record on the GST Portal showing all payments made by a taxpayer.
- It summarizes **deposits for tax, interest, penalties, late fees, or other charges.**
- Each deposit made is credited, and any payment made (tax, interest, penalties, etc.) is debited from this ledger.

Deposit Modes in E-Cash Ledger

- **Deposits can be made via various modes through PMT -06 challan:**
  - **Internet Banking:** Through authorized banks.
  - **Unified Payment Interface (UPI):** From any bank.
  - **Immediate Payment Services (IMPS):** From any bank.
  - **Credit/ Debit Card:** Through authorized banks.
  - **NEFT or RTGS:** From any bank.
  - **Over the Counter Payment (OTC):** Up to ₹10,000 per challan per tax period, by cash, cheque, or demand draft, through authorized banks. MCQ

  So, deposits can be made **online (no limit)** as well as **over the counter (with limit).**

  * **Exceptions to Deposit Limit over the counter:-** The ₹10,000 limit per challan for Over the Counter payments does not apply to: In following cases payment more than ₹10,000 is allowed on OTC
    - Government Departments or others notified by the Commissioner.
    - Proper Officer or Authorized Officer: For recovering dues, including through property (movable or immovable) attachment or sale.
    - During Investigations or Enforcement Activities: Cash, cheque, or demand draft collected by officers.

  - **Special Payment mode for OIDAR or Online money gaming:-** If someone provides OIDAR services to NTOR or online money gaming services in India, they can make payments using the Society for Worldwide Interbank Financial Telecommunication (SWIFT) network.

Debit / Credit to E- Cash Ledger

Refer Questionnaire: CCP 09.04.06.00

Debit Amount (DR)	Credit Amount (CR)
- Credit amount of this ledger may be used for payment of tax, interest, fees etc. (transfer to liability register)	- **Any deposit made towards tax, interest, penalty, late fee etc. via internet banking, RTGS, fund transfer etc.**
- Remaining credit balance amount after payment of above tax etc. will be C/F or refunded to taxable person.	- **TDS/TCS claimed**

What is CPIN, CIN, BRN and E-FPB?

CPIN

- It stands for **Common Portal Identification Number.**
- It is created for every challan successfully generated by Taxpayer.
- It is a **14-digit** unique number to identify the challan.
- It remains valid for 15 days.

CIN	➲ It stands for **Challan Identification Number.** ➲ It is generated by authorised bank/RBI when payment is actually received by them & credited in relevant Govt. account held with them. ➲ CIN is communicated by authorised bank to taxpayer as well as to GSTN. **Author's Comment:-** ➲ As per CA Inter ICAI Study Material, CPIN is 17-digit number i.e. 14-digit CPIN + 3 digit Bank code. This is wrongly given by ICAI in Inter module. ➲ ICAI have correctly given 18-digit CPIN in CA Final Study Material, as above. [14 digit CPIN + 4 dig.† Bank code]
BRN	➲ It stands for Bank reference number. ➲ It is the transaction number given by bank for a payment against a challan
E - FPB	➲ It stands for **Electronic Focal Point Branch.** ➲ These are branches of authorized banks that are authorized to collect payment of GST. ➲ Each authorized bank will nominate only 1 branch as its E-FPB for PAN India transaction ➲ E-FPB will have to open accounts under each major head for all govts. ➲ Any amount received by such E-FPB towards GST will be credited to the appropriate account held by such E-FPB. ➲ For NEFT/RTGS Transactions, RBI will act as E-FPB.

Other Aspects relating to Challan

Generating E-Challan	➲ **Form PMT 06:** Anyone can generate a challan on the GST Portal to deposit tax, interest, penalty, fees, etc. ➲ **Validity:** The e-challan is valid for 15 days. ➲ **Commission for payment:** The person making the payment bears the commission fees.
Mandate Form for NEFT/RTGS/ IMPS	➲ **Submission Requirement:** After NEFT/RTGS/IMPS payment, submit the mandate form to the bank. ➲ **Form Validity:** The mandate form is valid for 15 days.
Challan Identification Number (CIN)	➲ **Generation and Indication:** Post successful payment, the bank generates a CIN, indicated on the challan. ➲ **Credit and Receipt:** The amount is credited to the E- cash ledger **of person on whose behalf deposit is made**, and the GST Portal generates a receipt.
Issues with CIN	➲ **Non-Generation or Non-Reflection:** If CIN isn't generated or reflected on the portal, use FORM GST PMT-07 to make a representation. ➲ **Platform for Representation:** This can be done through the common portal or the e-gateway used for payment.
✳ **Updating E-Cash Ledger Without CIN**	**Using RBI's e-Scroll:** If the bank doesn't communicate the CIN, the ledger can be updated based on RBI's e-Scroll, matching challan details. E-cash
Debit Date in E-Cash Ledger	**Treasury Credit Date:** The date when the amount is credited to the SG/CG treasury is considered as the debit date in the electronic cash ledger.
TDS and TCS Amounts	**Credit to Ledger:** Amounts deducted u/s 51 (TDS) or collected u/s52 (TCS) and claimed are credited to the payer's E- cash ledger. **Refer Questionnaire:CCP 09.03.05.00**

Reporting Discrepancies	**Communication Method:** Report any discrepancies in the electronic cash ledger to the jurisdictional officer via the common portal, in the prescribed form.
Payment by Unregistered Persons	**Temporary Identification Number:** Unregistered persons must pay through the electronic cash ledger using a temporary ID generated on the GST Portal.

Utilisation of E-Cash Ledger

Manner of utilization of amount reflected in E-Cash Ledger

E- Cash Ledger Function: Funds in the ledger are allocated for tax, interest, penalty, fee, or other payments as per the CGST Act.

Organization: It's structured into major heads (IGST, CGST, SGST/ UTGST, CESS) and subdivided into minor heads.

	Major Head				
Minor Head	Integrated Tax(₹)	Central Tax (₹)	State/UT Tax (₹)	Cess (₹)	Total (₹)
Tax					
Interest					
Late Fee					
Penalty					
Other					

Depositing Funds: Taxpayers can deposit cash through approved methods via banks, for use against various GST-related liabilities.

Transfer of Amount in E-Cash Ledger (Sec 49(10)& (11))

- **Permissible Transfers:** RP can transfer amounts between different major & minor heads within their E-Cash Ledger for IGST, CGST, SGST, UTGST, and Cess.
- **Transfer to Distinct Person:** RP may also transfer any available amounts from the major & minor heads of their E-Cash Ledger to the E-Cash Ledger for IGST/CGST of DDP, as per Sec 25(4)/25(5), provided there are no unpaid liabilities in their E-liability register.
- **Form PMT-09:** This form may be utilized for:
  a) Correcting erroneous deposits by transferring amounts from one minor head to another within the same or different major heads.
  b) Transferring any unutilized amounts from minor heads within the E-Cash Ledger.
  c) Transferring amounts from the E- cash ledger to the E-Cash Ledger for CGST or IGST of DDP.

Refer Questionnaire: CCP 09.09.15.00 & CCP 09.09.16.00

Example: A RP has unutilized amounts in their E-Cash Ledger for CGST & SGST. He wish to transfer ₹5,000 from the SGST minor head to the CGST minor head to cover upcoming tax liabilities. Additionally, he want to transfer ₹3,000 to the E-Cash Ledger for IGST of a distinct person (DDP). Before making these transfers, what conditions must the RP check regarding their E-liability register, and which form should they use to document these transactions?

Answer: The RP must ensure that there are **no unpaid liabilities** in their E-liability register before making the transfers. To document these transactions, they should use **Form PMT-09.**

Other peculiar aspects of E-Cash Ledger Refer Questionnaire: CCP 09.04.07.00 (IMP)	**Payment by Unregistered Persons:** Unregistered individuals must use the electronic cash ledger for payments, utilizing a temporary identification number from the common portal. (TIN) **Refund Claims from Ledger:** When a refund is claimed, the corresponding amount is debited from the ledger. **Handling Rejected Refunds:** If a refund claim is partially or fully rejected, the debited amount is re-credited to the ledger by the Proper Officer to the extent of the rejection.

ELECTRONIC CREDIT LEDGER [SECTION 49(2), (4) & (5), SECTION 49A, SECTION 49B READ WITH RULE 86, 86A, 86B AND 88A OF CGST RULES]

Sub-Sec	Provision
Self-Assessed ITC	The ITC self-assessed by a RP in his return is credited to their Electronic Credit Ledger to be maintained in a prescribed form.
* * * * **Non-utilisation of ITC for tax liability under RCM**	➲ Amount available in e-credit ledger may be used for making any payments towards only the Output tax and not for other amounts such as interest, penalty, fees, etc. ➲ Definition of output tax excludes tax payable under RCM & hence, ITC cannot be used for paying tax under RCM. **Note:** ITC available in E-credit ledger of CGST/SGST & IGST cannot be utilized towards the payment of Compensation cess but ITC of Compensation cess can be used for the same. Refer Questionnaire: CCP 09.04.08.00 (IMP) & CCP 09.04.09.00

Manner of utilisation of ITC [Combined reading of section 49(5), 49A, 49B, rule 88A and Circular No. 98/17/2019

Manner of Utilization of ITC (read with Sec 49(5)/49A/49B/Rule 88)

INWARD SUPPLY	OUTWARD SUPPLY		
1. IGST	First: IGST	Any: CGST	Any: SGST
2. CGST	First: CGST	Second: IGST	
3. SGST	First: SGST	Second: IGST	

It should be noted that CGST cannot be used against SGST/UGST or vice-versa

1. **Priority of Utilization of IGST Credit:** Available IGST credit in the credit ledger should first be utilized towards payment of IGST. Remaining amount if any, can be utilized towards the payment of CGST and SGST/UTGST in any order and in any proportion.
2. **Mandatory Full Utilization of IGST ITC:** Entire ITC of IGST is to be fully utilised first before the ITC of CGST or SGST/UTGST can be utilized.
3. **Utilization of CGST Credit:** Available CGST Credit in the credit ledger shall first be utilized for payment of CGST. Remaining amount if any, will be utilized for payment of IGST
4. **Utilization of SGST/UTGST Credit :** Available SGST /UTGST credit in the credit

ledger shall first be utilized for payment of SGST/UTGST. Remaining amount if any, will be utilized for payment of IGST, only when credit of CGST is not available for payment of IGST

Note:- Utilization of E-credit ledger is subject to restrictions of Rule 86A & 86B. It is already discussed at the end of the chapter of ITC.

Debit / Credit to E-Credit Ledger

Debit Amount (DR)	Credit Amount (CR)
Credit amount of this ledger may be used for payment of output tax viz IGST, CGST, SGST, UTGST in the prescribed order (transfer the liability register).	Input Tax credit as self-assessed in the return in the form of IGST, CGST, SGST, UTGST

Refer Questionnaire: CCP 09.05.10.00

CBIC has provided clarifications regarding utilization of the amounts available in the electronic credit ledger and the electronic cash ledger for payment of tax and other liabilities [Circular No. 172/04/2022]:-

Electronic Credit Ledger

Situation	Clarification
Used for Payment of Output Tax (Yes)	➲ Amount in the E- credit ledger can be used to pay output tax under CGST/SGST/UTGST or IGST in accordance with sections 49/49A/49B.
Cannot be used for RCM (No)	E- credit ledger cannot be used for paying tax under reverse charge mechanism, as output tax does not include such tax.
Cannot be used for payment of other liabilities	Electronic credit ledger cannot be used for paying interest, penalty, fees, or any other amount except output tax. **Note:-** Cannot be used to repay erroneous refunds sanctioned in cash

Electronic Cash Ledger

Payment of Any GST Liability	The E- cash ledger can be used for paying any form of liability under GST laws, including tax, interest, penalty, fees, or any other amount.

Common Points for Electronic Cash & Credit Ledger

- ➲ **Refund Claim:** If a person claimed for a refund from their electronic cash or credit ledger, that amount will be taken out of their ledger.
- ➲ **If Refund is Rejected:** If the refund request is rejected (either completely or partially), the amount that was taken out will be credited to their electronic cash or credit ledger by the tax officer using a specific form.
- ➲ **Unique Identification Number:** A UIN will be created for each debit or credit transaction in the electronic cash or credit ledger.
- ➲ **Liability Register:** The unique identification number for any payment of taxes will also be shown in the electronic liability register.

Refer Questionnaire: CCP 09.02.04.00

*1) Refund of excess balance of E-cash ledger : allowed
2) Refund of excess balance of E-credit ledger : Not allowed
Except for ZRS.

ELECTRONIC LIABILITY REGISTER [SECTION 49(7), (8) & (9) READ WITH RULE 85 OF CGST RULES]

All liabilities of a taxable person will be recorded & maintained in a separate register named 'E-Liability Registe

Order of discharge of tax and other dues

Sec 49(8) prescribes the chronological order in which the liability of a taxable person has to be discharged:

- **Self-assessed tax,** and other dues **related to returns of previous tax periods** have to be discharged first.
- **Next self-assessed tax,** and other dues **related to the return of the current tax period**
- Lastly, any other amount payable under this Act or the rules made thereunder including the demand determined under sec 73 or sec 74 is payable.

This sequence has to be mandatorily followed.

Refer Questionnaire:CCP 09.07.12.00 (IMP) & CCP 09.07.13.00 (IMP)

Note:- **"Tax Dues"**: means the tax payable under this Act and does not include interest, fee and penalty.
"Other Dues" : mean interest, penalty, fee or any other amount payable

Presumption that incidence of tax is passed on

Sec 49(9) implies that when a taxable person pays GST under the corresponding Act, it's assumed they've passed the tax burden to the recipient of goods/services.

Note:- This applies unless proven otherwise. This is particularly relevant for Sec 54 regarding tax refunds, where the payer must prove that the tax incidence wasn't transferred to the recipient.

Refer Questionnaire:CCP 09.08.14.00

Debit/Credit to E- liability register

Debit Amount (DR)	Credit Amount (CR)
➲ Amount payable towards tax, interest, fees etc. ➲ Tax or interest payable due to mismatch	➲ Electronic cash ledger
➲ Any other Due ➲ Amount payable towards output tax	➲ Electronic Credit ledger

Refer Questionnaire: CCP 09.06.11.00

- ➲ all amounts payable towards tax, interest, late fee and any other amount as per return filed;
- ➲ all amounts payable towards tax, interest, penalty and any other amount determined in a proceeding by a PO or as ascertained by the said person;
- ➲ interest payable u/s 50 or that may accrue from time to time

* * * *

Sub-Sec — Sec 50:-Interest on delayed payment of tax & Wrongly utilisation of ITC [read with rule 88B]

1 Interest on Delayed Payment of Tax

Due date of payment of tax

Return u/s 39(i.e. GSTR-3B) cannot be filed without payment of tax. Therefore we can reasonably say that due date of payment of tax is the due date of filing return (except QRMP Scheme).

When interest is payable?

Interest is payable in case of delay in payment of tax, in full or in part within the prescribed period which is mentioned below.

Rate of interest

The notified rate of interest is 18% p.a. (calculate on daywise basis)

Manner of calculating interest on delayed payment of tax **

The interest in cases where the tax return has been furnished after the due date (but furnished before commencement of proceedings u/s 73 or 74) shall be levied on that portion which is paid by debiting the electronic cash ledger (Net Liability)

Note: Debit to e-cash ledger includes Net output liability (output tax – ITC) & RCM payment

Refer Questionnaire: CCP 09.10.17.00

		Comment :- If return is filed within due date but tax is short paid, then proviso shall not apply and interest is payable on gross tax liability.
	No Interest if sufficient balance in E-CashLedger before filing return	➲ If an amount is credited to the E-Cash Ledger as per section 49(1) before the due date for filing a return, but is then debited for tax payment after that due date, this amount will not be included in the interest calculation. ➲ This is only applicable if the amount remained in the ledger from the due date until the time it was debited for the tax payment. Newly Inserted by N/No. 12/2024
2	**Computation of period for calculation of interest**	
	Period u/s 50(1)	The period of interest will be from the date following the due date of payment to the actual date of payment of tax.
3	**Wrongly availment & utilisation of ITC**	
	Interest on wrong utilisation	Where the ITC has been wrongly availed & utilised, the RP shall pay interest on such ITC wrongly availed and utilised, at the notified rate 18% p.a.
	Period	For the period starting from the date of utilisation of such wrongly availed ITC till the date of reversal of such credit or payment of tax in respect of such amount(wrongly availed and utilised).
	When to say ITC wrongly utilised	➲ Wrongly availed ITC is considered utilized when the balance in the electronic credit ledger falls below the amount of input tax credit wrongly availed ➲ The extent of such utilization equals the amount by which the ledger balance is less than the wrongly availed ITC.
	Date of Utilization of Such ITC **Refer Questionnaire: CCP 09.10.18.00 & CCP 09.10.19.00**	The date of utilization is determined based on two scenarios: (a) If the ledger balance falls below the wrongly availed amount due to tax payment via a return, ➢ the date, on which the return is due to be furnished u/s 39 or ➢ the actual date of filing of the said return, whichever is earlier, (b) **In all other cases**, it's the date when the ledger balance falls below the wrongly availed amount due to a debit entry in E-credit ledger.

P :- Mr. Aman wrongly claimed ₹1,25,000 ITC (CGST + SGST) for Oct 20XX, used ₹75,000 of it in Nov 20XX, and later corrected this by paying ₹75,000 on 10th Mar 20YY and reversing ₹50,000 on 20th Mar 20YY.

Calculate the total interest payable (CGST + SGST) if Mr. Aman:

1. **Filed GSTR-3B for Oct on 18th November 20XX.** → No Interest, as it is only availed and not utilized.
2. **Filed GSTR-3B for Nov on 25th December 20XX.** or due date i.e. 20 december whichever is earlier

Assume no extension for filing and no other transactions during the year.

Hint:-

➲ Interest is payable only on the wrongly used ITC of ₹75,000.

➢ Date of Utilization: 20th December 20XX (**earlier** of the due date or actual filing date for November).

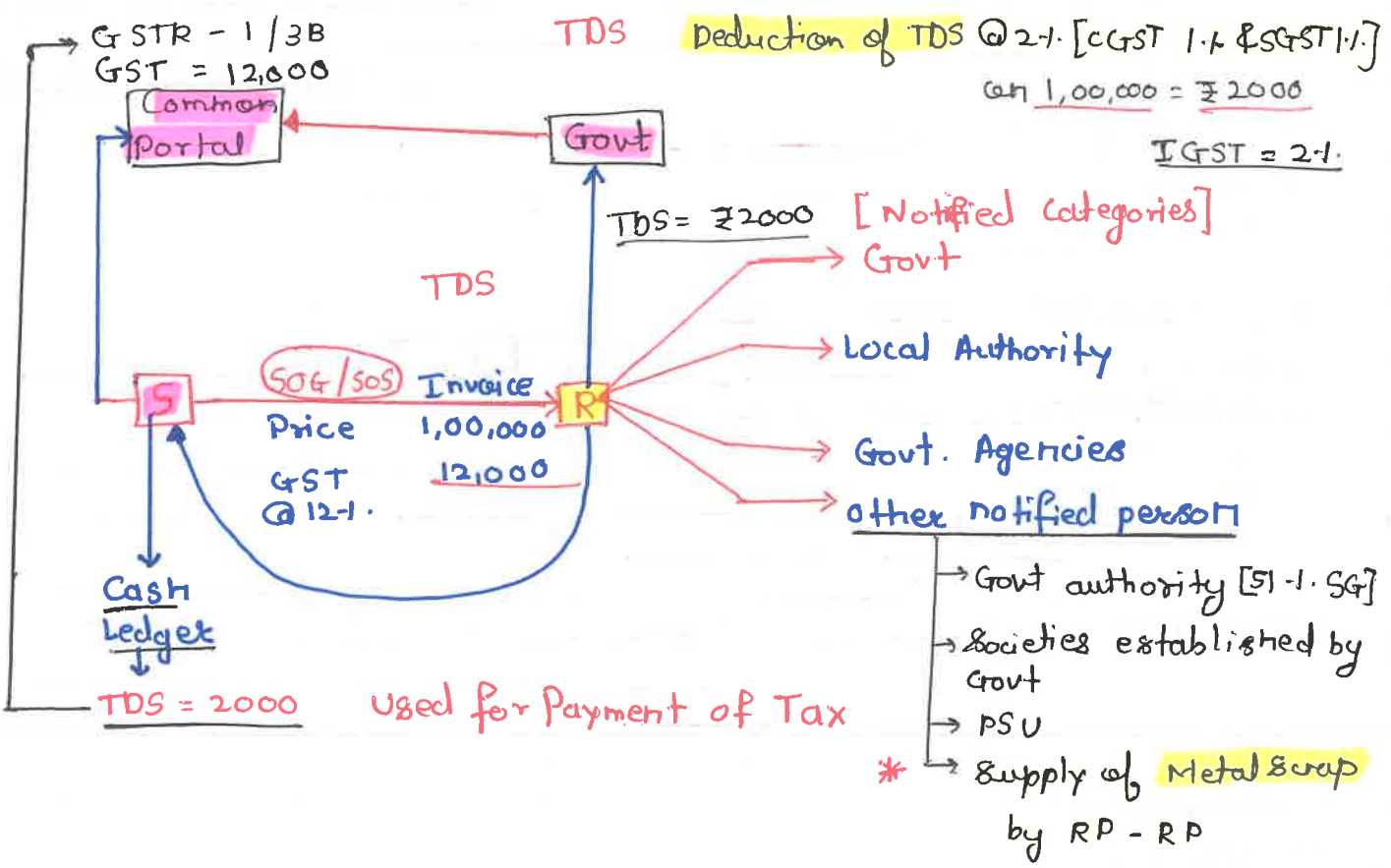
➢ Interest Calculation: For 80 days (21st December 20XX to 10th March 20YY).

➲ Interest = ₹75,000 × 80/365 × 18% = **₹2,959** (rounded off).

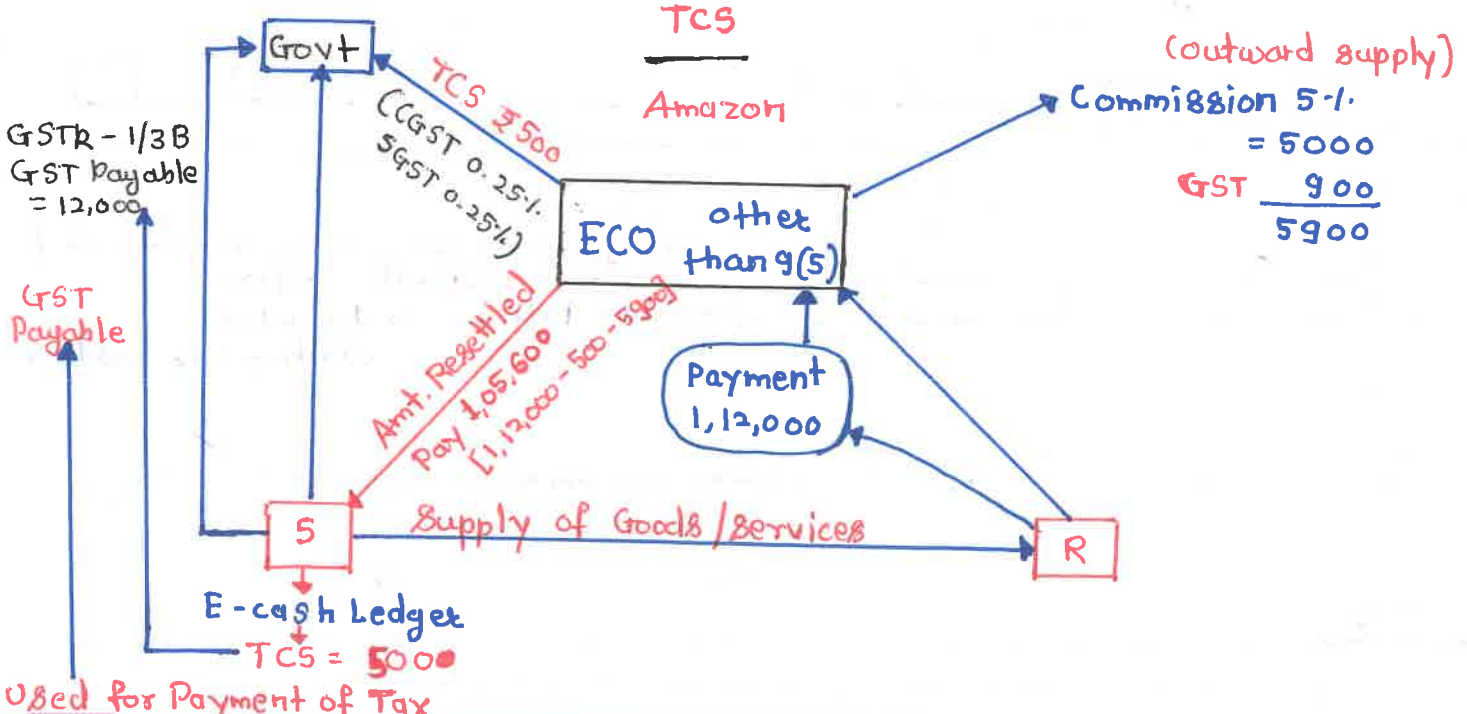
~~Authors note~~: ICAI has calculated interest from next day of Date of utilisation, but the provision says it should be from the date of utilisation, So Answer may vary in some cases & Student has to follow ICAI Approach.

TDS & TCS

Sec 51 TDS



Sec 52 TCS



Sec 51 - TDS

Deductors of Tax at Source

As per Sec 51 (1)

a	a department or establishment of the CG or SG
b	local authority
c	Governmental agencies
d	such persons or category of persons as may be notified by the Government on the recommendations of the Council

Notified Person u/s 51(1)(d) [N/N 50/2018]

1.	an authority or a board or any other body, – (i) set up by an Act of Parliament or a State Legislature or (ii) established by any Government, with 51% or more participation by way of equity or control, to carry out any function [Govt Authority & stake more than 51%]
2.	Society established by the CG or the SG or LA under the Societies Registration Act, 1860
3.	Public sector undertakings (PSUs)
4.	Any RP receiving supplies of metal scrap from other RP.

Inserted by N/No. 25/2024

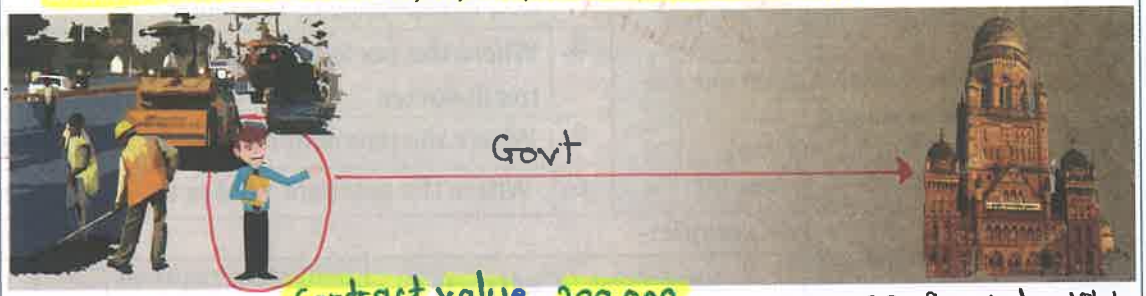
When TDS is Deductible?

where the total value of such taxable supply, under a contract, exceeds ₹2,50,000

Note:- Value shall be determined as per Sec 15

Standard Rate of deduction

- Tax @ 1% under the CGST Act, 2017 (CGST 1% & SGST 1% & IGST 2%) is deducted on payment made or credited to the supplier (deductee) for taxable goods and/or services if the total taxable value of contract exceeds ₹2,50,000 (excluding GST and cess).
- Thus, individual supplies may be less than ₹2,50,000, but if total value of supplies under a contract exceeds ₹2,50,000, TDS has to be deducted.



Case - 1: Contract value 200,000 — I-1 = 150,000, I-2 = 50,000 — No TDS is deductible as contract value ≤ 2.5L

Case - 2: Contract value 300,000 — Invoice 1 = 2,00,000 (TDS 2% = 4000), I-2 = 1,00,000 (TDS 2% = 2000) — TDS is deductible.

Non Applicability of TDS

As per Proviso to Sec 51(1)

Provided that no deduction shall be made (LOS & POS) Same State

If the location of the supplier and the place of supply is in a State or Union territory which is different from the State or , Union territory of registration of the recipient

LOS

Supplier	PoS	Nature of Supply	Recipient	TDS	Remark
Mr.P (MH)	MH	Intra-State	MH Govt. (MH)	Yes	CGST = 1%. SGST = 1%.
Mr.Q (MH)	Punjab	Inter-State	PSU Punjab	Yes	IGST = 2%.
Mr.R (Punjab)	Punjab	Intra-State	MH Govt.	No	as LOS and POS both in same state and recipient in other state (as per above provisions)

As per Notification

Tax is not liable to be deducted at source in the following cases:-

(i) When goods and/or services are supplied from a PSU to another PSU, whether or not a distinct person [N/N 61/2018]

(ii) When supply of goods and/or services takes place between one person to another person specified in clauses (a), (b), (c) and (d) of section 51(1) of the CGST Act **except any RP receiving supplies of Metal scrap from other RP's.** [N/ N. 73/2018]

Inserted by N/No. 25/2024

As per ** CBIC Clarification

1.	Contract value includes supply of both taxable & exempted goods, but the value of taxable supply under the said contract <=₹ 2.5 Lakh
2.	Receipt of services or goods which are **exempted.**
3.	All activities or transactions specified in **Schedule III** of the CGST Act, irrespective of the value.
4.	Where the tax is to be paid under **reverse charge** by the recipient i the deductee
5.	Where the payment is made to an **unregistered supplier**
6.	Where the payment relates to **"Cess"** component

In all these cases TDS will not be deducted.

Refer Question from our Questionnaire: CCP 09.11.21.00 (IMP)

Example:-

Situations / Contracts	Deduction required YES / NO	Remarks
Finance Department is making a payment of ₹3 Lakh to a supplier of 'printing & stationery.	YES	Where the total contract value o taxable supply is more than ₹2.5 Lakh, deduction is mandatory.
Education Department is making payment of ₹5 Lakh to a supplier of 'printed books (ES) and printed or illustrated post cards' where payment for books is ₹ 2 Lakh and ₹ 3 Lakh is for other printed or illustrated post cards. ES = Exempt Supply	Yes, deduction is required in respect of payment of ₹3 Lakh only i.e. for payment in respect of taxable supply.	Books are exempted goods; no deduction is required for supply of books. However, payment involving 'printed or illustrated post cards' is for supply of taxable goods and value of such supply is > ₹2.5 Lakh; so deduction is required.

	Finance Department, is making payment of ₹1.5 Lakh to a supplier of 'car rental service'.	NO	if the total value of supply under a contract is < ₹2.5 Lakh, deduction is not required.
	Health Department executed a contract with a local supplier to supply 'medical grade oxygen" of ₹2.6 Lakh (including GST@12%) and is making full payment.	NO	Total value of supply as per the contract is ₹2.6 Lakh (including GST). So, taxable value = ₹2.6L x 100/112 = ₹2.32 L < ₹2.5 Lakh Hence, deduction is not required.
	Municipal Corporation of Kolkata purchases a heavy generator from a supplier in Delhi. Now, it is making payment of ₹5 Lakh and IGST @18%.	Yes, deduction is required @2%	Deduction is required in case of inter-State supply and if the value of taxable supply under a contract exceeds ₹2.5 Lakh.
**	Fisheries Department is making a payment of ₹10 Lakh to a contractor for supplying labour for digging a pond for the purpose of Fisheries.	NO	This supply of service is an agriculture service which is exempt & hence deduction is not required.

Due date of payment of TDS

The deductor shall pay the TDS to Government **within 10 days** after the end of the month in which such deduction is made in prescribed manner.

TDS Certificate read with rule 66

➲ A TDS certificate is required to be issued by deductor in prescribed form (i.e. GSTR 7A) to deductee which shall have the following content:-

1. TDS Certificate Number	5. (a) Legal name of Deductee (b) Trade name, if any.
2. GSTIN of Deductor	6. Tax period in which tax deducted and accounted for in GSTR-7
3. Name of Deductor	7. Details of supplies
4. GSTIN of Deductee	8. Amount of tax deducted

➲ After the due date of filing the return, the details furnished by deductor in such return shall be made available electronically to each of the deductees on the common portal.

➲ U/s 51(3), the TDS certificate shall be made available electronically to the deductee on the common portal in **FORM GSTR-7A** on the basis of the such return furnished.

Credit to E-cash ledger of deductee [Read with Rule 87(9)]

The tax which is deducted & reflected in the return of deductor furnished u/s 39(3) shall be claimed as **credit by the deductee in his e-cash ledger** in prescribed manner.

Example:- Mr. A, a supplier makes a supply worth ₹ 5,00,000/- to PMC of Pune and issues the invoice of Rs. 5,00,000 plus 18% GST. While making the payment of ₹5,00,000/- to Mr. A, the BMC shall deduct 2% of ₹5,00,000 (i.e. ₹10,000/-) as TDS.
The TDS, so deducted, shall be deposited in the account of Government by **10th** of the succeeding month & the value so deposited in Government Account shall be reflected in the **electronic cash ledger** of Mr. A (ie deductee)

Non payment by the Deductor

If deductor fails to pay TDS to Government, then **he shall pay interest** as per section 50(1) read with rule 88B (i.e. 18% p.a.), in addition to the amount of TDS.

The amount in default under this section shall be determined as per sec 73 or 74 .

Refund on excess/ erroneous deduction

The refund to the deductor or the deductee arising on account of excess or erroneous deduction shall be dealt as per section 54.

Proviso:- No refund shall be granted to the deductor, if the amount deducted has been credited to the e-cash ledger of the deductee.

ELECTRONIC COMMERCE TRANSACTIONS UNDER GST

E-commerce Sec 2(44)	**means the supply of goods and/or services, including digital products over digital or electronic network**
E-commerce Operator Sec 2(45)	**means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.**

Taxability of e-commerce transactions

ECO [other than 9(5)]

- ECO selling his own product/ services → Sec 52 i.e. provn of TCS is not applicable
- ECO is acting as an agent → Sec 52 - provn of TCS is not applicable
- ECO making supply of goods or services of another person from his electronic platform & consideratn routed through ECO → Sec-52 - TCS is applicable.

Analysis

No.	Cases	TCS	Remark
1.	Vsmart selling his P.D. from own website Vsmart Academy.com	No	own product or service
2.	Vsmart selling his P.D. from K'cart Stores.com where consideration directly received to Vsmart	No	consideration directly received to Vsmart.
3.	Vsmart selling his P.D. from Amazon.com where first Amazon collect the payment first and then makes remittance to Vsmart	Yes	All conditions of Sec 52 all fulfilled.

Tax collected at source (TCS) by ECO [Section 52]

Who is liable to collect TCS and from whom?

- Every ECO, not acting as an agent, is required to collect TCS on
  - the net value of taxable supplies made through its platform &
  - consideration in paid through it.
- In practice, ECOs don't collect this from suppliers directly but retain the TCS amount and their commission from the payment received, and then pay the remaining balance to the suppliers.



Note:- In a scenario involving multiple ECOs where a customer orders through ECO-1, which is linked to ECO-2 (the one with a supplier agreement), TCS will be collected by ECO-2, the ECO making payment to the supplier. ECO-1 will not have the GST information of the supplier.

What is the rate of TCS notified?

Notified rate for TCS — Substituted by N/No. 15/2024

CGST = 0.25%
SGST = 0.25%
IGST = 0.5%

of the net value of intra-State/inter state taxable supplies

Refer Question from our Questionnaire: CCP 09.12.22.00

What is the value on which TCS is to be collected?

Refer Questionnaire: CCP 09.12.24.00

Description	Formula
Total Taxable Supplies (Goods/Services)	A
Less: Taxable Supplies with Tax Payable by ECO (Section 9(5))	B
Less: Taxable Supplies Returned to Suppliers	C
Net Value of Taxable Supplies	A - B - C
TCS Rate (IGST)	0.50%
TCS Calculation [0.25% CGST + 0.25% SGST]	Net Value X ~~0.05~~ 0.5

Important Points

- Calculated at GSTIN level on a monthly basis.
- Only the value of TAXABLE SUPPLIES is considered.
- ECO is required to collect tax on the NET value of taxable supplies made through it. Supply returns are adjusted against the agg. value of taxable supplies by each supplier.
- If sales returns exceed sales, the negative amount cannot be declared and has no impact on future tax periods. i.e. No TCS is deductible.

Imp

Example : ABC Ltd. is an Electronic Commerce Operator, it provides the following information.

Particulars	Amount ₹
Aggregate value of taxable supplies of goods by all registered taxable persons through ABC Ltd during the month of December, 2017	13,24,000
(Less) Value of supplies under section 9 (5)	1,00,000
(Less) The aggregate value of taxable supplies returned to the supplier during the said month of December, 2017	1,07,000
Net Value of Taxable Supplies of ABC Ltd for the month of December, 2017	11,17,000
Amount to be collected by ABC Ltd for the month of December, 2017 in terms of Section 52 (1) i.e. 0.5%	5,585

Non-Applicability of TCS

Refer Questionnaire: CCP 09.12.23.00

1. On Exempt supplies including nil rate and non taxable supplies.
2. Composition taxpayer cannot make supplies of services through ECO u/s 10(2)(d).
   Note:- Now supply of goods are allowed
3. On supplies covered under reverse charge where recipient is liable to pay tax.
4. On Import of goods or services or both as it is covered under RCM.

Monthly Statement [Sec52(3)/(4)/(6) & (7) read with rule 67]

Form GSTR-8

It contains the
- details of supplies of goods or services or both effected through ECO including the supplies of goods or services or both returned through it,
- amount of consideration collected by ECO pertaining to supplies made through ECO &
- the amount of TCS collected on such supplies.

Due date

GSTR-8 & deposit of TCS should be made **on/before 10th day of next month** (due date can be extended by Central or State Commissioner).

TCS Credited to E-Cash ledger of supplier

- The TCS details submitted by an ECO in GSTR-8 are made available electronically to **each of the registered suppliers** after filing of GSTR-8.
- TCS is credited to the supplier's cash ledger in the relevant tax head and can be used for tax liability discharge.
- If unused, suppliers may claim a refund as per provisions of sec 54(1).

Note:- Supplies by unregistered persons do not attract TCS.

Rectification of errors/ omissions in GSTR-08

- If an ECO finds a discrepancy in GSTR-8 not arising from scrutiny or audit, it must rectify in the GSTR-8 for the month, when the discrepancy is noticed, alongwith interest under section 50.
- **Rectification is not allowed after November 30 of the following financial year or the filing date of GSTR-9B, whichever comes first.** → Annual return.

Late fees for delay in filling GSTR - 08

Quantum of late fee
- ₹200 [₹100 under CGST & [₹100 under SGST/UTGST] for every day during which such failure continues
- ₹10,000 [₹5,000 under CGST & [₹5,000 under SGST/UTGST]

→ **Whichever is lower**

**

Nil GSTR-08

The filing of Form GSTR-8 is not always mandatory for every tax period. It is required only if the ECO has either TCS during that tax period or needs to amend any details from a previous return.

Refer Questionnaire: CCP 09.12.25.00

Maximum time limit for filling GSTR-08

3 years from the relevant due date of filing such statement. This time limit can be extended by the Government for an ECO or a class of ECOs subject to such conditions and restrictions as may be specified therein.

Government may, allow to furnish a statement, after the expiry of the of three years.

Annual Statement

An ECO required to collect TCS is required to file an **annual statement in Form GSTR-9B** (yet to be notified) **by 31st December of the next financial year.**

Interest on non-collection of TCS	Interest is applicable on omission as well in case of incorrect particulars noticed. In case of non-collection of TCS, interest is applicable since it is a case of omission. Further penalty under sec 122(vi) would also be leviable.
Payment of TCS only through E-cash ledger	Payment of TCS by ECO is not allowed through input tax credit of ECO. This implies that TCS has to be paid in cash only.
Furnishing of required information	ECO on whom a notice is served shall furnish the required information within 15 working days of the date of service of such notice.
Penalty for not furnishing information	If ECO fails to furnish the required information, then he shall be liable for penal action u/s 122 & penalty up to ₹25,000.
Credit to E-cash ledger	TCS which is reflected in the return of deductor furnished u/s 39(3) shall be claimed as credit by the deductee in his e-cash ledger in prescribed manner.

Refer Questionnaire for Question on Combined Provisions of TDS-TCS: CCP 09.12.26.00

CHAPTER - 11
INPUT TAX CREDIT

INDEX

Section	Description	
Sec 16	Eligibility & conditions for taking ITC	246
Sec 17	Apportionment of credit & blocked credits	255
Sec 18	Availability of credit in special circumstances	268
Sec 41	Availment of self assessed ITC	248

CGST rules pertaining to Input tax credit

Rule No.	Description	
36	Documentary requirements and conditions of ITC	246
37	Reversal of ITC in case of non-payment	250
37A	Reversal of ITC in case of non-payment of tax by the supplier & re-availment thereof	248
40	Manner of claiming credit in special circumstances	268
41	Transfer of credit on sale, merger, amalgamation, etc	274
44	Reversal of ITC in special circumstances	271
86A	Conditions of use of amount available in E-Cr Ledger	275
86B	Restrictions on use of amount available in E-Cr Ledger	275

Introduction:-

Scheme Design	The scheme is designed to avoid the cascading effect of taxes and establishes GST as a destination-based tax.
ITC Availability	Broadly, Input Tax Credit (ITC) is available on all inputs, input services, and capital goods used for business purposes by a taxable person. The exception to this is 'blocked credit'.
Blocked Credit	ITC is not available for 'blocked credit', even if these goods or services are utilized for business purposes.
No 'One to One' Co-relation Required	GST law does not mandate a direct correlation between inputs/input services and the final products/services. Any eligible ITC can be used to pay tax on any taxable output supply.
IGST and ITC Transfer	IGST facilitates the transfer of ITC when goods or services move across States, ensuring the scheme's integrity.
ITC Unavailability for Exempt Supply	ITC cannot be availed in respect of exempt output supply where tax is not payable.
ITC Utilization for Zero Rated Supply	ITC is available for Zero-rated supplies such as exports or supplies to SEZ, even if no tax is payable on the output supply. Such ITC can be either used to make payment for taxable supplies made or can be claimed as refund if remains unutilized.
Taxable and Exempt Supplies	A taxable person making both taxable and exempt supplies can avail full ITC for inputs exclusively used for taxable supplies, and no credit can be availed for inputs exclusively used for exempt supplies.

Proportionate ITC for Common Inputs	For common inputs used for both taxable and exempt supplies, ITC is available in proportion to the value of the taxable supply.
ITC on Job Work sec 19	ITC can be availed on inputs and capital goods sent for job work, even if they are sent directly to the job worker.
ITC for Input Services at Offices sec 20	Input services received at head office or branch offices, indirectly used for supplies from business premises, are eligible for ITC through the 'input service distributor' mechanism. (ISD)

Important definitions relevant for this chapter:-

Sec 2(59) "Input"

Means any goods other than capital goods used or intended to be used by supplier in the course or furtherance of business.

Sec 2(19) "Capital goods" [100% ITC in the month of purchase]

Means goods, the value of which is capitalised in the books of account of the person claiming the input tax credit and which are used or intended to be used in the course or furtherance of business

Important Explanation:- For the purpose of this chapter

The expressions "capital goods" shall include "plant and machinery" as defined in the Explanation to sec 17;

Analysis :

- Even if certain goods e.g., machinery, tools, spares item are not capitalized, same is still eligible for credit as input.
- **Intention to use is relevant :** Words 'intended to be used' mean that if certain goods are intended for use but are not actually used, then also, they would be capital goods, subject to other provisions.
- **Course of business :** The purchase must have been made in the course of business i.e., to run or continue the business as per business needs.
- **Furtherance :** it means purchases for improvement or enhancement or advancement of business

Sec 2(60) "Input service"

Means any service used or intended to be used by a supplier in the course or furtherance of business.

- The word 'service' would take its meaning from definition of service viz. anything other than goods
- **Capitalization not relevant :** Even if the input service is capitalized by way of cost of capital goods, then also, in will continue as input service only.

Sec 2(62) "Input Tax"

In relation to a RP, means the CGST, SGST, IGST, UTGST charged on any SOG or SOS or both made to him and includes

(a)	the IGST charged on import of goods
(b)	the tax payable under under Reverse Charge

but does not include the tax paid under the composition levy

Comment - Following Duties / Taxes on which credit thereof is not admissible as ITC

- Central Excise duty paid on tobacco
- Central Excise duty and VAT/ Sales tax paid on petrolium products (Petrol, diesel etc.)
- Basic Customs duty paid on import of goods

Sec 2(63) "Input Tax credit"

means the credit of input tax

Refer Questionnaire: CCP10.01.01.00

Sec 2(46) "Electronic credit ledger"

means the electronic credit ledger as referred in section 49(2) i.e. The ITC as self-assessed in return of RP shall be credited to E-Cr ledger in accordance with sec 41, to be maintained in the manner as may be prescribed.

Sec 2(67) "Inward supply"

in relation to a person, shall mean receipt of goods or services or both whether by purchase, acquisition or any other means with or without consideration.

Sec 2(47) "Exempt Supply"

means supply of any goods or services or both which attracts

- ➲ nil rate of tax or
- ➲ which may be wholly exempt from tax and
- ➲ includes non-taxable supply.

Sec 2(76) "Motor Vehicle"

shall have the same meaning as assigned to it in clause (28) of sec 2 of the Motor Vehicles Act, 1988.

Explanation:- Motor vehicle or vehicle under the Motor Vehicles Act, 1988 means

Mechanical Vehicle: Motor vehicle as per Motor Vehicles Act, 1988 adapted for road use. Power can be from an external or internal source.

Includes: Chassis without body and also trailers.

Excludes: Vehicles on fixed rails or for specific enclosed spaces. Vehicles with <4 wheels and engine capacity ≤ 25 cc.

Sec 2(34) "Conveyance"

includes a vessel, an aircraft and a vehicle.

Sec 2(92) "Quarter"

shall mean a period comprising three consecutive calendar months, ending on the last day of March, June, September and December of a calendar year.

Sec 16(1) of IGST Act "Zero-rated supply"

in relation to a taxable person, means any of the following supplies of Goods or services or both namely-

(a) export of goods or services or both; or

(b) Supply to a Special Economic Zone (SEZ) developer or a Special Economic Zone unit

Sec 2(82) "Output Tax"

means the tax chargeable under this Act on

- ➢ taxable supply
- ➢ of goods or services or both
- ➢ made by him or by his agent

but excludes tax payable by him on reverse charge basis.

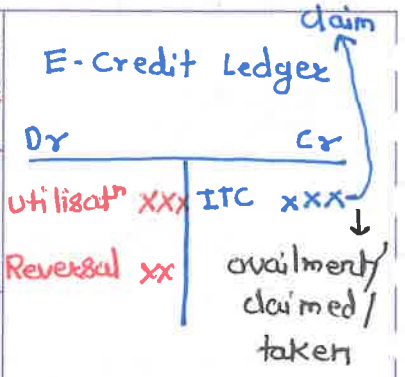
* Sec 155 "Burden of Proof"

where any person claims that he is eligible for Input tax credit under this act, the burden of proving such claim shall lie upon such person.

Understanding of Some important Terms in ITC

GSTR-2B → GSTR-3B

Availment or Taking Credit : Claim	It means recording Credit in statutory records (i.e. in GSTR-3B). It results in increase in credit balance. Once credit is availed/taken, it becomes eligible for use as per law.
Utilization or Use of Credit:	It means using credit availed/taken to pay output tax or other eligible sums (transfer to electronic liability register). It results in decrease in Credit balance.
Reversal :	Reversal of credit also results in decrease in balance & is similar to utilization, with a difference that word 'reversal" is generally required/used when ➲ credit is wrongly taken or ➲ becomes subsequently ineligible.



Sec 16 :- Eligibility & Conditions of ITC

Sub Sec 1. Eligibility of ITC

a) **Registration under GST :-** Every **Registered Person (RP)** shall be entitled to ITC of GST charged on inward supply of goods and/or services.

b) **Used for business purposes:-** ITC of GST will be available on goods and/ or services which are used or intended to be used in the course or furtherance of the business

> **Note:-** Tax paid on goods and or/services which are used or intended to be used for non-business purposes cannot be availed as credit.

c) **Credit to E-Cr. Ledger:-** ITC will be credited to electronic credit ledger.

Refer Question from our Questionnaire: CCP10.07.23.00 - (1)

2. Conditions for taking ITC or Conditions for availment of ITC

➲ This sub-section's **non-obstante clause** mandates the fulfillment of all specified conditions for input tax credit, regardless of any other criteria in section 16 .

➲ A RP is entitled to input tax credit on inward supplies only when all outlined conditions are met.

a) **Possession of tax paying document:- He is in possession of a Tax Invoice or debit note issued by a Reg. supplier or other tax paying following documents**

Rule 36: Documentary requirements and conditions for claiming ITC

1) ITC can be availed on the basis of any of the following documents namely:

i) Invoice or revised invoice issued by the supplier of goods and/or services

ii) Self Invoice issued by the recipient receiving goods and/or services from unregistered supplier in case of reverse charge, subject to payment of tax

iii) Debit note issued by the supplier

iv) Bill of entry or similar document prescribed under the Customs Act

v) Document issued by input service distributor

2) The documents on the basis of which ITC is being taken should contain at least the following details:

i) Amount of tax charged

ii) Description of goods or services

DP Q → Q3 Pg. No. 164

iii) Total value of supply of goods and/or services

iv) GSTIN of the supplier and recipient

v) Place of supply in case of inter-State supply

Inserted by N/No. 20/2024

3) No ITC of tax paid towards demands involving fraud

Tax paid in pursuance of any order where any demand has been confirmed on account of any fraud, willful misstatement or suppression of facts u/s 74 cannot be availed as ITC.

Inserted byN/No. 12/2024

aa) & Rule 36(4) Details of invoices/debit notes uploaded by the supplier in his GSTR-1/1A or using IFF & such details are communicated in Form GSTR-2B of RP availing ITC

Notes:-

1) Unreported Invoices/Debit Notes: If suppliers do not report invoice/debit note details in their GSTR-1 or IFF, making them invisible in GSTR-2B, recipients cannot claim ITC.

2) ITC Claim in Succeeding Months: ITC for these documents can be claimed in future months when suppliers eventually report the details.

3) Blocked Credit: Invoices of blocked credit u/s 17(5) should not be considered for ITC claims, regardless of supplier reporting in GSTR - 1 & communicated in GSTR - 2B.

4) Full ITC on non-reported transaction: ITC is fully claimable for IGST on imports, reverse charge documents, and credit from ISD, as they fall outside the scope of Sec 37(1).

Refer Question from our Questionnaire: CCP10.02.03.00

Example:- In September, Orion Industries received 50 invoices worth ₹ 5 lakh for ITC. Only 40 invoices (₹ 3 for lakh ITC) were reported by suppliers in GSTR-1 and appeared in GSTR-2B. Hence, Orion Industries can claim ₹ 3 lakh for ITC in September's GSTR-3B.

b) Receipt of the goods and / or services:- The RP taking the ITC must have received the goods and / or services.





Explanation: Bill to Ship to Model

The RP (third person) is deemed to have received goods or services

Delivery of Goods	Provision of Service
➢ Delivered by the supplier to a recipient or to someone else. ➢ based on the RP's direction,(e.g. agent or others). ➢ Transfer happens before or during goods' movement. ➢ Through title document transfer or otherwise.	Supplier provides services to any based on the direction and on account of the RP.



Refer Question from our Questionnaire: CCP 10.02.04.00, CCP 10.02.05.00 & CCP 10.02.06.00 (IMP)

Examples:-

1) **Delivery of goods:-** Trader X places an order with Supplier Y for a consignment of soda ash. Subsequently, X receives a purchase order from Customer Z for the identical quantity of soda ash. X directs Y to ship the goods directly to Z and then invoices Z for the order.

Although X never physically takes possession of the soda ash, Section 16(2)(b) permits X to claim an Input Tax Credit (ITC) for the goods & such goods are said to be received to X when such soda ash delivered by Mr. Y.

2) **Provision of Services:-** XYZ Ltd., with its registered office in New Delhi, contracts with UVW Ltd., also based in New Delhi, for the repair and maintenance of computer systems at XYZ's Bengaluru branch. UVW Ltd, raise the bill on the head office in New Delhi for these services.

Despite the services being utilized by the branch office and not the head office, Section 16(2)(b) permits the head office to claim an Input Tax Credit (ITC) for the repair and maintenance services.

ba) **Details of ITC in respect of the said supply communicated to the RP under Sec 38 has not been restricted**

Even though list is provided u/s 38(2) but still govt has not issued any notification under this section. Hence it is not relevant for Exam.

Notes:- As per sec 38(2), ITC will not be available in respect of inward supplies details of which have been furnished by a registered supplier:

- who is a new registrant. (Specified period from taking registration will be prescribed for this purpose.)
- who has defaulted in payment of tax for a prescribed period.
- whose output tax payable as per GSTR-1/IFF exceeds the output tax paid in GSTR-3B for a particular tax period by prescribed limit.
- who has availed ITC of an amount that exceeds the credit that can be availed by him as per GSTR-2B during prescribed period and by prescribed limit.
- who has defaulted in discharging his tax liability i.e. who has discharged more tax liability from electronic credit ledger than prescribed under rule 86B.
- other specified classes of persons.

c) **Tax leviable on supply actually paid to Government:-The supplier should have actually paid the tax charged on the Supply of goods and/or services, for which ITC is being taken, either in cash or by utilizing ITC, subject to the provisions of Sec 41.**

Sec 41: Availment of self-assessed ITC

1) **Eligibility of ITC:** A RP can avail the credit of eligible ITC as self assessed in his return. Such amount shall be credited to his E-Cr. ledger.

2) **ITC Reversal for Unpaid Tax:** If the tax payable corresponding to the ITC availed on supply is not paid by the supplier to the Govt., the ITC so availed shall be reversed by the said person along with applicable interest SUBJECT TO PROVISIONs OF RULE 37A.

Rule 37A:- Reversal of ITC in the case of non-payment of tax by the supplier & re-availment thereof

ITC Availment in GSTR-3B	A RP (recipient) can avail ITC in GSTR-3B for a tax period in respect of an invoice/debit note, provided the details of which have been furnished by its supplier in GSTR-1/GSTR-1A if any using IFF.

Inserted byN/No. 12/2024

Condition for ITC Reversal * *	If the supplier does not furnish a return in Form GSTR-3B for the tax period corresponding to the said statement of outward supplies (GSTR-1/IFF) till 30th September following the end of FY in which the ITC in respect of such invoice/debit note has been availed the said amount of ITC shall be reversed by the said recipient.
Timeline for ITC Reversal	The ITC reversal should be done while furnishing a return in GSTR-3B on or before 30th November following the end of such FY during which such ITC has been availed.
Liability for Unreversed ITC	Where the said amount of ITC is not so reversed by the recipient, such amount shall be payable by the said person along with interest thereon u/s 50.
Re-availment of ITC subsequently	Where the said supplier subsequently furnishes the return in FORM GSTR-3B for the said tax period, the said RP may re-avail the amount of such credit in the return in FORM GSTR-3B for a tax period thereafter.

Note:- There is no time limit for re-availing of ITC i.e. the time limit given u/s 16(4) is not applicable here.

Example:- Ram, a registered supplier, provides goods worth ₹10,000 to Shyam, charging ₹900 each as CGST and SGST in the invoice issued in March 20XX. Ram successfully uploads this invoice's details in his GSTR-1 for the same month, enabling Shyam to claim the ITC of ₹900 each for CGST and SGST in his March GSTR-3B, as it reflects in his GSTR-2B.

However, Ram doesn't file the corresponding GSTR-3B for March 20XX by September 20XX.

Consequently, in October 20XX, Shyam reverses the previously claimed ITC in his GSTR-3B filed on 20th November.

If Ram later submits his GSTR-3B on 20th December 20XX, paying the due ₹900 for both CGST and SGST plus interest, Shyam is then eligible to re-claim the earlier reversed ITC of ₹900 for CGST and SGST.

Refer chartnotebook

Refer Question from our Questionnaire: CCP 10.02.02.00 (IMP)

d) **Filing of return: The RP taking the ITC must have filed his return in GSTR-3P under sec 39. Thus, a taxpayer should file GSTR-3B to avail ITC on eligible inward supplies.**

Proviso 1

* * * *

Goods received in lots: ITC available only on receipt of last lot

In case the goods covered under an invoice are not received in a single consignmen' but are received in lots / instalments, **ITC can be taken only upon receipt of the last lot / instalment.**

Example:- MNO contracts with PQR for 10 MT of a chemical delivery for ₹1,18,000 (inclusive of GST of ₹18,000) in August, spreding deliveries over 3 months.
PQR issued the invoice for the total amount in August and MNO also makes the payment in August but delivery concludes in November.
Despite MNO's August payment, it can only claim the ITC upon receiving November's final chemical lot.

Proviso 2

[Read with Rule 37]

Payment for the invoice to be made within 180 days

Payment Within 180 Days	The RP, who has availed of ITC on any inward supply, **must pay** to the supplier, the value of the supply of goods and/or services along with the tax **within 180 days** from the date of issue of invoice by supplier.
ITC Reversal or payment	Where a RP fails to pay such amount (value - wholly or partly & tax)to the supplier within 180 days from the date of issue of invoice then, he need to pay or reverse the amount.
Amount of Reversal or payment	RP Shall **pay or reverse** an amount **equal to the ITC availed** ir respect of such supply, proportionate to the amount not paid to the supplier, **along with interest** payable thereon u/s 50.
Submission in GSTR-3B	Payment or reversal shall be while furnishing the return in Form GSTR-3B for the tax period immediately following the period of 180 days from the date of the issue of the invoice.

	Exceptions	This condition of payment of value of supply plus tax within 180 days **does not apply** in the following situations: (a) Supplies on which tax is payable under **reverse charge** (b) **Deemed supplies** without consideration – Schedule I (c) Additions made to the value of supplies on account of supplier's liability, in relation to such supplies, being incurred by the recipient of the supply as per **Sec15(2)(b).** Under situations given in points (b) & (c), the value of supply is deemed to have been paid.
	Example	Facing a quality issue, LMN Ltd. delayed payment for a machine from a supplier, extending the dispute beyond 180 days. Consequently, LMN Ltd. had to reverse the previously taken credit, with interest, in the GSTR-3B of the following month. Only after the supplier resolved the issue and received payment from LMN Ltd., could LMN Ltd. reclaim the credit.
Proviso 3	**Reavailment of ITC** [Which is reversed under proviso 2]	RP (recipient) shall be **entitled to avail ITC on payment made** by him to the supplier of the amount towards the value of supply of goods or services or both along with tax payable thereon.

Refer chart notebook

Refer Question from our Questionnaire: CCP10.02.07.00 (IMP)

3.	**If depreciation claimed on tax component, ITC not allowed**	If the person taking the ITC on capital goods and plant and machinery has claimed depreciation on the tax component of the cost of the said capital goods under the Income-tax Act 1961 then, ITC on the said tax component shall not be allowed. **Note:-** Either depreciation on the tax component can be claimed under Income Tax Act or ITC of such tax paid can be availed under GST law. Dual benefit cannot be claimed **Example:-** A registered supplier purchases a machinery for business purposes. The value of the machinery is ₹ 10 lakh and GST paid thereon is ₹ 1.80 lakh. ITC of ₹1.80 lakh cannot be availed by the supplier if he has claimed depreciation on such amount under income-tax law.
4.	**Time limit for availing ITC**	ITC on invoices pertaining to a F.Y. or debit notes issued in a F.Y. can be availed any time ➲ till 30th November of the succeeding F.Y. or ➲ the date of filing of the relevant annual return, **whichever is earlier.** **Note:-** In case of debit notes, the date of issuance of debit note and not the date of underlying invoice (to which debit note pertain) is relevant to determine the relevant F.Y. **Non Applicability of Timelimit for availing ITC** The time limit u/s 16(4) does not apply to re-availing of credit that had been reversed earlier (e.g. reavailing ITC under 2nd proviso to sec 16(2) or Rule 37A).

Refer chart Notebook

Refer Question from our Questionnaire:CCP10.02.09.00

Example:- Hercules Machinery supplied a machine to ABC Corp., a monthly GST return filer, in January 2025, billing them with Invoice no. 49 on the 28th for ₹4,15,000 plus GST. Post-delivery services including trial runs and calibration were later billed in April 2025 through a debit note for ₹50,000 plus GST. ABC Corp. had not filed its annual return for FY 2024-25 by November's end 2025. Explain the time limit for availing ITC by ABC Corp.

Original Invoice:- The deadline to claim ITC on the initial supply under Invoice No. 49 is November 30, 2025.

Debit Note:- As the debit note received in the subsequent financial year, ABC Corp. can claim ITC on ₹50,000 till November 30, 2026, to claim the ITC on the ₹50,000, assuming the annual return for FY 2025-26 isn't filed before then.

**** Clarification on time limit for availing ITC u/s 16(4) for RCM supplies received from URPs & tax paid under RCM (Circular No. 211/5/2024):-**

Clarification:-

- Registered recipient receiving supply from URP & also liable to pay tax under RCM has to issue invoice himself u/s 31(3)(f) & pays tax.
- Based on such invoice (Self Invoice), recipient becomes eligible to avail ITC.
- Thus, **the relevant F.Y. for calculation of time limit u/s 16(4) to avail ITC shall be the F.Y. in which invoice is issued by recipient u/s 31(3)(f), subject to payment of tax & other conditions of sec 16 & 17.**
- The F.Y. in which the supply was received is irrelevant here.
- If recipient issues **invoice after its TOS** & pays tax, he has to pay interest on such delayed payment of tax & is also liable to **penal action u/s 122.**

6. Claiming ITC for Invoices Post-Revocation of Registration Cancellation

Newly Inserted by F.A. 2024

If registration of RP cancelled u/s 29 is later revoked by an order & if availment of ITC for an invoice/debit note for a supply was not restricted 16(4) on the date of order of cancellation of registration, he can **avail such ITC,** in a return u/s 39, filed–

- upto 30th November following the F.Y. to which such invoice/debit note pertains or furnishing of the relevant annual return,

whichever is earlier; or

- for the period from date or effective date of cancellation of registration till the date of order of its revocation, if such return is filed within 30 days from date of order of such revocation.

whichever is later.

[Not Applicable for May 25 & Sep 25 Exam]

Example :- Can ABC Pvt. Ltd. claim ITC for a ₹1,00,000 invoice dated 20th July 20XX, given that their GST registration was cancelled on 15th August 20XX, revoked on 5th February 20XY, and the return for the cancelled period was filed on 25th February 20XY with the annual return filed on 15th December 20XY?

HINT:➢ Yes, ITC for the invoice dated 20th July 20XX can be claimed **30th Nov XY** as this is the **later** of:-

a. **30th November 20XY i.e. the earlier** of 30th November 20XY or 15th December 20XY or

b. **25th February 20XY** i.e. the date of filing return for the period from 15th August 20XX (cancellation date) to 5th February 20XY (revocation order date).

Sub Sec

Sec 17(5) :- Blocked Credit

5.

- **'Notwithstanding anything contained in Sec 16(1) and Sec 18(1)'**, i.e. Sec 17(5) have overriding effect over sec 16(1) & 18(1).
- Thus, ITC on certain items u/s 17(5) isn't allowed even if they qualify as inputs, input services, or capital goods used in business.

Notes:- This list mainly covers items of personal consumption, certain inputs, and services that result in immovable property (excluding plant/machinery),Telecommunication towers, pipelines outside factory premises.

a) Motor Vehicles (MV)

Blocked Credit	**Motor Vehicles (MV) for transportation of persons with seating capacity not exceeding 13 persons (including the driver)**
Exceptions (MV on which credit is allowed)	Ineligible MV (seating capacity < 13) when used for any of the following taxable purposes - ➲ Making further taxable supply of such motor vehicles (e.g traders of motor vehicles); ➲ Making taxable supply of transportation of passengers (e.g travel operator offering transportation services); ➲ Making taxable supply of imparting training on driving such motor vehicles (e.g motor driving schools).

IMP Notes:-

- MV for transportation of persons with seating capacity more than 13 persons (including the driver) used for any business purpose = ITC allowed.
- MV used for transportation of goods, Trucks, dumpers, tippers etc. used for any business purpose = ITC allowed.

Refer Question from our Questionnaire: CCP 10.03.10.00 & CCP10.03.14.00 - (1)

Refer chart notebook

Availability of ITC in respect of Demo Vehicles purchase by dealer from manufacturer (Circular no. 231/25/2024):-

Issue 1	**Authorised dealers purchase demo vehicles from manufacturers against tax invoices & show it as capital assets for certain mandatory period & then sold at WDV by paying GST.**
Clarification	1. Demo vehicles are used for trial run & demonstrate its features to potential buyers. It's used to promotes sale & thus, **are used for making 'further supply of such motor vehicles'**. Thus, ITC for demo vehicles is not blocked u/s 17(5)(a) i.e ITC is available.
Issue 2	**ITC on demo vehicles if they are capitalized in books of account by authorized dealers**
Clarification	➲ If such vehicles are capitalized in books of dealer, it is **considered as "capital goods".** ➲ Availability of ITC on demo vehicles is not affected by its capitalization in dealer's books, they cannot claim ITC on that tax component. ➢ If capitalized demo vehicle is subsequently sold by dealer, he shall have to pay tax as per **sec 18(6)**.

aa) **Vessels or Aircrafts**

Refer Question from our Questionnaire: CCP10.03.11.00

Blocked Credit	**Vessels or Aircrafts**
Exceptions (Vessel or Aircraft on which credit is allowed)	Vessels or Aircraft when used for any of the following eligible purposes- ➢ making further taxable supply of such vessels or aircraft ➢ making taxable supply of transportation of passengers ➢ making taxable supply of imparting training on navigating such vessels ➢ making taxable supply of imparting training on flying such aircrafts ➢ **Transportation of goods.**

ab) **Specified conveyance related services**

Blocked Credit

General insurance, servicing, repair and maintenance relating to ineligible:

- Motor Vehicles
- Vessels
- Aircraft

Exceptions (if specified services are used for eligible MV or vessel & Aircraft)

- Such services relating to ineligible motor vehicles, vessels or aircraft when used for eligible purposes (which are falling under exception to clause(a)/(aa))
- Such services when received by
  - Manufacturer of motor vehicles, vessels or aircraft or
  - Supplier of general insurance services in respect of motor vehicles, vessels or aircraft insured by him.

Note:- Services of general insurance, servicing, repair and maintenance relating to motor vehicles, vessels or aircraft (which are falling under exception to clause (a) / (aa)) = **ITC is allowed.**

Sl. No.	Case	Situations	ITC Eligibility
i)		1. Car & Bus used for employees transportation (Seating capacity of 10 persons)	NO ITC
		2. Truck used for Goods Transportation	ITC allowed
ii)		Motor Vehicle purchased by authorised dealer for further supply	ITC allowed
iii)		1. Bus used by travel company for transportation of Passenger	Allowed
		2. Motor car (seating capacity of 5 persons) used by supplier of taxi service	Allowed (Passenger Transport)
		3. Aircraft purchased by Indigo for passenger transportation	Allowed
iv)		1. Aircraft used by Institute imparting navigation training to pilots	Allowed
		2. Motor vehicle used by motor driving school	Allowed
v)		1. Truck used by GTA for transportation of goods	Allowed
		2. Truck used by builder contractor for transportation of goods	Allowed
vi)		JCB/Dumper/Tipper used by construction Company	Allowed

Refer Question from our Questionnaire: CCP10.03.12.00

Clarification on entitlement of ITC by insurance co. on expenses incurred for repair of motor vehicles in case of reimbursement mode of insurance claim settlement (Circular No. 217/11/2024 dt. 26.06.24):-

Facts:

- Insurance co. provide general insurance for motor vehicles & handle repair/damages costs through either Cashless or Reimbursement modes.
- Under both modes, repair invoices are issued by garages to insurance co.
- For Cashless mode, insurers directly pay network garages for approved repairs, while for Reimbursement mode, policyholders (insured) pay non-network garages (with whom there is no routine business relationship of insurance co.) & are later reimbursed by insurers for approved repair/claim cost (accounted repairs liability).
- Insurance co. avail ITC of tax paid for such repair services based on invoices issued by garages in both modes of settlement.

Clarification:- Availability of ITC to insurance co. for repair expenses reimbursed by it in case of reimbursement mode of claim settlement:-

- Sec 17(5) provides that ITC for repair service of motor vehicles shall be available where received by a taxable person engaged in supply of general insurance services in respect of motor vehicles insured by him.
- In reimbursement mode, the liability to pay for repair service for approved claim cost lies with insurance co., irrespective of fact that expense is first paid by insured to garage & then reimbursed to insured for approved claim cost.
- **ITC is available to insurance co. (as a recipient) for such repair expenses incurred in reimbursement mode, since such service is used for outward supply of insurance services for such motor vehicles & it is not barred u/s 17(5).**

Repairs invoices Not in Insurer's Name:-

Sec 16(2)(a) & (aa) is not satisfied & thus, ITC is not available to insurance co.

b) Some Specified services used in the business (mostly related to employees)

i)

Blocked Credit	➲ Food and beverages ➲ Outdoor catering ➲ Beauty treatment ➲ Health services ➲ Cosmetic and plastic surgery ➲ Leasing, renting or hiring of motor vehicles, vessels or aircraft on which ITC is not allowed ➲ Life insurance and health insurance
Exceptions (Above Goods & services on which credit is allowed)	➲ Such goods and/or services when used by a RP for making an outward taxable supply ➢ of the same category of goods and/or services or ➢ as an element of a taxable composite or mixed supply ➲ Such goods and/or services when provided by an employer to its employees under a statutory obligation

IMP Notes:-
- ➢ ITC on such goods and/or services is allowed in the case of subcontracting, i.e. when such goods and/or services are used by the taxpayer who is in the same line of business, e.g. outdoor catering service availed by another outdoor caterer.
- ➢ When such goods and/or services are provided by the employer to its employees without any statutory obligation, ITC thereon is **blocked.**

ii)

Blocked Credit	**Membership of a club, health and fitness centre**
Exceptions (ITC allowed)	Such services when provided by an employer to its employees under a statutory obligation.

IMP Notes:- When such goods and/or services are provided by the employer to its employees without any statutory obligation, ITC thereon is **blocked.**

iii)

Blocked Credit	**Travel benefits extended to employees on vacation such as leave or home travel concession**
Exceptions (ITC allowed)	Such services when provided by an employer to its employees under a statutory obligation.

IMP Notes:- When such goods and/or services are provided by the employer to its employees without any statutory obligation, ITC thereon is **blocked.**

Refer chart notebook

Sl. No.	Case	Situations	ITC Eligibility
i)		Inward Supply of Food & Beverages by Reliance Fresh who is further supplying Food & Beverages	Yes
ii)		Inward Supply of Food & Beverages to a supplier providing restaurant service [composite supply]	Yes
iii)		Inward supply of food packets to Airline. The packets are used for in-flight catering which is considered as part of the composite supply of air travel servics.	Yes

iv)		Inward supply of Health care service to a Hospital who is providing healthcare services	Yes
v)		Inward supply of Health care service to a Manufacturer/ Trader/ Service Provider	No
vi)		Inward Supply of outdoor catering to a manufacturing company for celebrating its 25 years of success	No
vii)		Inward Supply of beauty treatment services by a Film Production Company.	No
viii)		Inward Supply of rent a Cab service taken by software company.	No
ix)		Inward Supply of rent-a-cab service for supplier who himself is into same line of business providing rent-a cab service	Yes
x)		Inward Supply of rent-a-cab service for a Tour Operator [Composite Supply of Tour]	Yes

Refer Question from our Questionnaire: CCP10.03.13.00

c) Works Contract Services (WCS)

Blocked Credit

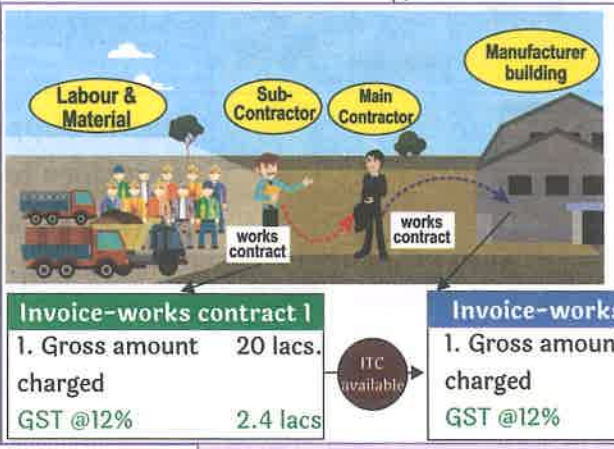
ITC on Works Contract Services (WCS) for construction of an immovable property

Exceptions (ITC Admissible)

ITC on WCS for construction of immovable property is available only in the following three situations:

* (I) When the WCS is availed by works contractor for being **used in providing the WCS**.
* (ii) **For construction of eligible plant and machinery.** In this case, ITC is allowed to all recipients irrespective of their line of business and whether expense capitalized or not.

(iii) **When the value of WCS is not capitalized.** In this case, ITC is allowed to all recipients irrespective of their line of business (to understand this refer def. of 'Construction")

Sl. No.	Case	Situations	ITC Eligibility
1)		Works Contract Service used for construction of building of manufacturer/trader or service provider	Not ITC
2)		Works Contract Service used for construction of Plant & Machinery of manufacturer/trader or service provider	ITC allowed
3)		Works Contract Service used by main contractor who further supplying works contract service.	ITC allowed

Refer Question from our Questionnaire: CCP10.03.14.00 - (ii)

d) Self-construction of immovable property

Blocked Credit

ITC is not allowed on goods and/or services received by a taxable person for construction of an immovable property

Exceptions (ITC Admissible)

ITC on goods and/or services used in construction of immovable property is **available** only in the following three situations:

(i) For construction of eligible plant and machinery

(ii) When the value of goods and/or services is not capitalized (Refer Def. of Construction)

(iii) When the construction is not on own account. even though such goods and/or services are used in the course or furtherance of business.

Definitions for Clause (c) & (d)

Constructions (Explanation 1)

"Construction" includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalization, to the said immovable property.

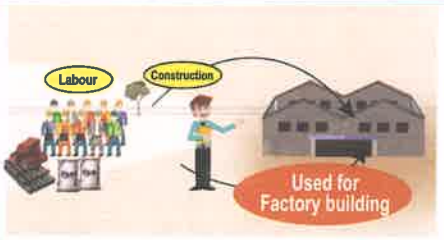
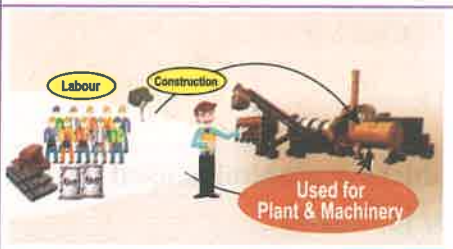
Note:- If reconstruction, renovation, additions, alterations, or repairs are not capitalized, they do not qualify as construction under GST law. Therefore, Input Tax Credit (ITC) on works contract services or goods/services used for such non-capitalized construction is permissible for all recipients, regardless of their business type.

Plant & Machinery (Explanation 2)

means apparatus, equipment, and machinery
- ➲ fixed to earth by foundation or structural support
- ➲ that are used for making outward supply of goods or services or both and

includes such foundation and structural supports

but excludes
(i) Land, building or any other civil structures
(ii) Telecommunication towers; and
(iii) Pipelines laid outside the factory premises

Sl. No.	Case	Situations	ITC Eligibility
		Construction Service & Construction Material used construction of building of manufacturer /trader or service provider	No ITC
		Construction Service & Construction Material used construction of plant & machinery of manufacturer / trader or service provider	ITC Allowed
		Construction Service & Construction Material used construction of tele-communication tower	No ITC (tele communi-cat^n tower is excluded from defn of P&M)
		Construction Service & Construction Material used builder for further supply intended for sale.	ITC Allowed
		Construction Service & Construction Material used builder for own house.	No ITC

Refer Chart Notebook

Clarification on availability of ITC on ducts & manholes used in the network of optical fiber cables (OFCs) u/s 17(5) (Cir. No. 219/13/2024)

Issue:- The Cellular Operators Association of India (COAI) reported that some tax authorities were denying ITC on ducts and manholes used in OFC networks for telecommunication services, considering them immovable property (other than plant & machinery). Whether such ITC is barred u/s 17(5)(c) & (d) read with explanation to sec 17?

Clarification:-

- Sec 17(5)(c) & (d) restricts ITC on certain items related to immovable property, excluding plant & machinery.
- Ducts & manholes are integral to OFC network for providing telecommunication services (signals from one point to another, etc.) & maintenance.
- They are not classified as land, buildings, civil structures, telecommunication towers, or pipelines outside the factory premises.
- Therefore, **ducts & manholes fall under "plant & machinery" & are eligible for ITC & not blocked u/s 17(5)(c) & (d).**

e)	Inward supplies from Composition Dealer	Blocked Credit	**Tax paid on goods and/or services under composition scheme is not available as ITC for the recipient.**
		Note:- A composition supplier cannot collect any tax on its supplies, from the recipient of its supplies, it is obvious that no ITC can be availed in respect of such supplies by the recipients. Nevertheless, Sec 17(5)(e) specifically blocks the ITC on inward supplies received by a taxable person from a composition supplier.	
f)	Inward supplies received by a NRTP	Blocked Credit	**Tax paid on goods and/or services received by such Non-Resident Taxable Person (NRTP), is not available as ITC.**
		Exceptions (ITC Admissible)	Whereas ITC on goods imported by a NRTP is allowed.
			Note:- Thus, ITC of other goods or services purchase in India is not allowed to NRTP

Sl. No.	Case	Situations	ITC Eligibility
		Non resident taxable person used following goods or services (a) Imported Toolkit (b) Hotel service in India	

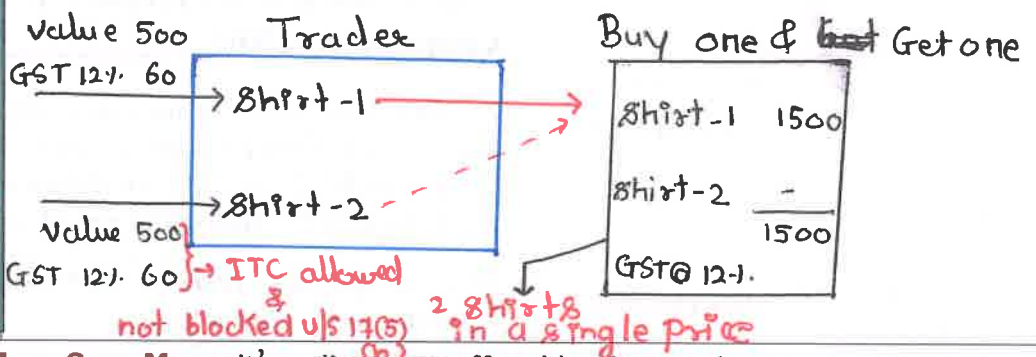
fa)	Goods/services used for CSR	Blocked Credit	**Tax Paid on goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility(CSR) referred to in section 135 of the Companies Act, 2013**
		Example:-	XYZ Corp. buys 100 computers for a school as part of their corporate social responsibility (CSR) initiative under Section 135 of the Companies Act, 2013. XYZ Corp. cannot claim ITC on the purchase of these computers as they are intended for CSR activities.
g)	Goods/services used for Personal Consumption	Blocked Credit	**ITC on goods and/or service used for personal consumption is not allowed.**
		Example:-	Mr. X owns a retail showroom of tyres and tyre tubes. He takes 4 tyres from the showroom for his personal car. Being used for personal consumption, ITC on such 4 tyres is blocked.
h)	Free samples, gifts, goods lost/stolen etc.	Blocked Credit	➲ **Goods lost, stolen, destroyed, written off or** ➲ **Goods that are disposed of by way of gift or free samples.**



Refer Questionnaire : CCP 10.03.15.00 (IMP) & CCP 10.03.16.00

l)	any tax paid in accordance with the provisions of sections 74, 129 and 130.

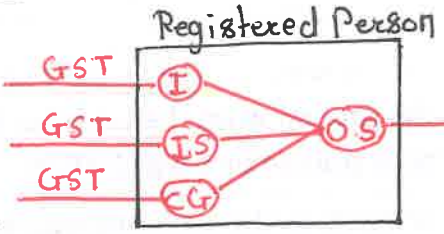
ITC in the hands of the supplier in respect of sales promotional schemes [Cir. No. 92/11/2019]

Samples and free gifts	**Not a "Supply":** Samples supplied free of cost are not considered as 'supply" under GST. except when the activity is covered by Schedule I of the CGST Act. **Non eligibility of ITC:** The supplier cannot avail ITC on inputs, input services, and capital goods used in relation to gifts or free samples distributed without consideration. u/s 17(5)(h) **ITC eligibility if it's a supply:** If the distribution of gifts or free samples falls under the 'supply" category under Schedule I of the CGST Act, the supplier is eligible to avail ITC.
Buy One Get One Free Offer	**Buy One Get One:** It involves two or more individual supplies with a single price. **Two Goods for One Price:** It can at best be treated as supplying two goods for one price. **Taxability & rate:** The taxability of such a supply depends on whether it is a composite or a mixed supply & rate shall be determined accordingly. **ITC Availability for Supplies:** ITC is available to the supplier for inputs, input services, and capital goods used in relation to the SOG & SOS as part of such offers.
	
Discounts including 'Buy more, save more' offers	**Buy More Save More:** It's a discounts offered by the suppliers to customers, including staggered discount. such type of post supply/volume discounts established before or at the time of supply, influence the value of supply. **Exclusion from VOS: It is excluded from value if all conditions of sec 15(3) are fulfiled.** **Reversal of ITC by Recipient:** The recipient must reverse the ITC attributable to the discount, based on documents issued by the supplier. **ITC Entitlement for Supplier:** Despite the discounts, the supplier retains the right to avail ITC for inputs, input services, and capital goods used in relation to the supply of goods or services or both on such discounts.
Secondary discounts	**Discounts Not Known at Time of Supply:** These discounts, which are not apparent at the time of supply or are provided after the supply is completed, are a specific category. **Inclusion in VOS:** Such discounts shall not be excluded while determining the value of supply. **No Impact on ITC for Supplier:** In these scenarios, the availability (or lack thereof) of ITC for the supplier remains unaffected.

Apportionment of ITC [Sec 17 (1)/(2)/(3)/(4)]

Case -1

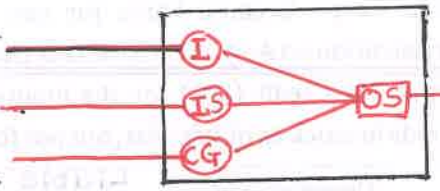
I, CG, IS Exclusily used in Taxable supply are eligible for ITC



→ Taxable (Chargeable) or Zero rated supply [ZRS]
- → export
- → supply to SEZ [Special Economic Zone]

Case - 2

I, CG, IS Exclusively used for Exempt or non-business purpose



→ Exempt [Wholly Exempt + Nil + Non-taxable] OR supply for non business purpose

No ITC is available

Sec 18 : Availability of Credit in Special Circumstances [Read with Rule 40]

1) Entitlement of ITC: U/s 18(1) RP is entitle to take ITC of stock in following 4 situations

a) Person liable for registration (i.e. switch from URP to RP)
b) Voluntary Registration (i.e. switch from URP to voluntary RP)
c) Switch from Composition levy to Normal Levy
d) Switch from Exemption to Normal Levy

Subject to such conditions and restrictions as may be prescribed

a) Person liable for Registration

Persons eligible to take credit	Person who has applied for registration within 30 days from the date on which he becomes liable to registration and has been granted such registration
Goods entitled to ITC	➲ Inputs held in stock and inputs contained in semi-finished or finished goods held in stock ➲ On the day **immediately preceding the date** from which he becomes liable to pay tax
Restriction/ conditions **	i) ITC to be availed within 1 year from the date of the issue of the tax invoice by the supplier for such stock **(u/s 18(2))**. (i.e. purchase should be of last 1 year of switching) ii) under this clause, only ITC of stock of inputs is available & not for capital goods
Example	'XYZ Corp.' became liable for tax on August 1st and secured registration on August 15th, retroactive to August 1st. They can claim Input Tax Credit (ITC) for the inputs, semi-finished, and finished goods in stock as of July 31st, but not for capital goods.



Sec 18(2): ITC of input in stock is available only if it was purchased in last 1 year.

*Such Qty of input is eligible for ITC u/s 18(1)(a).

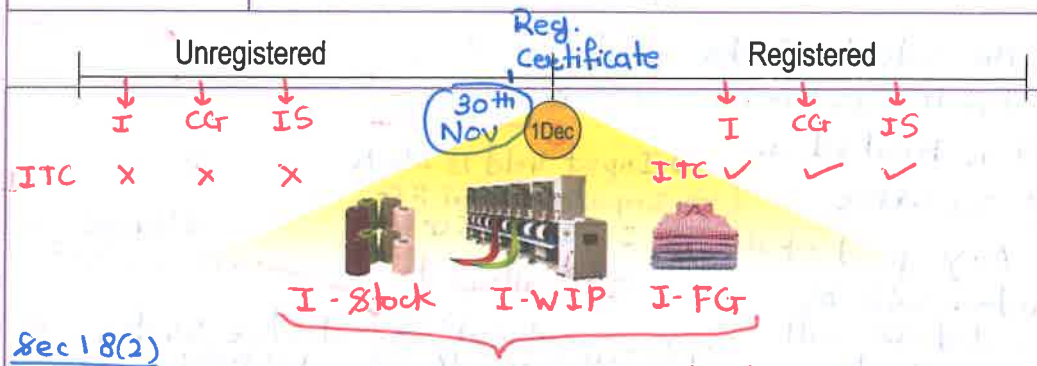
Note: No ITC of CG or IS Purchased during Un-registered Period.

Refer Question from our Questionnaire: CCP 10.04.17.00 (IMP)

b) Voluntary Registration

Persons eligible to take credit	Person who is not required to register, but **obtains voluntary registration**
Goods entitled to ITC	➲ Inputs held in stock and inputs contained in semi-finished or finished goods held in stock ➲ On the day **immediately preceding the date** of grant of registration
Restriction/ conditions	i) ITC to be availed within 1 year from the date of the issue of the tax invoice by the supplier for such stock **(u/s 18(2))** (i.e. purchase should be of last 1 year of switching).

	ii) under this clause, only ITC of stock of inputs is available & not for capital goods .
Example	'Company B' applied for voluntary registration on June 5th and received it effective from June 22nd. The company can claim Input Tax Credit for inputs and goods in process or finished in stock as of June 21st, but not for capital goods.



Sec 18(2)
ITC of input in stock is available only if it was purchased in Last 1 year.

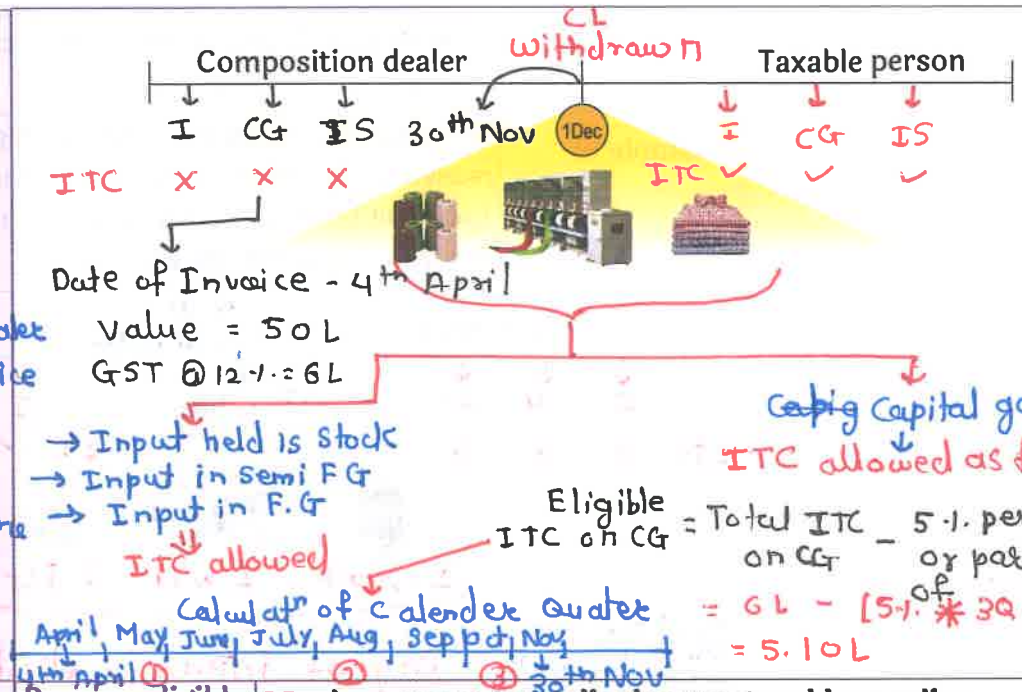
Qty of inputs is eligible for ITC

Note: ∄ No ITC of CG / IS purchased during un-reg. Period.

Refer Question from our Questionnaire: CCP10.04.18.00

c)	**Switch from composition to Normal Scheme**	
	Persons eligible to take credit	**RP** who **ceases to pay composition tax** and switches to regular scheme
	Goods entitled to ITC	➲ Inputs held in stock and inputs contained in semi-finished or finished goods held in stock & **capital goods** ➲ On the day **immediately preceding the date** from which he becomes to pay tax under regular scheme
	Restriction/ conditions	➲ **ITC on CG will be reduced by 5% per quarter of a year or part of the year from the date of invoice.** ➲ ITC claimed shall be verified with the corresponding details furnished by the corresponding supplier. ➲ ITC to be availed **within 1 year** from the date of the issue of the tax invoice by the supplier for such stock (input & CG) **(u/s 18(2))** (i.e. purchase should be of last 1 year of switching).
	Example	'C', a registered taxpayer, switched from the composition to the regular tax scheme on July 31st. 'C' can claim Input Tax Credit on stock, inputs in work-in-progress or finished goods, and on capital goods as of July 30th. The ITC on capital goods will be reduced by 5% for each quarter since the invoice date.

Refer Question from our Questionnaire: CCP10.07.23.00 - (iii)



1.) The Calender Quater in which CG. Invoice full is treated as 1st Quarter

2.) Any part of the quater will be treated as full Quater

d)	**Switch from Exempt to Taxable Supply**	**Persons eligible to take credit**	**RP whose exempt supplies become taxable supplies**
		Goods entitled to ITC	➲ Inputs held in stock and inputs contained in semi-finished or finished goods held in stock relatable to such exempt supply & capital goods exclusively used for such exempt supply ➲ On the day **immediately preceding the date** from which such supply becomes taxable
		Restriction/ conditions	➲ ITC on capital goods will be reduced by 5% per quarter of a year or part of the year from the date of invoice. ➲ ITC claimed shall be verified with the corresponding details furnished by the corresponding supplier. ➲ ITC to be availed within 1 year from the date of the issue of the tax invoice by the supplier for such stock (input & CG) **(u/s 18(2))** (i.e. purchase should be of last 1 year of switching).

Refer Question from our Questionnaire: CCP10.04.19.00



Same as above under clause (c)

Refer Chart book

Other Important Points

Electronic Declaration Requirement: Registered ~~individuals~~ person must submit an electronic declaration via the common portal, detailing inputs in stock, in semi-finished/finished goods, and in capital goods as per the specified dates.

Deadline and Extensions: This declaration must be filed within 30 days from becoming eligible for ITC, though extensions can be granted by the Commissioner.

Certification for High-Value Claims: If the ITC claim (including CGST, SGST/UTGST, and IGST) exceeds ₹2,00,000, certification from a practicing **CA/CMA** is mandatory.

Reverse Switching

Sec 18(4) :Reversal of ITC on switching to composition levy or exit from tax-paying status [Read with Rule 44]

Reversal for Composition or Exempt Supplies: When a registered person who has availed ITC switches to a composition levy or when his supplies become wholly exempted from tax, Sec 18(4) mandates the reversal of ITC (1) Normal to CL (2) Taxable to Exempt

Reversal of ITC on Inputs:	The ITC on ➲ inputs held in stock, inputs contained in semi-finished or finished goods held in stock, and ➲ on the **day immediately preceding the date** of switch over/date of exemption should be reversed proportionately, based on the corresponding invoices on which credit had been availed for such inputs.	
	Proportional Reversal Based on Invoices	**If invoices are available,** the proportionate reversal should be calculated based on them.
	Reversal Based on Market Price	**If invoices are not available,** ITC to be reversed based on the **prevailing market price** of the goods on the date of switch over or exemption. (ITC reversal = Prevailing Market Price X GST Rate)
	Certification by Professionals	Details furnished based on the prevailing market value need to be **duly certified** by a practicing **CA/CMA**
Reversal of ITC on Capital Goods (CG):	ITC involved in the remaining useful life (in months) of the **CG** on the day immediately preceding the date of switch over/date of exemption should be reversed on a **pro-rata basis**.	
	Useful Life for Calculation	For the purpose of this reversal, the useful life of the **CG** should be considered as 5 years.
	Pro Rata Calculation for Reversal	**CG** have been in use for 4 years, 6 month and 15 days. The useful remaining life in months = 5 months ignoring a part of the month. ITC taken on such **CG** = C ITC attributable to remaining useful life that should be reversed = C x 5/60

Reversal Mechanism (Read with Rule 44)

Debiting Ledger for Reversal:	The **RP** has to debit the electronic credit or cash ledger by the reversal of such amount **after reversal of such credit balance if any in E- credit ledger then it will lapse.**
Comparison with Output Tax (OT)	Such amount is then compared with the output tax payable on such goods, and the higher of the two amounts is finally paid by the **RP**.
Separate Calculation for Different Taxes	ITC to be reversed on inputs and **CG** is calculated separately for ITC of CGST, SGST/UTGST, and IGST.
Adding Reversal to OT Liability	The reversal amount is added to the output tax liability of the **RP** (If reversal amount is more than balance in E-Credit Ledger).

Important Note:- Reversal Required Upon Cancellation (i.e. switch from registered to unregistered): Cancellation of registration also necessitates the reversal of ITC on inputs held in stock/contained in semi-finished goods or finished goods held in stock, capital goods, or plant and machinery on the day immediately preceding the cancellation date & reversal shall be made as per above procedure.

Sec 18(6) : Amount payable on supply of capital goods or plant and machinery on which ITC has been taken [Read with Rule 40(2) & Rule 44(6)]

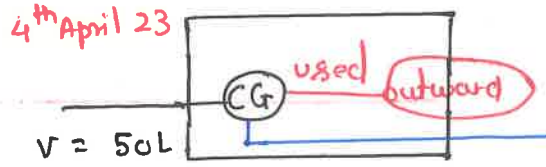
6)	**Outward Supply of ITC availed CG**	If **CG or plant and machinery** on which **ITC has been taken** are supplied outward by the **RP**, he must pay an amount that is the higher of the following two options
	Amount Payable	➲ **ITC taken** on such goods **reduced by 5% per quarter** of a year or part thereof from the date of issue of invoice for such goods (i.e., ITC pertaining to remaining useful life of the capital goods in quarters), or ➲ Tax on the transaction value of such capital goods/plant & machinery. **Whichever is higher** ➲ Such payment should be added to the output tax liability.

Separate Computation for Different Taxes	ITC pertaining to the remaining useful life of the capital goods should be computed separately for ITC of CGST, SGST/UTGST, and IGST.
Special Case for Specific Goods:	**If refractory bricks, moulds and dies, jigs and fixtures are supplied as scrap, the taxable person may pay tax on the transaction value.**

Note: Rule for Remaining Useful Life: Under rule 44(6), ITC involved in the remaining useful life (in months) of the capital goods is reversed on a pro-rata basis, taking the useful life as 5 years.

Refer Question from our Questionnaire: CCP10.04.20.00 (IMP)

Eg.



May-24

Supply as second hand CG

Sec 18(6) Price 30L (T.V)

GST payment 4.5L

or

Tax on T.V
GST @ 12%
3.6L

Tax payable = 6L - 5% per Quater or part thereof
= 6L - (5% * 5 Q * 6L)
= 4.5L

Payment = Whichever is higher

Removal of C.G.



ITC has been taken

On C.G or P&M ITC has been taken

Sec 18(6) Applicable

CG/P&M supplied as second hand goods

Moulds, dies etc. are supplied

Supplied as scrap

Amt Payable = (a) ITC → 5% per Quater/ part thereof

OR

(b) Tax on T.V of CG when supplied

Amt payable = Tax on T.V

Whichever is Higher

Eg. above.

*** Sec 18(3) : Transfer of ITC on account of change in constitution of registered person [Read with Rule 41]

3)	**Transfer of ITC in Business Changes**	In case of ➲ sale, ➲ merger, ➲ demerger, ➲ amalgamation, ➲ lease, transfer, or ➲ change in ownership of business etc., the ITC that remains unutilized in the E-Cr.Ledger of the RP can be transferred to the new entity.
	Condition for Transfer	This transfer is possible provided there is a specific provision for transfer of liabilities in such change of constitution.
	ITC Apportionment in Demerger	In the case of demerger, ITC will be apportioned in the ratio of the value of assets of the new units as specified in the demerger scheme. **Note:-** "Value of Assets" means the **value of the entire assets** of the business irrespective of whether ITC has been availed thereon or not.

Refer Question from our Questionnaire: CCP 10.07.23.00 - (ii)

only Read once

CBIC Clarification	
Applicability to Business Reorganizations [Cir.No.133/3/2020]	It has clarified that the said formula for apportionment of ITC shall be applicable for all forms of business reorganization that results in partial transfer of business assets along with liabilities and not just demerger.
Inclusion of Sole Proprietor's Death [Cir.No.96/15/2019]	It has clarified that transfer or change in the ownership of business includes transfer or change in the ownership due to death of the sole proprietor.

Procedure (Read with Rule 41)	
Furnishing of Details	The RP should furnish the details of change in constitution in the prescribed form (ITC - 02) on the common portal.
Certification by Professionals	A certificate from a practicing CA/CMA certifying that the change in constitution has been done with a specific provision for transfer of liabilities.
Acceptance and Credit of ITC	Upon acceptance of such details by the transferee on the common portal, the unutilized ITC gets credited to his electronic credit ledger.
Recording in Books of Account	The transferee should record the inputs and capital goods so transferred in his books of account.

(B)

Rule 86A:- Restrictions on utilisation of ITC

1)	**Authority to Restrict ITC**	The **Commissioner** or an officer (not below the rank of an Assistant Commissioner) authorized by him has the authority to impose **restrictions on the utilization of ITC in the electronic credit ledger,** particularly if there are **reasons to believe** the **ITC has been fraudulently availed or is ineligible.**
2)	**ITC Availed on fraudulent Documents** (fake invoice)	**Restrictions** can be imposed when ITC has been availed by a **RP** based on **tax invoices, debit notes, or prescribed documents** that are: (i) issued by a non-existent RP or a supplier not conducting business from the registered place (ii) availed without actual receipt of goods or services (iii) related to a supply for which tax has not been paid to the Government.
3)	**ITC Availed on fraudulent RP's Status:**	**Restrictions** can also be imposed if: (i) RP availing ITC is found to be non-existent or not conducting business from the registered place of business (ii) RP availing ITC lacks the necessary valid documentation, such as a tax invoice, debit note, or other prescribed documents.
4)	**Restrictions on ITC Utilization:**	**If ITC is availed under these circumstances, restrictions can be imposed by** ➲ not allowing the ITC to be used to discharge any liability under section 49 ➲ not allowing a refund of any unutilized amount of such ITC.
5)	**Duration of Restrictions:**	**These restrictions** can be imposed for a period of up to **1 year** from the date of imposition. However, the Commissioner or authorized officer can lift the restrictions if satisfied that the conditions for imposing them no longer exist.

Refer Question from our Questionnaire: CCP 10.05.21.00 (IMP)

Rule 86B:- Restrictions on the use of amount available in electronic credit ledger

Rule 86B restricts the use of ITC available in the electronic credit ledger for discharging output tax liability, starting with a non-obstante clause to have an over-riding effect on other CGST Rules provisions.

1)	**Applicability of Rule 86B**	**Taxable Supply Value:** Rule 86B applies to registered persons with a taxable supply value (excluding exempt and zero-rated supply) exceeding ₹50 lakh in a month. **Note:-** For taxable supply values up to ₹ 50 lakh in a month, Rule 86B's restrictions do not apply.
2)	**Nature of Restriction Imposed - ITC Utilization Limit**	**The RP under Rule 86B cannot use ITC to discharge more than 99% of the output tax liability.** **Note:-** Meaning electronic credit ledger utilization is capped at 99% for settling such tax dues.
3)	**Discharging Balance Tax Liability:**	The remaining 1% of the output tax liability must be discharged from the electronic cash ledger.

Final level Read once

4)	Exceptions Above restrictions not applicable even if Taxable value of R.P exceed ₹50L in a month	a)	Payment of income tax	➲ the said person or ➲ the proprietor or ➲ karta or ➲ the managing director or ➲ any of its two partners, ➲ whole-time Directors, ➲ Members of Managing Committee of Associations or ➲ Board of Trustees,	have paid more than ₹1 lakh ➲ as income tax under the Income-tax Act, ➲ in each of the last two financial years within normal time limit under income tax act; or
		b)	Refund of ITC in case of ZRS	**The RP** has **received a refund** in the preceding financial year on account of unutilised ITC under clause (i) of first proviso of section 54(3); or **(i.e. zero rated supplies made without payment of tax;)**	amount of more than ₹1 lakh
		c)	Refund of ITC in case of ITS (Inverted Tax Structure)	**The RP** has **received a refund** in the PFY on account of unutilised ITC under first proviso of sec 54(3)(ii); or **(i.e. where the credit has accumulated on account of Inverted Tax Structure)**	amount of more than ₹1 lakh
	X	d)	Payment of Tax through E-cash Ledger	The RP has discharged his liability towards output tax through the electronic cash ledger for an amount which is in excess of 1% of the total output tax liability, applied cumulatively, upto the said month in the current financial year; or	
		e)	Notified Person	the RP is –	

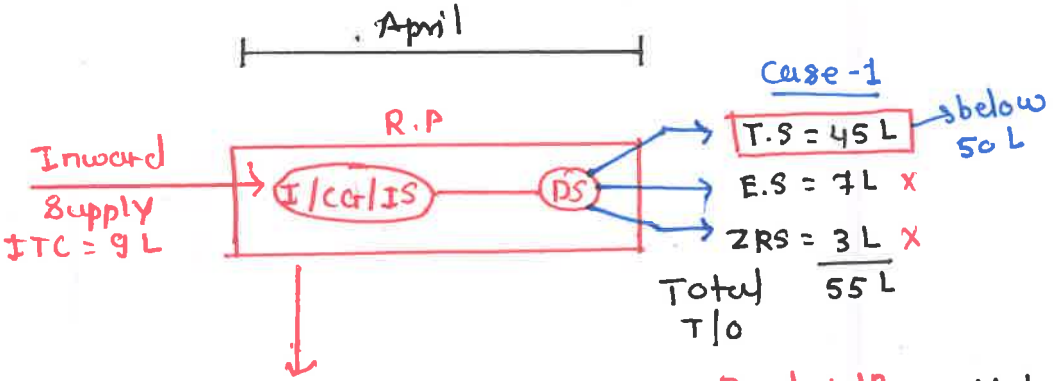
(i)	Government Department; or
(ii)	a Public Sector Undertaking; or
(iii)	a local authority; or
(iv)	a statutory body

Provided further that the Commissioner or an officer authorised by him in this behalf may remove the said restriction after such verifications and such safeguards as he may deem fit.".

Refer Question from our Questionnaire: CCP 10.06.22.00 (IMP)

Refer Questionnaire for Question on Combined Provisions: CCP 10.07.24.00 (IMP), CCP 10.07.25.00, CCP 10.07.26.00, CCP 10.07.27.00, CCP 10.08.28.00, CCP 10.08.29.00, CCP 10.08.30.00 (IMP), CCP 10.08.31.00 (IMP), CCP 10.08.32.00 (IMP) & CCP 10.08.33.00

Rule 86 B



E-credit ledger

Case-1

use of ITC	8.1	op. balance	2 L
Bal C/F	2.9	ITC of April (I/cG/IS)	9 L (assume)
		Total ITC	11 L

(OR)

Case-2

use of ITC	9.2664	Total ITC	11 L
Bal C/F	1.7336		

Restrictn of Rule 86 B = Not Applicable

output tax @ 18% (45L) = 8.1 L

ITC (fully used) = 8.1 L

Net Payable = Nil

(E-cash Ledger)

Rule 86 B Applicable

output tax @ 18% (52L) = 9.36 L

* Less : ITC = 9.2664 L (99% of output Tax)
99% (9.36 L)

Net payable 0.0936 L

[E-cash ledger 1%]

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09850850800

CHAPTER - 12
REGISTRATION

Section	Description	Pg.No.
22	Persons liable for registration	281
23	Persons not liable for registration	284
24	Compulsory reg. in certain cases	285
25	Procedure for registration	288
26	Deemed registration	300
27	Special provisions relating to CTP & NRTP	301
28	Amendment of registration	304
29	Cancellation/suspension of registration	305
30	Revocation of cancellation of registration	309

CGST rules pertaining to Registration

Rule No	Description	Pg.No.
8	Application for registration	291
9	Verification of the application & approval	296
10	Issue of registration certificate	299
10A	Furnishing of Bank Account Details	299
10B	Aadhaar Authentication for RP	294
11	Separate registration within a State or a UT	318
12	Grant of reg. to Deduct TDS u/s 51 & TCS u/s 52	300
13	Grant of registration to NRTP	301
15	Extension to CTP & NRTP	301
16	Suo moto registration	320
17	Assignment of UIN to special entities	320
18	Display of RC & GSTIN on the name board	298
19	Amendment of registration	304
20	Application for cancellation of registration	305
21	Specified cases of cancellation	305
21A	Suspension of Registration	307
22	Cancellation of registration	309
23	Revocation of cancellation of registration	309
25	Physical verification of business premises	300

Introduction :-

Importance of Registration	➲ Fundamental requirement for **tax identification.** ➲ Ensures **tax compliance** in the economy. ➲ Necessary for collecting tax from customers and **claiming tax credit.** ➲ First step towards **compliance under any tax law.**
Registration under GST	➲ **Legally recognizes a person** as a supplier of goods or services. ➲ **Authorizes collection of taxes** from customers and tax credit transfer. ➲ **Enables claiming ITC** and using it for tax payment. ➲ **Facilitates seamless ITC flow** at the national level.
State-Wise Registration under GST	➲ **No centralized registration** like the erstwhile service tax regime. ➲ Supplier must obtain **registration in each State/UT** where taxable supply is made, if aggregate turnover exceeds a threshold. ➲ **No registration** required for only **non-taxable supply** in a State/UT.
PAN-Based Registration	➲ GST registration is **PAN-based.** ➲ Supplier liable to register in one State must register in all States/UTs where taxable supply is made under the same PAN. ➲ Option is available for single registration or separate registrations for multiple places of business in a State/UT.
Single Reg. for all GST Act	**Single registration for all taxes:** CGST, SGST/UTGST, IGST, and GST compensation cess.

Refer Question from our Questionnaire: CCP 11.01.01.00

Important Definitions:-

Sec 2(6) : Aggregate Turnover

means the **aggregate value** of

- all **taxable supplies** (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis),
- **exempt supplies** (wholly exempt + nil rate + non taxable supply)
- **exports** of goods or services or both and
- **inter-State supplies**

of persons having the **same Permanent Account Number**,

- to be computed on **all India basis**
- but excludes central tax, State tax, Union territory tax, integrated tax and cess.

Sec 2(26) : Common portal GSTN Portal.

means the common goods and services tax electronic portal referred to in Sec 146.

** 2(85) : Place of business includes (POB)

- a place from where the **business is ordinarily carried on**, and **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 **maintains his books of account**; or
- a place where a taxable person **is engaged in business through an agent**, by whatever name called.

X 2(10) : Appointed day

means the date on which the provisions of this (i.e. CGST Act) shall come into force.

X 2(50) : Fixed establishment

means a place (other than the registered place of business) which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services, or to receive and use services for its own needs.

2(89) : Principal place of business [PPOB]

means the place of business specified as the principal place of business in the certificate of registration.

2(94) : Registered person

means a person who is registered under section 25, **but does not include a person having a Unique Identity Number.** UIN

2(106) : Tax period

means the period for which the return is required to be furnished .

2(109) : Taxable territory

means the territory to which the provisions of this Act apply.

Sec 22 : Persons liable for registration

1) **Threshold for Registration**

Legal Provision

Every supplier of goods &/or services is required to obtain registration **in the State or UT** from **where he makes taxable supply**, if his **aggregate turnover exceeds specified threshold limit** in a FY as under:-

Analysis:- Read with proviso (for Threshold Limit)

Indian State	If exclusively engaged in SOG	If engaged in SOS or SOG + SOS
➲ Manipur ➲ Mizoram ➲ Nagaland ➲ Tripura	10 lakhs	10 lakhs
➲ Puducherry ➲ Uttarakhand ➲ Meghalaya ➲ Arunachal Pradesh ➲ Telangana ➲ Sikkim	20 lakhs	20 lakhs
All the other States including following Special category state - Assam, J& K, Himachal Pradesh	40 lakhs	20 lakhs

Applicability of extended threshold of ₹ 40 Lakhs

No need to take reg. upto Agg. T/O 40L

Notification No. 10/2019 :-
A person who is engaged in **exclusive supply of goods** & whose aggregate turnover in the financial year does not exceed ₹ 40 lakhs is exempted from obtaining registration.

Exceptions [Non-applicability of extended threshold 40L]

a) Persons required to take compulsory registration u/s 24.

b) Person who has opted for voluntary registration u/s 25(3)

c) Persons engaged in making supplies of following goods:-

Ice cream and other edible ice, whether or not containing cocoa	Fly ash bricks; Fly ash aggregates; Fly ash blocks
Pan masala	Building bricks
Tobacco and manufactured tobacco substitutes	Bricks of fossil meals or similar siliceous earths
	Earthen or roofing tiles

Note:- For above goods basic threshold of 10L/20L is available.

d) Persons engaged in making intra-State supplies in Arunachal Pradesh, Uttarakhand, Meghalaya, Sikkim, Telangana, Puducherry, Nagaland, Mizoram, Manipur, Tripura.

Note:- Inter-State supplies of goods are liable to compulsory registration & already covered in exception (a) above.

Special Benefit to ₹40 Lakhs threshold

Explanation:- A person shall be considered to be engaged exclusively in the supply of goods even if he is engaged in exempt supply of services of extending deposits, loans or advances where the consideration is **interest or discount**.

Que 1:- Ronn Pvt. Ltd. earns ₹35 lakhs annually from the sale of pharmaceutical products and ₹8 lakhs as interest income from loans and deposits. The company believes it falls below the ₹40 lakh threshold for mandatory GST registration, as its primary business is the supply of goods. Explain whether company's view is right or not? would your answer differ if interest income is ₹3 Lakhs ?

Hint:- Interest income is an exempt service & hence, it is includible in agg. t/o of Ronn Pvt. Ltd. for deciding the threshold limit applicable for registration. However, Ronn Pvt. Ltd. is still deemed to be engaged only in SOG for applicability of ₹40 lakhs threshold.

1) Agg. T/o ₹ 43 lakhs (35 + 8) = need to take registration

2) Agg. T/o ₹ 38lakhs (35 + 3) = no need to take registration

Examples	1	Prithiviraj in MH, engaged in intra-State supply of shoes, has an Agg. T/o of ₹22 lakh in the current financial year. Since his turnover is below the ₹40 lakh threshold, he is not required to register under GST. However, if Prithiviraj switches to exclusively supplying pan masala, the threshold limit for registration becomes ₹20 lakh, and he would need to register for GST. Similarly, if he exclusively offers taxable services, the threshold limit for registration remains ₹20 lakh, necessitating his GST registration. Even if Prithiviraj supplies both taxable goods and services, the threshold limit for registration remains ₹20 lakh, and he is obligated to register under GST.

Section 2(6) Aggregate Turnover

Refer Question from our Questionnaire: CCP 11.02.02.00

means the aggregate value of

- all **taxable supplies** (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis),
- **exempt supplies** (wholly exempt + nil rate + non taxable supply)
- **exports** of goods or services or both and
- **inter-State supplies**

of persons having the same PAN, to be computed on **all India basis**

but excludes central tax, State tax, Union territory tax, integrated tax and cess.

Refer Questionnaire: CCP 11.03.04.00, CCP 11.03.05.00, CCP 11.03.06.00 (IMP), CCP 11.03.07.00, CCP 11.03.08.00 (IMP), CCP 11.03.09.00

Registration required only for a place of business from where taxable supply takes place

Basic Rule for Registration

- If you're a supplier in India, you need to register for GST (Goods and Services Tax) in each state where you have a business place making taxable supplies.
- If in any state, person has taken registration, then registration in all other states from where he makes the taxable supply is mandatory.
- But, if you only supply exempt or non-taxable goods or services from a certain state, you don't need to register for GST in that state (Sec 22 read with Sec 23).

Fixed Establishment Principle

- You need to register in states where you have a fixed establishment. This is especially relevant for service providers like repair, transportation, security, etc., who might work across different states.
- If you're temporarily in a different state for work, you don't need to register there.

Example :-Mr. X has an office in Delhi and imports goods to Mumbai. He sells these goods directly from the Mumbai port to Mr. Y in Mumbai. Mr. X doesn't need to register in Mumbai since he doesn't have a fixed establishment there.

Liaison or Marketing Offices: **

If you have only a liaison or marketing office in a state and don't make taxable supplies from there, you don't need to register in that state. You'll be considered 'unregistered' there.

Special Category States

- If you have business places in multiple states, including any Special Category States, the threshold for mandatory registration drops to ₹10 lakh.
- However, if you make exempt supplies from a Special Category State and taxable supplies from another state, this reduced threshold doesn't apply.

Example 1:- Raghav, exclusively involved in intra-State garment supply, has a turnover of ₹28 lakh in Assam and ₹11 lakh in Tripura. As a Special Category State, the threshold limit for him is reduced to ₹10 lakh.

Therefore, Raghav must register for GST in both Assam and Tripura since his aggregate turnover exceeds ₹10 lakh in both states.

Example 2:- Uday Enterprises supplies taxable goods in Maharashtra with a turnover of ₹34 lakh and alcoholic liquor for human consumption from Nagaland with a turnover of ₹8 lakh. In Maharashtra, where it's exclusively involved in taxable supplies, the threshold limit is ₹40 lakh.

Uday Enterprises doesn't need to register in Nagaland because it's not making taxable supplies there. However, it must register in Maharashtra as its aggregate turnover exceeds ₹40 lakh in that state.

Calculation of agg. T/o of agent

Explanation:- Aggregate turnover shall include all supplies made by the taxable person, whether on his own account or made on behalf of all his principals. (i.e agent)

Example:- Mohini Enterprises has appointed M/s Bestfords & Associates as its agent. All the supplies of goods are made by M/s Bestfords & Associates as agent of Mohini Enterprises. Examine whether such supplies shall be included in computation of aggregate turnover in order to determine the liability to get registered under GST?

Ans. - Aggregate turnover shall include all supplies made by the taxable person, whether on his own account or made on behalf of all his principals.

Thus, in the above case, all the supplies of goods made by M/s Bestfords & Associates as agent of Mohini Enterprises will also be included in the aggregate turnover of M/s Bestfords & Associates.

of SOS

P1 :- A dealer 'Ram' has two offices from where he makes taxable supply, one in Delhi and another in Maharashtra . The aggregate turnover of both the offices is ´30 lakh, Determine whether Mr. Ram requires a registration under GST? Yes Agg. T/o exceeds 20L (as it is SOG)

P2:- M/s Janhavi enterprises is engaged in trading of various Stationary materials, on a whole sale basis. It has a place of business located in Mumbai (MH). Apart from it, there is also an income in form of interest earned from investment. The turnover from sale of Stationary material is 35 lakh and income from interest is 2,40,000. State whether M/s Janhavi enterprises is required to obtain registration.

P3:- M/s Tiger Trading corp is engaged in supply of variety of products located in state of Maharashtra & its turnover from the sale of following products is as follows:-

Microwave	SOG	₹ 5,10,000
Refrigerator	SOG	₹ 7,95,000
T.V stand	SOG	₹ 1,05,000
Washing Machine	SOG	₹ 7,90,000
Office portable chair	SOG	₹ 6,54,000

28,54,000

M/s Tiger trading corp needs an advice as regard for whether it should obtain registration under GST act or is there any exemption available to him.

Also state whether your answer will change, if M/s Tiger trading corp makes such supply from State of Telengana. You are required to advise him on this stating relevant provision of GST act.

20L

P4:- Happy Ltd. of Delhi is exclusively engaged in intra-State supply of pan masala. It's aggregate turnover in the current financial year is 24 lakh. Can he take threshold limit of 40 lakhs for registration? Extended threshold of 40L not applicable for PAN Masala. but basis threshold of 20L is available to him.

Person liable for registration in case of transfer of business

- When a business is transferred to another person as a going concern, including due to succession or a change in ownership because of the proprietor's death, the transferee/successor must register from the date of the transfer/succession.
- In cases of business transfer through amalgamation or de-merger of companies approved by a High Court/Tribunal, the transferee is to be registered from the date when the Registrar of Companies issues a certificate of incorporation confirming the transfer.

Sub-Sec

Sec 23 : Persons Not Liable For Registration

Persons who are not required to register u/s 23 are not classified as 'taxable persons' in GST.

(1) (a) Exclusively engaged in Exempt or Non Taxable supply

Refer Question from our Questionnaire: CCP11.04.11.00

Persons engaged exclusively in supplying goods and/or services
- ➲ not subject to tax or
- ➲ wholly exempt from tax

are not liable for registration.

Examples:-

(i) Madhur Oils, Punjab, is exclusively engaged in supplying petrol. Supply of petrol is not leviable to GST. Thus, Madhur Oils is not liable for registration as it is engaged exclusively in supplying goods not leviable to tax.

(ii) The Bhavyajyoti Foundation, a registered charitable trust under Income-tax Act u/s 12AB, exclusively provides charitable services exempt from GST. Since its services fall under this exemption, it is not required to register for GST.

(b) An agriculturist

Exclusive

Refer Question from our Questionnaire: CCP11.04.10.00

- ➲ **Agriculturists are not liable for GST registration when supplying produce from land cultivation.**
- ➲ The **definition of agriculturist** includes individuals or Hindu Undivided Families (HUFs) engaged in land cultivation using their labor, family labour, or hired labour under supervision.

Note: If an agriculturist is also engaged in making any supply other than supply of produce out of cultivation of land, he shall be liable to registration based on applicable threshold limit.

Example:- Deshbandhu, an agriculturist from Punjab, initially exclusively supplied wheat from his field and wasn't liable for GST registration. However, this year, he started trading pre-packaged puffed rice in addition to wheat supply.

Taxable

With a total turnover of ₹41 lakh (₹32 lakh from wheat and ₹9 lakh from puffed rice), exceeding the threshold of ₹40 lakh for good's supply in Punjab, Deshbandhu is now obligated to register for GST.

(2) Notified person by Govt

Overriding sec 22(1)/24, the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act.

Persons making only reverse charge supplies (N/N 5/2017)

Persons engaged only in making supplies of taxable goods &/or services, total tax on which is liable to be paid on reverse charge basis by recipient u/s 9(3) are exempted from obtaining registration

Example: Ganga Transporters, a Goods Transport Agency (GTA), is engaged in providing GTA services taxed under reverse charge at 5%. They provide services to Sharma Industries Pvt. Ltd., a company with an aggregate turnover below the threshold limit.

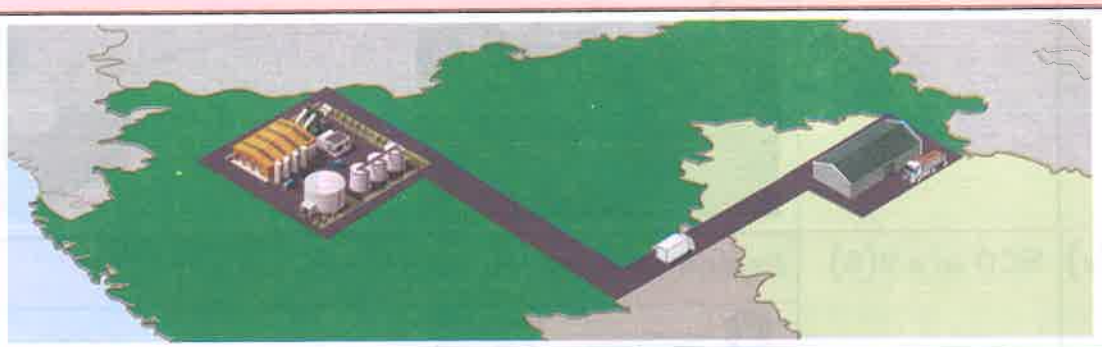
Entity	Service Type	Agg. T/O	GST Registration Requirement	Reason
Ganga Transporters	GTA Services	Not Applicable	Exempt (Sec 23(2))	Services under reverse charge; no self-GST payment
Sharma Industries Pvt. Ltd.	Recipient of GTA Service	Below Threshold Limit	Mandatory (Sec 24)	Liable for reverse charge tax on GTA services

Sec. 24 - Compulsory Registration in Certain Cases

Compulsory Registration:- **Notwithstanding anything contained of Sec 22(1), the following categories of persons shall be required to be registered under this Act,–**

(i) Inter State supply of Goods

Persons making any inter-State taxable supply



Exceptions : In following cases threshold is available eventhough there is inter state supply

Supply of service (N/N 10/2017)	Supplier of service making inter-State supplies of taxable services & Agg. T/O, not exceeding ₹20 lakhs(for special category of 4 states ₹10 Lakhs) in a F.Y. (registration is needed after threshold)
Handicraft goods (N/N 8/2017)	Supplier of goods making inter-State taxable supplies of handicraft goods & Agg. T/O, not exceeding ₹10/20lakhs(for special category of 4 states ₹10 Lakhs) in a F.Y. (registration is needed after threshold) **Conditions -** 1. Person required to **obtain PAN** 2. Generate **e-way bill** with the provision of Rule 138
	Explanation - Handcrafted goods that are ➲ predominantly made by hand even if some tools or machine are used in their creation ➲ ornamented which cause visual appeal & ➲ have unique aesthetic, artistic, or cultural features are distinct from mass-produced items.

Refer Question from our Questionnaire: CCP 11.05.12.00, CCP 11.05.13.00 - (i)

(ii) CTP

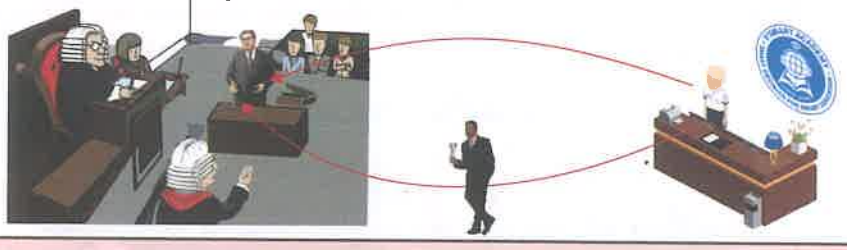
Casual Taxable Persons making taxable supply

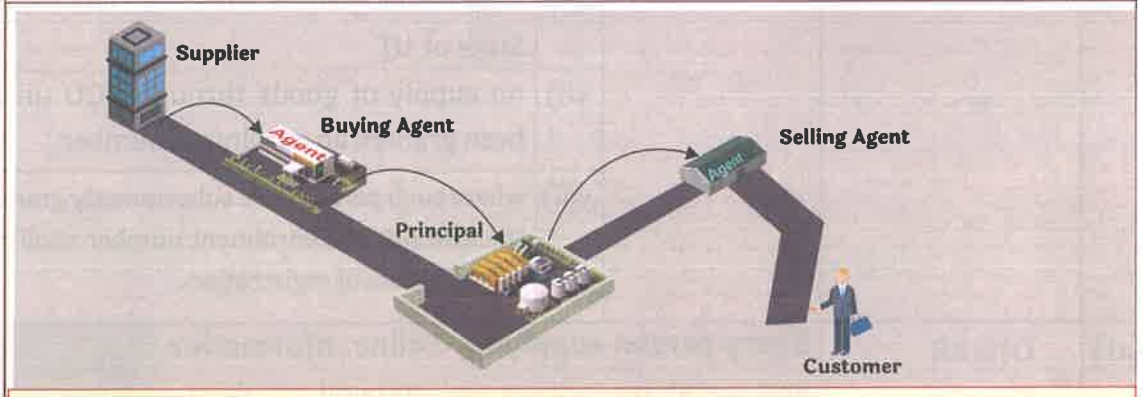


Exceptions : In following cases threshold is available eventhough there is inter state supply

Handicraft goods (N/N 8/2017)	Supplier of goods making inter-State taxable supplies of handicraft goods & Agg. T/O, not exceeding ₹10/20lakhs(for special category of state ₹10 Lakhs) in a F.Y. (registration is needed after threshold)

Refer Question from our Questionnaire: CCP11.05.14.00 (IMP)

		Conditions – 1. Person required to **obtain PAN** 2. Generate **e-way bill** with the provision of Rule 138
(iii)	Reverse Charge	**Persons who are required to pay tax under reverse charge** Representation By Senior Advocate 
(iv)	ECO u/s 9(5)	**Person who are required to pay tax u/s 9(5)** 
(v)	NRTP	**Non-resident taxable persons making taxable supply** 
(vi)	Person deducting TDS	**Persons who are required to deduct tax under Sec 51, whether or not separately registered under this Act**  ➲ on a request by a person (to whom a registration of TDS has been granted) or ➲ upon an enquiry or pursuant to any other proceeding under the Act, the proper officer is satisfied that a person is no longer liable to deduct tax at source under section 51 or collect tax at source under section 52, the said officer may cancel the registration and such cancellation shall be communicated to the said person electronically in FORM GST REG-08. Provided that the proper officer shall follow the procedure as provided in rule 22 for the cancellation of registration. **[N/No. 26/2022 – CT dt. 26.12.2022]**

(vii)	Agent issuing own invoice Refer Question from our Questionnaire: CCP11.05.13.00 - (ii)	**Persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise**  **Note:-** As per circular no. 57/31/2018 this provision of compulsory registration is applicable to that agent who issues his own invoice.
(viii)	ISD	**Input Service Distributor, whether or not separately registered under this Act**
(x)	ECO u/s 52	**Every electronic commerce operator, who is required to collect tax at source under sec 52** 
(ix)	Person suppling goods or services through ECO u/s 52	**Persons who supply goods or services or both, other than supplies specified u/s 9(5), through such electronic commerce operator who is required to collect tax at source under Sec 52**

Exceptions : In following cases threshold is available eventhough supply is made through ECO u/s 52

Supply of Service (N/n 65/2017)	**Supplier of service** (other than specified services u/s 9(5))through ECO deducting TCS u/s 52 & Agg. T/O, not exceeding ₹20 lakhs(for special category of state ₹10 Lakhs) in a F.Y. (Reg. is needed after threshold)
Supply of Goods	Persons making **supplies of goods** through an ECO who is required to TCS u/s 52 & Agg. T/O, not exceeding ₹20/40 lakhs(for special category of state ₹10 Lakhs) in a P.F.Y./C.F.Y. subject to following conditions:- Such Person

i)	shall not make any inter-State SOG
ii)	shall not make SOG through ECO in more than one State or UT
iii)	shall be required to have a PAN
iv)	shall declare (before making any SOG through ECO)on the common portal ➲ their PAN ➲ their address of their place of business and ➲ the State or UT in which such persons seek to make such supply, which shall be subjected to validation on the common portal

			v)	granted an enrolment number on the common portal on successful validation of the PAN
			vi)	shall not be granted more than one enrolment number in a State or UT
			vii)	no supply of goods through ECO unless such persons have been granted an enrolment number
			viii)	where such persons are subsequently granted registration u/s 25 of the said Act, the enrolment number shall cease to be valid from the effective date of registration.
(xi)	OIDAR Service	**Every person supplying Online Information and Database Access or Retrieval services from a place outside India to a person in India, other than a registered person**		
(xia)	Online Money gaming	**every person supplying online money gaming from a place outside India to a person in India; and**		**Refer Questionnaire: CCP 11.05.13.00 - (iii)**
(xii)	Notified person by CG	**Such other person or class of persons as may be notified by the Govt. on the recommendations of the Council**		

Note:- For the purpose of above provision registration is compulsory even if they are below the threshold limit as specified in sec 22, thus the criteria of threshold is not applicable to the suppliers mentioned in sec 24.

Refer Questionnaire for Combined Question on Sec 22, 23 & 24:CCP 11.03.03.00, CCP 11.06.15.00 (IMP), CCP 11.06.16.00, CCP 11.06.17.00, CCP 11.06.18.00, CCP 11.06.19.00 (IMP),

Sec. 25 - Procedure for Registration

Sub-Sec	Legal Provision

(1) Where and by when to apply for Registration?

Particulars	Where	When
Person who is liable to be registered u/s 22 or 24	shall apply for registration in every such State/UT in which he is so liable	within **30 days** from date on which he becomes liable to registration
Person making supply in Territory Water	in the coastal State or UT where the nearest point of the appropriate baseline is located.	
A person having a unit in SEZ or being a SEZ developer	shall apply for registration separately ➲ for unit in SEZ or SEZ developer ➲ Unit in Outside SEZ	
CTP or NRTP	shall apply for registration in every such State/UT in which he is so liable	**at least 5 days prior** to the commencement of business

Refer Question from our Questionnaire: CCP 11.07.20.00

Comments:-

➲ If 2 units of a taxpayer are located in same State/UT-1 in SEZ & another outside SEZ, separate registrations are to be obtained for each of the 2 units as separate places of business.

(2) State-wise registration

State-wise registration:- A person seeking registration shall be granted a **single registration in a State or UT.**

Proviso:- Person having multiple places of business in a State or UT may be granted a separate registration for each such place of business, subject to prescribed conditions.

Sec 25(2) read with Rule 11:-

Rules 9 & 10 relating to verification & grant of registration shall mutatis mutandis apply to an application submitted under this rule [Discussed later].

(i) Registration per State:-

- A business entity having its branches in multiple states will have to take separate State-wise registration for its branches in different states.
- Entity with different branches within a State shall be granted single registration by declaring one place as principal place of business & other branches as additional places of business.

(ii) Separate registration for different places of business within a State/UT may be granted:-

- A taxpayer having multiple places of business in one State/UT has an **option** to obtain separate registrations for each of them.
- GST is to be paid on supply made between these separately registered places of business of such person & tax invoice/bill of supply shall be issued for such supply.
- Separate registration application is to be filed for each place of business in Form GST REG-01.

Example: Meethalal & Sons, a supplier in Maharshtra - has three branches in Mumbai, Pune and Nagpur. Mumbai & Pune branches are engaged in supply of garments & Nagpur branch engaged in supply of shoes. Either it can obtain single registration for Mahrashtra declaring one of the branches as PPoB (let's say Mumbai) and other two branches (Pune and Nagpur) as APoB or it can obtain separate GST registration for each of the three branches in Mumbai, Pune and Nagpur as separate places of business.

(iii) Composition levy in case of separate registration for multiple places of business within a State/UT:-

- If a person is paying tax for one of his places of business under normal scheme, he shall not pay tax under composition levy for any other place of business.
- If any one place of business [separately registered] of a registered person becomes ineligible to pay tax under composition levy, all other registered places of business of said person would also become ineligible to pay tax under composition levy.

(3) Voluntary Registration

Refer Question from our Questionnaire: CCP 11.08.21.00

- A person who is not liable to be registered u/s 22 or 24 may get himself registered voluntarily.
- Once a person obtains voluntary registration, all provisions of GST Act, as applicable to a registered person, shall apply to such person.
- He has to pay tax even if aggregate turnover does not exceed ₹ 40 lakh ₹ 20 lakh/₹ 10 lakh.
- It is usually obtained by business to ensure seamless flow of credit to their customers.

(4) Distinct Persons:

If more than one registration is obtained or is required to be obtained by a person in one or more State or UT, then for **each of such registration**, it shall be treated as distinct persons. [Already discuss in Chapter Concept of Supply]

(5)	Establishments of Distinct Persons:-		If **registration** is obtained or is required to be obtained by a person for **one establishment** in **a** State or Union territory & **has an establishment in another** State or UT, then such establishments shall be treated as establishments of distinct persons.
(6)/ (7)	PAN must for obtaining registration **Refer Question from our Questionnaire: CCP 11.09.22.00**		**It is mandatory** for every person to have Permanent Account Number (PAN) issued under Income-tax Act, 1961 in order to be eligible for grant of registration. **Exceptions:-** ➲ Person required to deduct tax **u/s 51** may have a Tax Deduction & Collection Account Number (TAN) issued under Income-tax Act instead of PAN for granting registration. ➲ A **NRTP** may be granted registration on the basis of other prescribed documents (Eg. Passport) **(Sec 25(7))**
	Aadhaar Authentication		**Sec 25(6A), 25(6B), 25(6C) and 25(6D): Aadhaar Authentication (discussed later in this chapter)**
(8)	Suo-motu registration by the Proper Officer (PO) [Section 25(8) read with rule 16]:-	Temporary Registration by Officer	➲ If during any GST-related procedure (like survey, enquiry, inspection), it's found that someone who should be registered under GST hasn't applied for it, **the officer can register them temporarily.** ➲ The officer will issue an order for this temporary registration.
		Options for Temporarily RP	The person with this temporary registration has two options: a) Apply for GST registration within 90 days of getting the temporary registration. b) File an appeal against the temporary registration.
		Post-Appeal Process	If the appeal is made and the Appellate Authority agrees that registration is needed, the person must apply for GST registration within 30 days of the Appellate Authority's order.
		Effectiveness of GSTIN	GSTIN given after this process will be effective from the date the officer issued the temporary registration.
		Application of Rules 9 & 10	Rules 9 and 10 of GST, which are about verification and issuing the registration certificate, also apply to applications made by people who have received temporary registration.
(9)	Unique Identity Number (UIN) [read with Rule 17] [IMP] **Refer Question from our Questionnaire: CCP 11.10.23.00**	Who Gets a UIN?	**UIN is granted to:** **a) UN agencies, Multilateral Financial Institutions, consulates, embassies, and organizations recognized under the UN Act of 1947.** **b) Any other individuals or groups the Commissioner decides.**
		Purpose of UIN	➲ **To get a refund for the GST paid on certain goods and services.** ➲ It's used for other specific reasons notified by the GST authorities.
		Nature of UIN	**UIN is centralized** and valid across India.
		Tax Implications	➲ Organizations or persons with a UIN are **not registered** under GST. ➲ Therefore, they **don't have to pay GST.**
		Application Process	A certificate in Form GST **REG-06** is issued **within 3 working days** of the application.

(10)	Verification	The registration or the UIN shall be granted or rejected after due verification in such manner and within such period as may be prescribed.
(11)	Issue of RC	A certificate of registration shall be issued in such form RFD- 06 and with effect from such date as may be prescribed.
(12)	Deemed registration	A registration or a UIN shall be deemed to have been granted after the expiry of period prescribed u/s 25(10), if no deficiency has been communicated to the applicant within that period.

Section 25 read with Rule 8,9 & 10:- Procedure for Registration

1	Registration Steps	For registering, there are specific steps to follow. Rules 8, 9, and 10 outline the application, verification, and approval processes. These need to be understood in conjunction with Sec 25.
2	Applicability	The same rules apply to different types of taxpayers: ➲ Person normally liable to pay tax ➲ Those who opt for the composition levy (a simplified tax process). ➲ Anyone who chooses to register voluntarily. ➲ A person who only needs to pay tax on certain occasions (casual taxable person).
3	Non-Applicability	There are some persons who don't follow Rule 8 because they have their own specific forms and procedures. These include: ➲ NRTPs. ➲ Those required to deduct TDS u/s 51 or collect TCS u/s 52 tax at source. ➲ Providers of OIDAR services from outside India to non-taxable recipients in India. ➲ **person supplying online money gaming from a place outside India to a person in India**
4	Registration Form	When you want to register, use **Form GST REG-01**. It's divided into two parts: Part A and Part B, for different stages of the process.
5	Documents for registration	

Rule 8:- Procedure for Application for Registration

Sub Rule		Legal Provision	
(1)	Declaration of Part A Information in Reg - 01	Pre-Reg. Requirements	**Every person who is liable to be registered under Sec 25(1) and every person seeking registration under Sec 25(3) ("the applicant"), Submit PAN and state/UT details in Form GST REG-01, either online or at a Facilitation Centre.**
		ISD	**ISDs must apply separately for their registration.**

(2)	Validation of Part A information		➲ When you register, your PAN is checked online through the GST Common Portal. This portal uses the database of the CBDT for verification. ➲ You'll also receive a OTP on your phone and email linked to your PAN for further verification.
(3)	Temporary Reference number(TRN)		On successful verification of PAN, a Temporary Reference Number (TRN) is generated & communicated to applicant on his mobile number & e-mail address.
(4)	Validation of Part B Information		Using TRN, applicant shall electronically submit an application in Part B of Form GST REG-01, ➲ duly signed or verified through Electronic Verification Code (EVC), ➲ along with documents specified in that Form at the Common Portal **Comments:-** Part B of application contains details such as constitution of business, option for composition, date of commencement of business, reason to obtain registration, address of PPoB & details of APoB, details of bank account(s), authorized signatory, Aadhaar authentication, etc.
(4A)	Aadhaar Authentication	Choosing Aadhaar Authentication	If applicant is not exempt under section 25(6D) and want to use his Aadhaar for authentication: ➲ applicant will need to do this as part of his application process.
		Application Submission Date	The date of submission of the application in such cases shall be the **EARLIER of:-** ➲ The date you complete Aadhaar authentication, or ➲ 15 days after applicant have submitted Part B of his GST REG-01 form, whichever comes first.
		Additional Verification Steps if AA is opted & its completion	➲ If applicant have opted for Aadhaar authentication and are **flagged by the system** based on data analysis and risk parameters, ➢ He will go through **biometric authentication.** ➢ His photograph will be taken. ➲ This applies to both individuals and relevant representatives if the applicant is not an individual. ➲ He must also have his documents verified at a Facilitation Centre. ➲ His application is only considered complete after all these steps are done.
		Additional Verification Steps if AA is not opted & its completion Newly Inserted by N/No. 12/2024	➲ If a person [**other than** a person notified u/s 25(6D)] **has not opted** for authentication of Aadhaar number, every application made under sub-rule (4)(validation of part -B of REG-01) by him 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 u/s 25(6C) where the applicant is not an individual, **along with the verification of original copy** of documents uploaded with the application in FORM GST REG-01 at one of the Facilitation Centers notified by Commissioner for this. ➲ The application shall be deemed to be complete only after successful verification of this process.

(4B)	Non applicability of proviso to sub-rule 4A	On recommendations of Council, CG may by notification specify the States or UTs where the proviso to sub-rule (4A) shall not apply. **N/No. 27/2022-CT Dt. 26.12.2022:** Using the power given under Rule 8(4B), CG notified that ➲ the provisions of rule 8(4A) shall not apply in all the States & UTs ➲ except the State of Gujarat & Puducherry.
(5)	Aknowledgement	On receipt of an application under sub-rule (4) **or sub-rule (4A),** an acknowledgment shall be issued electronically to applicant in prescribed form (i.e. Form GST REG-02).
(6)	TRN for CTP	**A CTP applying for registration gets a TRN for making an advance deposit of tax in his electronic cash ledger & an acknowledgement is issued only after said deposit.**

Section 25(6A), (6B), (6C) & (6D):- Aadhaar Authentication(AA)Process

AA process is mandatory for new applicants to be eligible for grant of registration in FORM GST REG-01. Person who is already registered under GST is also required to undergo this AA.

Sub-Sec		Legal Provision
(6A)	AA for Registered Person [also refer rule 10B]	**Every RP shall undergo authentication or furnish proof of possession of Aadhaar No. in prescribed form and manner and within the prescribed time.** **Proviso 1:-** If an Aadhaar number is not assigned to registered person, he shall be offered alternate and viable means of identification in prescribed manner. **Proviso 2:-** If person fails to undergo authentication or furnish proof of possession of Aadhaar no. or furnish alternate & viable means of identification, **registration allotted to him shall be deemed to be invalid** & other provisions of GST Act shall apply as if he does not have a registration.
(6B)	AA for Individual (Fresh Registration)	On & from the date of notification, every **individual** shall undergo authentication or furnish proof of possession of Aadhaar no. to be eligible for grant of registration in manner prescribed in **rule 8.** **Proviso:-** If Aadhaar number is not assigned to an individual, he shall be offered alternate & viable means of identification in the manner specified in **rule 9.**
(6C)	AA for person Other than Individual (Fresh Registration)	On & from the date of notification, every person **other than an individual** shall undergo authentication or furnish proof of possession of Aadhaar number of following persons to be eligible for grant of Registration in manner prescribed in **rule 8:-**

Karta	Managing Director	Whole time Director	Such number of Partner
Members of managing committee of Association			Board of Trustees
Authorised representative, authorised signatory & other notified class of persons (i.e. Authorised signatory of all types, Managing & Authorised partners of a partnership firm & Karta of a HUF).			

Proviso:- If such person(s) are not assigned Aadhaar Number, it shall be offered alternate & viable means of identification in the manner specified in **rule 9.**

(6D)	**Non-Applicability of AA**	**Persons/class of persons exempt from Aadhaar authentication:-** The following persons are notified in this regard (N/No. 03/2021):- a) A person who is not a citizen of India b) A department or establishment of SG or CG c) A local authority d) A Statutory body e) A public sector undertaking f) A person applying for UIN u/s 25(9)
	How Aadhaar authentication is done?	**For new registrants:-** **If new registrant opts for AA while filing registration application:-** ➲ GST system sends "authentication link" on mobile nos. & email-ids ➲ On clicking the verification link, Aadhaar Number & OTP received by them on mobile no. & email-id linked with Aadhaar are to be entered. **If new registrant does not opt for AA while applying for registration or the AA fails in validation:-** ➲ Registration application will not be deemed approved within **7 working days** & will be marked for mandatory site visit & approval. **For existing registrants:-** ➲ An existing regular & composition taxpayer have to get himself AA on GST portal using either AA link or uploading E-KYC documents.

Rule 10B:- Aadhar Authentication (AA) mandatory for Registered person

	AA by Registered person & Authorized Signatory	**RP, other than notified u/s 25(6D)**, who is issued a certificate of Registration under GST shall undergo authentication of Aadhaar number of **AUTHORIZED SIGNATORY** & other persons as follows:-

Proprietor	Partner	Karta	Managing Director	any whole time director	
Any of the members of managing committee			Trustee in the Board of Trustees		

	RP required to do AA only for this purposes	**Aadhaar authentication is required in order to be eligible for the following purposes:-** 1. To file application for revocation of cancellation of registration. 2. To file refund application in Form RFD-01. 3. For refund of IGST paid on goods exported out of India.
	If Aadhaar number is not assigned	If Aadhaar number is not assigned then, he shall furnish the following documents:-

a.	Her/his Aadhaar Enrolment ID slip and
b.	i) Bank passbook with photograph or ii) Voter identity card issued by the Election Commission of India or iii) Passport or iv) Driving License issued by the licensing authority

Such person shall undergo authentication of Aadhaar number within 30 days of allotment of Aadhaar no.

Refer Question from our Questionnaire: CCP 11.13.27.00 (IMP)

Sec 25 - Authentication (Aadhar) Process under GST

Object — To control fake invoices, dummy address registration & multiple registration at same place.

Sec 25 (6A) — Person already registered under GST (RP)

RP shall undergo authentication of Addhar no. for following purposes:-

1) application for revocation of cancellation of registration
2) For filing of refund application
3) refund for export goods

For detail discussion Refer Rule 10B

Person Applying for fresh Registration

Sec 25 (6B): Individual

1) **Authentication:** Individual shall undergo
   - ➲ Authentication or
   - ➲ Furnish proof of possession of Aadhar no.

with Registration application in order to eligible for grant of registration

Sec 25 (6C) : Every person other than individual

1) **Authentication:** Such person shall undergo
   - ➲ Authentication or
   - ➲ Furnish proof of possession of Aadhar no. of
     - ➢ Karta (HUF)
     - ➢ M.D. (Company)
     - ➢ Whole time director (Company)
     - ➢ Member of managing committee (AOP)
     - ➢ Board of trustees (Trust)
     - ➢ Authorised representative
     - ➢ Authorised Signatory
     - ➢ Notified person by C.G.

The consequences for failure to undergo authentication : Registration shall be granted only after physical verfication of the place of business in presence of said person

1) **If Aadhar No. is not assigned :** The person shall be offered alternate & viable means of identification as C.G. notify on recommendation of Council (normally physical verification of POB)

2) **Sec 25(6D) :** **Non Applicability of authentication procedure**

The provision of Rule 25 (6A)/(6B)/(6C) shall not apply to
- ➲ Such person or
- ➲ Class of person or
- ➲ Any state or UT or part thereof

as the Government may, on recommendation of Council **Specify by Notification**

** **N/N 03/2021** Imp

Authentication not applicable to following category of person

(a) not a citizen of India or
(b) a Department or establishment of the CG or SG or
(c) a Local Authority
(d) a Statutory Body or
(e) a Public Sector Undertaking or
(f) a person applying for registration under section 25(9) (UIN)

How aadhaar authentication is done?

Once registration application is submitted, GST system sends "link" to the concerned persons at their GST registered mobile numbers and email ids mentioned in the GST application, for the aadhaar authentication.

On clicking the verification link, a window for Aadhaar Authentication will open where they have entered Aadhaar Number and the OTP received by them on the mobile number linked with Aadhaar.

Taxpayers need to complete Aadhaar authentication of all Promoters/ Partners/ Authorized Signatories/ Karta etc. as mentioned in the application to avail this option.

On successful authentication, demographic data of the persons is fetched from Aadhaar to GST System.

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Rule 9:- Verification of application for registration & approval

Sub Rule		Legal Provision
(1)	**Examination of the Application**	➲ Application shall be forwarded to PO to examine application & accompanying documents. ➲ If the same are found to be in order, then will approve the grant of registration to applicant **within 7 working days** from the date of submission of the application. **Proviso:-** The registration shall be granted **within 30 days** of submission of application after the physical verification of place of business in the manner given under rule 25 & verification of required document, **if:-** (a) a person, other than person notified u/s 25(6D), fails to undergo authentication of Aadhaar number as per rule 8(4A) or does not opt for authentication of Aadhaar number or (aa) a person, who has undergone authentication of Aadhaar number as specified in sub-rule (4A) of rule 8, is identified on the common portal, based on data analysis and risk parameters, for carrying out physical verification of places of business; or (b) PO, with the approval of officer authorised by Commissioner not below the rank of Assistant Commissioner, deems it fit to carry out physical verification of places of business. **Comment:-** Now, presence of the applicant is not required for physical verification
(2)	**Deficient Application**	➲ If the application is found to be deficient or PO requires clarification then, he **may issue a notice** to the applicant electronically in prescribed form (i.e. FORM GST REG-03) **within 7 working days from the date** of submission of application. ➲ Applicant shall furnish such clarification, information, or documents sought electronically in prescribed form (i.e. FORM GST REG-04) **within 7 working days** from the date of receipt of such notice. **Proviso:-** **Above notice** may be issued by PO **within 30 days** from the date of submission of application, if:- (a) a person, other than person notified u/s 25(6D), fails to undergo authentication of Aadhaar number as per rule 8(4A) or does not opt for authentication of Aadhaar number or (aa) a person, who has undergone authentication of Aadhaar number as specified in sub-rule (4A) of rule 8, is identified on the common portal, based on data analysis and risk parameters, for carrying out physical verification of places of business; or (b) the PO, with the approval of officer authorised by Commissioner not below the rank of Assistant Commissioner, deems it fit to carry out physical verification of places of business. **Explanation:-** Clarification includes modification/ correction of particulars declared in application for registration, **other than** PAN, State, Mobile No. & E-mail declared in part A of Form GST Reg-01.

(3)	**Grant of Registration**	If PO is satisfied with the clarification, information or documents furnished by applicant, he may approve the grant of registration to the applicant **within 7 working days** from the date of the receipt of such clarification, information or documents.
(4)	**No response to Notice**	If no reply is furnished by applicant or the PO is not satisfied with the clarification, information or documents furnished, then PO may reject such application and inform the applicant electronically in prescribed form (i.e. FORM GST REG-05) for reasons to be recorded in writing.
(5)	**Deemed registration**	If proper officer fails to take any action in the following cases within the stipulated time, application for grant of registration shall be deemed to have been approved:-

	Cases	Time Limit
1.	where the person is **not covered** under proviso to sub-rule (1) or	**within 7 working days** from the date of submission of application.
2.	where a person **is covered** under proviso to sub-rule (1) or	within **30 days** from the date of submission of application.
3.	where proper officer issues notice seeking clarification, information or documents from the applicant under sub-rule (2).	**within 7 working days** from the date of receipt of clarification, information or documents furnished by the applicant.

Analysis:-

A. In cases where SCN is not issued:-

- If Aadhaar is successfully authenticated, registration is deemed to be approved within 7 working days.
- But if Aadhar authentication(AA) is not opted for/ it fails in validation/ PO deems it fit to carry out site verification, registration is deemed to be approved within 30 days by tax official.

B. In cases where SCN is issued:-

- If Aadhaar is successfully authenticated, Tax Officer can issue SCN within 7 working days from the date of submission of application.
- But if Aadhar authentication (AA) is not opted for/ it fails in validation/ PO deems it fit to carry out site verification, PO can issue SCN **within 30 days** from the date of submission of application.
- In both cases, applicants can submit their reply **within 7 working days** from issue of SCN.

CA Vishal Bhattad 09850850800 www.vsmartacademy.com V'Smart Academy

Procedure under Rule 8(4A) & Rule 9: - Registration & Adhar Authentication (AA)

REG-01

Application + AA Opted [PART A + PART B]

AA Successfully done within 15 days

Rule 8(4A)

Date of Application = Date of Authentication of A.No

No deficiency in Application

Rule 9(1)

grant of Registration (RC) within 7 W.D. (working days) from the date of Application

Rule 9(5)

Deemed Reg. :

If Reg not given within 7 WD from the date of submission of the application

Deficiency in Application

Rule 9(2)

E-Notice (REG-03) within 7 W.D. from the date of submission of Application

Clarification by Applicants (REG-04) within 7 W.D from the date of receipt of such notice

Rule 9(3)

P.O. not satisfied with clarification

Reject Application

P.O. satisfied with clarification or no objection

Grant Reg. within 7 W.D of clarification

Rule 9(5)

Deemed Reg. :

If Reg not given within 7 WD from the date of clarification

AA failed within 15 W.D.

Rule 8(4A)

Date of application = 15th day from the date of submission of Application

No deficiency in Application

1st proviso Rule 9(1)

1) Physical examination of POB

OR

2nd proviso Rule 9(1)

2) Verification of such document as deemed fit by P.O.

Example

- Passport
- ID

Grant of R.C. within 30 days from the date of submission of application

Rule 9(5)

Deemed Reg. :

If Reg not given within 30Days from the date of submission of the application

Deficiency in Application

proviso to Rule 9(2)

E-Notice (REG-03) within 30 days from the date of submission of App

Rule 9(2)

Clarification by applicant (REG-04) within 7 W.D. from the date of notice

P.O not satisfied with clarification

Reject application

P.O. is satisfied with clarification or having no objection

grant of R.C. within 7 W.D. of clarification

Rule 9(5)

Deemed Reg. :

If Reg not given within 7 WD from the date of clarification

Applicant not opted for AA

Date of Application = Date of Submission of App (PART A + PART B)

Deficiency

Same as Deficiency in Application (proviso to Rule 9(2))

No Deficiency

1st proviso Rule 9(1)

1) Physical examination of POB

OR

2nd proviso Rule 9(1)

2) Verification of such document as deemed fit by P.O.

Example

- Passport
- ID

Grant of R.C. within 30 days from the date of submission of application

Rule 9(5)

Deemed Reg. :

If Reg not given within 30 Days from the date of submission of the application

Rule 10:- Issue of Registration Certificate & its effective date

Issuance of Registration Certificate

- If application for grant of registration is approved, a certificate of registration showing the PPoB & APoB is made available to the applicant in Form GST REG-06 on Common Portal &
- A Goods & Services Tax Identification Number (GSTIN) i.e. the GST registration no. is communicated to the applicant within 7 days after the grant of registration.
- This certificate is duly signed or verified through EVC by proper officer.
- GSTIN contains the following 15 characters:-

2 Characters for State Code	10 Characters for PAN or TAN
2 Characters for entity code	1 checksum character

Effective date of Registration:-

If applicant submits application for registration:-	Effective date of registration is:-
within 30 days from the date he becomes liable to registration	the date on which he becomes liable to registration
after 30 days from the date he becomes liable to registration	the date of grant of registration.

Refer Question from our Questionnaire: CCP 11.11.24.00 & CCP 11.11.25.00 (IMP)

Rule 18:- Display of Registration Certificate (RC) and GSTIN on the name board

- Every RP shall display his Registration Certificate (RC) in a prominent location at his Principal place of business (PPoB) and at every Additional Place of Business (APoB) &
- GSTIN is to be displayed on the name board exhibited at the entry of his PPoB & at every APoB.

Rule 10A:- Furnishing of Bank Account details

Furnishing of Bank Details

The registered person shall furnish information about details of bank account on the common portal in Part B of application form for registration.

Time Limit

Bank account details shall be furnished after obtaining certificate of registration & a GSTIN but earlier of the following:-

- **within 30 days from the date of grant of registration, or**
- **before furnishing the details of outward supplies of goods &/or services u/s 37 in FORM GSTR-1 or using IFF.**

Refer Question from our Questionnaire: CCP 11.11.26.00 (IMP)

Exceptions [Need to give bank details at the time of registration]

- This relaxation is not available persons who are granted registration as TDS deductor/ TCS collector under rule 12 or have obtained suo-motu registration under rule 16.
- They have to mandatorily furnish bank account details at the time of filing registration application.

Rule 25:- Physical verification of business premises in certain cases

Physical Verification After Grant of Registration	Where the proper officer is satisfied that the physical verification of the place of business of a person is required after the grant of registration, he may do so and ➲ the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal ➲ within a period of **15 working days** following the date of such verification.
Physical Verification Before Grant of Registration	Where the physical verification of the place of business of a person is required before the grant of registration in the circumstances specified in the proviso to rule 9(1), the PO shall get such verification of the place of business done and ➲ the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal ➲ at least **5 working days** prior to the completion of the time period specified in the said proviso.

Special Registration Procedure

Rule 12:- Special provisions for grant of registration in case of persons required to deduct TDS u/s 51 or to collect TCS u/s 52

GST Registration Application Process	➲ **Application:** Individuals deducting TDS/TCS must submit a registration application on the GST Common Portal using a specific form (Form GST REG-07) drectly or through a notified Facilitation Centre. ➲ **Timeline:** Registration is granted after due verification & RC is issued in prescribed form (FORM GST REG-06) within **3 working days** from the date of submission of application.
Registration for TCS/TDS in Different States/UTs	➲ **Part A of Application:** A person applying for registration to deduct or collect in a State or UT where he does not have a physical presence, shall mention name of State or UT in PART A of application (FORM GST REG-07). ➲ **Part B of Application:** Person shall mention name of State/UT in PART B in which the principal place of business is located. **Note:** States/UTs in Part A and Part B can be different.
Cancellation of GST Registration	➲ **Cancellation Request:** Upon a written request, enquiry, or other proceedings under the CGST Act, the proper officer may cancel a registration if the person is no longer liable to deduct/collect tax. ➲ **Cancellation Process:** The cancellation is communicated electronically in the prescribed form, followingthe procedure as per rule 22 for cancellation of registration.

Section 26:- Deemed Registration

Single Registration **Refer Question from our Questionnaire: CCP11.14.28.00**	➲ Single registration is needed for all the taxes i.e., CGST, SGST/UTGST, IGST and GST compensation cess. ➲ Grant of registration/UIN/Rejection under any SGST Act/ UTGST Act shall be deemed to be a grant of registration/UIN under CGST Act, IGST and GST compensation cess.

V. V. V. V. IMP

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Section 27 read with Rules 13 & 15:- Special provisions for registration of NRTP & CTP

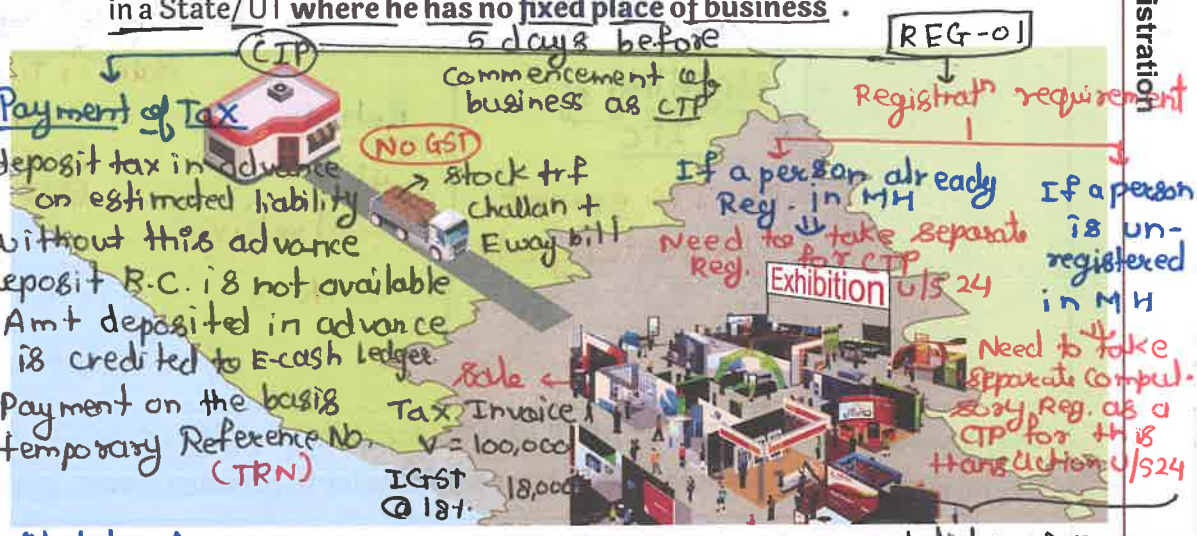
Before going into the registration provisions of CTP and NRTP, let us first understand the two terms. The two terms have been defined in the CGST Act as follows:

Casual Taxable Person (CTP) [Sec 2(20)]

means a **person**

- who occasionally undertakes transactions involving supply of goods or services or both
- in the course or furtherance of business,
- whether as **principal, agent or in any other capacity,**

in a State/UT **where he has no fixed place of business**.



Eligibility of ITC

* ⇒ CTP can take ITC of Input/CG/IS while making the payment of tax in advance

or

⇒ If reg. extended for further 90 days then he again deposit tax on estimated liability.

Return Filing [CTP]

1) he will submit GSTR-1 on 11th of next month [during CTP period]

2) he will submit GSTR-3B on due date [during CTP period]

3) a) If Final tax is more than adv tax paid then differential amt is payable

b) If final tax is less than adv. tax paid then he can claim Refund.

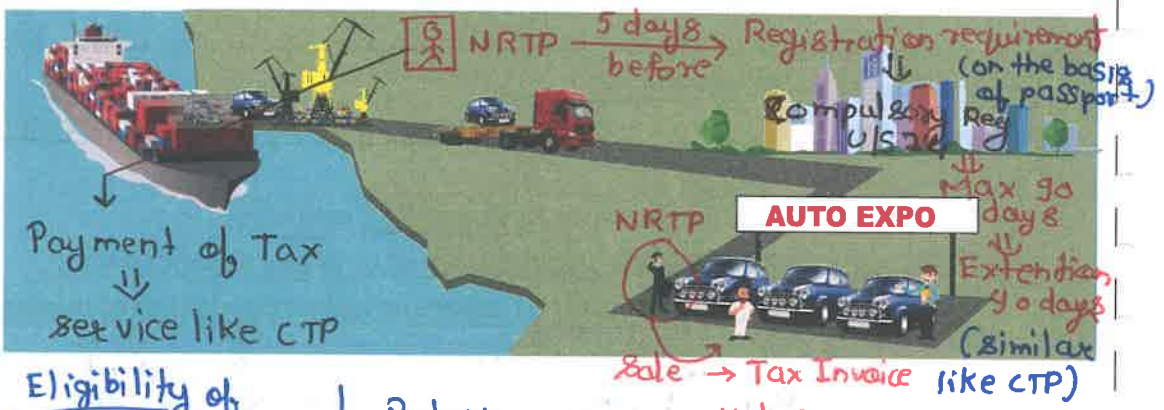
Validity of Reg

1) for a period as mentioned in application.

2) but max. for 90 days [which can be further extended for 90 days]

Refer Question from our Questionnaire: CCP11.15.30.00

CH 12 Registration

Non-Resident Taxable Person (NRTP) [Sec 2(77)]	means any person ➲ who occasionally undertakes transactions involving supply of goods or services or both, ➲ whether as principal or agent or in any other capacity, but who has no fixed place of business or residence in India. 
Compulsory Registration	Both CTP & NRTP have to compulsorily get registered u/s 24 irrespective of the threshold limit **at least 5 days prior** to commencement of business u/s 25(1).
Documents	➲ U/s 25(6), PAN is mandatory for registration but a NRTP may be granted registration based on other prescribed Document (eg. passports) as he will generally not have PAN of India. ➲ Thus, NRTP has to submit a **self-attested copy of his valid passport along with the application** signed by his authorized signatory who is an Indian Resident having valid PAN. ➲ A **business entity incorporated or established outside India** shall submit the application for registration along with its tax identification number/ unique number based on which it is identified by Govt. of that country or its PAN, if available. ➲ Application for registration will be submitted by **NRTP in a different prescribed FORM REG -09** & by **CTP** in **normal form** i.e. Form GST REG 01 where CTP will have a PAN-based registration.
Validity of registration certificate	➲ The **certificate of registration** issued to a CTP or NRTP **shall be valid for the EARLIER of:-** ➢ the period specified in application for registration or ➢ 90 days from the effective date of registration. ➲ Such person shall make taxable supplies only after the issuance of certificate of registration. **Extension of validity:-** ➲ On sufficient cause shown by said taxable person, PO may grant further extension of not exceeding 90 days. ➲ CTP/NRTP shall make an application before the end of validity of registration granted to him.

	➲ Provisions relating to verification of application & grant of registration [under rules 9 & 10] apply mutatis mutandis to an application for registration filed by NRTP.
Advance deposit of tax	➲ At the time of submission of registration application u/s 25(1), CTP/ NRTP shall make **advance deposit of tax** equal to his **estimated tax liability** for the period for which registration is sought. ➲ If **extension** of time is sought u/s 27(1), he shall **deposit an additional tax** equals to his **estimated tax liability** for the period for which the extension is sought. ➲ CTP/NRTP will get a Temporary Reference Number **(TRN)** for making an advance deposit of tax. ➲ An **acknowledgement** of receipt of application for registration is issued only after said deposit.
Credit to E-cash ledger	Amount deposited u/s 27(2) shall be credited to electronic cash ledger of such person & shall be utilised in the manner provided u/s 49.

Difference

	Casual Taxable Person (CTP) - Sec 2(20)	Non-Resident Taxable Person (NRTP)- Sec 2(77)
Meaning	Supplier who does not have any fixed place of business in that State/UT in which it undertakes taxable supply.	Supplier who does not have any fixed place of business or residence in India
Registration provisions	➲ Compulsory registration u/s 24 of CGST Act ➲ Registration before commencement of business and with advance payment of tax ➲ **Normal Registration Application : GST REG-01** ➲ PAN based GST Registration granted	➲ Compulsory registration u/s 24 of CGST Act ➲ Registration before commencement of business and with advance payment of tax ➲ **Separate simplified Registration Application: GST REG-09** ➲ GST Registration granted without PAN but on the basis of passport
Threshold Exemption	**Not available**	**Not available**
Composition Scheme	➲ It is not available to CTP	➲ It is not available to NTTP
Return provisions	➲ **Normal Monthly Returns :** GSTR-1, GSTR-2B & GSTR-3B ➲ However, **Annual Return is not required to be filed**	➲ **Separate Simplified Return :** GSTR-5 ➲ Also, **Annual Return is not required to be filed**
ITC provisions	➲ Can claim ITC of all inward supplies (be it domestic/imported inputs, capital goods or input services)	➲ Can claim ITC only in respect of goods - imported by him [All other credits are blocked for him- Sec 17(5) of CGST]

Refer Question from our Questionnaire: CCP 11.15.29.00 & CCP 11.15.31.00

Section 28 read with Rule 19:- Amendment of registration

A RP may need to make some changes or amendments in the **registration application**. There are two categories of details in registration application i.e. **Core and non-core fields**.

Core fields	It contains legal name of business, address of PPoB/ APoB, addition/ deletion/ retirement of partners or directors, Karta, Managing Committee, Board of Trustees, Chief Executive Officer or equivalent, responsible for day to day affairs of the business. **Note:-** Mobile no./e-mail address of authorised signatory can be amended only after online verification through GST Portal.
Non- Core fields	➲ All other fields are non-core fields - name of day to day functionaries, e-mail ids, mobile nos., etc. ➲ For changes in non-core information, taxable person can **amend the same on his own** on common portal as the **approval** of PO is **not required.**
Process for amendments/ changes in Core Fields:-	➲ For changes in core fields, taxable person will apply for **amendment within 15 days** of the event necessitating the change on common portal & PO will **approve** the amendment **within next 15 days.** ➲ If PO is of the opinion that amendment is unwarranted/ documents furnished are incomplete/ incorrect, then he will serve SCN for the rejection of application for amendment **within 15 working days** of receipt of application. ➲ Registered person shall reply to the notice **within 7 working days.** If such reply is **satisfactory**, registration certificate is amended **within 7 working days** from the date of receipt of reply to SCN. ➲ If registered person **fails to give reply** to the notice within 7 working days or the reply is **not satisfactory**, then PO may reject the application for amendment. ➲ **If the PO fails to take any action:-** ➢ within 15 working days from the date of submission of the application or ➢ within 7 working days from the date of receipt of reply to the SCN, the certificate of registration shall stand amended to the extent applied for and the amended certificate shall be made available to registered person on common portal.

Some other Provisions:-

1.	PO shall **not reject** the application for amendment in registration particulars without giving the person an **opportunity of being heard.**
2.	If change relates to **core fields,** PO may approve or reject amendments in registration particulars & amendment shall take effect from the date of occurrence of event warranting such amendment.
3.	If change relates to **non-core fields,** registration certificate shall stand amended upon submission of application for amendment on Common Portal.
4.	Any rejection or approval of amendments under the SGST/UTGST Act **shall be deemed** to be a rejection or approval under CGST Act & IGST Act.
5.	Amendment in any registration particulars **cannot be effective** from a date earlier than the date of submission of application for amendment **except** with order of Commissioner for reasons to be recorded in writing & subject to conditions specified in that order.
6.	**Application cannot be filed for change in PAN** because GST registration is PAN-based & fresh application for registration is to be made for the same. Thus, if a change in the constitution of any business results in change of PAN of a registered person, he shall apply for fresh registration.

7.	**Application cannot be filed for change in place of business** from one State to other because GST registrations are State-specific. For this, a person must voluntarily cancel his current registration and apply for a fresh registration in the State he is relocating his business.

Sec 29 read with Rule 20, 21, 21A, 22:- Cancellation/ Suspension of Registration

Cancellation of registration can be applied either by:-

- **the department on their own motion or**
- **the registered person or his legal heirs (in case of death of registered person).**

Comment:- Revocation of cancellation of registration is possible, if such cancellation is initiated by Dept.

(1) Cancellation of reg. by PO on his own motion OR on an application made by RP

Refer Question from our Questionnaire: CCP 11.16.32.00

Proper Officer (PO) may cancel the registration in manner & within the time prescribed **either on his own motion** or **on an application** filed by registered person or by his legal heirs (in case death of such person) in the following **circumstances:-**

Clause (a)	Clause (b)	Clause (c)
Business has been:- a. discontinued b. transferred fully for any reason including death of proprietor c. amalgamated with other legal entity d. demerged or e. otherwise disposed of	Change in constitution of the business	**The taxable person:-** ➲ is no longer liable to be registered u/s 22 or 24 or ➲ intends to optout of the registration voluntarily made u/s 25(3)

Proviso:- During pendency of proceedings relating to cancellation of registration filed by RP, the registration may be suspended for the specified period.

(2) Cancellation of registration by PO on his own motion only:-

Refer Question from our Questionnaire: CCP 11.16.33.00 (IMP)

Following are the circumstances where the PO may cancel the registration of a person from such date, including any retrospective date, as he may deem fit:-

a) A RP has contravened following provisions (Rule 21):-

b) & c)	**Dummy POB or invoice**	➲ He does not conduct any business from the declared place of business or ➲ He issues invoice/bill without supply of goods &/or services in violation of provisions of GST Act or rules made thereunder.
	Violation of Specified provision	➲ He violates the provisions of sec 171 (i.e. Anti-Profeetering measure) ➲ He violates the provision of Rule 10A (i.e. furnishing of bank account details) ➲ He avails ITC in violation of sec 16 of CGST Act or rules made thereunder or ➲ He violates the provision of rule 86B [restriction of 99%ITC]
	Mismatch of GSTR - 1 or GSTR 1A & 3B	➲ He furnishes the details of outward supplies in FORM GSTR 1, **as amended in FORM GSTR-1A if any**, u/s 37 for one or more tax periods which is in excess of outward supplies declared by him in his valid return u/s 39 (GSTR-3B) for the said tax periods or
	Non-filing of return	**Normal scheme**: **RP has not furnished returns u/s 39(1) for a continuous period of 6 months.** **QRMP scheme**: **RP has not furnished returns under QRMP (proviso to u/s 39(1)) for a continuous period of 2 tax periods.**

Inserted by N/No. 12/2024 dt 10/07/24

			Composition Levy	A person paying tax under Composition Scheme (Sec 10) has not furnished return for a F.Y. beyond 3 months from the due date of furnishing the said return
		Inserted by N/No. 12/2024 dt 10/07/24:-	fails to file return after revocation order	➲ failed to file returns due between the order of cancellation and revocation of registration **within 30 days** of the revocation order. ➲ If the cancellation was retrospective, failed to file all returns from the date of order of cancellation date to the revocation order **within 30 days.**
		d)	**No start of business**	Voluntary RP u/s 25(3)(Volunary registration) has not commenced business **within 6 months** from the date of registration.
		e)	**Fraudulent Activity**	Registration has been obtained by means of fraud, wilful misstatement or suppression of facts.
		Proviso		PO shall not cancel registration without giving the person an **opportunity of being heard.**
		Proviso		During pendency of proceedings relating to cancellation of registration, PO may suspend the registration for the period & in the manner prescribed.
(3)	**Cancellation of registration does not affect liability of the person**	➲ Cancelling of registration does not eliminate person's responsibility to pay any taxes or dues under the GST Act for periods before the cancellation date. ➲ These amounts can be determined before or after the cancellation.		
(4)	**Deemed cancellation**	If registration is canceled under the SGST/UTGST Act, it is also considered canceled under the CGST Act.		
(5)	**Amount payable upon cancellation** **Refer Question from our Questionnaire: CCP11.16.34.00**	➲ Every RP whose registration is cancelled **shall pay an amount is equal to higher of:-** ➢ **ITC of the following Inputs/CG held** on the day immediately preceding the date of cancellation:- ✒ inputs held in stock, ✒ inputs contained in semi- finished goods held in stock, ✒ inputs contained in finished goods held in stock or ✒ capital goods or plant & machinery **OR** ➢ **The output tax payable** on such goods. ➲ This amount **can be paid by** debiting E-credit ledger or E- cash ledger.		
(6)	**Manner to determine amount payable:-**	➲ **Amount Calculation:** The amount payable when registration is cancelled is calculated based on specific rules. ➲ **Reversal of ITC:** For inputs, the amount to be reversed is the **higher of:** ➢ The ITC calculated based on the relevant invoices (as per Rule 44). ➢ The output tax due on such inputs.		

		➲ **Reversal for Capital Goods:** For CG or machinery, the amount to be reversed is the **higher of:** ➢ The ITC for the remaining useful life of the CG, calculated on a pro-rata basis (using a 5-year lifespan as per Rule 44). ➢ The tax based on the transaction value of the CG u/s 15.

Other points about cancellation:-

Person to whom UIN is granted under rule 17 can't apply for cancellation of registration [Rule 20](there is separate procedure of cancellation).

➲ Once registration is cancelled by tax authority, taxpayer will be intimated about the same via sms & email. Order for cancellation of registration will be issued & intimated to the primary authorized signatory by email and sms.

➲ Common portal will not allow taxpayer to file return for period after date of cancellation mentioned in cancellation order. But he can submit returns of earlier period (i.e. for the period before date of cancellation mentioned in the cancellation order for which registration was active).

Suspension of Registration [1st Proviso to sec 29(1) & 2nd Proviso to sec 29(2) read with rule 21A]:-

If RP has applied for cancellation of registration or PO seeks to cancel his registration, PO may suspend his registration **during pendency of proceedings relating to cancellation** of registration filed. **Taxpayer is freed from routine compliances under GST law including filing returns, during such pendency.**

The period & manner of suspension of registration is as follows:-

(A)	**If registered person has applied for cancellation of registration**		If RP has applied for cancellation of registration & the completion of proceedings for cancellation of registration is pending, then the registration shall be deemed to be suspended from the LATER of:- (a) The date of submission of the application **or** (b) The date from which the cancellation is sought. **Refer Question from our Questionnaire: CCP11.16.35.00**
(B)	**If cancellation of registration is initiated by Department on its own motion**	**Suspension of Registration**	If PO has reasons to believe that registration is liable to be cancelled, he may suspend the registration of such person **w.e.f. a date to be determined by him** where cancellation of registration is pending.
		Comparison of Returns Substituted by N/No. 38/2023	➲ The PO compares the person's GST returns with GSTR-1, as amended in FORM GSTR-1A if any, or the inward supplies from the suppliers' GSTR-1 /GSTR-1A of the previous tax periods. ➲ Significant differences or anomalies that suggest a violation of the GST Act or rules may lead to suspension and cancellation of registration.
		Contravention of Rule 10A Substituted by N/No. 38/2023	➲ When a RP violates Rule 10A(Bank Details), their registration is suspended, and they are notified via FORM GST REG-31. ➲ This notification outlines the discrepancies, anomalies, or non-compliances, and requests an explanation within 30 days to avoid cancellation of their registration.

		Intimation in Prescribed Form	Said person shall be intimated about the suspension in prescribed form (FORM GST REG-31), electronically, - on common portal, or - by sending a communication to his e-mail address.
		Notice for Cancellation	➲ The notice for suspension also warns of possible cancellation o registration. ➲ It outlines the discrepancies and requires the person to explain within 30 days why their registration shouldn't be canceled.
(C)	**Consequences of suspension**	If registration of a **RP** is suspended as above, he shall **NOT:-** ➲ make any **taxable supply** (i.e. shall not issue a tax invoice & shall not charge tax on supplies made by him) during the suspension period & ➲ be required to furnish any return u/s 39. **Note:-** If cancellation is initiated by Department on its own & registration of person is suspended, such person shall not be granted any refund u/s 54 during such suspension perioc	
(D)	**Revocation of suspension of registration**	➲ **Automatic Revocation:** The suspension of registration will be automatically revoked once the PO completes the cancellation proceedings, effective from the suspension date. ➲ **PO Discretion:** The PO can revoke the suspension at any time during the cancellation process. ➲ **Automatic Revocation Conditions:** 1. If suspended for not filing returns: ➢ **Composition dealers:** Missing returns for over 3 months. ➢ **Other registered persons:** Missing returns for 6 continuous months. 2. Submitting all pending returns will automatically revoke the suspension if it hasn't been cancelled u/r 22. 3. If suspended for violating Rule 10A (bank details), compliance with Rule 10A will also automatically revoke the suspension.	
(E)	**Application of provision of revised tax invoice & first return**	If any order is passed having the effect of revocation of suspension of registration **sec 31(3)(a)** (Revised Tax Invoice) **& sec 40** (First return) shall apply to supplies made during suspension period.	

Procedure for cancellation of registration [Rule 20 & 22]:-

(A) Voluntary cancellation by registered person:-

(I) Application:-

- A RP (**excluding** those with TDS/TCS or UIN) must submit an electronic application for cancellation **within 30 days** of the event that requires cancellation.
- The application must include details of:
  - Inputs in stock
  - Inputs in semi-finished goods
  - Inputs in finished goods
  - Capital goods in stock
- It should also state any liabilities and payments made against those liabilities, along with relevant documents.

(ii) Order:- If the application is submitted and the person is no longer liable to be registered, the PO will issue the cancellation order **within 30 days** from the date of submission of application for cancellation.

(B) Suo-motu cancellation by Department

- **Show Cause Notice (SCN):** Before cancelling registration on their own, the PO must issue a SCN and provide a reasonable opportunity for the RP to be heard.
- **Response Time:** The RP must reply to the SCN within 7 days of receiving it. If the reply is satisfactory, the PO will drop the proceedings and issue a cancellation order.
- **Pending Returns:** If the SCN is for not filing returns for 6 months (3 months for composition suppliers), the RP can avoid replying by submitting all pending returns and paying any tax dues, interest, and late fees. In this case, the PO will also drop the proceedings.
- **Cancellation Order:** If the registration is to be cancelled, the PO will issue the cancellation order within 30 days of the RP's reply to the SCN.

(C) Effective date of cancellation

- The cancellation of registration will take effect from a date specified by the PO in the cancellation order.
- The PO will also instruct the taxable person to pay any outstanding tax, interest, or penalties, including amounts due u/s 29(5).

Section 30 read with Rule 23:- Revocation of cancellation of Registration

(1) Application for revocation of cancellation of registration

- **RP**, whose registration is **cancelled by PO on his own motion,** may submit an application to such officer for revocation of cancellation of registration **within 90 days from the date of the service of the order of cancellation of registration.**
- On sufficient cause shown & reasons recorded in writing, extension may be granted

By:-	For a period:-
Commissioner or officer authorised by him, not below the rank of Additional Commissioner or Joint Commissioner	not exceeding **180 days.**

- This application shall be submitted in prescribed form at the common portal either directly or through a Facilitation Centre notified by Commissioner.

Refer Question from our Questionnaire: CCP 11.17.36.00 (IMP)

(2) Acceptance or rejection of Application by PO

Newly Inserted by F.A. 24

- **Revocation Process:** If the PO finds sufficient grounds, he can **revoke** the cancellation of registration **within 30 days** of receiving the application and will communicate the applicant.
- **Rejection of Application:** If the PO plans to reject the revocation application, he must issue a SCN. The applicant must respond **within 7 working days.**
- **Decision Timeline:** The PO will accept or reject the application **within 30 days** of receiving the applicant's clarification. The application can only be rejected after giving the applicant a chance to be heard.
- **Conditions: Any revocation of cancellation will be subject to prescribed conditions & restrictions.**

(3) Deemed revocation

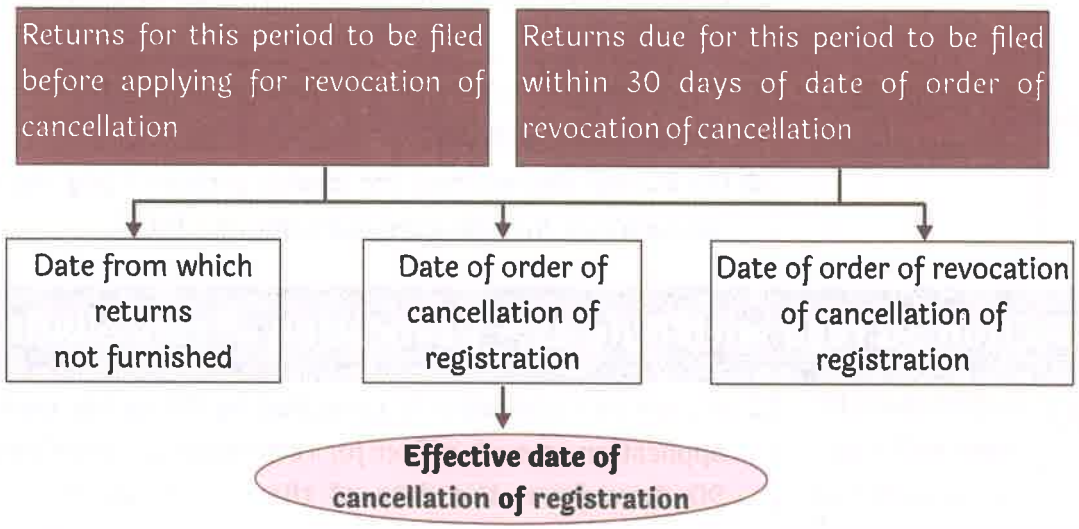
Revocation of cancellation of registration under the SGST Act/ UTGST Act shall be deemed to be a revocation of cancellation of registration under CGST Act.

(4) Where registration was cancelled for failure of registered person to furnish returns

- If a person's registration is cancelled due to not filing of returns, they **must file those returns** and pay any owed taxes, interest, penalties, and late fees before applying to reverse the cancellation.

a) If registration is cancelled from the date of the cancellation order:

- The portal **won't allow** returns for after the cancellation date.
- Returns for before the cancellation can still be filed.
- They must file all overdue returns and pay amounts owed before applying for revocation.
- Returns for the period from the cancellation date to the revocation date must be filed **within 30 days** after revocation.



(b) If registration is cancelled with retrospective effect:-

- Returns cannot be filed before applying for revocation.
- The application can still be submitted.
- All returns from the cancellation date to the revocation date must be filed within 30 days from such revocation order.

Returns for this period to be filed within 30 days of the order of revocation of cancellation

- Date from which returns not furnished → Effective date of cancellation of registration
- Date of order of cancellation of registration
- Date of order of revocation of cancellation of registration

Notes:-

- UIN Holders (UN Bodies, Embassies and Other Notified Persons), GST Practitioner cannot apply for revocation of cancelled registration.
- If registration is cancelled on request of taxpayer or his legal heir, one cannot apply for revocation of cancelled registration.

Refer Questionnaire for Questions on Combined Provisions: CCP 11.18.37.00 (IMP), CCP 11.19.38.00 & CCP 11.19.39.00

CHAPTER 13
TAX INVOICE, DEBIT NOTE & CREDIT NOTE

Table Of Content

Sr.No.	Title		Sr.No.	Title	
1	Introduction	313	10	Sec 31(2) & proviso to section 31(1) read with rule 54:- Supplier permitted to issue any document other than tax invoice	327
2	Relevant Definitions	314			
3	Sec 31:- ➲ Time limit to issue invoice in case of supply of goods ➲ Time limit to issue invoice in case of supply of services	315	11	Rule 55:- Delivery Challan	328
4	Sec 31(1) & (2) read with Rule 46:- Particulars of Tax invoice	317	12	Rule 55A:- Tax Invoice or bill of supply to accompany transport of goods	329
5	Rule 46:- Number of HSN digits required on tax invoice & class of registered person not required to mention HSN	318	13	Some Important Clarifications	329
			14	Sec 31A:- Facility of digital payment to recipient	332
6	Rule 48:- Manner of Issuing Invoice	319	15	Sec 32:- Prohibition of Unauthorised Collection of Tax	332
7	E-invoicing	320	16	Sec 33:- Amount of tax to be indicated on Tax Invoice & other documents	333
8	Dynamic QR code required on invoices issued to URN	321	17	Sec 34:- Credit Notes & Debit Notes	330
9	Sec 31(3):- ➲ Sec 31(3)(a) read with Rule 53:- Revised Tax Invoice ➲ Sec 31(3)(b) read with Proviso to Rule 46:- No Tax invoice to be issued if Value < ₹ 200 – A consolidated Tax Invoice can be issued ➲ Sec 31(3)(c) read with Rule 49:- Bill of Supply ➲ Sec31(3)(d) read with Rule 50:- Receipt Voucher ➲ Sec 31(3)(e) read with Rule 51:- Refund Voucher ➲ Sec 31(3)(f) read with Rule 46:- Invoice to be issued by recipient ➲ Sec31(3)(g) read with Rule 52:- Payment Voucher				323

Introduction :-

➲ An invoice is a commercial instrument issued by a supplier which identifies both parties involved, describes goods sold/services supplied, quantifies the items sold, etc.

➲ Invoicing ensures tax compliance, transparency, evidences payment of value & tax involved, etc.

➲ Tax invoice is an important document as it not only evidences supply of goods &/or services, but is also an essential document for recipient to avail ITC u/s 16(2).

➲ A tax invoice shall be issued by a registered person supplying taxable goods or taxable services or both. Such tax invoice shall show the prescribed particulars.

➲ Under GST regime, 'Invoice' or 'Tax Invoice" means the same i.e. tax invoice only.

Note:- Provisions of Tax invoice & Credit & Debit Notes under CGST Act are also applicable to IGST Act vide section 20 of IGST Act.

Important Definitions

Sec 2(37) Credit note:

means a document issued by a registered person under subsection (1) of section 34.

Sec 2(38) Debit note [Supplementary Tax Invoice]

means a document issued by a registered person under subsection (3) of section 34.

Sec 2(66):- Invoice or tax invoice

means the tax invoice referred to in Sec 31.

Sec 2(92):- Quarter:

shall mean a period comprising three consecutive calendar months, ending on the last day of March, June, September and December of a calendar year.

Sec 2(97):- Return:

means any return prescribed or otherwise required to be furnished by or under this Act or the rules made thereunder.

TAX INVOICE ISSUED BY A SUPPLIER OF TAXABLE GOODS/ TAXABLE SERVICES

A tax invoice shall be issued by a registered person supplying taxable goods or taxable services or both. Such tax invoice shall show the prescribed particulars.

Time limit for issuance of invoice [Sections 31(1), (2), (4) & (5) read with rule 47]

Particular	Tax Invoice : Supply of goods	Tax Invoice : Supply of Service
Normal case	**Invoice shall be issued before or at the time of,** a) If movement of goods is involved- At the time of removal for supply b) In other case - At the time of delivery or made available Refer Question from our Questionnaire: CCP 12.02.02.00	**Invoice shall be issued before or after the provision of service, but within a period of 30 days from the date of supply of service.** a) In case of Bank/ FI/ NBFC/ Insurer- within 45 days from Completion b) Insurer/ Bank/ FI/NBFC/ Telecom/ other notified person where service is provided to (B) distinct person (DDP), invoice shall be issued on or before i) When Supplier records in books of A/c ii) Last date of qtr. whichever is earlier Refer Question from our Questionnaire: CCP 12.05.06.00

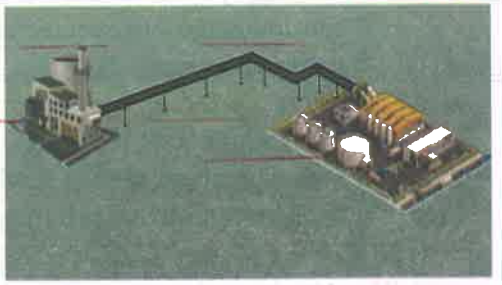
31 (4) In case of Continuous supply of Goods:-

Where successive statements of accounts or successive payments are involved,	The invoice shall be issued before or at the time:- ➲ each such statement is issued or, as the case may be ➲ each such payment is received. whichever is earlier

** Learn this Definition

Definition u/s 2(32):- Continuous Supply of Goods means a supply of goods which is provided, or agreed to be provided,

- ➲ continuously or on recurrent basis
- ➲ under a contract
- ➲ whether or not by means of a wire, cable, pipeline or other conduit, and
- ➲ for which the supplier invoices the recipient on a regular or periodic basis &
- ➲ includes supply of goods as may be notified by Govt., subject to specified conditions.



P1:- M/s ONGC entered into a contract with Mr. B for supply of oil throughout the year. M/s ONGC issues monthly statement for the oil supplied to Mr. B. Determine the date of issue of invoice in following independent cases:

I) Mr. B made payment for the month of July on 31st July, 20XX and M/s ONGC issued statement for the month of July on 8th August, 20XX. Successive Payment is earlier. Hence invoice is issued on or before 31st July.

ii) M/s ONGC issued statement for the month of August on 5th September, 20XX, the payment of which not received till 30th September, 20XX.

Refer Questionnaire: CCP 12.03.03.00, CCP 12.03.04.00 - (a)

31 (7) In case of Goods Sent or Taken on Approval for Sale or Return :

Successive Statement is issued, hence Invoice to be given on or before 5th Sep 20XX.

Notwithstanding anything contained in sec 31(1),	
If goods being sent or taken on approval for sale or return are removed before the supply takes place,	The invoice shall be issued before or at:- ➲ the time of supply or (time of approval by buyer) ➲ 6 months from the date of removal, **whichever is earlier.**

P2:- M/s. Swamini Sarees of Pune is engaged in the trading of sarees. On 20/05/20XX, M/s. Swamini has sent 200 sarees for exhibition at Mumbai on sale or return basis. Out of the said 200 sarees, 100 sarees have been sold on 28/07/20XX at the exhibition. Out of remaining 100 sarees, 50 sarees have been brought back to Pune on 25/11/20XX and balance 50 units have neither been sold nor brought back.

Explain the provisions under GST law relating to issue of invoices with exact dates on which tax invoices need to be issued by M/s. Swamini Sarees.

Refer Questionnaire: CCP 12.03.04.00 - (b), CCP 12.04.05.00 (IMP)

Invoice

31 (5) **In case of Continuous supply of Services:- Subject to section 31(3)(d),**

	Where	Invoice shall be issued:-
a)	due date of payment is ascertainable from the contract:- ↳ by recipient	on or before the due date of payment. eg. [Rent agreement]
b)	due date of payment is not ascertainable from the contract:-	before or at the time when supplier of service receives the payment.
c)	payment is linked to completion of an event:-	on or before the date of completion of that event.

Invoice for continuous Supply of Service (CSS)

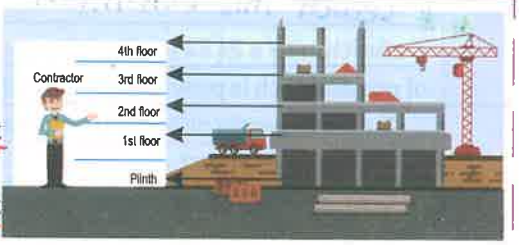
- Due date bate
  - due date of payment in contract of recipient is ascertainable [Rent agreement] ⇓ Invoice to be issued on or before due date of payment
  - due date of payment in contract by recipient is not ascertainable ⇓ Invoice to be issued on or before receipt of payment.
- Event based ⇓ Payment is linked to the completion of event (eg. construction). ⇓ Invoice to be issued on or before date of completion of event.

Refer Question from our Questionnaire: CCP 12.06.07.00 (IMP), CCP 12.06.08.00

Sec 2(33):- "Continuous Supply of Services" Learn this definition

means a supply of services which is provided, or agreed to be provided,

- ➲ continuously or on recurrent basis,
- ➲ under a contract,
- ➲ for a period exceeding three months with periodic payment obligations and
- ➲ includes supply of such services as the Government may, subject to such conditions, as it may by notification, specify.



P3:- Mr. Jai is also engaged in constructing a building for a client. The client is required to pay him on the completion of plinth, 1st floor, and 2nd floor. When should the invoice be raised in this case?

What would be your answer, if payment is to be made by client on 1st day of each quarter under the terms of contract.

continuous service

P4: MBM Caretakers, a registered person, provides the services of repair & maintenance of electrical appliances. On April 1, it has entered into an annual maintenance contract with P for its Air Conditioner and Washing Machine. As per the terms of contract, maintenance services will be provided on the first day of each quarter of the relevant financial year and payment for the same will also be due on the date on which service is rendered. During the year, it provided the services on April 1, July 1, October 1, and January 1 in accordance with the terms of contract. When should MBM Caretakers issue the invoice for the services rendered? [ICAI Material]

Answer:- Continuous supply of service means, inter alia, supply of any service which is provided, or agreed to be provided continuously or on recurrent basis, under a contract, for a period exceeding 3 months with the periodic payment obligations.

Therefore, the given situation is a case of continuous supply of service as repair & maintenance services have been provided by MBM Caretakers on a quarterly basis, under a contract, for a period of one year with the obligation for quarterly payment.

In terms of sec 31, in case of continuous supply of service, where due date of payment is ascertainable from the contract (as in the given case), invoice shall be issued on or before the due date of payment.

Therefore, MBM Caretakers should issue quarterly invoices on or before April 1, July 1, October 1, & January 1.

31 (6) **In cases where supply of services ceases before the completion of supply:-**

If supply of services ceases under a contract before the completion of supply:-

- ➲ invoice shall be issued at the time when the supply ceases &
- ➲ such invoice shall be issued to the extent of supply made before such cessation.

Explanation to Sec 31:-	The "tax invoice" includes any revised invoice issued by supplier for supply made earlier.

Refer Question from our Questionnaire: CCP 12.07.09.00

Summary

Particular	Tax Invoice : Supply of goods	Tax Invoice : Supply of Service
Continuous Supply of goods / services	Invoice shall be issued before or at the time ➲ each such successive statement or ➲ each such successive payment is received	Invoice shall be issued before or at the time of, a) If Due date of payment ascertainable in contract - on such date b) If due date of payment is not ascertainable - date of payment received c) If payment is linked to completion of an event- Last date of completion of such event
Supply on sale or return/ Approval basis	Invoice shall be issued before or at the time of, a) supply [i.e. approval given by recipient] b) 6 months from the date of removal, whichever is earlier	—
Cessation of SOS	—	the invoice shall be issued at the time when the supply ceases and such invoice shall be issued to the extent of the supply made before such cessation.

Refer Question from our Questionnaire: CCP 12.01.01.00

Particulars of a tax invoice [Sections 31(1) & (2) read with rule 46]

Under GST, there is no format prescribed for Tax Invoice, but rules make it mandatory for an invoice to have following fields (only applicable fields are to be filled):-

(a)	Name, address and GSTIN of the supplier	
(b)	A consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets/ numerals/special characters hyphen or dash and slash, and any combination thereof, unique for a FY	
(c)	Date of its issue	
(d)	If recipient is registered- Name, address and GSTIN or UIN of recipient	
(e)	If recipient is unregistered & value of supply is:-	**Particulars of Invoice**
	Rs 50000 or more	Name and address of recipient & the address of delivery, along with the name of State & its code
	≤ Rs 50000 (clause f)	Unregistered recipient may still request the aforesaid details to be recorded in tax invoice

Proviso: Provided that **in cases involving**

- ➢ **supply of online money gaming or**
- ➢ **in cases** where any taxable service is supplied by or through an ECO or
- ➢ by a supplier of OIDAR services

to a recipient who is un-registered, irrespective of the value of such supply, a tax invoice issued by the registered person shall contain the **name of the state of the recipient and the same shall be deemed to be the address on record of the recipient.**

(g)	HSN code for goods or services
(h)	Description of goods or services
(i)	Quantity in case of goods and unit or Unique Quantity Code thereof
(j)	Total value of supply of goods or services or both
(k)	Taxable value of supply of goods or services or both taking into account discount or abatement, if any;
(l)	Rate of tax (CGST, SGST, IGST, UTGST or Cess)
(m)	Amount of tax charged in respect of taxable goods or services (CGST, SGST, IGST, UTGST or Cess)
(n)	Place of supply along with the name of State, for a supply in course of inter-State trade or commerce
(o)	Address of delivery where the same is different from the place of supply
(p)	Whether the tax is payable on reverse charge basis and
(q)	Signature or digital signature of the supplier or his authorized representative (not required for issue of e-invoice as per Information Technology (IT) Act, 2000).
(r)	Quick Response code, having embedded Invoice Reference Number (IRN) in it, in case e-invoice has been issued as per rule 48(4).
(s)	A declaration as below, that invoice is not required to be issued in the manner specified under rule 48(4) (i.e. E-invoice) , in all cases where an invoice is issued, other than in the manner so specified under the said rule 48(4), by the taxpayer having aggregate turnover in any preceding financial year from 2017-18 onwards more than the aggregate turnover as notified under the said rule 48(4):- **I/We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under rule 48(4), we are not required to prepare ar invoice in terms of the provisions of the said sub-rule.**

Related to E-Invoice

Number of HSN digits required on tax invoice and class of registered person not required to mention HSN [Rule 46]

On recommendation of council, Board may notify:- [HSN = Harmonised System of Nomenclature]

(i) Number of HSN code digits required to be mentioned by a class of registered persons,

(ii) Class of supply for which specified no. of digits of HSN code shall be required to be mentioned by a registered taxpayers &

(iii) Class of registered persons exempted to mention HSN code.

Under N/No. 12/2017 CT dt 28.06.2017 as amended:-

The minimum number of HSN code digits to be uploaded by a filer depends on his turnover in last year:-

Annual turnover in Preceding F.Y.	Type of supply	Number of Digits of HSN Code required
⩽ ₹ 5 crore	For B2B supply	4
	For B2C supply	4 (optional)
> ₹ 5 crore	For B2B & B2C supply	6

MCQ

Comments:-

- HSN/ HS (Harmonized Commodity Description & Coding System) is a globally accepted standardized system of nomenclature of different goods developed by World Customs Organization.
- India uses 8-digits codes for more specific and precise classification instead of 6.

Manner of issuing the invoice [Sections 31(1) & (2) read with rule 48]

(1) In case of taxable supply of goods	(2) In case of taxable supply of Service
Invoice shall be prepared in Triplicate	Invoice shall be prepared in Duplicate
Original Copy ⇨ Original for Recipient	Original Copy ⇨ Original for Recipient ✓
Duplicate Copy ⇨ Duplicate for Transporter	Duplicate Copy ⇨ Duplicate for Supplier ✓
Triplicate Copy ⇨ Triplicate for Supplier	Refer Question from our Questionnaire: CCP 12.11.14.00

(3) Serial number to be furnished

The serial number of invoices issued during a tax period shall be furnished electronically through the common portal in FORM GSTR-1 or in FORM GSTR-1A, if any.

Inserted by N/No. 12/2024

(4) E-Invoice Read with [N/N 13/2020]

Suppliers to which E-invoice is applicable

RP, whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds 5 Crore

except

- A Government Department, ✓
- A Local Authority, ✓
- Special economic zone unit and ✓
- Banks, ✓
- Financial institutions, insurers, ✓
- GTA and passenger transport service providers and ✓
- Multiplexes

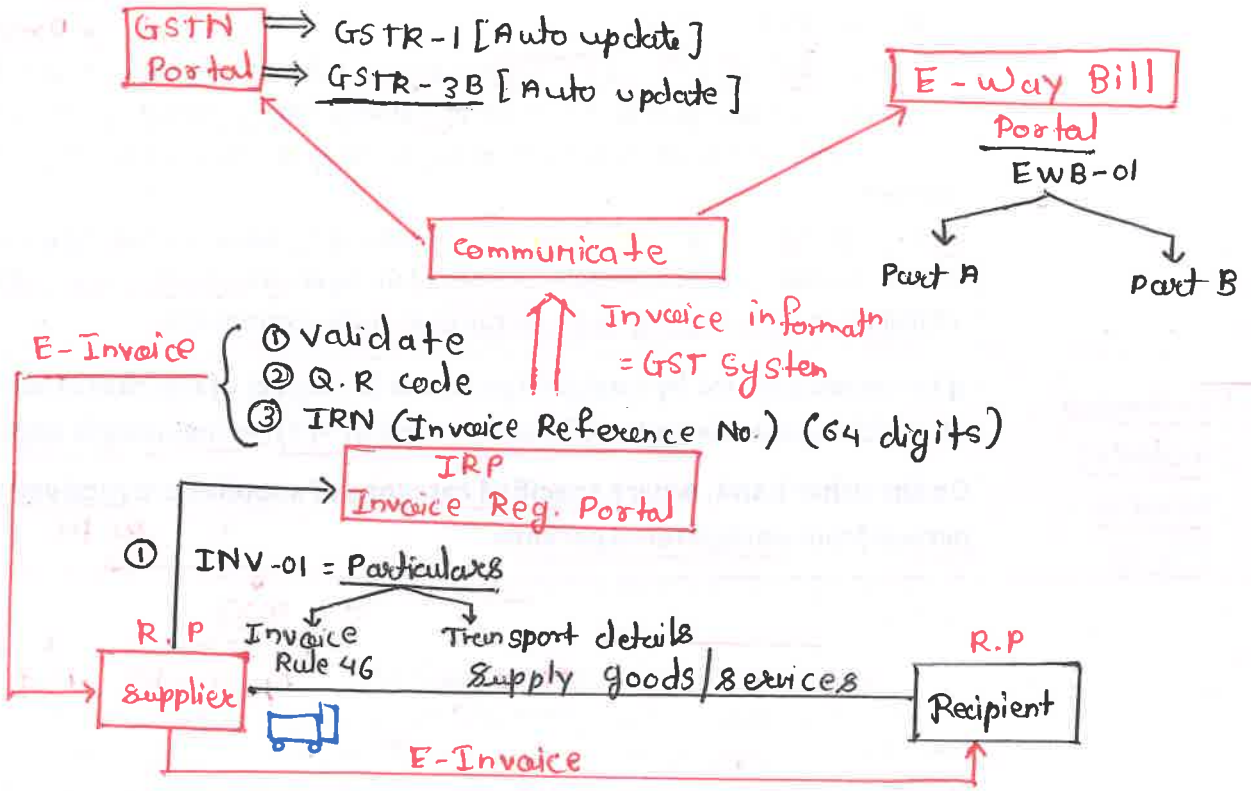
In this cases no need to generate E-invoice from IRP portal even through Agg T/O exceeds 5cr

Invoice Reference no. ← **IRN requirement** (64 digits)

invoice/other documents in respect of supply of goods or services or both to a registered person or for exports.

Note: E-Invoice is compulsory only for B2B or Export Invoice & not for B2C.

Concept of E-Invoice



E-Invoicing in GST

Statutory Provisions	➲ **Rule 48(4):** Specifies the e-invoice preparation process and obtaining IRN. ➲ **Exemptions:** The Commissioner may exempt certain taxpayers from e-invoicing.
What is E-Invoicing? *****	➲ **Definition:** E-invoicing is not about generating invoices through a governmer portal. Businesses create GST invoices using their own systems and report them to the Invoice Registration Portal (IRP). ➲ **Process:** After reporting to IRP, a unique Invoice Reference Number (IRN) ' generated, which is necessary for the e-invoice's validity.
Applicability	➲ **Mandatory for Certain Taxpayers:** Businesses with an aggregate turnover exceeds ₹5 crores in any preceding financial year from 2017-18 onwards are required to issue e-invoic for B2B transactions and exports. ➲ **Exclusions:** E-invoicing is not required for B2C invoices currently, but this may change in the future. It's also not applicable for Input Service Distributors (ISD` import of goods, and certain reverse charge scenarios.
Advantages of E-Invoicing ***	➲ **Efficiency:** Automates reporting of invoices in GST returns and e-way bill generation. ➲ **Accuracy:** Reduces transcription errors and facilitates reconciliation with purcha orders. ➲ **Tax Compliance:** Helps in matching input tax credit with output tax, reducing tax evasion. ➲ **Fraud Prevention:** Curbs fake invoicing and fraudulent ITC claims.
Non Applicability of E-invoice already discussed on last page.	➲ **Special Economic Zone (SEZ) units, insurers, banks, NBFCs, GTA, supplier of passenger transportation, and certain others.** Govt & LA & Multiplexes ➲ **Declaration Requirement:** Exempted entities must declare that they are n required to prepare e-invoices as per rule 48(4).
Important Notes for SEZ	➲ **SEZ Units vs. Developers:** Only SEZ units are exempt, not SEZ developers. ➲ **Entity-Wise Exemption:** The exemption applies to the entire entity, regardless of the nature of the supply. Domestic **Example :-** Maharaja Private Limited has an SEZ unit and a regular DTA unit (both having same PAN). The aggregate total turnover of Maharaja Private Limited is more than ₹ **5 crores** (considering both the GSTINs). However, the turnover of DTA unit is below ₹ 5 crores for FY 20XX-XY. In this scenario, SEZ unit is exempt from e -invoicing. However, e-invoicing will be applicabl to DTA Unit because the aggregate turnover of the legal entity in this case is **> ₹5 crores.** The eligibility is based on aggregate annual turnover on the common PAN.
E-Invoice incase of Reverse Charge	**If the invoice issued by a notified person is in respect of supplies made by him tax on which is payable under RCMunder section 9(3), e-invoicing is applicable.** **On the other hand, where specified category of supplies are received by notified person from unregistered persons** ➲ attracting reverse charge under section 9(4) or ➲ through import of services, e-invoicing doesn't arise/ not applicable. RCM 9(3) E-Invoice Applicable 9(4) E-Invoice Not applicable **Example :-** A taxpayer (say a firm of advocates) having aggregate turnover in a FY of more than ₹ 5 crore is supplying services to a company (who will be discharging tax liability as recipient under reverse charge mechanism), such invoices have to be reported by said tax payer (since it is a notified person) to IRP.

Non-applicability of provision of normal invoice	➲ Every invoice issued by a person to whom Rule 48(4) applies in any manner other than the manner specified in the said sub-rule shall not be treated as an invoice. ➲ 3 copies of invoices is not required in case of e-invoice. ➲ Digital signature also not required in case of e-invoice.
Amendment/ cancellation of e-invoices	➲ An e-invoice cannot be partially cancelled, it has to be cancelled fully. Once cancelled, it will need to be reported into the IRN **within 24 hours.** ➲ Cancellation after 24 hours cannot be done on the IRN and should be manually cancelled on the GST portal before the returns are filed. ➲ Once an IRN is cancelled, the same invoice number cannot be used again to generate another invoice. If used again, the IRP will reject the same. ➲ Any amendments to an e-invoice can be made only on the GST Portal.
Circular no. 186/18/2022	**It has been clarified that the said exemption from generation of e- invoices is for the entity as a whole and is not restricted by the nature of supply being made by the said entity**
CBIC Clarification Circular No. 198/10/2023	➲ **Government Departments/ Local Authority/ agencies/ PSU required to deduct TDS under section 51 are compulsorily registered under sec 24(vi).** ➲ **E-invoices must be issued for supplies to registered Government Departments/ agencies by registered persons surpassing the turnover threshold of ₹5 CR.**

Refer Questionnaire: CCP 12.12.15.00 & CCP 12.12.16.00 (IMP)

Dynamic QR Codes in GST for B2C Invoices

What's a Dynamic QR Code?	➲ It's a special type of QR code that changes (or is 'dynamic') and contains all the payment details for a transaction. ➲ When a customer scans it, they can pay directly without entering the amount manually.
Who Needs to Use It?	➲ **Businesses where Agg. T/o in any F.Y. since 17-18 exceeds ₹500 crores.** ➲ These businesses must put these QR codes on invoices when they sell to customers who are not registered under GST (B2C transactions).
Why is it Diff. from Regular QR Codes?	➲ Regular QR codes are static and don't change. They don't have specific transaction details. ➲ Dynamic QR codes are smarter – they have all the payment info for each specific sale.
Where QR code is not required?	Some businesses don't need to use these QR codes. These include: ➲ Insurance companies, banks, and financial institutions. ➲ Goods transport agencies. ➲ Companies providing passenger transport services. ➲ Multiplex cinemas. ➲ Online information and database access or retrieval (OIDAR) services.
What About Exports	Goods or services sold to other countries (exports) are treated differently. They don't need these QR codes because they follow different rules (B2B transactions).
What Should the QR Code Include?	It should have: ➲ The seller's GST number and UPI ID. ➲ The buyer's bank account number and IFSC code. ➲ Invoice number, date, total value, and GST details.
How Does it help in Payments?	The QR code can be scanned for instant digital payments, making the process quick and easy.

Refer Questionnaire: CCP 12.13.17.00

Dynamic QR code (If Agg T/o exceeds 500 cr in any P.F.Y Since 17-18)

Supply B2B

In this case Dynamic QR code is not required

Reason: For B2B transaction supplier already covered in E-Invoice where QR code to be granted by IRP portal

Supply B2C

For such transaction Dynamic QR code to be generated.

Dynamic QR Code Compliances in Various Cases

Case	Scenario	Compliance Requirement
Case I	Supplier displays Dynamic QR Code, but customer pays without using it.	Invoice is complied if it includes a cross-reference of the payment (transaction ID, date, time, amount, mode of payment).
Case II	Supplier offers electronic payment modes without displaying Dynamic QR Code.	Invoice is complied if it includes a cross-reference of the electronic payment made. Dynamic QR Code is required if payment is after invoice generation.
Case III	Pre-paid invoices (payment made before invoice issuance).	Invoice is compliant if it references the pre-payment Dynamic QR Code needed for post-payment invoices.
Case IV	Supplier uses an e-commerce platform that complies with Dynamic QR Code requirements.	Invoice is complied if it references the payment received. Dynamic QR Code needed for post-payment invoices.
Case V	Invoice issued to a recipient outside India for services with a place of supply in India, payment in FOREX.	No Dynamic QR Code is required as the recipient outside India cannot use it for payment.
Case VI	Retail sales over the counter with payment via dynamic QR code on digital display, invoice generated post-payment.	Invoice is complied if it includes a unique order ID/sales reference number linked to the transaction and payment.

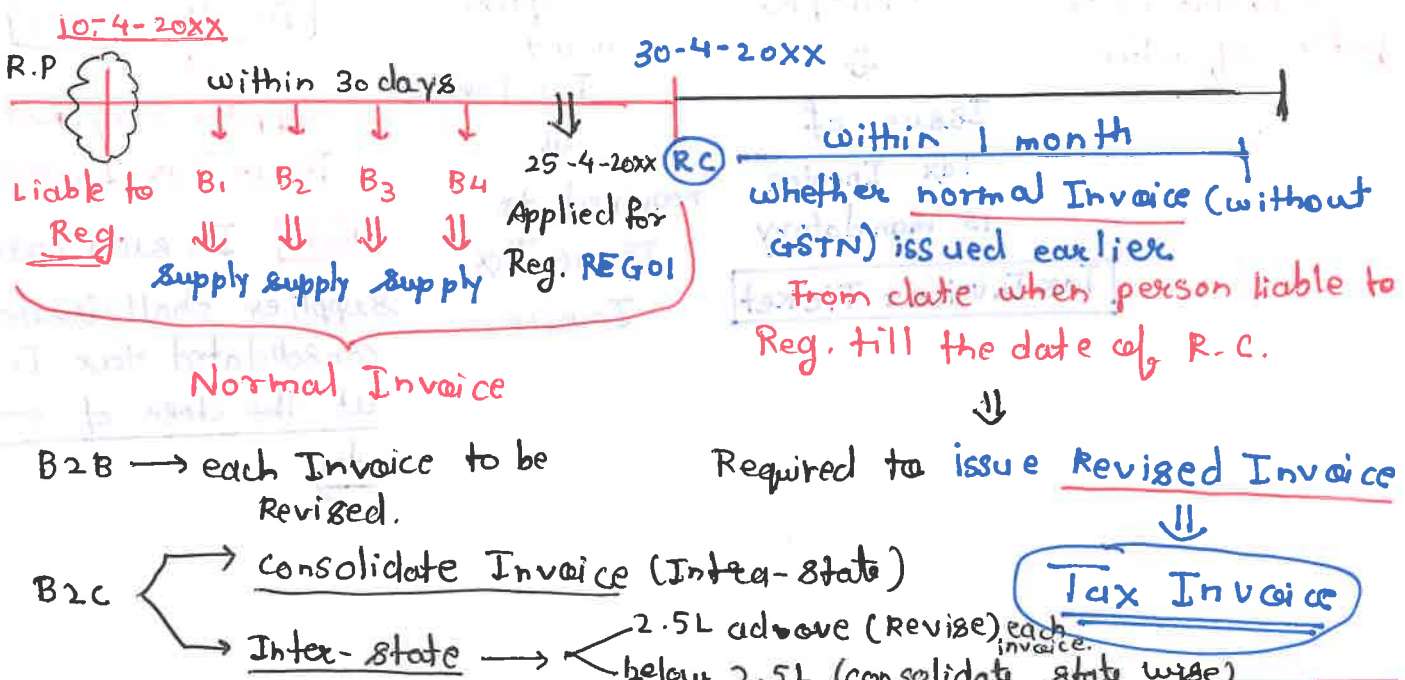
* * * Imp.

Revised Tax Invoices in GST [Sec 31(3)(a) read with rule 53]

What is a Revised Tax Invoice?	Allows businesses to issue invoices for taxable supplies made between the effective date of their GST registration and the date they receive their registration certificate. Liable to Reg.
When to Issue Revised Tax Invoices?	➲ **Must be issued within one month from the date of receiving the GST registration certificate.** ➲ The invoice must prominently display the words "Revised Invoice".
Consolidated Revised Tax Invoice:	For all taxable **supplies made to an unregistered recipient** during the period between effective registration date and certificate issuance date. B2C
Inter-State Supplies	➲ **Value not exceeding ₹2.5L:-** A **state-wise consolidated revised invoice** can be issued for each state where unregistered recipients are located. ➲ **Value above ₹2.5L:-** A **recipient-wise revised invoice** should be issued for each supply.
Intra-State Supplies	A **recipient-wise consolidated revised invoice** should be issued regardless of the supply amount.
Why to issue revised tax invoice?	As per **rule 10** of CGST Rules, if the application for registration is submitted **within 30 days** from date of becoming liable to registration, the effective date of registration shall be the **date on which person becomes liable to registration & there is a time lag** which require revised tax invoice to be issued for taxable supplies made during that period.
Importance for Recipients	Enables recipients to avail Input Tax Credit (ITC) on the supplies made during the period before the supplier's GST registration certificate was issued.

Refer Question from our Questionnaire: CCP 12.09.11.00 (IMP)

Revised Invoice = Tax Invoice



B2B → each Invoice to be Revised.

B2C → Consolidate Invoice (Intra-state)

B2C → Inter-state → 2.5L above (Revise) each invoice.

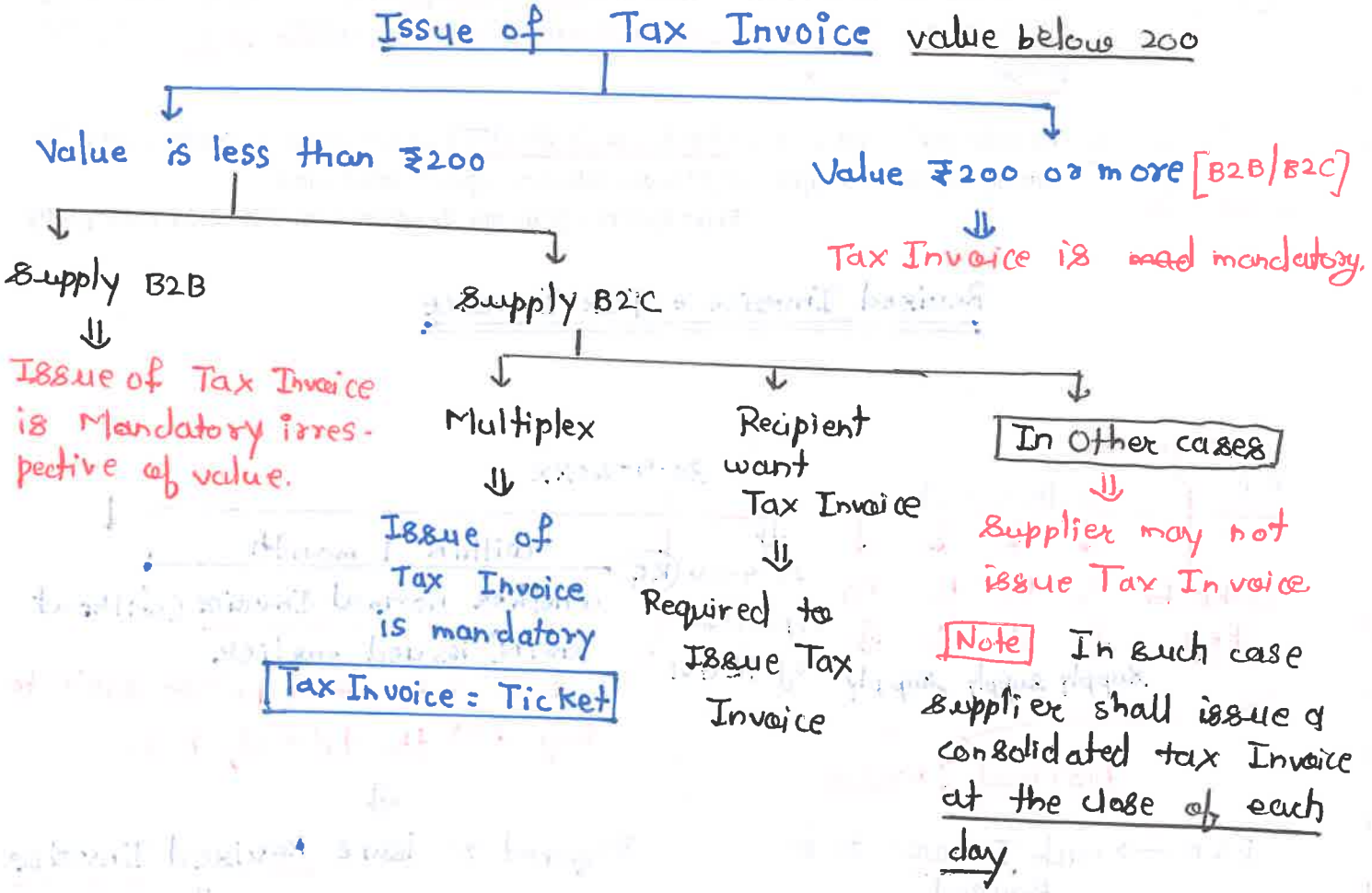
B2C → Inter-state → below 2.5L (consolidate state wise)

No Tax Invoice required to be issued if value < ₹ 200 – A consolidated Tax Invoice can be issued [Section 31(3)(b) read with fourth proviso to rule 46]

No Tax Invoice for Small Transactions	**When the value of goods &/or services supplied is less than ₹200.**
Conditions	➲ The value of the supply is less than ₹200. ➲ **The recipient is unregistered.** [B2C] ➲ The recipient does not require an invoice. **Note:-** An invoice must be issued if the customer demands one, regardless of the transaction value.
Consolidated Tax Invoice	**Issue a Consolidated Tax Invoice at the end of each day for all such supplies.** **Comment:-** Invoice is to be issued mandatorily by multiplex even if recipient is unregistered & does not required invoice & value is <200.
Exclusion	**Not applicable to suppliers providing services like admission to cinematograph films in multiplex screens.**
Bill of Supply	The same provision applies to the Bill of Supply as well.

Note:- Format is given at the end of this chapter

Refer Question from our Questionnaire: CCP 12.10.13.00 (IMP) & CCP 12.14.18.00 - (2)



Bill of Supply [Section 31(3)(c) read with rule 49]

Bill of Supply	Issued instead of a tax invoice 1. For supplying exempted goods &/or services. [including Nil rate Supply] 2. By registered persons under the composition levy. **Note:-** Any tax invoice or any other similar document issued under any other Act for the time being in force for any non-taxable supply shall be treated as bill of supply under GST Act.
Composition Levy	Must include the phrase "composition taxable person, not eligible to collect tax on supplies" at the top.
Tax Collection	➲ No tax is collected from the recipient in these cases. ➲ Does not include rate of tax and amount of tax, as no tax is collected.

Note:- Format is given at the end of this chapter **Refer Questionnaire: CCP 12.14.18.00 - (1)**

Invoice-cum-bill of supply [Rule 46A]

Invoice-cum-Bill of Supply	A single document issued for both taxable and exempt supplies to **an unregistered person.**
Applicability	Used when a registered person supplies both taxable and exempt goods &/orservices to an unregistered person. **Refer Questionnaire: CCP 12.19.30.00 - (1)**

Receipt Voucher [Section 31(3)(d) read with rule 50]

Receipt Voucher	A document issued by a registered person upon receiving an advance payment (as a evidence) for any supply of goods &/or services
When to Issue	Issued when an advance payment is received before the supply is made.

Rate of tax/ nature of supply is not determinable

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

Note:- Format is given at the end of this chapter

Refer Questionnaire: CCP 12.15.19.00 (IMP) & CCP 12.15.20.00

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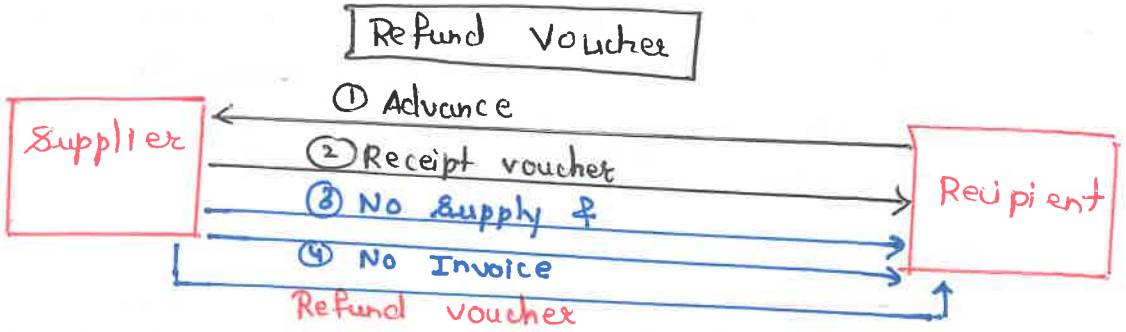
Refund Voucher [Section 31(3)(e) read with rule 51]

Purpose	To provide a refund for the advance payment when the anticipated supply does not take place.
When to Issue	Where on receipt of advance payment with respect to any supply of goods or services or both the registered person issues a Receipt Voucher, **but subsequently** ➲ **no supply is made and** ➲ **no tax invoice is issued in pursuance thereof,** the said registered person may issue to the person who had made the payment, a Refund Voucher against such payment.

Note:- Format is given at the end of this chapter

Note: 1) R.P can claim refund of GST (paid on advance) on the basis of Refund voucher.

2) If supply is made or Invoice is issued the refund voucher is not allowed in such cases adjustment to be made by credit Note.



When to issued Refund Voucher
(Advanced received & receipt voucher issued)

- Supply is made but no Invoice is given → Refund voucher not allowed. Note: GST is payable as supply is made.
- Invoice is made but by but No supply is done. → Refund voucher not allowed. Note: In this case supplier can issue credit ~~sale~~ note & claim the adjustment.
- Supply is not made & also no Invoice is issued. → Refund voucher is allowed. Note: Supplier can ~~dut~~ claim GST Refund of Advance

Self Invoice and Payment Voucher in Case of RCM
[Section 31(3)(f) & (g) read with second proviso to rule 46 and rule 52]

	Self Invoice (Sec 31(3)(f) with 2nd proviso to rule 46)	Payment Voucher (Sec 31(3)(g) with rule 52)
Issued by	Recipient who is liable to pay tax under reverse charge	Recipient who is liable to pay tax under reverse charge
When to Issue	When goods or services are received from an unregistered supplier and the recipient is liable to pay tax under RCM (Sec 9(3)/(4)).	At the time of making payment to the supplier, if liable to pay tax under RCM (Sec 9(3)/(4)). [Imp document for TOS]

Refer Questionnaire: CCP 12.16.21.00

Note:- **Format is given at the end of this chapter**

MCQ Rule 54:- Tax invoices in Special Cases

Supplier of taxable service	Document in lieu of the tax invoice	
	Optional information	Mandatory information
Insurer/ Banking company/ Financial institution, including NBFC	• Serial number • Address of the recipient of taxable service	Other information as prescribed for a Tax Invoice, under rule 46
		Such document may be issued/made available, physically/ electronically
		The said supplier **may issue a consolidated** tax invoice or any other document in lieu thereof, by whatever name called **(for supply of services made during a month at the end month)**
	Refer Questionnaire: CCP 12.19.30.00 - (2)	The signature or digital signature of the supplier shall not be required for consolidated tax invoice

Supplier of passenger transportation service	➢ Serial number ➢ Address of the recipient of taxable service	Other information as prescribed for a tax invoice, under rule 46 Tax invoice shall include ticket in any form, by whatever name called. The signature or digital signature of the supplier shall not be required for ticket

* **GTA transporting goods by road (consignment note)**	a)	Gross weight of the consignment	b)	Name of the consignor and the consignee
	c)	Registration number of goods carriage	d)	Details of goods transported
	e)	Other information under rule 46	f)	Details of place of origin and destination
	g)	GSTIN of the person liable for paying tax whether as consignor, consignee or GTA		

Admission to Exhibition of cinematograph films in multiplex screens by RP	Shall issue Electronic ticket and Electronic ticket is deemed to be Tax Invoice, even such ticket does not contain Recipient details
	Other information as prescribed for a tax invoice, under rule 46
	Provided that the supplier of such servce in a screen other than multiplex screens may, at his option follow the above procedure

Refer Question from our Questionnaire: CCP 12.17.22.00 & CCP 12.17.23.00

Not applicable for Inter

Rule 54. Tax invoice by Input Service Distributor (ISD)

(1)	**An ISD invoice or, an ISD credit note issued by an ISD shall contain the following details:-**	
	a)	name, address and GSTIN of ISD
	b)	a consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters- hyphen or dash and slash symbolised as- "-", "/" respectively, and any combination thereof, unique for a F.Y.
	c)	date of its issue
	d)	name, address and GSTIN of the recipient to whom the credit is distributed
	e)	amount of the credit distributed and
	f)	signature or digital signature of the ISD or his authorised representative: **Proviso:-** In cases where the ISD is a bank, FI, or NBFC, a tax invoice can be replaced by any document, regardless of document's nameor serial number, as long as it contains the required information.
(1A)	(a)	**A RP with the same PAN and State code as an ISD can issue an invoice, credit, or debit note to transfer credit for common input services to the Distributor, including specific required details.** (i) name, address and GSTIN of the RP having the same PAN and same State code as the ISD (ii) a consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters - hyphen or dash and slash symbolised as "_" and "/" respectively, and any combination thereof, unique for a F.Y. (iii) date of its issue (iv) GSTIN of supplier of common services and original invoice number whose credit is sought to be transferred to the ISD (v) Name, address and GSTINof the **ISD**. (vi) taxable value, rate and amount of the credit to be transferred and (vii) Signature or digital signature of the RP or his authorised representative.
	(b)	**The taxable value in the invoice issued under clause (a) shall be the same as the value of the common services**

Delivery Challan/ Invoice for Transportation of Goods (Rule 55)

It specifies the cases where at the time of removal of goods, goods may be removed on delivery challan and invoice may be issued after delivery. These are provided in the following table:

Nature of supply	**(1) Supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known,** **(2) Transportation of goods for job work,** **(3) Transportation of goods for reasons other than by way of supply, or** **(4) Such other supplies as may be notified by the Board**
Delivery challan in Triplicate	The delivery challan shall be prepared in TRIPLICATE, in case of supply of goods, in the following manner: Original copy → Original for Consignee Duplicate copy → Duplicate for Transporter Triplicate copy → Triplicate for Consignor
Declaration in E-way Bill	Where goods are being transported on a delivery challan in lieu of invoice, the same shall be declared in E-Way Bill
Tax invoice after delivery of goods	If goods are transported for supply and a tax invoice isn't issued at the time of removal, the supplier must issue the tax invoice after the goods are delivered.

Goods transported in SKD/CKD condition or in batches or lots:- Where the goods are being transported in a semi knocked down or completely knocked down condition or in batches or lots,

(a) the supplier shall issue the complete invoice before dispatch of the first consignment;

(b) the supplier shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice;

(c) Copies of the corresponding delivery challan shall accompany each consignment along with a duly certified copy of the invoice; and

(d) the original copy of the invoice shall be sent along with the last consignment.

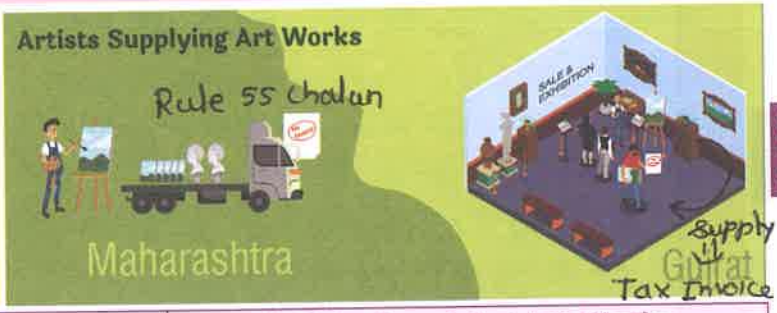
Rule 55A:- Tax Invoice or bill of supply to accompany transport of goods.

The person-incharge of the conveyance shall carry a copy of the tax incoice or the bill of supply issued as per rules 46, 46A or 49 in a case where such person is not required to carry an e-way bill under these rules.

Goods may be moved within the State/from the State of registration to another State for supply on approval basis and art works may be sent by artists to galleries for exhibition on delivery challan along with e-way bill wherever applicable

CBIC clarification





	Jewellery Suppliers [Cir. No. 10/10/2017]	Artists Supplying Art Works [Cir. No. 22/22/2017]
Scenario	Traveling to other states for buyer's approval.	Supplying art works in different states.
Challenge	Can't ascertain supplies in advance.	Similar issue in determining supplies
Tax Invoice (Supply on Approval Basis)	Issued at the time of actual supply, post-approval.	Issued at the time of actual supply, post-selection.
CTP casual Taxable Person.	Can't register due to uncertainty in tax liability as actual supplies are not ascertainable beforehand.	Same reason for not registering as a CTP
Movement of Goods	Within the same state or to other states.	Within the same state or to other states.
Documentation Required at the time of removal	Delivery challan and e-way bill (if applicable). [at the time of Removal]	Delivery challan and e-way bill (if applicable).
Invoice Book	Carried along for issuing invoice post-supply.	Carried for issuing invoice after art work is selected.
Nature of tax	Goods taken to another state & supplied there is inter-state supply & IGST is leviable.	Same as discussed besides.

SECTION 34:- CREDIT AND DEBIT NOTES

Credit Note :-

Circumstances of Issuance of Credit Note (Learn)	➲ the taxable value or tax charged in that tax invoice (original Invoice) is found to exceed the taxable value or tax payable in respect of such supply, or ➲ the goods supplied are returned by recipient, or (Sales Return) ➲ the goods &/or services supplied are found to be deficient, ➲ the goods or services don't meet the recipient's quality expectations. ➲ Any other similar reasons. Refer Questionnaire: CCP 12.18.25.00 & CCP 12.18.26.00
Reducing Tax Liability	➲ Issuing a credit note decreases the supplier's tax liability. ➲ Correspondingly, the recipient's Input Tax Credit also reduces.

Restrictions on Credit Notes	**Exceptions:** ✱ ➲ Not allowed for secondary discounts as they don't reduce tax liability. ➲ Financial/commercial credit notes can be issued but won't affect Tax Liability.

Debit Note:-

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

Details of Debit Note/Credit Note to be declared in return

Time limit to declare details of Credit note issued & other relevant pts.	➲ **Usage:** For adjusting previously issued invoices for goods or services. ➲ **Declaration in Returns:** Must be declared in the tax return of the month when the credit note is issued. ➲ **Deadline for Declaration:** Earlier of two dates: ➢ 30th November following the end of F.Y. in which such supply was made or ➢ Date of furnishing of the relevant annual return. ➲ **Adjustment of Tax Liability:** As per prescribed methods. ➲ **Restriction:** No reduction in output tax liability if incidence of tax and interest have been passed to another person or ITC is not reversed by recipient. ➲ **Flexibility:** A single credit note can address multiple invoices.
Time limit to declare details of Debit note issued	➲ **Declaration Timing:** In the tax return for the month when the debit note is issued. ➲ **Tax Liability Adjustment:** As per prescribed methods i.e. tax payable ➲ **Flexibility:** Single debit note can address multiple invoices **Note:- There is no time limit for issue of Debit note**

Refer Questionnaire: CCP 12.18.24.00 & CCP 12.18.28.00 (IMP)

Procedure in case of return of time expired medicines/drugs [Cir.No. 72/46/2018]

No need to Read

In the pharmaceutical industry, drugs are sold from manufacturers to wholesalers, and then to retailers, accompanied by an invoice or bill of supply. These products have a set expiration date, and any that surpass this date, known as "time expired goods," are returned to the manufacturer through the supply chain. In case of return of time expired medicines/drugs, either of the following two options can be followed:

A) Return of time expired goods to be treated as fresh supply

Return by Registered Person	➲ **Fresh supply & invoice:** Can return goods as a fresh supply and issue an invoice for it(Excluding composition taxpayer). ➲ **Value:** Same as on the original invoice. ➲ **ITC Eligibility:** Recipient (wholesaler/manufacturer) eligible for ITC subject to prescribed conditions u/s 16.

Return by Composition Supplier	➲ **Action:** Return goods by issuing a bill of supply. ➲ **Tax Payment:** Pay tax at the composition rate. ➲ **ITC:** No Input Tax Credit available for the recipient of the return supply.
Return by Unregistered Person	➲ **Action:** Return goods using any commercial document. ➲ **Tax:** No tax charged on the return. **Note:** This applies to unregistered individuals or entities returning goods.
Destruction of Returned Goods	When time expired goods returned by retailer/wholesaler are destroyed by the manufacturer, then ITC need to reverse u/s 17 (5)(h) .
B) Return of time expired goods by issuing Credit Note	
Credit Note by Manufacturer/ Wholesaler	➲ **Action:** Issue a credit note for returned time-expired goods. ➲ **Method for Return:** Retailer/wholesaler returns goods using a delivery challan.
Credit Note Issued Within Time Limit	➲ **Tax Liability Adjustment:** Possible if credit note issued within specified time limit. ➲ **Condition:** Person returning goods must not have availed ITC or must have reversed the ITC if previously availed.
Credit Note Issued After Time Limit	➲ **Still Issuable:** Credit note can be issued even after time limit. ➲ **Tax Liability**: Cannot be adjusted by the supplier. ➲ **Declaration:** No need to declare such credit note on the common portal.
Destruction of Returned Goods	➲ **Action Required:** If time-expired goods are destroyed, the manufacturer needs to reverse the ITC u/s 17(5)(h) related to the manufacture of those goods.

SEC 31A : Facility of Digital payment to recipient

The Government may, on the recommendations of the Council, prescribe a class of registered persons who shall provide prescribed modes of electronic payment to the recipient of supply of goods or services or both made by him and give option to such recipient to make payment accordingly, in such manner and subject to such conditions and restrictions, as may be prescribed

***

SEC 32 : Prohibition of Unauthorised Collection of Tax

A person who is not a registered person shall not collect in respect of any supply of goods or services or both any amount by way of tax under this Act. No registered person shall collect tax except in accordance with the provisions of this Act or the rules made thereunder.

Example:- Rujuta is engaged in providing grooming services. She is not registered under GST law as her turnover is below the threshold limit. Rujuta cannot collect tax on the grooming services provided by her as a person who is not a registered person cannot collect any amount by way of tax under GST law in respect of any supply of goods or services or both.

SEC 33 : Amount of tax to be indicated in Tax invoice and other documents

Notwithstanding anything contained in this Act or any other law for the time being in force, where any supply is made for a consideration, every person who is liable to pay tax for such supply shall prominently indicate in all documents relating to assessment, tax invoice and other like documents, the amount of tax which shall form part of the price at which such supply is made.

Refer Questionnaire : CCP 12.08.10.00 & CCP 12.19.31.00

For Self Study:- Format for Bill of Supply, revised Invoice, Vouchers & Challan

Rule 53:- Particulars of Revised Tax Invoice

a.	"Revised Invoice", wherever applicable, indicated prominently;
b.	Name, address & GSTIN of supplier;
c.	A consecutive serial number <= 16 characters, in one or multiple series, containing alphabets or numerals or special characters - hyphen or dash & slash & any combination thereof, unique for a FY;
d.	Date of issue of document;
e.	Name, address & GSTIN or UIN, if registered, of the recipient;
f.	Name & address of recipient & the address of delivery, along with name of State & its code, if such recipient is un-registered;
g.	Serial number & date of corresponding tax invoice/ bill of supply;
h.	Signature/digital signature of supplier/his authorized representative.

Rule 49:- Particulars of Bill of Supply

a.	Name, address & GSTIN of supplier;
b.	A consecutive serial number <= 16 characters, in one or more multiple series, containing alphabets or numerals or special characters- hyphen or dash & slash & any combination thereof, unique for a F.Y.
c.	Date of its issue;
d.	Name, address & GSTIN or UIN, if registered, of the recipient;
e.	HSN Code for goods or services;
f.	Description of goods or services or both;
g.	Value of supply of goods or services or both taking into account discount/abatement, if any; and
h.	Signature/digital signature of supplier/his authorized representative (not required for issue of electronic bill of supply as per IT Act, 2000).

Rule 50:- Particulars of Receipt Voucher

a.	Name, address & GSTIN of supplier;
b.	A consecutive serial number <= 16 characters, in one or multiple series, containing alphabets or numerals or special characters- hyphen or dash & slash & any combination thereof, unique for a F.Y.;
c.	Date of its issue;
d.	Name, address & GSTIN or UIN, if registered, of the recipient;
e.	Description of goods or services;
f.	Amount of advance taken;
g.	Rate of tax (CGST, SGST, IGST, UTGST or Cess);
h.	Amount of tax charged in respect of taxable goods or services (CGST, SGST, IGST, UTGST or Cess);
i.	Place of supply along with the name of State & its code, for supply in the course of inter-State trade or commerce;
j.	Whether the tax is payable on reverse charge basis; and
k.	Signature/digital signature of supplier/his authorized representative.

Rule 51:- Particulars of Refund Voucher

a.	Name, address & GSTIN of supplier;
b.	A consecutive serial number <= 16 characters, in one or multiple series, containing alphabets or numerals or special characters- hyphen or dash & slash & any combination thereof, unique for a F.Y.;
c.	Date of its issue;
d.	Name, address & GSTIN or UIN, if registered, of the recipient;
e.	Number & date of Receipt Voucher issued;
f.	Description of goods/ services in respect of which refund is made;
g.	Amount of refund made;
h.	Rate of tax (CGST, SGST, IGST, UTGST or Cess);
i.	Amount of tax paid in respect of such goods or services (CGST, SGST, IGST, UTGST or Cess);
j.	Whether the tax is payable on reverse charge basis; and
k.	Signature/digital signature of supplier/his authorized representative.

Rule 52:- Particulars of Payment Voucher

a.	Name, address & GSTIN of supplier if registered;
b.	A consecutive serial number <= 16 characters, in one or multiple series, containing alphabets or numerals or special characters- hyphen or dash & slash & any combination thereof, unique for a F.Y.
c.	Date of its issue;
d.	Name, address & GSTIN of the recipient;
e.	Description of goods or services;
f.	Amount paid;
g.	Rate of tax (CGST, SGST, IGST, UTGST or Cess);
h.	Amount of tax payable in respect of taxable goods or services (CGST, SGST, IGST, UTGST or Cess);
i.	Place of supply along with the name of State & its code, for supply in the course of inter-State trade or commerce; and
j.	Signature/digital signature of supplier/his authorized representative.

Rule 53(1A):- Particulars of Debit & Credit Notes

There is no prescribed format, but the mandatory particulars are:-

a.	Name, address & GSTIN of supplier
b.	Nature of document
c.	A consecutive serial number <= 16 characters, in one or multiple series, containing alphabets or numerals or special characters - hyphen or dash & slash & any combination thereof, unique for a FY
d.	Date of issue of document
e.	Name, address & GSTIN or UIN, if registered, of the recipient
f.	Name & address of recipient & address of delivery, along with name of State & its code, if such recipient is un-registered
g.	Serial number(s) & date(s) of corresponding tax invoice(s) or bill(s) of supply
h.	Value of taxable supply of goods or services, rate of tax & amount of tax credited/ debited to recipient
i.	Signature/digital signature of supplier/his authorized representative.

CHAPTER - 14
Accounts, Records & E-Way Bill

TABLE OF CONTENT

Sr.No.	Title	Pg.No.
1	Introduction	335
2	Relevant Definitions	336
3	Section 35 read with rules 56 & 58:- Accounts and Other Records	336
4	Section 36:- Period of Retention of Accounts	339
5	Section 68 read with Rule 138:- E-Way Bill	340

Introduction

1. For Accounts & Records:-

- Compliance verification is done by Department through scrutiny of returns and/or investigation. i.e. through documentary checks rather than physical controls. This requires certain obligations to be cast on the taxpayer for keeping and maintaining accounts and records.
- Every registered person shall keep & maintain accounts & records but certain notified persons are required to maintain specified records additionally or even if they are not registered under GST.
- Accounts & records may be maintained electronically or manually & have no prescribed format.

2. For E-Way Bill:-

- Under GST regime, for quick and easy movement of goods across India without any hindrance, all the check posts across the country are abolished. But, to monitor movement of goods to control tax evasion, e-way bill system is introduced.
- Under this system, prior to movement of goods via a conveyance, a taxpayer would:-
  - inform each transaction's details to the tax department,
  - obtain an automatically generated acknowledgment no. for having thus informed, and
  - use it as valid document accompanying the conveyance carrying goods & to track also.
- Sec 68 read with Rule 138 of CGST Rules requires the person in charge of a conveyance carrying any consignment of goods of value > specified amount to carry e-way bill as the document for the consignment of goods and prescribed devices.

Note:
Provisions relating to Accounts and Records & E-way Bill under CGST Act are also made applicable to IGST Act vide section 20 of IGST Act. State GST laws prescribe identical provisions.

Important definitions relevant for this chapter:-

Sec 2(85):- Place of Business includes (PoB)

a) a place from where the business is ordinarily carried on, and
- ➲ 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

b) a place where a taxable person maintains his books of account or

c) a place where a taxable person is engaged in business through an agent, by whatever name called.

Sec 2(89):- Principal Place of business (PPoB)

means the place of business specified as the principal place of business in the certificate of registration.

Section 35 read with rules 56 & 58:- Accounts and Other Records

1)	**Maintenance of basic records at PPOB** **Refer Question from our Questionnaire: CCP 13.01.01.00 (IMP)**	➲ Every registered person shall keep and maintain a true and correct account of the following at his principal place of business (PPoB):- (a) production or manufacture of goods, (b) inward and outward supply of goods or services or both, (c) stock of goods, (d) input tax credit availed, (e) output tax payable & paid and (f) other prescribed particulars (given below).
	Maintenance of basic records at APOB	If more than 1 place of business is specified in registration certificate, accounts relating to each place of business shall be kept at such places of business.
	Records in E-form	Accounts & other particulars may be maintained in electronic form in prescribed manner.
	Presumption if found at other place	Unless proved otherwise, documents, registers, or any books of account belonging to registered person found at any premises other than mentioned in certificate of registration shall be presumed to be maintained by him.
	Additional Records	**Additional Records prescribed by rule 56:-** ➲ The goods/services imported/exported, ➲ Supplies attracting payment of tax on reverse charge along with relevant documents, including invoices, bills of supply, delivery challans, credit notes, debit notes, receipt vouchers, payment vouchers and refund vouchers, ➲ Separate account of advances received, paid and adjustments made thereto, ➲ Names & complete addresses of suppliers from whom he received goods/ services chargeable to GST, ➲ Names & complete addresses of persons to whom he supplied goods/ services, ➲ Complete address of premises where goods are stored by person, including goods stored during transit along with particulars of stock stored therein. Note: If any taxable goods are found to be stored at any place(s) other than those so declare without the cover of any valid documents, PO shall determine tax payable on such goods as if such goods have been supplied by registered person.

Records not required for composition dealer [rule 56(2)&(4)]

Records are not required to be maintained by supplier who opted for composition scheme:-

1) **Stock of goods:-**
   - Accounts of stock in respect of goods received and supplied by him.
   - It contains particulars of opening balance, receipt, supply, goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample and the balance of stock including raw materials, finished goods, scrap and wastage thereof.

2) **Details of tax:-**
   - Account, containing details of tax payable (including tax payable under reverse charge), tax collected & paid, input tax, input tax credit claimed, together with a register of tax invoice, credit notes, debit notes, delivery challan issued or received during any tax period

Refer Question from our Questionnaire: CCP 13.01.02.00

Clarification on supply of goods like tea, rubber, coffee, etc. through an auction

- If goods like tea, rubber, coffee, etc. are supplied through an auction, then principal, auctioneer & buyer may declare warehouses, where such goods/ purchased goods are stored, as their Additional Place of Business (APoB).
- This also applies in case of supply of tea through a private treaty.
- For both of the above supplies, principal & auctioneer may maintain books of accounts relating to APoB at their PPoB instead of such APoB & shall intimate their jurisdictional proper officer in writing about the same.
- Also, principal & auctioneer shall be eligible to avail ITC subject to fulfilment of other provisions of GST law.

2) **Records to be maintained by owner/ operator of warehouse/ godown or any transporters [Section 35(2) read with rule 58]**

Refer Question from our Questionnaire: CCP 13.01.05.00

- **Irrespective of whether registered or not,** these persons shall maintain records of consigner, consignee & other relevant details of goods in prescribed manner.
- If such persons are **unregistered, they shall obtain a unique enrollment number** at GST Common Portal, electronically & can also amend the details furnished.
- **Records to be maintained by transporter of goods:-**
  He shall maintain records of goods transported, delivered & goods stored in transit along with GSTIN of registered consignor & consignee for each of his branches.
- **Records to be maintained by an owner/ operator of a warehouse/ godown or any other place used for storage of goods:-**
  - He shall maintain books of accounts w.r.t. the period for which particular goods remain in warehouse, including the particulars relating to dispatch, movement, receipt, and disposal of such goods.
  - He shall store goods in a manner that they can be identified itemwise & ownerwise.
  - He shall facilitate physical verification or inspection by PO on demand.

Additional Accounts for Specific Classes of TP [Section 35(3)]

Commissioner may notify a class of taxable persons (TP) to maintain additional accounts or documents for specified purpose.

Example:- Pharma company operates under strict regulatory conditions and must adhere to both health regulations and tax compliance requirements, Comm. may notify some additional records like,
Drug Expiry Records:- Which helps in adjusting GST liabilities & reversing ITC
R&D Expense Ledger:- Ensuring correct GST claims and compliance with specific tax treatments or rebates for R&D activities.

Permission for Alternate Account Maintenance [Section 35(4)]	Commissioner may, for reasons to be recorded in writing, permit a class of taxable persons to maintain accounts in prescribed manner, if they are not in a position to keep & maintain accounts as per Sec 35. **Example:-** This provision is designed to provide flexibility and facilitate compliance for businesses that may face practical difficulties in adhering to above basic records due to their specific operational, financial, or technical constraints **e.g.** Agriculture, fishing industry, handicraft, street vendors or small retailers etc.
Failure to Account for Goods or Services [Section 35(6)]	Subject to section 17(5)(h), PO shall determine amount of tax payable u/s 73 or 74 on goods &/or services that are not accounted for as per sec 35(1), as if such goods &/or services has been supplied by him.
Records to be maintained by Agent [Rule 56 (11)]	Every agent shall maintain accounts depicting the following:- a) Particulars of authorisation received by him from each principal to receive or supply goods or services on behalf of such principal separately, b) Particulars including description, value and quantity of goods or services received on behalf of every principal, c) Particulars including description, value and quantity of goods or services supplied on behalf of every principal, d) Details of accounts furnished to every principal and e) Tax paid on receipts or on SOG or SOS effected on behalf of every principal.
Records to be maintained by a manufacturer [Rule 56(12)]	Apart from other records, a registered manufacturer of goods shall maintain monthly production accounts showing quantitative details of:- ➲ Raw materials or services used in the manufacture, and ➲ Goods manufactured including the waste and by products thereof. Refer Question from our Questionnaire: CCP 13.01.03.00- (1)
Records to be maintained by a service provider [Rule 56(13)]	A RP supplying services shall additionally maintain the accounts showing:- ➲ Quantitative details of goods used in the provision of services, ➲ Details of input services utilised and ➲ Services supplied. Refer Questionnaire:CCP 13.01.03.00- (2)
Records to be maintained by person executing works contract [Rule 56(14)]	A RP executing works contract shall keep separate accounts for works contract showing:- a) Names & addresses of persons on whose behalf the works contract is executed, b) Description, value & quantity of goods or services received for execution of works contract, c) Description, value & quantity of goods or services utilized in execution of works contract, d) Details of payment received for each works contract & e) Names & addresses of suppliers from whom he received goods or services. Refer Questionnaire: CCP 13.01.04.00
Records to be maintained by custodian/ clearing & forwarding agent [Rule 56(17)]	A person having custody over the goods in the capacity of a carrier or a clearing and forwarding agent for delivery or dispatch thereof to a recipient on behalf of any registered person shall maintain true and correct records in respect of:- → such goods handled by him on behalf of such registered person and → shall produce the details thereof as and when required by the proper officer.

C& F Agent

How the accounts and records will be maintained? (Rule 56)

1	**Records may be in electronic form**	➲ RP may keep & maintain accounts & other particulars ➤ in electronic form stored on any electronic device & ➤ shall be authenticated with a digital signature. ➲ Proper electronic back-up of records shall be maintained & preserved so that in the event of its destruction due to accidents/ natural causes, information can be restored within reasonable period of time. ➲ Electronic records, files with its passwords, explanation for codes used & other information for access along with sample copy in print to be produced on demand in hard copy or in any electronically readable format.
2	**No entry to be erased/ overwritten**	➲ Entry in register, accounts & documents shall not be erased, effaced or overwritten. ➲ All incorrect entries (other than those of clerical nature) shall be scored out under attestation and then the correct entry shall be recorded. ➲ If registers & other documents are maintained electronically, a log of every entry edited or deleted shall be maintained.
3	**Preservance & Maintenance of records**	➲ Accounts maintained by registered person together with all invoices, bills of supply, credit and debit notes, and delivery challans relating to stocks, deliveries, inward supply and outward supply shall be preserved for the period as provided in Sec 36. ➲ Accounts & documents maintained manually shall be kept at every related POB mentioned in registration certificate. ➲ Accounts & documents maintained digitally shall be accessible at every related place of business.
4	**Serially numbered**	Each volume of books of account maintained manually by RP shall be serially numbered. **Refer Questionnaire: CCP 13.01.06.00 (IMP)**

Section 36:- Period of Retention of Accounts

Normal Period	Books of account or other records u/s 35(1) shall be retained for 72 months from due date of furnishing of annual return for the year pertaining to such accounts & records. **Example:** If the annual return for the FY 2017-18 is filed on 25.10.2018, even then the books of accounts & other records are to be maintained till 31.12.2024
Period in case of Appeal	If registered person is a party ➲ to appeal or revision or any other proceedings before Appellate Authority or Revisional Authority or Appellate Tribunal or court, or ➲ is under investigation for an offence, then books of account & other records pertaining to its subject matter shall be retained for the LATER of the following:- ➤ for 1 year after its final disposal or ➤ for the period specified above. **Refer Question from our Questionnaire: CCP 13.02.07.00**

E-Way Bill (As per sec 68 read with Rule 138 to 138F of CGST Rules, 2017)

Sec 68 read with Rule 138:- E-Way Bill

Inspection of goods in movement (Read)	Requirement to Carry Documents and Devices	The Government may require the person in charge of a conveyance carrying goods above a specified value to carry prescribed documents and devices.
	Validation of Transport Documents	The details of the documents required under sub-section (1) must be validated as prescribed.
	Inspection and Verification by Officer	If a conveyance under sub-section (1) is intercepted, the proper officer may demand documents and devices for verification, and the person in charge must produce them and allow inspection of goods.

General Concept

Meaning of E-way Bill:

- An Electronic Way Bill (E-Way Bill) is a digital document required for moving goods, generates e-way bill on GST portal in **Form GST EWB 01.**
- It proves the goods are being transported legally.
- It can be created online through **E-way Bill portal (ewaybillgst.gov.in)**, using an app, SMS, or other tools.
- The bill can be generated, updated, or cancelled by the supplier, recipient, or transporter.
- Once created, a unique E-Way Bill Number (EBN) is **given to all** involved parties (i.e Supplier, Recipient & Transporter).

*** Benefits of E-way Bill:**

- The E-Way Bill system replaces physical checks at state borders with digital processes.
- This speeds up the movement of goods, shortens truck travel times, and cuts costs, benefitting the logistics industry.

Refer Question from our Questionnaire: CCP 13.03.08.0

Pre-requisites for generation of e-way bill

- To generate an E-Way Bill, the person must be **registered** on the GST portal and also register on the E-Way Bill portal using their GSTIN.
- If the transporter isn't registered under GST, they need to **enroll** on the E-Way Bill portal to get a **15-digit Unique Transporter ID (TRANSIN)** which is a unique number generated by EWB system to generate an E-way bill.

Note: If a transporter registered in multiple States/UTs with the same PAN & more than one GSTIN, can apply for **Unique Common Enrolment Number** by submitting the required details in the prescribed form using any one of their GSTINs.

Requirement of generation of an E-way bill [Rule 138(1)] based on consignment value

Refer Questionnaire: CCP 13.04.09.00

E-Way Bill Rules 138 to 138F

Who		
	Mandatory generation	Every RP who causes movement of goods of consignment value exceeding ₹ 50,000
		Note: In some cases, URP, transporter, ECO & courier agency can also generate E-Way Bill (Discussed later)
	Voluntary generation	RP/transporter may choose to generate EWB voluntarily if Consignment value is ₹ 50,000 or less.

Note: The given consignment value is for interstate movement of goods, but consignment value for intra state movement can differ from state to state, rest all provisions are similar for intra state movement of goods.

When Required:

- For a supply of goods
- For reasons other than a supply.
- Inward Supply from an unregistered person.

Refer Questionnaire: CCP 13.04.10.00 CCP 13.04.11.00 (IMP)

Analysis

1. Who causes movement of goods for the purpose of E-way bill?

If supplier is RP & transports goods	movement is caused by supplier
If recipient is RP, arranges transport	movement is caused by recipient
If supplier is URP, supplied goods to a registered recipient & he is known when the good start moving.	movement is caused by recipient
If supplier is URP, supplied goods to a registered recipient & he don't known when the good start moving.	movement is caused by unregistered supplier

2. As clarified by CBIC, FAQs on E-way Bill, the value given in delivery challan should be adopted in e-way bill as, in case of movement of goods for reasons other than supply, **delivery challan** is issued which has to necessarily contain the value of goods.
3. Consignment value is checked **invoice-wise** to decide whether to generate E-way bill or not.

Tasks:

- The RP must provide details in **Part A & Part B** of Form GST EWB-01
- This should be done **before** the movement of goods starts.

Authorization to Transporter, ECO or Courier Agency

- A RP can **authorize** the transporter, e-commerce operator or courier agency
- They will complete the details in Part A &/or Part B of Form GST EWB-01 on behalf of the RP.

Cases for Mandatory Generation of E-Way Bill, irrespective of consignment value:

Interstate Job Work

When: Goods are sent by a principal to a job worker in a different state or UT.

Who Generates the E-Way Bill: Either the principal or the job worker (if registered) must generate the e-way bill.

Requirement: This requirement applies **regardless** of the consignment value.

Note: In case of **Intra state movement** of goods to a job-worker **e-way bill is required** if consignment value exceeds the specified limit of respective state as applicable.

Example 3:- Sindhi Textiles registered in Punjab, sends cloth to a job-worker in Maharashtra. The value of cloth is ₹ 48,000. Since value does not exceed ₹ 50,000 but still e-way bill is required to be issued in this case.

Inter-state movement of Handicraft Goods:-

When: Handicraft goods are moved from one state or UT to another (i.e inter state movement).

Who : A person exempt from registration till threshold u/s 24(i)/(ii) of GST law for inter-state supply.

Requirement: This person must generate an e-way bill, no matter the value of the consignment.

Refer Question from our Questionnaire: CCP 13.04.12.00 (IMP)

How to determine Consignment Value Explanation to Rule 138(1)	Value as per Sec 15	➲ The consignment value is the value declared in an invoice, a bill of supply, or a delivery challan for that consignment as per Sec 15 i.e. T.V including adj. of u/s 15(2) but excluding discount u/s 15(3)
	Special inclusion for E-Way Bill only	➲ Include the CGST, SGST/UTGST and cess if they are charged ar mentioned in the document.
	Exclusion	➲ Exclude the value of exempt supply of goods if the invoice covers bot exempt and taxable supplies.

Example 1:- ABC Ltd. registered in Maharashtra supplies goods 'A' (Taxable goods valued @ ₹ 40,000 plus GST @18%) & 'B' (Exempt goods valued @ ₹ 20,000) to Mr. Ram, who is registered in same state.

Solution: For the purpose of E-waybill, Value of exempt goods will not be included, hence consignment value will be **₹ 47,200** (₹ 40,000*118%), which does not exceed ₹ 50,000, thus E-way bill is not required.

Example 2:- A truck contains 3 consignments based on 3 invoices, Invoice 1 for 55,000/, Invoice 2 for ₹ 35,000/- and Invoice 3 for ₹ 90,000/- . How many E-Way Bill will be generated?

Solution: E-Way Bill will be generated Bill/ Invoice wise, i.e. when value of invoice exceed 50,000/-. Therefore, in this case E-Way bill will be generated for Invoice no. 1 & 3 only.

E-way Bill in case of 'Bill to Ship to" Model

➲ **In this model there are 3 persons involved in a transaction, namely:-**
- 'A' is the person who has ordered 'B' to send goods directly to 'C',
- 'B' is the person who is sending goods directly to 'C' on behalf of 'A', and
- 'C' is the recipient of goods.

➲ Here, **2 supplies** are involved & accordingly 2 tax invoices are required to be issued as under:-
- **Invoice 1:** Issued by 'B' to 'A'
- **Invoice 2:** Issued by 'A' to 'C'

➲ **Clarification (Press release dated 23.04.2018):-**

For movement of goods taking place from 'B" to 'C" on behalf of 'A":-
- Either A or B can generate e-way bill but note that **only one e-way bill is required to be generated.**

Special provision for transportation of goods by Road, Rail, Air or Vessel

Transport by Road	Goods are transported in own conveyance etc.	E-way bill shall be generated by furnishing information in Part A & Part B before causing the movement of goods by the RP as a consignor or the recipient as the consignee, whosoever transports goods by road- ➢ whether in his own conveyance or ➢ a hired one or ➢ a public conveyance.

Note:- Movement of goods is caused by an unregistered person:- If movement is caused by an unregistered person either in his own conveyance or a hired one or through a transporter,
- he or the transporter may, at their option, generate the e-way bill.

	Goods are handed over to the transporter for transport	E-way bill shall be generated before causing the movement of goods by ➲ RP as a consignor or the recipient as the consignee by furnishing information in Part A & Part B, or ➲ such person furnish the information in Part -A & assign the transporter to furnish information in Part -B of EWB-01 to generate E-Way Bill.
Goods transported by railways		**Normally,** E-way bill shall be generated by furnishing information in Part A & Part -B by RP before causing movement of goods. **Option :-** However, RP (supplier or recipient) can furnish the information in Part B (Goods Receipt No. or Railway Receipt No.) of EWB-01 after the commencement of movement, Provided that, the railways shall not deliver the goods unless the e-way bill (with Part A & B) is produced at the time of delivery. **Special Requirement:** ➢ Railways need to carry the invoice, delivery challan, or bill of supply with the goods, not the e-way bill. ➢ The e-way bill must be shown at delivery without it, the goods won't be delivered.
Goods transported by air or vessel		**Normally,** E-way bill shall be generated by furnishing information in Part A & Part -B by RP before causing movement of goods. **Option :-** However, RP (supplier or recipient) can furnish the information in Part B (Airway Bill No. or Bill of Lading No.)of EWB-01 after the commencement of movement.

Information to be furnished in E-Way Bill:

Content of e-way bill Form GST EWB-01:-

Part A (Just Read)		Part B (vehicle no. is not required if transported by Train/vessel/aircraft)
GSTIN of Supplier,		Vehicle Number for Road
Place of Dispatch Indicate the PIN Code of place of dispatch.	Bill To Ship To	Transporter document no. / Defence vehicle no./Temporary vehicle Registration no./ Nepal or Bhutan Vehicle Registration no.)
GSTIN of Recipient		
Place of Delivery (PIN Code also), indicate the PIN Code of place of delivery.		
Document Number May be of Tax Invoice, Bill of Supply, Delivery Challan or Bill of Entry.		
Document Date		
Value of Goods,		
HSN Code,	Annual T/O of preceding F.Y. — HSN Code Digit Upto 5 Cr — 4 Digit Above 5 Cr — 6 Digit	
Reason for Transportation, etc.		

Note on Vehicle Number:

➲ The e-way bill is **invalid** without a vehicle number in case of Road.

➲ E- Way Bill may be **updated** with vehicle number **any number of times.**

➲ Ensure the latest vehicle number **matches** the one actually transporting the goods if checked.

Case where information in Part B of E-way bill is not required to be furnished:

➲ **Details required:** The e-way bill is only valid for movement of goods by road if:

➢ Details of the conveyance are furnished in Part-B.

➲ **Exceptions for Short Distances:** No need to provide conveyance details if goods ar transported **up to 50 kms within the State or UT:**

➢ From the consignor's place of business to the transporter's place of business for further transportation.

Refer Questionnaire: CCP 13.04.13.00 (IMP

➢ From the transporter's place of business to the consignee's place of business.

Who shall update details of conveyance in Part-B of EWay Bill on common portal for Transfer of goods from one conveyance to another [Rule 138(5)]:

Transshipment refers to the process of transferring goods from one vehicle to another during transportation. This often happens when the route or vehicle needs to chan before reaching the final destination.

Let's understand with the help of Example:

ABC Ltd, a company in Delhi sells electronic goods worth ₹1,00,000 to XYZ Ltd. in Mumbai. The goods are initially loaded on a truck in Mumbai, but due to the long distance, Mr. Raj, transporter arranges for the goods to be transshipped at transport hub in Jaipur to Mr Viraj, another transporter & goods are transferred onto another truck for the journey from Jaipur to Mumbai.

Procedure:

➲ **Initial Details:** ABC Ltd., XYZ Ltd. or Mr. Raj, logs into E way bill portal & fi **Part A** of the E way Bill.

➲ **Updating Vehicle Information:**

➢ Mr. Raj enters vehicle details (e.g., truck number) in **Part B** before transferring goods to another vehicle.

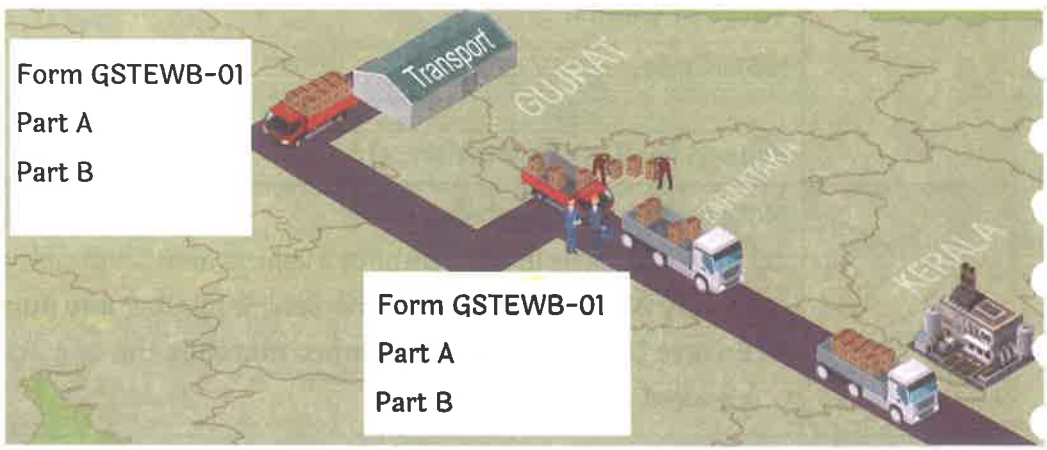
➢ If a vehicle breaks down or there's an unforeseen issue, Mr. Raj must als update Part B. All updates to Part B must be made within the E-way bill's validity period.

➲ **Changing Transportation Modes:** If the goods are transferred to a secor vehicle (e.g., a different truck) at a transport hub (Jaipur). Mr. Raj or Mr. Viraj (to whom E-way bill number is assigned) updates Part B again wit the new vehicle details.

➲ **Multiple Updates:** Vehicle details in Part B can be updated multiple times as needed within the validity period.

➲ **Final Destination:** The goods reached at Mumbai. Mr. Viraj ensures a updates in Part B are accurate.

➲ **Delivery Confirmation:** XYZ Ltd. confirms receipt of goods and retains th E-way bill for records.



Refer Questionnaire: CP 13.04.14.00

Refer Questionnaire: CCP 13.04.15.00 (IMP)

Information submitted for e-way bill can be used for filing GST Returns [Rule 138(8)]	**Information Furnished in Part A of e-way Bill:** The details entered in Part A of the e-way bill will be made **available** to registered supplier on the common portal who may **utilize** the same for the furnishing details on Form GSTR-1.	
Communication of acceptance or rejection of E-way Bill ***	Rule 138(11)	➲ Details of e-way bill generated shall be made available on common portal to:- ➢ **Supplier (if registered)-** if information in Part A is furnished by recipient/ transporter or ➢ **Recipient (if registered)-** if information in Part A is furnished by supplier/ transporter. ➲ Supplier/recipient should **communicate his acceptance or rejection** of consignment covered by E-way bill.
	Rule 138(12)	Information in Part A shall be **deemed** to be accepted, if supplier/ recipient (as above) does not communicate his acceptance or rejection within **EARLIER of:-** ➲ **72 hours** of details being made available to him on common portal or ➲ Time of delivery of goods.
Cancellation of e-way bill [Rule 138(9)] ***	➲ **E-way Bill Cancellation:** An e-way bill can be cancelled electronically on the common portal **within 24 hours** of its generation. This can be done if: ➢ The goods are not transported. ➢ The goods are not transported according to the details mentioned in the e-way bill. ➲ An e-way bill cannot be cancelled if it has been verified while in transit as per Rule 138B. This means once the e-way bill is checked and verified during transport, it cannot be cancelled. ➲ **Unique EWB No. Validity for Part B:** The unique E-way Bill (EWB) number generated is **valid for 15 days** for updating Part B of the e-way bill. **Note:** If there's a mistake in the e-way bill, it can't be edited/corrected. It must cancel it within 24 hours and generate a new e-way bill with the correct details.	

Validity of E-way bill From the Relevant Date [Rule 138(10)] Imp

Type of cargo	Distance	Validity period from relevant date*
Cargo other than Over Dimensional Cargo or (multimodal shipment in which at least one leg involves transport by ship)	Upto 200 Km	1 day
	For every 200 Km or part thereof thereafter	1 day additional
Over Dimensional Cargo or (multimodal shipment in which at least one leg involves transport by ship)	Upto 20 Km	1 day
	For every 20 Km or part thereof thereafter	1 day additional

Extension of Validity of E-way Bill:	Once the validity of E-way bill expires: ➲ The goods are not supposed to be moved. ➲ Generally, the validity of an e-way bill **cannot** be extended.

Refer Question from our Questionnaire:CCP 13.04.17.00 (IMP)

Exception:

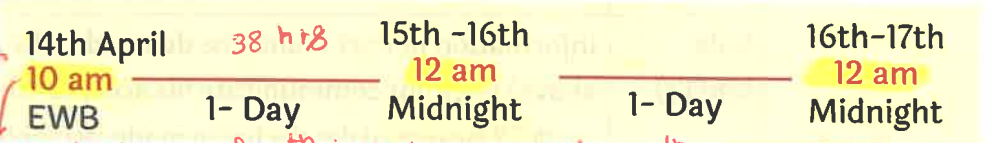
- **Commissioner's Extension:** The Commissioner may extend validity for certain notified goods on recommendation of Council.
- **Transporter's Extension:** The transporter can extend validity **within 8 hours** from the time of its expiry in exceptional circumstances i.e. accident etc., if the consignment has not reached the destination.

When validity of the e-way bill starts:

It is **clarified** that the validity period of e-way bill starts only after the details in Part B are updated by the transporter for the first time.

Relevant Date

- Validity period shall be counted from relevant date i.e. time at which E-Way bill has been generated (after completion of info in part B by transporter)
- First day shall be expired on mid night of succeeding day



Example 4:- If E way is generated at 00:04 hrs. on 14th March, the 1st day ends at midnight of 15th-16th March. The 2nd day ends at midnight of 16th-17th March, and so on.

- **Validity of E-way Bill:** Starts when the first entry is made in Part-B & It is not recalculated for subsequent entries in Part-B.
- **Over Dimensional Cargo:** Means cargo that is carried as a single indivisible unit & It exceeds the dimensional limits set in rule 93 of the Central Motor Vehicle Rules, 1989.

Cases where E-way is not required to be generated [Rule 138(14)]

Refer Questionnaire: CCP 13.04.18.00 (IMP), CCP 13.04.19.00 (IMP)

a) If following goods are transported:-

S.No.	Particulars
1.	Liquefied petroleum gas for supply to household and non-domestic exempted category (NDEC) customers
2.	Kerosene oil sold under PDS
3.	Postal baggage transported by Department of Posts
4.	Natural or cultured pearls and precious or semi-precious stones, precious metals and metals clad with precious metal
5.	Jewellery, goldsmiths' and silversmiths' wares and other articles excepting Imitation Jewellery
6.	Currency
7.	Used personal and household effects
8.	Coral, unworked and worked coral.

b) Goods transported by non-motorised conveyance.

c) Goods transported from customs port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs.

	d)	Movement of goods within notified areas under rule 138(14)(d) of State or UT GST Rules in that particular State or UT.
	e)	Goods other than de-oiled cake transported are exempt from tax.
	f)	Goods transported are alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (petrol), natural gas or aviation turbine fuel.
	g)	Supply of goods transported is not treated as supply under Schedule III of CGST Act.
	h)	Goods are transported:- i) Under customs bond from an inland container depot or a container freight station to a customs port, airport, air cargo complex and land customs station, or from one customs station or customs port to another customs station or customs port, or ii) Under customs supervision or under customs seal.
	i)	Goods transported are transit cargo from or to Nepal or Bhutan.
	j)	Goods transported are exempt from tax under:- ➲ Supply of goods by the CSD to the Unit Run Canteens or to the authorized customers and supply of goods by the Unit Run Canteens to the authorized customers & ➲ Supply of heavy water and nuclear fuels by Department of Atomic Energy to Nuclear Power Corporation of India Ltd. (NPCIL).
	k)	Any movement of goods caused by defence formation under Ministry of defence as a consignor or consignee.
	l)	CG, SG or local authority is the consignor of goods for transport of goods by rail.
	m)	Transportation of empty cargo containers.
	n)	Goods transported upto a distance of 20 Km from place of business of consignor to a weighbridge for weighment or from weighbridge back to place of business of consignor. **Note:** Movement of goods is accompanied by a delivery challan issued rule 55.
	o)	Movement of empty cylinders for packing of liquefied petroleum gas for reasons other than supply.
Consolidated E way Bill:-	**Transporter carry Multiple Consignment:**	
	1)	In Cases Where E-way Bill Are Already Generated (i.e., each consignment value > Rs 50,000):
		➲ **Transporter with Multiple Consignments:** If a transporter is moving multiple consignments from different consignors and consignees in one vehicle: ➢ Transporter may generate a **Consolidated E-way bill** in Form GST EWB-02 electronically on the common portal before moving the goods. ➢ The consolidated e-way bill will list the serial numbers of the e-way bills for each individual consignment **[Rule 138(6)]**.

➲ **Consolidated E-way Bill:**

- ➢ Instead of separate documents for each consignment, the transporter creates a single document called a **"Consolidated E-way bill."**
- ➢ The consolidated e-way bill itself does not have a validity period.
- ➢ Each consignment must still reach its destination within the validity period of its individual e-way bill.

2) In Cases Where E-way Bill Is Not Generated (i.e., consignment value not exceeding Rs 50,000):

➲ **When E-way Bill Is Not Generated:** If the consignor/consignee has **no generated** an e-way bill (Form GST EWB-01) and the total value of goods in the vehicle is above ₹50,000:

- ➢ The **transporter must generate an e-way bill** based on the invoice, bill of supply or delivery challan for inter-State supply.
- ➢ They may also generate a consolidated e-way bill in Form GST EWB-02.

➲ **Exception:** The rules are different for transportation of goods by railways, air, and vessels **[Rule 138(7)]**.

Documents & devices to be carried by a person-in-charge of a conveyance [Rule 138A]

Refer Questionnaire: CCP 13.04.20.00 (IMP)

The Person in Charge of a Conveyance Shall Carry:

➲ **Invoice/Bill of Supply/Delivery Challan:**

- ➢ The person in charge must carry the relevant document for the goods being transported.
- ➢ This could be an invoice, bill of supply, or delivery challan etc.

➲ **E-way Bill:**

- ➢ They must carry a copy of the e-way bill in physical form, or
- ➢ The e-way bill number in electronic form, or
- ➢ The e-way bill number mapped to an RFID (Radio Frequency Identification Device) on the conveyance.

➲ **Exception:**

- ➢ **Proviso for Rail/Air/Vessel:** Clause about carrying the e-way bill number in electronic form **does not apply** for goods moved by rail, air, or vessel.
- ➢ **Proviso for Imported Goods:**
  - ➔ For imported goods, the person in charge must also carry a copy of the bill of entry filed by the importer.
  - ➔ They should indicate the bill of entry number and date in Part A of the E-way Bill.

Note: ➢ Carrying the e-way bill number in electronic form means the person in charge can simply quote the number to the tax officer.
➢ The tax officer will perform all necessary verifications using that number.

Verification of documents and conveyances be done by Department [Rule 138B]

➲ **Authorize Interception:**

- ➢ The Commissioner or an officer may authorize the proper officer to intercept any conveyance.
- ➢ This is to verify the e-way bill, whether in physical or electronic form, for both inter-State and intra-State movement of goods.

➲ **Radio Frequency Identification Device (RFID) Readers:**

	➢ The Commissioner will ensure RFID readers are installed at locations where verification of goods movement is needed. ➢ Verification of vehicles will be done through these RFID readers if the e-way bill is mapped to the device. ➲ **Detail Physical verification:** ➢ If specific information about tax evasion is received, physical verification of a specific conveyance can be carried out by any officer. ➢ This must be done after obtaining necessary approval from the Commissioner or an officer authorized by him.
Inspection and Verification of Goods [Rule 138C]	**1) The Proper Officer Shall Record Online:** ➲ **Summary Report:** Record a summary report of every inspection of goods in transit in Part A of FORM GST EWB-03 within 24 hours of inspection. ➲ **Final Report:** Record a final report in Part B of FORM GST EWB-03 within 3 days of the inspection. ➲ **Extension:** If required, The Commissioner or an authorized officer can extend the time for recording the final report & this extension can be for up to 3 additional days if sufficient cause is shown. **Note:** 24 hours/ 3days shall be counted from midnight of date on which vehicle was intercepted. **2) Physical Verification of Goods:** ➲ **No Further Verification:** Once physical verification of goods has been done at one place in a State or UT, no further physical verification is required in that State or UT. ➲ **Exception:** This rule does not apply if specific information about tax evasion becomes available later.
Transporters right if Vehicle detained more than 30 Minutes (Rule 138D):- (B)	**If vehicle intercepted and detained for > 30 minutes** **Transporters Action:** ➲ The transporter can upload the information about the detention. ➲ This should be done in FORM GST EWB-04 on the common portal.
Restriction of furnishing of information in part A of FORM GST EWB 01 OR Blocking of e-waybill generation facility [Rule 138E] [Freezing of E-way Bill]	1) **Blocking Conditions for E way bill:** ➲ **For Person Paying Tax under Section 10:** If they haven't furnished the statement in FORM GST CMP-08 for 2 consecutive quarters. ➲ **For Person Paying Tax under Regular Scheme:** ➢ If they haven't furnished returns for 2 consecutive tax periods. ➢ If they haven't furnished GSTR-1 for any 2 months or quarters. ➲ **For Suspended Registration:** If their registration has been suspended under rule 21A(1), 21A(2), or 21A(2A). 2) **Relaxation by Commissioner:** The Commissioner may allow the furnishing of information in PART A of FORM GST EWB-01: ➲ If the registered person submits an application in the prescribed form.

		➲ **Sufficient cause** is shown and reasons are recorded in writing. ➲ **Conditions and restrictions** may be specified by the Commissioner.
Refer Questionnaire: CCP 13.04.21.00 (IMP)	3)	**Rejection by Commissioner** An order rejecting the request must not be passed without giving the person reasonable opportunity to be heard.
	4)	**Commissioner's Orders:** Permission granted or rejected by the Commissioner of State tax or Commissioner of UT tax is considered as granted or rejected by the Commissioner.
		Note:- ➲ Blocking applies only to the defaulting supplier's GSTIN, not to the recipient transporter. ➲ **E-way bill generation is blocked for the defaulting supplier's outward movement of goods & E-way bills can still be generated for inward supplies.**
Information to be furnished in case of intra-State movement of gold, precious stones, etc. and generation of e-way bills thereof [Rule 138F]	1)	**Who Needs to Furnish Information:** ➲ If the Commissioner requires details about **specific goods u/r 138(14) such as** ➢ Natural or cultured pearls ➢ Precious or semi-precious stones ➢ Precious metals and metals clad with precious metals ➢ Jewellery, goldsmiths' and silversmiths' wares (excluding imitation jewellery) moving within a State or UT, and their value **exceeds ₹2 lakh,** every RP must provide information before transportation. ➲ This applies whether the goods are for supply, not for supply, or received from a URP.
	2)	**How to Furnish Information:** ➲ The details must be submitted electronically using **Part A of FORM GST EWB-01.** ➲ A unique number will be generated upon submission. ➲ If goods are supplied through an ECO or courier, they a can submit this information.
	3)	**No Need for Additional Information:** Part B of FORM GST EWB-01 **does not need to be filled** for these goods.
	4)	**E Way Bill Generation:** After submitting Part A, the e-way bill will be generated electronically.
	5)	**Utilization of Information:** The information in Part A will be available for suppliers to use in FORM GSTR-1.
	6)	**Cancellation of E-Way Bill:** An e-way bill can be cancelled within 24 hours if the goods are not transported as per the details provided, unless they have already been verified in transit.
	7)	**Exemptions from E-Way Bill Requirement:** No e-way bill is needed for: ➲ Goods transported from customs facilities for clearance. ➲ Goods under customs bond or supervision.
	8)	**Additional Provisions:** Other related rules (sub-rules and regulations) **apply similarly** to e-way bills generated under these conditions.
	9)	**Valuation of Goods:** The consignment value **includes** the total declared in the invoice, including taxes, but **excludes** the value of exempt goods.

Invoice reference number (IRN) in lieu of tax invoice Refer Questionnaire: CCP 13.04.22.00	➲ **Embedded IRN in E-Invoice:** E-invoices issued under rule 48(4) include an IRN in the QR code. ➲ **Verification of E-Invoice:** The e-invoice can be produced electronically for verification instead of a physical copy. ➲ **Auto-Population of E-way Bill:** ➢ The registered person does not need to upload information in Part A of the e-way bill. ➢ The information will be auto-populated by the common portal based on the e-invoice details. ➲ **Benefits of IRN:** IRN simplifies documentation and reduces the burden. ➲ **RFID Requirement for Transporters:** The Commissioner may require certain transporters to: ➢ Obtain a unique RFID. ➢ Embed the RFID on the conveyance. ➢ Map the e-way bill to the RFID before moving goods.
Documents in lieu of e-way bill	➲ **Tax Invoice or Bill of Supply:** The Commissioner may, by notification, require the person in charge of the conveyance to carry: ➢ A tax invoice or bill of supply. ➢ Or a bill of entry (for imported goods). ➲ **Delivery Challan:** If goods are transported for reasons other than supply, the Commissioner may allow: ➢ A delivery challan instead of an e-way bill.

Refer Questionnaire for Question on combined provisions:CCP 13.04.16.00 (IMP)

CGST Act

Sec 7 - Supply
Sec 8 - Composite & Mixed Supply
Sec 9 - Charging Section
Sec 10 - Composition Levy
Sec 11 - Exemptions
Sec 12 - TOS of SOG
Sec 13 - TOS of SOS
Sec 14 - X
Sec 15 - Value of Supply
Sec 16 - Eligibility and conditions of ITC
Sec 17(5) - Block Credit
Sec 18 - Switching
Sec 19, 20, 21 - X
Sec 22 - Threshold for Registration
Sec 23 - Non applicability of Registration
Sec 24 - Compulsory Registration
Sec 25 - Procedure for Registration
Sec 26 - Deemed Registration
Sec 27 - Registration of CTP & NCTP
Sec 28 - Amendment in Registration
Sec 29 - Cancellation of Registration
Sec 30 - Revocation of Cancellation
Sec 31 - Tax Invoice, Vouchers, Debit note, Credit note.
Sec 32 - Prohibition on excess collect^{n} of Tax.
Sec 33 - Tax to be mentioned in separately in documents
Sec 34 - Debit note, credit note.
Sec 35 & 36 - Accounts & Records.
Sec 37 to 48 - Return
Sec 49 - Payment of Tax
Sec 50 - Interest
Sec 51 - TDS
Sec 52 - TCS

IGST Act

Sec 5 - Charging section
Sec 6 - Exemption of IGST
Sec 7 - Inter-state supply
Sec 8 - Intra-state supply
Sec 9 - Terroterial water
Sec 10 - POS of Goods
Sec 11 - POS of services.

CHAPTER - 15
RETURNS

Index

Sec & Rules	Title	
Sec 2	Relevant definitions	355
Sec 37 & Rule 59	Furnishing details of Outward supplies	355
Sec 38 & Rule 60	Communication of details of inward supplies & ITC	358
Sec 39 & Rule 61/61A/62/63	Furnishing of Returns , Payment of Tax & Rectification	362
Sec 40	First Return	371
Sec 44 & Rule 80	Annual Return	371
Sec 45 & Rule 81	Final Return	372
Sec 46 & 47	Notice & Late fee for delay in filing return	372
Sec 48	Goods & Services Tax Practitioners	375

Introduction

Meaning

➲ The term **"return"** ordinarily means statement of information (facts) furnished by the taxpayer, to tax administrators, at regular intervals which enables the Government/ tax administrator to estimate the tax collection for a particular period and determine correctness of tax compliance.

➲ All details are consolidated & stored at common portal which is common for both, i.e. CG & SGs.

Necessity of Filing of Return

The return serves the following purposes:-

a) Mode for **transfer of information** to tax administration.
b) **Compliance verification** program of tax administration.
c) **Finalization of the tax liabilities** of the taxpayer within stipulated period of limitation.
d) Providing necessary inputs for taking **policy decision.**
e) **Management of audit** and anti-evasion programs of tax administration

The correct and timely filing of returns

1. A taxpayer has to estimate his tax liability on **"self-assessment"** basis and deposit the tax along with the filing of such return & thus, return filed is a work sheet/supporting document for tax authorities to rely on the computation of tax by authorities.
2. Filing of returns not only determines the tax liability of the person filing the same, but it also has a huge bearing on determination of tax liability of other persons with whom the former has entered into transactions in course or furtherance of business.

Modes of filing returns

All the returns/ statements under GST laws are filed **electronically** by using various modes as follows:-

1	**GSTN portal (www.gst.gov.in)**	Can be filed directly on the GST common portal online.
2	**Offline utilities provided by GSTN**	Used for preparing the statements offline after downloading the auto populated details and uploading them on the common portal as direct filing on portal may be tedious & time consuming for taxpayers with large number of invoices.
3	**GST Suvidha Providers (GSPs)**	GSTN has also developed an ecosystem of GST Suvidha Providers (GSP) that will integrate with the common portal.

Refer Question from our Questionnaire :CCP 14.01.01.00

Statement / Return

Statement

Section 37 Outward Supply

GSTR -1	1-11th of following Month/Qtr.
GSTR -1A	After filing GSTR-1, but before filing GSTR-3B
IFF (QRMP Scheme)	1-13th of following Month
Max time limit	within 3 Yrs from due date

Invoice furnishing facility

Section 38 Inward Supply

GSTR - 2B Auto updated

Comment :- Composition tax payer required to filed quartely statement

Normal Return

Regular return

Section 39

Not in syllabus

Person	Regular taxable Person & CTP	OIDAR Service	Non-resident taxable Person	Composition Taxable person	TDS Deductor
Form	GSTR-3B	GSTR-5A	GSTR-5	GSTR-4 *	GSTR-7
Due date	20th of following Month		13th day of following month	Till F.Y. 23-24: 30th Apr of following F.Y.; from F.Y. 24-25: 30th Jun of following F.Y.	Due date for monthly return is yet to be notified
Max.Time Limit	within 3 Yrs from due date of its filling u/s 39				

Annual return

Section 44

Person	Regular taxable Person	Composition Taxable person
Form	GSTR-9	GSTR-9A
Due date	31st Dec of the next F. Y.	
Max. Time Limit	within 3 Yrs from due date of filling annual return	

Other Return

First Return

Section 40 First Tax Period

First return shall cover all outward supplies from the date from which he becomes liable for registration

Final Return

Section 45 De-registation

Final return shall be furnished within 3 months of the

- Date of cancellation order
- Date of Cancellation

Whichever is later

Non - filing of return under section 39/44/45

Section 46

Notice to furnish return in next 15 days

- If still not furnished - Proper Officer will make best Judgement Assessmentunder Section 62
- Further under section 122 penalty leviable 10,000 /-

Late Filing

Section 47 Late Fee

- Statement under sec 37/38 (i.e.GSTR 1/2) ₹100 /day Max ₹ 5,000
- Regular Return under sec 39 (i.e. GSTR - 3B) ₹100 /day Max ₹5,000
- Annual Return under sec 45 ₹100 /day Max 0.25 % of ATO

GST Practitioner

Section 48

Approved person can act as GSTP

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Important definitions relevant for this chapter:-

Sec 2(94):- Registered Person means

a person who is registered under sec 25 but does not include a person having a Unique Identity Number.

Sec 2(92):- Quarter

shall mean a period comprising three consecutive calendar months, ending on the last day of March, June, September and December of a calendar year.

Sec 2(106):- Tax Period

means the period for which the return is required to be furnished.

Sec 2(117):- Valid Return

means a return furnished u/s 39 on which self-assessed tax has been paid in full.

Sec 37 read with Rule 59 :- Furnishing details of Outward supplies

Pts.	Provision
1	**Who is required to furnish details of outward supplies (GSTR-1)?**
	The details of outward supplies (GSTR-1) of both goods and services are required to be furnished by every **RP** including **registered CTP** **except the following:** ➲ ISD ➲ NRTP * ➲ person paying tax under composition scheme ➲ person deducting TDS ➲ person collecting TCS ➲ supplier of OIDAR service located in non-taxable territory providing services to NTOR
1A	**Who is required to furnish GSTR-1A & when it should be furnished?** Newly Inserted by N/No. 12/2024
*	➲ The said RP may , **amend or furnish additional details of outward supplies** of goods or services or both in **GSTR-1A** for the said tax period electronically at his own option through the GSTportal, ➲ It shall be furnish after furnishing GSTR-1 for a tax period but before filing of return in GSTR-3B for the said tax period.
2	**Nil GSTR-1:-**
	➲ **GSTR 1 filing is mandatory for all normal and CTP**, even if there is no business activity in any particular tax period. ➲ **Nil GSTR-1** is required to be filed in such cases, which will not have any entry. ➲ Thus, a NIL GSTR-1 can be filed anytime from 1st of the month subsequent of the tax period, through an **SMS using the registered mobile number** of the taxpayer & is verified by registered mobile number-based OTP facility.
3	**Due Date of Submission of GSTR-1:-**

Class of registered person	Time limit for furnishing the details of outward supplies in GSTR-1 for each quarter/tax period
Normal Case (Monthly Scheme)	11th day of the month succeeding such tax period
RP opting for QRMP scheme	13th day of the month succeeding such tax period (i.e Quarter)

It may be extended by Commissioner /Commissioner of SGST/Commissioner of UTGST for a class of taxable persons by way of a notification.

Note:- **A taxpayer cannot file GSTR-1 before the end of the current tax period. However, following are the exceptions to this rule:-**

V. Imp

a. **Casual taxpayers, after the closure of their business**

b. **Cancellation of GSTIN of a normal taxpayer- after confirming receipt of the application.**

Refer Question from our Questionnaire :CCP 14.02.02.00 (IMP), CCP 14.02.03.00 (IMP)

4 Invoice Furnishing Facility (IFF) for taxpayers opting QRMP Scheme:-

- **IFF is an optional facility** available to **RP** to furnish details of outward supplies for 1st and 2nd months of a quarter upto a cumulative value of ₹ 50 lakh in each of the first 2 months of quarter electronically on common portal.
- Only the invoices pertaining to last month of a quarter are to be uploaded in GSTR-1.
- IFF is used only for B2B invoices.
- Alternatively, a **RP** may furnish the details of all outward supplies made during a quarter in Form GSTR-1 only, without using the IFF.
- **Due to IFF, recipient who made purchases from a person opting for QRMP scheme can avail ITC without much delay as the transaction will be reflected as their inward supplies.**
- Invoices for a month are to be furnished in IFF between 1st day of succeeding month till 13th day of succeeding month & not after that.

5 Details of outward supplies required to be furnished in IFF:- It includes-

- **Invoice wise details** of inter-State and intra-State supplies made to the registered persons.
- **Debit and credit notes,** if any, issued during the month for such invoices issued previously.

6 Restriction on furnishing of GSTR-1

If previous GSTR-1 is/ are not furnished	A **RP** shall not be allowed to furnish GSTR-1 for a tax period, if the details of outward supplies for any of the previous tax periods has not been furnished by him. However, Govt. may allow notified persons to furnish GSTR-1, even if he has not furnished GSTR-1 for 1 or more previous tax periods. (Govt. ની કોઈ notification નહીં હોય)
If previous GSTR-3B is/ are not furnished	**a) A registered person (Monthly Scheme):-** shall not be allowed to furnish GSTR-1, if he has not furnished the return in FORM GSTR-3B for preceding month **b) A registered person (QRMP Scheme):-** shall not be allowed to furnish GSTR-1 or IFF, if he has not furnished the return in FORM GSTR-3B for preceding tax period (Quarter)
Non compliance of intimation under rule 88C(1)	A **RP**, to whom an **intimation has been issued** on the common portal under **Rule 88C(1)** (where tax liability shown in GSTR-1 exceeds the tax liability paid in GSTR-3B) in respect of a tax period, ➲ **shall not be allowed** to furnish GSTR-1 or **IFF** for a subsequent tax period, ➲ unless he has either deposited the amount specified in the said intimation or has furnished a reply explaining the reasons for any amount remaining unpaid, as required under rule 88C(2). **Comments:-** ➢ If reply was furnished but found to be not satisfactory, then only recovery proceedings u/s 79 would be triggered as this rule does not prescribe blocking of GSTR-1 / IFF in such case. ➢ If no action was taken against the issuance of DRC-01B, there would be blocking of GSTR-1/IFF along with initiation of recovery proceedings u/s 79 of CGST Act, 2017.

Non compliance of intimation under rule 88D(1)	If any intimation is issued rule 88D(1) (for excess ITC) (Mismatch of ITC) on RP in respect of a tax period or periods, shall not be allowed to furnish GSTR-1/IFF for a subsequent tax period, unless he has either paid the amount equal to the excess ITC as specified in the said intimation or has furnished a reply explaining the reasons in respect of the amount of excess ITC that still remains to be paid.
Non furnishing Bank Details	RP shall not be allowed to furnish GSTR-1/ IFF, if he has not furnished the details of the bank account under rule 10A.

7 Contents in GSTR 1:- No need to Learn

Basic & Other details	Details of Outward Supplies
➲ GSTIN	➲ B2B including UIN holders
➲ Legal name	➲ B2C inter-State supplies with invoice value > ~~₹2.5 lakh~~ ₹ 1 lakh **Substituted by N/No. 12/2024**
➲ Trade name, if any	➲ Consolidated details of other B2C supplies
➲ Aggregate turnover in P.Y.	➲ Zero rated and Deemed exports
➲ Tax period i.e. Year & Month/Qtr	➲ Debit/ Credit notes issued
➲ HSN-wise summary of outward supplies	➲ Nil rated/ Exempted/ Non-GST
➲ Details of documents issued	➲ Amendments for prior period
	➲ Advances received/advances adjusted

8 Details in GSTR-1:-

Invoice wise details of ALL	1) Inter-State & Intra-State supplies made to registered persons 2) Inter-State supplies made to URP with invoice value > ~~₹2,50,000~~ ₹1 lakh
Consolidated details of ALL	1) Intra-State supplies made to URP for each rate of tax 2) Inter-State supplies made to unregistered persons with invoice value upto ~~2.5 Lakh~~ ₹ 1 lakh for each rate of tax separately for each State **Substituted by N/No. 12/2024**
Debit & Credit notes	1) Issued during the month for invoices issued previously

Refer Question from our Questionnaire :CCP 14.02.04.00, CCP 14.02.05.00 & CCP 14.02.06.00 (IMP)

9 Sec 37(3): Amendment in details of outward supply (GSTR-1) furnished in prior periods

a)	**Scope of amendment/ correction entries**	➲ Amendments in details of taxable outward supplies furnished in earlier periods can be made in "Amendment Table" given in GSTR-1 of subsequent periods ➲ Details required for amendment = original invoice (No. & Date), the particulars of which have been wrongly entered in GSTR-1 of the earlier months. ➲ If the entire original invoice is missed while furnishing the GSTR-1 for a particular previous month, then that missing invoice details are to be furnished in the Amendment Table only & such type of errors is regarded as data entry error.
b)	**Rectification of errors**	➲ If the supplier discovers any error or omission, he shall rectify the same in the tax period during which such error or omission is noticed. ➲ If there is short payment in the return to be furnished for such tax period, then short tax and interest shall be paid.
c)	**Time limit for rectification**	**The maximum time limit for making amendments is EARLIER of the following dates:-** ➲ **30th November following the end of the F.Y. to which such details pertain or** ➲ **Actual date of filing of the relevant annual return.**

Refer Questionnaire :CCP 14.02.09.00

Some Important Notes:-

1. Taxpayer opting for voluntary cancellation of GSTIN has to file GSTR-1 for active period.
2. If taxpayer is converted from a normal taxpayer to composition taxpayer, GSTR-1 is to be filed only fc period during which the taxpayer was registered as normal taxpayer. The GSTR-1 for the said period even if filed with delay would accept invoices for the period prior to conversion.

Refer Question from our Questionnaire :CCP 14.02.07.00, CCP 14.02.08.00 (IMP)

Sec 38:- Communication of details of inward supplies and ITC

Sub-Sec	Legal Provision
1	The **details of furnished GSTR-1** and of **prescribed supplies**, and an auto-generated statement **(GSTR-2B)** containing details of ITC shall be made available electronically to recipients.
2	The auto-generated statement **(GSTR- 2B)** under sub-section (1) shall consist of–
(a)	Details of inward supplies for which **ITC may be available** to recipient &
(b)	**Details of supplies for which ITC cannot be availed, whether wholly or partly, by recipient, on account of details of the said supplies being furnished u/s 37(1)**
(i)	by any **RP** within such prescribed period of taking registration; or
(ii)	by any **RP**, who has defaulted in payment of tax and such default has continued for prescribed period or
(iii)	by any **RP**, the output tax payable by whom as per GSTR-1 furnished by him during prescribed period exceeds the output tax paid by him during the said period by prescribed limit or
(iv)	by any **RP** who, during prescribed period, has availed ITC of an amount that exceeds the credit that can be availed by him as per clause (a) above, by prescribed limit or
(v)	by any **RP**, who has defaulted in discharging his tax liability as per section 49(12), subject to prescribed conditions and restrictions or
(vi)	by other prescribed class of persons.

Refer Question from our Questionnaire :CCP 14.03.10.00

Rule 60:- Form and manner of ascertaining details of inward supplies

[A] Details in GSTR-2A:-

- **Form GSTR-2A** – is a system generated read only statement of **inward supplies** for a recipient which is updated on a real time basis.
- The details become available to the recipient for view/download and are updated incrementally as and when supplier(s) upload or change details in their respective form of return/statement, for the given tax period.

Newly Inserted by N/No. 12/2024

- The details of outward supplies furnished by the supplier in FORM GSTR-1 **or FORM GSTR-1A** or using the IFF shall be made available electronically through common portal to the concerned registered persons (recipients) in:-
  - Part A of FORM GSTR-2A,
  - FORM GSTR-4A (for persons opting composition scheme) and
  - FORM GSTR-6A {for distribution by Input Service Distributor (ISD)}
- The details of invoices furnished
  - by a NRTP in Form GSTR-5 &
  - by an ISD in Form GSTR-6,

  The details of TDS furnished in Form GSTR-7 by deductor and

The details of TCS furnished in Form GSTR-8 by an ECO, are made available to the recipient, deductee or concerned person, in **Form GSTR-2A.**

➲ Further, details of the integrated tax paid on
- ➢ the import of goods or
- ➢ goods brought in DTA from SEZ unit/developer

on a bill of entry are also made available in **Form GSTR-2A.**

[B] Details in GSTR-2B:-

Form GSTR-2B is an auto-generated read only statement containing the **details of eligible ITC** - is made available to the registered person (recipient) for **every month only once.**

It consists of:-

1 The details of outward supplies furnished by suppliers **(other than under QRMP Scheme)** in Form GSTR-1 between:-
- ➢ the day immediately after the due date of GSTR-1 for the previous month to
- ➢ the due date of furnishing of Form GSTR-1 for the month.

2 The details of outward supplies furnished by the supplier under QRMP scheme in Form GSTR-1 or using the IFF, by NRTP in Form GSTR-5 & by an ISD in Form GSTR-6 as the case may be, **between:-**

For 1st month of quarter	➲ the day immediately after the due date of furnishing GSTR-1 for the preceding quarter **to** ➲ the due date of furnishing details using the IFF for the 1st month of the quarter.
For 2nd month of quarter	➲ the day immediately after the due date of furnishing details using the IFF for the 1st month of the quarter **to** ➲ the due date of furnishing details using the IFF for the 2nd month of the quarter.
For 3rd month of quarter	➲ the day immediately after the due date of furnishing of details using the IFF for the 2nd month of the quarter **to** ➲ the due date of furnishing of Form GSTR-1 for the quarter

3 **The additional details or amendments in details of outward supplies furnished by his supplier in GSTR-1A filed between the day immediately after the due date of furnishing of GSTR-1 for the previous tax period to the due date of furnishing of GSTR-1 for the current tax period.**

Newly Inserted by N/No. 12/2024

4 GSTR-2B consists of all documents filed by suppliers/ISD in their Form GSTR-1, 5 & 6, between the cut-off dates and import data for the period which are received within 13th of the succeeding month.
- ➢ In case of monthly Form GSTR-1, the cut-off date is 00:00 hours on 12th of the relevant month to 23:59 hours, on 11th of the succeeding month.
- ➢ Whereas for quarterly Form GSTR-1/IFF, Form GSTR-5 and Form GSTR-6, the cut-off date is 00:00 hours on 14th day of relevant month to 23:59 hours, on 13th day of succeeding month.

5 The statement in Form GSTR-2B for every month shall be made available to the **RP**,-

i) **for the 1st and 2nd month of a quarter,** a day after the due date of furnishing of details of outward supplies for the said month,
- ➢ in the IFF by a **RP** opting for QRMP, or
- ➢ in Form GSTR-1 by a registered person other than opting for QRMP,

whichever is LATER.

ii) **In the 3rd month of the quarter,** a day after the due date of furnishing of details of outward supplies for the said month, in Form GSTR-1 by a **RP** opting for QRMP.

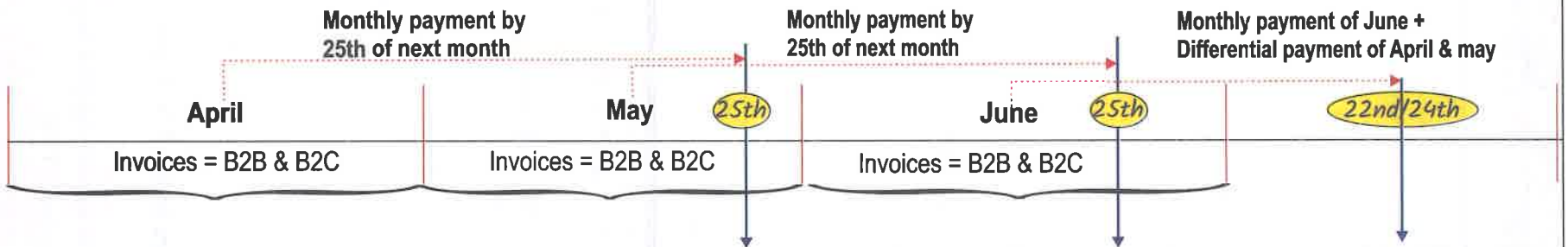
Example:- For the quarter July-September, Form GSTR-2B for a registered person (recipient) who has received supplies from QRMP suppliers as well as from other suppliers will be generated as follows:

Month	Date of generation of GSTR 2B
July	14th August
August	14th September
September	14th October

QRMP - Monthly Payment & Interest Liability

Registered Person (Supplier)

(Whose Aggregate annual turnover upto 5 Cr in P.F.Y)



Monthly payment
(If short payment or Non payment then interest is payable @ 18% per annum)

Monthly payment
(If short payment or Non payment then interest is payable @ 18% per annum)

Payment of the differential 22nd/24th - Quarterly Return(3B)

Particulars	1st Month	2nd Month	End of Quarter
Payment challan	PMT - 06	PMT - 06	PMT - 06
Due date of Payment	25th of succeeding month	25th of succeeding month	along with return

Payment Method

OR

1. Fixed Sum Method (FSM)

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

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

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

2. Self-Assessment Method (SAM)

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

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

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

Example

In case the last return filed was on quarterly basis for Quarter Ending March, 2021:

Tax paid in Cash in Quarter (January -March, 2021)		Tax required to be paid in each of the months - April and May, 21	
CGST	100	CGST	35
SGST	100	SGST	35
IGST	500	IGST	175
Cess	50	Cess	17.5

In case the last return filed was monthly for tax period March, 2021:

Tax paid in Cash in March,21		Tax required to be paid in each of the months-April and May, 21	
CGST	50	CGST	50
SGST	50	SGST	50
IGST	80	IGST	80
Cess	---	Cess	---

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Sec 39:- Furnishing of Returns

Sec	Description
	GSTR - 3B - Normal Return
39(1) Read With Rule 61 & 61A	**(a) It prescribes a monthly return in FORM GSTR-3B for every registered person, other than:-**

➲ ISD, ➲ NRTP, ➲ Composition Taxpayer, ➲ Person deducting TDS, ➲ Person collecting TCS and ➲ Supplier of OIDAR services located in non-taxable territory providing such services to non-taxable online recipient.

Proviso:- Persons notified by Govt. shall furnish a return **for every quarter or part thereof,** subject to the specified conditions and restrictions (i.e. **QRMP Scheme**).

Note:-

➲ GSTR-3B is summary of outward supplies, inward supplies liable to reverse charge, eligible ITC, payment of tax etc. and thus, it does not require invoice-wise data of outward supplies.

➲ It can be submitted electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

➲ Further, a Nil **GSTR-3B** can be filed **through an SMS** using the registered mobile number of the taxpayer.

➲ **GSTR-3B** can be filed monthly or quarterly.

(b) Due date of filing return GSTR-3B:-

Monthly GSTR-3B	on or before **20th** of the month succeeding the month for which return is furnished.
Quarterly GSTR-3B under QRMP Scheme	on or before **22nd or 24th** of the month succeeding the quarter for which return is furnished for the states notified as under:-

Class of Registered Persons	Due date
Registered persons whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep.	**22nd day of the month succeeding such quarter**
Registered persons whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi.	**24th day of the month succeeding such quarter**

(c) Quarterly Return Monthly Payment (QRMP) Scheme :-

Eligibility for QRMP scheme

➲ The **RP** whose **aggregate turnover is up to ₹ 5 crore in the P.F.Y.** are eligible to opt for QRMP scheme.

Note:- Here, registered person is other than OIDAR service supplier located in non-taxable territory and providing such services to a NTOR.

➲ They can furnish their GSTR-1 and GSTR-3B on a quarterly basis while paying their tax on a monthly basis through a simple challan.

➲ For computing agg. t/o, details furnished in returns for tax periods in the preceding financial year shall be taken into account.

QRMP Scheme is GSTIN wise

- **Distinct persons** can avail QRMP scheme option for **one or more GSTINs.**
- **It implies** that some **GSTINs for a PAN** can opt for the QRMP scheme and remaining GSTINs may not opt for the said scheme.

Note:- QRMP scheme is optional and not mandatory.

(d) Conditions & Restrictions:-

- **RP** shall not be eligible to opt for QRMP scheme,
  - if he has **not furnished the last return** due on the date of exercising such option.
- If the option is exercised once, the said **RP** shall continue to furnish the return on a quarterly basis for future tax periods, unless he:-
  - **becomes ineligible** for this scheme as per the conditions and restrictions notified in this regard or
  - **opts** to furnish **return on a monthly basis,** electronically, on common portal.

Refer Questionnaire :CCP 14.05.13.00 (IMP)

(e) Time limit to opt for QRMP Scheme:-

Preference to opt this scheme shall be indicated
- from 1st day of 2nd month of the preceding quarter
- till last day of 1st month of the quarter for which the option is being exercised.

(f) Option QRMP scheme to lapse:-

- If the **agg. t/o crosses ₹ 5 crore** during a quarter in a F.Y., then the registered person shall **not be eligible** to furnish return on quarterly basis from
  - the first month of the succeeding quarter.
- He shall opt for furnishing of return on a monthly basis from the 1st month of the quarter, succeeding the quarter during which his agg. t/o exceeds ₹ 5 crore.
- The **facility for opting out** of the scheme for a quarter will be available
  - from 1st day of 2nd month of preceding quarter
  - to the last day of the 1st month of the quarter.

Refer Questionnaire :CCP 14.05.15.00

(g) Nil GSTR-3B:-

- **Filing of GSTR-3B is mandatory** for all normal and casual taxpayers, **even if there is no business activity** in any particular tax period. For such tax period(s), a Nil GSTR-3B is required to be filed which will not have any entry in any of its tables.
- **A Nil GSTR-3B can be filed through an SMS** using the registered mobile number of the taxpayer and is verified by registered mobile number-based OTP facility.
- A taxpayer may file Nil GSTR-3B, anytime on or after the 1st day of the subsequent month/quarter for which the return is being filed for.

Refer Questionnaire :CCP 14.04.12.00

GSTR-4 i.e. Return for composition supplier:-

39(2) read with Rule 62

(a) A composition dealer is required to file an **annual return in Form GSTR-4** for a F.Y. or part thereof and also required to furnish a **statement in Form GST CMP-08** containing payment details for every quarter (or part of the quarter), electronically, by the due dates as follows:-

Due date of filing GSTR- 4 for a financial year	**By 30th day of the month of June** following the end of such financial year **Newly Inserted by N/ No. 12/ 2024**
Due date of filing GST CMP-08 for a quarter	**By 18th day of the month** succeeding such quarter

Note:-

- **A composition supplier is required to file the return GSTR-4 annually, but he is required to pay th tax quarterly.**
- The inward supplies of a composition supplier received from **RP** filing GSTR-1 will be auto populated i FORM GSTR-4A for viewing.
- Composition taxpayers are required to provide consolidated details of outward supplies in GSTR-4 and not invoice-wise details.
  - However, details of inter-State and intra-State inward supplies received from registered and un-registered persons are to be provided invoice-wise.
- They discharge their tax liability only by debiting E- cash ledger as they are not eligible to take ITC.

(b) Nil GST CMP-08:-

- Filing of GST CMP-08 **is mandatory** for composition supplier, **even if there is no business activity** in any particular tax period (i.e. a Nil GST CMP-08 is required to be filed which will not hav any entry in any of its tables).
- It can be filed through an SMS using the registered mobile number of the taxpayer and is verified by registered mobile number-based OTP facility.

(c) Statements/return for the period prior to OPTING for composition scheme:-

- A person opting composition scheme **from the beginning of a financial year** will furnish statements/return for period prior to paying tax under composition scheme till **earlier of:-**
  - 30th November of the succeeding F.Y. or
  - furnishing of annual return of the P.F.Y.
- He will not be eligible to avail ITC on receipt of invoices or debit notes from the supplier for the perio prior to their opting to pay tax under composition scheme.

(d) GSTR-4/CMP-08 for the period prior to EXITING from composition scheme:-

A **RP** opts to withdraw from the composition scheme at his own motion or where option is withdrawn at the instance of the **PO**, then for the period prior to withdrawing from scheme, he shall furnish-

GST CMP-08	**By 18th of month** succeeding the quarter in which such withdrawal date falls
GSTR-4	**By 30th April** following the end of F.Y. during which such withdrawal falls

Refer Question from Our Questionnaire :CCP 14.06.17.00

GSTR-5 i.e. Return for Non-Resident Taxable Persons (NRTP):-

39(5) read with rule 63

(a) Monthly return:-

- It is a simplified monthly **tax return** is to be filed in Form **GSTR-5 for a NRTP** for every calendar month or part thereof.
- The details of outward supplies and inward supplies of a NRTP are incorporated in GSTR-5 itself unlike normal taxpayer.

Note:- A NRTP is not required to file an annual return.

(b) Last date of filing GSTR-5:- It shall be furnished within EARLIER of:-

- **13 days** after the **end of a calendar month** or
- **7 days** after the last day of the period of registration specified **u/s 27(1).**

(c) Payment of Tax, interest, penalty, fees or any other amount:-

Any such amount payable under CGST Act/Rules shall be paid till the last date of filing GSTR-5.

GSTR-7 i.e. Return for TDS

Sec 39(3) & Sec 51 read with rule 66

(a) Monthly return:-

- Deductor shall furnish a **monthly return in Form GSTR-7.**
- **No Nil GSTR-7:-** It is not mandatory to file nil return if no TDS is deducted in tax period.

(b) Last date of filing GSTR-7:-

- It shall be filed **on/before 10th day of the month succeeding** the calendar month in which tax has been deducted at source.

(c) TDS details available to deductee on common portal:-

- TDS details are made available to each deductee on common portal after filing GSTR-7.
- TDS is credited in e-cash ledger of supplier after validation & used for payment of tax or other liability.

(d) Tax Deduction at Source (TDS) Certificate:-

- A TDS certificate is generated in Form GSTR-7A for both deductor & deductee (supplier) after filing of Form GSTR-7.
- Deductee accepts the details uploaded by deductor & files his return.
- It contains the details pertaining to value on which tax has been deducted, rate of deduction, amount of TDS and amount paid to Government.

Payment of Tax

39(7)

Due date of Payment of Tax:-

Persons	Due date of payment of Tax
Every registered person u/s 39(1) other than below:-	Last date to pay the tax due as per such return is the due date for furnishing of return (i.e. Monthly GSTR-3B).
Every registered person furnishing return under composition scheme	Due date to pay tax for a quarter is 18th of the month succeeding such quarter.
NRTPs or CTPs	Tax is required to be paid in advance equivalent to the estimated tax liability for period for which registration is sought or extension of registration is sought as per sec 27(2

RP furnishing return under QRMP scheme:-

The persons furnishing return under QRMP scheme have an option to pay either the self-assessed tax or a prescribed amount.

N/No. 85/2020 :- There is Monthly payment of Tax in FORM PMT-06 though return is filed quarterly under QRMP Scheme.

Particulars	1st Month of Qtr	2nd Month of Qtr	Last month of Qtr
Due date of Payment	25th of succeeding month	25th of succeeding month	Along with return for the Qtr i.e. on or before 22nd or 24th of the month succeeding such Qtr
Manner of paying tax	balance in electronic cash ledger.	Can use balance in electronic cash ledger excluding the tax due for 1st month.	1st 2 months deposited amount is debited solely for offsetting the liability furnished in that quarter's Form GSTR-3B. Any amount left after filing of that quarter's Form GSTR-3B may either be claimed as refund (only after such Quarterly return is filed)or may be used for any other purpose in subsequent quarters.

Refer Question from our Questionnaire : CCP 14.05.14.00

Note:- The deposit made for 1st 2 months of Qtr cannot be used by taxpayer for any other purpose till the filing of return for the quarter.

Options for making payment of Tax for 1st 2 months of Qtr:-

Fixed Sum Method

A facility is available on GST portal for generating an auto-generated, pre- filled challan in Form GST PMT-06. Challan amount is calculated by system which can't be edited.

S.No	Type of Taxpayer	Tax to be paid in each of 1st 2 months
1	Who furnished GSTR-3B quarterly for the last quarter	35% of tax paid in cash in the preceding quarter.
2	Who furnished GSTR-3B monthly during the last quarter	100% of tax paid in cash in the last month of the immediately preceding quarter.

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

There are certain situations where no such tax needs to be deposited:-

- **For 1st Month of Quarter:** The tax liability is Nil **or** the balance in the E- cash ledger/E_credit ledger is adequate for the tax liability for the same month.
- **For 2nd Month of Quarter:** The tax liability is Nil **or** the balance in the E- cash ledger/E-credit ledger is adequate for the cumulative tax liability for the first two months of the quarter.

Note:-

- Monthly tax payment through this method would not be available to those registered persons who have not furnished the return for a complete tax period preceding such month.
- A complete tax period means a tax period in which the person is registered from the first day of the tax period till the last day of the tax period.

Example (i)

If last return was filed on quarterly basis for Quarter Ending March:-			
Tax paid in Cash in Quarter (January-March)		Tax required to be paid in each of the months - April and May	
CGST	Rs 100	CGST	Rs 35
SGST	Rs 100	SGST	Rs 35
IGST	Rs 500	IGST	Rs 175
Cess	Rs 50	Cess	Rs 17.5

Example (ii):-

If last return was filed on monthly basis for tax period March:-			
Tax paid in Cash for March		Tax required to be paid in each of the months - April and May	
CGST	Rs 50	CGST	Rs 50
SGST	Rs 50	SGST	Rs 50
IGST	Rs 80	IGST	Rs 80
Cess	-	Cess	-

Applicability of interest under this method:-

- While filing GSTR-3B, if it is found that in any or both of the first 2 months of the quarter, the net tax liability **was higher** than the **amount paid** in challan, then, no interest would be charged provided:-
  - system calculated amount for each of first 2 months should have been paid &
  - entire liability for the quarter is discharged in GSTR-3B of quarter by due date.
- If the system calculated amount is not paid by due date:-
  - interest is payable at the applicable rate,
  - **from** the due date of furnishing Form GST PMT-06
  - **till** the date of making such payment.
- If GSTR-3B for the quarter is furnished beyond the due date:-
  - interest is payable as per sec 50 for the tax liability net of ITC.

Self-Assessment Method:-

Taxpayer can pay the tax by considering the tax liabilities on inward & outward supplies as per the ITC available for which GSTR-2B can be used for each month.

Applicability of interest under this method:-

Interest is payable as per sec 50 for the tax liability net of ITC which remains unpaid / paid beyond the due date for the first 2 months of the quarter.

Note:-

- Interest payable, if any, shall be paid through Form GSTR-3B.
- **No late fee is applicable** for delay in payment of tax in first 2 months of the quarter.

Common points for sec 39(7):-

- RP who is required to furnish return shall pay tax, interest, penalty, fees or any other amount payable under GST law as per sec 49 by debiting the
  - E- cash ledger or
  - E- credit ledger

  and include the details in the return.
- Tax, fee, etc. are to be paid by depositing the said amount in Form GST PMT-06.
- Commissioner may, on recommendations of Council, by notification, extend the due date fo depositing the said amount in Form GST PMT-06, for specified class of taxable persons.
- Further, any extension of time limit notified by Commissioner of State tax/UT shall be deemed to be notified by the Commissioner.

Refer Question from our Questionnaire :CCP 14.05.16.0

Rectifications of Errors/Omissions:-

39(9)

- Under GST law, a return once filed cannot be revised.
- But, the details of the transactions (invoices or debit note/credit note) can be amended in any of the future GSTR- 1s in tables specifically provided for the same.
- Omission or incorrect particulars discovered in the returns filed u/s 39 can be rectified in the retur to be furnished for the month or quarter during which such omission or incorrect particulars are noticed.
- Any tax payable as a result of such error or omission will be paid along with interest.

Exception:-

- Error or omission discovered on account of scrutiny, audit, inspection, or enforcement activitie by tax authorities cannot be rectified & assessee may not be able to pass on the ITC to the receive in respect of tax payments made by him in this case.

Time limit for making rectification:- It is EARLIER of-

- **30th November following the end of the financial year** or
- Actual date of filing of relevant annual return.

Refer Question from our Questionnaire :CCP 14.07.18.00 & CCP 14.07.19.00 (IMF

Restrictions on furnishing of return:-

39(10)

- A registered person shall **not be allowed to furnish a return** for a tax period if he has nc furnished the following:-
  - the return for any of the previous tax periods or
  - the details of outward supplies u/s 37(1) (i.e. GSTR-1) for the said tax period.
- **Proviso:- Govt. may allow** notified registered person(s) to furnish the return, even if he:-
  - has not furnished returns for 1 or more previous tax periods or
  - has not furnished the details of outward supplies u/s 37(1) for the said tax period.

Some Important Notes:-

- Return furnished u/s 39(1) on which self-assessed tax is paid in full is considered as a valid return.
- Return for current month can be filed only when returns of the previous month have been filed.
- A taxpayer has to electronically sign the submitted returns otherwise it will be considered not-filed.
  - Can be electronically signed using a DSC (mandatory for all types of companies and LLPs),
  - E-sign (Aadhaar-based OTP verification), or
  - EVC (Electronic Verification Code sent to registered mobile number of authorized signatory).

Refer Questionnaire for Questions on combined provisions :CCP 14.04.11.00 (IM

Sec 40:- First Return

- A **RP** may make taxable outward supplies in the period between:-
  - the date on which he became liable to registration till
  - the date of grant of registration certificate.
- Firstly, he may issue revised tax invoices against the invoices already issued during said period **within 1 month from date of issuance of certificate of registration** (Sec 31(3)(a) read with rule 53).
- **RP** shall **declare his outward supplies** made during said period **in the first return** furnished by him after grant of registration so as to enable recipients to avail ITC on such supplies.

Sec 44 read with Rule 80:- Annual Return

Required to be furnished by whom?	**Every registered person** shall furnish Annual return in prescribed form **except:-** ➲ Casual Taxable Person (CTP), ➲ Non-resident taxable person (NRTP), ➲ Input Service Distributors (ISD) and ➲ Persons paying tax under section 51 or 52.	
Due Date	Annual return for a F.Y. shall be filed by **31st December of Next F.Y.** **(Note:-** It may be extended by Commissioner)	
Manner	Electronically through the common portal	
Form	A person paying tax under composition scheme:-	GSTR-9A.
	Any other person:-	GSTR-9
Other documents	**An annual return may include:-** self-certified reconciliation statement, reconciling the value of supplies declared in the return furnished for the F.Y., with audited annual financial statement for every F.Y.	
Exemption from filing	**Commissioner exempts the registered person whose aggregate turnover in F.Y. 2023-24 is up to ₹2 Cr from filing annual return for the said F.Y.** Newly Inserted by(N/No. 14/2024)	
Sec 44 N.A. to whom	This section shall **NOT apply** to any department of CG or SG or a local authority, whose books of account are subject to audit by the CAG of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.	

Maximum Time limit for furnishing GSTR -1/GSTR-3B & others /GSTR-9

Sec 37(5) & Sec 39(11) & Sec 44(2)	**A RP shall not be allowed to furnish the details of outward supplies (GSTR-1)/ Return u/s 39 & annual return u/s 44 for a tax period/ F.Y. after the expiry of a period of 3 years from the due date of furnishing the said details.** **Proviso:- CG** may, on the recommendations of the Council, by notification, allow a **RP** or a class of **RP** to furnish the details of outward supplies/return/AR for a tax period/F.Y., even after the expiry of the said period of **3 years** from the due date of furnishing the said details.

Sec 45 read with Rule 81:- Final Return

Furnished by whom?	Every registered person who is required to furnish return u/s 39(1) and whose registration has been surrendered or cancelled.
Time limit	The final return has to be filed **within 3 months** of:- ➲ date of cancellation or ➲ date of order of cancellation whichever is **later.**
Form	GSTR-10
Manner	Electronically through the common portal

Refer Questionnaire :CCP 14.08.20.00

Sec 46 & 47:- Default/Delay in Furnishing Return

Notice to return defaulters (Sec 46 read with Rule 68):

- ➲ A **notice** is issued electronically, in prescribed form, to a registered person who **fails to furnish return** under:-
  - ➢ Sec 39 (Normal return)
  - ➢ Sec 44 (Annual return)
  - ➢ Sec 45 (Final return)
  - ➢ Sec 52 (TCS Statement)
- ➲ Notice requires the registered person to **furnish the return within 15 days,**
  - ➢ failing which the tax liability will be assessed u/s 62.
  - ➢ In addition to tax so assessed, applicable interest and penalty will also be payable.

Late fees (Sec 47):

Late fees for delay in filing return & statement

If there **is delay in furnishing of following** by registered person by the due dates:-
- ➢ Statement of Outward Supplies - GSTR -1 [Sec 37]
- ➢ Returns (including returns under QRMP Scheme) [Section 39]
- ➢ Final Return [Section 45] or
- ➢ TCS Statement [Section 52]

then, he is liable to pay late fee which is **LOWER** of:-
- ➢ Rs 100 (i.e. 200 for CGST & SGST) for every day during which such failure continues or
- ➢ Rs 5000 (i.e. 10,000 for CGST & SGST)

Late fees for delay in filing Annual return

If a registered person **fails to furnish the Annual return u/s 44** by the due date, he is liable to pay late fee which is **LOWER** of:-
- ➢ Rs 100 (i.e. 200 for CGST & SGST) for every day during which such failure continues or
- ➢ 0.25% (i.e. 0.5% for CGST & SGST) of the turnover of registered person in the State/UT.

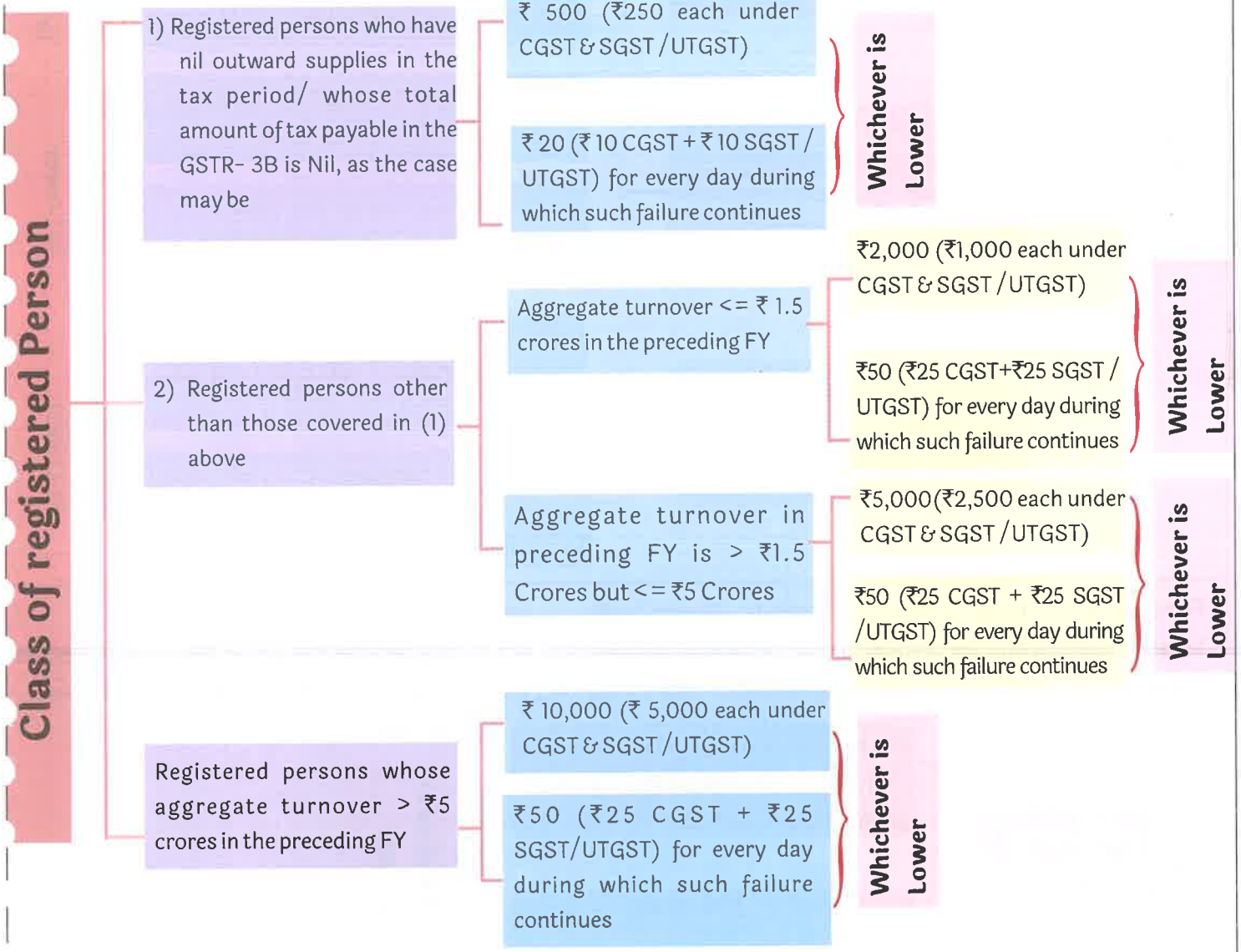
Note :- Above late fee is subject to exemption notification (refer chart on next page)

Important Points:-

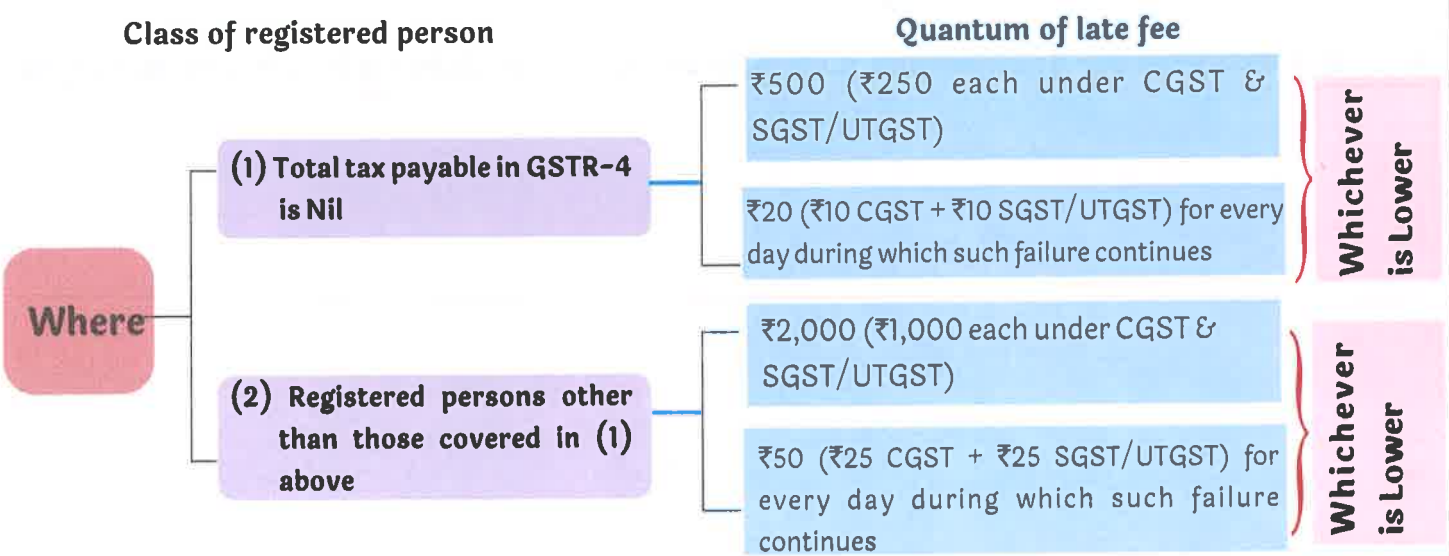
1. An equal amount of late fee as above would be payable by such person under the respective SGST/UTGST Act. The late fee discussed above is under the CGST Act.
2. The late fee leviable under IGST Act shall be the sum total of the late fee leviable under the CGST Act and the SGST/ UTGST Act.

The late fee can be waived off partially or fully by CG. Accordingly, the maximum late fees payable u/s 47 for delayed filing of Forms GSTR-1, GSTR-3B, & GSTR-4, is rationalized as under:-

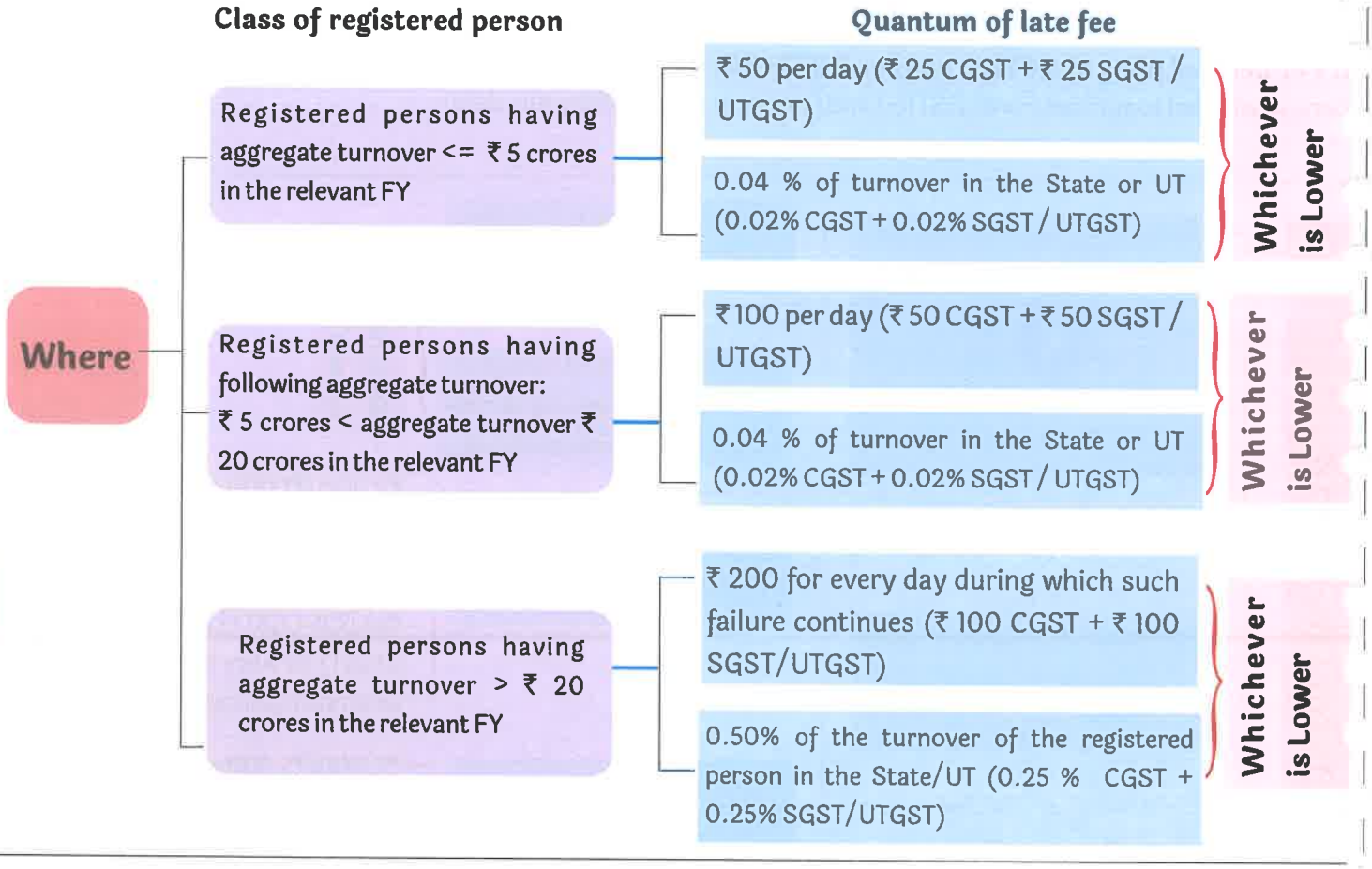
.. For delayed filing of GSTR-1 and/or GSTR-3B:- Total amount of late fee payable u/s 47, by the registered person who fail to furnish Form GSTR-1 and/or Form GSTR-3B by due date:-



For delayed filing of GSTR-4:- Total amount of late fee payable u/s 47 of the CGST Act, by the RP (composition taxpayer) who fail to furnish Form GSTR-4 by the due date, shall be as follows:

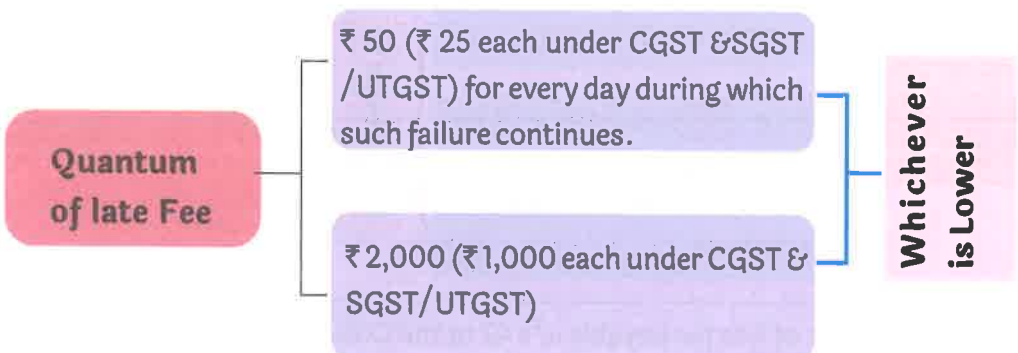


For delayed filing of Annual Return (GSTR-9):-



For delayed filing of GSTR-7:-

Total amount of late fee payable under section 47 of the CGST Act by any registered person, required to deduct tax at source under the provisions of section 51 of the CGST Act for delayed filing of GSTR-7, shall be as follows:



Refer Question from our Questionnaire :CCP 14.10.23.00, CCP 14.10.24.00 & CCP 14.10.25.00 (IMP)

Sec 48:- Goods & Services Tax Practitioners (GSTP)

a)	**Definition u/s 2(55)**	**Goods & services tax practitioner means any person who has been approved under section 48 to act as such practitioner.**
b)	**Concept of furnishing returns through GSTP:-**	➲ A RP may authorise an approved GSTP to furnish information, on his behalf, to Govt. At any time, the registered person may withdraw such authorization. ➲ GSTN provides separate user ID and Password to GSTP to enable him to work on behalf of his clients without asking for their user ID and passwords. ➲ The GSTP can undertake only authorised activities. ➲ Before confirming submission of any statement prepared by GSTP over email or SMS, registered person ensures that the facts mentioned in the return are true & correct, making the registered person responsible for the same. However, failure to respond to request for confirmation is treated as deemed confirmation. ➲ The GSTP should prepare all statements with due diligence and affix his digital signature on the statements prepared by him or electronically verify using his credentials. ➲ If the GSTP is found guilty of misconduct, his enrolment will be liable to be cancelled and a show cause notice would be issued to him. ➲ A taxpayer may choose a different GSTP by simply unselecting the previous one and then choosing a new GSTP on the GST portal.
c)	**Eligibility criteria for GSTP:-**	In order to be eligible for being GSTP, following conditions needs to be satisfied:- 1) A person who is ➢ Citizen of India, ➢ Person of sound mind, ➢ Not adjudicated as insolvent and ➢ Not been convicted by competent court. 2) In addition to above, the person has to satisfy ANY of the following conditions:- ➢ Retired officer of Commercial Tax Department of any State Govt./CBIC who, during service under Government had worked in a post not lower than the rank of a Group-B gazetted officer for a period **not less than 2 years**. ➢ Enrolled as a Sales Tax Practitioner or Tax Return Preparer under the earlier indirect tax laws for a period of not less than 5 years. ➢ Has acquired ANY of the prescribed qualifications mentioned below:- ☞ Graduate or postgraduate degree or its equivalent examination having a degree in Commerce, Law, Banking including Higher Auditing, or Business Administration or Business Management from any Indian University established by any law for the time being in force. ☞ Degree examination of any Foreign University recognised by any Indian University as equivalent to the degree examination mentioned above. ☞ Any other examination notified by Government, on recommendation of GST Council. ☞ Has passed final examination of ICAI/ ICSI/ Institute of Cost Accountants of India.

	Activities undertaken by GSTP on behalf of RP, if so authorised by him:-	1. Furnish details of **outward supplies** 2. Furnish **monthly, annual or final return** 3. Make **deposit** for credit in **E- cash ledger** 4. File a claim for **refund** (Confirmation from the registered person shall be sought) 5. File an **application for registration** amendment/ cancellation (Confirmation from the registered person shall be sought) 6. Appear as **authorised representative** before any officer of department, appellate authority, or Appellate Tribunal, on behalf of such registered person provided he is enrolled as GSTP under rule 83 7. Furnish information for generation of **E-way bill** 8. Furnish details of **challan** in the prescribed form 9. File an **intimation** to pay tax under the **composition scheme** or withdraw from the said scheme (Confirmation from the registered person shall be sought) 10. File an application for amendment or cancellation of enrolment under rule 58
	Procedures for Enrolment as GSTP:-	1. An enrolment application to be made electronically through the common portal i prescribed form. 2. The Application will be scrutinised and GSTP certificate shall be granted in prescribed form. 3. If application is rejected, proper reasons shall have to be given. 4. The enrolment once done remains valid till it is cancelled. 5. No person enrolled as a GSTP is eligible to remain enrolled unless he passes such examination conducted at such periods by NACIN. 6. Any person who has been enrolled as GSTP by virtue of him being enrolled as a Sales Ta. Practitioner or Tax Return Preparer under the earlier indirect tax laws can remain enrolled only for a period of 30 months from the appointed date unless he passes the said examination within the said period of 30 months.

Some important notes regarding this chapter:-

- ➲ Quantum of late fee waived off partially or fully- not relevant for exam.
- ➲ State GST laws prescribe identical provisions & provisions of returns, other than late fee, under CGST Act have also been made applicable to IGST Act vide section 20 of IGST Act.

Refer Question from our Questionnaire :CCP 14.11.26.00 (IMP) & CCP 14.11.27.00 (IMP)

Rule 88D (Newly inserted via N/No. 38/2023):- Manner of dealing with difference in ITC available in autogenerated statement containing the details of ITC and that availed in return:-

1	**Excess ITC Intimation**	➲ When input tax credit (ITC) claimed in FORM GSTR-3B exceeds the ITC available in FORM GSTR-2B, the discrepancy is notified in Part A of FORM GST DRC-01C. ➲ The RP is informed electronically via the common portal and receives an email detailing the difference in claimed and available ITC.
	Excess ITC Demand or clarification on Intimation	Intimation highlighting the said difference and directing him to (a) Pay the excess ITC amount with interest through FORM GST DRC-03, or (b) Provide reasons for the discrepancy on the common portal, **within a period of seven days.**

2	**Excess ITC Payment & Reply to Intimation**	The registered person referred to sub-rule (1) shall, upon receipt of the intimation referred to in the said sub-rule, either, (a) pay an amount equal to the excess input tax credit, as specified in Part A of FORM GST DRC-01C, fully or partially, along with interest payable under section 50, through FORM GST DRC-03 and furnish the details thereof in Part B of FORM GST DRC-01C, electronically on the common portal, or (b) furnish a reply, electronically on the common portal, incorporating reasons in respect of the amount of excess input tax credit that has still remained to be paid, if any, in Part B of FORM GST DRC-01C, within the period specified in the said sub-rule.
3	**Non payment of tax or no reply by RP**	Where any amount specified in the intimation referred to in sub-rule (1) remains to be paid within the period specified in the said sub-rule and ➲ where no explanation or reason is furnished by the registered person in default or ➲ where the explanation or reason furnished by such person is not found to be acceptable by the proper officer, the said amount shall be liable to be demanded in accordance with the provisions of section 73 or section 74, as the case may be.

Some Important Comments:-

➲ **Effective date of new rule 88D:-**

- Rule 88D is not yet effective. The said rule gets triggered only where the difference between GSTR-2B and GSTR-3B would exceed a certain amount & percentage as may be recommended by council which have not yet been notified.
- Thus, the rule cannot be implemented until the amount and percentage are notified.

Refer Questionnaire for Question on combined provisions :CCP 14.08.21.00, CCP 14.09.22.00