GST NOTES

Suryansh Pratap Singh

2026-2027

Chapter :- 3

Charge of GST / RCM / Composition Levy

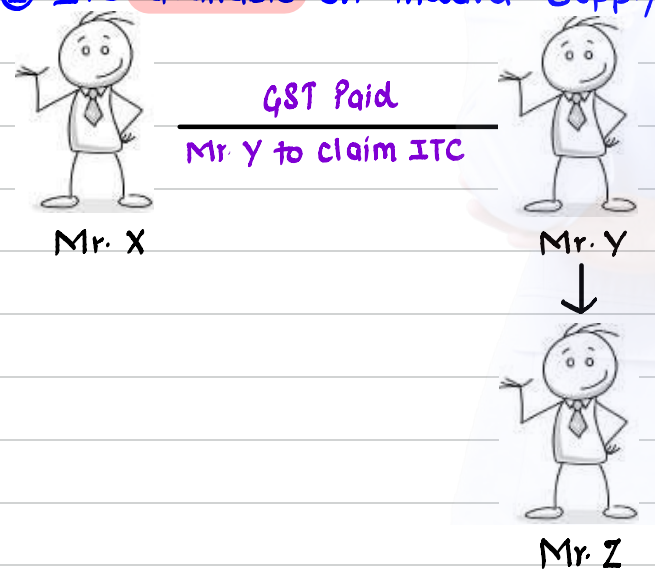
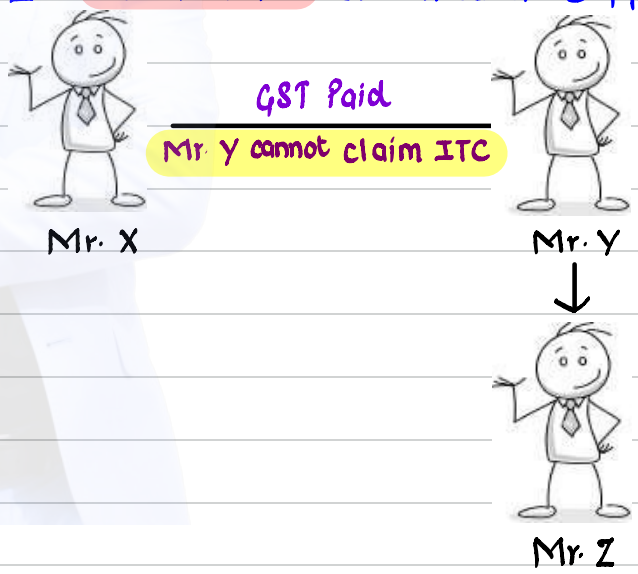
Part-2 / Pg-24

Section - 10 of CGST Act 2017

Composition levy, Presumptive Taxation, flat rate taxation system, Concessional scheme, Optional Scheme, Scheme for small businessman.

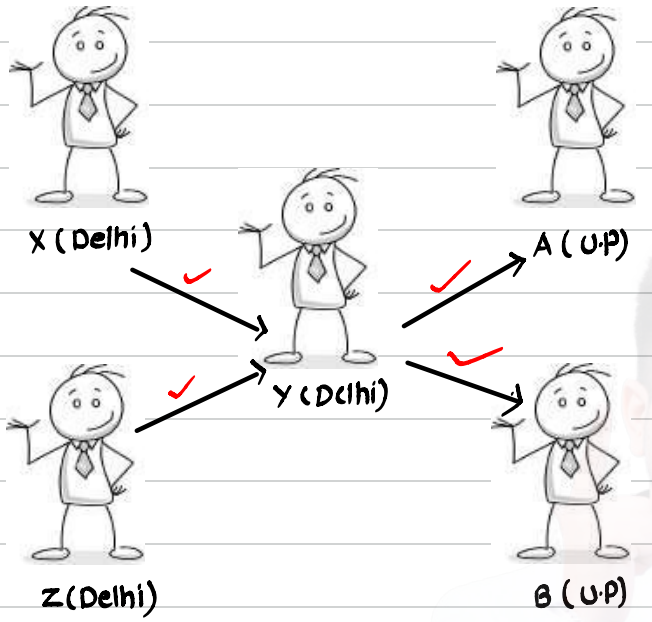
Q Difference between composition levy or Regular scheme under GST?

Sol:

Normal / Regular Scheme	Composition levy Scheme
① Covered u/s 9 of CGST Act, 2017	① Covered u/s 10 of CGST Act, 2017
② ITC available on inward supply	② ITC not available on inward supply
	
③ GST payable = Output Tax (-) ITC Net GST Payable: XXX e.g: X → (GST 1200) → Y (देना है) (लेना है) → 1500 → Z Net GST = 1500 - 1200 = 300	③ Tax Payable = T.O × Concessional Rate (-) ITC Tax Payable XXX e.g: X → (GST 1200) Composition Scheme → Y → 1500 → Z Net GST = 1500 (देना है) No ITC ✗

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④ Registered person can make inter-state as well as intra-state supply.



⑤ Any registered person can opt for normal scheme

⑥ Return under GST

Now, 2 monthly Return & 1 Annual return [Total 25 Return] → GSTR 1, GSTR 3B, GSTR 9

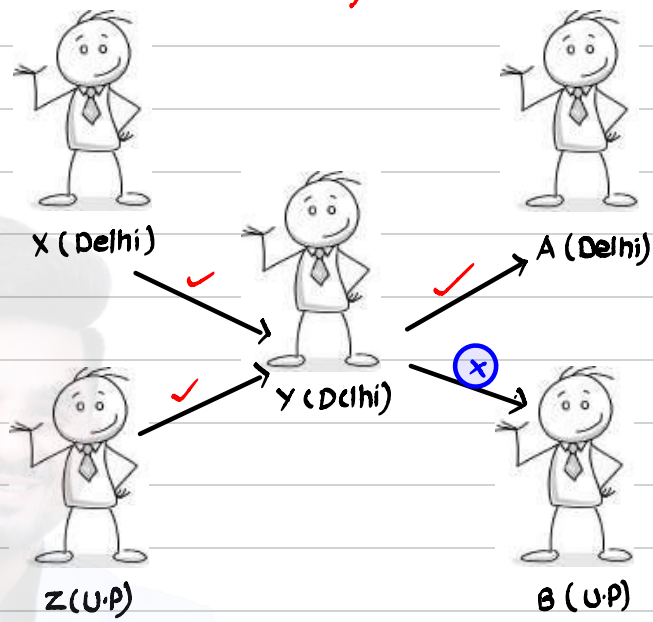
If opt QRMP scheme opt = 1 Quarterly Return + 1 Annual Return

Total 4 + 1 = 5 Return.

⑦ Higher GST Rate (5%, ~~12%~~ 40%, 18%, 28%)

⑧ Detailed Books of Accounts

④ Composition Taxable person cannot make Inter-State Supply



⑤ Only Specified Registered person can opt composition scheme

[A.T.O → 1.5 crore / 75 Lakh / 50 Lakh]

⑥ Only 2 Returns are to be filed. (Both are annual)

GSTR-4 & GSTR-9A

⑦ Lower / Concessional GST Rate (1%, 5%, 6%)

⑧ Less Books of Accounts

(9) Classification of goods is required.	(9) No Classification is required.
(10) Burden of GST can be shifted on customer.	(10) Concessional Tax cannot be collected from Customer.
(11) Normal registered person will issue Tax invoice	(11) Composite dealer will issue Bill of Supply.
(12) There is no such requirement.	(12) He shall mention the words "Composition Taxable person, not eligible to collect the tax on supplies at the top of the bill of supply issue by him.
(13) There is no such requirement.	(13) He shall mention the words "Composition Taxable person, on every notice or signboard displayed at a prominent place, at his principal place of business & every additional place of business.
(14) GST cess is also payable.	(14) GST cess is also not payable.
(15) Payment of GST Monthly Basis : 20th of Next Month or Quaterly Basis : 22th/24th of Next Quater as the case maybe	(15) Payment of concessional GST Quaterly : 18th of Next quater.

(16) Discharge of GST liability
1) Through E. Credit ledger
2) Through E. Cash ledger

(17) NR or CTP are eligible only for Normal Schme

(18) Electronic Commerce operator (ECO) can avail only regular scheme.

(19) Supplier who supply through ECO is eligible for Normal Scheme.

(20) There is no such requirement.

(16) Discharge of concessional GST Only Through E. Cash ledger

(17) NR or CTP are not eligible for composition Schme

(18) Electronic Commerce operator (ECO) not eligible for composition Schme

(19) Supplier who supply through ECO is not eligible for composition Scheme.
Amendment: Supplier who supply goods (intra-supply) through ECO is eligible for composition scheme.

(20) If assessee is manufacturer of *PATI + *Bricks then he in not eligible for composition scheme.

PATI	Bricks
P → Pan Masala	• Building Rocks
A → Aerated Water	• Roofing Tiles
T → Tobacco	• fly ash Bricks
I → Ice-cream	• Bricks of fossil mills.

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

1) Eligible Assessee = Every Registered Person

2) Eligible Limit.

Particulars	Eligible Limit for CS		
	Section	Normal State	Special Category State
Goods Manufacturer (except PATI + 4Bricks)	10(1) / 10(2)	150 Lakh	75 Lakh
Goods Trader (including PATI + 4Bricks)	10(1) / 10(2)	150 Lakh	75 Lakh
Restaurant Service	10(1) / 10(2)	150 Lakh	75 Lakh
Goods Manufacturer + *Marginal Service	10(1) / 10(2)	150 Lakh	75 Lakh
Goods Trader + *Marginal Service	10(1) / 10(2)	150 Lakh	75 Lakh
Restaurant + *Marginal Service	10(1) / 10(2)	150 Lakh	75 Lakh
Service Other than Restaurant Service	10(2A)	50 Lakh	50 Lakh
Service + Marginal Service	10(2A)	50 Lakh	50 Lakh

* Assessee can provide marginal service in current f.y. upto the following specified limit.

(1) 10% of T.O in P.F.Y
or
(2) 5 Lakh

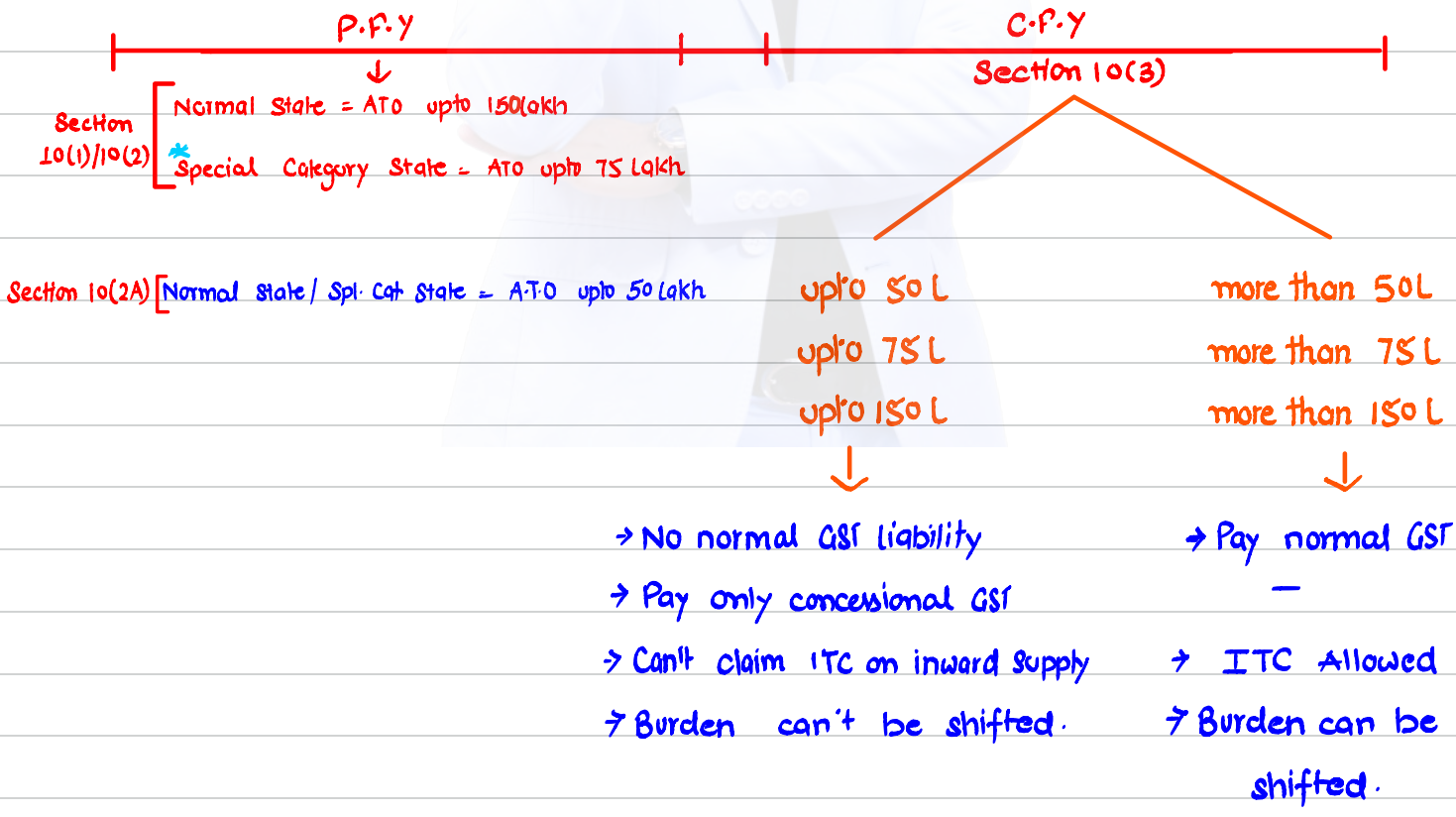
} Whichever is higher.

Marginal Service in Current F.Y.

कम से कम 5 Lakh तक की Service दे सकते है
ज्यादा से ज्यादा 15 Lakh तक की Service दे सकते है
in C.F.Y but subject to 150 lakh / 75 Lakh.

Diagram for better understanding.

Case I

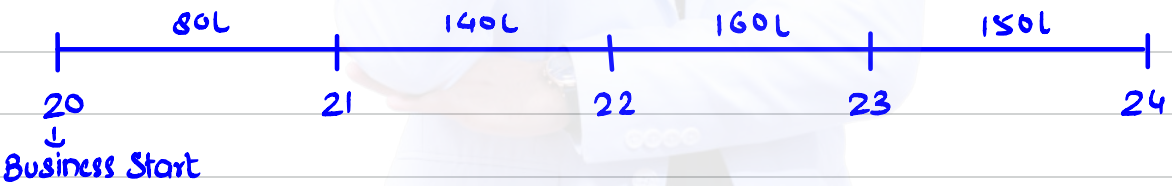


Special Category State – 8 States for CS

Acronym	State-Name
U	Uttarakhand
M	Meghalaya
M	Mizorom
M	Manipur
N	Nagaland
A	Arunachal Pradesh
S	Sikkim
T	Tripura.

All the states other than above states are normal states.

Example:

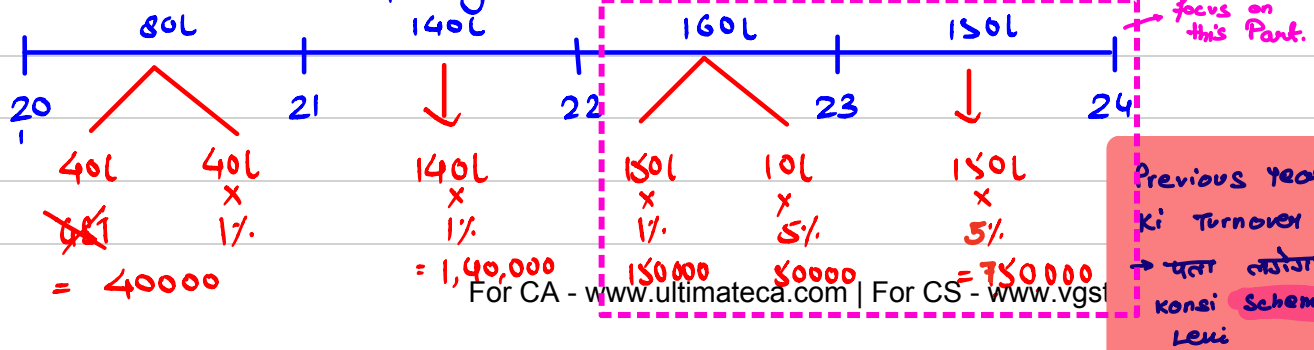


Q-1 Is he eligible for composite scheme in F.Y 20-21, 21-22, 22-23, 23-24?

→ He is eligible for composite scheme in F.Y 20-21, 21-22, 22-23.

Q-2 If yes, then calculate concessional GST @ 1% & normal GST @ 5%

Note: Threshold limit of registration of ₹40 lakh



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Current Year K: Turnover se → Kitna Rate Lagega

Q.3 Is he eligible for composite scheme in F.Y 23-24 if ATO in F.Y 22-23 was 120 Lakh, If yes, then compute concessional GST in FY '23-24.

→ Yes, he will eligible for composite scheme if ATO in 22-23 is 120 Lakh.

Concessional GST = 150 Lakh x 1%
= 150000

Q-4 Refer details of question 3 & find out whether he can provide service in F.Y 23-24, If yes then find out the amount of service?

→ Amount of service he can provide in F.Y 23-24

120 Lakh x 10%
or
5 Lakh

Whichever is higher i.e = 12,00,000/-

Important Note

Section 10 overruled entire GST Act Except Section 9(3) or 9(4) i.e RCM then assessee have to pay GST whether he is covered under composite scheme.

Reason = Applicability of CS on outward supply not on inward supply.

Example:



Turnover only include OUTWARD Supply (sales) sari Taxeeke ki.
It does not include INWARD supply, even if we paid tax on purch. (RCM).

How to compute aggregate Turnover (ATO) in P.F.Y for eligibility of composition scheme?

Previous year ki Turnover → pata lagaya konsi Scheme leni
Current year ki Turnover se → Kitna Rate lagega

Consider only "OUTWARD SUPPLY"

Includes.
- Inter-State Supply Taxable Under FCM.
- Inter-State Supply Taxable Under RCM.
- Intra-State Supply Taxable Under FCM.
- Intra-State Supply Taxable Under RCM.
- Intra-State Supply (NIL Rated / Exempted / Non Taxable).
- Inter-State Supply (NIL Rated / Exempted / Non Taxable).
- Export Supply (Actual Export / Deemed Export) = Zero Rated Supply.
- Any other outward supply.

But doesn't include
- GST → CGST, SGST, IGST, UTGST, Compensation Cess.
- Interest & Discount
- Inward Supply covered under RCM.

Q. VG Ltd is a manufaturer in Mumbai. In F.Y 22.23, total value of supply is ₹ 16500000 (Exclusive of Taxes). Break-up of supplies as follows:

1) Inter-State Supply of Goods made under FCM = ₹ 1000000 ✓
2) Intra-State Supply of Goods made under FCM = ₹ 9000000 ✓
3) Intra-State Supply of Goods exempt under GST = ₹ 1500000 ✓
4) Intra-State Supply of Goods NIL-Rated = ₹ 2500000 ✓
5) Intra-State Supply of Service extending loan on which interest is received = ₹ 1000000 ✗
6) Goods purchased covered under RCM = ₹ 1500000 ✗

Whether VG Ltd is eligible or not?

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Ans: Computation of ATO in P.Y i.e 22-23

Particulars	Amount
Inter-State Supply of Goods made under FCM	1000000
Intra-State Supply of Goods made under FCM	9000000
Intra-State Supply of Goods exempt under GST	1500000
Intra-State Supply of Goods NIL-Rated	2500000
Intra-State Supply of Service extending loan on which interest is received	—
Goods purchased covered under RCM	—
	1,40,00,000

Working Notes

Aggregate Turnover in Previous financial Year Includes:

- Inter-State Supply Taxable Under FCM.
- Inter-State Supply Taxable Under RCM.
- Intra-State Supply Taxable Under FCM.
- Intra-State Supply Taxable Under RCM.
- Intra-State Supply (NIL Rated / Exempted / Non Taxable).
- Intra-State Supply (NIL Rated / Exempted / Non Taxable).
- Export Supply (Actual Export / Deemed Export) = Zero Rated Supply.
- Any other outward supply.

But doesn't include

- GST → CGST, SGST, IGST, UTGST, Compensation Cess.
- Interest & Discount
- Inward Supply covered under RCM.

On the Basis of the above provision, the Aggregate Turnover of P.F.Y is 140,00,000.

Conclusion: VG ltd is eligible for composition scheme since his A.T.O is less than 150 lakh.

Q Mr. VG is a manufacturer in Delhi. His total supply in P.F.Y was ₹1780000 which includes the following elements:

1) Intra State Taxable Supply covered under RCM = 2000000 ✓
2) Intra State Exempted Supply = 2000000 ✓
3) Inter - State Taxable Supply = 3000000 ✓
4) Inter State Inward Supply covered under RCM = 2000000 ✗
5) Interest & Discount = 1000000 ✗
6) Supply to SEZ = 3500000 ✓
7) Inter State Inward Supply covered under RCM = 2500000 ✗
8) Intra State NIL Rated Supply: 1800000 ✓

Ans Computation of A.T.O for eligibility of composition scheme.

Particulars	Amount
Intra State Taxable Supply covered under RCM	2000000
Intra State Exempted Supply	2000000
Inter - State Taxable Supply	3000000
Inter State Inward Supply covered under RCM	—
Interest & Discount	—
Supply to SEZ	3500000
Inter State Inward Supply covered under RCM	—
Intra State NIL Rated Supply	1800000
	12300000 ✓

Working Notes

Aggregate Turnover in Previous financial Year Includes:

- Inter-State supply Taxable Under FCM.
- Inter-State supply Taxable Under RCM.
- Intra-State supply Taxable Under FCM.
- Intra-State supply Taxable Under RCM.
- Intra-State supply (NIL Rated / Exempted / Non Taxable).
- Intra-State supply (NIL Rated / Exempted / Non Taxable).
- Export Supply (Actual Export / Deemed Export) = Zero Rated Supply.
- Any other outward supply.

But doesn't include

- GST → CGST, SGST, IGST, UTGST, Compensation Cess.
- Interest & Discount
- Inward Supply covered under RCM.

On the Basis of the above provision, the Aggregate Turnover of P.F.Y is 123,00,000.

Conclusion: VG ltd is eligible for composition scheme since his A.T.O is less than 150 lakh.

Q Mr. VG is a Trader of Ice-Cream, Determine whether he is eligible for composite scheme on the basis of the following information.

1) Inter State non Taxable Supply = 3000000 ✓
2) CGST, SGST paid on Inter State Supply = 500000 ✗
3) Goods purchase from Mr. A covered under RCM = 1000000 ✗
4) Supply to USA = 2000000 ✓
5) Interest & Discount = 2500000 ✗
6) Intra-State NIL Rated Supply = 3500000 ✓
7) Inter-State Exempted Supply = 20,00,000 ✓
8) Intra-State purchase covered under FCM = 2500000 ✗
9) Intra State Taxable Supply Covered under RCM = 4000000 ✓

Ans Computation of A.T.O for eligibility of composition scheme.

Particulars	Amount
Inter State non Taxable Supply	3000000
CGST, SGST paid on Inter State Supply	—
Goods purchase from Mr. A covered under RCM	—
Supply to USA	2000000
Interest & Discount	—
Intra-State NIL Rated Supply	3500000
Inter-State Exempted Supply	2000000
Intra-State purchase covered under FCM	—
Intra State Taxable Supply Covered under RCM	4000000
	14500000

Working Notes

Aggregate Turnover in Previous financial Year Includes:

- Inter-State Supply Taxable Under FCM.
- Inter-State Supply Taxable Under RCM.
- Intra-State Supply Taxable Under FCM.
- Intra-State Supply Taxable Under RCM.
- Intra-State Supply (NIL Rated / Exempted / Non Taxable).
- Intra-State Supply (NIL Rated / Exempted / Non Taxable).
- Export Supply (Actual Export / Deemed Export) = Zero Rated Supply.
- Any other outward supply.

But doesn't include

- GST → CGST, SGST, IGST, UTGST, Compensation Cess.
- Interest & Discount
- Inward Supply covered under RCM.

On the Basis of the above provision, the Aggregate Turnover of P.F.Y is 145,00,000.

Conclusion: VG ltd is eligible for composition scheme since his A.T.O is less than 150 lakh.

Computation of Turnover in Current F.Y for computation of Concessional GST

Consider Only "Intra State" outward Supply"

- → Taxable under fCM
- → Taxable under RCM
- → Exempted Supply
- → NIL Rated Supply
- → Non Taxable Supply

Previous year ki Turnover → पता लगाएगा konsi Scheme leni
Current year ki Turnover se → Kitna Rate lgega

But doesn't include

- GST → CGST, SGST, IGST, UTGST, Compensation Cess.
- Interest & Discount
- Inward Supply covered under RCM.

Computation of Turnover in Current F.Y & Concessional GST Rules U/S 10

Section	Particulars	T.O in C.F.Y	Concessional GST
10(1) / 10(2)	Manufacturer of Goods (Except 8 Specified Goods)	Total Turnover (Taxable, Exempted etc)	1% (0.5% CGST + 0.5% SGST)
10(1) / 10(2)	Trader of Goods	only Taxable Turnover	1% (0.5% CGST + 0.5% SGST)
10(1) / 10(2)	Restaurant Service	Total Turnover (Taxable, Exempted etc)	5% (2.5% CGST + 2.5% SGST)
10(1) / 10(2)	Marginal Service with above category.	only Taxable Turnover	1% (0.5% CGST + 0.5% SGST)
10(2A)	Exclusive Service U/S 10(2A) other than restaurant service	Total Turnover (Taxable, Exempted etc)	6% (3% CGST + 3% SGST)
10(2A)	Exclusive Service + Marginal Goods	Total Turnover (Taxable, Exempted etc)	6% (3% CGST + 3% SGST)

CRUX

Trader or Marginal Service वाले case में only taxable turnover लेंगे & All othe case में Total Turnover लेंगे।

Q. Mr. VG is a manufacturer, he has opted composition scheme for P.Y 25-26 compute concessional GST on the basis of following information:-

1) Intra State Taxable Supply : 2500000 ✓
2) Intra State Nil Rated Supply = 2000000 ✓
3) Intra State Exempted Supply : 2000000 ✓
4) Interest & Discount : 1000,000 ✗

Ans: Computation of concessional Tax for F.Y. 23-24

Particulars	Amount
Inter State Taxable Supply	2500000
Inter State Nil Rated Supply	2000000
Intra State Exempted Supply	2000000
Interest & Discount	–
Total T/O	6500000

Concessional GST = 6500000 x 0.5% CGST = 32,500/-
6500000 x 0.5% SGST = 32,500/-

What if in the above question Mr. VG is a Trader?

Ans: If Mr. VG is a Trader, then his turnover will be ₹ 2500000 & the GST would have been:

Concessional GST = 2500000 x 0.5% CGST = 12,500/-
2500000 x 0.5% SGST = 12,500/-

Q- Mr. VG is a Trader of Pan Masala. Determine whether he is eligible for composile scheme in F.Y 23-24, If yes then compute concessional GST on the basis of following information:

P.F.Y	C.F.Y
1) Inter State Taxable Supply under RCM : 2000000 ✓	1) Intra State Taxable Supply = 1000000
2) Intra State Taxable Supply under FCM : 1000000 ✓	2) Intra State Nil Rated Supply = 1500000
3) Inter State Nil Rated Supply = 2000000 ✓	3) Intra State Exempted Supply = 2000000
4) Supply to SEZ = 1000000 ✓	4) Interest & Discount = 1000000
5) Inter State purchase under RCM = 2000000 ✗	5) Intra State Purchase under RCM : 1500000
6) Inter State Non-Taxable Supply = 4000000 ✓	
7) CGST, SGST paid = 1000000 ✗	

2) What will be your answer if Mr. VG is a Manufacturer?
3) What will be your answer if Mr. VG is a Trader of laptop?
4) What will be your answer if Mr. VG is a Manufacturer of laptop?
5) Refer Q-1 whether he can provide Service in C.F.Y, If yes then find out the amount of Service?

Ans Computation of ATO in P.F.Y i.e 22-23

Particulars	Amount
Inter State Taxable Supply under RCM	2000000
Intra State Taxable Supply under FCM	1000000
Inter State Nil Rated Supply	2000000
Supply to SEZ	1000000
Inter State purchase under RCM	—
Inter State Non-Taxable Supply	4000000
CGST, SGST paid	—
A.T.O	10000000

1) Since, the ATO of Mr. VG is less than 150 Lakh, he is eligible for composition scheme.

Since Mr. VG is a Trader of PAN MASALA his turnover for computing concessional GST is ₹1000000 & the amount of Concessional GST is:

Concessional GST = 1000000 X 0.5% CGST = 5000/-
1000000 X 0.5% SGST = 5000/-

2.) If VG is a manufacturer of PAN Masala then he can't opt composition scheme.

3) If Mr. VG is a trader of Laptops, his aggregate T.O for C.F.Y will be 10,00,000 & the concessional GST will be:

Concessional GST = 1000000 X 0.5% CGST = 5000/-
1000000 X 0.5% SGST = 5000/-

4) If Mr. VG is a manufacturer of Laptops, his ATO for C.F.Y will be as follows:

Particulars	Amount
Intra State Taxable Supply	4500000
Intra State NIL Rated Supply.	500000
Intra State exempted Supply.	2000000
Interest & Discount	—
Intra State purchase under RCM	—
A.T.O	5,00,000

Concessional GST = 500000 X 0.5% CGST = 2500/-
500000 X 0.5% SGST = 2500/-

5) Yes, he can provide service in C.F.Y. The amount of service he can provide is:

10% of ATO in PFY
or
5 Lakh
] Whichever is higher

10% of 100,00,000 = 1000000
or
5 Lakh = 500000

Higher

= 1000000 Ans

Q Pinku Ltd is a manufacturer of Haryana, having ATO in P.F.Y 120 Lakh. & has opted for composition scheme in C.F.Y & details

1) Intra State supply of goods A @ 5% GST = 3000000 ✓ (T)
2) Intra State supply of goods B @ NIL GST = 1800000 ✓
3) Intra State supply of goods C @ 18% GST = 3000000 ✓ (T)
4) Intra State supply of service @ 5% GST = 600000 ✓ 78L x1% = 78000
5) Interest earned on FD (exempted) = 800000 ✗ 6L x1% = 6000
6) Value of inward supply under RCM @5% GST = 500000 ✗ 84000
↳ Normal GST

a) Compute Composition Tax & Total Tax Liability.

b) Also Determine Concessional Tax if Mr. VG is a Trader.
↳ only taxable

60L x1% = 60,000
6L x1% = 6000
66000

Ans Computation of Concessional Tax & Total Tax liability.

	Manufacturer	Trader
Intra State supply of goods A	3000000	3000000
Intra State supply of goods B	1800000	-
Intra State supply of goods C	3000000	3000000
Intra State supply of service	600000	600000
Interest on FD	-	-
Inward supply under RCM	-	-
	8400000	6600000
Concessional GST		
Goods (Manufacturer) = 7800000 x 1% = 78000	78000	-
Goods (Trader) = 6000000 x 1% = 60000	-	60000
Service 600000 x 1% = 6000	6000	6000
Concessional GST	84000	66000
Normal GST 5000000 x 5%	250000	250000
Total GST Liability	109000	91000

Some Important points

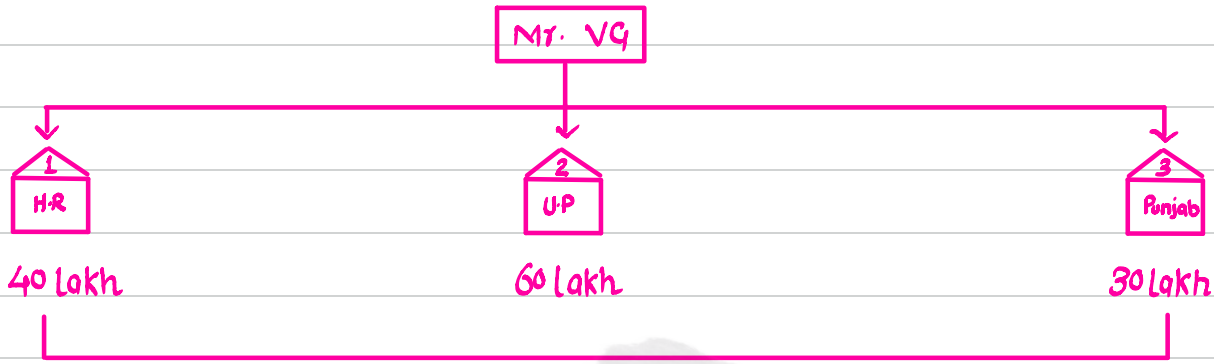
(1) Mr. VG → Same PAN

- O-1 Normal State → Eligible limit = 150 Lakh
- O-2 Special State → Eligible limit = 75 Lakh

→ limit reduced to 75 lakh ←

It means we have to check ATO 75 Lakh instead of 150 Lakh

(2)



Cases:-

- HR/UP want Normal Scheme } Not possible
- Punjab want Concessional Scheme

- Punjab/UP want Normal Scheme } Not possible
- HR want Concessional Scheme

- Punjab/HR want Normal Scheme } Not possible
- UP want Concessional Scheme

- Punjab want Normal Scheme } Not possible
- HR/UP want Concessional Scheme

- HR want Normal Scheme } Not possible
- Punjab/UP want Concessional Scheme

- UP want Normal Scheme } Not possible
- Punjab/HR want Concessional Scheme

- All three state office want concessional scheme } possible
- All three state office want Normal scheme

अगर composite scheme लेनी है तो सभी को एक साथ लेनी होगी।
अगर composite scheme छोड़नी है तो सभी को एक साथ लेनी होगी।

③ अगर Composite Scheme लेनी है तो Year के Starting से मिलेगी, छोड़ा कभी भी जा सकता है।

④ form number Availment or withdrawal of scheme:

i) fresh Registration under composition scheme.
Part B of GST Reg 01

(ii) Normal Scheme Shift into composite scheme.
GST CMP 02

(iii) Auto withdrawal or voluntary exit from composite scheme.
GST CMP 04

(iv) Denial by department
↓
Show cause notice - GST CMP 05
Reply to Show cause notice - GST CMP 06
Order Passed - GST CMP 07

(v) Payment of Concessional GST
GST CMP 08

Chapter-3 (Part-2)

→ Check point-8 & Check point-5

Background

↓

Who is liable to pay GST?

Supplier
Sec-9(1)
↓
If any transaction not covered u/s 9(3)
↓
9(4), 9(5) then supplier is liable to pay GST
★
Called
↓
Forward charge

Recipient
Sec 9(3)/9(4)
↓
If goods or services received u/s 9(3) or 9(4)
↓
subject to other Conditions
↓
Called
↓
Reverse charge

Third party
Sec-9(5)
↓
If transaction/ activity covered under sec 9(5)
↓
subject to other Conditions
↓
Called
↓
Special provision under GST.

Section-9

Sec-9(1)	Sec-9(2)	Sec-9(3)	Sec-9(4)	Sec-9(5)
General provision ↓ • Why? goods? • Value? rate? • person? etc	5 Petroleum Products.	RCM ↓ Total: 19 activities (Approx)	RCM ↓ NOT IN SYLLABUS	E-commerce ↓ operator ↓ Total 5 activities

→ **Sec-9 : Levy & collection.**

(1) Subject to the provision of sub-sec (2) there shall be levied a tax called CGST on all intra-state supplies of G/S or both, except on supply of alcoholic liquor for human consumption from [and un-denatured] extra neutral alcohol on rectified spirit used for manufacture of alcoholic liquor for human consumption.

(consumption [consumption] on value determined u/s 15 & at such rates, not exceeding 20% as may be notified by govt on recommendation of council and collected in such manner as may be prescribed & shall be paid by taxable person

→ Analysis of sec 9(1)

It talks about

Levy of GST	Collection of GST	
There shall be levied a tax (i.e. may be called CGST, SGST IGST or UTGST)	collection kis person se hoga?	collection of GST kaise hoga
	↓	↓
2. Activity must be → supply u/s 7/8	Tax shall be paid by * Taxable-person	as may be prescribed ↓ Refer Rules
3. Supply of → Goods/service/both		

4. Except :-
   - Alcoholic Liquor for human cons.
   - Un-denature Extra neutral Alcohol or R.S for used of manufacture of A. Liquor for H.C
   - 5 petroleum products [Sec-9(2)]
   - Money or Securities (outside from G/S def.)
   - Electricity (Exemption)
   - other exempted Goods or Services (check Exempted List).

NO GST on these G or Ser.

→ Supply of G/s other than above

→ Specified G/s

Value determined u/s 15 of CGST Act-2017

Continue

Date: / /

→ Rate must be notified by govt on the recommendation of GST Council.

↓

But rate cant be more than 20% CGST & 20% SGST/UTGST & 40% IGST

↓

At present notified rate:
5%, 12%, 18%, 40%.

↓

Jab GST lag jaayega then go for GST collection.

(*) IMP

Section - 2(107) Taxable person

Taxable person means a person who is registered or liable to be registered u/s 22 or 24.

→ GST mei GST dena ya na dena iski exemption par depend nai karta, but iss bat par depend karta hai ki person GST mei registered hai / liable to be register hai ya nahi.

→ Section - 9(2)

GST applicable on 5 petroleum products from the date when GST council will recommend.

- 5 petroleum products
  - → Petroleum Crude
  - → High speed diesel
  - → Natural gas
  - → Aviation turbine fuel
  - → Motor spirit.

→ Sec-9(3)

The govt may, on the recommendation of the council, by notification, specify categories of supply of G/S on both the tax on which shall be paid on reverse charge, basis by recipient of such goods or services on both & all the provisions of this act shall apply to such recipient as if he is the person liable for paying tax in relation to supply of G/S on both.

→ Section-9(5)

The govt may, on the recommendation of the council, by notification, specify categories of services the tax on intra-state supply of which shall be paid by the Electronic Commerce operator (ECO) if such services are supplied through it & all provision of this act shall apply to such ECO as if he is the supplier liable for paying the tax in relation to the supply of such services.

* Provided :- That the ECO does not have a physical presence in the taxable territory, any person representing such ECO for any person purpose in the taxable territory shall be liable to pay tax.

* Provided :- further that where as ECO does not have physical presence in the taxable territory and also he does not have a representative in the said territory, such ECO shall appoint a person in the taxable territory for purpose of paying tax & such person shall be liable to pay tax.

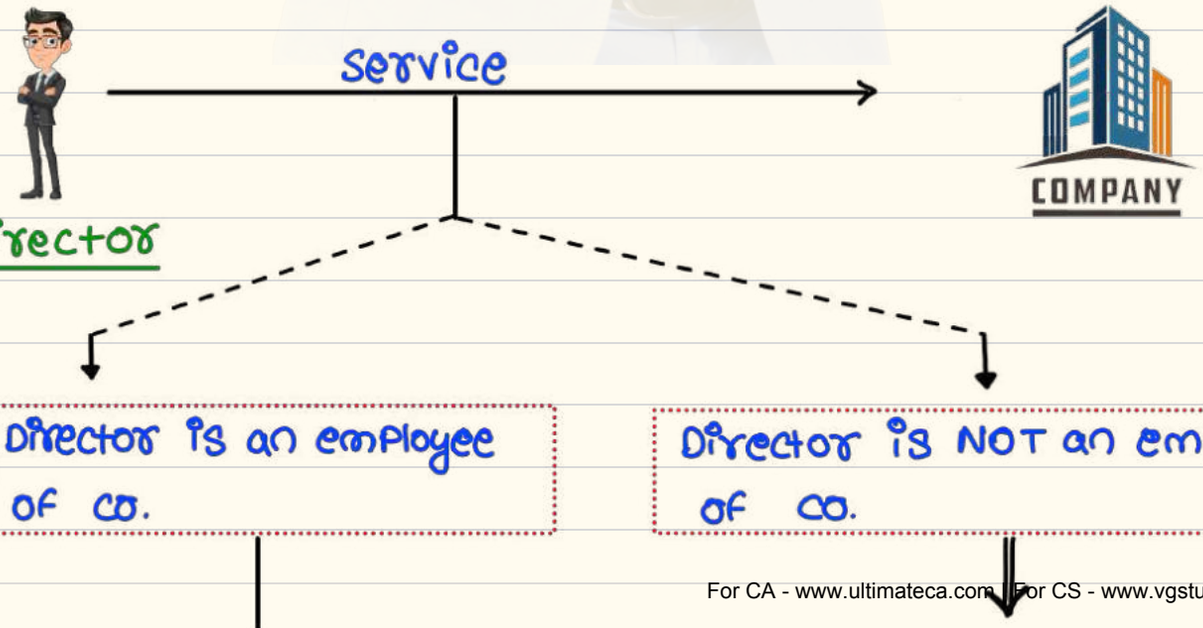
Section 9(3) : RCM

The Government may, on the Recommendations of the Council by notification, specify categories of Supply of Goods & Services or Both, the Tax on which Shall be Paid on Reverse Charge Basis by the Recipient of Such goods & services or Both and all the Provision of this Act shall Apply to Such Recipient as if he is the Person liable for Paying the Tax in Relation to the Supply of Such Goods & Services or Both.

LIST OF SERVICES COVERED UNDER RCM

SR NO.	Supplier	Category of Supply of Service	Receipient (Is Liable to Pay GST)
1	Any person Other than BG	Sponsorship Services	• Body Corporate • P. Firm
2	Director	Any Services	Company / Body Corporate.

CRUX / Analysis of Director services



GST Levied ✓

Service in Relation to Employment

↓

Salary Receiving from Co.

↓

Not a goods
Not a services
as per SCH-III of section 7

↓

NO GST ⊗

Service Not in relation to Employment

↓

GST Levied

Service Provided in Director capacity.
(Ex: Director Sitting fees)

↓

RCM ✓

Service Provided in Personal capacity.
(Ex: Renting of I.M.P)

↓

FCM ✓
RCM ⊗

(3)	Insurance Agent	Insurance services	Insurance company.
(4)	• Music composer • Photographer • Artist • & the like	Transfer & Permitting the use of copyright.	→ Music Co → Producer → & like
(5)	Author	Transfer & Permitting the use of copyright.	Publisher

E-16

07/02/26

→ Important point :- In case of author to publisher however an author can choose to pay tax under forward charge as if :-

i. He has taken registration & filed a declaration that he exercises the option to pay CGST on the said services under forward charge & to comply with all provision as they apply to a person liable for paying the tax, & that he shall not withdraw the said option within a period of 1 year from the date of exercising such option

ii. He makes a declaration on the Invoice issued by him to the publisher.

→ 5 services related to Banking Section

(6)	Individual DSA (direct selling Agent)	Services	Banking co.
(7)	Recovery Agent	Service	Banking co. only

Date: 1 / 1

(8)	Member of overseeing committee	Service	Reserve Bank of India (RBI)

(9) Agent of business facilitation → Service (FCM) → B/F → Service (RCM ✓) → Banking co. → GST ✓

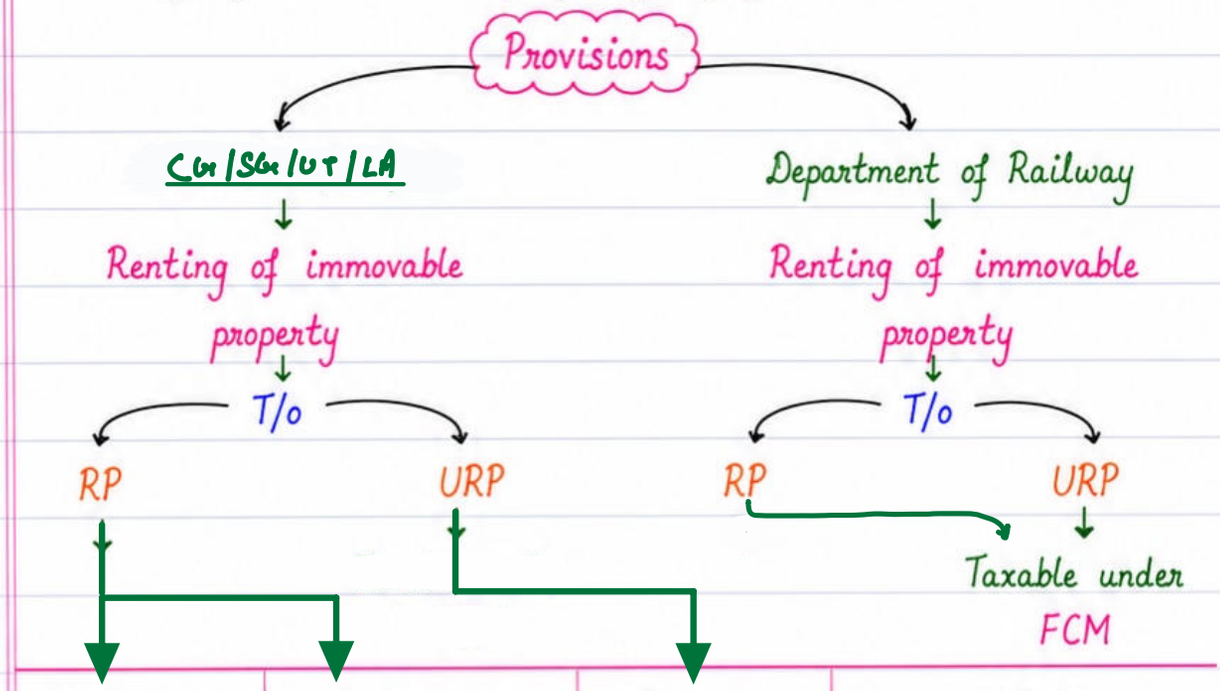
(10) Agent of business correspondence → Service (RCM ✓) → B/C → GST ✓ → Service (FCM ✓) → Banking co.

Basic difference between business correspondent, business facilitation & DSA

	Particulars	BC	BF	DSA
(1)	Main role	Bank ki taraf se banking service provide karwana	Bank ke liye customer ki awareness create karte hai	Bank ki products sell karte hai
(2)	Nature of work	Transactional	Non-transactional (only referral)	Sales & marketing
(3)	Cash holding	Yes	NO	NO
(4)	Deposit/withdrawl	Yes	NO	NO
(5)	Loan disbursement	NO	NO	NO
(6)	A/c opening	Yes (basic A/c)	NO	NO
(7)	Commission basis	Per transaction	Per referral	Sales volume Based
(8)	Customer Interaction	Daily banking	Awareness & guidance	Convincing & selling
(9)	Who will appoint	Bank	Bank	Bank

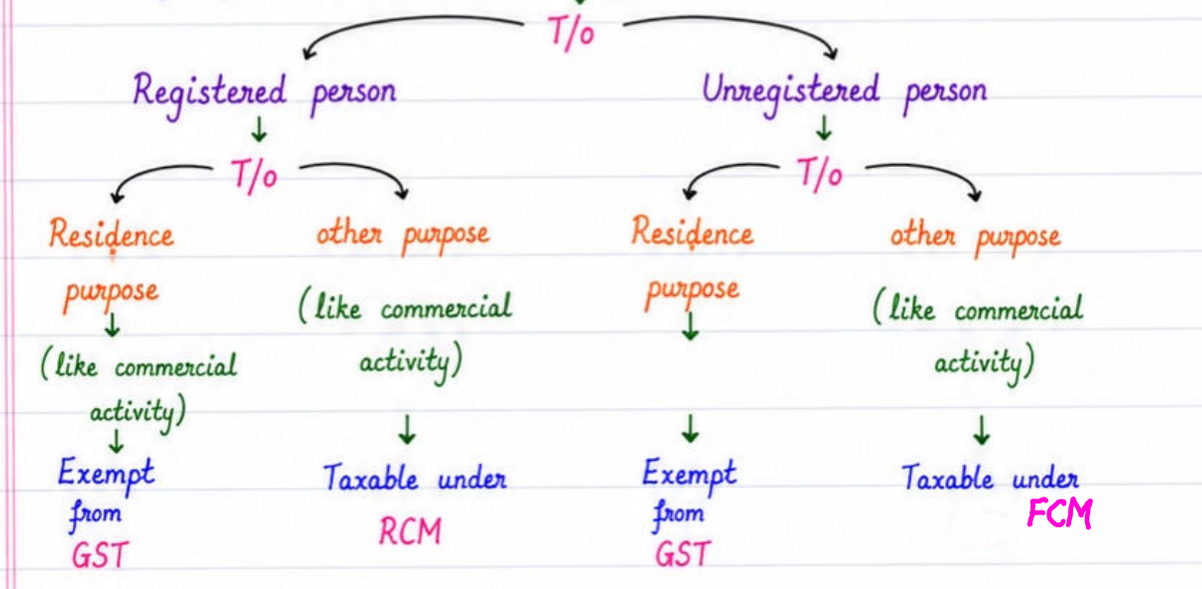
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11. Renting of immovable property by govt.



Rent upto 5000 p.m	Rent more than 5000 p.m	Exempt under	FCM
Exempt	Taxable under RCM	entry no- 6 of exemptions	⊛ DDA can't be treated as local authority

12. Renting of Residential dwelling



✱ Subject to

⊛ Conditions

Date: / /

★ Conditions

1. The registered person is proprietor of a proprietorship concern & rents the residential dwelling in the his personal capacity for self use of his own residence.

2. Such renting is on his own accounts and not that of the proprietorship concern.

→ Important point :- Nothing contained in this entry shall apply to [It means NO Exemption]

a) Accomodation services for students in student residence.

b) Accomodation services provided by Hotels, Camps, Paying Guest accomodation and the like.

→ Important point 2 :- Supply of accomodation service

1.	VOS Equal or less than 20k p.m./pp	VOS more than 20000	VOS equal or less than 20k	VOS more than 20k
	⊕	⊕	⊕	⊕
2.	Accomodation for 90 days or more	Acc. for 90 days or more	Acc. for less than 90 days	Acc. less than 90 days
	↓	↓	↓	↓
	GST - Exempt	(on whole value)	(on whole value)	(on whole value)

13. Renting of commercial property

By RP to RP	By RP to URP	By URP to (RP)	By URP to URP
↓	↓	↓	↓
GST - FCM	GST - FCM	GST - RCM [Exemption sec-10]	GST ⊗

RAJDHANI

14 & 15 Legal services

Service Provided By.

Arbitral Tribunal

- Buss Entity
  - CG/SG/LA/GA/GD → Exempt
  - Other than Govt
    - T.O. upto threshold Limit → Exempt
    - T.O more than threshold Limit → Taxable under RCM
- Non Busines Entity → Exempt

→ Individual Advocate
→ Firm of Advocate

- Buss Entity
  - - Advocate (inc Senior Adv) - Firm of advocate → Exempt
  - CG/SG/LA/GA/GD → Exempt
  - Other Buss Entity
    - T.O upto Threshold Limit → Exempt
    - T.O More than Threshold Limit → Taxable under RCM
- Non Buss Entity → Exempt

Senior Advocate

- Buss Entity
  - CG/SG/LA/GA/GD → Exempted
  - Other Business Entity (Eg: Co. Adv, F.O. Adv, Partnership Firm)
    - T.O upto Threshold Limit → Exempt
    - T.O. More than Threshold Limit → Taxable under RCM
- Non Buss Entity → Exempt

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Example :-

	Service Provider	Service Receiver	Fees Charged	Whether GST Levied or Not ?
1)	VG and CO (Firm of Adv)	RIL Ltd (T.O:- 1 Crore)	₹ 10,00,000	✓ - RCM GST Pay :- RIL Ltd.
2)	Mr. VG. (Senior adv)	Mr. PG (Non Buss Entity)	₹ 21,00,000	X (Exempt)
3)	Mr. VG (Advocate)	PG and CO. (Firm of Adv) (T.O:- 70 Lakh)	₹ 15,00,000	X (Exempt)
4)	Mr. VG (Senior Adv)	Mr. PG (Adv) (T.O. 4 lakh)	₹ 2,00,000	X (Exempt)
5)	Arbitral Tribunal	Mr. VG (Personal Dispute)	₹ 5,00,000	X (Exempt)

16

Lender. (Supplier)	Lending of Securities (Service)	Borrower. (Recipient)

17

Security Services Provided By

- Body Corporate
- NON Body Corporate.

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Service provided to RP / URP

⇓

RCM : Not Apply

⇓

FCM - Apply

Provided to R.P

⇒ Dept of CG/SG LA/UA/UT Registered for TDS Deduction

⇒ Composition R.P

⇓

RCM = X

FCM = ✓

Other R.P

⇓

RCM ✓

Provided to U.R.P

⇓

RCM = X

FCM = ✓ (IF Apply)

(18) Renting of Passenger Motorvehicle.

Supplier Provide service of Renting of Passenger M.V.

Opt for 5% GST Rate without ITC

Supplier is Body corporate

⇓

Service provided to Any person

⇓

RCM = X

FCM = ✓

Supplier is Non Body corporate.

⇓

services provide to

Body corporate

⇓

RCM = ✓

Non-Body corporate

⇓

RCM = X

FCM = ✓

Opt for 12% GST Rate with ITC

⇓

RCM = X

FCM = ✓

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Example 1 : VG is GST R.P engaged in the supply of Renting of P.M.V to XYZ Pvt ltd and charge ₹5,00,000 for service & GST Rate is 5% who is liable to Pay GST ?

Ans : RCM ✓ XYZ Pvt ltd liable to Pay GST.

Example ② : What will be your Answer If MR.VG opt 12% GST Rate ?

Ans : RCM Not Applicable since Rate 12% - GST will be Paid by MR VG under FCM.

Example ③ : what will be your Ans if GST Rate is 5% But service provided to MR.X who is unRegistered ?

Ans : RCM = X ; FCM = Apply

MR VG is Liable to Pay GST since service provided to Non Body corporate

Example ④ : what will be your Ans if GST Rate is 5% But service provided to MR.X who is Registered ?

Ans : Same as above (i.e. Example 3)

↓

FCM = ✓ ; MR VG liable to Pay GST.

19 Goods transportation Agency [GTA Service]

By Road

- Through GTA
  - Transportation of Specified Goods to any person
    - Agriculture Produce
    - Milk, Salt, Food Grains
    - Organic Manure
    - Newspaper or Magazine
    - Defence or Militiary Equip.
    - Calamity Relief Material.
    - (AMONDC)
    - → EXEMPT in all cases
  - Transportation of non-Specified Goods.
    - 12% option with ITC → Taxable under FCM
    - 5% option without ITC
      - UnRegistered Person
        - Specified URP
          - Factory Registered under Factories Act
          - Society • Co-operative Society
          - Partnership Firm inc AOP.
        - Non Specified URP
          - Other than Specified URP i.e. (Individual etc)
          - UR Casual Taxable Person
      - Registered Person → Taxable under RCM # Subject to Exemption
- Through Courier Agency → Taxable under FCM
- Through others → EXEMPT

By Rail

* Except local delivery - Refer - 9(5)

- Specified Goods → AMONDC → EXEMPT
- Non Specified Goods → Taxable under FCM

By water

- Inland waterways → EXEMPT in all cases
- By Vessel
  - Specified Goods → AMONDC → EXEMPT
  - Non Specified Goods → Taxable under FCM

By Air

Taxable in all Cases under FCM

RCM not applicable if :-

i) The supplier has been taken Registration under GST Act, 2017 and exercised the option to pay tax on service of GTA in Relation to transport of Goods supplied by him under Forward charge

AND

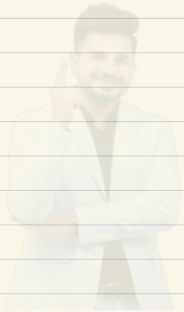
ii) The supplier has issued tax invoice to the Receipient Charging GST at the applicable rates and has made the prescribed Declaration on such invoice issued by him.

Taxable under RCM

EXEMPT

GTA services Provided to

- Department or est. of CG/SG/UT.
- Local Authority.
- Govt agencies, which has taken Registration only for TDS Deduction.



20 Government Service

Services Provided by CG/SG/UT/LA

- Services Provided By Department of Post.
- Service Related to an aircraft or vessel.
- Transportation of Goods / Passengers
  - ↓ TO ANY PERSON
  - ↓ Taxable under "FCM"

Other service (like Renting, Banking, Visa, Telecommunication e.t.c)

- Non Business Entity.
  - ↓ Exempt
- Business Entity.
  - Renting of Immovable Property
    - If B.E is CG/SG/UT/LA
      - ↓ Exempt
    - Other Buss Entity
      - If consideration charged upto ₹ 5,000
        - ↓ EXEMPT
      - If consideration Charged more than ₹5,000
        - ↓ Taxable under "RCM"
  - Other service Provided to B.E
    - Turnover upto Limit (10L/20L/40L)
      - ↓ Exempt
    - Turnover more than Limit (10L/20L/40L)
      - If B.E is CG/SG/UT/LA
        - ↓ Exempt
      - Other Buss Entity
        - If consideration Charged upto ₹5,000
          - ↓ Exempt
        - If consideration charged more than ₹5,000
          - ⇓ Taxable under RCM.

 # Ammendment

Service Provided by Railway Department is now taxable under FCM.

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SECTION : 9 (5) - E.C.O



1. * Passenger Transportation (cab service Except omni Bus)
   OLA Uber
2. * Omni Bus. Except if supplier of such service is company
3. Providing accomodation — make my trip
4. House Keeping — Urban Company
5. Restaurant service. — SWIGGY zomato

   Restaurants situated in hotel where Rent upto ₹7,500 / Day. ⇓ 9(5) APPLY E.C.O will Liable

   Restaurants situated in hotel where Rent > ₹7,500 / Day. ⇓ 9(5) NOT APPLICABLE supplier will pay GST

9(5) NOT APPLY IF SUPPLIER is liable to be Registered U/S 22.

6. Local Delivery Service [Porter, Dunzo, Blinkit, Zomato etc.)





SUPPLIR — E.C.O — RECEIPIENT

- Always supplier is liable to pay GST under FCM and sec 9(5) NOT APPLY.
- But one obligation on ECO will collect TCS @ 0.5% [0.25% CGST + 0.25% SGST] and Pay to Govt.

→ All types of Goods

→ *services other than 5 specified service.

* like Beauty Treatment, Astrology talk, Consultancy.

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* **Old Entry :-** Service by way of Transportation of passengers by Radio Taxi, motor cab, motor cycle, omni Bus (or) any other motor vehicle.

Change in old law :- Same as above except omni Bus.

New law : Service by way of Transportation of passengers by an omni Bus. Except person supplying such service through E.C.O is a company.

⇒ **Passenger Transportation Service Through E.C.O**

- **OMNI Bus**
  - Supplier is company → 9(5) ✗ → Supplier is liable to pay GST.
  - Supplier is non-company → 9(5) ✓ → E.C.O will pay GST.
- **Other Motor vehicle** → Supplier is company / Non Company. → 9(5) ✓ → E.C.O is liable to pay GST.

Important Point ① :- Where an Electronic Commerce operator does not have a physical presence in the taxable territory, Any Person Representing Such electronic commerce operator shall be liable to Pay Tax.

Important Point ② :- In case not physical (or) Representative the E.C.O Shall appoint Representative.

