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FROM CA PRANAV CHANDAK

- This book has been designed as per Institute syllabus & sequence followed is as per my ERRORLESS TAXATION BOOK so that students do not find it difficult to compare it.
- It covers 100% relevant provisions of Study Material for Exams.
- I would suggest all the students to read it at least THRICE before the day of exam & **Watch Fast Track Videos on YouTube** along with it.
- ON EXAM DAY, thorough revision of Chart Book along with TAX MARATHON will help you to get required confidence & will save your time.
- Students can solve “**MASTER EXAM QUESTIONS**” uploaded on our telegram channel on the day of Exam.
- “**MASTER EXAM QUESTIONS**” will be uploaded on **Telegram Channel** on 15th April.
- **TAX MARATHON** will be uploaded on **YouTube Channel** on 5st April.
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1. BASIC OF GST

HISTORY/GENESIS OF GST				NEED FOR GST IN INDIA [DEFICIENCIES IN EARLIER SYSTEM]			
19 Dec 2014	Constitution (122 nd Amendment) Bill, 2014 was introduced.			<ul style="list-style-type: none"> Double Taxation of a transaction as both goods & services. Cascading of Taxes due to (i) Non-VATable CST & (ii) VAT on 'Value + Excise Duty'. Set off of CENVAT & State VAT against the credit of one another was not possible. Several Local taxes in states (Ex: Entertainment tax) were not subsumed in State VAT. Non-integration of VAT & Service Tax: When goods were manufactured & sold, both CENVAT & State-level VAT were levied. 			
6 May 2015	Constitution (122 nd Amendment) Bill, 2014 was passed by Lok Sabha.						
3 Aug 2016	It was passed by Rajya Sabha (with some changes).						
8 Aug 2016	Changes made were unanimously passed by Lok Sabha .						
8 Sept 2016	<ul style="list-style-type: none"> Final assent of President of India was given. 122nd Amendment Bill, 2014 became (101st Amendment) Act, 2016. 						
1 July 2017	GST law was made applicable in India (except J&K).						
8 July 2017	GST law was made applicable to J&K .			CONCEPT/FEATURES OF GST IN INDIA			
PC Note: Concept of GST was introduced first of all in France in 1954.				Value Added Tax	Continuous Chain of Credit	Burden on Final Consumer	
DUAL GST Model: India has adopted its GST model from Canada & Brazil .				No Cascading Effect	No Double Taxation	Uniform Tax Structure	
CONSTITUTIONAL PROVISIONS FOR GST				BENEFITS OF GST IN INDIA [One Nation, One Tax, One Market]			
246A(1)	Concurrent power to levy GST has been given to Parliament & State.			<ul style="list-style-type: none"> Creation of Unified national market. Mitigation of cascading effect. Elimination of double (multiple) taxation → Removal of many Indirect taxes. Boost to 'make in India' initiative → Since Lower cost due to reduced taxes. Increase in revenue → Since GST rates are lower & thus more people will pay tax. It will boost export & manufacturing & thus more employment, leading to rise in GDP. 			
246A(2)	Exclusive power of Parliament (for Inter – State supply → IGST).						
FRAMEWORK OF GST IN INDIA (Dual GST)				GST in India			
Dual GST [Canada & Brazil]	<ul style="list-style-type: none"> Centre & States levy GST (simultaneously) on INTRA state supply of G/&S. Centre has power to tax Intra-State Sales & States have power to tax services. <p>PC Note: On Inter-state supply, only Centre will levy GST (i.e IGST).</p>						
GST Acts	Name of the Act		No. of Act	Tax			
	CGST Act, 2017		1	CGST	Intra State Supply [If Location of Supplier & PoS are in same state/UT]		
	SGST Act, 2017		31	SGST	CGST	<ul style="list-style-type: none"> levied & collected by CG 	CGST Act
	UTGST Act, 2017		1	UTGST	SGST	<ul style="list-style-type: none"> levied & collected by SGs/UTs with Legislatures 	SGST Act
	IGST Act, 2017		1	IGST	UTGST	<ul style="list-style-type: none"> levied & collected by UTs without Legislatures 	UTGST Act
GST (Compensation to States) Act, 2017		1	Compensation Cess	Inter State Supply [If Location of Supplier & PoS are in different state/UT]			
Max. Rate of GST	<ul style="list-style-type: none"> IGST: 40%; CGST & SGST: 20%. Rates of IGST shall be decided by CG on recommendations of GST Council. 			IGST	<ul style="list-style-type: none"> Levied & collected by CG on all inter-State supplies apportioned b/w CG & SG in manner provided by Parliament as per recommendation of GST Council. 	IGST Act	
PC Note: No need to remember GST Rates for every G&S. They will be given in exams.				PC Note: Import of G/&S → Deemed as Inter-State supply & thus IGST + BCD will levied.			

Meaning of GST → Any tax on supply of G/&S except on alcoholic liquor for human consumption. Presently, GST is not levied on Petroleum crude, diesel, petrol, ATF & Natural gas.

PC Note: GST will be levied on Petroleum Products (Petroleum crude, High Speed Diesel, Motor Spirit, Natural Gas & ATF) from Notified Date on recommendation of GST Council.

Position of Some Specific Goods as on the date:			
Goods	GST	Excise Duty	VAT/CST
Alcoholic liquor for Human Consumption	☒	☑	☑
Petroleum crude, HSD, Motor Spirit, Natural Gas, ATF	☒	☑	☑
Tobacco & Tobacco Products	☑	☑	☒
Other Goods	☑	☒	☒

PC Note: Real estate sector has been kept out of ambit of GST. [GST will not be levied on sale/purchase of immovable property].

Class Note:

TAXES TO BE SUBSUMED IN GST				
Central Taxes			State Taxes	
Excise Duty	Additional Duties of Excise	Service Tax	Purchase Tax & Luxury Tax	Tax on Advertisements
Excise Duty on Medicinal & Toilet Preparation			Entry tax, Octroi, Local Body Tax	State VAT (Sales Tax)
Additional/ Special Additional duties of Customs [CVD/SAD]			Taxes on Lottery, Betting & Gambling	
Sales Tax [levied by CG; collected by SG]			Entertainment Tax (except those levied by local bodies)	
Central Surcharge & Cess [Ex: KKC, SBC, EC]			State Surcharge & Cess	

TAXES NOT TO BE SUBSUMED
Basics Customs Duty
Excise Duty on Alcohol
Excise Duty on Petroleum Products
Electricity Duty
Stamp Duty & Property Tax

GST COMMON PORTAL	GOODS & SERVICE TAX NETWORK [GSTN]
<ul style="list-style-type: none"> ➤ Common GST Electronic Portal (www.gst.gov.in), a website managed by GSTN has been set <ul style="list-style-type: none"> ▪ to establish uniform interface for taxpayer; ▪ common & shared IT infrastructure b/w Centre & States. ➤ This portal is one single common portal for all GST related services. ➤ It acts as a clearing house to verify claims & informs respective governments to transfer funds. ➤ A common GST system provides linkage to all State/UT Commercial Tax Departments, Central Tax authorities, Taxpayers, Banks & other stakeholders. ➤ It is accessible over Internet by taxpayers & their CAs/Advocates & over Intranet by Tax Officials etc. ➤ GSTN provides 3 front end services (i) Registration (ii) Payment; (iii) Return. 	<p>What is GSTN</p> <ul style="list-style-type: none"> ▪ Non-Government, Private Ltd.; Sec 8 Company. ▪ It is backbone of technology used for GST.
	<p>Functions of GSTN [IMP]</p> <ul style="list-style-type: none"> ▪ Facilitating registration; [Filing of application] ▪ Forwarding returns to CG & SG authorities; ▪ Computation & Settlement of IGST payment. ▪ Matching of tax payment details with banking network; ▪ Providing various MIS reports to CG & SG ▪ Creation of Challan for tax payment ▪ Providing analysis of taxpayers' profile; & running matching engine for matching, reversal & reclaim of ITC. <p>Note: All statutory functions like approval of registration, Assessment, Audit, Appeal, enforcement etc. will remain with respective tax departments.</p>

GST SUVIDHA PROVIDERS/ASPs		(TO BE READ ONLY ONCE BEFORE EXAM)
<ul style="list-style-type: none"> ▪ GSTN has selected certain IT, ITeS & financial technology companies, to be called GST Suvidha Providers (GSPs). ▪ GSPs develop applications to be used by taxpayers for interacting with GSTN. ▪ They facilitate the taxpayers in uploading invoices as well as filing of returns and act as a single stop shop for GST related services. ▪ They customize products that address the needs of different segment of users. ▪ GSPs may take the help of Application Service Providers (ASPs) who act as a link b/w taxpayers & GSPs. 		

GST Council (Article 279A)		(TO BE READ ONLY ONCE BEFORE EXAM)
Constitution & Enforcement	<ul style="list-style-type: none"> ▪ Article 279A empowers President to constitute a joint forum of Centre & States. ▪ Provisions relating to GST Council came into force on 12th September, 2016. ▪ President constituted GST Council on 15th September, 2016. ▪ Chairman of GST Council → Union Finance Minister. ▪ Members of GST council → Union Minister of State in charge of Revenue/Finance, Ministers in charge of Finance/Taxation or any other Minister nominated by each States & UTs with SL. 	
Functions	Make recommendations to Union & States on important issues like <ol style="list-style-type: none"> (a) taxes, cesses & surcharges which may be subsumed in GST; (b) Goods & Services that may be subjected to, or exempted from GST; (c) Model GST Laws, Principles of levy, apportionment of GST & the principles that govern the place of supply; (d) Threshold limit of turnover below which G&S may be exempted from GST; (e) Rates including floor rates with bands of GST; 	
PC Note: ▪ Tax rates; ▪ Exemptions; ▪ Threshold limits; ▪ Dispute resolution; ▪ GST legislations.		
Decision	<ul style="list-style-type: none"> ▪ Every decision of GST Council is taken by a majority of not less than ¾th of weighted votes of members present & voting. ▪ Vote of Centre has a weightage of 1/3rd of total votes cast & ▪ Votes of all SGs together has a weightage of 2/3rd of total votes cast, in that meeting. 	
Article 279A(4)(f)	<ul style="list-style-type: none"> ▪ Special Category States → Assam, AP, Manipur, Meghalaya, Mizoram [MMM], Nagaland, Sikkim, Tripura, J&K, Himachal Pradesh (HP), Utrakhand (UK). 	
Article 279A(4)(g)	<ul style="list-style-type: none"> ▪ GST council shall recommend the date on which GST shall be levied on above-mentioned 5 Petroleum products. 	

2. SUPPLY UNDER GST

TAXABLE EVENT → ‘Supply of Goods or Services’ [No supply → No GST]	DEFINITION OF SUPPLY [Sec 7(1)(a)]
CONCEPT OF SUPPLY [Section 7] <ul style="list-style-type: none"> ▪ Supply of Goods or Services. [Note: Supply of anything other than G&S → NO GST]. ▪ Supply should be made in course/furtherance of business [Exceptions in Sec. 7(1)(b)] ▪ Supply should be made for a consideration. [Exceptions in Sec. 7(1)(c)] ▪ Supply should be made by a taxable person. [Recipient can be a non-taxable person] ▪ Supply should be a taxable supply. ▪ Supply should be made within taxable territory. <p>PC Note: Supply b/w two non-taxable persons <input type="checkbox"/> Taxable supply.</p>	Supply includes all forms of supply of G/&S such as <ul style="list-style-type: none"> ▪ Sale, transfer, Barter, exchange, Lease, Rental, License or Disposal ▪ made or agreed to be made for consideration in course or furtherance of business. <p style="text-align: right;">[Supply in personal capacity → No GST]</p> <p>RTP AMD: Service by way of Grant of Alcoholic Liquor Licence by SG → Neither Supply of Goods nor Service & thus NO GST will be levied on license fees or application fees by CG. However, Grant of other Licenses by Gov. → Liable to GST & RCM provisions will apply.</p>
<p>Taxable Person: Person who is registered or liable to be registered u/s 22 or 24.</p>	<p>IMPORT OF SERVICES FOR CONSIDERATION [Sec 7(1)(b)]</p> <ul style="list-style-type: none"> ➤ Import of services + consideration = Supply (whether or not in course of business).
<p>Taxable supply: Supply of G/&S which is leviable to tax under GST.</p>	<p>SUPPLY WITHOUT CONSIDERATION [Sec 7(1)(c) + Schedule I]</p> <p>Para 1: Permanent Transfer/Disposal of Business Assets on which ITC is availed.</p> <ul style="list-style-type: none"> ➤ Business assets on which ITC is blocked/eligible but not availed → No Supply.
<p>Goods: Every kind of ‘Movable Property’ other than ‘Money & Securities’ & includes ‘Actionable Claim’, growing crops, grass & things attached to or forming part of land.</p>	<p>Para 2: Supply b/w Related Person or Distinct Persons as per sec 25.</p> <ul style="list-style-type: none"> ➤ Supply must be made in the course of business. ➤ Stock transfers or Branch transfers (with different GST registration) = Supply. ➤ Gifts by employer to employee in a FY > Rs. 50,000 → GST <input checked="" type="checkbox"/>.
<p>Services: means anything other than goods, money & securities; but includes</p> <ul style="list-style-type: none"> ▪ Activities relating to use/conversion of money by cash or by any other mode, ▪ Conversion of Money from one form to another form etc. <p>for which a separate consideration is charged.</p> <p>Explanation: ‘Services’ includes facilitating or arranging transactions in securities.</p>	<p>Meaning of Related Person [Explanation to sec 15]</p> <p>Officers/directors of one another’s business Employer & Employee Partner (Legally)</p> <p>Family Members Sole agent/distributor of other Person controls other person</p> <p>3rd person holds ≥ 25% shares of both person Such person together control 3rd person</p> <p>Note: Services provided by employee to employer in course of employment → No Supply since it is covered in Schedule III (Negative List).</p>
<p>Actionable claim : means a claim to any debt other than a secured debt.</p>	<p>Para 3: Supply of Goods by Principal to his Agent or Vice Versa (Not for Services)</p> <ul style="list-style-type: none"> ➤ Where the agent undertakes to supply/receive such goods on behalf of the principal
<p>Money: means Indian legal tender or any foreign currency but shall not rare & old coins.</p>	<p>Para 4: Importation of Services (not goods)</p> <ul style="list-style-type: none"> ✓ from related person or ✓ from his establishments outside India <div style="border: 1px solid black; padding: 5px; display: inline-block; margin-left: 20px;">} in the course of business</div>
<p>PC Note: Money & Securities → Neither Goods nor services.</p>	
<p>Consideration : includes any payment made/agreed to be made (in money or otherwise) for supply of G/&S; but shall not include any subsidy given by CG/SG;</p> <p>Note: Deposit given for supply of G/&S → Considered as payment made for such supply only if supplier applies such deposit as consideration for the said supply.</p> <p>PC Note: Refundable deposit is not subject to GST.</p>	
<p>Circular: Work of Art given by artists to art galleries for exhibition <input type="checkbox"/> Supply. Supply take place when a buyer selects an art work displayed at the gallery & GST <input checked="" type="checkbox"/>.</p>	

Determining factor → Whether a particular P-A relation falls within scope of Para 3 of Schedule I:

Invoice for further supply is issued by	Provision of goods from principal to agent
Agent to customer in his own name	fall within scope of Para 3 & thus treated as supply.
Agent to customer in name of principal	not fall in scope of Para 3 & thus not treated as supply

CLARIFICATION: Scope of 'Principal & Agent relationship' in context of Del-Credere Agent

DCA is an agent who guarantees payment to the supplier. DCA may (a) give loan to buyer for making payment to supplier or (b) paying supplier himself & recovering amount from buyer with interest.

Q. Whether 'DCA' falls under the ambit of 'Agent' under Para 3 of Schedule I? Same as Above.

Q. Whether Temporary Short-term transaction-based loan extended by DCA to buyer, for which interest is charged by DCA, is to be included in value of goods supplied by supplier (principal)?

Particulars	Case 1: DCA is not an agent	Case 2: DCA is an agent
Invoice issued by	Supplier to buyer	DCA to buyer (in his own name)
Transactions involved	1. Supply of Goods from supplier (principal) to buyer; 2. Supply of Agency services from DCA to supplier or both; 3. Loan services by DCA to buyer.	1. Supply of goods by supplier (principal) to DCA. 2. Supply of goods by DCA to buyer 3. Supply of agency services by DCA to supplier or buyer or both 4. Loan services by DCA to buyer
Clarification	<ul style="list-style-type: none"> Loan provided by DCA to buyer is a supply of service by DCA to buyer on P-P basis & is independent supply. Therefore, interest charged by DCA would not form part of value of supply of goods supplied (to the buyer) by the supplier. 	<ul style="list-style-type: none"> Activity of extension of credit by DCA to buyer would not be considered as a separate supply as it is in context of supply of goods made by DCA to buyer. Value of Interest → included in VoS of goods by DCA to buyer.

Analysis of Import of Services [Sec 7(1)(b) VS Para 4 of 7(1)(c)]

Section	Nature of Service	Consideration	Business
Sec 7(1)(b)	Import of Services	Required	Not
Para 4 of Sec 7(1)(c)	Import of Services from related Person or his other Establishment o/s India (distinct Person)	Not Required.	Required.

SUPPLY OF GOODS OR SERVICE? [Sec 7(1A) + Schedule II]

Activity	Type	Supply of ↓
1 Transfer	Transfer of Title in goods (Sale)	Goods
	Right to use goods without transfer of title (Renting)	Services
2 Land & Building	Lease, tenancy, easement, licence to occupy Land	Services
	Lease/letting out of building for business	Services
3 Process	Applied to another person's goods (Job Work)	Services
4 Transfer of Business Assets	Permanent Transfer of Business Asset	Goods
	Temporary Transfer of Business Asset (for private use/other than business use) (with or without consideration)	Services
	Business Asset transferred by a person who ceases to be taxable person shall be deemed to be supplied by him, in the course/furtherance of his business, immediately before he ceases to be a taxable person. Exception: (i) Business transferred as going concern (ii) Business carried by personal representative	Goods
5 Renting of Immovable Property: commercial complex, precincts of a religious place, property to an educational institution, Permitting use of immovable property for placing vending machines.	(a) Construction of Building/Complex Except where entire consideration has been received after (i) Issuance of Completion Certificate or (ii) its first occupation [Earlier of (i) or (ii)]	Services
	(b) Temporary transfer or permitting use or enjoyment of IPR	
	(c) Development, designing, programming, upgradation, implementation etc. of IT software.	
	(d) Agreeing to obligation to refrain from an act, or to tolerate an act or situation, or to do an act.	
	(e) Transfer of right to use any goods for any purpose.	
6 Composite Supplies: (a) Works Contract (b) Restaurant & Catering		Services
7 Supply of Goods by AOP/BOI to a Member for consideration		Goods

NEGATIVE LIST [Sec 7(2) + Schedule III] → NO GST	COMPOSITE & MIXED SUPPLIES [SECTION 8]	
<p>1. Services provided by Employee to Employer in course of his employment</p> <ul style="list-style-type: none"> ✓ Compensation for Premature Termination → NO GST. ✓ Non-Compete Fees: amount paid for not joining a competing business → Not in course of employment & liable to GST [Service of forbearance to act]. ✓ Gift from employer > Rs. 50,000 → GST <input checked="" type="checkbox"/>. <p>Note: Services provided on contract basis (principal to principal) are not services provided in the course of employment & thus GST will be levied.</p>	<p>Composite Supply</p> <ul style="list-style-type: none"> ❖ It comprises <ul style="list-style-type: none"> ✓ two or more taxable supplies of G/&S or any combination thereof ✓ naturally bundled & supplied in conjunction with each other in ordinary course of business ✓ one of which is a principal supply. ❖ Tax Treatment → treated as a supply of such principal supply. ❖ Rate → Rate applicable to Principal supply will be levied on whole supply. ❖ Principal supply: Supply of G/&S which constitutes predominant element of a composite supply & to which other supply forming part of that composite supply is ancillary. 	
2. Services by Court or Tribunal established under any law for the time being in force.	<p>Mixed Supply</p> <ul style="list-style-type: none"> ❖ It comprises <ul style="list-style-type: none"> ✓ two or more individual supplies of G/&S or any combination thereof, made in conjunction with each other by a taxable person ✓ for a single price ✓ where such supply does not constitute a composite supply. ❖ Note: Individual supplies are independent of each other & are not naturally bundled. ❖ Tax Treatment → treated as supply of that particular supply that attracts Highest Rate of Tax. 	
3. Functions performed by MPs, MLAs, Members of Panchayats/Municipalities/LAs.	<p>CIRCULAR RELATING TO SERVICING OF CARS [CN 47/21/2018]</p> <ul style="list-style-type: none"> ▪ Involving supply of both goods (parts) & services (labour) where Value of Goods & Services are shown separately. ▪ GST will be levied separately on goods & services @ applicable rates to each of them. 	
4. Duties performed by any person who holds any post as per the Constitution.	<p>CIRCULARS REGARDING PRINCIPAL SUPPLY</p>	
5. Duties performed as a Chairperson/Member/Director in a body established by CG/SG/LA & who is not deemed as employee before commencement of this clause.	Printing of Books, pamphlet	→ Supply of Services; Papers are ancillary supply.
6. Funeral, burial, crematorium or mortuary services + transportation of deceased.	Printed envelop, cartons	→ Supply of Goods; printing is ancillary supply.
7. Sale of Land; & [subject to para 5(b) of Schedule II] Sale of building.	Re-treading of tyres	→ Supply of service. Rubber is ancillary supply
8. Actionable claims other than lottery, betting & gambling .	Supply of re-treaded tyres	→ Supply of Goods
9. Services by Panchayat under article 243G or by Municipality under article 243W .	<p>TAXABILITY OF 'TENANCY RIGHTS'/PAGADI UNDER GST</p> <ul style="list-style-type: none"> ▪ Transfer of tenancy right against consideration (tenancy premium) → Treated as service. ▪ Transfer of tenancy rights cannot be treated as sale of L/B & thus is leviable to GST. <p>Note: Grant of tenancy rights in residential dwelling for use as residence is exempt.</p>	
10. Inter-State movement of modes of conveyance b/w distinct person including: Trains, Buses, trucks, tankers, trailers, vessels, containers, aircrafts for	<p>AMD: Grant of Alcoholic Liquor Licence by SG: Neither Supply of Goods nor Service. No GST</p>	
(a) carrying goods or passengers or both; or		
(b) Repairs & Maintenance, (Except movement is for further supply of same conveyance)		
Note: No GST on conveyance. GST shall be levied on repair & maintenance charges.		
Same Provision apply to: Inter-State movement of Rigs, Tools & Spares etc.		

CHARGE OF GST

Exempt Supply: Supply which attracts (i) Nil rate of tax; (ii) Exempt supply u/s 11 & (iii) includes non-taxable supply.			SERVICES NOTIFIED UNDER RCM [Sec 9(3) of CGST & 5(3) of IGST Act] In following cases, tax is payable by the recipient in place of supplier.					
Intra-state & Inter-State supply								
	Intra-State Supply	Inter-State Supply						
Meaning	Los & PoS are in Same State or Same UT	Los & PoS are in Different States or Different UTs or State & UT [MH → A&N]						
Taxes	CGST + SCGT/(UTGST for UTs)	IGST						
➤ UT with state legislature: Delhi & Pondicherry → Treated as state in GST → SGST Act. ➤ UTs without state legislature are: Andaman & Nicobar; Lakshadweep; Dadra & Nagar Haveli; Daman & Diu; Chandigarh → Common UTGST Act.								
LEVY & COLLECTION OF CGST & IGST [Sec 9 of CGST & Sec 5 of IGST]								
Sec 9(1)	▪ CGST shall be levied on all intra-State supplies of G/&S ▪ except on alcoholic liquor for human consumption, ▪ on the value determined u/s 15 & ▪ @ rates notified by Gov. on recommendations of GST Council (Max. 20%)							
9(2)	▪ No Levy of GST on 'petroleum products' till recommended by GST council.							
9(5)	GST to be paid by ECO on Notified Services supplied through it: Notified Services are: 1. Transportation of Passengers by Radio-taxi, Motor-cab & Motor cycle (R/UR) 2. Hotel Business (UR). 3. House-Keeping Services (UR).							
	Situation	Person liable to pay tax						
	If ECO does not have physical presence in TT	Person representing such ECO in TT						
	If ECO does not have a physical presence in TT & also he does not have a representative	Person appointed by ECO in TT						
Sec 9(4): Tax Payable on RCM: By Specified Registered Person on receiving Specified G/S from unregistered person as notified by the government.								
			SN	Nature of Service	Supplier (BY)	Recipient [liable to pay GST]		
			1	Transport Services who has not paid GST @ 12% (6% + 6%) & has not availed ITC.	GTA	(a) Factory; (b) Society (c) Co-operative society (d) Body corporate + Firm + AOP (f) CTP in TT + Registered Person		
			2	Legal Services	Advocate	Business Entity located in TT. (Individual Advocate + Senior advocate + Firm of Advocates)		
			3	By Arbitral Tribunal	Arbitral Tribunal	Business Entity located in TT.		
			4	Sponsorship Services	Any Person	Body Corporate or Firm in TT.		
			5	Services by Government	CG, SG, UT, LA	Business Entity located in TT.		
			Excluding ↓ - [No RCM in case of supply of these services] (a) Renting of Immovable property & [Separate entry 5A] (b) Specified services: <ol style="list-style-type: none"> 1. Department of Posts: Speed post, Express parcel post, Life Insurance & Agency Services; provided to any person other than CG, SG, UT or LA; 2. Services in relation to Vessel/Aircraft, inside/outside port/ airport; 3. Transport of Goods/Passengers. 					
			5A	Renting of Immovable Property by Gov.	CG/SG/UT/LA	Registered Person under GST		
			5B	Services of TDR/FSI for construction of project.	Any person	Promoter		
			5C	Long term lease of land (≥ 30 years) against premium, salami for construction of project	Any person	Promoter		
			6	Services by a Director	Director	Company or Body Corporate		
			7	Insurance Services	Insurance Agent	Insurance Company located in TT.		
			8	Recovery Services	Recovery agent	Bank/FI/NBFC in TT		

SERVICES NOTIFIED UNDER RCM [Sec 9(3) of CGST & 5(3) of IGST Act]				COMPOSITION SCHEME [SECTION 10]									
SN	Nature of Service	Supplier (BY)	Recipient [liable to pay GST]	Eligibility	<ul style="list-style-type: none"> Registered person, whose ATO in Last FY ≤ Rs. 1.5 crore. Eligibility Limit for Special Category States is as follows: <table border="1"> <thead> <tr> <th>Limit</th> <th>Name of Special category states</th> </tr> </thead> <tbody> <tr> <td>Rs. 75 Lacs</td> <td>Manipur, Meghalaya, Mizoram (MMM); Tripura, Arunachal Pradesh, Sikkim (TAPS) Uttarakhand & Nagaland (UK & Nagaland)</td> </tr> <tr> <td>Rs. 1.5 Cr</td> <td>Assam, Himachal Pradesh & J&K</td> </tr> <tr> <td>Rs. 1.5 Cr</td> <td>Other States & UTs.</td> </tr> </tbody> </table> 	Limit	Name of Special category states	Rs. 75 Lacs	Manipur, Meghalaya, Mizoram (MMM); Tripura, Arunachal Pradesh, Sikkim (TAPS) Uttarakhand & Nagaland (UK & Nagaland)	Rs. 1.5 Cr	Assam, Himachal Pradesh & J&K	Rs. 1.5 Cr	Other States & UTs.
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Rs. 1.5 Cr	Assam, Himachal Pradesh & J&K												
Rs. 1.5 Cr	Other States & UTs.												
9	Transfer/permitting use of copyright of to original literary, dramatic, musical or artistic works	Music composer, Photographer, Artist etc.	Music company, Producer etc. in TT.										
9A	Transfer/permitting use of copyright related to original literary	Author	Publisher in TT										
However, Author can choose to pay tax under forward charge if: <ul style="list-style-type: none"> He is registered person & files a declaration that he has exercised FCM option & shall not withdraw such option within 1 year from date of exercising such option & He makes such declaration on invoice issued by him to the publisher. 				Tax Rate	<table border="1"> <thead> <tr> <th>Category of Registered person</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>Manufacturers [Except manufacturers of Ice cream, Pan masala, tobacco, Aerated Water]</td> <td>1% of Total State TO</td> </tr> <tr> <td>Restaurant service [Clause (b) of Para 6 Sc. II]</td> <td>5% of Total State TO</td> </tr> <tr> <td>Any other supplier [Traders]</td> <td>1% of TO of Taxable Supplies in State/UT</td> </tr> </tbody> </table>	Category of Registered person	Rate	Manufacturers [Except manufacturers of Ice cream, Pan masala, tobacco, Aerated Water]	1% of Total State TO	Restaurant service [Clause (b) of Para 6 Sc. II]	5% of Total State TO	Any other supplier [Traders]	1% of TO of Taxable Supplies in State/UT
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Any other supplier [Traders]	1% of TO of Taxable Supplies in State/UT												
10	Services by Members of Overseeing Committee	Members	RBI	Benefits	<ul style="list-style-type: none"> They cannot issue tax invoice; Even they cannot avail ITC. They need to issue Bill of Supply in which no tax can be charged. Yearly filing of Return (GSTR 4) & Quarterly Payment of Tax. 								
11	Services by Individual Direct Selling Agents (DSAs)	Individual DSA (other than BC, Firm or LLP)	Bank or NBFC in TT.	Non-Eligibility [10(2)]	<ul style="list-style-type: none"> Person Making Inter-State Supply of goods (not services) Persons supplying goods through ECO (who are required to collect TCS). Manufacturer & Supplier of Ice cream, Pan masala, Tobacco, Aerated Water. Supplier of goods which are not taxable under GST. Supplier of Services other than restaurant services. [2nd Proviso - Sec 10(1)] CTP or NRTP. <p>Note: Person providing Exempted Service is eligible for composition scheme.</p>								
12	Business facilitator	BF	Banking company in TT.	Composition Taxpayers now permitted to render services upto specified limit									
13	Business Correspondent	Agent of BC	Business correspondent in TT	If RP supplies services (other than restaurant services), value of such services shall not exceed: Higher of (a) Rs. 5 Lacs or (b) 10% of Turnover in State/UT in preceding FY.									
14	Security Services	Any person other than BC	Registered Person, located in TT	Interest Income on Loan/advances shall be excluded while computing ATO for determining:									
<p>Note: Tax has to be paid under RCM on gross amount charged.</p> <p>However, nothing contained in this entry shall apply to: Composition Dealer.</p>				<ul style="list-style-type: none"> Eligibility for composition scheme & Supply of services allowed to composition dealer (10% limit) [2nd Proviso to Sec 10(1)] 									
15	Renting of Motor Vehicle	Any person other than BC (paying CGST @ 2.5% with ITC only of IS in same business line)	Any Body Corporate in TT										
16	Lending of Securities through intermediary	Lender	Borrower										

Conditions & Restrictions for Composition levy [Rule 5]		COMPOSITION SCHEME for service providers [NN 2/2019]		
<ul style="list-style-type: none"> Goods held in stock have not been purchased from unregistered supplier & if purchased, he pays the tax on RCM basis u/s 9(4). He shall pay tax u/s 9(3)/9(4) (RCM) on Inward supply (in addition to composition tax) Mention words 'composition taxable person, not eligible to collect tax on supplies' at top of bill of supply issued by him; Mention words 'composition taxable person' on every notice or signboard displayed at prominent place at his PPoB & at every APoB. 		Persons ineligible for composition scheme u/s 10, but eligible for NN 2/2019?		
		<ul style="list-style-type: none"> Registered person whose ATO in preceding FY ≤ Rs. 50 lacs & who is exclusively engaged in supplying services other than restaurant services, who is engaged in supply of services (other than restaurant services) along with supply of goods &/ or restaurant services of value exceeding Rs. 5 lacs in current FY. <p>Conditions → Same as section 10.</p>		
INTIMATION OF OPTING FOR COMPOSITION LEVY [RULES 3 & 4]		First Supplies of G/&S	From: 1 st April	To: Date of becoming liable for registration for ↓
New Registration	<ul style="list-style-type: none"> Option is given in Part B of registration form, viz., FORM GST REG-01. Effective date of composition levy = Effective date of registration 	For Determining Limit of Rs. 50 Lacs	First supplies of G&S shall include supplies from 1 st April of a FY to the date of becoming liable for registration	
Existing Registration	<ul style="list-style-type: none"> Electronically on Common Portal prior to commencement of FY for which option is exercised & He will have to furnish statement as per rule 44(4) within 60 days from commencement of relevant FY (Refer ITC Chapter). Effective date of composition levy = From beginning of FY . 	For Determining Tax payable	First supplies of G&S shall not include supplies from 1 st April of FY to the date of becoming liable for registration.	
		PC Note: Thus a service provider will get to pay tax @ 6% only for Rs. 30 Lacs.		
VALIDITY OF COMPOSITION LEVY [Section 10(3) r/w rule 6]		Point to be Noted: Composition scheme to be adopted uniformly by all registered persons having same PAN. If more than 1 RPs are having same PAN, RP shall not be eligible to opt for composition scheme unless all such RPs opt to pay tax under composition scheme.		
Scheme Lapse	From the day on which ATO during FY > 1.5 Crore/75 Lacs.	Aggregate Turnover = Aggregate value of ↓		
Consequences	<ul style="list-style-type: none"> file intimation for withdrawal within 7 days of occurrence of event. 	<ul style="list-style-type: none"> All Taxable Supplies (Excluding Inward supplies on which tax is payable on RCM basis) Exempt supplies [Nil Rated + Wholly Exempt + Non-taxable Supply] & Exports of G/&S [Zero-rated Supply] & Inter-State supplies of Persons having Same PAN [Stock transfer or branch transfers] <i>but Excludes CGST, SGST, UTGST, IGST & GST Cess.</i> <p>be computed on ALL INDIA basis. [Note: Do not consider Interest Income]</p>		
Effective date of withdrawal	<ul style="list-style-type: none"> Date indicated by him in his application. Such date may not be prior to commencement of FY in which application for withdrawal is filed. 			
ITC on stock in Hand after becoming ineligible	<ul style="list-style-type: none"> Allowed to avail ITC of Inputs & inputs contained in SFG/FG held in stock by him & on Cap. goods held by him on date of withdrawal. He shall furnish a statement, within 30 days of withdrawal of option, containing details of such stock held on common portal. 			
Penalty for Irregular Availment of Composition Scheme [Sec 10(5) r/w rule 6(4) & 6(5)]		Turnover in State/UT = Aggregate value of ↓		
<ul style="list-style-type: none"> Person availing composition scheme wrongly, liable to penalty & u/s 73 or 74. PO may issue SCN if he has reasons to believe that RP was ineligible to pay composition tax. Upon receipt of reply from RP, PO shall (within 30 days of receipt of such reply) issue order (i) either accepting reply or (ii) denying option to pay composition tax Effective date of Denial of option to pay composition tax: Date determined by Tax Authority including any retrospective date but not prior to date of contravention of the provisions. <p>Note: Any intimation i.r.o any PoB in a State/UT = Intimation i.r.o all other PoB.</p>		<ul style="list-style-type: none"> All Taxable Supplies (Excluding Inward supplies on which tax is payable on RCM basis) & Exempt supplies made within a State or UT by a taxable person, Exports of G/&S & Inter-State supplies made from State/UT by such taxable person but Excludes CGST, SGST, UTGST, IGST & GST Cess. 		
		PC Note:		
		<ul style="list-style-type: none"> To determine eligibility for Composition scheme → Aggregate Turnover is considered. Person eligible for Composition scheme will pay tax separately for different offices [State TO]. 		

4. EXEMPTIONS FROM GST

A. SERVICES RELATED TO CHARITABLE & RELIGIOUS ACTIVITIES

A. SERVICES RELATED TO CHARITABLE & RELIGIOUS ACTIVITIES	
1	Service by way of Charitable activities by registered charitable/religious trust. 'Charitable Activities' mean activities relating to:
	<p>1. PUBLIC HEALTH by way of:</p> <ul style="list-style-type: none"> ▪ Care or counselling of: terminally ill/disabled persons; HIV/AIDS Persons; Addicted person; ▪ Public awareness of preventive health, family planning, prevention of HIV
	<p>2. Advancement of Religion, spirituality or Yoga</p> <ul style="list-style-type: none"> ▪ Primarily providing accommodation or food & drinks for consideration including donation → GST <input checked="" type="checkbox"/>. ▪ Holding of fitness camps or classes in aerobics, dance, music etc. → GST <input checked="" type="checkbox"/>.
	<p>3. Advancement of Educational/skill development Program related to</p> <ul style="list-style-type: none"> ▪ Abandoned, orphaned or homeless children; Persons over 65 years of age in rural area; ▪ Physically or mentally abused & traumatized persons; Prisoners <p>PC Note: Schools or colleges run by charitable trusts for education or skill development of above mentioned persons = Charitable activities → GST <input checked="" type="checkbox"/>.</p> <p>PC Note: Activities of school, college run by charitable trust for others → Not Charitable activities & not exempt under this entry. However, such activities may be exempt under Entry 66.</p>
	<p>4. Preservation of Environment including watershed, forests & wildlife.</p>
	SOME OTHER IMPORTANT POINTS
	<ul style="list-style-type: none"> ▪ Grant of Advertising rights → GST <input checked="" type="checkbox"/>. ▪ Hostel Facilities to students → Charitable activity <input checked="" type="checkbox"/>. ▪ Arranging yoga & meditation camp by charitable trusts → GST <input checked="" type="checkbox"/>. ▪ Residential programs or camps [Fees charged includes cost of lodging & boarding] → Exempt. ▪ Holding of fitness camps/aerobics, dance, music class → GST <input checked="" type="checkbox"/>. ▪ Hospitals managed by charitable trusts → Not Exempt here. Exemption available under entry 74. ▪ Donation for hosting advertisement promoting business of the donor → GST <input checked="" type="checkbox"/>. ▪ But if donation is received without such instructions or without a quid pro quo → NO GST. [RTP AMENDMENT] <p>GST is not leviable if all the following 3 conditions are satisfied:</p> <ol style="list-style-type: none"> 1. Gift/donation is made to a charitable organization 2. Payment has the character of gift/donation & 3. Purpose of gift/donation is philanthropic (i.e., it leads to no commercial gain) & not advertisement.
2	Conduct of any Religious ceremony; (Pujari)
3	Renting of Precincts of religious place meant for general public (Temple) owned/managed by registered charitable/religious trust.
4	Services by way of training or coaching in recreational activities relating to ALL forms of Arts, Culture and Sports by Registered Charitable Entities.
5	Services by Old Age Home run by CG/SG/Registered charitable trust to its residents (> 60 years) against consideration (including charges for lodging & maintenance) upto Rs. 25,000 p.m per member
6	Services by specified organisation i.r.o religious pilgrimage facilitated by Government of India. Specified organisations are: Kumaon Mandal Vikas Nigam Ltd & Haj Committee of India.
	GST will be payable in following cases:
	<ul style="list-style-type: none"> ▪ Renting of Rooms if charges are > Rs. 1,000 per day [RTP AMD] ▪ Renting of Premises/Halls/mandapam/open area if charges are ≥ Rs. 10,000 per day; ▪ Renting of Shops/other spaces for business if charges are ≥ Rs. 10,000 per month;
	<p>Note: Religious pilgrimage organised by <u>any</u> other charitable/religious trust are liable to GST.</p>

PC Note: Unless specifically exempted, all G&S supplied **to** charitable/religious trusts → GST .

B. AGRICULTURE RELATED SERVICES

<p>1 Services relating to cultivation of plants & rearing of all life forms of animals (<i>except horses</i>) for food, fibre, fuel, raw material or other similar products/agricultural produce by way of:</p> <p>(a) Agricultural operations related to production of any agricultural produce including testing;</p> <p>(b) Supply of Farm Labour;</p> <p>(c) Processes carried at agricultural farm which do not alter essential characteristics of agricultural produce but only make it marketable for primary market; Ex: Cutting, harvesting, drying, cleaning, fumigating, sorting, grading, cooling, bulk packaging</p> <p>(d) Renting/leasing of agro machinery or vacant land for agriculture or related activities;</p> <p>(e) Loading, unloading, packing, storage or warehousing of Agricultural Produce;</p> <p>(f) Agricultural Extension Services [Application of scientific research & knowledge to agriculture]</p> <p>(g) Services by any APMC or Board related to selling/marketing of agricultural produce. Note: Renting of shops/other property by APMC → GST <input checked="" type="checkbox"/> (since not directly related)</p> <p>(h) Services provided by Commission Agent for Sale/Purchase of Agricultural Produce.</p>	2	Loading, unloading, packing storage or warehousing of Rice
	3	Warehousing of minor Forest Produce.
	4	Fumigation in a warehouse of agricultural produce.
	5	Storage/warehousing of cereals, pulses, nuts, fruits & vegetables, spices, copra, sugarcane, jaggery, raw vegetable fibres (Ex: Cotton, flax, jute, indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee & tea) [RTP AMD]
	6	Pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits & vegetables which do not alter essential characteristics.
	7	Services by National Centre for Cold Chain Development of cold chain knowledge dissemination.
	8	Artificial Insemination of Livestock (other than horses)
	9	Carrying out Intermediate Production Process as Job Work for Cultivation of Plant & Rearing of all forms of Animals for food, fibre, fuel or agro Produce.
	<p>Agricultural produce = Any produce from cultivation of plants & rearing of animals on which</p> <ul style="list-style-type: none"> ▪ No further processing is done or ▪ Processing (usually done by cultivator/producer) which does not alter its Essential Characteristics, but only makes it Marketable for Primary Market. 	
<p>Breeding of fish (Pisciculture), rearing of silk worms (Sericulture), Cultivation of ornamental flowers (floriculture) & horticulture, forestry, etc. → NO GST.</p>		
<p>Processed products [Tea, coffee beans or powder, pulses, jaggery, spices, dry fruits, cashewnuts etc. are not agricultural produce & GST will be levied to their loading, packing etc.</p>		

C. HEALTH CARE SERVICES

1	Services by a Veterinary Clinic in relation to health care of animals or birds.	OTHER IMPORTANT POINTS	
2	Health care services by Clinical Establishment, Authorised Medical Practitioner or Paramedics	Food Supplied	to patients = Composite supply of healthcare → GST <input checked="" type="checkbox"/>
3	Transportation of a patient in Private Ambulance		to any other person (visitors, staff of hospital) → GST <input checked="" type="checkbox"/>
4	Services by Cord Blood Banks by way of Preservation of Stem Cells or related services.	Room Rent	Rent of rooms provided to patients in hospitals → GST <input checked="" type="checkbox"/>
5	Services by operators of common bio-medical waste treatment to clinical establishment.	Hospital Fees	Every fees by whatever name called → GST <input checked="" type="checkbox"/>
6	Services of public conveniences [Facilities of washrooms, lavatories, urinal or toilets]	Other Services	Renting of shops, advertisement in hospitals → GST <input checked="" type="checkbox"/>
7	Services by recognised rehabilitation professionals at medical establishments, educational institutions, rehabilitation centers established by CG/SG/UT/Reg. charitable trust.		
<p>Health Care Services: Diagnosis/treatment/care for illness, injury, deformity, pregnancy in any <i>recognised system of medicines in India</i> & includes transportation of patient to & fro. but does not include hair transplant or plastic surgery (except to restore/reconstruct anatomy or functions of body affected due to congenital defects, abnormalities, injury).</p>			

D. EDUCATION RELATED SERVICES

1	(a) Services provided by Educational institution to its students, faculty & Staff (SSF) (b) Services provided by Educational institution of conduct of Entrance Exam against fee. Note: Fees for recruitment through campus interviews taken from companies → GST ☑	Meaning of Educational institution				
2	Services provided TO educational institution by way of (a) Transportation of students, faculty & staff [Exempt to Schools upto HSC] (b) Catering + Any mid-day meals sponsored by Gov. [Exempt to Schools upto HSC] (c) Security/cleaning/house-keeping services [Exempt to Schools upto HSC] (d) Services relating to conduct of exam [Exempt to ALL] (e) Supply of online Educational Journals or Periodicals [Exempt to Colleges]	<ol style="list-style-type: none"> Pre-school education & education upto HSC or equivalent; [School upto 12th] Colleges for obtaining qualification (degree) recognised by any law in India; [Degree courses by colleges, universities → GST ☑ ; Private coaching → GST ☑] Education as a part of Approved Vocational Education Course. Course by ITI/ ITC/NCVT/SCVT in designated trades & Modular Employable Skill Course by person registered with DGT, Ministry of Skill Development & Entrepreneurship. IIMs [Only for long duration course (≥ 1 year)]. However, Short Duration/Short Term Executive Program → GST @ 18% (9% + 9%). 				
SOME IMPORTANT POINTS		Boarding School [Education + Residence + Food] → NO GST on entire composite supply.				
College/Hostel Mess services:		<ul style="list-style-type: none"> Hobby classes or Extra-curricular activities → Composite supply & thus No GST. Services by Government ITIs to trainees/students → GST ☑. Education by Private ITIs is approved as vocational educational course → GST ☑ Conduct of entrance examination by private ITIs for designated trades → GST ☑ 				
<table border="1"> <tr> <td>Mess run by educational institution/students</td> <td>It is exempt from GST. [given to SSF]</td> </tr> <tr> <td>Mess is outsourced to 3rd Person [Catering services given to Edu. institution]</td> <td>It is taxable. Note: Exempt if given to school upto HSC</td> </tr> </table>		Mess run by educational institution/students	It is exempt from GST. [given to SSF]	Mess is outsourced to 3 rd Person [Catering services given to Edu. institution]	It is taxable. Note: Exempt if given to school upto HSC	
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Dual Degree [only one of which is recognized by law in India]: If artificial bundle is created by clubbing 2 courses → Treated as a mixed supply & GST is levied @ Highest rate.						

E. SERVICES PROVIDED BY GOVERNMENT [CG/SG/UT/LA]

1	Services by CG, SG, UT, LA EXCEPT (a) Services by Department of Posts → Speed post, Express parcel post, Life insurance & Agency services [Collection of bills etc.] to any person other than CG/SG/UT. (b) Aircraft/vessel , inside or outside the precincts of port or airport; (c) Transport of Goods or Passengers; (d) Any service other than (a), (b) & (c) provided to Business Entities .	7	Services provided by CG/SG/UT/LA by way of: <ul style="list-style-type: none"> Registration required under any law for the time being in force; Testing, safety check/certification related to safety of worker, fire license etc. Issuance of passport, visa, driving license, birth certificate or death certificate. Tolerating non-performance of contract for which consideration in form of fines or liquidated damages is payable to CG, SG, UT, LA under such contract. Assignment of right to use natural resources to farmer for cultivation & rearing of animal
2	Services by CG/SG/UT/LA if consideration ≤ Rs. 5,000 [Except for 1. (a), (b) & (c)]	8	Services by CG, SG, UT by deputing officers after office hours/holidays for inspection or container stuffing for import export cargo on payment of Merchant OT charges.
3	Services by CG/SG/UT/LA to Unregistered BE (ATO in last FY ≤ 10/20/40 L) [Except 1. (a), (b) & (c) Above & Renting of immovable property]	9	Services by SG to Excess Royalty Collection Contractor (ERCC) by way of assigning right to collect royalty on behalf of SG on mineral dispatched by mining leaseholders. If GST paid by mining leaseholder < GST exempted, Exemption = GST paid by leaseholders. ERCC shall pay difference b/w GST exempted on service provided by SG to ERCC of assignment of right to collect royalty & GST paid by mining leaseholders on royalty.
4	Services provided by CG/SG/UT/LA to CG/SG/UT/LA [Except for 1. (a), (b) & (c)]		
5	Service by Government Entity to CG/SG/UT/LA or person specified by CG/SG/UT/LA for which consideration is received from CG/SG/UT/LA in form of grants.		
6	'Guarantee of Loan' Services supplied by CG/SG/UT to their undertakings/PSUs		

F. SERVICES TO GOVERNMENT		SPACE FOR PC NOTE:	
1	Service by Fair Price Shops to CG/SG/UT by way of sale of food grains, kerosene etc.		
2	To CG/SG/UT under insurance scheme for which total premium is paid by CG/SG/UT.		
3	To CG/SG/UT under any training programme where all expenditure is borne by govn.		
4	Services provided by GSTN to CG, SG, UT for implementation of GST.		
5	Pure services (Except works contract or other composite supplies) to CG/SG UT/LA or Governmental Authority/Entity by way of any activity in relation to any function entrusted to a Panchayat/Municipality under article 243G/243W respectively.		
6	Composite supply of G&S (Value of goods \leq 25% total value of composite supply) to CG/SG UT/LA or Governmental Authority/Entity by way of any activity in relation to any function entrusted to a Panchayat/Municipality under article 243G/243W.		
H. TRANSPORTATION OF PASSENGERS		I. TRANSPORTATION OF GOODS	
1	Transport of passengers <ul style="list-style-type: none"> ▪ By Air [Starting or ending on airport in Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Bagdogra in West Bengal] ▪ Non-AC contract carriage [Except Tourism, tour, charter, hire or radio taxi] ▪ Non-AC Stage carriage 	1	Transportation of goods by: Road (Except GTA & Courier agency) & Inland waterways
2	Transportation of passengers by <p>(a) Railway (other than 1st class; or AC coach); Metro, monorail or tramway;</p> <p>(b) Inland waterways;</p> <p>(c) Public transport in vessel b/w places in India (other than for tourism purpose)</p> <p>(d) Metered cabs or Auto rickshaws (including e-rickshaws power \leq 4,000W).</p> <p>Note: Transportation in normal public ships or other vessels that sail b/w places located in India would be exempt even if tourists are using the service.</p> <p>Services provided by leisure/charter vessels/cruise (main purpose is tourism) → Liable to GST even if some of the passengers in such vessels are not tourists.</p>	2	Transportation by Rail or Vessel of the following goods: <ul style="list-style-type: none"> ▪ Relief materials; Defence/Military equipments; Registered newspaper or magazines ▪ Agricultural produce; Organic manure. ▪ Milk, salt & food grain, flours, pulses & rice; Railway equipments/materials.
3	Service provided to CG by way of Transportation of passengers by Air starting or ending at Regional Connectivity Scheme airport against consideration in form of viability gap funding . <p>Note: Nothing contained in this entry shall apply after expiry of 3 years from date of commencement of operations of RCS airport as notified by Ministry of Civil Aviation.</p>	3	Services provided by GTA by way of transport of <ul style="list-style-type: none"> ▪ Relief materials; Defence/Military equipments; Registered newspaper or magazines ▪ Agricultural produce; Organic manure. ▪ Milk, Salt & food grain including flours, pulses & rice; ▪ Goods [If consideration from a single consignee for all such goods \leq Rs. 750] ▪ Goods [If consideration charged on consignment in single carriage \leq Rs. 1,500]
		4	Services provided by GTA to unregistered person + unregistered CTP other than: Factory; Society; Co-operative society; Body corporate; Firm (+ AOP/BOI); Reg. CTP Cru: GTA services provided to only unregistered individual end consumer → Exempt.
		5	Transportation of Goods services by GTA to Department or Establishment of CG/SG/UT; LA; Governmental Agencies which has taken GST registration only for deducting tax u/s 51 & not for making a taxable supply of G&S. Note: Even for the purpose of RCM, Department or Establishment of CG/SG/UT; LA; Governmental Agencies which has taken GST registration only for deducting tax u/s 51 & not for making a taxable supply of G&S will be CONSIDERED AS UNREGISTERED PERSON.

G. CONSTRUCTION SERVICES

Construction & related services by way of **Pure Labour Contracts** of Civil structure or any other original works under **Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana**.

Construction & related services by way of **Pure labour contracts** of **original works** pertaining to '**Single Residential unit**' (otherwise than as a part of a **Residential complex**).

Construction & related services supplied by **Electricity Distribution Utilities** for **extending** electricity distribution network **upto tubewell of farmer or agriculturalist**.

Supply of TDR, FSI, lease of land by landowner to developer if Constructed flats are sold before earlier of (i) Issuance of completion certificate or (ii) 1st occupation of project.

J. BANKING & FINANCIAL SERVICES

1. Services **by Reserve Bank of India**.

2. Services provided by **Banking Company** to **Basic Saving Bank Deposit (BSBD) A/c holders** under Pradhan Mantri Jan Dhan Yojana (PMJDY).

3. Services by way of

(a) Extending **deposits, loans or advances** consideration for which is represented by **Interest or Discount** (other than interest involved in credit card services). [Circular on Page]

(b) **Sale/Purchase of Foreign Currency** amongst banks or authorised dealers of foreign exchange or amongst banks & such dealers.

Note: Services relating to Sale/Purchase of Foreign Currency provided to general public → **GST** . **Note:** Services provided by banks to RBI → **GST**

(c) Services by **Acquiring bank** to any person in relation to settlement **upto Rs. 2,000** in a **single transaction** transacted through credit card, debit card, etc.

Acquiring bank: Any bank, FI, NBFC or any other person who makes the payment to a person who accepts such card.

(d) Services by **Intermediary** of financial services located in multi services SEZ with IFSC status **to a customer located o/s India** for international financial services in foreign currencies

Note:

1. Service Charges/fees, documentation fees, brokerage charges, administrative charges etc. are not exempt & thus GST will be levied.

2. **Charges for late payment of outstanding dues on credit card: GST will be levied.**

3. Any interest/delayed payment charges charged to clients for delay in payment of brokerage amount/ settlement obligations/margin trading facility → Exempt from GST since settlement obligations/margin trading facilities are transactions which are in the nature of extending loans or advances.

Q. LEGAL SERVICES

Service BY	Service provided TO
Firm/Individual Advocate (other than Senior Advocate)	<ul style="list-style-type: none"> ▪ Advocate (All) or Partnership firm of Advocates providing legal services; ▪ Any person other than BE; ▪ Unregistered BE (ATO ≤ Rs. 10/20/40 Lacs in preceding FY) ▪ CG, SG, UT, LA, Governmental Authority or Government Entity.
Senior Advocate OR Arbitral tribunal	<ul style="list-style-type: none"> ▪ Any person other than BE; ▪ Unregistered BE (ATO ≤ Rs. 10/20/40 Lacs in preceding FY); ▪ CG, SG, UT, LA, Governmental Authority/Entity.

Note: Legal services provided to Registered BE (ATO > 10/20/40 Lacs) in preceding FY are liable to GST. Further, tax is payable by Registered BE on such services under RCM.

K. LIFE INSURANCE BUSINESS SERVICES

1	Life insurance business services provided by way of annuity under NPS	2	Life insurance services by Naval Group Insurance Fund to personnel of Coast Guard.
3	Life insurance business services provided by Army, Naval & Air Force Group Insurance Funds to members of Army, Navy & Air Force under Group Insurance Schemes of CG.		
4	Services of life insurance provided by Central Armed Police Forces under Group Insurance Funds to their members under Group Insurance Schemes. [RTP AMD]		
5	Life insurance business services provided under following schemes:		
	Janashree Bima Yojana	Aam Aadmi Bima Yojana	Varishtha Pension BimaYojana
	Life micro-insurance product having maximum amount of cover of Rs. 2,00,000;		Pradhan Mantri Vaya Vandana Yojana
	Pradhan Mantri Jeevan Jyoti Bima Yojana		

N. GENERAL INSURANCE BUSINESS SERVICES

General insurance business services provided under following schemes & their re-insurance

Niramaya Health Insurance Scheme	Pilot Scheme on Seed Crop Insurance
Universal Health Insurance Scheme	Pradhan Mantri Fasal Bima Yojana
Rashtriya Swasthya Bima Yojana	Cattle Insurance Swarnajayanti Gram Swarozgar Yojna
Jan Arogya Bima Policy	Central Sector Scheme on Cattle Insurance;
Scheme for Insurance of Tribals	Agricultural Pump-set & Failed Well Insurance
Coconut Palm Insurance Scheme	Restructured Weather Based Crop Insurance
Janata Personal Accident Policy & Gramin Accident Policy	Export credit insurance
Group Personal Accident Policy - Self-Employed Women	Hut Insurance Scheme
Pradhan Mantri Suraksha Bima Yojna	Bangla Shasya Bima [RTP]

L. SERVICES PROVIDED BY SPECIFIED BODIES

1	Services by Employees' State Insurance Corporation to governed persons.
2	Services by Employees PF Organisation to the governed persons.
3	Services by Coal Mines PF Organisation to the governed persons.
4	Services by NPS Trust to its members against consideration (administrative fee)
5	Services by IRDAI to insurers under IRDAI Act, 1999.
6	Services by SEBI by way of protecting interests of investors in securities etc.

M. PENSION SCHEMES

1	Services by way of collection of contribution under Atal Pension Yojana .
2	Services by way of collection of contribution under any pension scheme of SG.

O. BUSINESS FACILITATOR/CORRESPONDENT

Services by business facilitator/correspondent to banking company (w.r.t A/c in rural area)	BCs/BFs help villagers to open bank A/c & provide other banking services to them. They act as intermediary b/w bank & its customers. Banks pay commission/ fee to BCs/BFs. Bank is the service provider to ultimate customer in BF/BC model. Banking company is liable to pay GST on entire value of fee charged to customers whether or not received via BF/BC.
Services by intermediary to business facilitator/correspondent w.r.t services mentioned above	
Services by business facilitator/correspondent to insurance company in a rural area.	

P. LEASING SERVICES

1	Upfront amount (called as premium, salami, cost, price, development charges etc) payable for granting of long term lease of 30 years or more of industrial plots or plots for development of infrastructure for financial business , provided by SG Industrial Development Corporations or by any other entity having 50% or more ownership of CG, SG, UT to industrial units or developers in any industrial or financial business area. [Note: GST exemption on 'upfront amount' is admissible provided the amount is determined upfront].
2	Services of leasing of assets (wagons, coaches, locos) by IRFC to Indian Railways.

R. SKILL DEVELOPMENT SERVICES

Service by	Service provided to	
<ul style="list-style-type: none"> ▪ National Skill Development Corporation ▪ Sector Skill Council approved by NSDC ▪ Assessment agency approved by SSC/NSDC ▪ Training partner approved by SSC/NSDC 	<ul style="list-style-type: none"> ▪ National Skill Development Programme implemented by NSDC ▪ Vocational skill development course ▪ Any other Scheme implemented by NSDC 	<ul style="list-style-type: none"> ▪ Services of Assessing bodies empanelled by DGT, Ministry of Skill Development & Entrepreneurship by way of assessments under Skill Development Scheme. ▪ Services provided by training providers under Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY).

S. SPONSERSHIP SERVICES:

Services by way of sponsorship of sporting events **organized by:**

- (a) National Sports federation/its affiliated federations [District, State, zone or Country level];
 (b) Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council Deaf, Paralympic Committee or Special Olympics Bharat;
 (c) Central Civil Services Cultural & Sports Board; Indian Olympic Association; (d) Panchayat Yuva Kreedha Aur Khel Abhiyaan Scheme.

T. PERFORMANCE BY AN ARTIST

- In Folk or Classical art forms of music/dance/theatre, **if consideration charged ≤ Rs. 1,50,000**. [PC Note: Service provided by an artist as Brand Ambassador → GST].
- Note:** Activities by artist in **other art forms** (western music/dance, modern theatres, performance of actors in films/serials, artists in still art forms (painting, sculpture) → GST .

U. RIGHT TO ADMISSION TO VARIOUS EVENTS

1	Admission to museum, national park, sanctuary, tiger reserve, zoo, protected monument .
2	By way of right to admission to following events [Exempt if Consideration ≤ 500 per person] <ul style="list-style-type: none"> ▪ Circus, Dance, or theatrical performance (including drama/ballet); ▪ Award function, Concert, Pageant, Musical performance, planetarium. ▪ Any sporting event (other than recognised sporting event); ▪ Recognized sporting event.

V. SERVICES BY CO-OPERATIVE SOCIETY [REFER CIRCULAR ON PAGE NO.]

Service by unincorporated body or non- profit entity to its own members by way of reimbursement of charges or share of contribution

- (a) As a Trade Union;
 (b) Monthly Maintenance Charges ≤ **Rs. 7,500 per month per member** for sourcing of G/S from 3rd person for **common use of its members** in housing society or apartment.
- Note:** Statutory dues (Property tax, electricity charges) forming part of monthly maintenance raised by society on members → Excluded while computing monthly limit of Rs. 7500.

W. OTHER EXEMPT SERVICES			
1	Services provided by & to FIFA & its subsidiaries related to any of the events in FIFA U-17 Women's World Cup 2020 to be hosted in India.→ Exempt [RTP AMD]		
2	Services by way of right to admission to events organised under FIFA U-17 Women's World Cup 2020. [FIFA U-17 Women's World Cup 2020 → Exempt from GST] [RTP AMD]		
3	Services by way of Renting of Residential Dwelling for use as Residence. [VIP]		
4	Services by a hotel, inn, guest house, club or campsite for residential or lodging purposes, having Value of Supply of a unit of accommodation ≤ Rs. 1,000 per day .		
5	Services by way of transportation of goods by an aircraft/vessel from customs station of clearance in India to a place outside India upto 30.09.2020. [RTP AMD]		
6	Transfer of a going concern (running business) , as a whole or independent part thereof.		
7	Services by way of giving on hire <ul style="list-style-type: none"> ▪ Motor vehicle (carrying > 12 passengers) to State transport undertaking; ▪ Electrically operated vehicle (carrying > 12 passengers) to Local Authority. [RTP AMD] ▪ Means of transportation of Goods to GTA; ▪ Motor vehicle for transport of SSF to a person providing transportation services to schools. 		
8	Service by way of access to a road or a bridge on payment of toll charges.	9	Service by way of access to a road or a bridge on payment of annuity.
10	Transmission/distribution of electricity by an electricity transmission/distribution utility → Exempt from GST.		HOWEVER GST will be levied on ↓
	Application fee for releasing connection of electricity;	Rental Charges against metering equipment;	Charges for duplicate bill. GST ☑
	Testing fee for meters/transformers, capacitors etc.;	Labour charges from customers for shifting of meter line;	
11	Services provided by incubatee upto total turnover of Rs. 50 lacs in a FY subject to the condition that: <ul style="list-style-type: none"> ▪ Total turnover during preceding FY ≤ Rs. 50 lacs & 3 years has not elapsed from the date of entering into an agreement as an incubatee. Incubatee: means an entrepreneur located in Technology Business Incubator (TBI)/ Science & Technology Entrepreneurship Park (STEP) recognised by NSTEDB.		
12	Taxable services, provided by TBI/STEP or bio-incubators.		
13	Services by way of Collecting or Providing News by independent journalist, PTI or UNI.	14	Services by way of providing information under RTI Act
15	Licensing, registration & analysis or testing of Food Samples.	16	Services of Public Libraries by way of lending of books, publications.
17	Services by way of slaughtering of animals.	18	Services by a foreign diplomatic mission located in India.
19	Services by organiser to any person in respect of a business exhibition held outside India.		
20	Services provided BY: (a) Player, referee, umpire, coach/manager in sporting event organized by RSB; (b) Another recognized sports body → To Recognized Sports Body. Note: Service provided by Selectors, commentators, curators, technical experts → GST ☑ ; Note: Service provided by (a) above to IPL franchisee → GST ☑ .		
21	Courses offered by Maritime Training Institutes are approved by Director General of Shipping → & thus Exempt from GST. [RTP Amendment]		

NEW CIRCULAR: Effective date of Explanation added for Newly inserted Entry: [Covered in Detail in Amendment Video Uploaded on YouTube]

Explanation inserted u/s 11(3) in newly added entry is effective from date of insertion of new entry & not from the date on/from which original exemption notification becomes effective.

CIRCULARS FROM RTP FOR MAY 20 [VERY IMPORTANT]**GST on Delayed payment charges in case of late payment of EMIs [Sec 15(2)(d)]**

Ex 1. Mr. X sells a mobile phone to Mr. Y. Cost of mobile phone is Rs. 40,000. Mr. X gives Mr. Y an option to pay in instalments of Rs. 11,000 every month before 10th day of next month, over next 4 months (11000 × 4 = Rs. 44000). If there is any delay in payment by Mr. Y beyond scheduled date, Mr. Y would be liable to pay additional interest of Rs. 500 p.m for delay.

◆ Services by way of Extending **loans or advances**, consideration for which is represented by **Interest or Discount** (other than interest in credit card services) is exempt from GST. In this case, Mr. X is not getting interest for extending any deposit, loan or advance. Mr. X is getting interest from Mr. Y for delayed/deferred payment of consideration (which is not exempt). Thus, GST will be levied on such interest. **Thus, Value of Mobile phone = Rs. 44,000 & GST will be levied on Rs. 44,000.**

◆ As per section 15, Interest, late fee, Penalty for delayed payment of any consideration for any supply. Thus, penal interest is to be included in value of supply [as per section 15(2)(d)]. Transaction b/w Mr. X & Mr. Y is for supply of goods (mobile). Thus, Penal interest would be taxable as it would be included in value of mobile, irrespective of manner of invoicing.

Ex 2. Mr. X sells a mobile phone to Mr. Y. Cost of mobile phone is Rs 40,000. Mr. Y has the option to avail a loan at interest of 2.5% per month for purchasing the mobile from ABC Ltd. Terms of loan from ABC Ltd. allows Y to repay the loan in 4 months & additional/penal interest @ 1.25% PM for any delay in payment. In this case, ABC Ltd. is getting interest for extending loan to Mr. X. Thus, GST will be levied on such interest. **Thus, Value of Mobile phone = Rs. 40,000 & GST will be levied on Rs. 40,000.**

Additional/Penal interest is charged for a transaction between Mr. Y & ABC Ltd. & same is getting covered under exemption Entry 27. Thus, 'Penal interest' charged on a transaction between Mr. Y & ABC Ltd. would not be subject to GST as the same would be covered under said exemption entry.

Note: Any service fee/charge like processing fees are levied by ABC Ltd. i.r.o transaction related to extending loans/advances is not exempted from GST (only interest is exempt).

GST on Monthly Maintenance Subscription/Contribution (Maintenance) charged by RWA from its members

Q	Issue	Clarification
1	Are Maintenance charges paid by members to RWA exempt ?	Maintenance charges upto Rs. 7500 per month per member (PMPM) are exempt from GST.
2	RWA has ATO of ≤ Rs. 20 lacs in a FY. Is it required to take registration & pay GST on maintenance charges if amount of such charges > Rs. 7500 PMPM?	<ul style="list-style-type: none"> ▪ No. If aggregate turnover of RWA ≤ Rs. 20 Lacs in a FY, it shall not be required to take registration & pay GST even if the amount of maintenance charges > Rs. 7,500 PMPM. ▪ RWA shall be required to pay GST on monthly subscription/contribution from its members, only if such subscription is > Rs. 7,500 PMPM & Annual ATO of RWA by way of supplying of G&S is >Rs. 20 lacs.
3	Is RWA entitled to take ITC of GST paid on IS used by it for making supplies to its members & use such ITC for discharge of GST liability on such supplies where amount charged > Rs. 7,500 PMPM?	RWAs are entitled to take ITC of GST paid by them on <ul style="list-style-type: none"> ▪ Capital goods (generators, water pumps, lawn furniture etc) ▪ Goods (taps, pipes, other sanitary/hardware fillings etc.) ▪ Input services such as repair & maintenance services.
4	If a person owns 2 or more flats, whether ceiling of Rs. 7500 PMPM on maintenance for exemption to be available shall be applied per apartment/per person?	Person who owns 2 or more flats in housing society shall normally be a member of RWA for each flat owned by him separately. Ceiling of Rs. 7,500 PMPM shall be applied separately for each flat owned by him.
If a person owns 2 flats in a complex, Limit for exemption shall be Rs. 7,500 × 2 Flats = Rs. 15,000. Joint owner shall be treated as single owner & Limit for exemption shall be limited upto Rs. 7,500 only.		Thus, we can say that Limit of Rs. 7,500 is on the basis of no. of flats owned

5A. TIME OF SUPPLY

DATE OF RECEIPT OF PAYMENT = Earlier of Date on which **Payment** is entered in books of A/c or debited from bank A/c of the recipient.

TIME OF ISSUE OF TAX INVOICE FOR SUPPLY OF GOODS		TIME OF ISSUE OF TAX INVOICE FOR SUPPLY OF SERVICES	
GENERAL CASE [Section 31(1)]: Before or at the time of		GENERAL CASE [Section 31(2)] Before or after provision of service BUT	
Case	Time of issue of Invoice for Goods	Case	Time of issue of Invoice for Services
Supply involves Movement of Goods	Removal of goods for supply to the recipient	In Normal cases	within 30 days from date of Provision of Service
In other cases	Delivery of goods or making them available to recipient	For Insurance, Banks & NBFC	within 45 days from date of Provision of Service
CONTINUOUS SUPPLY [Sec 31(4)] [Successive statements A/C or Payments are involved]		CONTINUOUS SUPPLY [Sec 31(5)]	
▪ Before or at the time each such statement is issued or each such payment is received.		Case	Time of issue of Invoice
GOODS SENT ON APPROVAL [Sec 31(7)] Earlier of (a) or (b)		DD of Payment is ascertainable	On/before due date of payment
(a) Date when Recipient indicates that he has accepted the supply of goods		DD of Payment is not ascertainable	Before/at time of receipt of payment
(b) Within 6 months from the Date of Removal.		Payment is linked to completion of event	On/before completion of event
		SUPPLY OF SERVICES CEASES BEFORE COMPLETION OF SUPPLY [Sec 31(6)]	
		At time when supply ceases & only to extent of supply made before such cessation.	

Nature	TIME OF SUPPLY OF GOODS [Section 12]	TIME OF SUPPLY OF SERVICE [Section 13]	
Forward Charge [Sec 12(2)] Earlier of (a) or (b)	(a) Date of Issue of Invoice by the supplier; (b) Last Date on which invoice is required to be issued Note: No GST on Advance received for supply of goods under FCM.	Cases	Time of Supply [Earlier of ↓]
		If invoice is issued within Time limit	(i) Date of invoice or (ii) Date of Payment
		If invoice is not issued within Time limit	(i) Date of service or (ii) Date of Payment
Reverse Charge [Sec 12(3)] Earlier of (a), (b), (c)	(a) Date of Receipt of Goods (b) Date of Receipt of Payment (c) Date of issue of invoice + 31 st Day	(a) Date of receipt of payment (b) Date of issue of invoice + 61 st Day	
If 12(3)/13(3) → NA	ToS = Date of Entry in books of A/c of Recipient of supply	IMPORT OF SERVICE B/W ASSOCIATED ENTERPRISES (supplier is located o/s India) Earlier of (i) Date of entry of service in books of A/c of recipient or (ii) Date of Payment.	
		ToS = Date of receipt of services as shown in books of A/c of recipient.	

COMMON POINTS FOR TOS OF GOODS & SERVICES

VOUCHERS SUPPLIED BY SUPPLIER [SEC 12(4)]		1. Excess Payment Received upto Rs. 1,000: If Payment received > value of goods in Invoice (excess being) upto Rs. 1,000; Supplier can choose to take Date of Invoice issued w.r.t such excess amount as ToS of goods for such excess value.
(i) If Supply is Identifiable at that point	Date of Issue of Voucher	
(ii) All other cases	Date of Redemption of Voucher	2. Supply shall be deemed to have been made to the extent it is covered by invoice/payment. 3. ToS for Interest, Late Fees & Penalty = Date of receipt of such amount by supplier.
RESIDUAL CASES [SEC 12(5)]		
(i) If GST Return has to be filed	Date on which such return is to be filed	
(ii) All other cases	Date on which GST is paid.	

5B. VALUE OF SUPPLY (VoS)

Value of 'Supply of G/S' = Transaction value (price actually paid/payable) if : (i) Supplier & Recipient are not Related & (ii) Price is Sole Consideration for such supply [Sec 15(1)]											
INCLUSIONS IN VALUE OF SUPPLY [SECTION 15(2)]		EXCLUSIONS FROM VALUE OF SUPPLY [SECTION 15(3)]									
(a)	Taxes: Any taxes, duties, cess, fees & charges (if charged separately) Except GST & related Cess.	Time of Discount	Treatment								
(b)	TCS should not be included in VoS (since it is an interim levy not having character of tax).	before or at time of supply	If such discount has been recorded (shown) in invoice issued for such supply, it shall be excluded from VoS.								
(c)	Payment to 3 rd party by Recipient on behalf of supplier: Any amount paid/payable by recipient to 3 rd party which supplier is liable to pay for such supply & such payment is not included in price. Note: Amount paid by recipient to 3 rd party will be added to VoS only when supplier is under contractual liability to make payment to such third parties & said payment is in relation to such supply.	Discount given after supply	If such discount is given as per agreement which existed at time of such supply & specifically linked to relevant invoices & Proportionate ITC has been reversed by recipient.								
(d)	Incidental expenses: Any amount charged for anything done by supplier i.r.o supply of G/S at the time of, or before delivery/supply of G/S. <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr><td style="padding: 2px;">Commission paid to agent & recovered from recipient.</td></tr> <tr><td style="padding: 2px;">Packing if charged by supplier to recipient.</td></tr> <tr><td style="padding: 2px;">Inspection or certification charges if billed to recipient of supply.</td></tr> <tr><td style="padding: 2px;">Installation & testing charges [Since charged for something done at time of making supply].</td></tr> <tr><td style="padding: 2px;">Weighment charges, loading & designing charges incurred before supply.</td></tr> <tr><td style="padding: 2px;">Outward freight, transit insurance</td></tr> <tr> <td style="padding: 2px;"> 1 Delivery of goods at buyer's premises: <ul style="list-style-type: none"> ▪ Goods + Delivery + Insurance = Composite supply; ▪ Principal supply is "supply of goods". ▪ Thus, 'Outward freight & Insurance charges' becomes part of value of composite supply & GST is payable on outward freight & insurance charges at rate as applicable for goods. </td> </tr> <tr> <td style="padding: 2px;"> 2 Ex-factory basis contract → Outward freight will not be included in value of supply since buyer pays outward freight. </td> </tr> </table>	Commission paid to agent & recovered from recipient.	Packing if charged by supplier to recipient.	Inspection or certification charges if billed to recipient of supply.	Installation & testing charges [Since charged for something done at time of making supply].	Weighment charges, loading & designing charges incurred before supply.	Outward freight, transit insurance	1 Delivery of goods at buyer's premises: <ul style="list-style-type: none"> ▪ Goods + Delivery + Insurance = Composite supply; ▪ Principal supply is "supply of goods". ▪ Thus, 'Outward freight & Insurance charges' becomes part of value of composite supply & GST is payable on outward freight & insurance charges at rate as applicable for goods. 	2 Ex-factory basis contract → Outward freight will not be included in value of supply since buyer pays outward freight.	SECTION 15(4) – REFERENCE TO VALUATION RULE <ul style="list-style-type: none"> ▪ If VoS of G/&S cannot be determined u/s 15(1), it shall be determined in such manner as may be prescribed. ▪ Applicability of Sec 15(4): (a) Supplier & recipient are related party; (b) Price is not sole consideration for supply. 	
Commission paid to agent & recovered from recipient.											
Packing if charged by supplier to recipient.											
Inspection or certification charges if billed to recipient of supply.											
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2 Ex-factory basis contract → Outward freight will not be included in value of supply since buyer pays outward freight.											
		Value in case of 'DISCOUNTS' <ul style="list-style-type: none"> ❖ 'Buy more, Save more' offers: Such Discounts shall be excluded to determine VoS provided they satisfy the parameters laid down in sec. 15(3) including reversal of ITC by recipient of supply as is attributable to discount on the basis of documents issued by supplier. ❖ Secondary Discounts: Secondary discounts shall not be excluded while determining VoS as such discounts are not known at the time of supply & conditions in sec 15(3)(b) of CGST Act are not satisfied. There is no impact on availability or otherwise of ITC in the hands of supplier. 									
(e)	Interest, late fee, Penalty for delayed payment of any consideration for any supply.	Value for computing GST on services of BFs/BCs to Bank <ul style="list-style-type: none"> ▪ Bank is service provider in BF/BC model operated by banking company. ▪ Bank is liable to pay GST on Entire Value of Service Charge or fee charged to customers (whether or not received via BF or BC). 									
(f)	Subsidies directly linked to the price [excluding subsidies provided by CG/SG]										
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Received from CG/SG</td> <td colspan="2">Not added to the value of supply</td> </tr> <tr> <td rowspan="2">Received from others</td> <td style="width: 30%;">Directly Linked to price of supply →</td> <td>Added to value</td> </tr> <tr> <td>Not Linked to price of supply →</td> <td>Not added to value</td> </tr> </table>	Received from CG/SG	Not added to the value of supply		Received from others	Directly Linked to price of supply →	Added to value	Not Linked to price of supply →	Not added to value		
Received from CG/SG	Not added to the value of supply										
Received from others	Directly Linked to price of supply →	Added to value									
	Not Linked to price of supply →	Not added to value									

6. INPUT TAX CREDIT

SOME RELEVANT DEFINITIONS		CONDITIONS FOR TAKING INPUT TAX CREDIT [Section 16]	
Capital Goods	Goods whose value is capitalized in books of A/c of person claiming ITC & are used or intended to be used in course of business .	Registered Person + Business + ECL [Sec 16(1)]	<ul style="list-style-type: none"> ▪ Every RP shall be entitled to ITC on any inward supply of G/&S to him which are used (intended) in course/furtherance of business & ▪ said amount shall be credited to ECL of such person. Note: Tax paid on G/&S used for non-business purposes → No ITC
Input	Any goods (other than capital goods) used or intended to be used by supplier in course or furtherance of business.		
Input Service	Any service used or intended to be used by supplier in course or furtherance of business.	Tax Invoice [Sec 16(2)(a)]	<ul style="list-style-type: none"> ▪ RP must have tax invoice or debit note of G/&S issued by Reg. supplier in Possession.
Input Tax	CGST/SGST/IGST/UTGST charged on any inward supply of G/S made to him & includes: <ul style="list-style-type: none"> ✓ IGST charged on Import of goods; [BCD → nahi aayega] ✓ Tax payable u/s 9(3) & 9(4) of CGST Act & SGST Act [RCM]; ✓ Tax payable u/s 5(3) & 5(4) the IGST Act; ✓ Tax payable u/s 7(3) & 7(4) the UTGST Act; ▪ but does not include tax paid under composition levy (scheme). 	Receipt of G/S	<ul style="list-style-type: none"> ▪ RP must have received the goods or services or both.
		Output tax	Tax chargeable under GST on outward (taxable) supply of G/S made by him or by his agent but excludes tax payable on RCM basis.
Zero-rated	Export of G/&S; Supply of G/&S to SEZ developer or SEZ unit.	Goods	If goods are delivered by supplier to the recipient on direction of buyer (such RP) → It shall be deemed that RP has received the goods.
Export of Service	It means the supply of any service when: <ul style="list-style-type: none"> ▪ Supplier of service is located in India; ▪ Recipient of service is located outside India; ▪ PoS of service is outside India; ▪ Payment for such service has been received in convertible FOREX; ▪ Supplier & recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8; 	Services	If services are provided by supplier to any person on direction of & on account of such RP → It shall be deemed that RP has received the services.
		Plant & Machinery	<ul style="list-style-type: none"> ▪ means apparatus, equipment & machinery fixed to earth by foundation or structural support that are used for making outward supply of & includes such foundation & structural supports but ▪ Excludes L&B or any other civil structures; Pipelines laid outside factory premises; Telecommunication towers [IMP]
TIME LIMIT TO AVAIL ITC [Earlier of] ↓		Filing Return	Registered person (taking ITC) must have filed his return u/s 39 .
		Payment to Supplier	<ul style="list-style-type: none"> ▪ Recipient of G/&S shall pay 'Value of Supply + GST' to supplier of G/&S within 180 days from date of issue of invoice. ▪ Otherwise, ITC availed by recipient shall be added to his output tax liability, along with interest thereon. ▪ Interest @ 18% → from date of availing credit till date of payment. Note: Payment after 180 days: Recipient can avail ITC after payment.
(a) On/before Due Date of filing return u/s 39 for the month of September following the end of FY to which such invoice or invoice relating to such debit note pertains. (b) Date of filing of relevant annual return .		Rule 37(4)	<ul style="list-style-type: none"> ▪ No Time Limit is applicable to RE-AVAIL ITC reversed earlier.
		Consequences of Non-Payment to the supplier [Rule 37]	RP shall furnish in FORM GSTR-2 (i) Details of such supply; (ii) Amount of value not paid & amount of ITC availed proportionate to such unpaid amount for the month immediately following 180 days from date of issue of invoice.
EXCEPTIONS of Payment of "Value + GST"		(a) Supplies on which tax is payable under RCM basis; (b) Deemed supplies without consideration; (c) Additions made to 'value' on account of supplier's liability being paid by recipient.	

DOCUMENTS REQUIRED FOR CLAIMING ITC [Rule 36(1)]

- Invoice issued by supplier of G/&S u/s 31; Revised Invoice
- Invoice issued by recipient (under RCM) subject to payment of tax
- Debit note issued by supplier u/s 34; ISD Invoice/Credit note issued by ISD.
- Bill of entry or any similar document prescribed under Customs Act, 1962;

ITC cannot be denied due to certain clerical mistakes in the invoice by the supplier.

If the said document does not contain all specified particulars but contains details of:

Minimum requirements to claim ITC: Amount of tax charged, Total VoS of G/S; GSTIN of supplier & recipient; PoS in case of inter-State supply; Description of G/S → ITC may be availed by such RP.

SOME IMPORTANT POINTS:

1. **Goods in Lots** (against same invoice) → RP shall be entitled to take ITC **upon receipt of last lot/instalment**.
2. **No ITC of Tax paid towards demands involving Fraud**, Willful misstatement, suppression of facts. **[Rule 36(3)]**
3. **Depreciation:** If Depreciation is claimed on 'Cost + GST' → ITC will **NOT** be allowed; If Depreciation is claimed on 'Cost' only → ITC will be allowed.
4. Normal Loss → Entire ITC is allowed; Abnormal Loss → ITC is not allowed to the extent of abnormal loss.

APPORTIONMENT OF CREDIT [SECTION 17]

17(1)	G/S used partly for business purpose & partly for other purposes: ITC proportionate to business purpose shall be allowed. [Non-Business → NO ITC]		
17(2)	G/S used partly for making taxable supplies (including zero-rated supplies) & partly for making Exempt supplies ▪ G/S used for making 'taxable supplies & zero rated supply' → ITC Allowed; ▪ NO ITC on G/S used for making 'Exempt Supplies'.		
17(3)	Value of Exempt Supplies u/s 17(2) shall include: [ITC on such supply need to be reversed]		
	Supply made under RCM	Transactions in Securities	Sale of Land; & Sale of Building [subject to clause (b) of paragraph 5 of Schedule II]
	Explanation: 'Value of Exempt Supply' shall not include value of activities/transactions specified in Schedule III (Negative List), except those specified in para 5. Thus, Value of Exempt Supply shall include activities specified in para 5. CRUX: No ITC needs to be reversed on Schedule III activities except Sale of L&B.		
17(4)	BANKS/FIs/NBFCs engaged in supply of services of accepting deposits, giving loans/advances shall have 2 options [Exercised option cannot be changed during FY] (1) To comply with the provisions of Section 17(2); (2) Avail 50% eligible ITC on Inputs, IS & Capital goods in that month & rest shall lapse. Note: 2 nd Proviso: Restriction of 50% shall NOT apply to tax paid on supplies made by one registered person to another registered person having the SAME PAN (Branches).		
	Rule 38 [Chapter V: ITC of CGST Rules] – Procedures to follow if 2nd option is chosen		
	(a) They shall not avail ITC of ▪ GST paid on inputs, IS used for Non-business purpose. ▪ ITC attributable to supplies specified in sec 17(5) in GSTR-2. [Blocked Credit]		
	(b) They shall avail 100% ITC of tax paid on inputs & IS [referred. in 2 nd proviso to sec 17(4)]. [Supply made by RP to another RP having SAME PAN]		
	(c) On Remaining Inputs & IS, admissible ITC = 50% of input tax paid [other than (b)].		

BLOCKED CREDIT (G/S NOT ELIGIBLE FOR ITC) [Section 17(5)]

1 MOTOR VEHICLES			5 Others	
(a)	ITC Blocked	Motor vehicles used for transportation of Persons with seating capacity ≤ 13 persons (including driver).	(a)	Blocked <ul style="list-style-type: none"> Food & beverages; Outdoor catering; Health services; Life & health insurance; Beauty treatment; Plastic (Cosmetic) surgery Leasing, renting or hiring of MV/A/V on which ITC is blocked. PC Note: [Khana + Health + Gadi]
(b)	ITC Allowed	When such motor vehicles are used for making following taxable supplies: <ul style="list-style-type: none"> Further supply of such motor vehicles (Sale); Transportation of passengers (Taxi Business); Imparting training on driving motor vehicles (Driving School). 	(b)	Allowed <ul style="list-style-type: none"> When Such G/S are used for making outward supply of same category of G/S [Same Line of Business] or as a composite or mixed supply. G/S are provided to employees under statutory obligation
❖ ITC on MV for transportation of Persons with seating capacity > 13 persons → ITC Allowed. ❖ ITC on any other motor vehicle used for any purpose is allowed. Ex: Motor Vehicle used for transportation of goods, dumpers, tippers etc.				
2 AIRCRAFTS & VESSELS			6 Works Contract services for construction of immovable property (other than P&M) Except where it is input service for further supply such service. ITC is allowed in following cases:	
(a)	Blocked	Other than specified below.	<ul style="list-style-type: none"> It is input service for further supply of works contract service (sub-contracting). [only work contractor can avail ITC on works contract services] ITC on works contract services used for construction of such P&M is allowed. When value of works contract service is not capitalized, ITC is allowed to all recipients irrespective of business. [No capitalization → No Construction] 	
(b)	Allowed	Vessels & Aircraft when used for making following taxable supplies: <ul style="list-style-type: none"> Further supply of such aircraft or vessels (Sale); Transportation of passengers & goods; Imparting training on navigating/flying such vessels/aircraft; 		
3 INSURANCE, SERVICING, REPAIR & MAINTENANCE relating to			7 No ITC of G/S received for Self-construction of Immovable property	
(a)	Blocked	<ul style="list-style-type: none"> MV for transportation of persons with seating capacity ≤ 13 persons; Vessels & Aircraft 	Note: ITC is available when construction is not on own account; or is of P&M.	
(b)	Allowed	<ul style="list-style-type: none"> Such services relating to MV/A/V on which ITC is allowed. Such services when received by a taxable person engaged: <ul style="list-style-type: none"> (i) In manufacture of such motor vehicles, vessels or aircraft; or (ii) In supply of Insurance services i.r.o such MV/A/V insured by him. 	8	Composition Scheme: G/S on which tax has been paid u/s 10.
PC Note: If ITC is allowed on MV/A/V, ITC on their insurance, servicing, R&M → Allowed.			9	G/&S received by NRTP [Except on goods imported by him] Note: ITC on goods imported by NRTP is allowed but ITC on services imported by him is blocked.
			10	Personal Purpose: G/&S used for personal consumption .
4 Membership of Club, Health, Fitness Centre + Travel Benefits			11 Any tax paid in accordance with the provisions of Sections 74, 129 & 130.	
(a)	Blocked	Membership of Club, Health & Fitness Centre. Travel benefits extended to employees on vacation [Ex: LTC]	Sec 74: SCN for fraud; Sec 129: Goods are under detention for investigation. Sec 130: Tax paid in case of goods or conveyance being confiscated. Sec 73: SCN issued in cases other than fraud to recover GST. Thus ITC <input checked="" type="checkbox"/> .	
(b)	Allowed	Such services are provided to employees under statutory obligation.	12	Goods lost, stolen, destroyed , written off; disposed; Gift/free samples .

CREDIT IN SPECIAL CIRCUMSTANCES [SECTION 18]			
Sec 18	Persons eligible to take ITC (1)	Goods entitled to ITC	
		Inputs held in stock or CG (2)	As on (3)
(1)(a)	Person who has applied for registration within 30 days from becoming liable to registration & granted	Inputs held in stock & contained in semi-finished/FG held in stock	Day immediately preceding the date from which he becomes liable to pay tax
(1)(b)	Person who obtains Voluntary Registration	Inputs held in stock & contained in semi-finished/FG held in stock	Day immediately preceding the date of grant of registration
(1)(c)	RP who ceases to pay tax u/s 10 [Composition tax] & switches to regular scheme	Inputs held in stock & contained in semi-finished/FG held in stock & Capital Goods	Day immediately preceding date from which he becomes liable to pay tax under regular scheme
(1)(d)	RP whose exempt supplies become Taxable supplies	Inputs held in stock & contained in semi-finished/FG held in stock relatable to such exempt supply & Capital goods exclusively used for such exempt supply.	Day immediately preceding the date from which such supply becomes taxable
(2)	ITC shall be availed within 1 year from the date of issue of invoice by supplier. [ITC on Capital Goods will be reduced by 5% per quarter or part from date of invoice]		
(3)	In case of Change in constitution of RP , such RP is allowed to transfer unutilised ITC in his ECL to such sold, merged, demerged, amalgamated, leased or business, successor.		
with Rule 41	<ul style="list-style-type: none"> ▪ RP shall furnish details of change in constitution in FORM GST ITC-02 on common portal along with a request for transfer of unutilized ITC lying in his ECL to the transferee. ▪ In case of demerger, ITC shall be apportioned in the ratio of value of assets of new units as specified in demerger scheme. [Whether or not ITC has been availed on them]. ▪ Transferee shall (on common portal) accept furnished details by transferor & on such acceptance, unutilized ITC specified in Form GST ITC-02 shall be credited to his ECL. ▪ Inputs & capital goods so transferred shall be duly recorded by the transferee in his books. 		
(4)	<p>If any RP who has availed ITC opts to pay tax u/s 10 or where G/&S supplied by him become wholly exempt,</p> <ul style="list-style-type: none"> ▪ he shall pay an amount (by way of debit in ECL) or E-Cash ledger, ▪ equivalent to ITC i.r.o inputs held in stock & contained in semi-finished/FG held in stock and on capital goods as reduced by 5% per quarter or part, ▪ on the day immediately preceding date of exercising of such option or date of such exemption <p>Lapse of ITC: Provided that after payment of such amount, balance ITC lying in his ECL shall lapse.</p>		
(6)	<p>Supply of Capital Goods/P&M on which ITC has been taken: RP shall pay an amount: Higher of (i) or (ii):</p> <p>(i) ITC taken on such capital goods/P&M - 5% per quarter of a year or part; (Iii) Tax on the transaction value of such capital goods or P&M determined u/s 15.</p> <p>Note: If refractory bricks, moulds & dies, jigs & fixtures as scrap are supplied, taxable person may pay tax on transaction value of such goods determined u/s 15.</p>		
Rule 40	<ul style="list-style-type: none"> ➤ RP shall make a declaration on common portal in FORM GST ITC- 01 that he is eligible to avail ITC within 30 days from date of becoming eligible to avail ITC u/s 18(1). ➤ Such Declaration shall specify details relating to inputs held in stock/contained in semi-finished or FG held in stock or capital goods on the date mentioned in (3) above. ➤ Such details shall be duly certified by a practicing CA or a cost accountant if aggregate value of claim on account of GST > Rs. 2 Lacs; 		

Transfer of ITC on obtaining separate registration for Multiple PoB within a State/UT [Rule 41A]

(1)	RP with separate registration for multiple PoB & who intends to transfer unutilised ITC lying in his ECL to any or all of newly registered PoB, shall furnish within 30 days from obtaining such separate registrations, details in FORM GST ITC-02A on common portal <ul style="list-style-type: none"> ITC shall be transferred to newly registered entities in the ratio of the value of assets held by them at the time of registration. Value of Assets means the value of the entire assets of the business (whether or not ITC has been availed thereon).
(2)	Newly RP (transferee) shall accept the details so furnished by transferor & upon such acceptance, unutilised ITC specified in GST ITC-02A shall be credited to his ECL.

REVERSAL OF ITC IN CASE OF CANCELLATION OF REGISTRATION

- ITC needs to be reversed on inputs held in stock/semi-finished goods/FG held in stock, capital goods or P&M on the day immediately preceding cancellation date.
- Amount to be reversed on inputs & CG = Same as Section 18(4) & 18(6).

MANNER OF REVERSAL OF CREDIT IN SPECIAL CIRCUMSTANCES [RULE 44]

(1)	Amount of ITC relating to inputs held in stock, inputs contained in semi-finished & FG held in stock, & Capital goods held in stock shall be calculated as:	
	for Inputs in stock & in semi- finished goods & FG	Proportionately on the basis of corresponding invoices on which ITC had been availed by RP on such inputs
	for Capital Goods in stock	ITC involved in remaining useful life in months shall be computed on pro-rata basis [Taking useful life as 5 years]
(3)	If tax invoices are not available, RP shall estimate an amount based on prevailing FMV of goods on effective date of occurrence of any of specified events in sec 18(4)/ 29(5)	
(4)	Amount determined in (1) shall be added to output tax liability of RP.	

INPUT TAX CREDIT i.r.o Sales Promotional Schemes

Free Samples & Gifts: Not treated as Supply & No GST & ITC ☒ (Reversal)	Buy one get one free offer: Composite Supply & GST ☑ & thus ITC ☑.
Discounts including 'Buy more, save more' offers: Excluded from VoS & thus No GST & ITC ☒ (reversal).	Secondary discounts: not excluded from VoS & thus GST ☑. ITC ☑.

PROCEDURE FOR RETURN OF TIME EXPIRED DRUGS OR MEDICINES

1	Fresh Supply: Return of 'Time Expired goods' to be treated as Fresh Supply <ul style="list-style-type: none"> Person returning goods shall issue tax invoice & charge GST in it. Recipient of such return supply is eligible to avail ITC. If expired goods, returned by retailer/wholesaler are destroyed by manufacturer, he is required to reverse ITC availed on return supply (not on original supply). Note: If Person returning expired goods is a composition dealer, he shall issue Bill of Supply without charging GST.	2	Credit Note: Return of time expired goods by issuing Credit Note <ul style="list-style-type: none"> Retailer may return the time expired goods by issuing a delivery challan. Manufacturer who has supplied goods to retailer has the option to issue a credit note. If CN is issued within time limit specified in sec 34(2), tax liability may be adjusted by supplier if person returning goods has not availed ITC or if availed has reversed ITC. If time expired goods are destroyed by manufacturer, he/she is required to reverse ITC attributable to manufacture of such goods.
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DETERMINATION OF ITC ON INPUTS/INPUT SERVICES & REVERSAL [Rule 42]	DETERMINATION OF ITC ON CAPITAL GOODS & REVERSAL [Rule 43]
<ul style="list-style-type: none"> ITC of Inputs/IS which are partly used for business & partly for other purposes or making partly taxable supplies (including zero rated supplies) & partly for exempt supplies shall be attributed to business purpose or for making taxable supplies in following manner: 	<ul style="list-style-type: none"> ITC of Cap. goods which are partly used for business & partly for other purposes OR making taxable supplies (including zero rated supplies) & partly for exempt supplies shall be attributed to business purpose or for making taxable supplies as follows:
Total input tax involved on inputs & input services in a tax period	T
Input tax on inputs & input services used for ‘other than business’ purposes	T₁
Input tax on inputs & input services used for making ‘exempt supplies’	T₂
Input tax on inputs & input services on which ITC is not available u/s 17(5)	T₃
ITC credited to ECL of registered person = T - (T ₁ + T ₂ + T ₃)	C₁
Input tax credit on inputs & input services used for making ‘taxable supplies (including Zero rated supply)’ but other than exempted supply	T₄
COMMON CREDIT = C ₁ - T ₄	C₂
RP shall declare T ₁ , T ₂ , T ₃ , T ₄ at invoice level in GSTR - 2 & at summary level in Form 3B.	
ITC attributable to exempt supplies = C ₂ × $\frac{\text{Aggregate value of Exempt supplies during tax period}}{\text{Total turnover in State of RP during tax period}}$ [D ₁]	
Credit attributable to non-business purposes if common inputs & IS are used partly for business & partly for non-business purposes = 5% of Common Credit. [Denoted by D₂]	
Eligible ITC = Remaining common credit [C ₃] attributed to ‘business’ & for making taxable supplies (including zero rated supplies) other than exempted supplies = [C₂ - (D₁ + D₂)]	
Ineligible Credit = [D ₁ + D ₂] shall be added to output tax liability of registered person. [D ₁ + D ₂] shall be reversed by RP in GSTR-3B or GST DRC-03 .	
Class Note:	
<p>(a) ITC on Cap. goods used exclusively for non-business purposes/for making exempt supplies → shall be indicated in GSTR-2 & GSTR-3B & shall not be credited to ECL.</p> <p>(b) ITC on Cap. goods used exclusively for making taxable supplies including zero rated supplies → shall be indicated in GSTR-2 & GSTR-3B & shall be credited to ECL.</p>	
ITC ON CAP. GOODS NOT COVERED in (a) & (b) above [COMMON CREDIT]	
<p>A. ITC on Cap. goods not covered in (a) & (b) above [Cap. goods which are used commonly for making taxable & exempt supplies; business & non-business purposes) [Denoted by A] → Amount shall be credited to ECL. [Useful life of Cap. goods = 5 years from date of invoice]</p>	
<p>B. Change from non-business purpose/exempt supplies to common use: Where Cap. goods which were initially covered under (a) above get subsequently covered (c), compute ‘A’ by reducing ITC @ 5% per quarter or part thereof. Such reduced amount will be credited to ECL. Note: Add ‘A’ [c + d] credited to ECL to arrive at common credit [Tc].</p>	
<p>C. Change from exclusive use for taxable supply to common use: Where Cap. goods which were initially covered under (b) above get subsequently covered under clause (c), compute ‘A’ by reducing ITC @ 5% per quarter or part; Add such value to common credit [Tc].</p>	
T _m (ITC attributable to a tax period on common capital goods) = T _c /60.	
T _r = Aggregate of T_m for all such capital goods. (ITC at the beginning of tax period on all common capital goods whose useful life remains during tax period) PC Note: CG which are already in use (Opening bal. of T _m) + CG covered under A.	
T _e (Common credit towards exempted supplies) $= T_r \times \frac{\text{Aggregate value of Exempt supplies during tax period}}{\text{Total turnover in State of RP during tax period}}$ PC Note: This is an amount to be disallowed (i.e. add to output tax liability).	

7. REGISTRATION UNDER GST

FEATURES OF REGISTRATION UNDER GST	SOME RELEVANT DEFINITIONS												
<ul style="list-style-type: none"> ▪ PAN based Registration. No Centralized Registration. State-wise Registration. Separate Registration in Every State from where supplier makes taxable supply of G/S. PC Note: Registration not required for a State from where he makes Non-taxable supply. ▪ Registration is based on ATO computed on All India Basis. Thus supplier is required to obtain registration in every State/UT from where he makes a taxable supply of G/S. PC Note: For determining eligibility for registration → ATO computed on All India Basis. Once registered, GST is payable by each branch (if any) separately. ▪ NO Tax Specific Registration → Single registration for CGST, SGST, IGST & Cess etc. ▪ Single registration in a State. But if supplier has multiple PoB in a State/UT, 2 options: <ol style="list-style-type: none"> 1. Get Single registration for the said State [one place as PPOB & other branches as APOB. [In such case, Para 3 of Schedule 1/Section 7(1)(c) is not applicable] 2. Separate registrations for each PoB in such State/UT. [In such case, Para 3 of Schedule 1/Section 7(1)(c) is applicable] ▪ Composition levy in case of separate registration for different PoB in a state/UT. If one branch is paying tax u/s 10, all other branches shall pay tax u/s 10. (Composition) If one branch becomes ineligible for composition levy, all other branches become ineligible ▪ A person who is not liable to be registered may get himself registered voluntarily. ▪ Separate Registration for SEZ Unit/developer & ISDs (even if in same state). 	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #add8e6;">Place of Business [PoB]</td> <td> <ul style="list-style-type: none"> ▪ Place from where business is ordinarily carried on & includes warehouse, godown (where TP stores his goods or receives G/S) ▪ Place where a taxable person maintains his books of A/c; ▪ Place where a taxable person is engaged in business through agent. </td> </tr> <tr> <td style="background-color: #add8e6;">Fixed Establishment</td> <td> <ul style="list-style-type: none"> ▪ A Place (other than Reg. PoB) characterised by sufficient permanence & suitable structure in terms of human & technical resources ▪ to supply services, or to receive & use services for its own needs. </td> </tr> <tr> <td style="background-color: #add8e6;">Principal PoB</td> <td> <ul style="list-style-type: none"> ▪ means place of business specified as principal place of business ▪ in the certificate of registration. </td> </tr> <tr> <td style="background-color: #add8e6;">Registered Person</td> <td> <ul style="list-style-type: none"> ▪ means a person who is registered u/s 25, ▪ but does not include a person having a Unique Identity Number. </td> </tr> <tr> <td style="background-color: #add8e6;">CTP</td> <td> <ul style="list-style-type: none"> ▪ A person who occasionally undertakes supply of G/&S in course or furtherance of business whether as principal or agent, ▪ in a State/UT where he has no fixed place of business. </td> </tr> <tr> <td style="background-color: #add8e6;">NRTP</td> <td> <ul style="list-style-type: none"> ▪ Any person who occasionally undertakes supply of G/&S whether as principal or agent (Condition of Business → not required for NRTP) ▪ but who has no fixed place of business or residence in India. </td> </tr> </table>	Place of Business [PoB]	<ul style="list-style-type: none"> ▪ Place from where business is ordinarily carried on & includes warehouse, godown (where TP stores his goods or receives G/S) ▪ Place where a taxable person maintains his books of A/c; ▪ Place where a taxable person is engaged in business through agent. 	Fixed Establishment	<ul style="list-style-type: none"> ▪ A Place (other than Reg. PoB) characterised by sufficient permanence & suitable structure in terms of human & technical resources ▪ to supply services, or to receive & use services for its own needs. 	Principal PoB	<ul style="list-style-type: none"> ▪ means place of business specified as principal place of business ▪ in the certificate of registration. 	Registered Person	<ul style="list-style-type: none"> ▪ means a person who is registered u/s 25, ▪ but does not include a person having a Unique Identity Number. 	CTP	<ul style="list-style-type: none"> ▪ A person who occasionally undertakes supply of G/&S in course or furtherance of business whether as principal or agent, ▪ in a State/UT where he has no fixed place of business. 	NRTP	<ul style="list-style-type: none"> ▪ Any person who occasionally undertakes supply of G/&S whether as principal or agent (Condition of Business → not required for NRTP) ▪ but who has no fixed place of business or residence in India.
Place of Business [PoB]	<ul style="list-style-type: none"> ▪ Place from where business is ordinarily carried on & includes warehouse, godown (where TP stores his goods or receives G/S) ▪ Place where a taxable person maintains his books of A/c; ▪ Place where a taxable person is engaged in business through agent. 												
Fixed Establishment	<ul style="list-style-type: none"> ▪ A Place (other than Reg. PoB) characterised by sufficient permanence & suitable structure in terms of human & technical resources ▪ to supply services, or to receive & use services for its own needs. 												
Principal PoB	<ul style="list-style-type: none"> ▪ means place of business specified as principal place of business ▪ in the certificate of registration. 												
Registered Person	<ul style="list-style-type: none"> ▪ means a person who is registered u/s 25, ▪ but does not include a person having a Unique Identity Number. 												
CTP	<ul style="list-style-type: none"> ▪ A person who occasionally undertakes supply of G/&S in course or furtherance of business whether as principal or agent, ▪ in a State/UT where he has no fixed place of business. 												
NRTP	<ul style="list-style-type: none"> ▪ Any person who occasionally undertakes supply of G/&S whether as principal or agent (Condition of Business → not required for NRTP) ▪ but who has no fixed place of business or residence in India. 												
ADVANTAGES OF REGISTRATION	PC Note: CTP & NRTP cannot pay tax under composition levy u/s 10.												
<ul style="list-style-type: none"> ▪ Only RP can collect taxes from customers & pass on ITC of G/S supplied to recipients. ▪ Only RP can claim ITC of taxes paid & can utilize same for payment output tax liability. ▪ Only RP is eligible to apply for Government bids or contracts or assignments. 	AGGREGATE TURNOVER [ATO]												
Distinct Persons or Establishments of Distinct Persons [25(4) & 25(5)]	<ul style="list-style-type: none"> ▪ Aggregate turnover: includes total turnover of all units/branches of a person with same PAN & it is computed on all India basis. ▪ Here, 'Aggregate turnover' shall include all supplies made by taxable person, whether on his own account or made on behalf of all his principals. ▪ Supply of Goods (after completion of job) by reg. job worker → treated as supply of goods by 'Principal' & it shall not be included in ATO of registered job worker. 												
<ul style="list-style-type: none"> ❖ A person who has obtained/is required to obtain more than one registration (whether in one State/UT or more than one State/UT) shall be treated as distinct persons (i.r.o. each such registration). ❖ Where a person who has obtained/is required to obtain registration in a State/UT i.r.o. an establishment, has establishment in another State/UT, then such establishments shall be treated as establishments of distinct persons. 													

PERSON LIABLE FOR REGISTRATION [SEC 22]

ATO > 20 Lacs	<ul style="list-style-type: none"> Every supplier is liable to get registered in every state/UT from where he makes taxable supply of G/S if his ATO in CURRENT FY > Rs. 20 Lacs. For Special Category State (Mizoram, Manipur, Tripura (MMT) & Nagaland): Limit of ATO for registration = Rs. 10 Lacs.
NN 10/2019	<ul style="list-style-type: none"> Any person who is engaged in Exclusive Supply of goods: Limit of ATO for registration = Rs. 40 lacs. [Ice cream, Pan masala & Tobacco products → NA]
NN 10/2019 is not applicable in following cases & thus Threshold Limit is Rs. 20 Lacs/10 Lacs:	
(a) Persons required to take compulsory registration u/s 24. [No Limit for Registration]	
(b) Person who has opted for voluntary registration or such RP who intend to continue with their registration. [No Limit since already registered]	
(c) Supplier of Ice cream, Pan masala & Tobacco products.	
(d) Persons engaged in making Intra-State supplies in the States of:	
Manipur, Mizoram, Nagaland, Tripura (Special States for sec 22) → [Limit of Rs. 10 Lacs]	
Uttarakhand, Arunachal Pradesh; Meghalaya, Sikkim (Special States as per constitution but not for sec 22) + Puducherry & Telangana (Normal States) → [Limit = Rs. 20 Lacs]	
PC Note: Suppliers making Inter-State supply of goods are liable to compulsory registration & are thus covered in (a) above.	
Existing Law	<ul style="list-style-type: none"> Every person who is registered or holding a license under existing indirect tax law.
Transfer of Business	<ul style="list-style-type: none"> Business carried on by RP is transferred due to succession or otherwise to another person as going concern, transferee or successor shall be liable for registration, w.e.f. the date of such transfer or succession.
Amalgamation or demerger	<ul style="list-style-type: none"> In case of transfer pursuant to sanction of scheme for amalgamation or demerger of two or more companies pursuant to order of HC, Tribunal or otherwise, transferee shall be liable to be registered, w.e.f. date on which ROC issues certificate of incorporation.

TABLE SHOWING THRESHOLD LIMITS FOR REGISTRATION

Particulars	States	Threshold limit for Persons engaged in Supply of	
		Exclusively Goods	(i) Services or (ii) Both G&S
Normal States (other than Special Category States under constitution)	Puducherry + Telangana	Rs. 20 Lac	Rs. 20 Lac
	Others	Rs. 40 Lac	Rs. 20 Lac
Special Category states (for sec 22)	Manipur, Mizoram, Tripura (MMT), Nagaland	Rs. 10 Lac	Rs. 10 Lac
Special States as per constitution but not for section 22.	AP + UK + Meghalaya + Sikkim	Rs. 20 Lac	Rs. 20 Lac
	J&K + Assam + Himachal Pradesh	Rs. 40 Lac	Rs. 20 Lac

IMP PC Note:

COMPULSORY REGISTRATION [Section 24] [No Limit in following cases]		PERSONS NOT LIABLE FOR REGISTRATION [SEC 23]	
1	Person making any Inter-State Taxable supply of Goods . → Inter-State supply of Services & Handicraft Goods → Limit of 10/20L ☑	1	Person engaged exclusively in supply of Non-taxable or Exempt G/&S
2	Casual Taxable Persons making taxable supply. → Inter-State taxable supply of Handicraft Goods & availing benefit of NN 10/2019 → Limit of 10/20L ☑	2	Agriculturist (Individual/HUF) , to the extent of 'supply of produce out of cultivation of land'.
3	NRTP making taxable supply	3	Persons making only RCM supplies .
4	Persons who are required to pay tax under RCM. Note: If person is engaged exclusively only in RCM supplies → No Registration required.	4	Inter-State supplier of taxable services upto Rs. 20/10 L.
5	(a) Every ECO who is required to collect tax at source u/s 52 [AMD] ; (b) Persons who supply G/&S through ECO [other than specified u/s 9(5)]. Note: Suppliers supplying only services through ECO → Limit of Rs. 20/10L ☑	5	CTP making taxable supplies of handicraft goods upto Rs. 20/10 Lacs.
6	Persons required to deduct tax at source u/s 51 (whether or not separately registered under GST)	6	Inter-state supplier of specified handicraft goods upto Rs. 20/10 Lacs. Note: Such person must have obtained a PAN & generated an e-way bill.
7	Persons making taxable supply of G/&S on behalf of other taxable person (as agent/otherwise)	Voluntary registration [Sec 25(3)]: Person may get himself registered voluntarily. Once a person obtains voluntary registration, he has to pay tax even though his aggregate turnover does not exceed Rs. 20/10 lacs.	
8	Input Service Distributor (ISD) [whether or not separately registered under GST]		
9	Person supplying OIDAR services from a place outside India to an unregistered person in India		
		Deemed Registration [Section 26]: Grant of registration/UIN under any SGST/UTGST Act is deemed to be registration/UIN granted under CGST Act provided application for registration has not been rejected under CGST Act.	

TIME LIMIT TO APPLY FOR REGISTRATION		EFFECTIVE DATE OF REGISTRATION [Rule 10]	
Type of Person	When to apply	Cases	Effective date
Liable to register	within 30 days from date on which he becomes liable to registration	If application is submitted within 30 days from becoming liable to registration	Date of becoming liable to registration
CTP or NRTP	at least 5 days prior to commencement of business.	If application is submitted after 30 days from the date of becoming liable to registration	Date of grant of registration
Voluntary	When he desires so.		

COMPULSORY REGISTRATION FOR CTP & NRTP [Sec 25 & 27 r/w rules 13 & 15]	
Application form	<ul style="list-style-type: none"> CTP & NRTP is required to obtain GST registration at least 5 days prior to commencement of business. There is no special form. CTP can use GST REG-01 used by other taxable persons. NRTP cannot use normal form for registration. GST REG-09 is required to be filled.
Advance Payment	CTP & NRTP has to make advance deposit of tax equivalent to estimated tax liability for the period for which registration is sought.
Validity [90 days]	Valid for period specified in application or 90 days from effective DoR, whichever is earlier. [Max. Extension of 90 days]

SUO-MOTU REGISTRATION BY PROPER OFFICER [SEC 25(8) R/W RULE 16]

- If pursuant to any survey, enquiry, inspection, search or any other proceedings under the Act, PO finds that a person liable to registration under the Act has failed to apply for such registration, PO may register said person on a temporary basis.
 - Such person shall either: (a) submit application for registration **within 90 days** from date of grant of temporary registration, or (b) file an appeal against such temporary registration.
 - However, if Appellate Authority **upholds** (continue) the liability to registration, application for registration shall be submitted **within 30 days** from date of issue of such order of AT.
- Note:** GSTIN granted shall be effective from date of order of PO granting temporary registration.

UNIQUE IDENTITY NUMBER

- Any specialized agency of UNO or Multilateral FI & organization, consulate/embassy of foreign countries & any other notified person is required to obtain a UIN from GSTN portal.
- UIN is **needed for claiming refund of taxes paid** on notified supplies of G/S received by them.
- UIN granted is a centralized UIN (it shall be applicable to the territory of India)
- A person having UIN is not registered person & thus, is not a taxable person.
- PO may (upon submission of application or after receiving a recommendation from Ministry of External Affairs, Government of India) assign a UIN to the said person & issue registration certificate **within 3 working days** from date of submission of application.

PAN

PAN is mandatory to be eligible for grant of registration.

Exception:

- ✓ Person required to deduct tax u/s 51 can get registration by using his TAN.
- ✓ NRTP can apply for registration by using a valid passport.
- ✓ Business entity incorporated or established o/s India, has to submit the application for GST registration along with its **tax identification number** or **unique number** on the basis of which the entity is identified by the Government of that country or its Permanent Account Number (if available).

CHANGES (AMENDMENT) IN REGISTRATION [SEC 28 R/W RULE 19]

- If there is any change in any of the details furnished in application for registration/UIN, RP shall submit an application (within 15 days of such change) electronically in GST REG 14.
- **If change relates to non-core fields of information**, registration certificate shall stand amended upon submission of the application for amendment on the Common Portal.
- **If change related to core fields of information**, PO may approve or reject amendments. Such amendment shall take effect from date of occurrence of event warranting amendment.
Core field of Information: (a) Name of business; (b) Address of PPoB/APoB; (c) Addition, deletion or retirement of partners, directors, Karta, Managing Committee, Trustees, CEO.
- **If change in constitution of any business results in change of PAN of registered person**, the said person shall apply for fresh registration.
- Application for amendment of registration form cannot be filled if there is change in PoB from one State to another because GST registrations are State-specific. If one wishes to relocate his business to another State, he must voluntarily cancel his current registration & apply for a fresh registration in relocating state.
- If PO is of the opinion that the amendment sought is not warranted (or the documents furnished therewith are incomplete), he may, within 15 working days serve a notice in Form GST REG-03. This SCN can be replied within 7 working days (in Form GST REG-04).
- If PO fails to take action within time-limits given above, certificate of registration shall stand amended to the extent applied for & amended certificate shall be made available to RP.

PROCEDURE FOR REGISTRATION [Section 25 read with rules 8, 9 & 10]					
Applicability	Registration prescribed u/r 8, 9 & 10 are also applicable to person paying tax under composition levy, person seeking voluntary registration & CTP.				
Non – Applicability	<ul style="list-style-type: none"> ▪ NRTP; person required to deduct tax at source u/s 51 or collect tax at source u/s 52 & Person supplying OIDAR services from o/s India to NTOR. 				
Application	<ul style="list-style-type: none"> ▪ Application for registration in GST REG 01 is divided into 2 Parts (i) A & (ii) B. ▪ Application has to be submitted electronically at Common Portal duly signed/verified through Electronic Verification Code (EVC) [Aadhar OTP]. 				
Documents	<ul style="list-style-type: none"> ▪ Permanent Account Number (PAN), mobile number, e-mail address, State/UT. 				
Verification	<ul style="list-style-type: none"> ▪ PAN → from CBDT database; Mob. No. & E-mail → OTP sent on it. 				
TRN	<ul style="list-style-type: none"> ▪ Temporary Reference Number is generated & communicated to the applicant. ▪ Applicant shall electronically submit application in Part B along with specified documents at the Common Portal using TRN. 				
Acknowledgement	<ul style="list-style-type: none"> ▪ On receipt of such application, an acknowledgement in the prescribed form shall be issued to the applicant electronically. ▪ CTP gets a TRN for making an advance deposit of tax in his electronic cash ledger & an acknowledgement is issued only after said deposit. 				
Forwarded	<ul style="list-style-type: none"> ▪ Application shall be forwarded to the Proper Officer. 				
Examination by PO	<ul style="list-style-type: none"> ▪ If application & accompanying documents are found to be in order, PO shall grant registration to applicant within 3 working days from date of submission of application. 				
Deficiency in application	<ul style="list-style-type: none"> ▪ If application is found to be deficient, PO may issue a notice to applicant electronically in Form GST REG-03 within 3 working days from date of submission of application. 				
Clarification by applicant	<ul style="list-style-type: none"> ▪ Applicant shall furnish clarification, information or documents electronically, in Form GST REG-04, within 7 working days from date of receipt of notice. ▪ If PO is satisfied with clarification, information, etc., he may grant registration to applicant within 7 working days from date of receipt of such clarifications. 				
Rejection by PO	<ul style="list-style-type: none"> ▪ Where no reply is furnished by the applicant (or where the proper officer is not satisfied with the clarifications), the proper officer may reject such application & inform the applicant electronically in Form GST REG-05. 				
Deemed approval	<ul style="list-style-type: none"> ▪ If PO fails to take any action within 3 days (7 days in case of deficiency), application for grant of registration shall be deemed to have been approved. 				
Registration certificate [Rule 10]	<ul style="list-style-type: none"> ▪ Where the application for grant of registration has been approved, a certificate of registration in Form GST REG-06 will be issued. ▪ It shows the principal place of business & additional place or places of business & is made available to the applicant on the common portal & a Goods & Services Tax Identification Number (GSTIN) shall be assigned. ▪ GSTIN contains the following characters: [15 characters] <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td style="padding: 2px;">2 characters for State code;</td> <td style="padding: 2px;">10 characters for PAN or TAN</td> </tr> <tr> <td style="padding: 2px;">2 characters for the entity code</td> <td style="padding: 2px;">1 checksum character</td> </tr> </tbody> </table>	2 characters for State code;	10 characters for PAN or TAN	2 characters for the entity code	1 checksum character
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2 characters for the entity code	1 checksum character				

CANCELLATION OF REGISTRATION [SEC 29 R/W Rules 20 – 23]

On application by RP	PO may cancel registration in following cases: <ul style="list-style-type: none"> ▪ Business has been discontinued, transferred fully for any reason (including death of the proprietor, amalgamated, demerged or otherwise disposed of). ▪ There is any change in the constitution of the business. ▪ Taxable person (other than voluntary registration) is no longer liable to be registered u/s 22 or 24.
Cancellation in case of default	PO may cancel the registration from such date (including retrospective date) if <ul style="list-style-type: none"> ▪ Registered person has contravened prescribed provisions of the Act or rules; ▪ Person paying tax under Composition scheme has not furnished returns for 3 consecutive years; ▪ RP (other than composition scheme) has not furnished returns for continuous period of 6 months; ▪ Where any person (who has taken voluntary registration) has not commenced business within 6 months from the date of registration. ▪ Registration has been obtained by means of fraud, wilful misstatement or suppression of facts ▪ does not conduct any business from the declared place of business, ▪ issues invoice without supply of G/S in violation of the provisions of this Act. <p>Note: Opportunity of being heard shall be given before cancellation. Suspension of Registration during pendency of Proceedings: Same as Above.</p>
No Discharge of liability	Cancellation does not discharge liability of taxpayer for any period prior to the date of cancellation (whether or not such tax & other dues are determined before or after the date of cancellation).
Payment of dues	Every RP whose registration is cancelled shall pay amount equivalent to higher of: <ol style="list-style-type: none"> Reversal of ITC claimed in respect of inputs held in stock & inputs contained in semi-finished or FG held in stock or capital goods or P&M or Output tax payable on such goods on immediately preceding day of cancellation. <p>Note: In case of Capital Goods or P&M, amount payable shall be reduced by 5% per quarter or part thereof. Such payment can be made by way of debit in ECL or electronic cash ledger.</p>
Some other cases of Cancellation	<ul style="list-style-type: none"> ▪ RP does not conduct any business from the declared place of business. ▪ RP issues invoice without supply of G/S in violation of the provisions of the Act. ▪ RP violates the provisions pertaining to Anti-profiteering measure of sec 171.
UIN	Person to whom a UIN has been granted u/r 17 cannot apply for cancellation.
SUSPENSION OF REGISTRATION DURING PENDENCY OF PROCEEDINGS:	
Provided that during pendency of the proceedings relating to cancellation filed by registered person, registration may be suspended for such period & in such prescribed manner.	
Thus, taxpayer is freed from the routine compliances, including filing returns, under GST law during pendency of the proceedings related to cancellation of registration.	
EFFECTIVE DATE OF SUSPENSION OF REGISTRATION	
Where registered person has applied for cancellation of registration:	Where a registered person has applied for cancellation of registration, the registration shall be deemed to be suspended from: <ol style="list-style-type: none"> date of submission of the application or date from which the cancellation is sought, whichever is later pending the completion of proceedings for cancellation of registration.
Where cancellation of Registration has been initiated by the Department on its own motion:	Where PO has reasons to believe that the registration of a person is liable to be cancelled, he may, after affording the said person a reasonable opportunity of being heard, suspend the registration of such person w.e.f a date to be determined by him , pending the completion of the proceedings for cancellation of registration.

RP whose registration has been suspended as above shall not make any taxable supply during the period of suspension & shall not be required to furnish any return u/s 39.

Suspension of registration shall be deemed to be revoked upon completion of cancellation proceedings by PO. Such revocation shall be effective from the date on which suspension had come into effect.

REVOCATION OF CANCELLATION OF REGISTRATION [SEC 30]

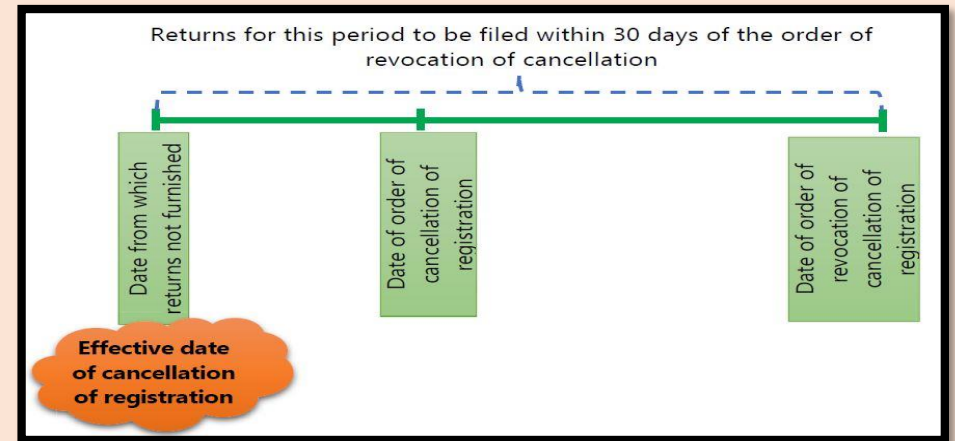
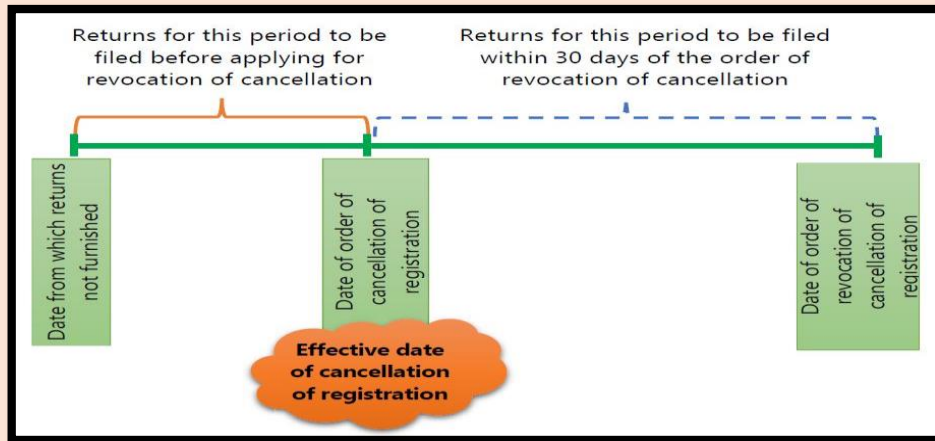
Any RP whose registration is cancelled by PO on his own motion, may apply to for revocation of cancellation of registration within 30 days from date of service of cancellation order.
 Note: If registration is cancelled due to non-filing of return, application for revocation can be filed only after such returns are filed & tax is deposited with interest, penalty & late fee.
 PO may by order, either revoke cancellation of registration or reject the application within 30 days of receipt of application & communicate the same to applicant.
 In case of rejection: PO has to issue SCN to the applicant who shall furnish the clarification within 7 working days of service of SCN.
 Revocation of cancellation of registration under SGST/UTGST Act shall be deemed to be a revocation of cancellation of registration under CGST Act.

WHERE REGISTRATION WAS CANCELLED FOR FAILURE OF RP TO FURNISH RETURNS

RP needs to file such returns before applying for revocation of cancellation. Registration may have been cancelled by PO (a) either from the date of order of cancellation of registration or (b) from a retrospective date.

Where registration has been cancelled w.e.f the date of order of cancellation

Where the registration has been cancelled with retrospective effect



UIN Holders (i.e. UN Bodies, Embassies & Other Notified Persons), GST Practitioner cannot apply for revocation of cancelled registration.
 In case the registration is cancelled on the request of the taxpayer or his legal heir, one cannot apply for revocation of cancelled registration.

8A. INVOICE, CREDIT NOTE & DEBIT NOTE

TAX INVOICE		REVISED INVOICE	
ITC	Tax invoice is an essential document for the recipient to avail ITC.	Purpose: To enable recipient of such supplies to avail ITC on such supplies.	
Format	No prescribed format for Tax Invoice. Only certain fields are mandatory.	<ul style="list-style-type: none"> ▪ RP may issue a revised invoice against invoice already issued ▪ from effective date of registration till date of issue of reg. certificate ▪ within 1 month from date of issue of registration. 	
Mode	Electronic invoices → Not Mandatory. Invoices may be issued manually/electronically.	Consolidated Revised Tax Invoices [CRTI]	
Who shall issue?	<ul style="list-style-type: none"> ▪ Supplier supplying taxable G/S ▪ Buyer (RP) buying G/S from URP [Invoice on receipt of G/&S + Payment voucher on payment] 	<ul style="list-style-type: none"> ▪ RP may issue CRTI i.r.o all taxable supplies made to URP. ▪ Inter-State: CRTI cannot be issued if VoS > Rs. 2,50,000 (to a person). 	
No. of Copies	<ul style="list-style-type: none"> ▪ Supply of Goods: Triplicate [For Recipient + Transporter + Supplier] ▪ Supply of Services: Duplicate [For Recipient + Supplier] 	RECEIPT VOUCHER ON RECEIPT OF ADVANCE PAYMENT	
NO Tax Invoice	RP may not issue tax invoice if: VoS < Rs 200 + Recipient is URP & does not require invoice. Note: Consolidated tax invoice for such supplies at the close of each day i.r.o all such supplies.	Shall be issued by RP on receipt of advance payment wr.t. any supply of G/S	
BILL OF SUPPLY		As per proviso to Rule 50, if at the time of receipt of advance,	
<ul style="list-style-type: none"> ▪ Bill of supply is similar to tax invoice except that bill of supply does not contain any tax amount. ▪ Bill of supply is issued in cases where tax cannot be charged: <ul style="list-style-type: none"> ✓ RP is selling exempted goods/services. ✓ RP who has opted for composition scheme. ✓ RP who has opted to pay tax under NN 2/2019. ▪ Invoice-cum-Bill of Supply: If RP is supplying taxable & exempted G/S to unregistered person → he can issue a single 'invoice-cum-bill of supply' for all such supplies. 		Rate not known → Taxed @ 18%	Nature not known → Inter-State
		REFUND VOUCHER	
PAYMENT VOUCHER		<ul style="list-style-type: none"> ▪ RP shall issue payment voucher at the time of payment to URP. ▪ Such RP shall also issue tax Invoice shall be issued on receipt of G/S 	

SN	CONTENT OF VOUCHERS	Receipt Voucher	Refund Voucher	Payment Voucher
1	Name, Address & GSTIN of Supplier + Date of Issue + Serially No. (Max. 16 Characters) + Description of G/S	☑	☑	☑
2	Name, Address & GSTIN/UIN of the recipient	☑	☑	☑
3	Rate of Tax + Amount of Tax Charged	☑	☑	☑
4	Amount of Advance received (taken)	☑	☒	☒
5	Number & Date of issue of Receipt voucher + Amount of Refund made	☒	☑	☒
6	Payment made (to URP)	☒	☒	☑
7	PoS along with the name of State (in case of inter-State supply).	☑	☒	☑
8	Whether tax is payable on RCM basis.	☑	☑	☒
9	Signature or digital signature of the supplier or his authorised representative	☑	☑	☑

SN	CONTENT OF →	Tax Invoice	Revised Tax Invoice	Bill of Supply	Debit/Credit Note
1	Name, Address & GSTIN + Date of Issue + Serially No. (Max. 16 Characters) + Details of URP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Name, Address & GSTIN/UIN of the recipient + Taxable Value	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3	HSN Code + Description of G/S + Total Value	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4	Rate of Tax + Amount of tax charged + Place of Supply + Address of delivery	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	If RCM applicable	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Signature or digital signature	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
7	Nature of document + Sr. No & date of tax invoice/Bill of Supply	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

No. of Digits of HCN Code to be stated in Invoice	Annual TO in last FY	Upto 1.5 Crore	> 1.5 Crore & upto 5 Cr	> 5 Crore
	No. of digits of HSN Code		Nil	2

CREDIT NOTE [Sec 34(1) & (2)]

Supplier may issue a **one or more CNs** for supplies made to recipient in FY if: After issue of **one or more tax invoices for supply of G/S**, it is found that i.r.o such supply
(a) Taxable value in invoice > taxable value of supply; (b) Tax charged in invoice > Tax payable on such supply; (c) Recipient has returned the goods; (d) G/S are found to be deficient

RP who issues such a credit note has to declare details of such credit note in the return for the month during which such credit note has been issued **but not later than**
(a) September following the end of FY in which such supply was made; (b) Date of furnishing of relevant Annual return u/s 44. **[whichever is earlier]**

Tax liability of RP issuing CN will be adjusted if recipient has not availed ITC on such portion of supply or if availed, reverses such ITC. [No Adjustment is needed in secondary discount]

Note: A Dealer may issue **One Credit note for multiple Invoices.**

DEBIT NOTE [Sec 34 (3) & (4)]

[Shall include 'Supplementary invoice']

Supplier may issue a **one or more DNs** for supplies made to recipient in FY if: After issue of **one or more tax invoices for supply of G/S**, it is found that i.r.o such supply
(a) Taxable value in invoice < taxable value of supply; OR (b) Tax charged in invoice < Tax payable on such supply. [Tax liability of RP will be adjusted in accordance with DN issued].

RP who issues such a DN has to **declare details** of such debit note **in the return for the month during which such debit note has been issued.**

SUPPLIER PERMITTED TO ISSUE ANY DOCUMENT OTHER THAN TAX INVOICE [Sec 31(2) & proviso to sec 31(1) r/w rules 54 & 55]		
Supplier	Document in lieu of Tax invoice	
	Mandatory information	Optional information
Insurer/Banking Company FIs/NBFC	<ul style="list-style-type: none"> Consolidated tax invoice/statement may be issued for supply of services made during a month at the end of the month. Other prescribed information for Tax Invoice u/r 46. 	<ul style="list-style-type: none"> Serial number of invoices; Address of recipient of service. Signature of supplier shall not be required in the case of issuance of a consolidated tax invoice or any other document in lieu thereof.
GTA Service Provider	<ul style="list-style-type: none"> Name of consignor & consignee; Gross weight of consignment Details of goods transported & Registration No. of vehicle. Place of origin & destination; GSTIN of person liable for paying tax Other Prescribed information for a tax invoice u/r 46 	
Supplier of Passenger Transportation service	<ul style="list-style-type: none"> Ticket (any form) shall be deemed to be Invoice. Other Prescribed information for a tax invoice u/r 46. 	<ul style="list-style-type: none"> Serial No. of invoices/ document; Address of recipient of service. Signature of supplier shall not be required in case of issuance of ticket.

Note: Following suppliers may **issue** a tax invoice, but they are also permitted to issue any other document in lieu of tax invoice.

DELIVERY CHALLAN [RULE 55] Cases in which goods may be removed on delivery challan & invoice may be issued after delivery.				
Nature of Supply	Particulars of Delivery challan	SOME OTHER POINTS i.r.o. Delivery Challan		
1. Supply of Liquid Gas where quantity at time of removal from PoB is not known, 2. Transportation of goods for job work, 3. Transportation of goods for reasons other than supply. [Ex: Approval basis] 4. Other Notified supplies	<ul style="list-style-type: none"> Date & Serial No. [Max. 16 digits] Name, Address & GSTIN of consigner & consignee HSN code & Description of goods, Quantity & Value; Rate & Amount of GST (if for supply) PoS in case of inter- state movement Signature/Digital Signature 	➤ Triplicate Copy of Delivery Challan		
		Original copy	Duplicate copy	Triplicate copy
		For Consignee	For Transporter	For Consignor
		➤ Declaration in EWB that goods are transported on delivery challan ➤ Tax invoice shall be issued after delivery of goods		

GOODS TRANSPORTED IN SKD/CKD CONDITION OR IN LOTS/BATCHES
<ul style="list-style-type: none"> Supplier shall issue complete invoice before dispatch of first consignment; Supplier shall issue delivery challan for each of subsequent consignments, giving reference of invoice; Each consignment shall be accompanied by copies of corresponding delivery challan along with a duly certified copy of the invoice; & Original copy of the invoice shall be sent along with the last consignment.

GOODS MOVED WITHIN STATE/ANOTHER STATE FOR SUPPLY ON APPROVAL BASIS & ART WORKS SENT BY ARTISTS TO GALLERIES FOR EXHIBITION
<ul style="list-style-type: none"> Suppliers of jewellery etc. who are registered in one State may have to visit other States & need to carry their goods (Ex. Jewellery) along for approval. In such cases, if jewellery etc. is approved by buyer, then supplier issues a tax invoice only at the time of supply. In such case, Supplier is not able to register as CTP. Goods/Art work which are taken for supply on approval basis can be moved from PoB to another place on delivery challan along with EWB & invoice may be issued at the time of delivery of goods.

8B. E-WAY BILL [Section 68 of CGST Act]

WHEN TO GENERATE E-WAY BILL?	BENEFITS OF E-WAY BILL
<ul style="list-style-type: none"> ▪ If there is a movement of goods of consignment value > Rs. 50,000 <ul style="list-style-type: none"> ✓ in relation to a 'supply', ✓ for reasons other than a 'supply' (Ex: Return; Branch Transfer within same state) ✓ due to inward 'supply' from URP; ▪ RP causing movement of goods shall generate EWB by furnish information relating to goods as specified in Part A of GST EWB-01 before commencement of movement. ▪ Consignment Value: Value as per sec 15 + GST; but excluding 'Value of Exempt Goods'. ▪ EWB can be generated even if value of goods < Rs. 50,000. [Not Compulsory]. ▪ EWB cannot be edited for any mistake. It can be cancelled within 24 hours of generation. ▪ EWB may be updated with vehicle number any number of times. ▪ EWB is generated electronically in GST EWB 01 on www.ewaybillgst.gov.in. ▪ It is mandatory for unregistered transporter to get enrolled on EWB Portal (https://ewaybillgst.gov.in) before generation of EWB. 	<ul style="list-style-type: none"> ▪ Facilitate faster movement of goods. ▪ Digital interface resulting in elimination of state check-posts. ▪ Increased Avg. distances travelled, reduced costs; Improved turnaround time of trucks.
WHO IS THE PERSON CAUSING 'MOVEMENT OF GOODS' ?	
Case	Movement caused by
Supplier is registered & undertakes to transport goods	Supplier
Recipient arranges transport	Recipient
Goods are supplied by unregistered supplier to registered Recipient	Recipient
COMPULSORY GENERATION OF EWB (Even if Value of Consignment < Rs. 50K)	
Inter-State movement of Goods by Principal to Job Worker	Where goods are sent by principal located in one State to job worker located in other State, EWB shall be generated either by Principal or job worker (if registered).
Inter-State Movement of Handicraft goods	Where handicraft goods are transported from one State/UT to another State/UT, EWB shall be generated. (Even if by URP)

WHO IS MANDATORILY REQUIRED TO GENERATE E-WAY BILL?			INFORMATION TO BE FURNISHED IN EWB (EWB-01: 2 Parts)
Mode	Cases	Who shall generate E-way bill?	<p>Part A is to be furnished by RP <u>causing movement of goods.</u></p> <ul style="list-style-type: none"> ▪ GSTIN of supplier & recipient; Place of delivery (PIN Code); Value of goods ▪ Invoice/BoS/Delivery Challan/Bill of Lading/Airway Bill) No. & its Date ▪ HSN code & Reasons for transportation etc. <p>Note: Information in Part-A may be furnished by:</p> <ul style="list-style-type: none"> ✓ Transporter, on authorization received from such RP ✓ ECO/Courier agency on an authorization received from consignor. <p>Part B (transport details) to be furnished by person transporting goods.</p> <ul style="list-style-type: none"> ▪ Transporter document No. ▪ Vehicle No. (transport by road).
Road	If Goods are transported by RP (Supplier/recipient) [whether in his own conveyance/hired or public conveyance]	RP transporting goods; by furnishing information in Part B of GST EWB-01.	
Road	If EWB is not generated by RP & Goods are handed over to transporter	Transporter; on the basis of information furnished by RP in Part A	
Road	If both 'consignor' & 'consignee' have not created E-way bill	Transporter; by filling out Part A of GST EWB-01 on the basis of Invoice.	
Railways, Air, Ship,	Goods are transported by Air, Ship, Railways	RP (Supplier/Recipient) who shall furnish information in Part B either before/after commencement of movement.	

Note: Goods transported by Railways: No requirement to carry EWB along with goods (Invoice should be carried). Railways shall not deliver goods unless EWB is produced @ delivery.

CASES WHEN NO E-WAY BILL IS REQUIRED TO BE GENERATED	E-WAY BILL IN CASE OF 'BILL-TO-SHIP-TO' TRANSACTIONS										
<ul style="list-style-type: none"> Consignor transporting goods to or from between place of business & a weighbridge for Weighment at a distance of 20 kms, accompanied by a Delivery challan. Mode of transport is non-motor vehicle. Goods transported from Customs port, Airport, Air cargo complex or Land customs station to Inland Container Depot or Container Freight Station (CFS) for clearance by Customs. Goods transported under Customs supervision/seal; from/to custom station. Goods transported under Customs Bond from ICD to Customs Port Transit cargo transported to or from Nepal or Bhutan Movement of goods caused under Ministry of defence as consignor/ consignee. Empty Cargo containers are being transported Movement of empty cylinders for packing of LPG other than for supply Goods being transported by rail where the Consignor of goods is CG/SG/LA. Transport of certain specified goods: Includes exempt supply, -ve listed goods. Transported Goods [other than de-oiled cake] are exempt from tax [5 Petroleum Products] Goods specified as exempt from E-Way bill requirements in respective State/UT Rules. Following goods are transported: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">LPG for supply to household & Non- domestic exempted category (NDEC) customers</td> </tr> <tr> <td>Kerosene oil sold under PDS</td> <td>Used Personal & household goods</td> </tr> <tr> <td>Postal baggage by Department of Posts</td> <td>Coral; unworked & worked</td> </tr> <tr> <td colspan="2">Natural or cultured Pearls; Precious or Semi-precious Stones/metals</td> </tr> <tr> <td>Jewellery, goldsmiths & silversmith wares etc.</td> <td>Currency</td> </tr> </table> 	LPG for supply to household & Non- domestic exempted category (NDEC) customers		Kerosene oil sold under PDS	Used Personal & household goods	Postal baggage by Department of Posts	Coral; unworked & worked	Natural or cultured Pearls; Precious or Semi-precious Stones/metals		Jewellery, goldsmiths & silversmith wares etc.	Currency	<ul style="list-style-type: none"> 'Bill-to-ship-to': 2 supplies are involved; but only 1 EWB is required. In EWB form, there are two portions under 'to' section. In Left-hand-side: 'Billing to' - GSTIN & trade name is entered In Right-hand-side: 'Ship to' - Address of destination of movement is entered. If 'Ship-to' State is different from 'Bill-to' State, tax components are entered as per the details of 'bill-to' person (Bill-to State). Ex: If "Bill-to" location is inter-state for supplier → IGST is entered & if 'Bill-to' location is intra- State → SGST & CGST are entered irrespective of place of delivery.
LPG for supply to household & Non- domestic exempted category (NDEC) customers											
Kerosene oil sold under PDS	Used Personal & household goods										
Postal baggage by Department of Posts	Coral; unworked & worked										
Natural or cultured Pearls; Precious or Semi-precious Stones/metals											
Jewellery, goldsmiths & silversmith wares etc.	Currency										
	DETAILS OF CONVEYANCE IN PART B of GST EWB-01 – NOT NECESSARY										
	<ul style="list-style-type: none"> If goods are transported for a distance of upto 50 km within the State/UT <ul style="list-style-type: none"> ✓ from PoB of consignor to PoB of transporter for further transportation ✓ from PoB of transporter finally to PoB of the consignee. 										
	CHANGE OF CONVEYANCE (Transfer of goods from one conveyance to another)										
	<ul style="list-style-type: none"> New EWB is not required to be generated. Consignor or recipient or transporter (before transfer & further movement) shall update the details of conveyance in Part B of EWB on common portal. 										
	Press Release: Consignor/recipient (who has furnished information in Part A) or transporter, may assign EWB No. to another registered transporter for updating information in Part B for further movement. However, once details of conveyance have been updated by transporter in Part B, EWB cannot be assigned to another transporter.										

VALIDITY OF E-WAY BILL (based on distance travelled) [Rule 138(10)]			CANCELLATION OF E-WAY BILL
Type of Conveyance	Distance within country	Validity from Relevant Date	<ul style="list-style-type: none"> If goods are either not transported or are not transported as per furnished details in EWB, it may be cancelled electronically on common portal within 24 hours of its generation. However, EWB cannot be cancelled if it has been verified in transit. Unique EWB No. generated is valid for 15 days for updation of Part B.
(a) Over dimensional cargo OR	Upto 20 Kms	1 Day	
(b) Multimodal shipment in which at least one leg involves transport by ship	For every additional 20 Kms or part	Additional 1 Day	
Normal Cargo [If not covered above] (i.e Other than Over dimensional cargo or multimodal shipment in which at least one leg involves transport by ship)	Upto 100 Kms	1 Day	
			Extension of Validity of EWB: <ul style="list-style-type: none"> Transporter may extend validity after updating the details in Part B. Either 8 hours before expiry or within 8 hours after its expiry.

Validity of E-way bill starts when entry is made in Part-B for first time.	Relevant Date: Date on which EWB has been generated.
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Note: Each day shall be counted as the period expiring at midnight of the day immediately following the date of generation of EWB.

Ex: Suppose EWB is generated at 00:04 hrs. on 14th March. Then first day would end on 12:00 midnight of 15 -16 March. Second day will end on 12:00 midnight of 16 -17 March.

ACCEPTANCE OF E-WAY BILL

- Details of generated EWB shall be made available to (a) Registered Supplier/Recipient: If information in Part A has been furnished by recipient/supplier/transporter; on common portal & supplier/recipient (as the case may be) shall communicate his acceptance or rejection of the consignment covered by EWB.
- If the person to whom the information in Part-A is made available, does not communicate his acceptance or rejection within specified time, it shall be deemed acceptance.
- **Time-limit for acceptance: Earlier of** (a) Time of delivery of goods; (b) 72 hours of the details being made available to him on the common portal

DOCUMENTS & DEVICES TO BE CARRIED BY PERSON-IN-CHARGE OF CONVEYANCE [Rule 138A]

1	Carry (a) Invoice/BoS/DC & (b) Copy of EWB or EWB No. or mapped to Radio Frequency Identification Device embedded on to the conveyance (except for Rail/Air/Ship)
2	RP may obtain ' Invoice Reference No ' by uploading tax invoice & produce it for verification by PO in lieu of tax invoice & such no. shall be valid for 30 days from date of uploading. In such case, RP will not have to upload information in Part A for generation of EWB; it shall be auto-populated on the basis of the information furnished in FORM GST INV-1.
3	Commissioner may, by notification, require the person-in-charge of the conveyance to carry the following documents instead of EWB (a) Tax invoice or Bill of supply or Bill of entry; OR (b) Delivery challan (where goods are transported for reasons other than by way of supply) Note: In case of imported goods, Person in-charge shall also carry a copy of 'bill of entry' but date & document no. must be mentioned in Part A of GST EWB-01.

VERIFICATION OF DOCUMENTS & CONVEYANCES [Rule 138B]

- ❖ Commissioner (or empowered officer) may authorize PO to intercept any conveyance to verify EWB in physical or E-form for all inter-State & intra-State movement of goods.
- ❖ Commissioner shall get Radio Frequency Identification Device readers installed at places where verification is required to be carried out.
- ❖ On receipt of specific information on evasion of tax, physical verification can also be carried out by any other officer after obtaining necessary approval of Commissioner.
- ❖ After interception, PO has 3-day time to prepare & submit summary report of inspection in Part B of Form EWB-03. [Extension of 3 days possible].

INSPECTION & VERIFICATION OF GOODS [RULE 138C]

- ❖ If Physical verification of goods has been done during transit at one place in a state, no further physical verification of same conveyance shall be carried out again in same State.
- ❖ Summary report of inspection: Recorded online by PO (Part A) within 24 hours of inspection; Final report (Part B) shall be recorded within 3 days. [Extension of 3 days possible]
- ❖ 24 hours/3 days shall be counted from midnight of the date on which vehicle was intercepted.

GST CIRCULAR RELATING TO E-WAY BILL

- ❖ Where goods move from DTA unit to SEZ unit (or vice versa) located in same State → EWB not required.
- ❖ If goods have reached transporter's godown (declared as APoB of recipient) → Transportation deemed to be concluded; No need of extension of EWB's validity.
- ❖ Further, when goods are transported from transporters' godown (declared as APoB of recipient) to any other premises of recipient, then EWB shall be generated again.

9. PAYMENT OF TAX

E-CASH LEDGER [SECTION 49(1) & 49(3) r/w RULE 87]		E-CREDIT LEDGER [SEC 49(2),(4) & (5), 49A, 49B r/w RULE 86 & 88A]
Credited to E-Cash Ledger [Sec 49(1)]	Amount utilized for [Sec 49(3)]	<ul style="list-style-type: none"> ▪ ITC as self-assessed in the return of a RP shall be credited to his ECL [Sec 49(2)] ▪ ITC can be used to make payment of ONLY TAX & not Interest, Penalty, Fees, RCM supply. ▪ ECL shall be maintained in GST PMT-02 for each RP eligible for ITC & every claim of ITC shall be credited to ECL. ▪ ECL shall be debited to the extent of discharge of any liability as per section 49/49A/49B. ▪ Amount of refund claimed of unutilized amount from ECL shall be debited to ECL.
<ul style="list-style-type: none"> ▪ Every deposit made towards tax, interest, penalty, late fee etc. ▪ by a person by internet banking or by using credit/debit cards; NEFT; RTGS etc. ▪ shall be credited to his E-cash ledger. 	Making any payment towards <ul style="list-style-type: none"> ▪ Tax, ▪ Interest, penalty, fees or any other amount which is payable. 	
<ul style="list-style-type: none"> ▪ E-Cash Ledger contains a summary of all the deposits/payments made by a taxpayer. ▪ Payment of challan ≤ Rs. 10,000 can be done 'over the counter' with cash/cheques/DD through authorised banks; Payments > Rs. 10,000 can be made through digital mode. Note: Restriction of Rs. 10,000 per challan shall not apply to deposit to be made by (a) Government Departments; (b) Officer authorised to recover outstanding dues; (c) Officer authorised for the amounts collected by way of cash, cheque or demand draft during any investigation or enforcement activity or any ad hoc deposit: ▪ E-Cash ledger shall be maintained in GST PMT-05 on common portal for crediting amount deposited & debiting payments towards tax, interest, penalty, fees etc. ▪ Person depositing the amount in E-Cash ledger shall generate challan in GST PMT-06 & enter details of the amount to be deposited by him towards tax, interest, penalty, fees. ▪ Challan 14-digit unique Common Portal Identification Number (CPIN) & valid 15 days. ▪ There is single Challan prescribed for all taxes, fees, penalty, interest & other payments. ▪ URP shall make payment on the basis of a temporary identification number. ▪ Amount of refund claimed from E-Cash ledger shall be debited to E-Cash ledger. 		ELECTRONIC LIABILITY LEDGER [SEC 49(7),(8) & (9), 49A, 49B r/w RULE 85] <ul style="list-style-type: none"> ▪ All liabilities of taxable person under GST shall be recorded & maintained in this ledger. ▪ maintained in GST PMT-01 for each person liable to pay tax, interest, penalty, late fee etc. ▪ It shall be debited by all the amounts payable by him to the said register.
Manner of utilization of amount reflected in Electronic Cash Ledger		Order of Adjustment in settling Tax Liability
<ul style="list-style-type: none"> ▪ Ledger is displayed major head-wise [IGST, CGST, SGST/UTGST & GST CESS]. ▪ Each major head is divided into five minor heads: Tax, Interest, Penalty, Fee & Others. ▪ Information is kept minor head-wise for each major head. 		<ol style="list-style-type: none"> 1. First self-assessed tax; & other dues related to returns of previous tax periods 2. Self-assessed tax, and other dues related to the return of the current tax period; 3. Any other amount payable under this Act including the demand determined u/s 73/74. <p>'Tax dues' → Tax payable under this Act & does not include interest, fee, Penalty; 'Other dues' → Interest, penalty, fee or any other amount payable under this Act.</p> <p>Payment of every liability shall be made by debiting Credit/Cash ledger & E-Liability Ledger shall be credited accordingly.</p> <p>PC Note: Amount deducted u/s 51; amount collected u/s 52; amount payable on RCM basis; amount payable u/s 10; amount payable towards interest, penalty, fee etc. shall be paid by debiting Cash ledger & Liability register shall be credited accordingly. [ECL → ☒]</p>
REFUND OF BALANCE AMOUNT IN CASH LEDGER OR CREDIT LEDGER		REFUND OF BALANCE AMOUNT IN CASH LEDGER OR CREDIT LEDGER
<ul style="list-style-type: none"> ▪ Balance in Cash ledger or Credit ledger after payment of tax, interest, penalty, fee etc. may be refunded [Sec 49(6)] 		<ul style="list-style-type: none"> ▪ Balance in Cash ledger or Credit ledger after payment of tax, interest, penalty, fee etc. may be refunded [Sec 49(6)]

INTEREST ON DELAYED PAYMENT OF TAX BY TAX PAYER [SECTION 50]			Points to Remember
50(1)	Delayed payment of Tax	18% p.a	Interest u/s 50(1) shall be calculated from next day of due date of payment of tax. Interest payable for actual period of delay, not for whole month. Interest is payable even if duty is paid before issue of SCN.
50(3)	Interest on undue/Excess claim of ITC u/s 42(10); Interest on undue or excess reduction in output tax liability u/s 43(10)	24% p.a	

ORDER OF UTILIZATION OF ITC [RULE 88A]

- ITC of IGST shall first be utilised towards payment of IGST & amount remaining (if any) may be utilised towards the payment of CGST & SGST/UTGST in **ANY order & proportion**.
- Provided that ITC CGST, SGST/UTGST shall be utilised towards payment of IGST, CGST, SGST/UTGST only after ITC of IGST has first been utilised fully.

ITC of ↓	Output tax liability ↓		
	IGST	CGST	SGST/UTGST
IGST	1	2 – In Any Order & Any Proportion	
3. ITC of IGST to be completely exhausted mandatorily			
CGST	5	4	Not permitted
SGST/UTGST	7 [Only after ITC of CGST has been utilized fully]	Not permitted	6

Important points to be noted:

- ❖ ITC of IGST should first be utilized towards payment of IGST.
- ❖ Remaining ITC of IGST (if any) can be utilized towards the payment of CGST & SGST/UTGST in any order & in any proportion. Thus Remaining ITC of IGST can be utilized:
 - first towards payment of CGST and then towards payment of SGST; or
 - first towards payment of SGST and then towards payment of CGST; or
 - towards payment of CGST & SGST simultaneously in any proportion [Ex: 50: 50/30:70/40:60]
- ❖ ITC of CGST, SGST/UTGST can be utilized towards payment of IGST, CGST, SGST/UTGST only after the ITC of IGST has first been utilized fully.
- ❖ CGST shall not be utilised towards payment of SGST or UTGST & SGST or UTGST shall not be utilised towards payment of CGST.
- ❖ Cross-utilization of credit is available only between CGST - IGST & SGST/UTGST - IGST.

10. GST RETURNS

LIST OF VARIOUS TYPES OF RETURNS UNDER GST LAW

GSTR	Particulars	Who shall file	Frequency	Due Date
1	Details of Outward Supplies of taxable G/S [Sec 37]	RP + CTP	Monthly	10 th of next month
2	Details of inward supplies of taxable G/S including RCM supplies [Sec 38]	RP + CTP	Monthly	15 th of next month
2A	Details of GSTR-2 will mostly be auto-populated from GSTR-1 of the counter-party making supplies. Details missed out by the supplier can be added by recipient.			
3	Monthly return [Outward + Inward supply + Payment of Tax [Sec 39(1)]]	RP + CTP	Monthly	20 th of next month [Note: GSTR-3B cannot be revised]
3B	Simple return for Jul 2017- September 2019	RP + CTP	Monthly	20 th of next month
4	Yearly GST Return	Composition	Annually	30 th April following the end of such FY
	Quarterly Statement along with payment of Tax	Dealer	Quarterly	18 th of month succeeding quarter
5	Return for NRTP [Sec 39(5)] [Details of outward + Inward supplied]	NRTP	Monthly	(a) 20 th of next month OR (b) within 7 days after last day of validity of registration [Earlier of (a) or (b)]
6	Return for ISD [Section 39(4)]	ISD	Monthly	13 th of next month
7	Return for authorities deducting tax at source [Sec 39(3)]	Deductor of Tax	Monthly	10 th of next month
8	Details of supplies effected through it & Amount of Tax collected	ECO	Monthly	10 th of next month
9	Annual Return [Sec 44] (other than ISD, TDS/TCS Taxpayer, CTP & NRTP)	RP	Annually	31 st December of next FY
10	Final Return [Sec 45] (When registration is cancelled or surrendered)	Person whose registration is cancelled	Once	Within 3 Months of date of cancellation or Date of cancellation order (whichever is later)
11	Details of Inward supplies by a person having UIN & claiming refund	UIN Holder	Monthly	28 th of next month of the month of statement (filed)

GSTR 1	<ul style="list-style-type: none"> ▪ Quarterly by Small tax payers with Aggregate TO upto Rs. 1.5 crore in Preceding FY or current FY. ▪ Taxpayer cannot file GSTR-1 before the end of Current Tax Period except CTP after the closure of their business or Cancellation of GSTIN of normal taxpayer. ▪ Content: Outward supplies including zero rated supplies & deemed export, export made, Inter-State supplies; Return of Inward supplies & Relevant DN/DN for the month. 				
	Uploading of invoices	Nature	B2C		B2B
		Intra-state Supply	Consolidated details for each rate of tax		Invoice wise details
		Inter-state Supply	Invoice value > Rs. 2.5 Lacs → Invoice wise details		
Invoice value ≤ Rs. 2.5 Lacs → Consolidated details for each rate of tax for each state (State-wise summary)					
<ul style="list-style-type: none"> ▪ Uploaded Invoices are in draft version till GSTR-1 is submitted & can be modified/deleted any no. of times till submission of GSTR-1 of a tax period. ▪ Scanned copies of invoices → not required. Only certain fields of information need to be uploaded [Ex: Invoice no., date, taxable value, rate & amount of tax etc]. ▪ Description of each item will not be uploaded. Only HSN code of goods is required to be uploaded. ▪ Invoices can be uploaded any time during tax period & not just at the time of filing of GSTR-1. 					
<ul style="list-style-type: none"> ▪ Need to be filed even if there is no business activity (Nil Return) in tax period. ▪ Taxpayer opting for voluntary cancellation of GSTIN → File GSTR-1 for active period. 					

GSTR 4: RETURN FOR COMPOSITION SUPPLIER/PERSON UNDER NN 2/2019		FIRST RETURN [SECTION 40]
Content of GSTR-4 <ul style="list-style-type: none"> ▪ Invoice-wise details of all inward supplies including RCM supplies. ▪ Consolidated details of outward supplies (intra-state). ▪ Tax on outward supplies (net of advances & goods returned). ▪ Consolidated statement of advances paid/adjusted on receipt of supply. ▪ Amendments of inward & outward supplies for earlier tax period. 		<ul style="list-style-type: none"> ▪ Purpose of Section 40: To enable RP to declare taxable supplies made by him b/w the date on which he became liable to registration till date on which registration has been granted so that ITC can be availed by the recipient on such supplies. ▪ RP may issue Revised Tax Invoices against the invoices already issued during said period within 1 month from date of issuance of certificate of registration ▪ The format for this return is the same as that for regular return. <p>PC Note: Applicable if effective date of registration is before date of grant of registration.</p>
<p>Note: Amendments in outward supplies is not to be reported invoice-wise. But it would be necessary to mention relevant past quarter in which error had occurred.</p>		
GSTR 4A	Same as GSTR 2A for Normal Taxpayer.	ANNUAL RETURN - GSTR 9/ 9A(for composition supplier)
Normal → Composition [Statements to be filed]	If RP opts for composition scheme from the beginning of FY, he will have to furnish statements/return relating to period prior till: [Earlier of] (a) Due date of furnishing return for September of succeeding FY OR (b) Furnishing of annual return of preceding FY.	<p>Reconciliation Statement: Every registered person who is required to get his A/c audited by CA/CMA (if his ATO during FY > Rs. 2 crores) is required to furnish electronically (i) Audited Annual A/Cs & (ii) A Reconciliation Statement.</p>
<p>Note: Composition dealer will not be eligible to avail ITC on receipt of invoices/DNs from the supplier for prior period of his opting for composition scheme.</p>		<p>Space For Notes:</p>
Composition → Normal [Statements on Exit]	Composition dealer (withdrawing from composition scheme) will have to furnish GSTR-4 & GST CMP-08 relating to prior period prior till: GSTR-4: 30 th April following the end of FY of withdrawal of option. GST CMP-08: 18 th of next month after the end of quarter of withdrawal.	

RECTIFICATION OF ERRORS/OMISSIONS [SECTION 39(9)]	
<ul style="list-style-type: none"> ▪ There is NO Concept of Revised Return. ▪ Any need to revise a return may arise due to change in invoices/DNs/CNs. ▪ They can be amended in any of the future GSTR-1 in the tables specifically provided for the purposes of amending previously declared details. ▪ Omission/incorrect particulars discovered in the returns filed u/s 39 can be rectified in the return to be filed for the month/quarter during which such omission/incorrect particulars are noticed. ▪ Any tax payable as a result of such error/omission will be required to be paid along with interest. <p>Note: Section 39(9) does not permit rectification of error or omission discovered on account of scrutiny, audit, inspection or enforcement activities by tax authorities. Hence, assessee may not be able to pass on ITC to the receiver for tax payments made by him in pursuance of any of the aforementioned situations.</p>	<p>TIME LIMIT FOR RECTIFICATION [Earlier of (1) or (2)]</p> <ol style="list-style-type: none"> 1. Due date of filing of return for month of September/quarter ending September following the end of FY [i.e. 20th October of next FY] or 2. Actual date of filing of the relevant Annual return. <p>Note: Filing of returns for current month is possible only after filing returns of previous month(s).</p> <p>Taxpayer needs to electronically sign submitted returns [otherwise it will be considered not-filed].</p>

DEFAULT IN FURNISHING RETURN [SECTION 46 & 47]

Particulars	Requirements & Consequences
Notice to Defaulters (Sec 46)	<ul style="list-style-type: none"> Notice shall be given to RP who fails to furnish (a) Normal Return u/s 39; (b) Final Return u/s 45; (c) TCS statement u/s 52; Annual Return u/s 44 Such RP shall furnish such return within 15 days from the date of notice.
Late fees for delay in filing (a), (b), (c)	Any RP who fails to furnish the following returns/statement by due date shall pay Late fees of (a) Rs. 100 per day or (b) Rs. 5,000 [Lower] (a) Outward Supplies Statement u/s 37 (GSTR-1); (b) Returns u/s 39 (GSTR-3); (c) Final Return u/s 45
Delay in filing Annual Return	(a) Rs. 100 per day or (b) 0.25% of turnover (in state/UT) [whichever is Lower]

GOODS AND SERVICES TAX PRACTITIONERS [SECTION 48]

Meaning of GSTP	<ul style="list-style-type: none"> GST Practitioner approved by GSTN to furnish information on behalf of RP to Government. GSTP will have separate user ID & Password issued by GSTN. A taxpayer may choose a different GSTP by simply unselecting the previous one (if any) & then choosing a new GSTP on GST portal.
Eligibility to be a GSTP	<ul style="list-style-type: none"> A person who is, Indian Citizen; Person of Sound Mind; Not Adjudicated as insolvent & not been convicted & Person satisfying ANY of the following conditions: <ol style="list-style-type: none"> Retired officer of Commercial Tax Department of any SG/CBEC who had worked in a post not lower than rank of a Group-B gazetted officer for ≥ 2 years. Enrolled as a Sales Tax Practitioner or Tax Return Preparer under the earlier indirect tax law for a period of not less than 5 years. Has acquired any of the prescribed qualifications: <ul style="list-style-type: none"> ✓ Graduate/PG or equivalent examination having a degree in Commerce, Law, Banking including Higher Auditing, Business Administration, 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 degree examination of Indian University or Foreign University recognized by any Indian University as equivalent of the degree examination. ✓ Has passed final examination of ICAI/ ICSI/ Institute of Cost Accountants of India.
Activities that can be undertaken by GSTP (on behalf of RP)	<ul style="list-style-type: none"> Application for registration amendment/cancellation (only after prior approval of RP); file an application for amendment or cancellation of enrolment u/r 58; Furnish details of outward & inward supply; Furnish monthly, quarterly, annual, final return; furnish detail of challan; furnish information for EWB generation; Make deposit in electronic cash ledger; File a refund claim; file an intimation to pay tax under composition scheme or withdraw from the said scheme. Appear as authorised representative before any officer of Department, Appellate Authority or Appellate Tribunal, on behalf of RP (if he is enrolled as GSTP)
Responsibility of correctness of Particulars	<ul style="list-style-type: none"> Responsibility for correctness of particulars furnished in return etc. filed by GSTP continues to rest with RP on whose behalf such details are furnished. Any statement furnished by GSTP shall be made available to RP on GST Common Portal & Confirmation shall be sought from RP over email or SMS. Before confirming submission of any statement prepared by GSTP, RP shall ensure that the facts mentioned in the return are true & correct. [Deemed confirmation if RP did not respond]. Registered person may, at any time, withdraw such authorization given to GSTP.
Procedure for enrolment as GSTP	<ul style="list-style-type: none"> Application may be made electronically through common portal for enrolment as GSTP. Application shall be scrutinised & GSTP certificate shall be granted. Any person who has been enrolled as GSTP by virtue of him being enrolled as Sales Tax Practitioner or TRP under earlier Indirect Tax law shall remain enrolled only for 30 months from appointed date unless he passes the said examination within 30 months.

PROCEDURAL AMENDMENTS IN RTP

CHAPTER 6. INPUT TAX CREDIT

1	Restriction on Availment of ITC i.r.o invoices/Debit notes not uploaded by suppliers in their GSTR-1s [New sub-rule (4) inserted in rule 36]	
	<p>For availing ITC, taxpayer must be in possession of tax invoice to claim ITC [Section 16(2)]. Rule 36 lays down the documents & other conditions basis which RP can claim ITC. W.e.f 9.10.2019, a new sub-rule (4) has been introduced in rule 36 to specify the quantum of ITC that can be claimed against invoices/Debit Notes uploaded & invoices/DNs not uploaded by the supplier.</p> <p>As per sub-rule (4) of rule 36, ITC that can be availed i.r.o invoices/DNs whose details have not been uploaded by suppliers in GSTR-1 = [Lower of (a)/(b)]</p> <p>(a) 20% of eligible ITC i.r.o invoices/DNs whose details have been uploaded by suppliers in GSTR-1.</p> <p>(b) ITC on invoices/DNs whose details have not been uploaded by the supplier.</p>	
	Case	Amount of ITC to be claimed by recipient
	Where invoice/DN has been uploaded by the supplier in his GSTR-1	Full ITC, if all other conditions of availing ITC are fulfilled
	Where invoice/DN has not been uploaded by supplier in his GSTR-1	20% of eligible ITC available i.r.o uploaded invoices/DNs reflected in GSTR-2A. However, ITC so claimed should not exceed actual eligible ITC available i.r.o the invoices not uploaded.
	PC Note: Only Eligible ITC reflected in GSTR-2A of the recipient shall be considered.	

CHAPTER 7. REGISTRATION

1	Bank A/c details may be furnished after obtaining registration certificate [Rule 10A inserted & Rule 21 amended] (NN 31/2019)	
	<ul style="list-style-type: none"> ▪ While applying for registration on GST portal, a person is required to furnish details of his bank A/c. ▪ This requirement has now been relaxed to a limited extent, by inserting a new rule 10A. ▪ Now, RP is allowed to furnish information w.r.t details of bank A/c on the common portal within (a) 45 days from the date of grant of registration or (b) Due date of furnishing return u/s 39. Whichever is Earlier ▪ This relaxation is not available for those who have been granted registration as TDS deductor/TCS collector u/r 124 or who have obtained suo-motu registration u/r 16. 	
	Note: Person violates the provisions of rule 10A, his GST registration is liable to be cancelled [Rule 21] .	
2	Meaning of not making taxable supply during suspension of registration clarified. RP required to issue revised tax invoice & file first return for supplies during suspension period [Rule 21A] [NN 49/2019]	
	<ul style="list-style-type: none"> ▪ Rule 21A provides that once a registered person has applied for cancellation of registration or the PO seeks to cancel his registration, his registration shall remain suspended during pendency of the proceedings relating to cancellation of registration filed. 	

- Such person shall not make any taxable supply (i.e. shall not issue tax invoice & shall not charge tax on supplies) during the period of suspension.
 - Such person shall not be required to file any return [Rule 21A (3)].
- An explanation has been inserted to this sub-rule (3) to rule 21A clarifying that the expression “shall not make any taxable supply”**
- RP shall not issue tax invoice & not charge tax on supplies made by him during suspension period.
- Further, a new sub-rule (5) has been inserted to provide that where any order having the effect of revocation of suspension of registration has been passed, Sec 31(3)(a) [revised tax invoices] & Sec 40 [first return] i.r.o. the supplies made during period of suspension & procedure specified therein shall apply.

TAX INVOICE

1 Tax invoice for services by way of admission to exhibition of cinematograph films in Multiplex Screens [Rule 46 & 54] [NN 33/2019]

- RP has an option to issue consolidated tax invoice for supplies at the close of each day where value of G/S supplied is < Rs. 200, recipients is unregistered & does not require tax invoice.
- From 1.9.2019, 4th proviso to rule 46 has been amended to disallow this option to supplier engaged in supply of services by way of admission to exhibition of cinematograph films in multiplex screens.
 - Further, w.e.f 1.9.2019, a new sub-rule (4A) has been inserted in rule 54. RP supplying services by way of admission to exhibition of cinematograph films in multiplex screens shall be required to issue an electronic ticket **mandatorily**.
 - **E-Ticket** = Deemed to Tax invoice, even if such ticket does not contains the details of recipient but contains other information as mentioned u/r 46.
- Supplier of such services in a screen other than multiplex screens **also has been given an option** to follow above procedure.

RETURNS UNDER GST

1 Form GSTR-3B to be treated as a return furnished u/s 39 [Rule 61(5)] [NN 49/2019]

- Form GSTR-3B to be treated as a return furnished u/s 39 [Rule 61(5)]. [Note: Filing of GSTR-3 has been deferred by the GST Council].
- Sec 39(1) of CGST Act prescribes a monthly return in Form GSTR-3 for every registered person, other than ISD, NRTP, composition taxpayer, person deducting tax at source, person collecting tax at source i.e. an ECO & supplier of OIDAR services.

Rule 61(5) of CGST Rules provided that where time limit for furnishing of details in Form GSTR-1 u/s 37 has been extended & the circumstances so warrant, Commissioner may, by notification, specify the manner & conditions subject to which the return shall be furnished in Form GSTR-3B. The said rule has been amended retrospectively with effect from 01.07.2017, to specify that return in Form GSTR-3B is the return u/s 39(1) & that where a return in GSTR-3B is furnished by a person then such person shall not be required to furnish the return in Form GSTR-3.

2 Filing of Annual return u/s 44(1) for FY 2017-18 & 2018-19 made optional for small taxpayers whose Aggregate Turnover is < Rs 2 Cr & who have not filed the said return before the due date

- Filing of annual return (GSTR- 9) u/s 44(1) of CGST Act r/w rule 80(1) i.r.t FY 2017-18 & 2018-19, has been made voluntary for RPs whose turnover is < Rs. 2 Cr & who have not furnished the said annual return before due date.
- Annual return shall be deemed to be furnished on due date if it has not been furnished before DD.