



SUMMARY BOOK

GST

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SUMMARY BOOK !!



Yachana mutha



CA Yachana Mutha Bhurat

CA Mehul Rathod

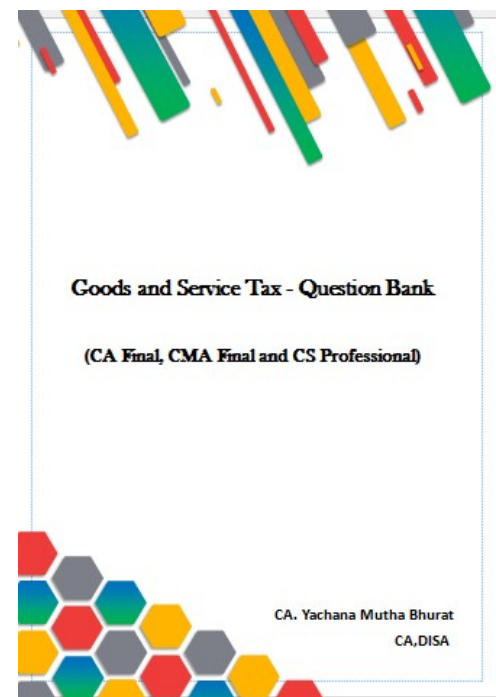
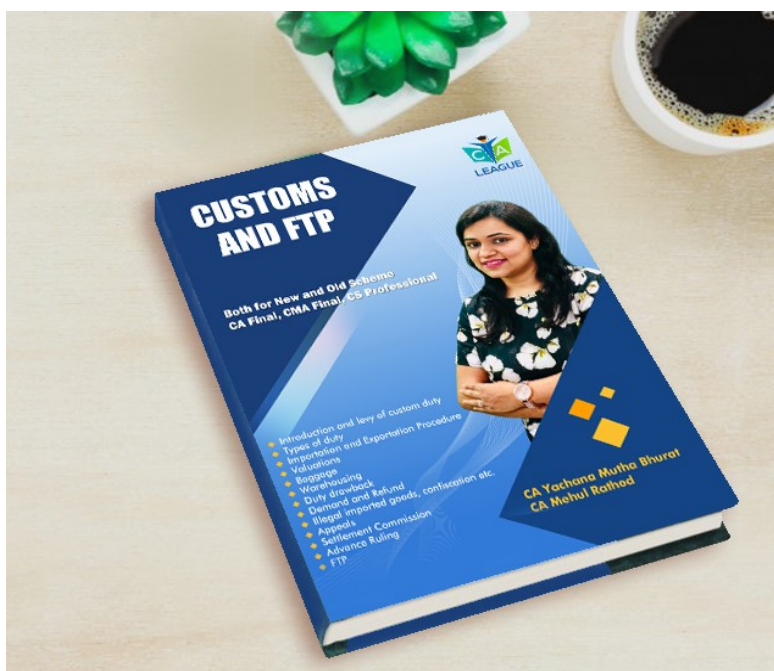
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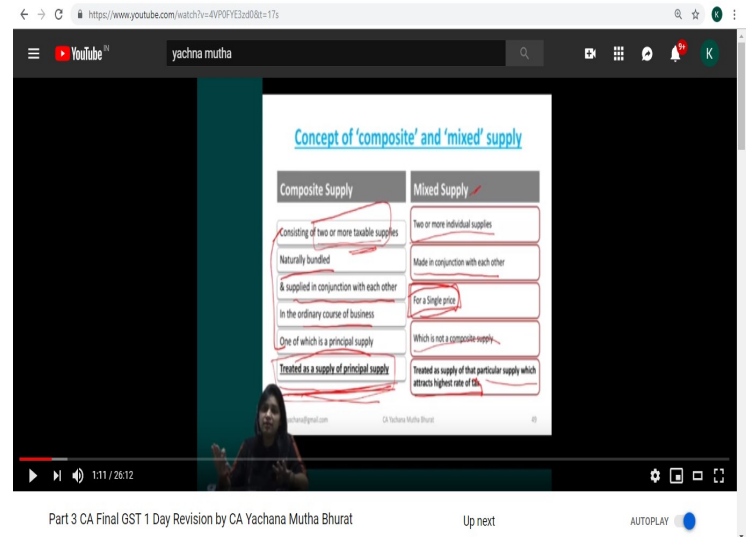
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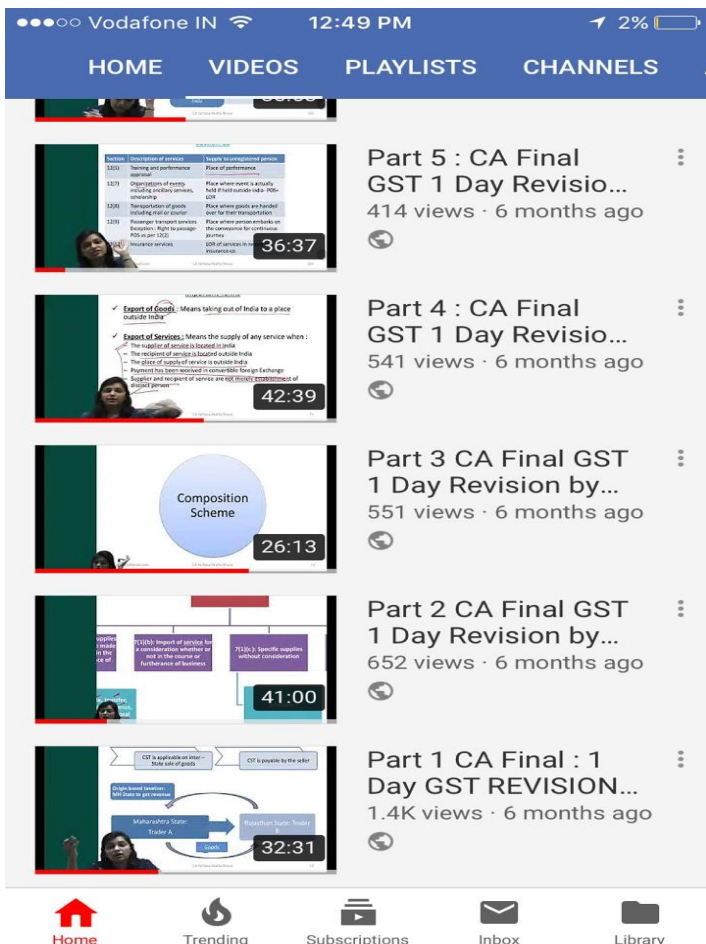


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GST and custom

GST Revision




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- Faculty name: Ca Yachana Mutha Bhurat
- Course Name: CA Final Regular course for Indirect Taxes - Nov 2019
- Course Duration: 70 hours for GST and 30 hours for custom
- Applicable for: Both Old and New course
- Expiry: 6 months from the date of Activation

Notes:

- 1) Coloured Notes for GST and Customs
- 2) Question Bank also includes Questions from module, RTP, MTP and MCQ
- 3) Summary Book for Revision
- Delivery Dates: Dispatch within 5 days.

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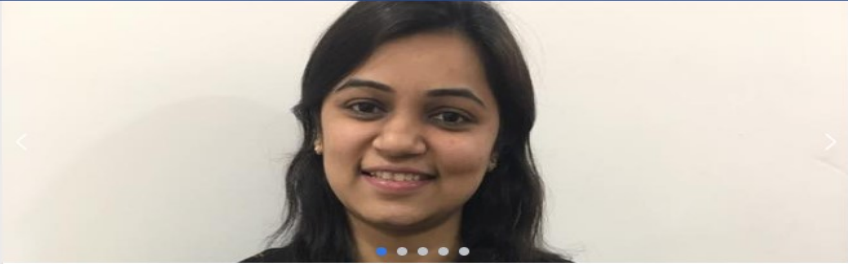
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February 18 · 
<https://youtu.be/Pu76yo5HF-A>

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CA final May 19
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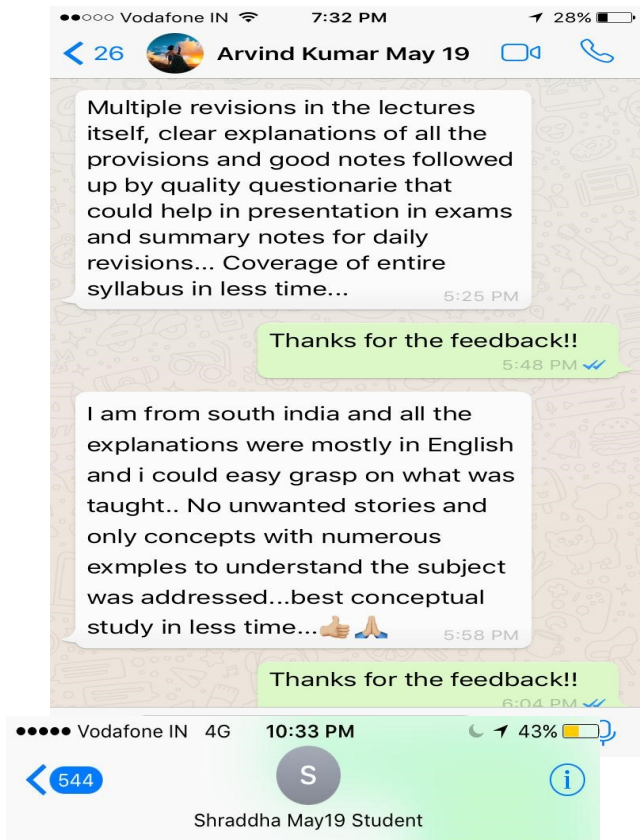
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Feedbacks !!!



Today 9:26 PM

The exam oriented and friendly teaching made it very easy to retain the content The colourful and well presented book is like icing on the cake.... Overall the package was worth having for exams 😊

Today 10:33 PM

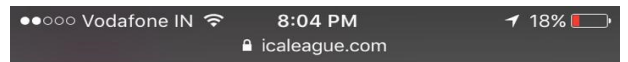
Thanks for the feedback !!



Text Message



Mam today was my indirect paper I started studying gst first time before a month I have just seen your revision video and believe me mam each and every thing that we're ask today is from your lecture around 60 marks was there from your lecture mam thanks a lot may God bless you



Reviews (2)

2 reviews for Indirect Taxes – CA Final



Rupali Dhengre – February 28, 2019

★★★★★

Amazing faculty and book is very nice and easy to understand thank you



Narayan Baheti – March 20, 2019

★★★★★

Review for Indirect Taxes – CA Final

★★★★★

The way of teaching is excellent, every concept is explained with examples, also remembering sections are made easy by ma'am....

MESSAGES

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Nisha Sharawat commented: "Very nice Mam... future queen of gst" 17 minutes ago



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Sachin Kedar commented: "Thank you.." 1 hour ago



Nisha Sharawat commented: "Mam previous revision ka link" 1 hour ago



rajender kumar commented: "Will stock sold by one subsidiary to co- subsidiary will be treated as upstream transcation or downstream transcation in Financial"



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 **Rakhi Agarwal** recommends **GST Classes by CA Yachana Mutha Bhurat.**
Yesterday at 9:53 PM

for indirect tax one and only one outstanding teacher yachana ma'am.
ma'am's notes and teaching techniques has removed my fear of indirect tax by giving conceptual clarity and examples given by ma'am make it easier to relate the theory to the real life scenario.
thank you ma'am for such quality lectures.

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 You

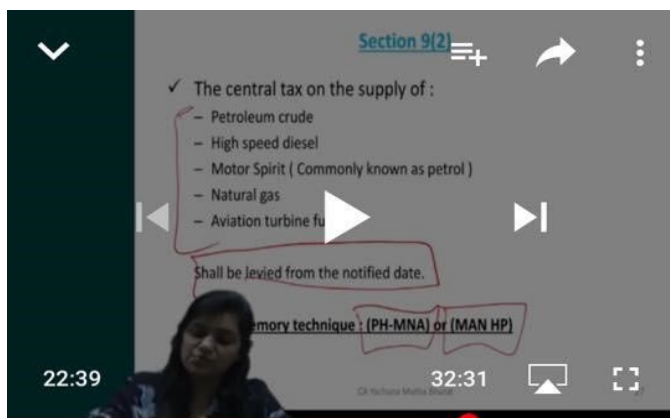
 **Yachana Mutha**
Thanks Rakhi for the feedback !!!
20 h Like Reply 

 **Rakhi Agarwal**
Yachana Mutha ma'am it's my pleasure.
13 h Like Reply


 Write a reply...

 Write a comment...  



Replies


 **Anu A**
Well explained! Love it! This happens when you are a teacher not only by profession, but also by passion. Thank you so much.

A query, do these videos contain amendment for nov 2018?

Anu A • 2 weeks ago

 1   2  

 Add a public reply...

 **Yachana Mutha**
Thanks a lot for the feedback Anu !! Yes it contains amendments for Nov 18 of the chapters covered in the videos !!

Yachana Mutha • 2 weeks ago

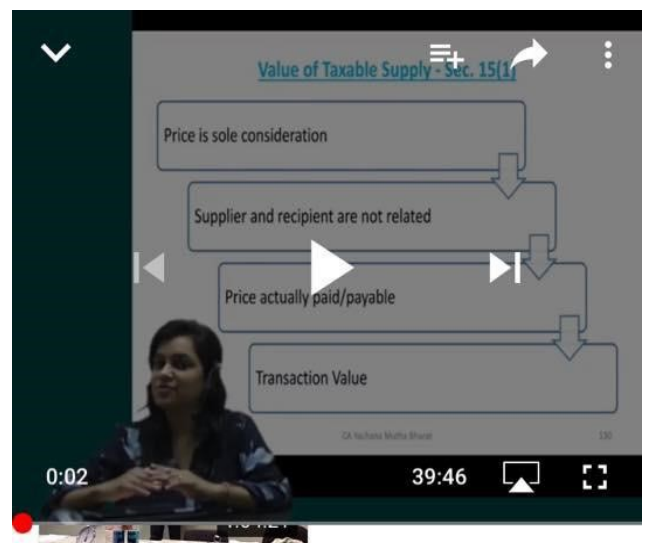
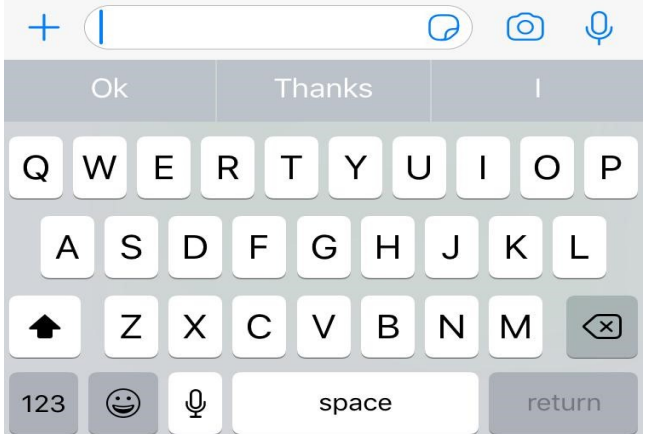
< 26 Shreesh Howrah May 19  

The way of teaching was excellent, tough topics was explained in a simple manner and easy to remember style, after every topic Question Bank and MCQ's were discussed to gain confidence over subject and prepare it in an exam oriented manner.

10:56 AM

Thanks for the feedback !!

12:31 PM



Comments 3

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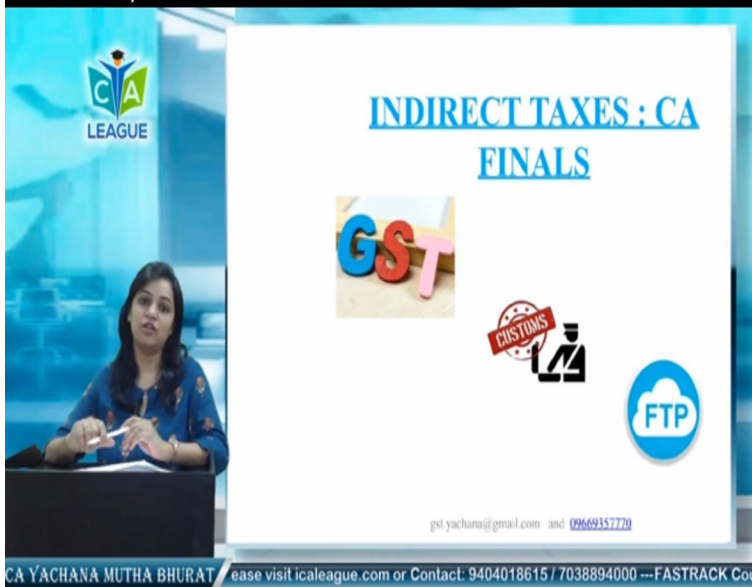
Highlighted comment

 **Kim Kash**
Ma'am thank you so much... These lectures are really really helpful... Again thanks a lot ma'am... 

Kim Kash • 2 weeks ago

 1   1  

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Narayan Baheti • 1 month ago

The way of teaching is excellent, every concept is explained with examples, also remembering sections are made easv by ma'am...

12:02 AM

4G 51%

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Manisha bharwani commented:
"Mam why don't u teach isca as u told u have done diploma in information system audit with AIR 2.. Even your teaching style is superb..."
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SHYAM STORE commented: "Sir. Thank you so much. Will you provide mtp 2 of nov 2018. October series."
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MrSivaram1968 commented:
"beautiful video"
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Ravi Raman Verma commented: "sir can we have ur notes for ind as and ad comparision and diffrences"
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Shruti Agr commented: "I cannot find other qns from RTP. Will you be uploading it?"



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Recommendations and Reviews



Recommended by CA, Dolly and 7 others



Very clear...qualitative...interactive and upgraded lectures.....well done...god bless

4 months ago



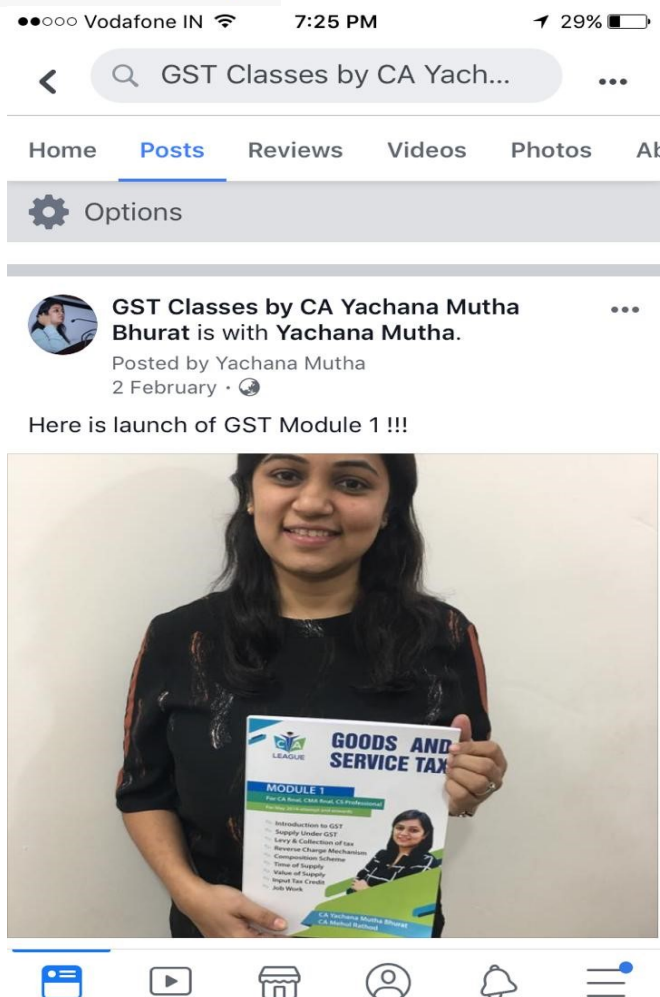
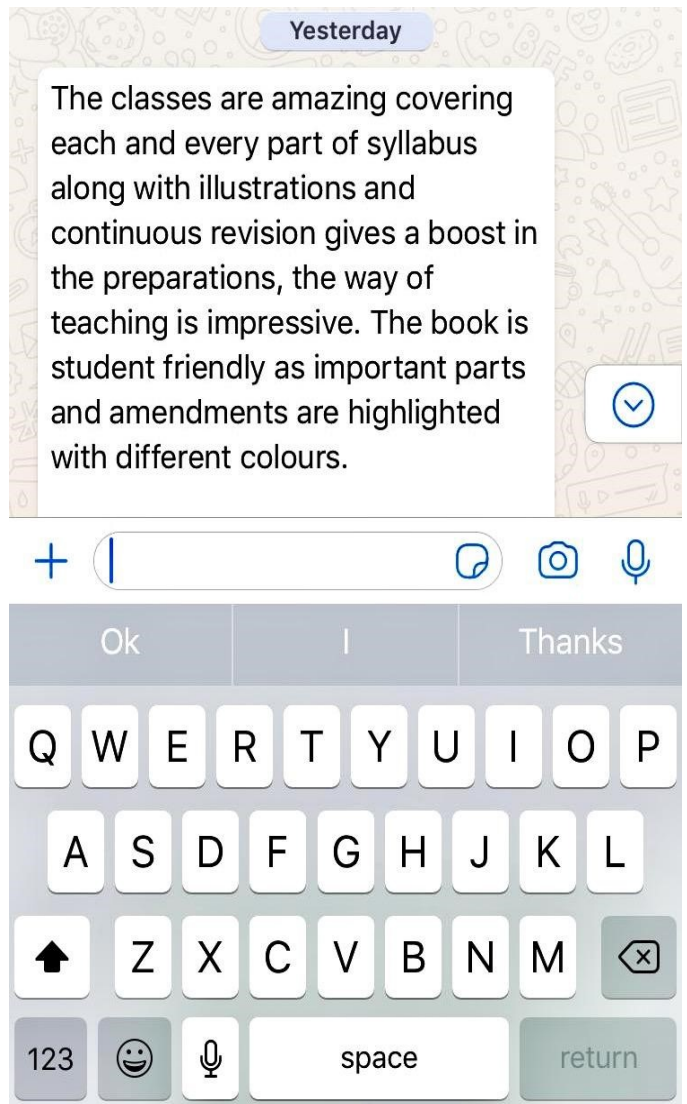
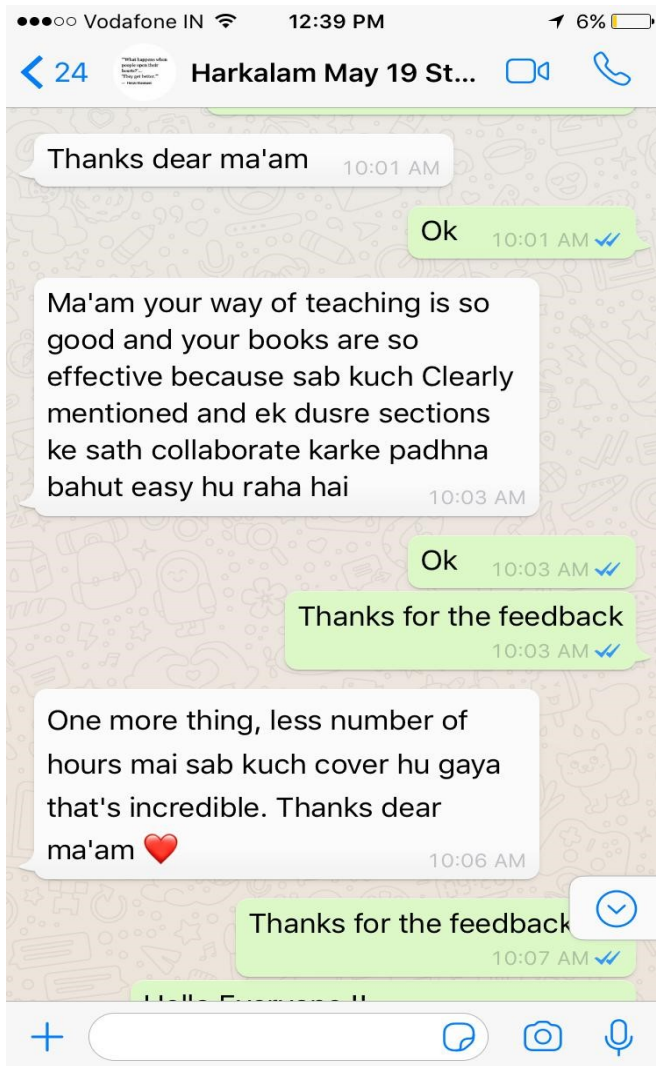
Best GST Classes!!! Must Join. Amazing experience of learning

5 months ago



Very good n interactive session on GST. Good coverage of GST topics thru PPT with live examples. practical scenarios. solving of RTP....





Index

Sr. No	Chapters
1	<i>GST in India</i>
2	<i>Supply under GST</i>
3	<i>Levy and Collection of Tax</i>
4	<i>Composition Scheme</i>
5	<i>Time of Supply</i>
6	<i>Value of Supply</i>
7	<i>Input Tax Credit</i>
8	<i>Job work</i>
9	<i>Registration</i>
10	<i>Place of Supply</i>
11	<i>Tax Invoice debit note and Credit Note</i>
12	<i>Import, Export and Zero rated Supply</i>
13	<i>Accounts and Records</i>
14	<i>Returns under GST</i>
15	<i>Payment of Tax</i>
16	<i>TDS, TCS</i>

17	<i>Assessment and Audit</i>
18	<i>Demand and Recovery</i>
19	<i>Liability pay in certain cases</i>
20	<i>Offences and Penalties</i>
21	<i>Inspection, search and seizure</i>

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1. Deficiencies in Earlier Tax Laws

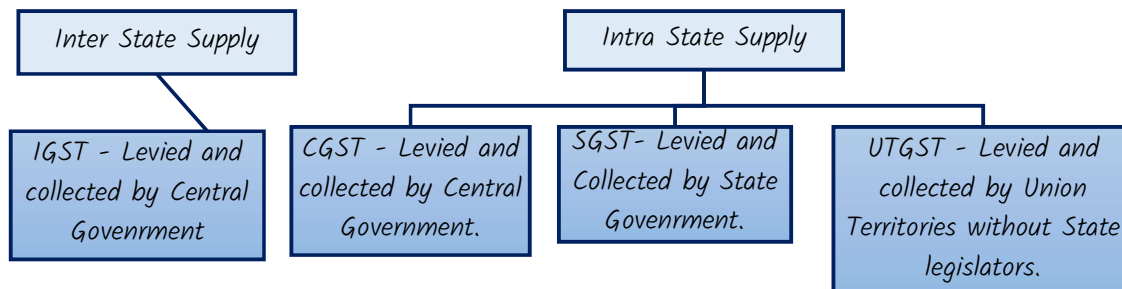
- **Cascading effect** of taxes on account of – (i) levy of non-VATABLE CST and, (ii) inclusion of CENVAT in the value for imposing VAT.
- **No CENVAT** after manufacturing stage
- **Non- integration** of VAT & Service tax
- **Double taxation** of a transaction as both goods and services.
- **Non – inclusion of several local levies** in state VAT such as luxury tax, entertainment tax etc.

2. Concept of GST

- GST is a value added tax levied on manufacture, sale and consumption of goods and services.
- GST Provides comprehensive and continuous chain of tax credits from the producer / service provider up to retail level / consumer level.
- Each Person will get credit for the taxes paid at earlier stage. The consumer will bear the final tax.
- Since, only the value added at each stage is taxed under GST, there is no tax on tax or cascading of taxes under GST system.
- GST does not differentiate between goods and services thus, the two are taxed at single rate.

3. Administration

GST is a destination based tax applicable on all transactions involving supply of goods and services for a consideration subject to exceptions thereof.



4. Major Taxes Subsumed and not Subsumed under GST are:

<u>Taxes to be Subsumed under GST</u>		<u>Taxes not Subsumed under GST</u>
<u>Central Taxes to be subsumed</u>	<u>States Taxes to be Subsumed</u>	
Central Excise Duty	VAT / Sales Tax	Custom Duty
		Stamp Duty
Additional Excise Duty	Luxury Tax on lottery, Betting and Gambling	Vehicle Tax
Service Tax	Octroi and Entry Tax	Excise on Liquor
Additional Custom Duty (Commonly Known as Countervailing Duty)	Purchase tax	Tax on Sale and consumption of Electricity
Central Sales Tax	States Surcharges and cesses so far they relate to supply of goods and services	Road Tax
Central Surcharges so far they relate to supply of goods and services	-	Entertainment Tax (Levied by Local Bodies)

5. Body of GST Law

GST in India will comprise of:

- Central Goods and Service tax Act, 2017(CGST)
- State Goods and Service tax Act, 2017(SGST) *(for 29 States and 2 union territories : Dehli and Pondicheery deemed to be states)*
- Union territory Goods and Service tax Act, 2017 (UTGST) *(For Andaman and Nicobar, Lakshadweep, Dadra and Nagar Haveli, Daman and Diu and Chandigarh)*
- Integrated Goods and Service tax Act, 2017(IGST)
- GST Compensation Act, 2017

6. GENESIS OF GST IN INDIA

France was the First country to implement GST in 1954

At Present, more than 160 Counties have implemented it.

Dr Kelkar Task Force recommended the need of a national GST on 16-07-2004

GST has been implemented cross India w.e.f 1st July 2017

GST in the state of Jammu & Kashmir came into force w.e.f. **8th July 2017**

7. Goods and Service Tax Portal

www.gst.gov.in – a website managed by Goods and Services Network (GSTN)

Functions of GSTN Includes:

- Facilitating Registration
- Forwarding the returns to central and state authorities
- Computation and settlement of IGST
- Matching of tax payment details with banking network
- Providing analysis of tax payers profile and
- Running the matching engine for matching, reversal and reclaim of input tax credit.

Snapshot of GST common portal is attached below:

8. Constitutional Amendments :

- Article 246: Subject Matter of laws made by parliament and by the Legislature of States.

Schedule VII					
<p><i>List I (referred as Union List):</i> This list enumerates the matters in respect of which the parliament has an exclusive right to make law</p>		<p><i>List II (referred to State List):</i> This list enumerates the matter in respect of which the legislature of any state has an exclusive right to make laws.</p>		<p><i>List III (referred as the concurrent List):</i> This list enumerates the matters in respect of which both the parliament & Legislature of any state have power to make laws.</p>	
Entry No	Items	Entry No	Items	Entry No	Items
84	<p><i>Duties of excise on the following goods manufactured or produced in India namely :</i></p> <p>(i) Petroleum Crude (ii) High Speed Diesel (iii) Motor Spirit (Commonly Known as Petrol) (iv) Natural Gas (v) aviation turbine fuel (vi) tobacco and tobacco products</p>	54	<p><i>Taxes on sales of</i></p> <p>(i) Petroleum crude (ii) High Speed Diesel (iii) Motor Spirit (Commonly Known as Petrol) (iv) Natural Gas (v) Aviation Turbine Fuel (vi) Alcoholic Liquor for human consumption. But Not including * Sale in course of inter - State trade or commerce or * Sale in the course of international trade or commerce of such goods.</p>		

On the following products GST shall not be levied, till a date to be notified on the recommendations of the GST Council.

Goods	Production	Sale
Alcoholic Liquor for Human Consumption (Completely outside GST)	State Excise	VAT / CST
Petroleum Crude	Central Excise	VAT / CST
High Speed Diesel	Central Excise	VAT / CST
Motor Spirit	Central Excise	VAT / CST
Natural Gas	Central Excise	VAT / CST
Aviation Turbine Fuel	Central Excise	VAT / CST
Tobacco and Tobacco Products	Central Excise	GST

- Constitutional Amendment for GST: Insertion of new article Article 246A**

(1) Notwithstanding anything contained in articles 246 and 254, **Parliament, and, subject to clause (2), the Legislature of every State, have power to make laws** with respect to goods and services tax imposed by the Union or by such State.

(2) **Parliament has exclusive power** to make laws with respect to goods and services tax where the supply of goods, or of services, or both takes place in the course of **inter-State trade or commerce**.

- “Article 279A”: Goods and Service tax Council**

I	Constitution of GST Council	Article 279A of the constitution empowers the President of India to constitute a joint forum of the Centre and State namely, Goods & Service Tax Council (GST Council). The Provisions relating to GST council came into force on 12 th Sept 2016. The President constituted the GST council on 15 th Sept 2016.
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2	Members of the GST Council	<p>Chairperson - The Union Finance Minister</p> <p>Member - The Union Minister of State in charge of Revenue or Finance.</p> <p>Member - The Minister of charge of Finance or taxation or any other Minister nominated by each state department</p>
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3	Vice Chairperson	The state Finance Minister shall choose one amongst themselves as Vice Chairperson of the council for such period as the case may decide.
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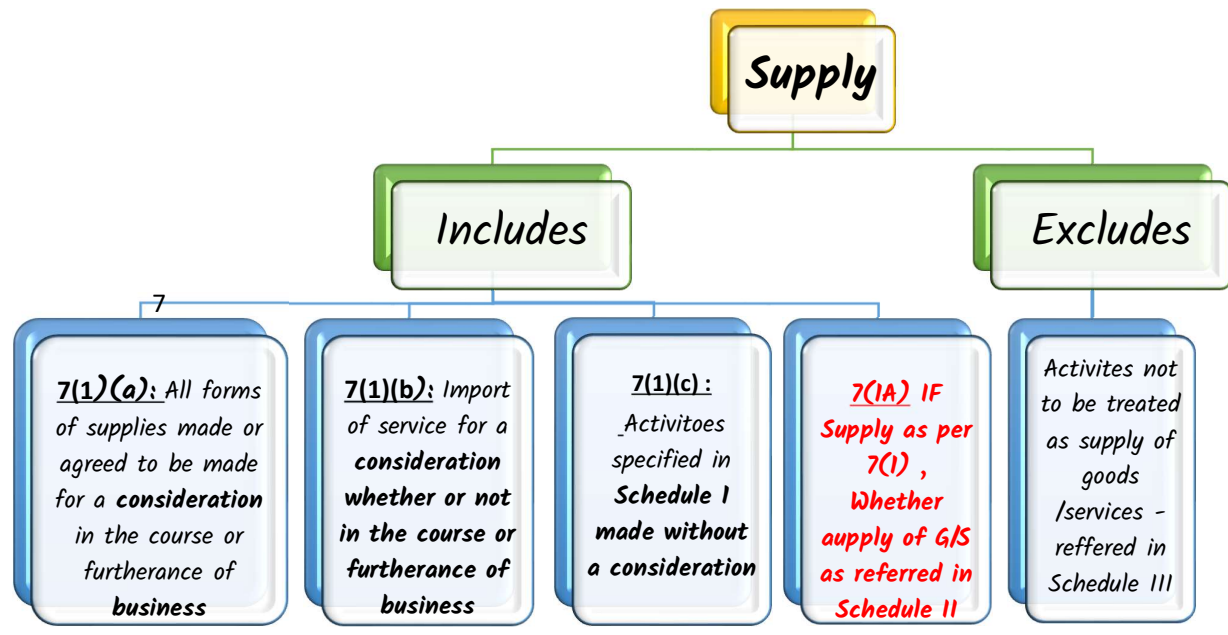
4	Role of GST Council	<p><u>Shall make recommendations to the union and the states on-</u></p> <p>(i) the taxes, cesses and surcharges levied by the Union, the states and the local bodies which may be subsumed in the goods and service tax;</p> <p>(ii) the goods and services that may be subjected to or exempted from the goods and service tax</p> <p>(iii) model of goods and Service Tax Laws, principles of levy, apportionment of Goods and service Tax levied on supplies in the course of inter-state trade or commerce under Article 269A and the principles that govern the place of supply</p> <p>(iv) the threshold limit of turnover below which goods and services may be exempted from GST</p> <p>(v) the rates including floor rates for a specified period, to raise additional resources during any natural calamity or disaster</p> <p>(vi) Special provision w.r.t Special categories states (10 States)</p> <p>(vii) Any other matter relating to the goods and services tax, as the council may decide</p>
----------	----------------------------	--

1) Introduction to supply Under GST

⇒ The **taxable event under GST is supply**. The scope of supply under GST can be understood in terms of following parameters:

Supply should be of goods or be made for a services	Supply should be of goods or be made for a services consideration	Supply should be made in the course or furtherance of business	Supply should be made by a taxable person	Supply should be made by a taxable person
--	--	---	--	--

⇒ The discussion with respect to supply is broadly categorised into following:



✓ Goods means

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

Services means

- **anything other than goods, money and securities**
- but **includes activities relating to the use of money or its conversion** by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination **for which a separate consideration is charged.**
- Author's Analysis on Goods & Services

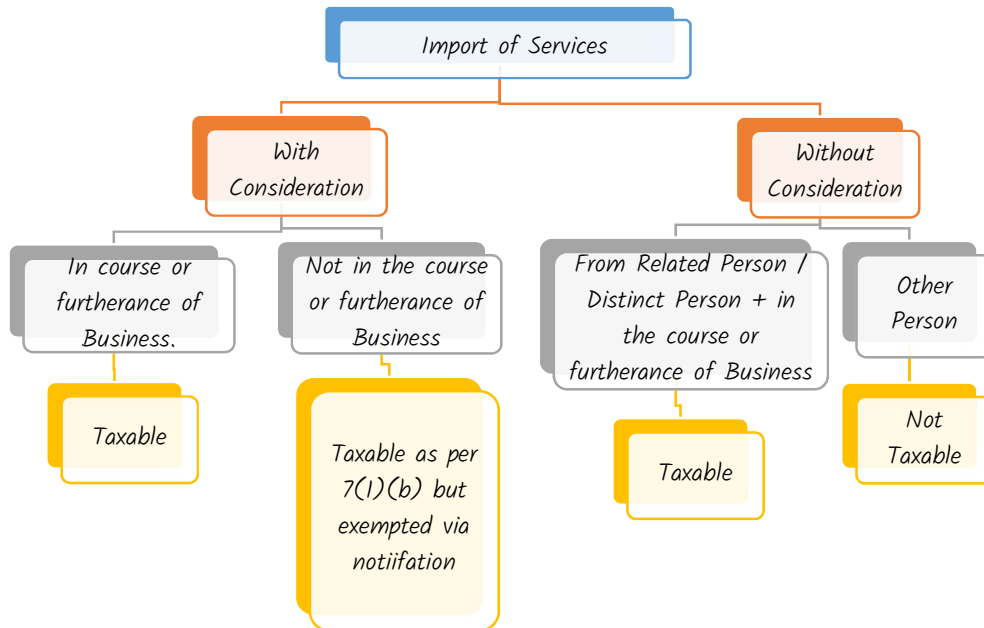
Particulars	Comments
Deposit or Withdrawal of money from Bank	Transaction in money i.e neither good nor services
Processing fees	It is a supply of service (Sep Consideration)
Conversion of currency	Transaction in money
Commission for conversion of currency	It is supply of service (Sep Consideration)
Sale or purchase of stock, shares, Derivate	Transaction in securities i.e. neither goods nor service
Actionable claims	Goods, However as per schedule III, Actionable claim other than lottery, betting and gambling is neither supply of goods or services

⇒ Supply for consideration in course or furtherance of business [Section 7(1)(a)]



⇒ Importation of services for consideration whether or not in course or furtherance of business [Section 7(1)(b)]

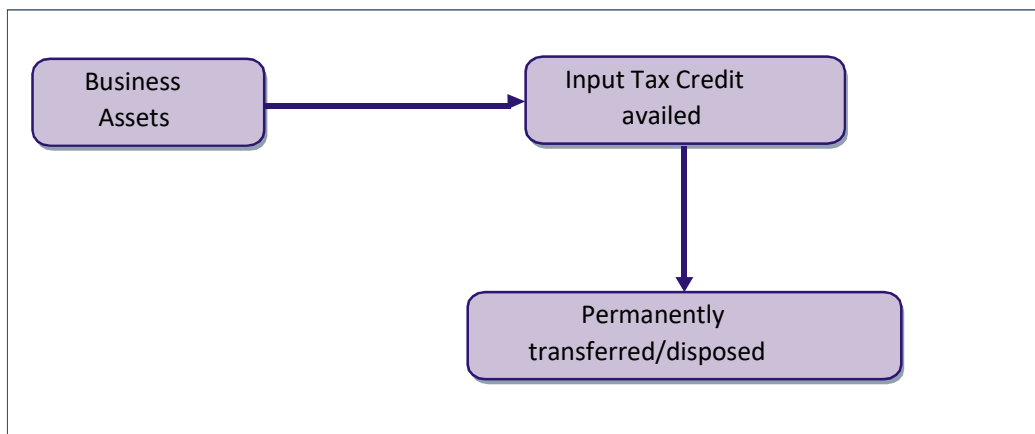
Supply should be in course or furtherance of business. The exception to said rule is import of services is deemed as supply even if the same has been imported not in course/furtherance of business.



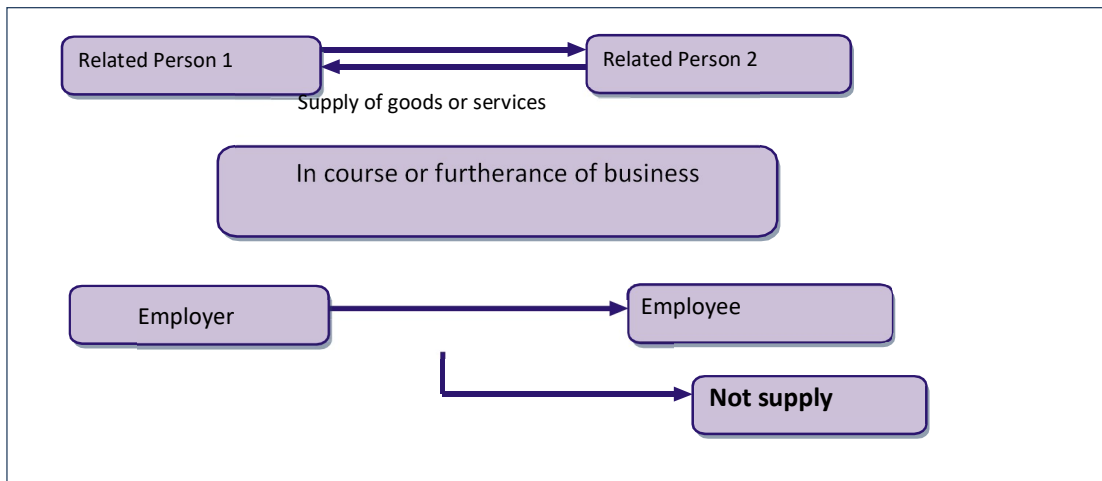
⇒ Supply without consideration - Deemed Supply [Section 7(1)(c) read with Schedule I]

As per Schedule I, in the following four cases, supplies made without consideration will be treated as supply under section 7 of the CGST Act:

○ Permanent Transfer/Disposal of Business Assets

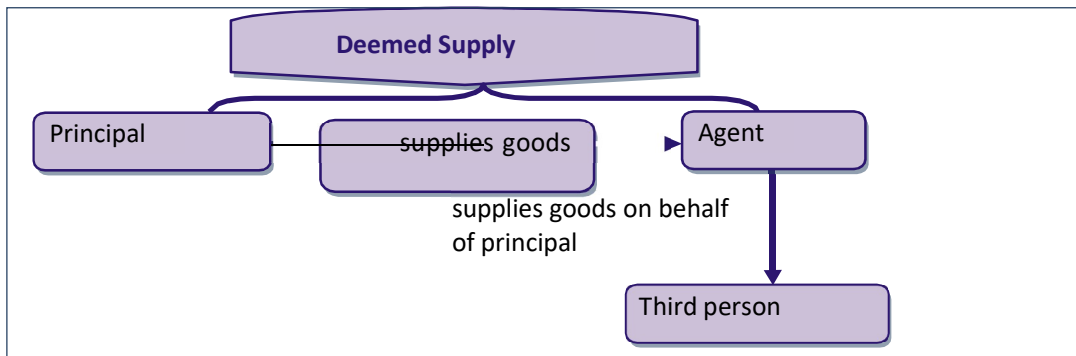


- Supply between **related persons or distinct persons**

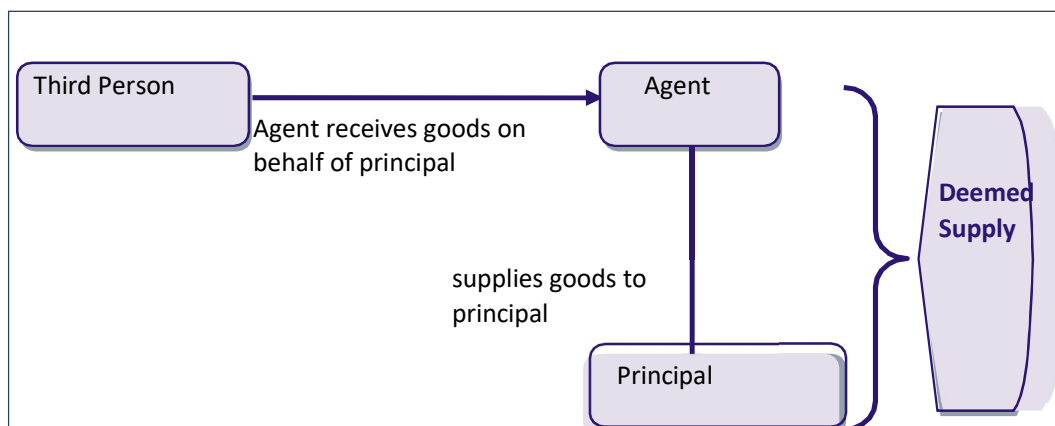


- Supply between **principal and agent** :

⇒ By a **principal to his agent** where the agent undertakes to supply such goods on behalf of the principal; or



- By an **agent to his principal** where the agent undertakes to receive such goods on behalf of the principal.



- **Importation of services:** **Import of services** by a taxable person from a related person or from any of his other establishments outside India, **in the course or furtherance of business.**

⇒ Activities or transactions to be treated as Supply of goods or Supply of services [Section 7(1A) read with Schedule II]

Sr No	Activity / Transaction	Type	Supply of Goods / Service
1	Transfer	(i) Title in goods (ii) Title in goods under an agreement that property shall pass at a future date.	Goods
		Right/undivided share in goods without transfer of title in them	Services
2	Land and Building	Lease, tenancy, easement, licence to occupy land	Services
		Lease/letting out of building including a commercial/ industrial/ residential complex for business/ commerce, wholly/ partly.	
3	Treatment or Process	Applied to another person's goods	Services
4	transfer of Business Asset	Goods forming part of business assets are transferred/disposed off by/under directions of person carrying on business so as no longer to form part of those assets, whether or not for consideration	Goods
		Goods held/used for business are put to private use or are made available to any person for use for any purpose other than business, by/under directions of person carrying on the business, whether or not for consideration	Services
		Goods forming part of assets of any business carried on by a person who ceases to be a taxable person, shall be deemed to be supplied by him, in the course or furtherance of his business, immediately before he ceases to be a taxable person. Exceptions: Business transferred as a going concern. Business carried on by a personal representative who is deemed to be a taxable person	Goods
5	Renting of immovable property		Services
	Construction of complex, building, civil structure, etc.		

Summary Book

	Temporary transfer or permitting use or enjoyment of any intellectual property right	
	Development, design, programming, customisation, adaptation, up gradation, enhancement, implementation of IT software	
	Agreeing to obligation to refrain from an act, or to tolerate an act or situation, or to do an act.	
	Transfer of right to use any goods for any purpose	
6	Following composite supplies:- Works contract services. Supply of goods, being food or any other article for human consumption or any drink.	Services
7	Supply of goods by an unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration.	Goods

⇒ **Negative list under GST [Section 7(2)(a) read with Schedule III]**

Sr No	Activities or transactions which shall be treated neither as a supply of goods nor a supply of services
1	Services by an employee to the employer in the course of or in relation to his employment.
2	Services by any court or Tribunal established under any law for the time being in force.
3	(a) Functions performed by the Members of Parliament, Members of State Legislature, Members of Panchayats, Members of Municipalities and Members of other local authorities; (b) Duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or (c) Duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause.
4	Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
5	Sale of land and, subject to paragraph 5(b) of Schedule II, sale of building.
6	Actionable claims, other than lottery, betting and gambling.

⇒ **Composite and mixed supplies**

<u>What is Composite Supply</u>	<u>What is Mixed Supply</u>
<p><u>Section 2 (30), of CGST Act, 2017</u></p> <ul style="list-style-type: none"> ✓ Composite supply means a supply made by a taxable person to a recipient and ✓ Comprises of two or more taxable supplies of goods or services or both, or any combination thereof: ✓ Are naturally bundled and supplied in conjunction with each other, in the ordinary course of business and one of which is principal supply. ✓ The elements in a composite supply are dependent on the 'principal supply'. 	<p><u>Section 2(74), of CGST Act, 2017.</u></p> <ul style="list-style-type: none"> ✓ Mixed Supply Means ✓ Two or More individual supplies of goods or services, or any combination thereof ✓ Made in conjunction with each other ✓ By a taxable Person ✓ For a single Price ✓ Where such Supply doesn't constitute Composite Supply
Example: Charger supplied alongwith mobile phones.	Example: A gift pack comprising of chocolates, candies, sweets and balloons.

⇒ Extent and Commencement of CGST Act / SGST Act / UTGST Act / IGST Act

Applicability	Intra State Supply			Inter State Supply
	CGST	SGST	UTGST	IGST
States of India	Yes	Yes		Yes
Union Territories with State legislature (i.e. Delhi and Puducherry)	Yes	Yes		Yes
Union Territories without State legislature (i.e. Andaman & Nicobar Islands, Lakshadweep, Dadra and Nagar Haveli, Daman and Diu, Chandigarh and other Territory)	Yes		Yes	Yes

⇒ Levy and collection of CGST / IGST

Particulars	CGST	IGST
Levied on	Intra-State supplies of goods/services/both	Inter-State supplies of goods/services/both
Collected and paid by	Taxable Person	
Supply outside purview of tax	Alcoholic liquor for human consumption	
Value for levy	Transaction value under section 15 of the CGST Act	
Rates	Rates as notified by Government. Maximum rate of CGST will be 20 %	IGST rate= CGST rate + SGST rate (more or less) Maximum rate of IGST will be 40%.
Supplies on which tax to be levied w.e.f. a notified date (Memory Tech: PHMNA)	<ul style="list-style-type: none"> petroleum crude high speed diesel motor spirit (commonly known as petrol) natural gas and aviation turbine fuel 	
Tax payable under reverse charge	<ul style="list-style-type: none"> Supply of goods or services or both, notified by the Government on the recommendations of the GST Council. Supply of taxable goods or services or both by an unregistered supplier to a registered person 	
Tax payable by the electronic commerce operator.	The Government may notify specific categories of services the tax on supplies of which shall be paid by electronic commerce operator (ECO) as if such services are supplied through it.	

Summary Book

	<i>If the ECO is located in taxable territory</i>	<i>Person liable to pay tax is the ECO</i>
	<i>If the ECO does not have physical presence in the taxable territory</i>	<i>Person liable to pay tax is the person representing the ECO</i>
	<i>If the ECO has neither the physical presence nor any representative in the taxable territory</i>	<i>Person liable to pay tax is the person appointed by the ECO for the purpose of paying the tax</i>
Goods Imported into India	<i>No CGST and SGST/UTGST payable.</i>	<i>IGST Shall be levied and collected on import of goods as per the section 3 of the custom tariff Act, 1975</i>

⇒ **What is an Economic Commerce Operator (ECO)**

Electronic Commerce Operator has been defined in Sec. 2(45) of the CGST Act, 2017 to mean **any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.**

Notification No. 17/2017 CT (R) dated 28.06.2017/ Notification No. 14/2017 IT (R) dated 28.06.2017 as amended has notified the following categories of services supplied through ECO for this purpose –

- Services by way of **transportation of passengers** by a **radio- taxi, motor cab, maxi cab and motor cycle.**
- Services by way of providing accommodation in **hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes**
- Services by way of **house-keeping, such as plumbing, carpentering etc.**

- ✓ **Taxable Supply** : Supply of G/S which is leviable to tax
- ✓ **Exempt Supply** : Supply of G/S (NIL Rate of tax + wholly exempt from tax + non-taxable supply)
- ✓ **Non-Taxable Supply** : Supply of G/S which is not leviable to tax

- ✓ **Eligibility:**

<u>Supplier</u>		<u>Aggregate Turnover</u>
Other than Special category States		Rs. 1 Crore in Preceding FY
In Special Category States		Rs. 75 Lakhs in Preceding FY
Special category states (Memory Technique: <u>MMMAATHS-N</u>)		
Meghalaya	Mizoram	Manipur
Arunachal Pradesh	Assam	Tripura
Himachal Pradesh	Sikkim	Nagaland

Note: In case of **Uttarakhand & Jammu and Kashmir**, the eligibility limit of turnover will be **Rs. 1 crore**

- ✓ **Composition Rates**

Category of Registered Persons	Rate (CGST+SGST)
Manufacturer	1% of T/O in state or UT
Supplier of Food (i.e. Restaurant services)	5% of T/O in state or UT
Traders	1% of T/O of Taxable supplies

⇒ **“Turnover in State” or “Turnover in Union Territory”**

"turnover in State" or "turnover in Union territory" means the aggregate value of

- **all taxable supplies** (excluding inward supplies on which tax is payable under RCM and
- **exempt supplies** made within a State or Union territory by a taxable person,
- **exports** of goods or services or both and
- **inter-State supplies** of goods or services or both **made from the State or Union territory** by the said taxable person
- **but excludes central tax, State tax, Union territory tax, integrated tax and cess**

✓ **Aggregate Turnover**

Includes	Excludes
Taxable Supplies	CGST
Exempt Supplies	SGST
Exports	UTGST
Inter State Supplies	IGST
of persons having the same PAN be computed on all India basis	Compensation Cess
	Value of inward supplies on which tax is payable under reverse charge

✓ **Clarification on eligibility of restaurant services for composition scheme**

✓ If the supplier engaged in **restaurant services** also supplies **exempt services** including services of extending deposits, loans, advances, so far as consideration shown by way of interest or discount then **he shall still be eligible for opting composition scheme.**

✓ For the computation of **aggregate turnover to determine the eligibility value of exempt services** including services of extending deposits, loans, advances so far as consideration shown by way interest or discount **shall not be taken into account.**

✓ **Composition Scheme – Procedure**

Category of Persons	How to exercise option	Effective date of composition levy
New registration under GST	Intimation in the registration form	From the effective date of registration
Registered person opting for composition levy	Intimation in prescribed form	Beginning of the financial year

✓ **Composition other Aspects**

Conditions
<i>Tax is not collected from recipient of supply</i>
<i>Input tax credit is not availed</i>
<i>Composition Scheme if availed shall include all registered persons having same PAN</i>
Non- Eligible Supplies
<i>Supplier of services other than supplier of food articles</i>
<i>Supplier of Goods which are not taxable under the CGST / SGST / UTGST Act</i>
<i>Supplier of Inter - State outward supplies of goods</i>
<i>Person supplying goods through an electronic commerce operator</i>
<i>Manufacturer of certain goods as may be notified by the Government</i> <ul style="list-style-type: none">✓ Ice cream & other edible ice whether or not containing cocoa,✓ Pan masala,✓ Tobacco and mfr tobacco substitutes)
Conditions and Restrictions
<i>He is neither a casual taxable person nor a non- resident taxable person</i>
<i>Stock has not been purchased from an unregistered supplier, where purchased tax paid under reverse charge</i>
<i>He shall pay tax under section 9(3)/9(4) (reverse charge) on inward supplies</i>
<i>He is not engaged in manufacturer of notified goods</i>
<i>Words "Composition taxable person, not eligible to collect tax on supplies" is mentioned at the top of the bill of supply</i>
<i>Words "Composition taxable person" displayed at prominent places</i>

1) Time Of Supply Where Tax Is Payable Under Forward Charge

Time of supply of goods [Section 12(2)]	Time of supply of services [Section 13(2)]
<p>Earliest of the following:</p> <ul style="list-style-type: none"> Date of issue of invoice by the supplier or the last date on which he is required, to issue the invoice under section 31(1) with respect to the supply Date on which the supplier receives the payment (entering the payment in books of account or crediting of payment in bank account, whichever is earlier) with respect to the supply <p>No GST on advances received for supply of goods: In case of supply of goods by a registered person (excluding composition supplier), GST is to be paid on the outward supply of goods on the date of issue of invoice or the last date on which invoice ought to have been issued in terms of section 31 [Notification No. 66/2017 CT dated 15.11.2017].</p>	<p>(a) Invoice issued within the prescribed time period</p> <p>Earliest of the following:</p> <ul style="list-style-type: none"> Date of issue of invoice by the supplier Date of receipt of payment (entering the payment in books of account or crediting of payment in bank account, whichever is earlier) <p>(b) Invoice not issued within the prescribed time period</p> <p>Earliest of the following:</p> <ul style="list-style-type: none"> Date of provision of service Date of receipt of payment (entering the payment in books of account or crediting of payment in bank account, whichever is earlier) <p>(c) When the above events are unascertainable</p> <ul style="list-style-type: none"> Date on which the recipient shows the receipt of services in his books of account <p>Supplier receives upto Rs. 1000 in excess of amount indicated in invoice, TOS to the extent of such excess amount at option of supplier be date of issue of invoice.</p>

2) General Time Limit For Raising Invoices

Supply of goods	Supply of services
<p>Before or at the time of,-</p> <p>(a) removal of goods for supply to the recipient, where the supply involves movement of goods, or</p> <p>(b) delivery of goods or making available thereof to the recipient, in any other case</p>	<p>Before or after the provision of service but within 30 days [45 days in case of insurance cos./banking and financial institutions including NBFCs] from the date of supply of services</p>

3) Time Of Supply Where Tax Is Payable Under Reverse Charge

Time of supply of goods [Section 12(3)]	Time of supply of services [Section 13(3)]
Earliest of the following: <ul style="list-style-type: none"> • Date of receipt of goods, or • Date of payment as entered in the books of account of the recipient or the date on which the payment is debited to his bank account, whichever is earlier, or • 31st day from the date of issue of invoice 	Earliest of the following: <ul style="list-style-type: none"> • Date of payment as entered in the books of account of the recipient or the date on which the payment is debited to his bank account, whichever is earlier, or • 61st day from the date of issue of invoice
Where the above events are not ascertainable, the time of supply shall be the date of entry in the books of account of the recipient of supply	
Import of service from associated enterprise Date of entry in the books of account of the recipient or the date of payment , whichever is earlier	

4) Time Of Supply Of Vouchers Exchangeable For Goods And Services

Supply of vouchers exchangeable for goods and services [Sections 12(4) and 13(4)]
(a) Supply of goods or services is identifiable at the time of issue of voucher Date of issue of the voucher
(b) Other cases Date of redemption of the voucher

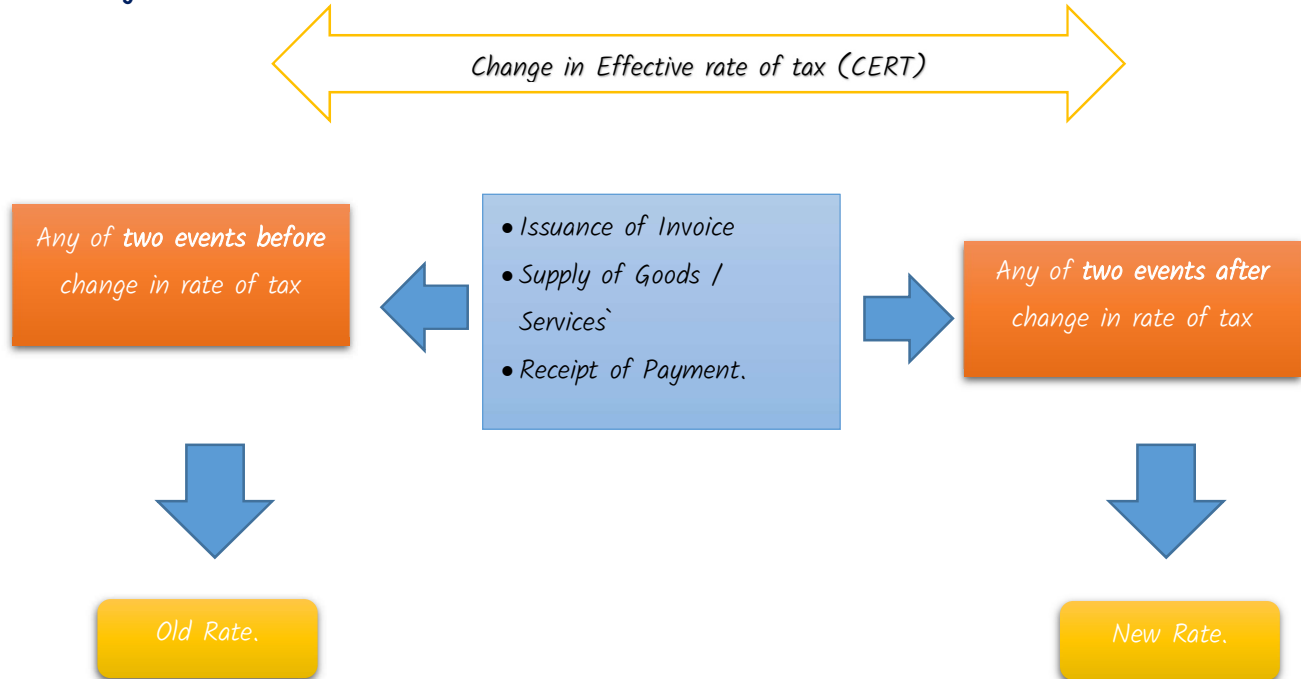
5) Time Of Supply Of Goods And Services In Residual Cases

Supply of goods and services in residual cases [Sections 12(5) and 13(5)]
(a) Where a periodical return is required to be filed Due date of filing such return
(b) Other cases Date of payment of tax

6) Time Of Supply For Addition In Value By Way Of Interest/ Late Fee/Penalty For Delayed Payment Of Consideration

Addition in value by way of interest, late fee/penalty for delayed payment of consideration. Time of Supply - Date on which the supplier receives such addition in value

7) **Change in Rate of Tax (Section 14):**



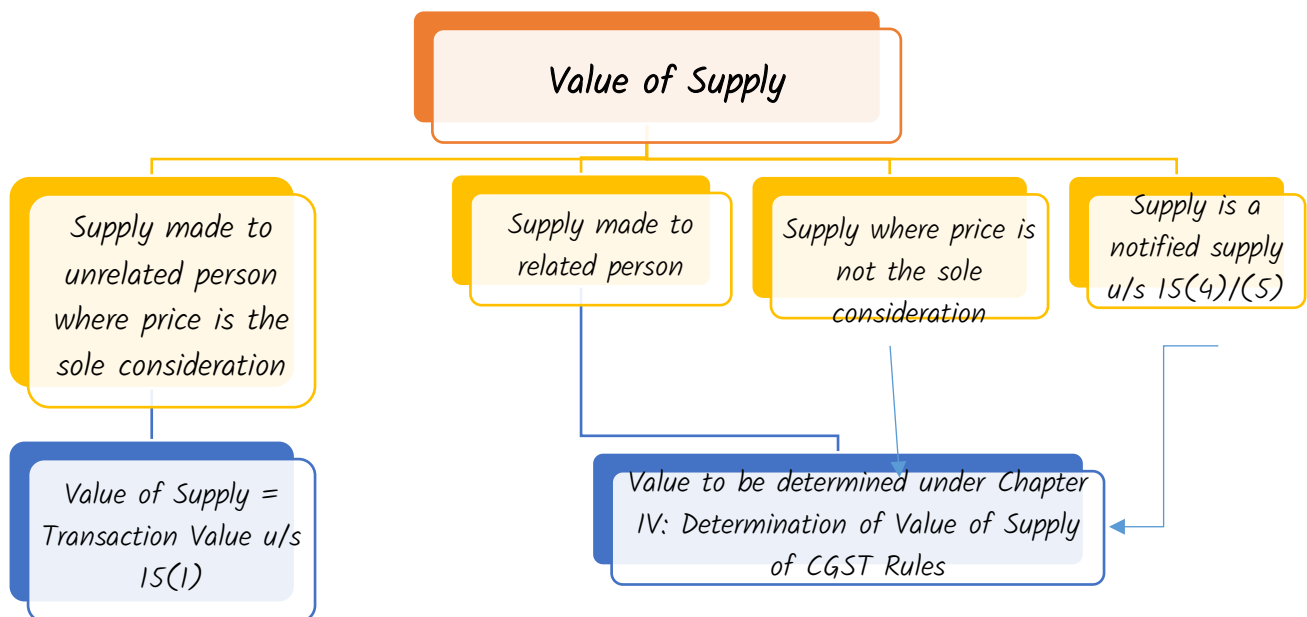
8) **Time for payment of tax in case of joint development agreements in real estate sector**

In case of-

- supply of development rights against consideration in the form of construction service of complex, building or civil structure;
- supply of construction service of complex, building or civil structure against consideration in the form of transfer of development right

GST is to be paid at the time when the possession or right in the property is transferred to the land owner by entering into a conveyance deed or similar instrument (e.g. allotment letter)

1) Value of Supply (Section 15)



⇒ **Value = TV = Price actually paid or payable when S and R are not related + Price is sole consideration**

⇒ **Inclusions in value u/s 15(2)**

- **Taxes** other than GST
- **Third party payments** made by customer in relation to supply, which supplier was liable to pay and were not included in the price
- **Incidental expenses** including commission and packing anything done by the supplier in respect of the supply till delivery of goods/ for supply of services, if charged to recipient
- **Interest/late fee/penalty** for delay in payment of consideration.
- **Subsidies** linked to price of supply other than the ones given by Central/State Governments

⇒ **Exclusions from value 15(2)**

- **Discounts** given **before or at the time of supply** and recorded in the invoice
- **Post supply discount / incentive**, if **known in advance & linked with invoices and proportionate ITC has been reversed** by the recipient

Valuation Rules

Rule 27 : Consideration not wholly in money

Value shall be either of the following in the given order:

- open market value
- total of consideration in money + amount equal to the consideration not in money
- value of supplies of like kind and quality
- Consideration in money + money value of non- monetary consideration computed as per rule 30 or 31 in that order.

Rule 28 : Supply between distinct/ related persons, other than agent

Value shall be either of the following in the given order:

- Open market value
- Value of supplies of like kind and quality
- Value as per rule 30 or 31 in that order.
- ♦ Option to supplier to value goods sold as such by recipient. Value= 90% of price charged by recipient to its unrelated customer

Recipient eligible for ITC. Invoice value = open market value (taxable value)

Rule 29: Supply of goods made/received through an agent

Value shall be either of the following in the given order:

- Open market value or 90% of price charged by recipient to his unrelated customer for supplies of like kind and quality;
- Value as per rule 30 or 31 in that order.

Rule 30: Value based on cost

Value shall be **110% of cost** of production/acquisition/ provision of goods or services

Rule 31: Residual method (Best Judgement Method)

Value shall be determined using reasonable means consistent with the principles and general provisions of section 15 & valuation rules. **For services, rule 31 can be adopted before rule 30.**

Rule 31A: Value of supply of lottery, chance to win in betting/ gambling/ horse racing in race club

Lottery run by State Govts. - 100/112 of the face value of ticket OR 100/112 of the price as notified in the Official Gazette by the organising State, whichever is higher.

Lottery authorised by State Govts. - 100/128 of the face value of ticket OR 100/128 of the price as notified in the Official Gazette by the organising State, whichever is higher

Actionable claim in form of chance to win in betting, gambling or horse racing in a race club - 100% of the face value of the bet or the amount paid into the totalisator

Lottery run by State Governments - Lottery not allowed to be sold in any State other than the organizing State; Lottery authorised by State Governments - Lottery authorised to be sold in State(s) other than the organising State also

RULE 32: Value of in respect of certain specific supplies✓ Purchase/sale of foreign currency:**Option 1**

Particulars	Value
Currency when exchanged from or to INR	Difference in Buying / Selling rate and RBI reference rate for that currency at that time X Total units of currency
If RBI reference rate is not available	1% of gross amount of INR provided / received by person changing money
If neither of the currencies exchanged are INR	1% of lesser of 2 amounts the person changing money would have received by converting them to INR on that day at reference rate of RBI

Option 2

Currency	Value
Up to Rs. 1,00,000	1% or Rs. 250 whichever is higher
From Rs. 100001 to Rs. 10,00,000	Rs. 1,000 + 0.5%
From Rs. 10,00,001	Rs. 5,500 + 0.1% subject to maximum of Rs. 60,000

OPTION ONCE EXERCISED SHALL NOT BE WITHDRAWN DURING REMAINING PART OF FY

✓ Booking of tickets by air travel agent:

Value = 5% of basic fare for domestic bookings and
10% of the basic fare for international bookings.

Basic fare = Air fare on which commission is normally payable to agents by airlines.

✓ Life insurance business:

Case	Taxable Value
Policy with dual benefits of risk coverage and investment	Gross Premium charged less amount allocated for investment / savings if such allocation is intimated to the policy holder at the time of collection premium.
Single premium annuity policy	10% of the single premium charged from the policy holder
Other cases	25% of Premium charged from policy holder in 1st year and, 12.5% of premium charged for subsequent years.

Above not to apply if entire premium is towards risk cover.

✓ Buying & selling of second hand goods:

- Value = Selling price – Buying price (ignore if value is negative);
- Purchase value of goods repossessed from unregistered borrower = Purchase price– 5% per quarter or part thereof from date of purchase till the date of disposal by the person making repossession

✓ Coupon/voucher: Value = money value of supplies redeemable against such voucher/ coupon

✓ Notified services between distinct persons without consideration: Value = Nil, if ITC is available

Rule 33: Supply as a pure agent

Costs incurred by the supplier as a pure agent of recipient shall be **excluded from value**

Pure Agent = (Contractual arrangement + Neither Intends to hold nor holds any Title + Does not use his own interest + Receives only the actual amount incurred)

Conditions = (Supplier acts as a pure agent + payment made Separately indicated in the invoice + Addition to services he supplied on own)

Rule 34: Rate of exchange for determination of value

Goods = **Rate** notified by **CBEC** under Customs Act on the **date of time of supply of such goods**;

Services = **Rate** as per **GAAP** on the **date of time of supply of such services**

Rule 35: Value inclusive of taxes

Where value of supply is inclusive of GST.

Tax amount = $\frac{\text{Value inclusive of GST} \times \text{GST rate in \%}}{(100 + \text{sum of applicable GST rates in \%})}$

CHAPTER 7

Input Tax Credit

⇒ Provisions of section 16 relating to **eligibility and conditions for taking ITC** read with relevant rules are summarized below:

Section 16(1) : Registered person to take credit of tax paid on inward supplies of goods and/or services **used/ intended to be used in the course or furtherance of business**

Section 16(2) : If the following four conditions are fulfilled:

- He has **valid tax invoice/debit note/prescribed tax paying document**
- He has furnished **valid return**
- **Tax** on such supply has been **actually paid to the government**
- He has **received goods and/or services**

Goods received in lots – ITC allowed upon receipt of **last lot**

If **depreciation** claimed on tax component, **ITC not allowed**

Goods **delivered to third person on the direction of the registered person** deemed to be received by the registered person – ITC available to the registered Person (**Bill to ship model**)

Time limit for availing ITC - ITC pertaining to a particular FY can be availed by **20th October of next FY or filing of annual return, whichever is earlier.**

Exception: Re- availment of ITC reversed earlier

Time limit for availing ITC - ITC pertaining to a particular FY can be availed by **20th October of next FY or filing of annual return, whichever is earlier.**

Exception: Re- availment of ITC reversed earlier

Reversal of input tax credit in the case of non-payment of consideration :

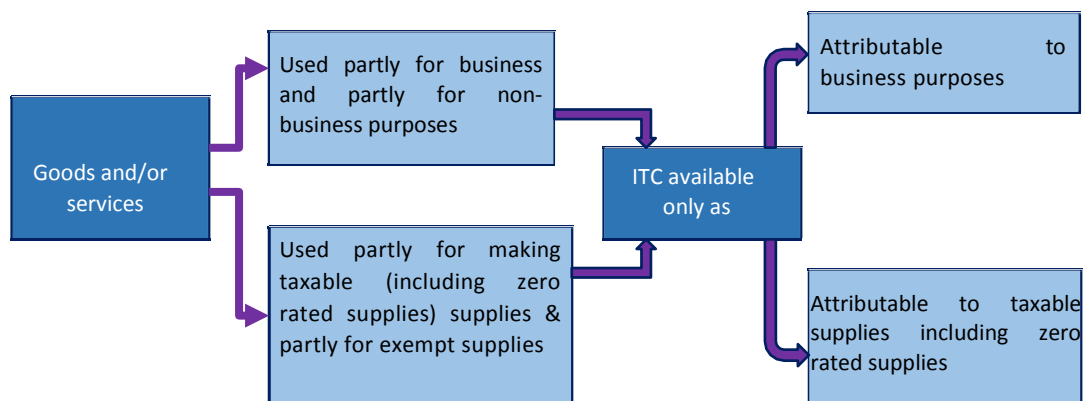
- ITC to be **reversed with interest @ 18% if value + tax** of goods and /or services is not paid within 180 days of the issuance of invoice.
- Such supplies will be specified in GSTR -2 of the month immediately following 180 days and ITC added in the output tax liability of the said month.
- On payment, the ITC could be **re-availed without any time limit.**

Exception:

- Supplies under reverse charge
- Deemed supplies without consideration

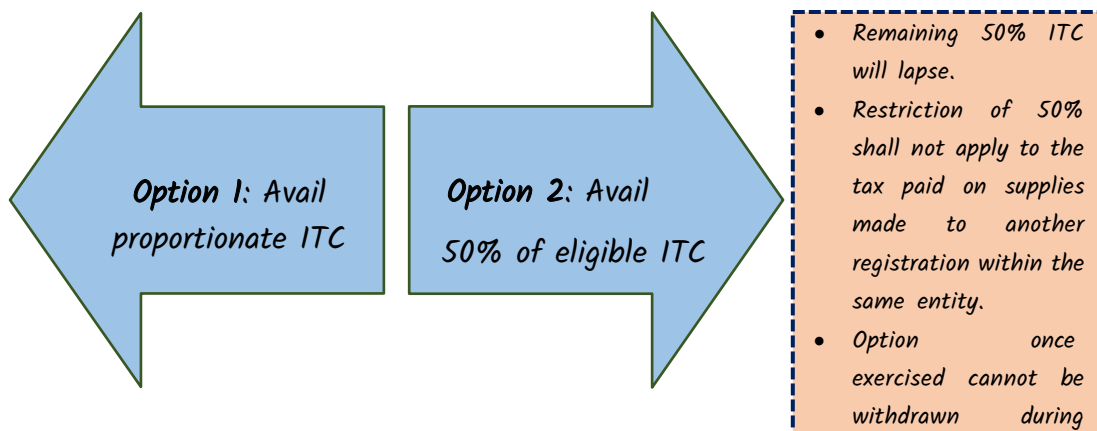
⇒ The provisions of section 17 relating to apportionment of credit and blocked credits read with relevant rules are summarized as under:

A *Apportionment of credit*

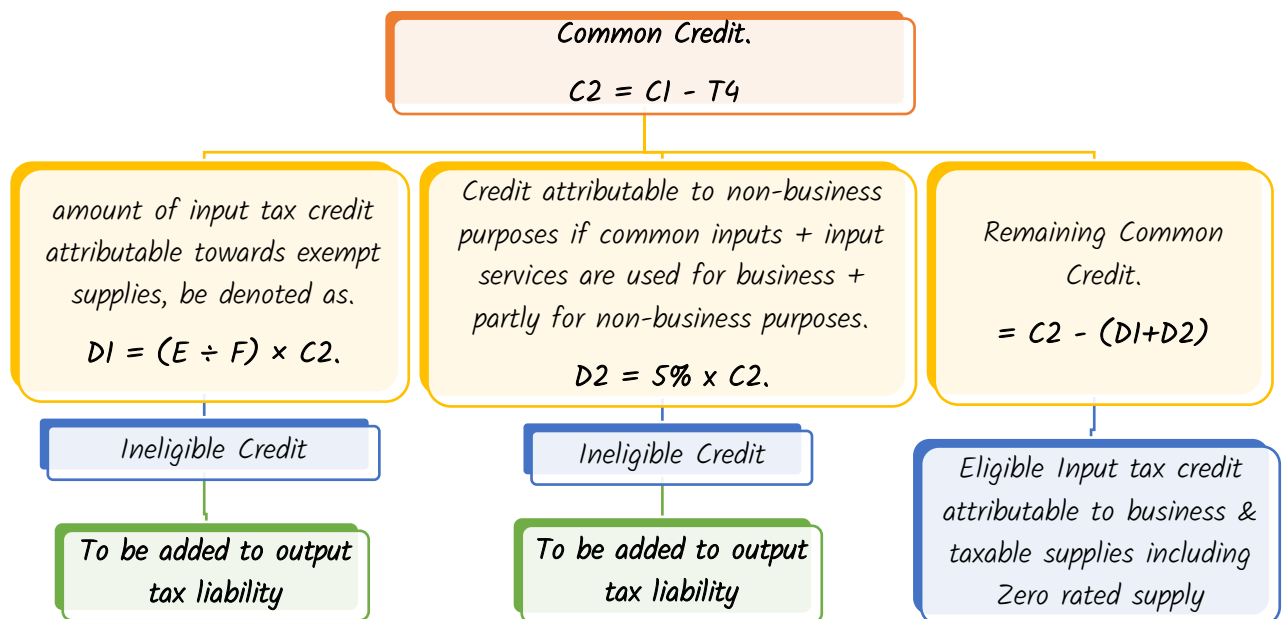
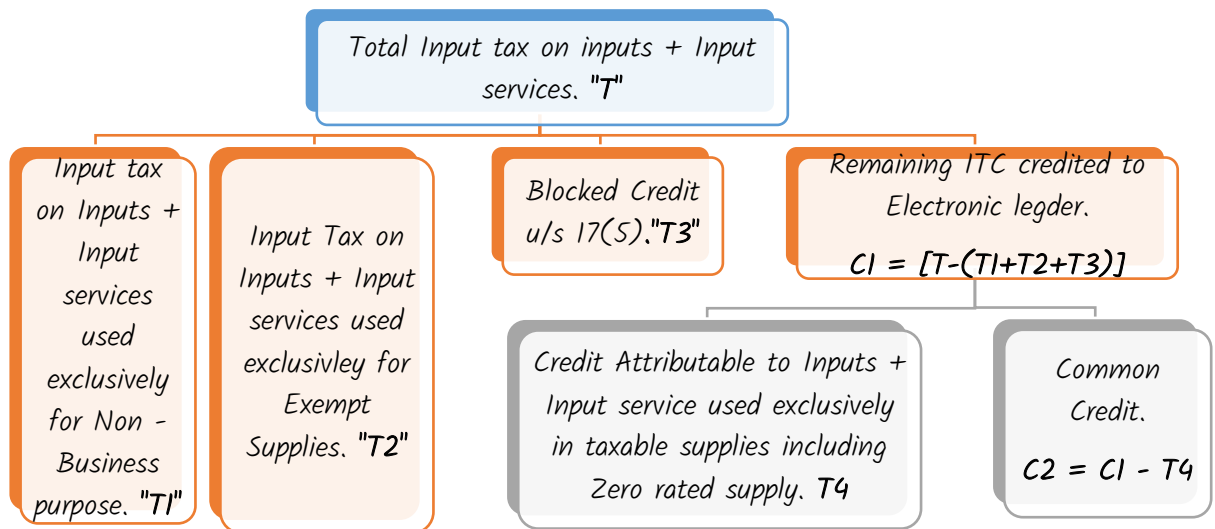


Exempt supplies include supplies charged to tax under reverse charge, transactions in securities, sale of land and sale of building when entire consideration is received post completion certificate.

B *Special provisions for banking companies and NBFCs*

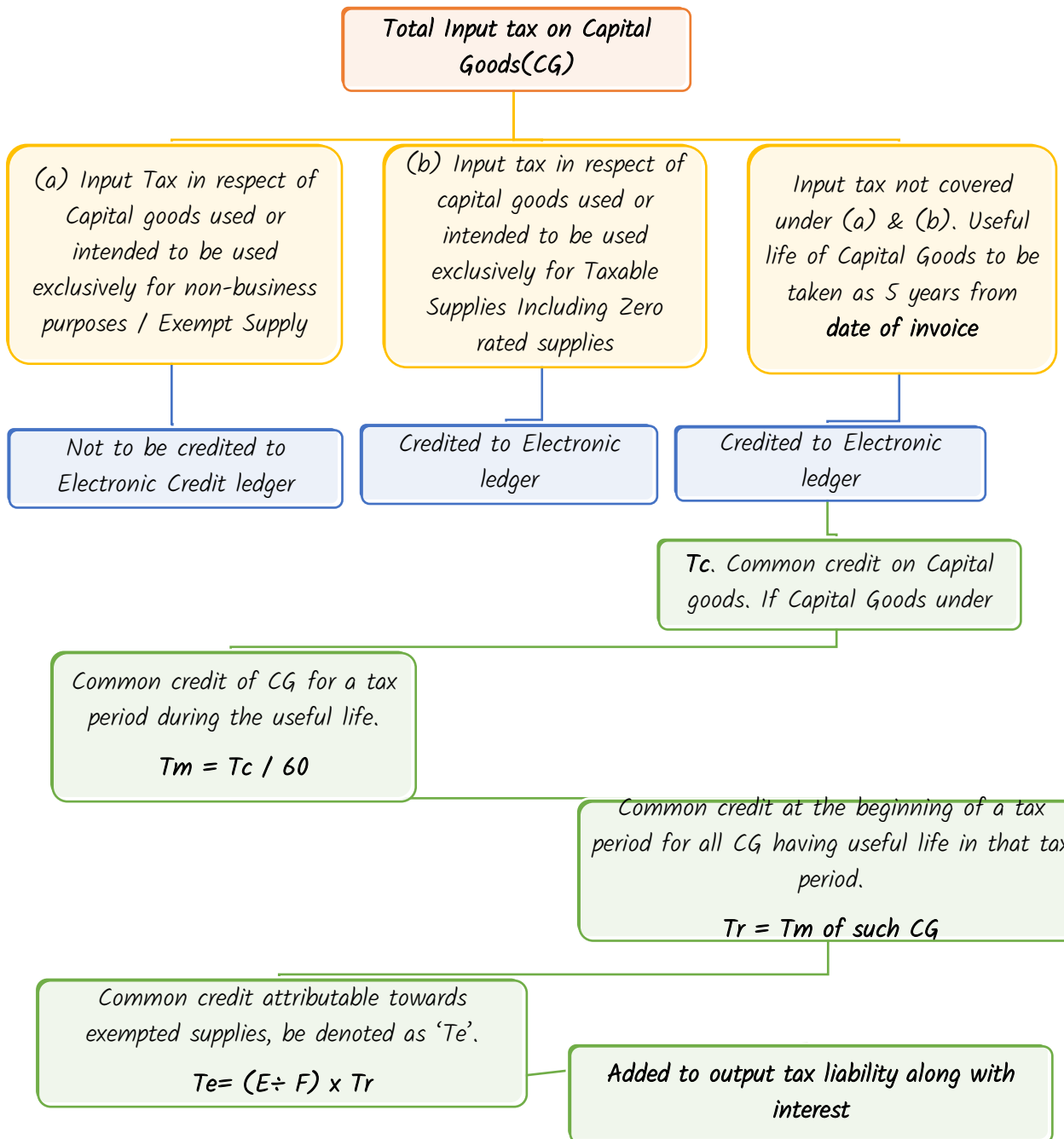


C Apportionment of common credit in case of inputs and input services

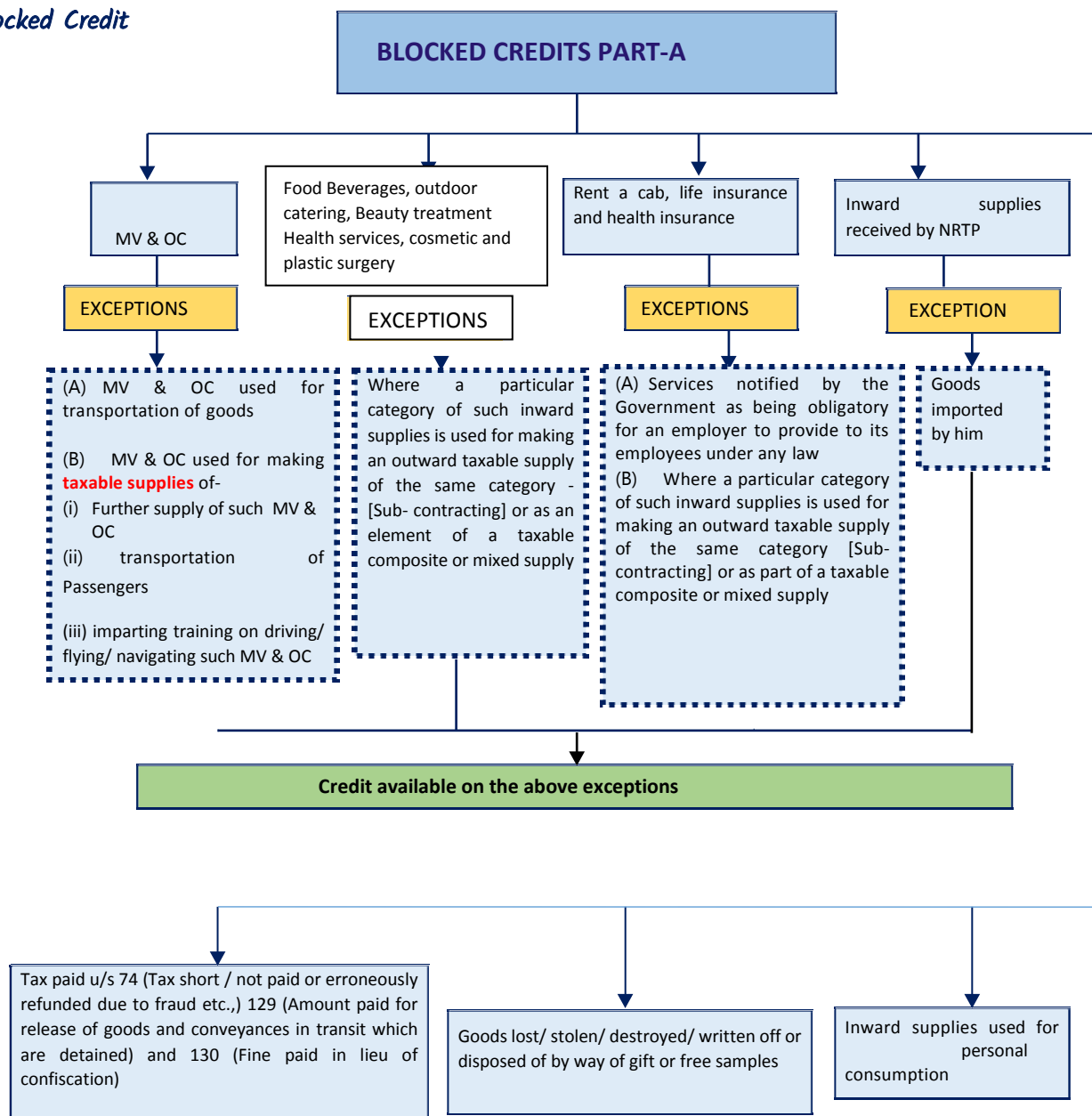


- C3 will be computed separately for ITC of CGST, SGST/ UTGST and IGST.
- $\Sigma (D1 + D2)$ will be computed for the whole financial year, by taking exempted turnover and aggregate turnover for the whole financial year. If this amount is more than the amount already added to output tax liability every month, the differential amount will be added to the output tax liability in any of the month till September of succeeding year along with interest @ 18% from 1st April of succeeding year till the date of payment.
- If this amount is less than the amount added to output tax liability every month, the additional amount paid has to be claimed back as credit in GSTR 3 of any month till September of the succeeding year.

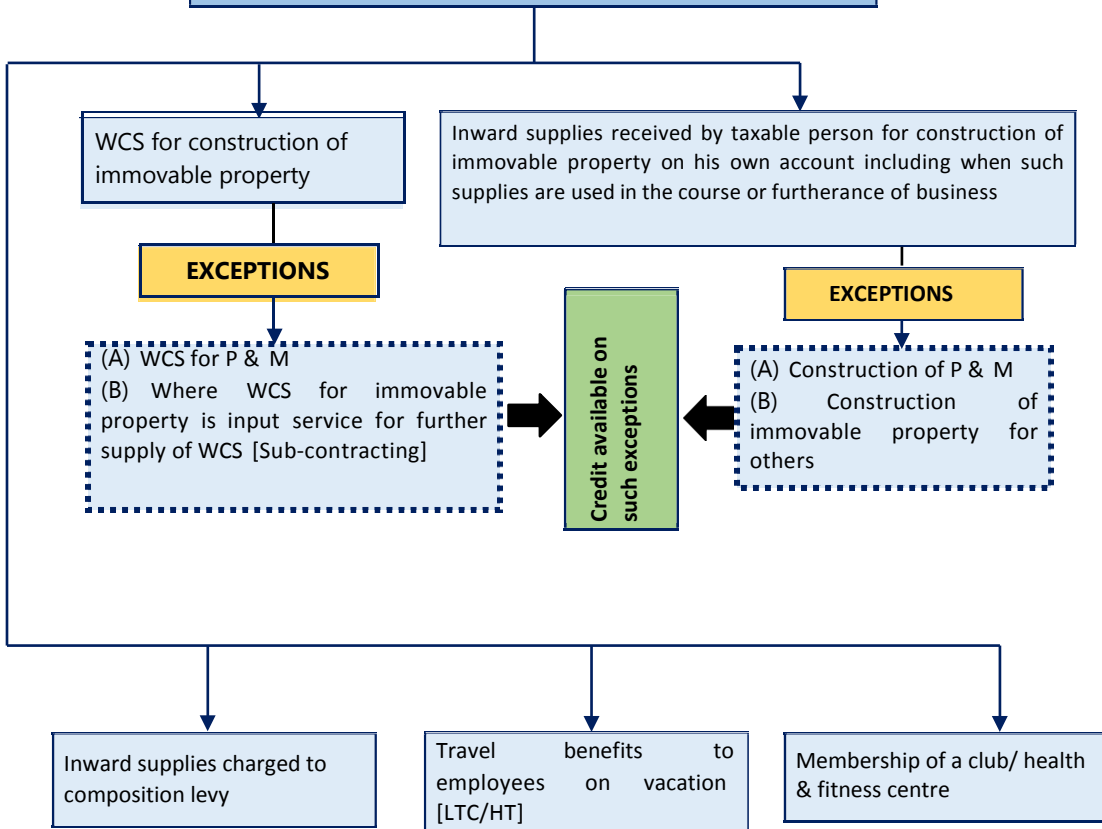
D *Apportionment of common credit on capital goods*



⇒ *Blocked Credit*



BLOCKED CREDITS PART-B



MV&OC-Motor vehicle & other conveyance;

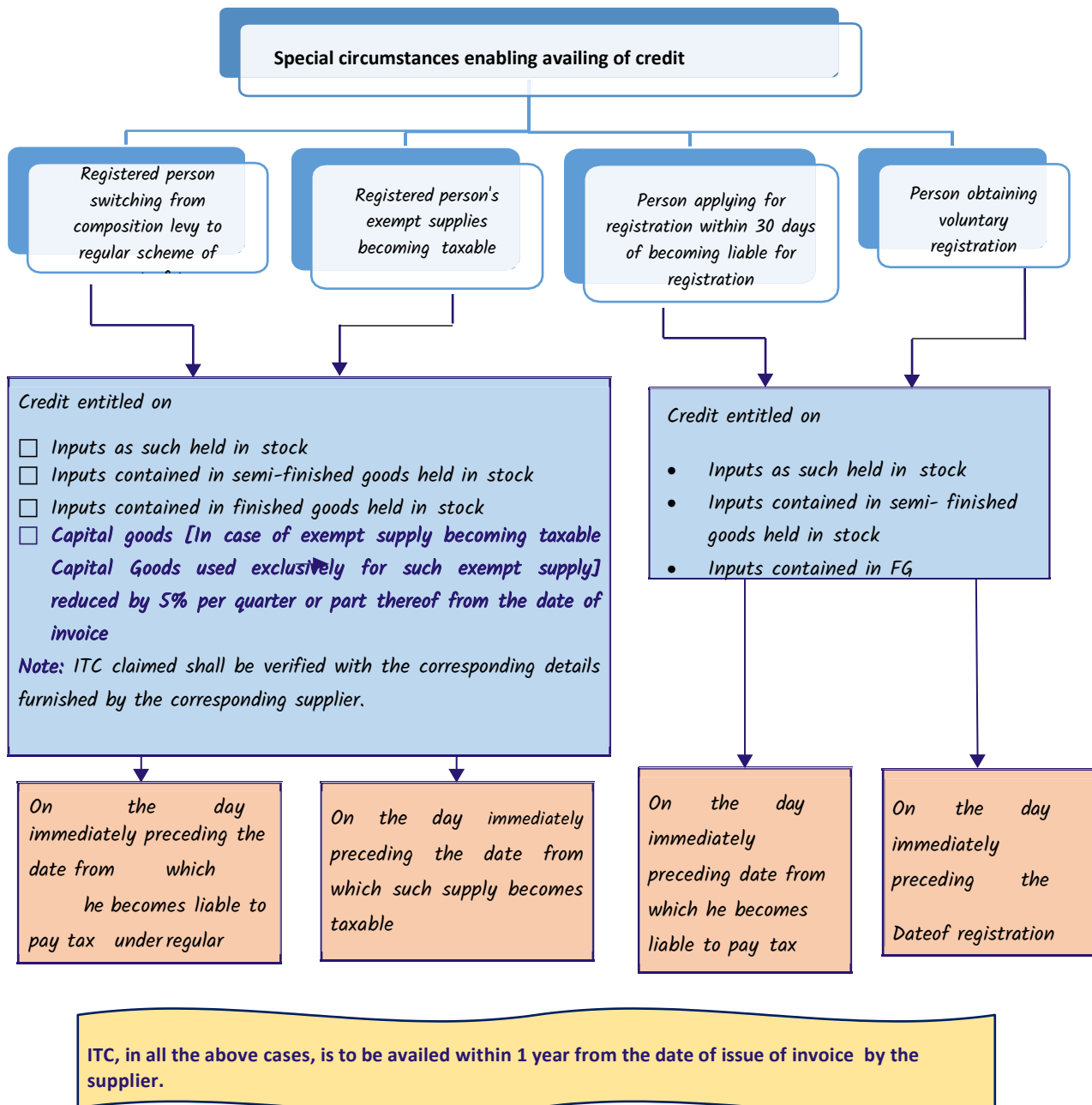
NRTP-Non-resident taxable person; WCS-Works contract service; LTC- Leave Travel Concession; HT-Home town

(A) Construction includes re-construction/ renovation/ addition/ alterations/ repairs to the extent of capitalisation to said immovable property.

(B) P & M means apparatus, equipment, & machinery fixed to earth by foundation or structural supports but excludes land, building/ other civil structures, telecommunication towers, and pipelines laid outside the factory premises.

⇒ The provisions of section 18 read with relevant rules have been summarized as under:

a. Special circumstances enabling availing of credit



Conditions for availing above credit:

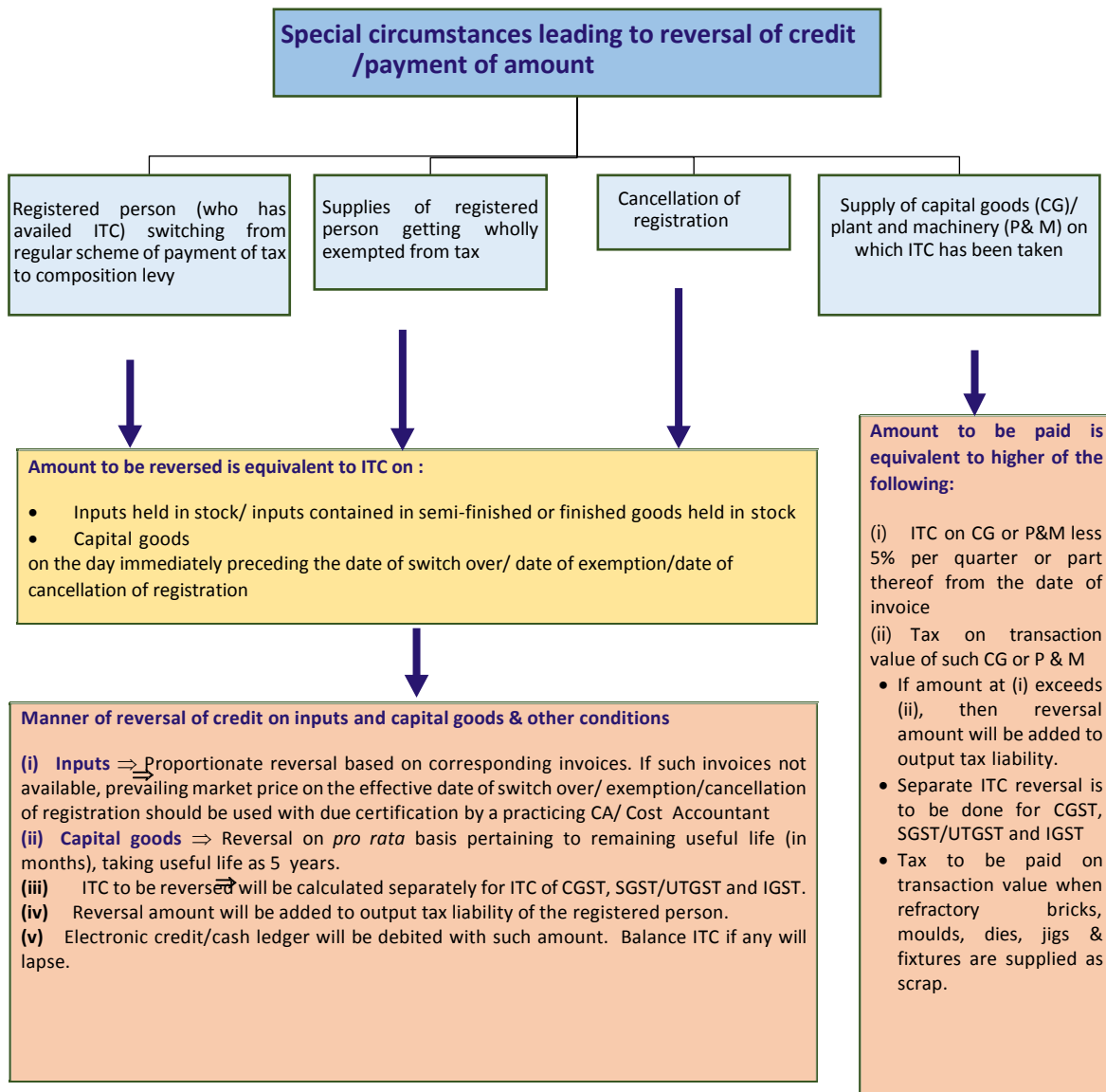
- Filing of electronic declaration giving details of inputs held in stock/contained in semi-finished goods and finished goods held in stock and capital goods on the days immediately

preceding the day on which credit becomes eligible.

(ii) Declaration has to be filed within 30 days from becoming eligible to avail credit.

(iii) Details in (i) above to be certified by a CA/ Cost Accountant if aggregate claim of CGST, SGST/ IGST credit is more than Rs. 2,00,000.

b. Special circumstances leading to reversal of credit/payment of amount



Transfer of unutilised ITC on account of change in constitution of registered person

- In case of sale, merger, amalgamation, lease or transfer of business, unutilised ITC can be transferred to the new entity if there is a specific provision for transfer of liabilities to the new entity. The inputs and capital goods so transferred shall be duly accounted for by the transferee in his books of accounts.
- In case of demerger, ITC will be apportioned in the ratio of value of assets of new unit as per the demerger scheme.
- Details of change in constitution will have to be furnished on common portal along with request to transfer unutilised ITC. CA/Cost Accountant certificate will have to be submitted certifying that change in constitution has been done with specific provision for transfer of liabilities
- Upon acceptance of such details by the transferee on the common portal, the unutilised ITC will be credited to his Electronic Credit Ledger.

⇒ **The provisions of section 20 relating to ISD are summarized as under:**

ISD is basically an office meant to **receive tax invoices towards receipt of input services and distribute the credit of taxes paid** on such input services to supplier units (having the same PAN) proportionately

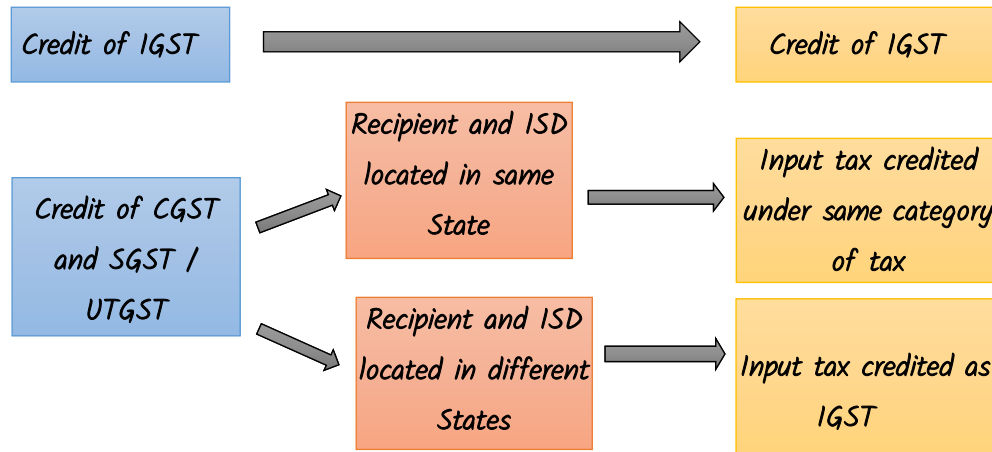
An ISD is **required to obtain a separate registration even though it may be separately registered**. The **threshold limit of registration is not applicable to ISD**.

- ITC of input services is distributed only amongst those recipients to whom the input services are attributable.
- **ITC is distributed amongst the operational units only** and in the ratio of turnover in a State/UT of the recipient during the relevant period to the aggregate of turnover of all recipients during the relevant period to whom input service being distributed is attributable.
- Relevant period is previous FY or last quarter prior to the month of distribution for which turnover of all recipients is available.
- Distributed **ITC should not exceed the credit available** for distribution.

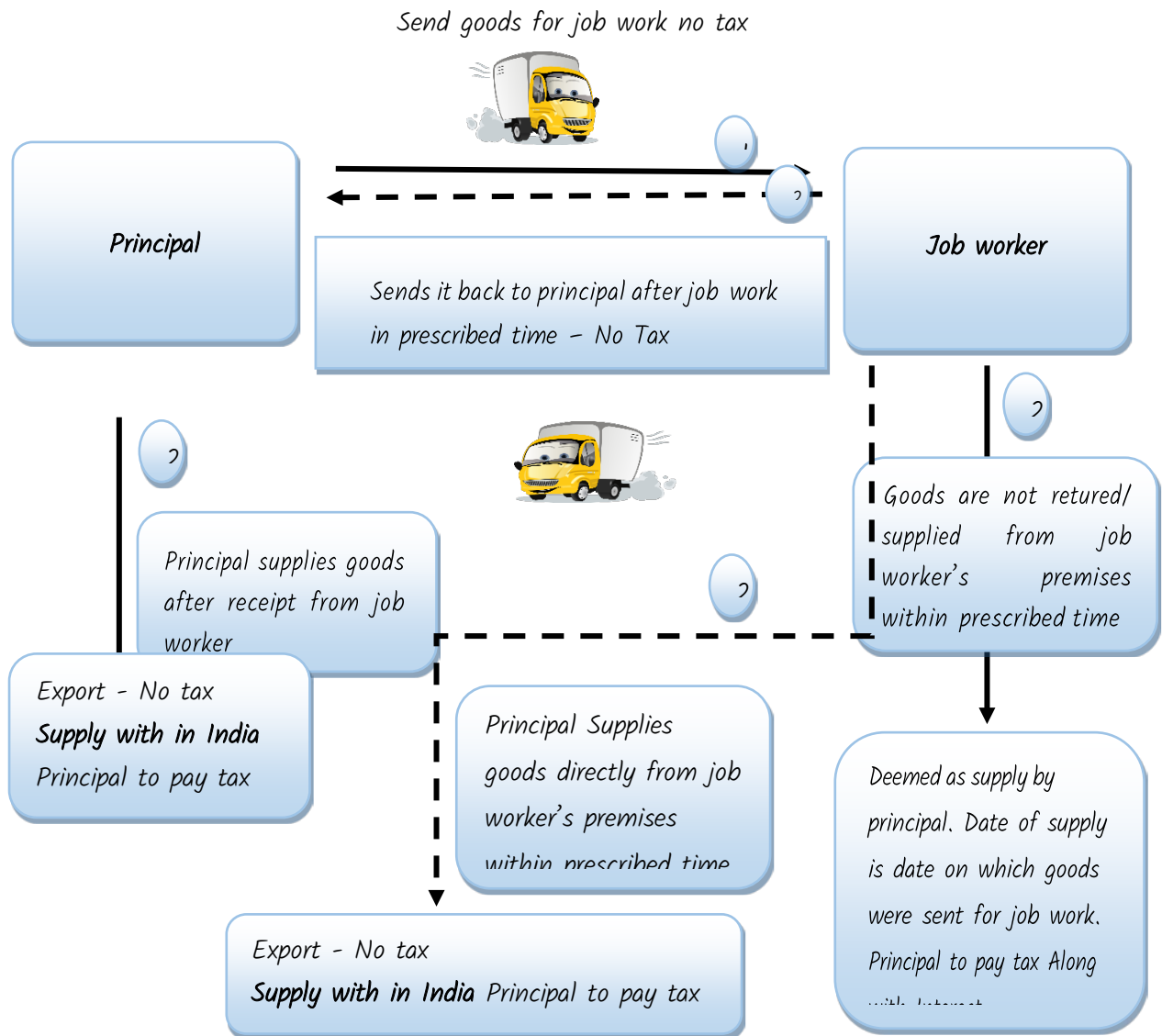
- ISD should **issue an ISD invoice** for distributing ITC. It should be clearly indicated in such invoice that it is issued only for distribution of ITC.
- The ISD needs to issue a **ISD credit note, for reduction in credit** if the distributed credit gets reduced for any reason.
- ITC available for **distribution in a month is to be distributed in the same month**.
- Details of distribution of credit and all ISD invoices issued should be furnished by ISD in monthly GSTR-6 within 13 days after the end of the month.

If the ISD has distributed excess credit to any recipient, the excess will be recovered from the recipient with interest as if it was tax not paid.

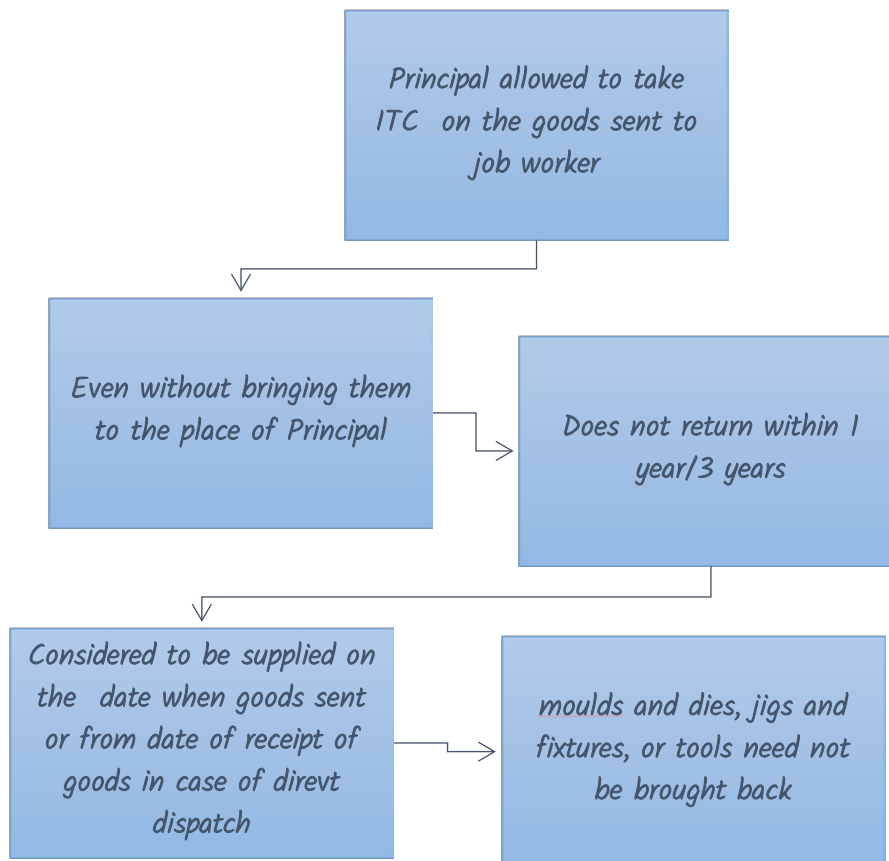
The above-mentioned scenario can be understood with the help of below mentioned presentation:



⇒ Goods Sent by principal to Job work



⇒ *Input credit to be availed by Principal on Goods sent to Job Worker*

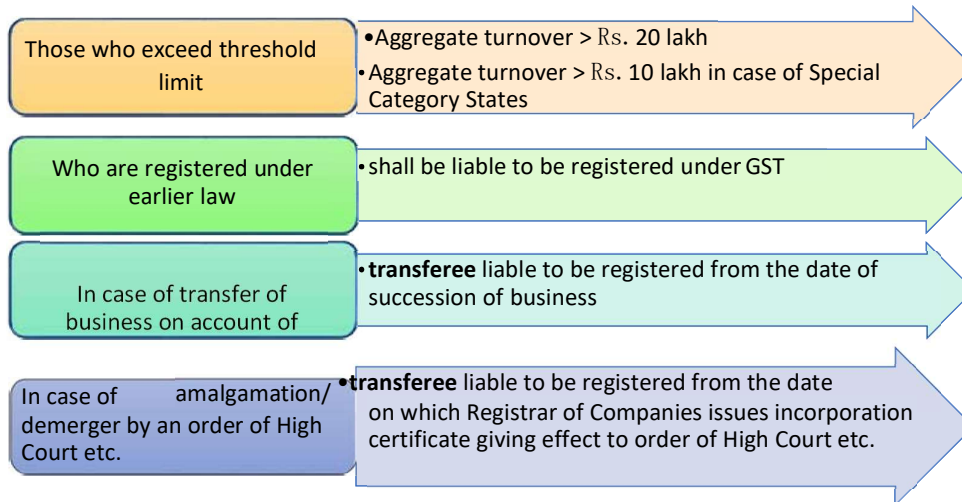


Chapter 9 Registration

1) Nature of Registration

- The registration in GST is PAN based and State specific.
- One registration per State/UT.
- However, a business entity having separate business verticals in a State may obtain separate registration for each of its business verticals i.e optional registration.
- GST identification number called "GSTIN" - a 15-digit number and a certificate of registration incorporating therein this GSTIN is made available to the applicant on the GSTN common portal.
- Registration under GST is not tax specific, i.e. single registration for all the taxes i.e. CGST, SGST/UTGST, IGST and cesses.

2) Persons Liable to Registration



3) Aggregate Turnover

Analysis of Aggregate Turnover	
Includes	Excludes
Taxable Supplies	CGST
Exempt Supplies	SGST
Exports	UTGST
Inter State Supplies	IGST
of persons having the same PAN be computed on all India basis	Compensation Cess
	Value of inward supplies on which tax is payable under reverse charge

4) Compulsory registration in certain cases

- ✓ Inter-State supplier

Except –

- ✓ Service supplier if aggregate TO *doesn't exceed Rs. 20 lakh*,
- ✓ Person making inter-state supply of handicraft goods,
- ✓ Persons making inter-State taxable supplies of notified products when made by craftsmen if Aggregate value does not exceed 20 lacs
- ✓ Job workers engaged in making inter-State supply of services to a registered person have been exempted from obtaining registration. However, nothing contained in this notification shall apply to a job- worker

(a) who is liable to be registered under section 22(1) or who opts to take registration voluntarily under section 25(3) of the CGST Act; or

(b) who is involved in making supply of services in relation to jewellery, goldsmiths' and silversmiths' wares and other articles

- ✓ Casual taxable person

Except – If CTP is engaged in making supply of Handicraft goods then he is no required to obtain registration.

- ✓ Person receiving supplies on which tax is payable by *recipient on reverse charge basis*
- ✓ A person who is required to pay tax under 9(5) E.g. : *Booking of cab through an ECO.*
- ✓ Person who is required to *deduct tax u/s 51*
- ✓ Non-resident taxable persons
- ✓ Persons who supply goods or services or both, other than supplies specified u/s 9 (5), through such ECO who is required to collect tax at source u/s 52;

Except – Such persons having an aggregate turnover, to be computed on all India basis, *not exceeding an amount of Rs. 20 lakh* (Rs. 10 lakh for specified special category states) in a FY, have been *exempted* from obtaining registration

- ✓ A person who supplies on behalf of some other taxable person (i.e. an Agent of some Principal)
- ✓ ISD whether or not separately registered under this act.
- ✓ Every *ECO*
- ✓ Supplier of *OIDAR Services*
- ✓ Person/class of persons *notified by the Central/State Government.*

5) Persons not liable for registration

- Person engaged exclusively in supplying goods / services / both **not liable to tax**
- Person engaged exclusively in supplying goods/services/both **wholly exempt from tax**
- **Agriculturist** limited to supply of produce out of cultivation of land
- Specified category of persons notified by the Government.

6) Where and by when to apply for registration?

Person who is liable to be registered under section 22 or section 24	A casual taxable person or a non- resident taxable person
<ul style="list-style-type: none"> •in every such State/UT in which he is so liable •within 30 days from the date on which he becomes liable to registration 	<ul style="list-style-type: none"> •in every such State/UT in which he is so liable •at least 5 days prior to the commencement of business

7) Voluntary Registration and UIN

Voluntary Registration - Person **not liable to be registered** under sections 22/24 may get himself registered voluntarily.

Unique Identification Number - In respect of supplies to some notified agencies of United Nations organisation, multinational financial institutions and other organisations, a UIN is issued

8) Effective date of Registration – Rule 10

- Application submitted **within 30 days** of the applicant becoming liable to registration - **Effective date is the date on which he becomes liable to registration**
- Application submitted **after 30 days** of the applicant becoming liable to registration - **Effective date is date of grant of registration**

9) Optional Registration

Person having **multiple business verticals** in a state or union territory **may obtain** separate registration for each business vertical

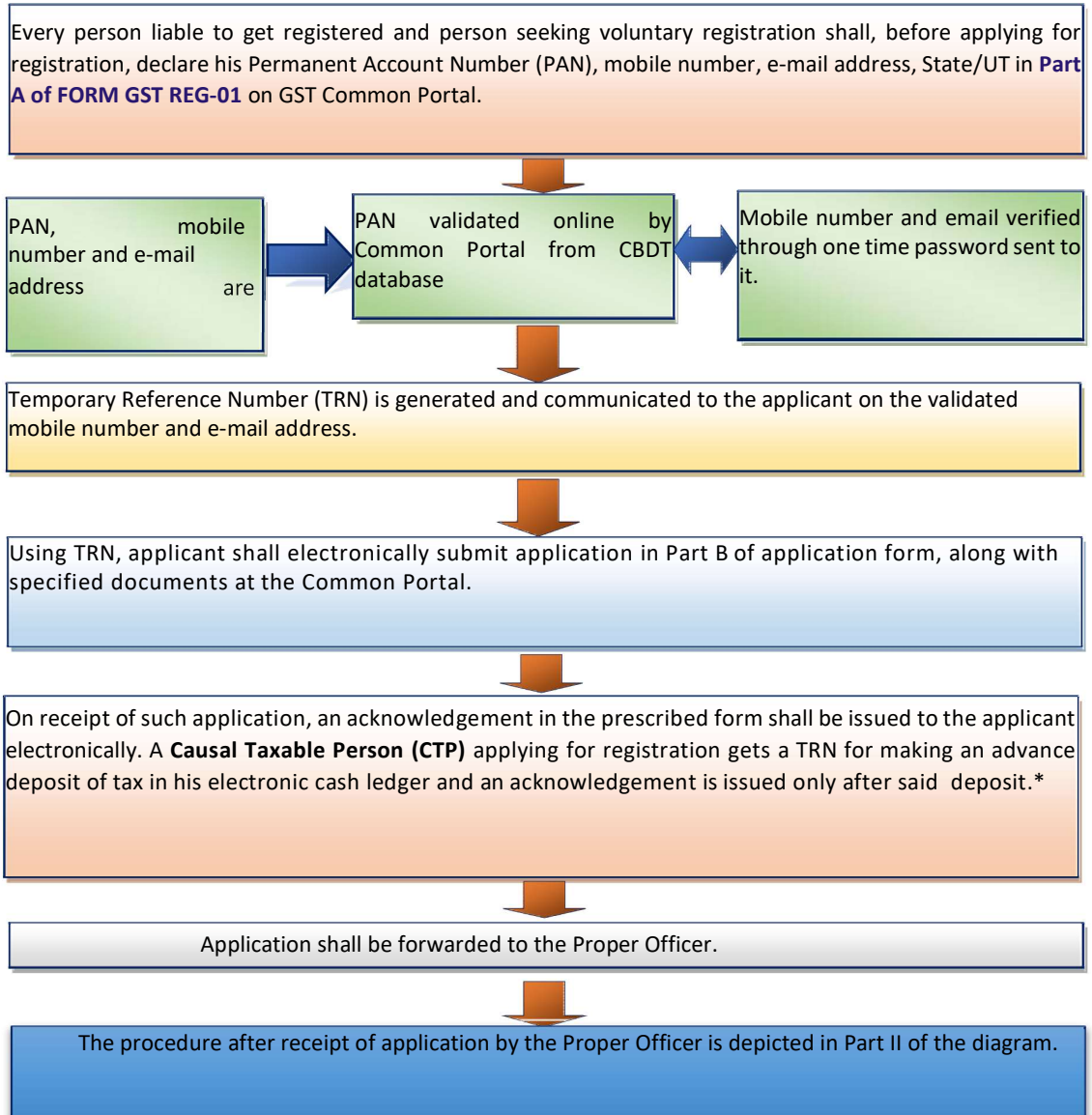
If **one of the business vertical** of a taxable person is paying **tax under normal levy (Section 9)**, **no other business vertical** shall be granted registration to pay tax under **Composition Scheme (Section 10)**

10) *Suo-motu registration by the proper officer :*

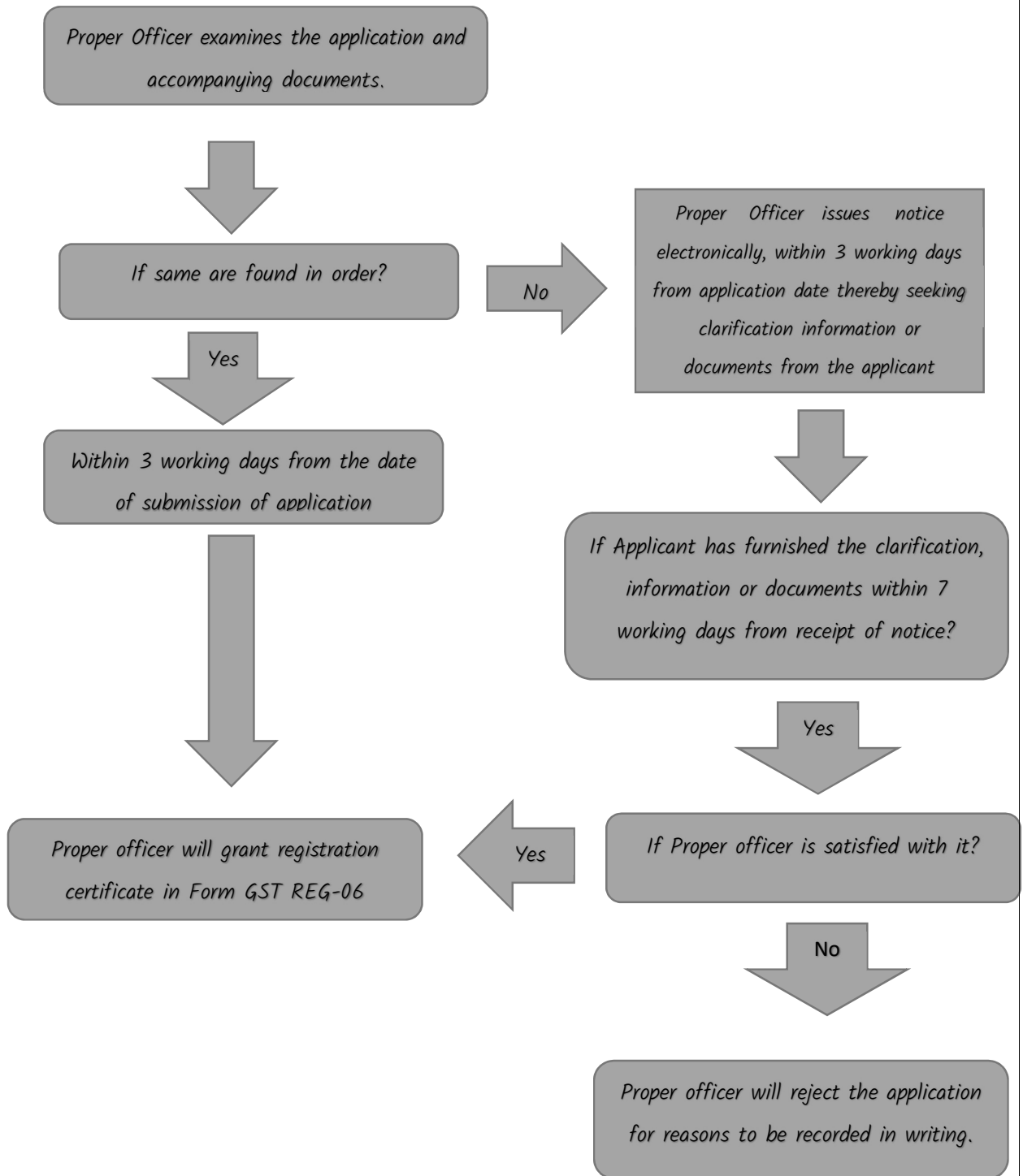
Where, *pursuant to any survey, enquiry, inspection, search or any other proceedings under the Act*, the proper officer finds that a *person liable to registration under the Act*** has failed to apply for such registration, such *officer may register the said person on a temporary basis* and issue an order in prescribed form.

II) *Procedure of Registration*

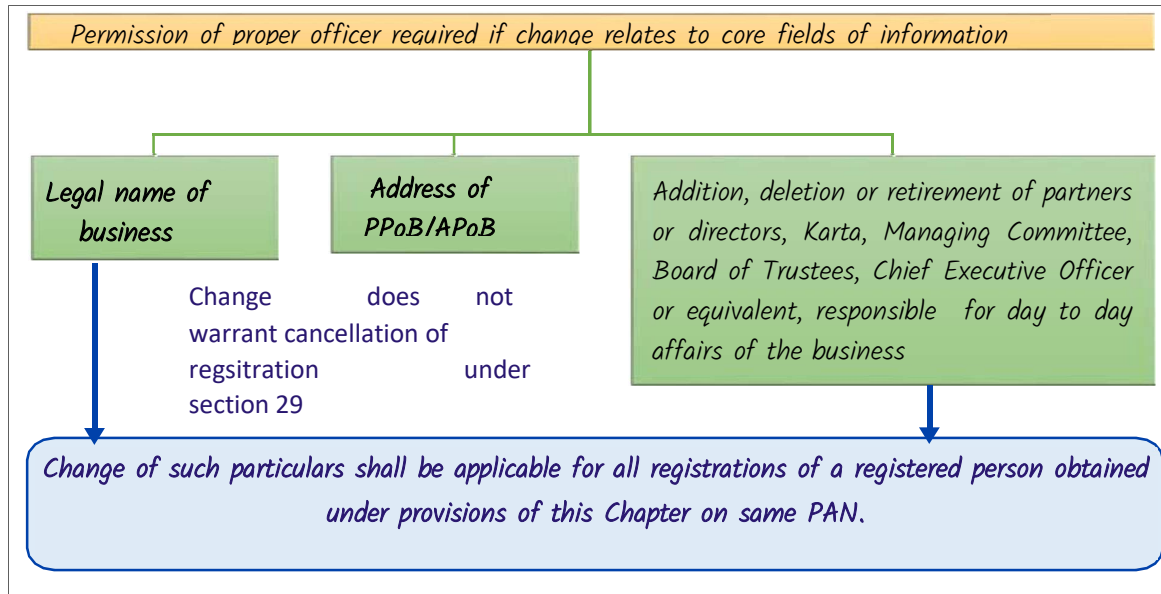
Part I



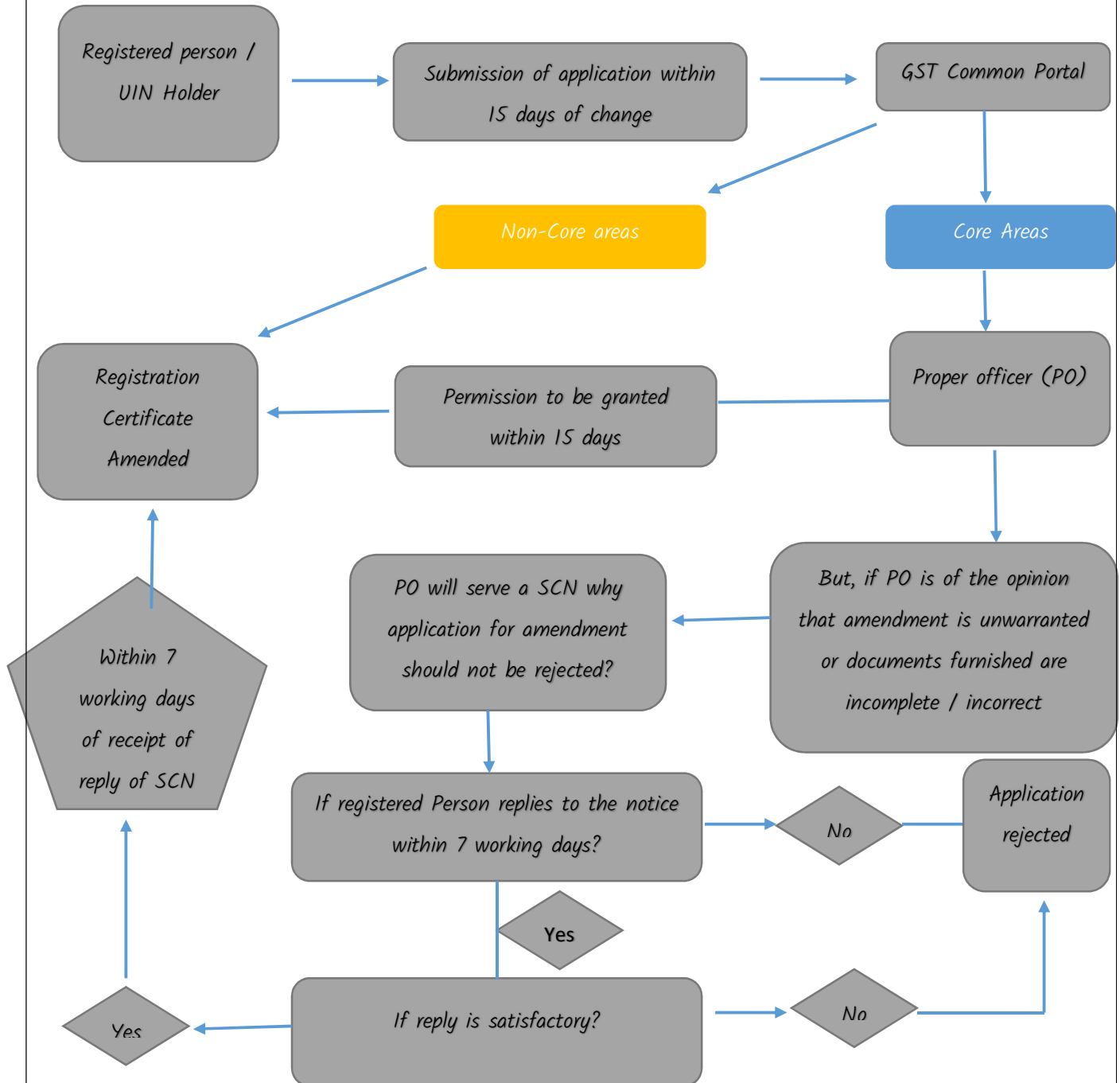
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12) Amendment of Registration



Summary Book

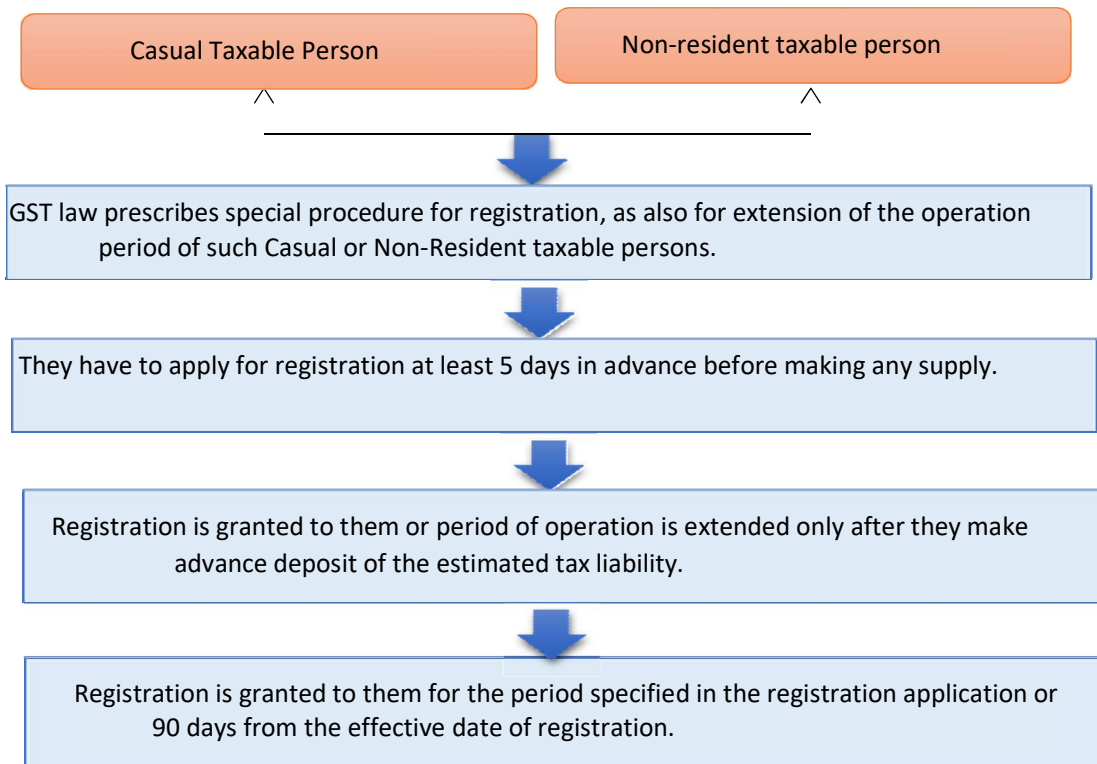


If the Proper officer fails to take any action:

- **Within a period of 15 working days** from the date of submission of the application, or
- **Within a period of 7 working days** from the date of the receipt of the reply to the SCN, the certificate of registration shall stand amended to the extent applied for and the amended certificate shall be made available to the registered person on the common portal

13) Special procedure for registration of CTD and NRTD

Casual Taxable Person	Non-resident Taxable Person
<p>A Casual taxable person is one who has a registered business in some State in India, but wants to effect supplies from some other State in which he is not having any fixed place of business.</p> <p>Such person needs to register in the State from where he seeks to supply as a Casual taxable person.</p>	<p>A Non-Resident taxable person is one who is a foreigner and occasionally wants to effect taxable supplies from any State in India, and for that he needs GST registration.</p>



14) Amendment of Registration

Except for the changes in some core information in the registration application, a taxable person shall be able to make amendments without requiring any specific approval from the tax authority.

In case the change is for legal name of the business, or the State of place of business or additional place of business, the taxable person will apply for amendment within 15 days of the event necessitating the change.

The Proper Officer, then, will approve the amendment within the next 15 days.

For other changes like the name of day-to-day functionaries, e-mail IDs, mobile numbers etc. no approval of the Proper Officer is required, and the amendment can be affected by the taxable person on his own on the common portal.

15) Cancellation Of Registration -

By Proper Officer or Application by tax payer

- Issuance of SCN except in case of death
- Providing reasonable opportunity of being heard

✓ Reasons for cancellation -

- Transfer/discontinuation of business
 - Discontinuation of business
 - Full transfer of business for any reason
 - Death of proprietor
 - Amalgamation
 - De-merger
 - Disposal of business
- Change in constitution of business
- No longer liable to be registered

- ✓ *Cancellation possible even from earlier date if*
 - *Contravention of provisions of GST Law*
 - *Composition dealers – returns not furnished consecutively for 3 tax periods*
 - *Other dealers – returns not furnished consecutively for 6 months*
 - *Voluntary registration – Business not commenced in 6 months from the date of registration*
 - *Registration obtained by fraud, willful mis-statement, suppression of facts*
- ✓ *ITC*
 - *Pay ITC of inputs in stock, contained in semi-finished or finished goods or capital goods or plant & machinery or output tax, whichever is higher*
 - *Capital goods: Pay either ITC (-) specific % or tax on transaction value, whichever is higher*
- *Note : Cancellation of registration shall not affect liability of taxable person for period prior to cancellation*
to pay tax and other dues or
to discharge any obligation
Irrespective of the time of determination i.e. either before or after the date of cancellation

1) Place of supply of goods other than import and export [Section 10]

Sr No	Nature of Supply	Place of Supply
1	Where the supply involves the movement of goods , whether by the supplier or the recipient or by any other person	Location of the goods at the time at which, the movement of goods terminates for delivery to the recipient
2	Where the goods are delivered to the recipient or any person on the direction of the third person by way of transfer of title or otherwise. (Bill to Ship Model)	Principal place of business of such third person
3	Where there is no movement of goods either by supplier or recipient	Location of such goods at the time of delivery to the recipient
4	Where goods are assembled or installed at site	Place where the goods are assembled or installed
5	Where the goods are supplied on- board a conveyance like a vessel, aircraft, train or motor vehicle	Place where such goods are taken on-board the conveyance

2) Place of supply of goods imported into, or exported from India [Section 11]

Sr No	Nature of Supply	Place of Supply
1	Import	Location of importer
2	Export	Location outside India

3) Place of supply of services where location of supplier and recipient is in India [Section 12]

- (i) In respect of the following 12 categories of services, the place of supply is determined with reference to a proxy; rest of the services are governed by the default provision.

(Memory Technique = (T30I-BP))

Sr No	Nature of Supply	Place of Supply
1	Immovable property related-services including accommodation in hotel/boat/vessel	<ul style="list-style-type: none"> Location at which the immovable property or boat or vessel is located or intended to be located If located outside India: Location of the recipient
	If the immovable property or boat or vessel is located in more than one State	Each such State in proportion to the value of services provided in each State
2	Personal grooming, health service, beauty treatment, fitness, and Restaurant and catering services (Memory Technique= PH-BFR)	Location where the services are actually performed
3	T raini ng and performance appraisal	<ul style="list-style-type: none"> B2B: Location of such registered person B2C: Location where the services are actually performed
4	A dmission to an event or amusement park	Place where the event is actually held or where the park or the other place is located
5	O rganisation of an event including ancillary services and assigning of sponsorship to such events	<ul style="list-style-type: none"> B2B: Location of such registered person B2C: Location where the event is actually held If the event is held outside India: Location of the recipient
	If the event is held in more than one State	Each such State in proportion to the value of services provided in each State
6	T ransportation of g oods, including mails or courier	<ul style="list-style-type: none"> B2B: Location of such registered person B2C: Location at which such goods are handed over for their transportation

7	Passenger <i>T</i> ransportation	<ul style="list-style-type: none"> • B2B: Location of such registered person • B2C: Place where the passenger embarks on the conveyance for a continuous journey
8	Services On board a conveyance	Location of the first scheduled point of departure of that conveyance for the journey
9	<i>B</i> anking and other financial services including stock broking	<ul style="list-style-type: none"> • LOR of services in the records of the supplier • LOS of services if the location of the recipient of services is not available
10	<i>I</i> nsurance services	<ul style="list-style-type: none"> • B2B: Location of such registered person • B2C: Location of the recipient of services in the records of the supplier
11	Advertisement services to the Government	<ul style="list-style-type: none"> • Each of States/Union Territory where the advertisement is broadcasted/displayed/run/disseminated • Proportionate value in case of multiple States

12	Telecommunication services	<ul style="list-style-type: none"> Services involving fixed line, leased and internet leased circuits, dish antenna etc: Location of such fixed equipment Post-paid mobile/ internet services: Location of billing address of the recipient and if the same is not available, location of supplier Pre-paid mobile/ internet/DTH services provided: <ul style="list-style-type: none"> Through selling agent/re-seller/distributor: Address of such selling agent/re-seller/distributor in the records of supplier at the time of supply By any person to final subscriber: Location where pre-payment is received or place of sale of vouchers When payment made through electronic mode - Location of recipient in records of supplier Other cases: Address of the recipient in the records of the supplier and if the same is not available, location of supplier
	If the leased circuit is installed in more than one State	Each such State in proportion to the value of services provided in each State

(ii) For the rest of the services other than those specified above, the default provision has been prescribed as under:

Default rule for the services other than the 12 specified services

Sr No	Description of Supply	Place of Supply
1	B2B	Location of such registered person
2	B2C	Where the address on record exists: LOR Other cases: LOS of services

4) Place of supply of services where **location of supplier OR location of recipient is outside India**
[Section 13]

1. In respect of the following categories of services, the place of supply is determined with reference to a proxy; rest of the services are governed by the default provision.

(Memory Technique = PBE12T3-02)

Sr No	Nature of Service	Place of Supply
1	Services supplied in respect of goods which are required to be made P hysically available	Location where the services are actually performed
	Services supplied in respect of goods but from a remote location by way of electronic means	Location where the goods are situated at the time of supply of services
Above provisions are not applicable in case of goods that are temporarily imported into India for repairs and exported after repairs without being put to any other use in India		
2	Services which require the physical presence of the recipient or the person acting on his behalf with the supplier of services	Location where the services are actually performed
3	Service supplied directly in relation to an I mmovable property including accommodation in hotel, boat, vessel	Place where the immovable property is located or intended to be located
4	Admission to or organisation of an E vent	Place where the event is actually held
If the above services are supplied at more than one location i.e., (i) Goods & individual related (ii) Immovable property-related (iii) Event related		
At more than one location, including a location in the taxable territory		Location territory in the taxable
In more than one State		Each such State in proportion to the value of services provided in each State
5	Services supplied by a B anking company, or a financial institution, or a NBFC to account holders	Location of the supplier of services

	<i>Intermediary services</i>	
	<i>Services consisting of hiring of means of Transport, including yachts but excluding aircrafts and vessels, up to a period of one month</i>	
6	<i>Transportation of goods, other than by way of mail or courier</i>	<i>Place of destination of such goods</i>
7	<i>Passenger Transportation</i>	<i>Place where the passenger embarks on the conveyance for a continuous journey</i>
8	<i>Services provided On-board a conveyance</i>	<i>First scheduled point of departure of that conveyance for the journey</i>
9	<i>Online information and database access or retrieval services (OIDAR Services)</i>	<i>Location of recipient of service</i>

Summary Book

- II. For the rest of the services other than those specified above, a default provision has been prescribed as under:

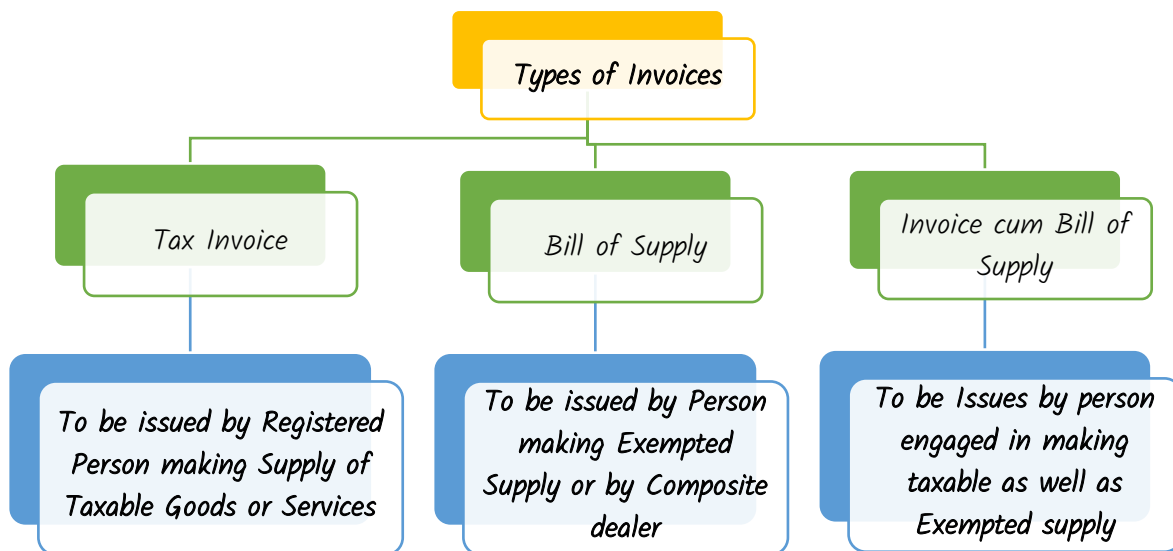
Sr No	Nature of Service	Place of Supply
Default rule for the cross-border supply of services other than nine specified services		
I	Any Services	<ul style="list-style-type: none">• Location of the recipient of service• Location of the supplier of service, if location of recipient is not available in the ordinary course of business

CHAPTER 11 Tax Invoice, Debit note and Credit Note

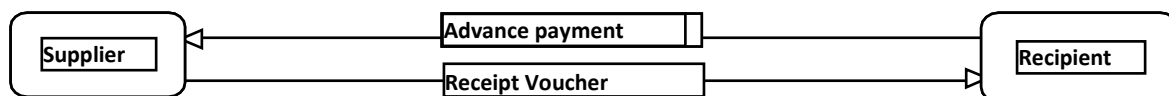
1) Manner of Issuing the invoice

Supply of Goods	Supply of Services
Triplicate	Duplicate
<ul style="list-style-type: none">• Original copy for recipient• Duplicate copy for transporter; and• Triplicate copy for supplier	<ul style="list-style-type: none">• Original copy for recipient; and• Duplicate copy for supplier
The serial number of invoices issued during a month / quarter shall be furnished electronically in FORM GSTR-1.	

2) Types of Invoice



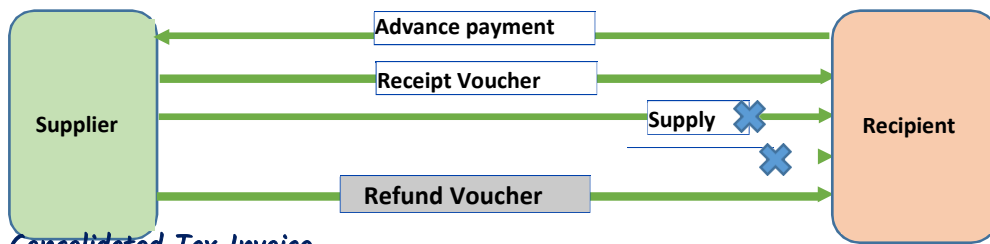
3) Receipt Voucher



Where at the time of receipt of advance, rate of tax/ nature of supply is not determinable

Where at the time of receipt of advance	
(i) Rate of tax is not determinable	tax shall be paid at the rate of 18%
(ii) Nature of supply is not determinable	same shall be treated as inter-State supply

4) Refund Voucher



5) Consolidated Tax Invoice

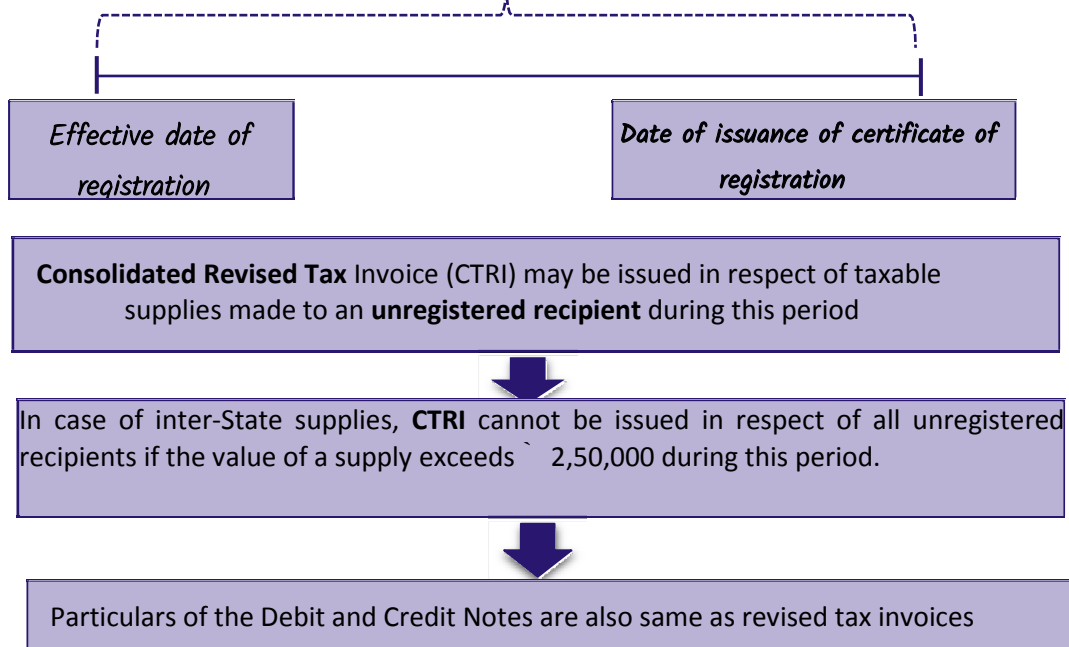
Consolidated Tax Invoice shall be issued for such supplies at the close of each day in respect of all such supplies

Tax Invoice is not required to be issued where:

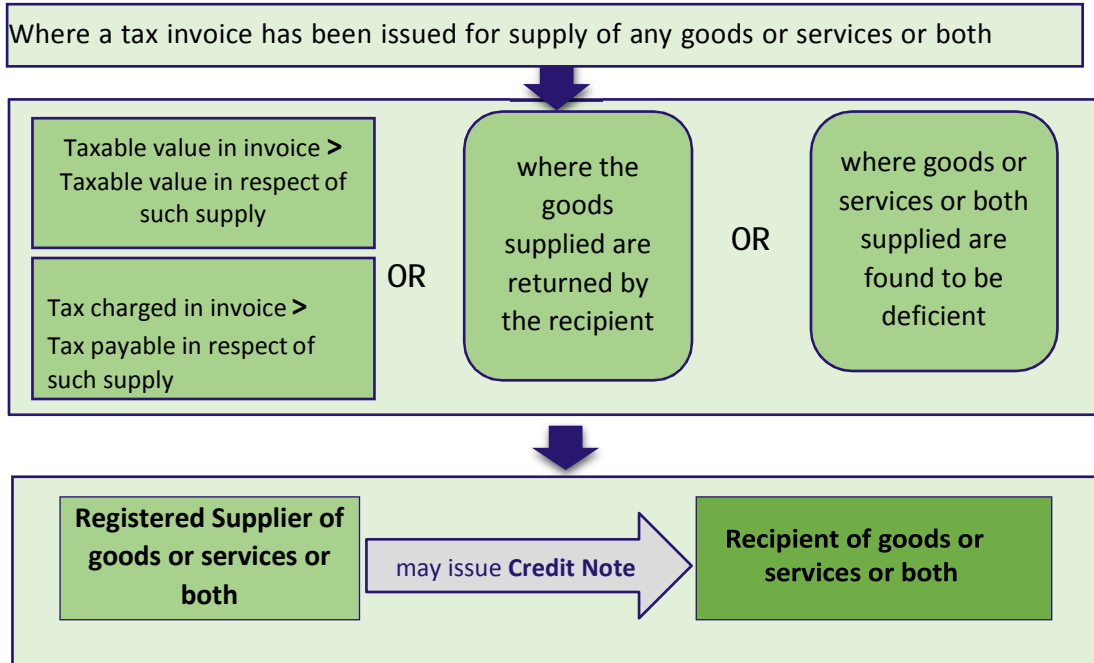
- Value of supply < Rs. 200
- Recipient is unregistered
- Recipient does not require such invoice

6) Revised Tax Invoice

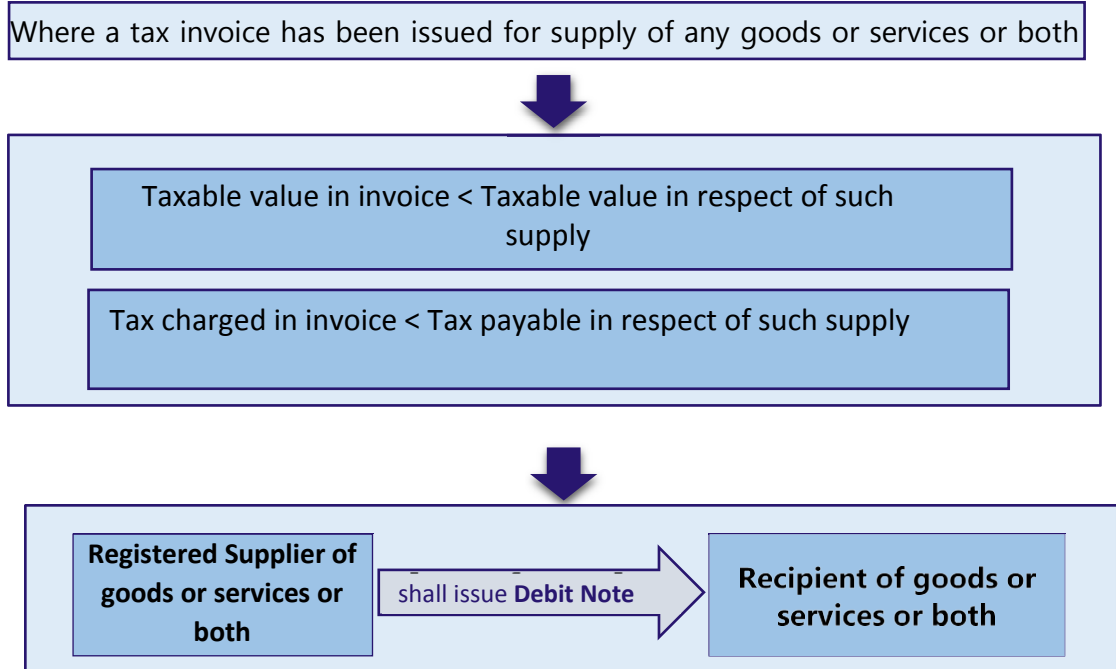
Revised Tax Invoices to be issued in respect of taxable supplies effected during this period



7) *Credit Note*



8) *Debit Note*



CHAPTER 12 Import, Export and Zero rated Supply

⇒ Export of Goods & Services

Export of Goods	Export of Services
<ul style="list-style-type: none"> As per Section 2(5) of IGST Act, 2017: "export of goods" with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India; <p>Note :</p> <ul style="list-style-type: none"> As per Section 7(5)(a) of IGST Act, 2017: Supply of goods or services or both, When the supplier is located in India and the place of supply is outside India; - it will be treated to be an Inter State trade or commerce. Export of Goods are Zero Rated 	<ul style="list-style-type: none"> As per Section 2 (6) of IGST Act, 2017 : "Export of services" means the supply of any service when, - <ul style="list-style-type: none"> (i) the supplier of service is located in India; (ii) the recipient of service is located outside India; (iii) the place of supply of service is outside India; (iv) the payment for such service has been received by the supplier of service in convertible foreign exchange; and (v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation I in section 8: <p>Note :</p> <ul style="list-style-type: none"> As per Section 7(5)(a) of IGST Act, 2017: Supply of goods or services or both, When the supplier is located in India and the place of supply is outside India; - it will be treated to be an Inter State trade or commerce. Export of Services are Zero Rated

⇒ *Import of Goods & Services*

<i>Import of Goods</i>	<i>Import of Services</i>
<ul style="list-style-type: none"> As per Section 2 (10) of IGST Act, 2017: 'import of goods' with its grammatical variations and cognate expressions, means bringing goods into India from a place outside India; <p>Note :</p> <ul style="list-style-type: none"> As per Section 7(2) of IGST Act, 2017: Supply of goods imported into the territory of India, till they cross the customs frontiers of India, shall be treated to be a supply of goods in the course of inter-State trade or commerce. 	<ul style="list-style-type: none"> As per Section 2 (11) of IGST Act, 2017: "import of services" means the supply of any service, where– <p>(i) the supplier of service is located outside India; (ii) the recipient of service is located in India; and (iii) the place of supply of service is in India;</p> <p>Note :</p> <ul style="list-style-type: none"> As per Section 7(4) of IGST Act, 2017: Supply of services imported into the territory of India shall be treated to be a supply of services in the course of inter- State trade or commerce.

⇒ *Author's Special Note:*

<i>Sr. No</i>	<i>LOS</i>	<i>LOR</i>	<i>POS</i>	<i>Inter State or Intra State</i>	<i>Remarks</i>
1	Germany	Mumbai	Mumbai	Inter State Supply	Import : IGST : Reverse Charge applies Except NTOR
2	Mumbai	Germany	Germany	Inter State Supply	Export : Zero rated supply if other 2 conditions fulfilled
3	Mumbai	Germany	Mumbai	Inter State Supply but not Export	Since LOR is in India it cannot be treated as Export
4	Germany	Singapore	Mumbai	Inter State Supply	Inter State as per Section 7(5) but exempt if both parties in Non-Taxable Territory then all services are exempt except transport of Goods in Vessel

⇒ Taxability of OIDAR Services

Type of service	Supplier of Service	Recipient of Service	Status	Remarks
OIDAR Services	Any Person located in Non-Taxable Territory	Non-Taxable Online Recipient	Taxable	Supplier is liable to take registration and pay tax u/s 14 of IGST Act, 2017
OIDAR Services		Trust	Taxable	Trust is liable to pay tax under RCM basis
Other Online Services		Non-Taxable Online Recipient	Exempt	Exemption given under N/No. 9/2017 - IT ® dt. 28.06.17
Other Online Services		Trust	Exempt	Exemption given under N/No. 9/2017 - IT ® dt. 28.06.17 only if these are received for the purpose of carrying out charitable activity
OIDAR Services or other online services		Any person other than Non- Taxable online recipient located in taxable territory	Taxable	Reverse Charge is applicable under N / No. 10 /2017-IT ® dt. 28.06.17

⇒ *Who is required to maintain his books of accounts and at which place?*

- Every **Registered Person** – **at his Principal Place of Business**
- Where more than one place of business – **the accounts relating to each place of business shall be kept at such places of business.**
- If any documents or books of accounts are found at any other premises they shall be presumed to be maintained by the registered person.
- Books of accounts **can** be maintained in **electronic form** in such manner as may be prescribed.

⇒ *Types of Accounts and Records*

Every Registered Person shall maintained following books of accounts

- (a) production or manufacture of goods;
 - (b) inward and outward supply of goods or services or both;
 - (c) stock of goods;
 - (d) input tax credit availed;
 - (e) output tax payable and paid; and
- such other particulars as may be prescribed*

Records Prescribed By Rules :

- (1) The goods/services **imported/exported**,
- (2) Supplies attracting payment made on **RCM basis** along with relevant documents, **bill of supply, delivery challan, credit notes, debit notes, receipt voucher etc.**
- (3) Separate account of advances received, paid and adjustments made thereto.

⇒ *Records to be made by Specific Persons*

Records which are required to be maintained by Agent [Rule 56(11)]

- (a) particulars of **authorisation received by him** from each principal to receive or supply goods or services on behalf of such principal separately;
- (b) particulars including **description, value and quantity** (wherever applicable) of **goods or services received** on behalf of every principal;
- (c) particulars including **description, value and quantity** (wherever applicable) of **goods or services supplied** on behalf of every principal;

- (d) **details of accounts furnished** to every principal; and
 (e) **tax paid on receipts** or on supply of goods or services effected on behalf of every principal.

Records to be maintained by a manufacturer [Rule 56(12)]

Monthly production accounts showing **quantitative details of raw materials or services** used in the manufacture and quantitative details of the goods so manufactured including the waste and by products thereof

Records to be maintained by a supplier of services [Rule 56(13)]

Accounts showing **quantitative details of goods used** in the provision of services, details of **input services utilised and the services supplied**.

Records to be maintained by a supplier of Works Contract Services [Rule 56(14)]

- The **names and addresses of the persons** on whose behalf the works contract is executed;
- **Description, value and quantity** (wherever applicable) of goods or services **received for the execution of works contract**;
- **Description, value and quantity** (wherever applicable) of goods or services **utilized in the execution of works contract**;
- The **details of payment received** in respect of each works contract; and
 The names and addresses of **suppliers from whom he received goods or services**.

Records which are not to be maintained by a supplier opting for composition levy [Rule 56(2) and (4)]

- (i) **Stock of goods:** Accounts of stock in respect of goods received and supplied by him, and such accounts shall contain particulars of the opening balance, receipt, supply, goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample and the balance of stock including raw materials, finished goods, scrap and wastage thereof.
- (ii) **Details of tax:** Account, containing the details of tax payable (including tax payable under reverse charge), tax collected and paid, input tax, input tax credit claimed, together with a register of tax invoice, credit notes, debit notes, delivery Challan issued or received during any tax period.

⇒ **Audit of Accounts**

Every registered person whose **turnover** during a financial year **exceeds Rs. 2 Crores** shall get his **accounts audited by a CA or a CMA**.

Shall submit a copy of the **audited annual accounts, the reconciliation statement** under Section 44(2) and such other documents in such form and manner as may be prescribed.

⇒ **Failure to maintain the accounts**

- Where the registered person fails to account for the goods or services or both
- the proper officer shall determine the amount of tax payable on the goods or services or both that are not accounted for
- The provisions of section 73 or section 74, as the case may be, shall, mutatis mutandis, apply for determination of such tax.

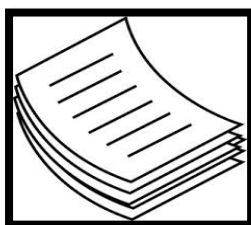
⇒ **Period of Retention of Accounts**

- Every registered person shall maintain accounts - **72 months (i.e. 6 Years) from the due date of furnishing of annual return** for the year pertaining to such accounts and records.
- Every registered Person who is party to Appeal shall maintain accounts for a period of **one year after final disposal of such appeal or revision or proceedings or investigation, or 72 months (i.e. 6 Years) from the due date of furnishing of annual return, whichever is later.**

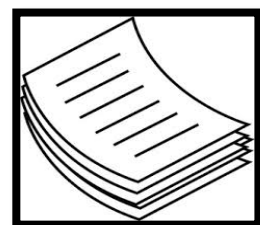
⇒ **Audit of Accounts [Section 35(5) read along with Section 44(2) and rule 80] :**

Every registered person whose **aggregate turnover** during a financial year **exceeds Rs. 2 Crores** shall get his **accounts audited by a CA or a CMA and** Shall submit a copy of the **audited annual accounts, the reconciliation statement.**

A **Reconciliation Statement**, duly certified, in prescribed form



Value of supply as per Returns for FY

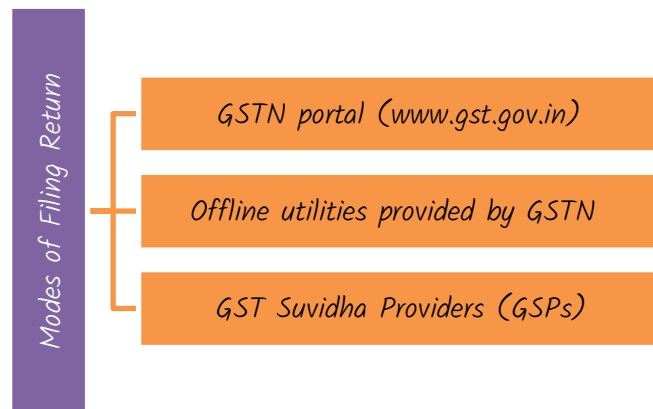


Value of supply as per Audited Annual Financials Statements

⇒ Basic Features of return mechanism

- **Electronic filing** of returns
- Uploading of invoice level information
- Auto-population of information relating to ITC from returns of supplier to that of recipient
- Invoice-level information matching
- Auto- reversal of Input Tax Credit in case of mismatch.

⇒ Modes of Filing Return



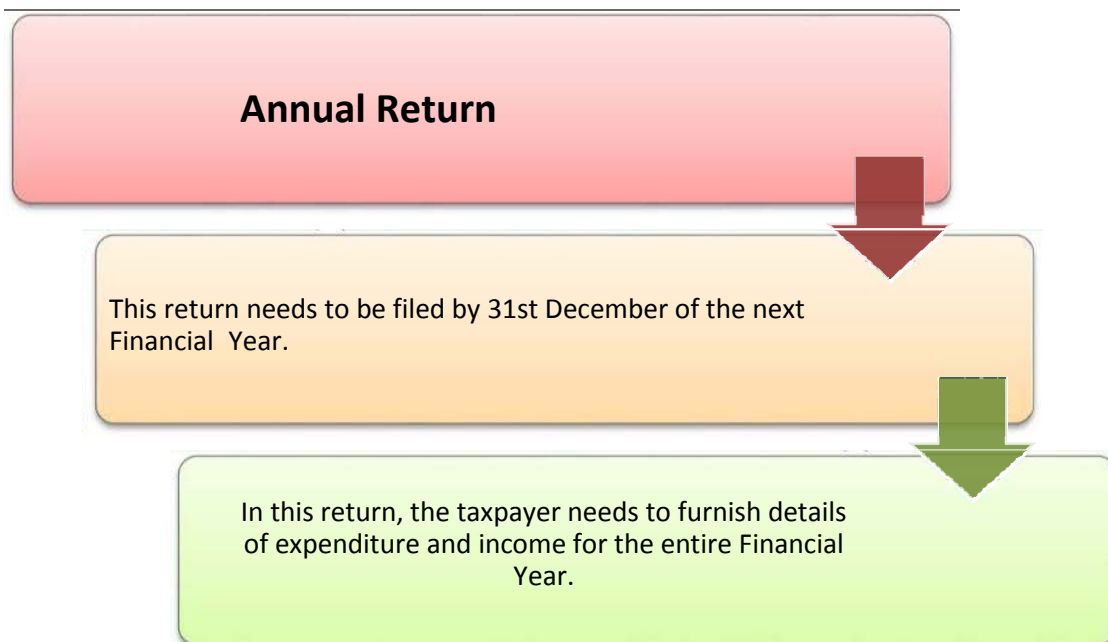
⇒ List of Returns under GST

Return	Description	Who is required to file	Due date of filing
GSTR -1	Monthly Statement of Outward supplies of Goods or Services	Registered Person	10th of the next month
GSTR -2	Monthly Statement of Inward supplies of Goods or Services	Registered Person	15th of the next month
GSTR -3	Monthly Return for a normal taxpayer	Registered Person	20th of the next month
GSTR-4	Quarterly Return	Taxable Person opting for Composition Levy	18th of the month succeeding the quarter

Summary Book

GSTR-5	Monthly Return for a non-resident taxpayer	Non-resident Taxpayer	20th of the month succeeding the tax period or within 7 days after expiry of registration, whichever is earlier
GSTR-6	Monthly Return for an Input Service Distributor (ISD)	Input Service Distributor	13th of the next month
GSTR-7	Monthly Return for authorities deducting tax at source	Tax Deductor	10th of the next month
GSTR-8	Monthly Statement for E-Commerce Operator depicting supplies effecting through it	E-Commerce Operator	10th of the next month
GSTR-9	Annual Return	Registered Person other than an ISD, TDS/TCS Taxpayer, Casual Taxable Person and Non-resident Taxpayer	31st December of next Financial Year
GSTR-10	Final Return	Taxable Person whose registration has been surrendered or cancelled	Within three months of the date of cancellation or date of order of cancellation, whichever is later.

⇒ *Annual Return*



⇒ *Revision of Returns*

<i>The mechanism of filing revised returns for any correction of errors/omissions has been done away with.</i>
<i>The rectification of errors/omissions is allowed in the subsequent returns.</i>
<i>However, no rectification is allowed after furnishing the return for the month of September following the end of the financial year to which such details pertain or furnishing of the relevant annual return, whichever is earlier.</i>

⇒ *Penal Provision relation to returns*

<i>Any registered person who fails to furnish Form GSTR-1, GSTR-2, GSTR-3 or Final Return within the due dates.</i>
<i>The he shall be liable to pay a late fee of Rs. 100 per day.</i>
<i>Subject to a maximum of Rs. 5000.</i>

⇒ Types of Electronic Ledger**Electronic Cash ledger**

(Assume it as an account statement provided by bank, for easy understanding)

Debit Amount	Credit Amount
<ul style="list-style-type: none">• Credit amount of this ledger may be used for payment of tax, interest, fees etc.• Remaining credit balance amount after payment of above tax etc. will be refunded to taxable person.	<ul style="list-style-type: none">• Any deposit made towards tax, interest, penalty, late fee etc. via internet banking, RTGS, fund transfer etc.• TDS/TCS claimed

Electronic Credit ledger

Debit Amount	Credit Amount
<ul style="list-style-type: none">• Credit amount of this ledger may be used for payment of output tax viz IGST, CGST, SGST, UTGST in the prescribed order.	<ul style="list-style-type: none">• Input Tax credit as self-assessed in the return in the form of IGST, CGST, SGST, UTGST

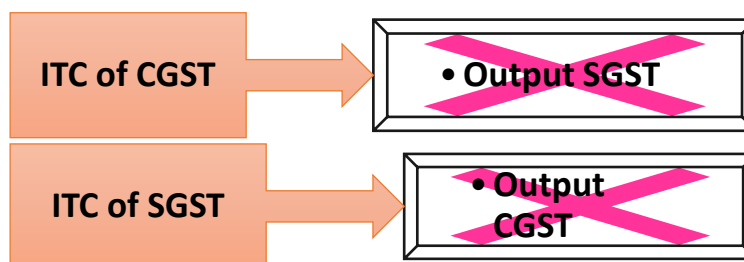
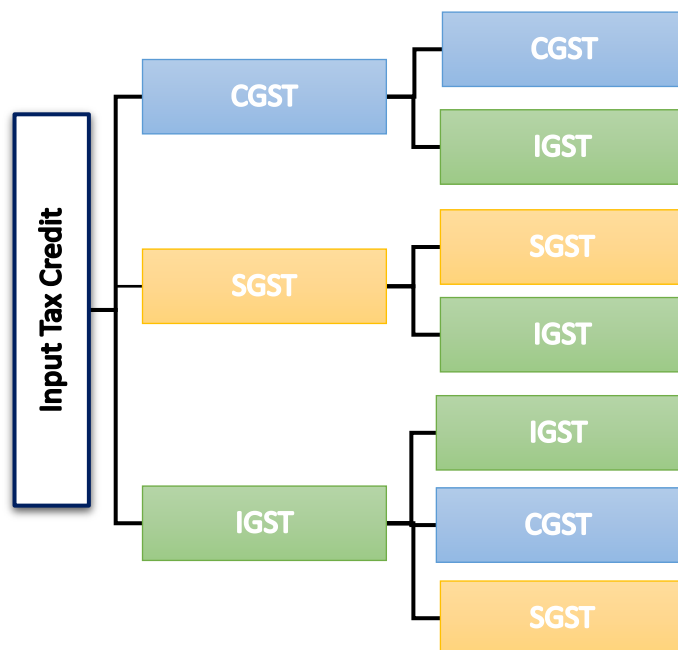
Electronic Liability Register

Debit Amount	Credit Amount
<ul style="list-style-type: none">• Amount payable towards tax, interest, fees etc.• Tax or interest payable due to mismatch• Any other dues	<ul style="list-style-type: none">• Electronic cash ledger
<ul style="list-style-type: none">• Amount payable towards output tax	<ul style="list-style-type: none">• Electronic credit ledger

- Electronic Credit Ledger

The amount available in the **electronic credit ledger** may be used for making any payment towards **output tax** :

Tax Dues	Utilisation of Cash ledger	Utilisation of Credit ledger
Output GST	Yes	Yes
Interest	Yes	No
Penalty	Yes	No
Fees	Yes	No
Other Amount	Yes	No

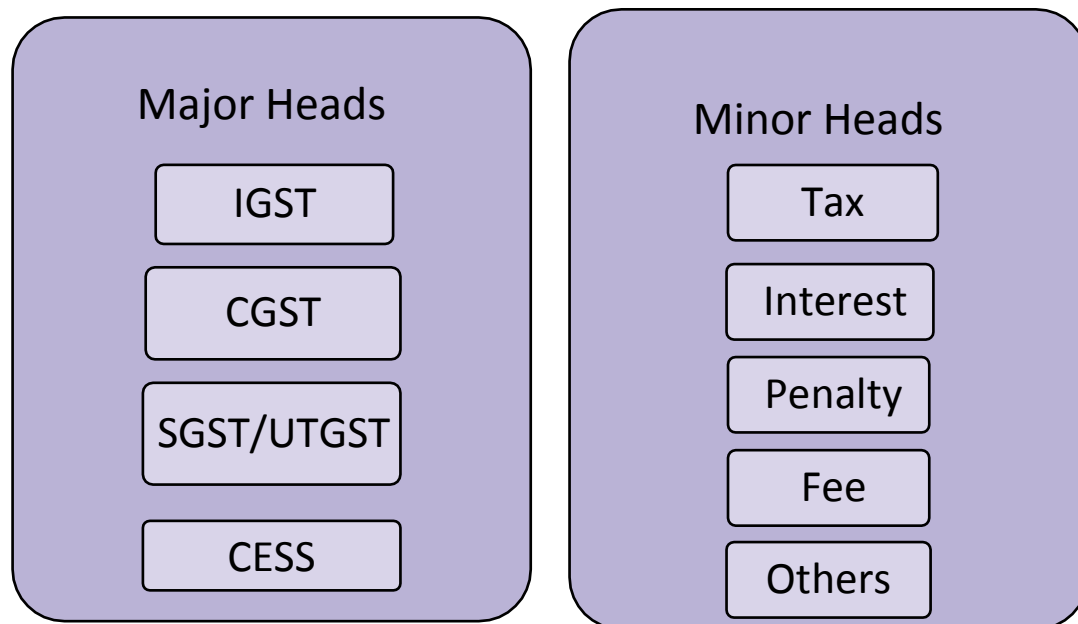


- Electronic Cash Ledger

The amount available in the electronic cash ledger may be used for making any payment towards

- ⇒ Tax
- ⇒ interest
- ⇒ penalty,
- ⇒ fees or
- ⇒ any other amount payable under the provisions of this Act or the rules made there under

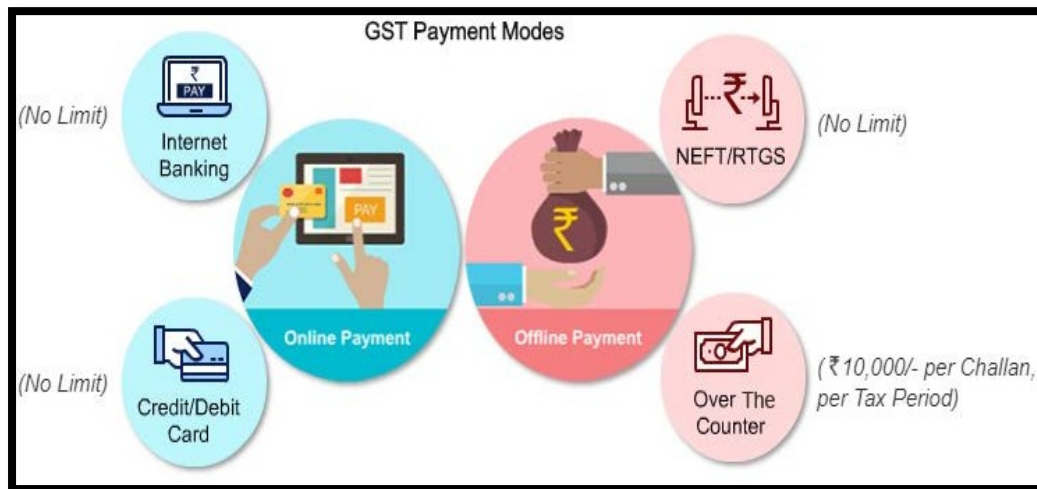
Minor and Major heads:



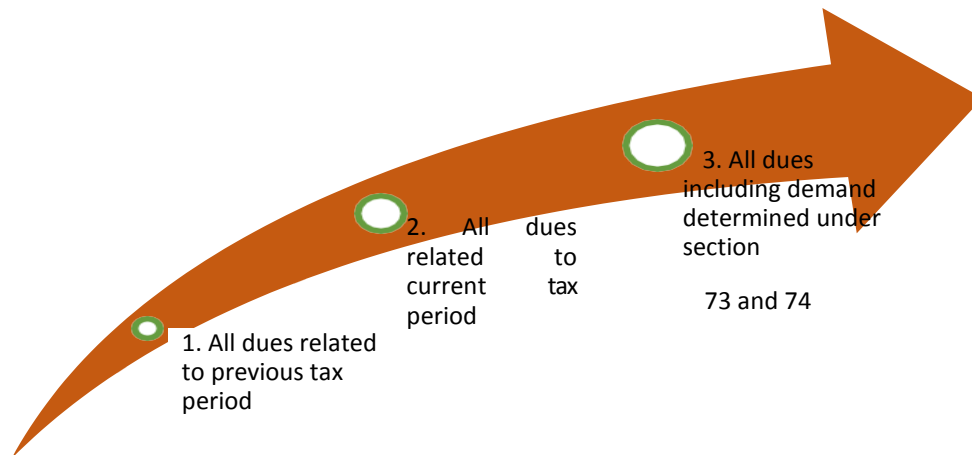
Major Head	Minor Head				
IGST	Tax	Interest	Penalty	Fees	Other
CGST	Tax	Interest	Penalty	Fees	Other
SGST/UTGST	Tax	Interest	Penalty	Fees	Other
CESS	Tax	Interest	Penalty	Fees	Other

Notes: Cross utilisation of funds across major or minor heads is not possible

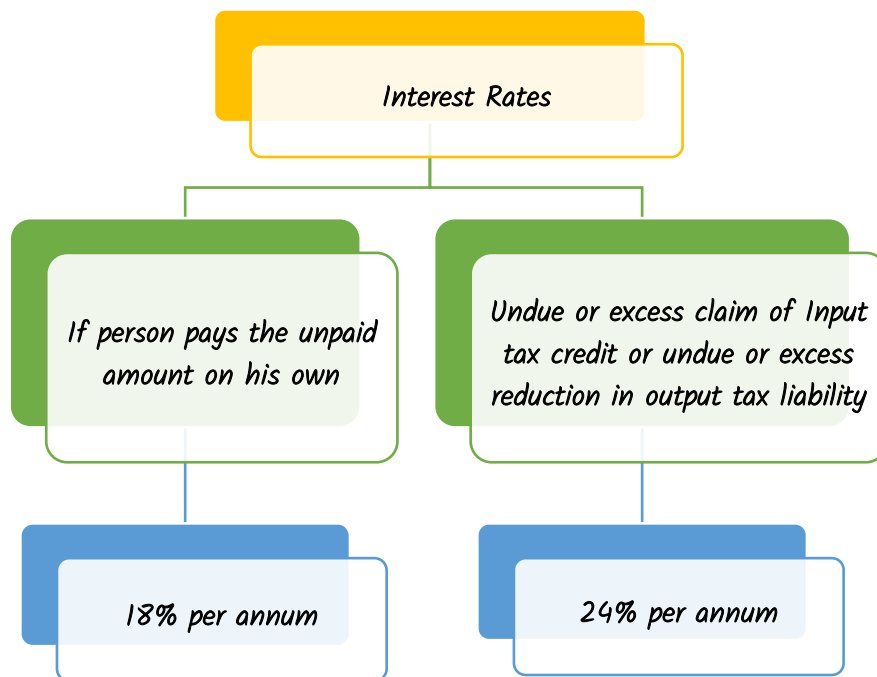
⇒ **Modes of Payment :**



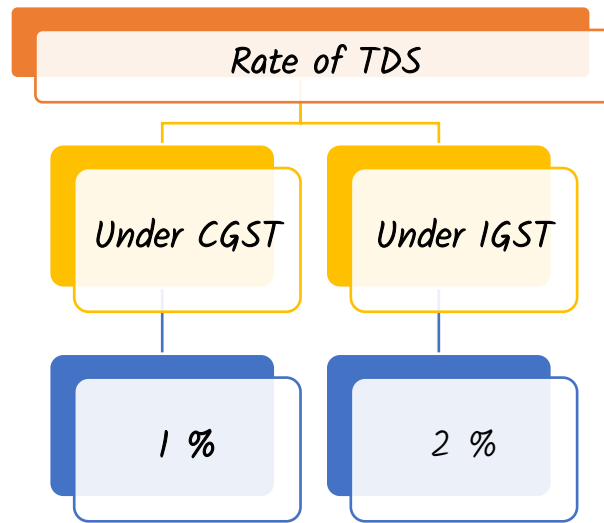
⇒ *Order of Discharge of Liability of Taxable Person*



⇒ *Interest on delayed payment of tax*



1) Rate of TDS



2) Applicability of TDS

Situations	Nature of Supply	TDS
Supplier, place of supply & recipient- same State	Inter State Supply	TDS (CGST + SGST) to be deducted
Supplier and place of supply-different States		TDS (IGST) to be deducted
Supplier & place of supply - same State & recipient located in another State		No TDS

3) TDS other Points

Person liable to deduct TDS

- Department or Establishment of CG and SG
- Local authority
- Governmental agencies
- Notified Person

Threshold Limit – Total value of supply under a contract **is more than Rs. 2.5 lakhs exclusive of GST** as per invoice

Rate of deduction – (1 % CGST + 1 % SGST) OR 2% IGST

Due date of payment of TDS to government – within **10 days** from the end of month

4) MANNER OF ACCOUNT OF TDS BY TDS DEDUCTOR

1	Such deductors need to get compulsorily registered under section 24 of the GST Act.
2	They need to remit such TDS collected by the 10th day of the month succeeding the month in which TDS was collected.
3	The amount deposited as TDS will be reflected in the electronic cash ledger of the supplier.
4	They need to issue certificate of such TDS to the deductee within 5 days of deducting TDS failing which fees of Rs.100 per day subject to maximum of Rs. 5,000/- will be payable by such deductor.

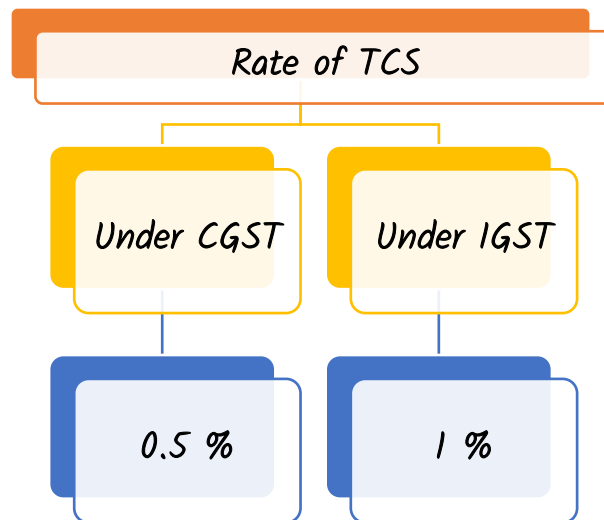
5) Manner Of Account Of TDS By Supplier

- Any amount shown as **TDS will be reflected in the electronic cash ledger** of the concerned supplier.
- He can **utilize this amount towards discharging his liability towards tax, interest fees** and any other amount.

6) Consequences of Not Complying with TDS Provisions

Sr No	Event	Consequence
1	TDS not deducted	Interest to be paid along with the TDS amount; else the amount shall be determined and recovered as per the law
2	TDS certificate not issued or delayed beyond the prescribed period of five days	Late fee of Rs. 100/- per day subject to a maximum amount of Rs. 5000/-
3	TDS deducted but not paid to the Government or paid later than 10th of the succeeding month	Interest to be paid along with the TDS amount; else the amount shall be determined and recovered as per the law
4	Late filing of TDS Returns	Late fee of Rs. 100/- for every day during which such failure continues, subject to a maximum amount of Rs. 5,000.

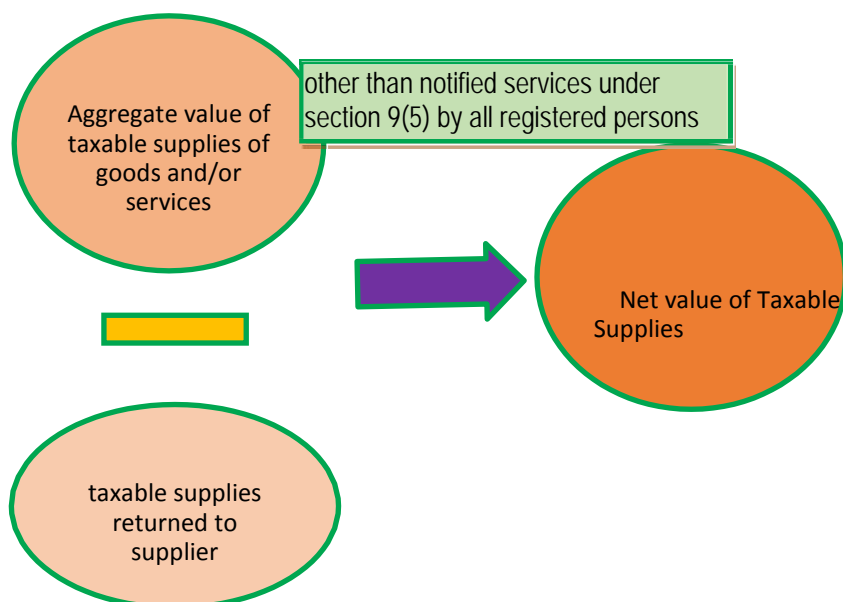
7) TCS Rate



8) Other Points in TCS

Person liable to Collect TCS - ECO
Threshold Limit - Nil
Rate of Collection of TCS - 1 % (CGST + SGST / IGST)
Value for Collection of Tax at source - Net value of taxable supply
Due date of payment of TCS to government within 10 days from the end of month

9) Net Value Of Taxable Supplies



10) Filing of Statement

Statement to be filed

Monthly – by 10th of Succeeding Month

Annual – by 31st December of Succeeding FY

II) Key Points relating to TCS

- (a) Every e-commerce operator is required to collect tax on behalf of actual supplier, where consideration with respect to the supply is being collected by the e-commerce operator.*
- (b) The e-commerce operator should make the collection during the month in which supply was made.*

⇒ *Different ways to assess the tax liability by a registered Person*

A registered person may assess his tax liability in two different ways depending upon the circumstances warranting such an assessment.

Provisional Assessment

Self-Assessment

Where the taxable person is **unable to determine – value; or rate of tax**

applicable to the goods or services or both to be supplied by him

In all other cases

For this –

- Taxable person shall furnish an application along with the documents in support of his request.
- The proper officer **after calling for additional information and documents**, if required, issue an order indicating therein-
 - **value or the rate or both** on the basis of which the assessment is to be allowed on a provisional basis;
 - **amount for which the bond is to be executed** and security to be furnished

⇒ *Different types of assessments which may be conducted by the department against the taxable person*

There are **three different type of assessments**, which may be conducted by Tax Authorities

Scrutiny Assessment - To make the assessment on **selective basis of taxable person**, who have filed return under section 39.

Best Judgement Assessment - To make the assessment of -

- (i) **Non-Filers of Return** under section 39 (monthly/quarterly) or under section 45 (final return)
- (ii) **Unregistered person liable to pay tax**

Summary Assessment - To protect the interest of revenue when:

- the proper officer has evidence that a taxable person has incurred a liability to pay tax under the Act, and
- the proper officer has sufficient grounds to believe that delay in passing an assessment order may adversely affect the interest of revenue.

⇒ **Assessment**

Self-Assessment - Every registered person shall himself assess tax liability and furnish a return.

Provisional Assessment -

- Person **unable to determine value of supply or rate of tax.**
- Payment of tax on provisional basis **on execution of bond** on a request made.
- Order for provisional assessment **within 90 days of receipt of application**
- Final Assessment : Time: 6 months from date of communication of order
- Extension: 6 months by Joint / Additional Commissioner , 4 years by commissioner
- If **Short paid**, pay with interest u/s 50 i.e **@ 18%** (1st day after due date till date of actual payment)
- If **Excess paid**, refund with interest u/s 56 i.e **@ 6%** (after expiry of 60 days from receipt of application till date of payment)

Scrutiny of Returns:

- In order to **verify accuracy of return**, the Proper Officer may examine return and seek explanations.
- If explanation **offered is acceptable, no further action.**
- If No adequate explanation offered or no corrective actions then proper officer shall take action u/s 65,66,67,73 or 74 (conduct audit or direct special audit or undertake procedure of inspection, search and seizure or proceeding for determination of tax)

Assessment of Non-filers of Return: If **return is not furnished** even after service of notice u/s 46, **Proper officer shall assess the liability of tax within a period of 5 years from the date specified u/s 44** for furnishing of annual return.

Withdrawal of Assessment order where RP furnishes valid return within 30 days of the service of AO But interest @ 18% or payment of late fees Rs. 100 per day subject to maximum of Rs. 5000 shall continue.

Assessment of Unregistered Persons: Taxable person:

- ✓ Who fails to obtain registration
- ✓ Registration has been cancelled u/s 29(2)

Proper officer to the **best of his judgment, may issue an assessment order, within a period of 5 years from the date specified** under section 44 for furnishing of the annual return.

Summary Assessment in Certain Special Cases:

- Proper officer may **issue an assessment order imposing tax liability** on a person based on any evidence showing a tax liability.
- If person to whom **liability pertains is not ascertainable**, the person in charge of goods shall be assessed.
- If order is **erroneous, proper officer may withdraw such order** and follow the procedure laid down in section 73 or section 74.

⇒ **Audit under the Act**

Audit by tax Authorities	Special Audit
<ul style="list-style-type: none"> • Commissioner or any officer authorized by him may undertake audit of any registered person. • Audit may be conducted at the place of business or in their office. • At least 15 days prior notice be given • Time Period : 3 months from the date of conduct of audit. Extension : not exceeding six months. • On conclusion, registered person shall be informed about findings, rights & obligations. • If results in demand of tax, shall be recovered under section 73 or 74. 	<ul style="list-style-type: none"> • At any stage of scrutiny, inquiry or investigation. • Assistant Commissioner is of the opinion that the value has not been correctly declared or the credit availed is not within the normal limits • May nominate a CA or CMA • Time period : 90 days • Extension : further 90 days • Audit will be conducted even if accounts have already been audited. • If results in demand of tax, shall be recovered under section 73 or 74.

⇒ *Summary of Provisions of Section 73 and Section 74 – Table A*

Sr No	Action by tax payer	Amount of penalty payable		Remarks
		Normal Cases – Section 73	Fraud Cases – Section 74	
1	Tax amount, along with the interest, paid before issuance of notice	No penalty and no notice shall be issued	15% of the tax amount payable as penalty and no notice shall be not be issued	The penalty shall also be not chargeable in cases where the self- assessed tax or any amount collected as tax paid within 30 days from the due Date of payment
2	Tax amount, along with the interest, paid within 30 days of issuance of notice	No penalty. All proceedings deemed to be concluded	25% of the tax amount payable as penalty. All proceedings deemed to be concluded.	
3	Tax amount, along with the interest, paid within 30 days of communication of order	10% of the tax amount or Rs. 10000 whichever is higher	50% of the tax amount payable as penalty. All proceedings deemed to be concluded.	
4	Tax amount, along with the interest, paid after 30 days of communication of order	10% of the tax amount or Rs. 10000 whichever is higher	100 % of the tax amount	

⇒ *Summary of Provisions of Section 73 and Section 74 – Table B*

<i>Sr No</i>	<i>Nature of case</i>	<i>Time for issuance of notice</i>	<i>Time for issuance of order</i>
<i>1</i>	<i>Normal Cases</i>	<i>Within 2 years and 9 months from the due date of filing Annual Return for the Financial Year to which the demand pertains or from the date of erroneous refund</i>	<i>Within 3 years from the due date of filing of Annual Return for the Financial Year to which the demand pertains or from the date of erroneous refund</i>
<i>2</i>	<i>Fraud Cases</i>	<i>Within 4 years and 6 months from the due date of filing of Annual Return for the Financial Year to which the demand pertains or from the date of erroneous refund.</i>	<i>Within 5 years from the due date of filing of Annual Return for the Financial Year to which the demand pertains or from the date of erroneous refund</i>
<i>3</i>	<i>Any amount collected as tax but not paid</i>	<i>No time limit</i>	<i>Within 1 year from the date of issue of notice [to be discussed subsequently in this chapter]</i>
<i>4</i>	<i>Non- payment of self-assessed tax</i>	<i>No need to issue a SCN</i>	<i>Recovery proceedings can be started directly [to be discussed subsequently in this chapter]</i>

<p>Deposit of Excess Tax Collected</p>	<p>Case A : Persons liable to pay tax has collected GST in excess of Tax assessed / determined and paid</p> <p>Case B : Other person: has collected Excess GST / or collected tax on NIL rated / Exempt goods service</p> <p>The proper officer shall issue an order within 1 year from the date of issue of the notice</p>
<p>Modes of Recovery</p>	<p>Proper officer may recover the dues u/s 78 in following manner:-</p> <ol style="list-style-type: none"> 1) Reduction of dues from the amount by the tax authorities to such person. (deduction from the refund payable) 2) Recovery by way of detaining/selling any goods belonging to such person 3) Recovery from third person from whom money is due or may become due to such person or recovery from person who holds or may subsequently hold money (banks) for such person 4) Detain/seize any movable/immovable property belonging to such person until amount is paid & if the dues are not paid within 30 days then the said property is to be sold and the amount payable including cost of sell will be recover from sell proceeds and balance & is refundable 5) Officer will prepare the certificate of dues and send it to the collector of district in which such person owns any property/decides/carries the business and the collector will recover such amount as arrears of land revenue 6) By way of making application to appropriate magistrate who in turn shall proceed to recover the amount as if it was a fine imposed by him 7) By enforcing bond/instrument executed under this act/ rules/ registration
<p>Provisional attachment</p>	<p>Grounds: during the pendency of proceedings u/s 62/63/64/67/73/74, if the proper officer is of the opinion that for the purpose of protecting the interest of revenue, it is Provisional Attachment shall be valid for 1 year from the date of such order</p>

CHAPTER 19 Liability to Pay in Certain Cases

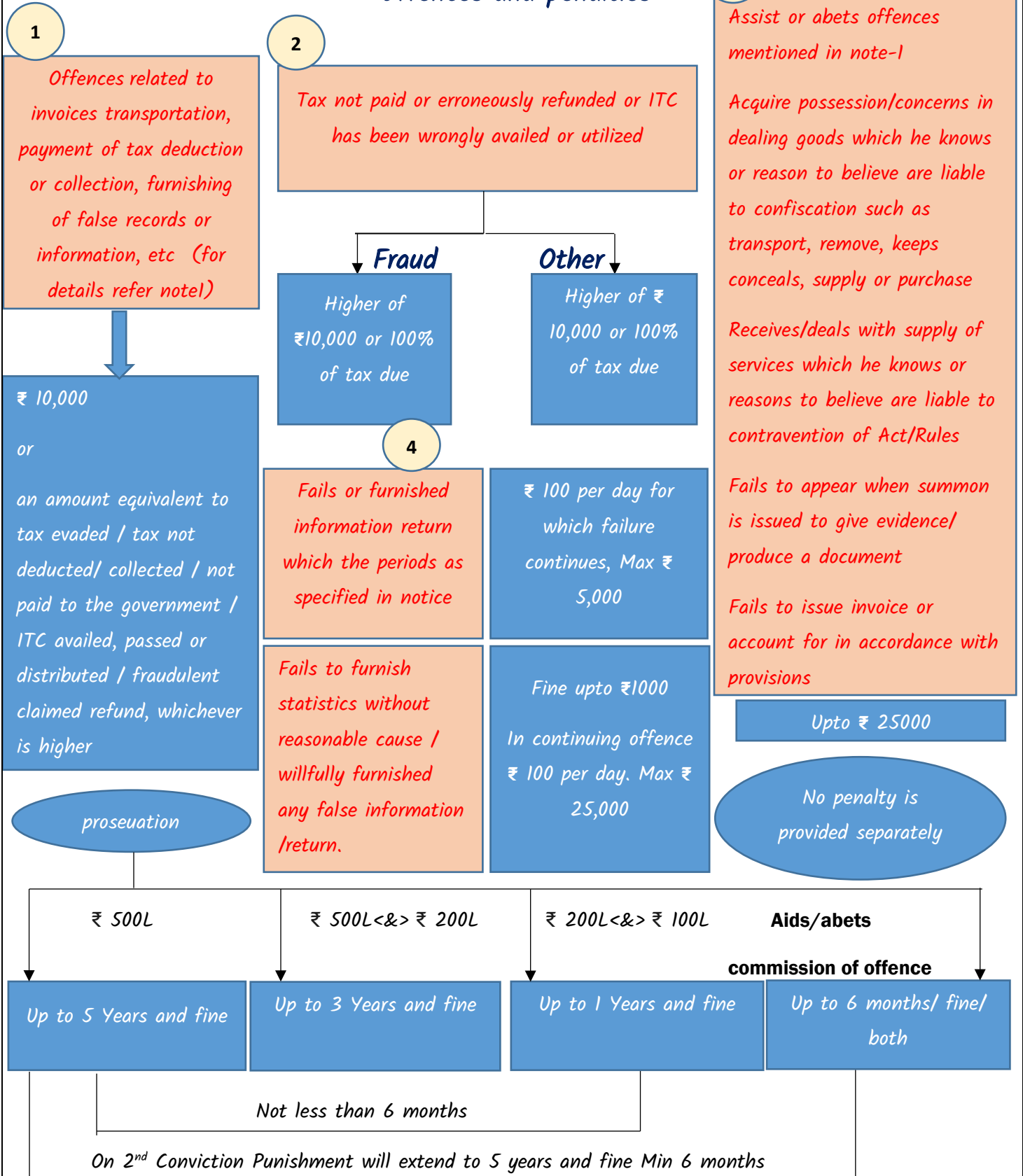
Issues	Liability in case of	Person Liable
Liability to pay tax Dues in certain cases	Transfer of business	The taxable person & the person whom the business is transferred shall jointly and severally , be liable wholly or to the extent of transfer
	Amalgamation or Merger of Companies	if the order is to take effect from a date earlier to the date of the order and the amalgamated/ merged companies have supplied or received any goods/services, such transactions shall be included in the turnover of supply or receipt of the respective companies and they shall be liable to pay tax
	Company in liquidation	Liquidator of the company (Receiver of any assets of a company)
	Company in liquidation (Pvt Co)	If tax dues cannot be recovered, then every person who was a director of such company at any time during the period for which the tax was due shall, jointly and severally , be liable for the payment of such dues.
	Directors of Private Company	If tax dues cannot be recovered, then every person who was director of the Private Company during such period shall jointly and severally, be liable for payment of such dues
	Partners of firm to pay tax	The firm and each of the partners of the firm shall, jointly and severally, be liable for such payments
	Agency Business	Agent and his principal shall, jointly and severally, be liable to pay the tax
	Guardians, Trustee etc	Tax dues shall be recoverable from guardian, trustee or agent in like manner and the same extent as it would be determined and recoverable from any such minor or other incapacitated person
	Court of Wards, etc	Tax dues shall be levied upon and be recoverable from- a) Court of Wards b) The Administrator of General c) The official Trustee or

Summary Book

	<i>Business Carried on by Deceased person is continued</i>	
	<i>Business carried on by deceased person is discontinued (whether before or after his death)</i>	<p>d) Any receiver or manager appointed by or under any order of court it includes any person, who in fact manages the business</p> <p><i>Legal representative or other person</i> who continues the business</p> <p><i>Legal representative</i> shall be liable to pay out of the estate of the deceased, to extent to which the estate is capable of meeting the charge, tax dues</p>

Tax dues = Any Tax + interest + Penalty payable under GST

Offences and penalties



CHAPTER 21 Inspection, Search, and Seizure

Proper officer not below the rank of JC

Power of summon any person whose attendance is necessary to evidence to give evidence or to produce documents in any enquiry

Will record in writing the reasons to believe that

Taxable person has suppressed any transaction relating to goods service or both

Taxable person has claimed ITC in excess of entitlement

Taxable person has contravened any provision of act or rules

Any person has kept goods or books of accounts cause evasions of payment of tax

Evasion of tax by the person engaged in the business of transporting goods, warehouse or godown operator/owner

Goods documents or things etc are secreted & useful to any proceedings

Inspection of places of taxable as well as any person (Sec.67)

Search, Seize & confiscate goods, documents, books or things (Sec.67)

Business premises of registered person (sec71)

Goods in movement (Sec 68)

practicable

Not practicable

Carrying out any audit scrutiny, verification & checks to safe guard interest of revenue

Person in charge must carry documents of conveyance with him

Relied up on for issue of notice

Not relied upon

Service an order on the owner or the custodian of the goods by the proper officer

On making demand authorised by proper officer

On intercepted by the proper officer

Retained by such officer for any inquiry or proceedings under this act

Returned within 30 days of the issue of notice

Not remove or deal with the goods except with the previous permission of officer

Within 15 working days of demand or any further period allowed

Liability to produce the document by person in charge

Manner to release confiscated goods documents etc

Provisional Basis (Sec 67(6))

Actual discharge when no notice issued (Sec67(7))

Perishable or hazardous goods constraint of storage space etc (SEC64(7))

Disposed by proper officer

Execution of bond & Furnishing security

Payment of applicable tax interest & penalty

Within 6 months of seizure of goods

Prepare inventory of such goods (Sec67(9))