



SUMMARY BOOK

GST NOV 19

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By CA Yachana Mutha Bhurat



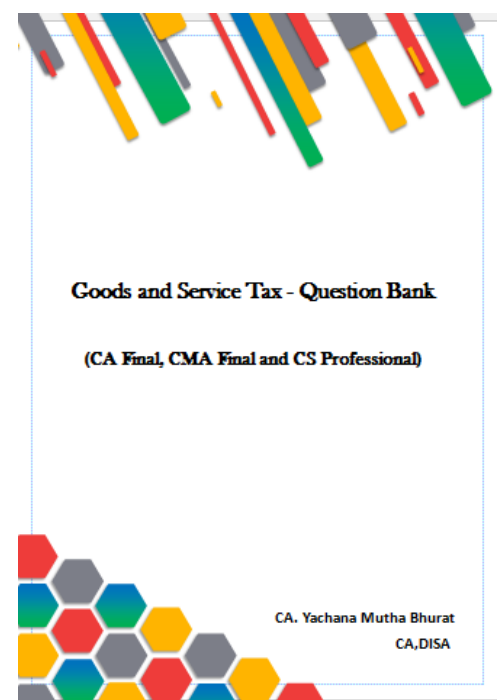
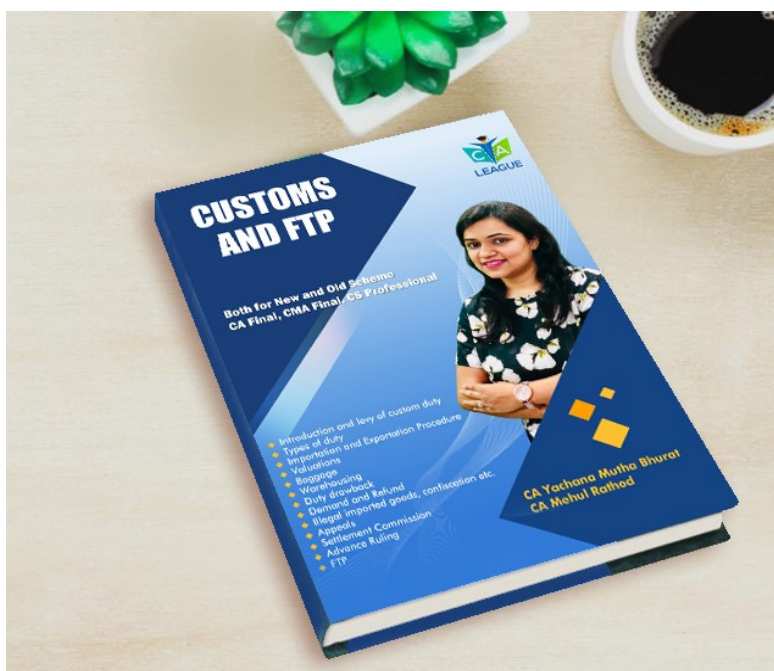
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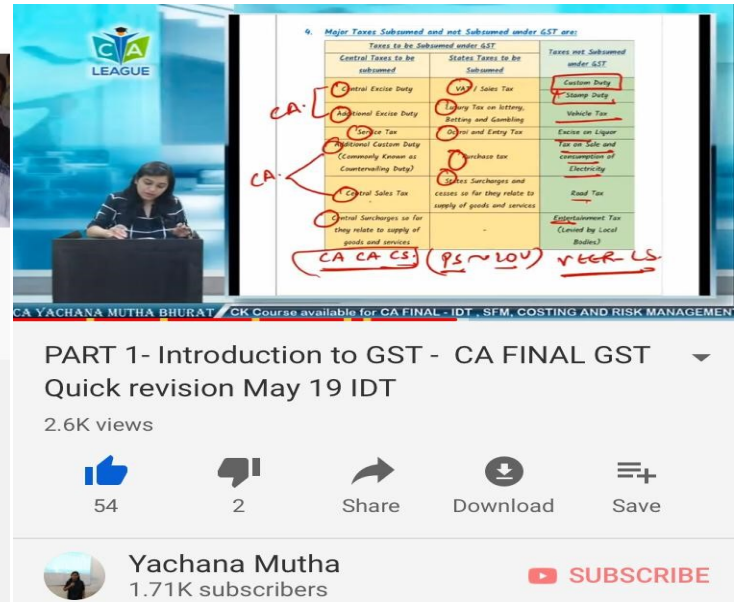
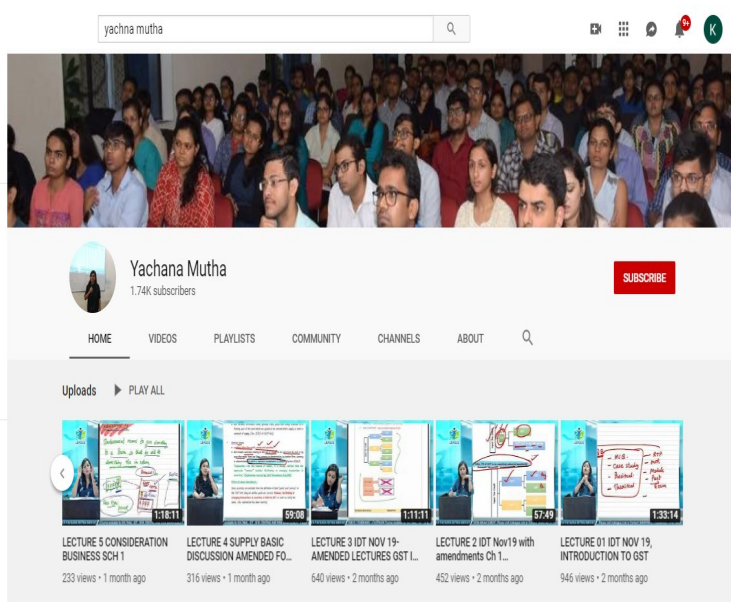
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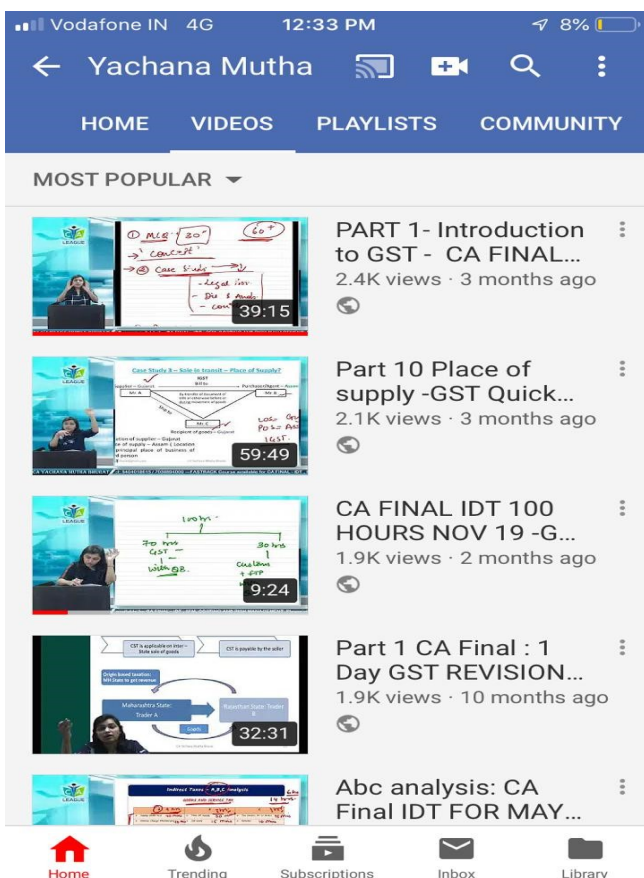
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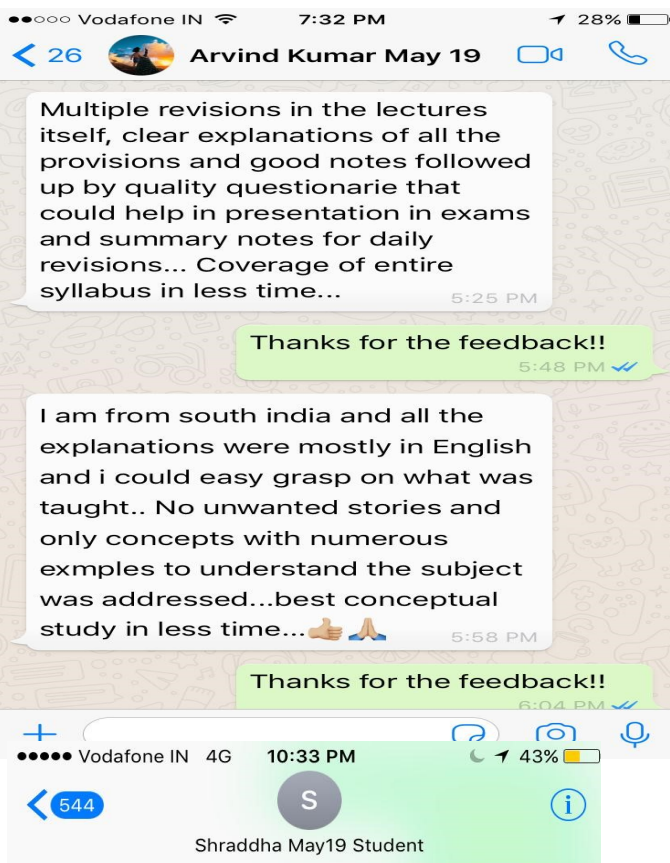
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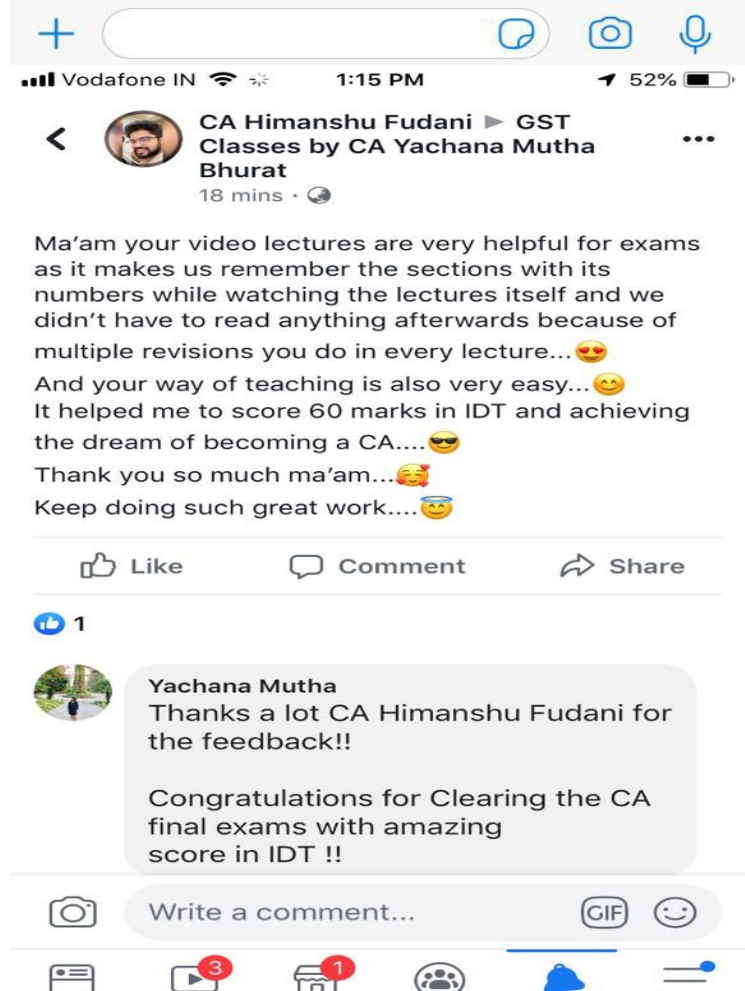
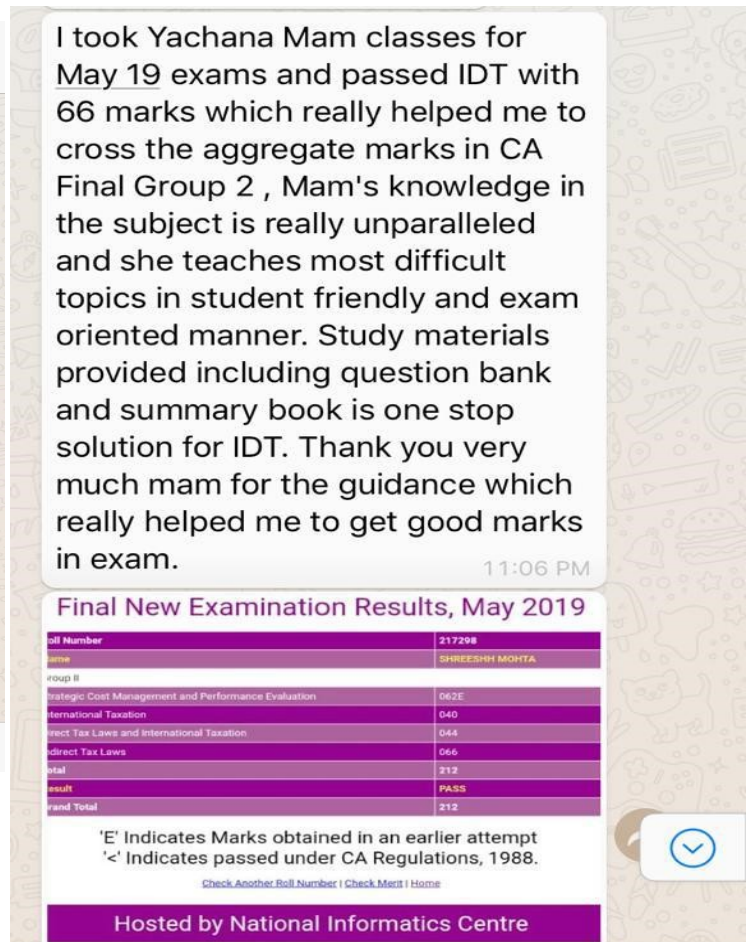
The exam oriented and friendly teaching made it very easy to retain the content The colourful and well presented book is like icing on the cake.... Overall the package was worth having for exams 😊

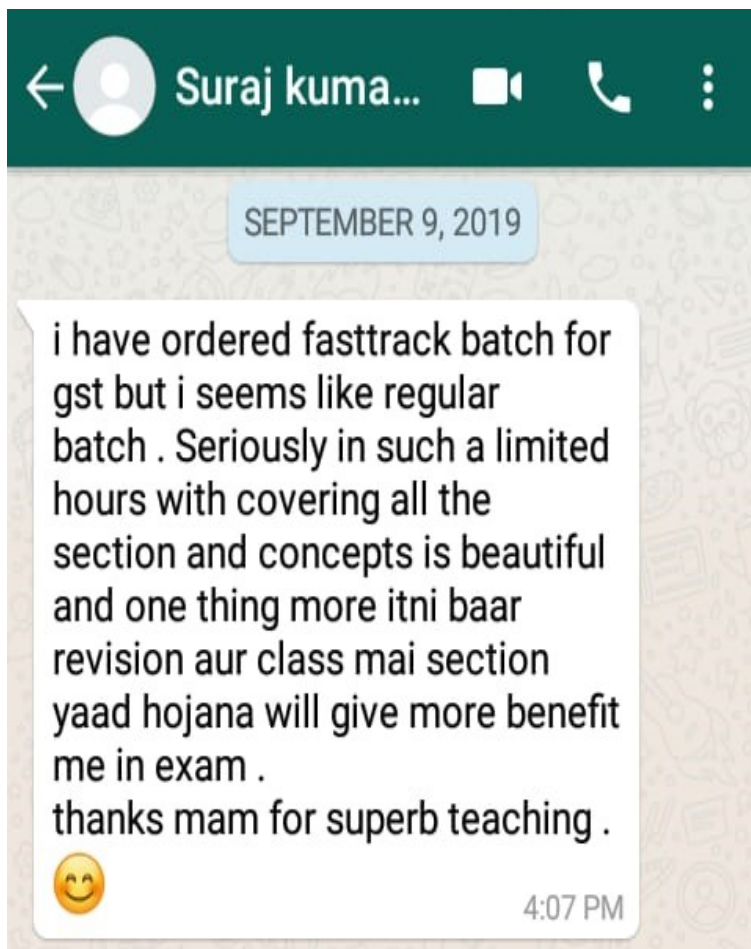
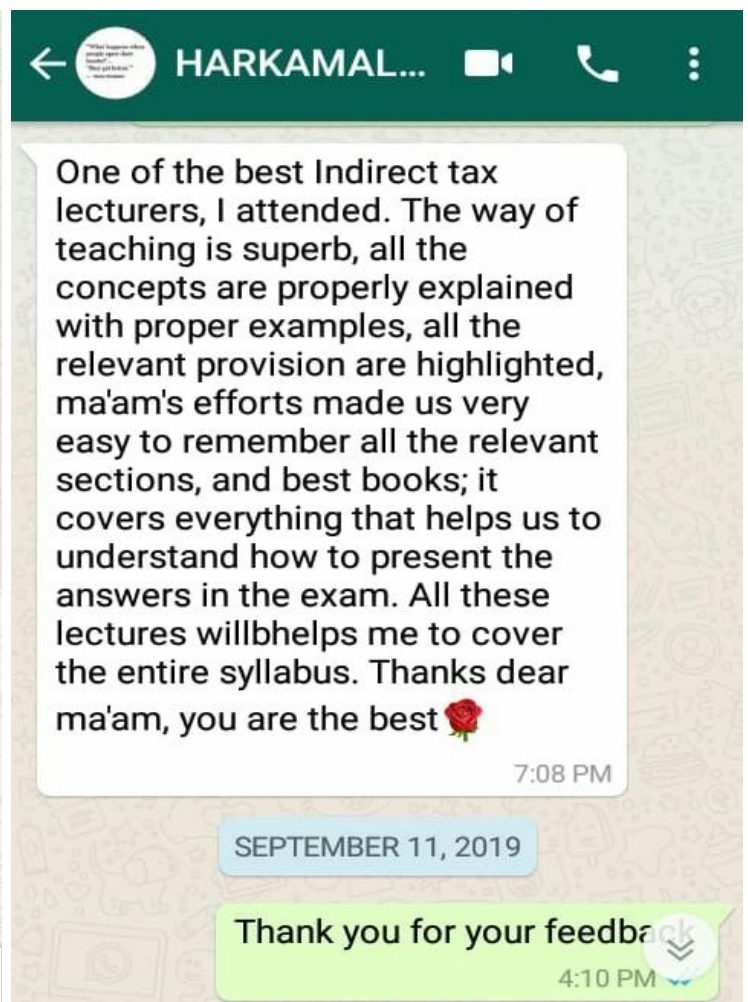
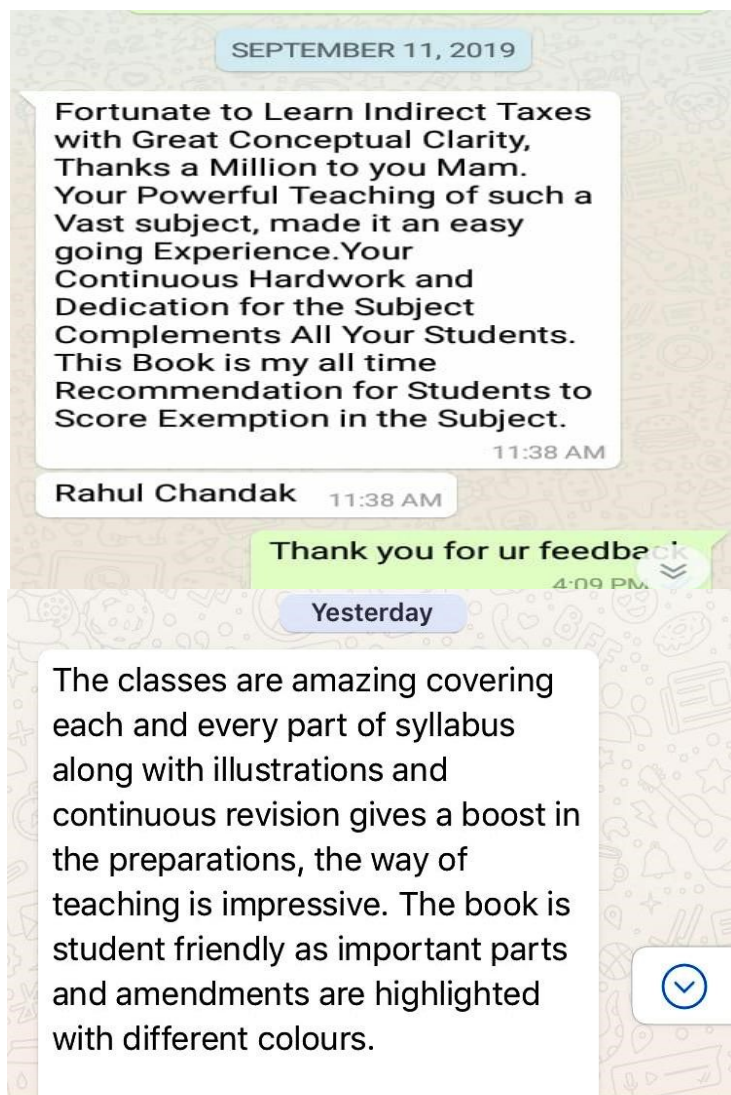
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rajender kumar commented:
"Will stock sold by one subsidiary to co- subsidiary will be treated as upstream transcation or downstream transcation in Financial"



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Section 9(2)

✓ The central tax on the supply of :

- Petroleum crude
- High speed diesel
- Motor Spirit (Commonly known as petrol)
- Natural gas
- Aviation turbine fu

Shall be levied from the notified date.

Memory technique : (PH-MNA) or (MAN HP)

22:39

32:31

Replies



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...



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

Vodafone IN

7:22 PM

31%

26

Shreesh Howrah May 19

10:25 AM

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

Value of Taxable Supply - Sec. 15(1)

Price is sole consideration

Supplier and recipient are not related

Price actually paid/payable

Transaction Value

0:02

39:46

Comments 3



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Highlighted comment



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

Kim Kashi • 2 weeks ago




1



1




VIEW REPLY



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...



Rajarshi Bose – May 10, 2019

★★★★★

She teaches quite well. Her study materials and Question Bank cover the syllabus in a comprehensive manner.



SANJAY MAHAJAN – May 31, 2019

★★★★★

All the concepts are properly explained and also GST Revisionary booklet covers almost whole syllabus in comprehensive manner...and way of teaching is too GOOD...


12:02 AM

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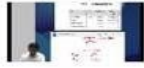


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Very clear...qualitative...interactive and upgraded lectures.....well done...god bless

4 months ago



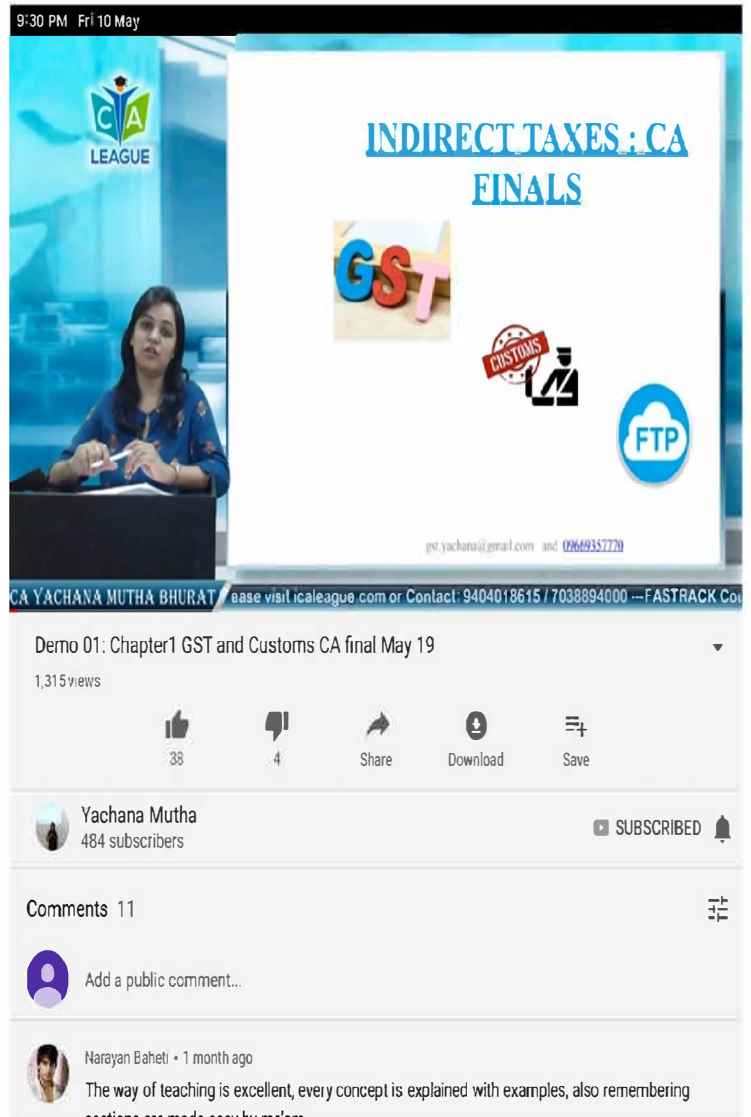
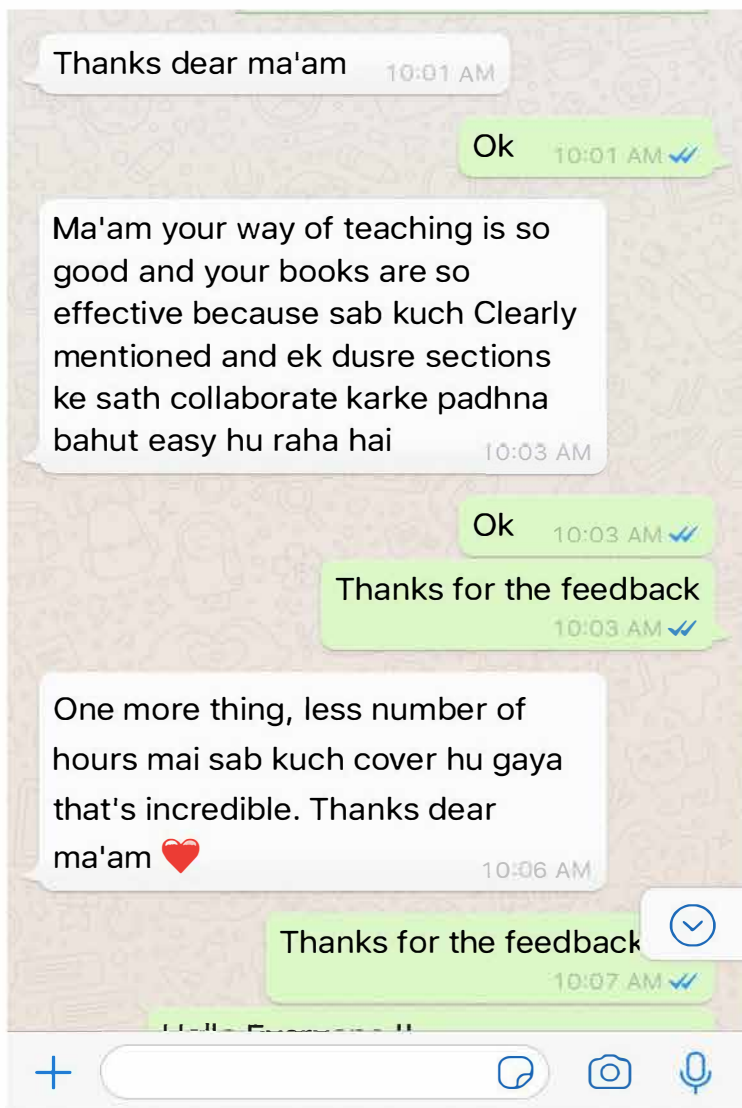
Best GST Classes!!! Must Join. Amazing experience of learning

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....

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<i>3.</i>	<i>Levy And Collection Of Tax</i>
<i>4.</i>	<i>Reverse Charge Mechanism</i>
<i>5.</i>	<i>Composition Scheme</i>
<i>6.</i>	<i>Time Of Supply</i>
<i>7.</i>	<i>Value Of Supply</i>
<i>8.</i>	<i>Input Tax Credit</i>
<i>9.</i>	<i>Job Work</i>
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1. Deficiencies in Earlier Tax Laws

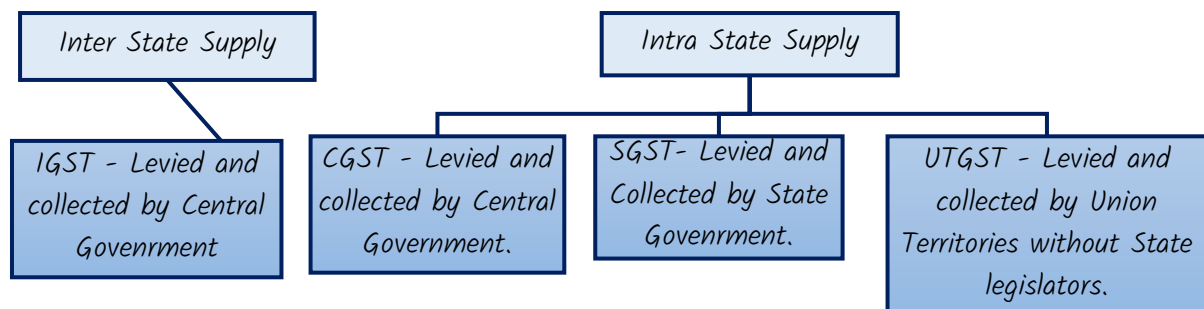
- **Cascading effect** of taxes on account of – (i) levy of non-VATABLE CST and, (ii) inclusion of CENVAT in the value for imposing VAT.
- **No CENVAT** after manufacturing stage
- **Non- integration** of VAT & Service tax
- **Double taxation** of a transaction as both goods and services.
- **Non – inclusion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

Schedule VII					
List I (referred as Union List): This list enumerates the matters in respect of which the parliament has an exclusive right to make law		List II (referred to State List): This list enumerates the matter in respect of which the legislature of any state has an exclusive right to make laws.		List III (referred as the concurrent List): This list enumerates the matters in respect of which both the parliament & Legislature of any state have power to make laws.	
Entry No	Items	Entry No	Items	Entry No	Items
84	Duties of excise on the following goods manufactured or produced in India namely : (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	54	Taxes on sales of (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.		

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**

1	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	Chairperson - The Union Finance Minister Member - The Union Minister of State in charge of Revenue or Finance. Member - The Minister of charge of Finance or taxation or any other Minister nominated by each state department
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3	Vice Chairpersons	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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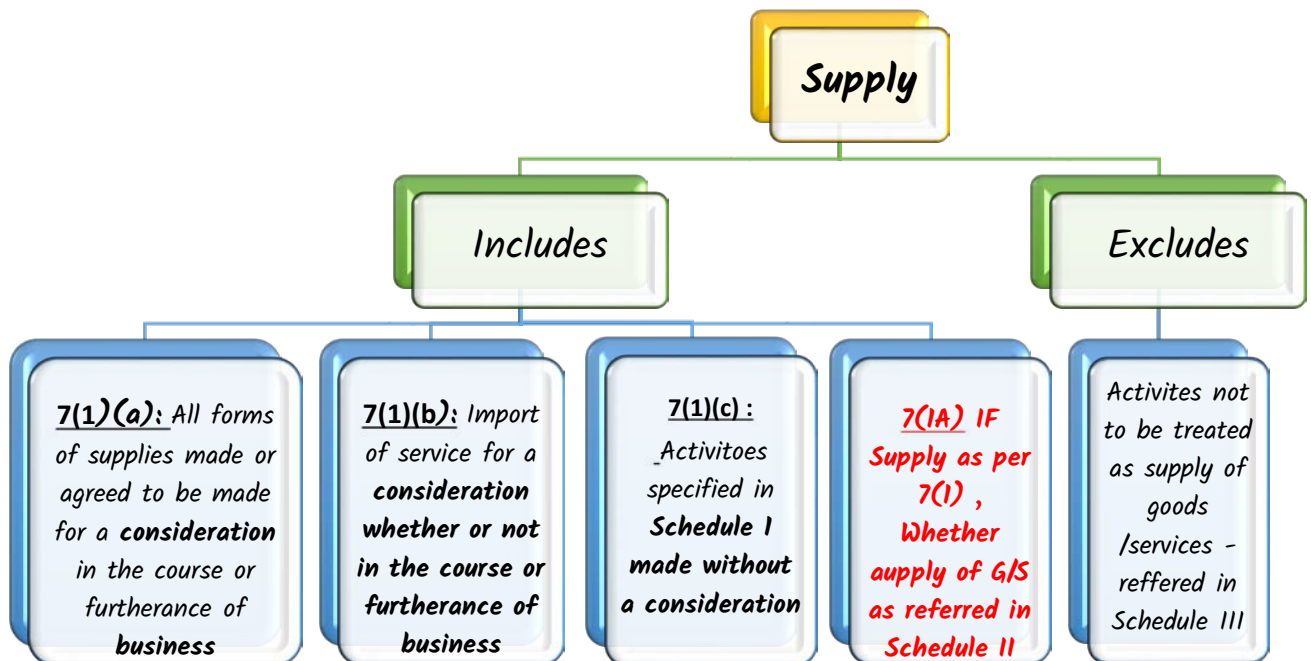
4	Role of GST Council	<p>Shall make recommendations to the union and the states on–</p> <ul style="list-style-type: none"> (i) the taxes, cesses and surcharges levied by the Union, the states and the local bodies which may be subsumed in the goods and service tax; (ii) the goods and services that may be subjected to or exempted from the goods and service tax (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 (iv) the threshold limit of turnover below which goods and services may be exempted from GST (v) the rates including floor rates for a specified period, to raise additional resources during any natural calamity or disaster (vi) Special provision w.r.t Special categories states (10 States) (vii) Any other matter relating to the goods and services tax, as the council may decide
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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
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⇒ 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.**

‘Explanation.–For the removal of doubts, it is hereby clarified that the expression “services” includes facilitating or arranging transactions in securities;’

Author’s Analysis on Goods & Services

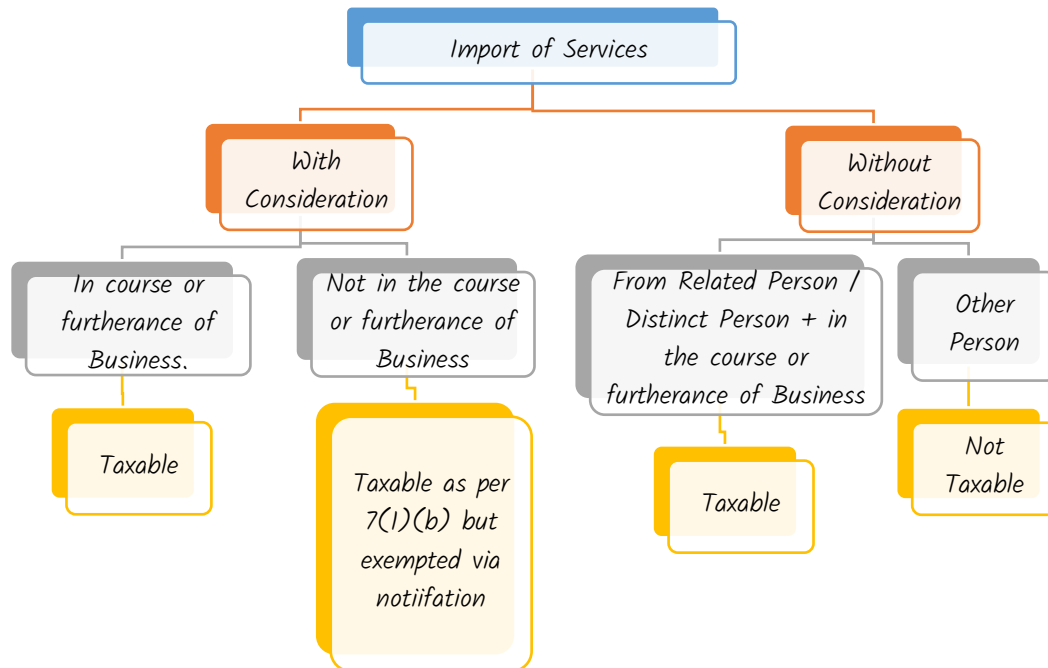
Particulars	Comments
Deposit or Withdrawal of money from Bank	Transaction in money i.e neither good nor services
Processing fees	It is a supply of service (Sep Consideration)
Conversion of currency	Transaction in money
Commission for conversion of currency	It is supply of service (Sep Consideration)
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
Service charges or service fees or documentation fees or broking charges	For provision of service and chargeable to GST.

⇒ 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)]

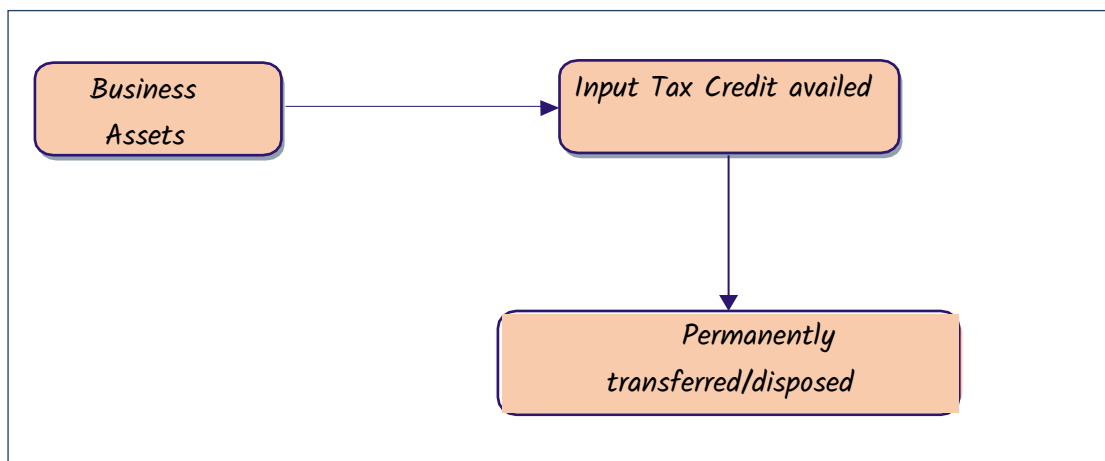
Supply should be in course or furtherance of business. The exception to said rule is import of services is deemed as supply even if the same has been imported not in course/furtherance of business.



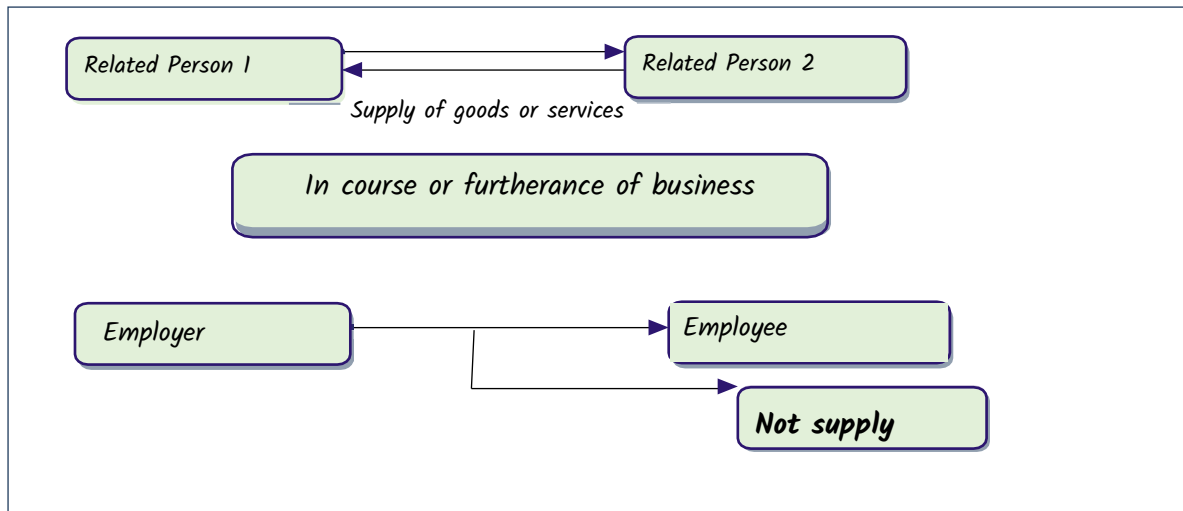
⇒ Supply without consideration - Deemed Supply [Section 7(1)(c) read with Schedule 1]

As per Schedule 1, 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

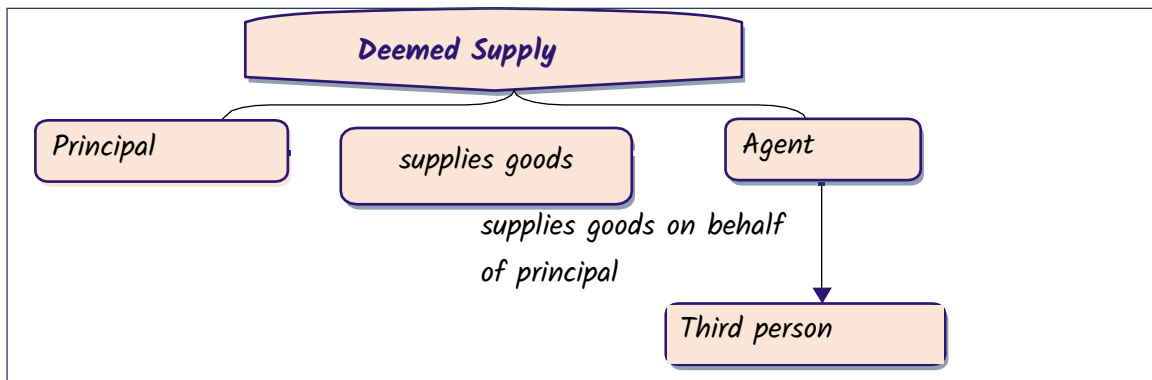


- Supply between **related persons or distinct persons**

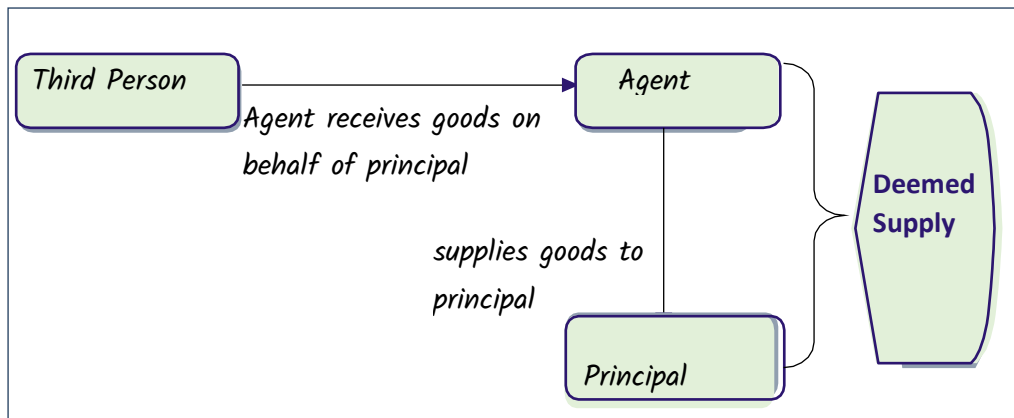


- Supply between principal and agent :

⇒ 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**.

Effect of above amendment: This amendment is to ensure that import of services by entities which are not registered under GST (for instance, who are only making exempted supplies), but are otherwise engaged in business activities is taxed when received from a related person or from any of their establishments outside India.

⇒ **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.	
	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.
7	Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India
8(a)	Supply of warehoused goods to any person before clearance for home consumption

8(b)	Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.
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⇒ **Composite and mixed supplies**

<u>What is Composite Supply</u>	<u>What is Mixed Supply</u>
<p>Section 2 (30), of CGST Act, 2017</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>Example: Charger supplied alongwith mobile phones.</p>	<p>Section 2(74), of CGST Act, 2017.</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 <p>Example: A gift pack comprising of chocolates, candies, sweets and balloons.</p>

Composite Supply	a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply
Mixed Supply	Comprises of two or more supplies shall be treated as supply of that particular supply which attracts the Highest Rate of Tax.

1) Clarification on various doubts related to treatment of sales promotion schemes under GST:

- Samples supplied free of cost:** it is clarified that samples which are supplied **free of cost without any consideration, do not qualify as "supply" under GST**, except where the activity falls within the ambit of schedule I of CSGT Act
- Buy one get one free offer :** Taxability of such supply will be dependent upon as to **whether the supply is a composite supply or a mixed supply** and the rate of tax shall be determined as per the provisions of section 8 of the CGST Act.

2) Clarification on scope of principal and agent relationship under Schedule I of CGST Act in the context of del-credere agent (DCA)

Issue 1 : Whether a **DCA falls under the ambit of agent under Para 3 of Schedule I** of the CGST Act?

Where the **invoice** for supply of goods is **issued by the supplier to the customer**, either himself or through DCA, the **DCA does not fall under the ambit of agent**.

Where the **invoice** for supply of goods is **issued by the DCA in his own name**, the **DCA would fall under the ambit of agent**.

Issue 2 : Whether the **temporary short-term transaction-based loan extended by the DCA to the recipient (buyer)**, for which interest is charged by the DCA, is to be included in the value of goods being supplied by the supplier (principal) **where DCA is not an agent under Para 3 of Schedule I of the CGST Act?**

Where the DCA is not an agent under Para 3 of Schedule I of the CGST Act, the temporary short-term transaction based loan being provided **by DCA to the buyer is a supply of service by the DCA to the recipient on principal to principal basis and is an independent supply**.

Therefore, **interest being charged by the DCA would not form part of the value of supply of goods supplied (to the buyer) by the supplier**.

Issue 3: Whether **DCA is an agent under Para 3** of Schedule I of the CGST Act and makes payment to the principal on behalf of the buyer and charges interest to the buyer for delayed payment along with the value of goods being supplied, **whether the interest will form part of the value of supply of goods also or not?**

In cases where the DCA is an agent under Para 3 of Schedule I of the CGST Act, the temporary short-term transaction based credit being provided by DCA to the buyer no longer retains its character of an independent supply and is subsumed in the supply of the goods by the DCA to the recipient. It is emphasised that the activity of extension of credit by the DCA to the recipient would **not be considered as a separate supply as it is in the context of the supply of goods made by the DCA to the recipient**.

Value of the interest charged for such credit would be required to be included in the value of supply of goods by DCA to the recipient as per section 15(2)(d) of the CGST Act.

CHAPTER 3

Levy and Collection of Tax

⇒ 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 class of registered person for specified category of goods or services. 	
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.	

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

⇒ **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.**

CHAPTER - 4 Reverse charge Mechanism

- 1) **Liability to pay tax by the recipient of supply of goods or services** or both instead of the supplier of such goods or services
- 2) Difference between Forward charge and Reverse charge mechanism:

Payment of Tax under Forward Charge	Payment of Tax under Reverse Charge
<p>Here person making taxable supply i.e. Supplier is liable to pay tax on taxable supply being made.</p>	<p>Here recipient of Taxable supply is liable to pay tax on taxable supply being received.</p>

3) Relevant section under reverse charge mechanism

Section	Particulars
9(3) of CGST Act, 2017	<p>Liability for payment of tax under Reverse Charge in notified cases</p> <ul style="list-style-type: none"> RCM in case of goods: Cashewnuts[not shelled/peeled], bidi wrapper leaves, tobacco leaves, supply of lottery, silkyarn, used vehicles, seized and confiscated goods, old and used goods, waste and scrap, raw cotton, etc. RCM in case of services: Notification No. 13/2017 CT (R) dated 28.06.2017 as amended has notified the following categories of supply of services wherein whole of the CGST shall be paid on reverse charge basis by the recipient of services.
9(4) of CGST Act, 2017	Reverse Charge in case of supply by Unregistered to class of Registered person in respect of specified category of goods or services.

4) Services as per notification no 13/2017 and chargeability as per RCM provisions

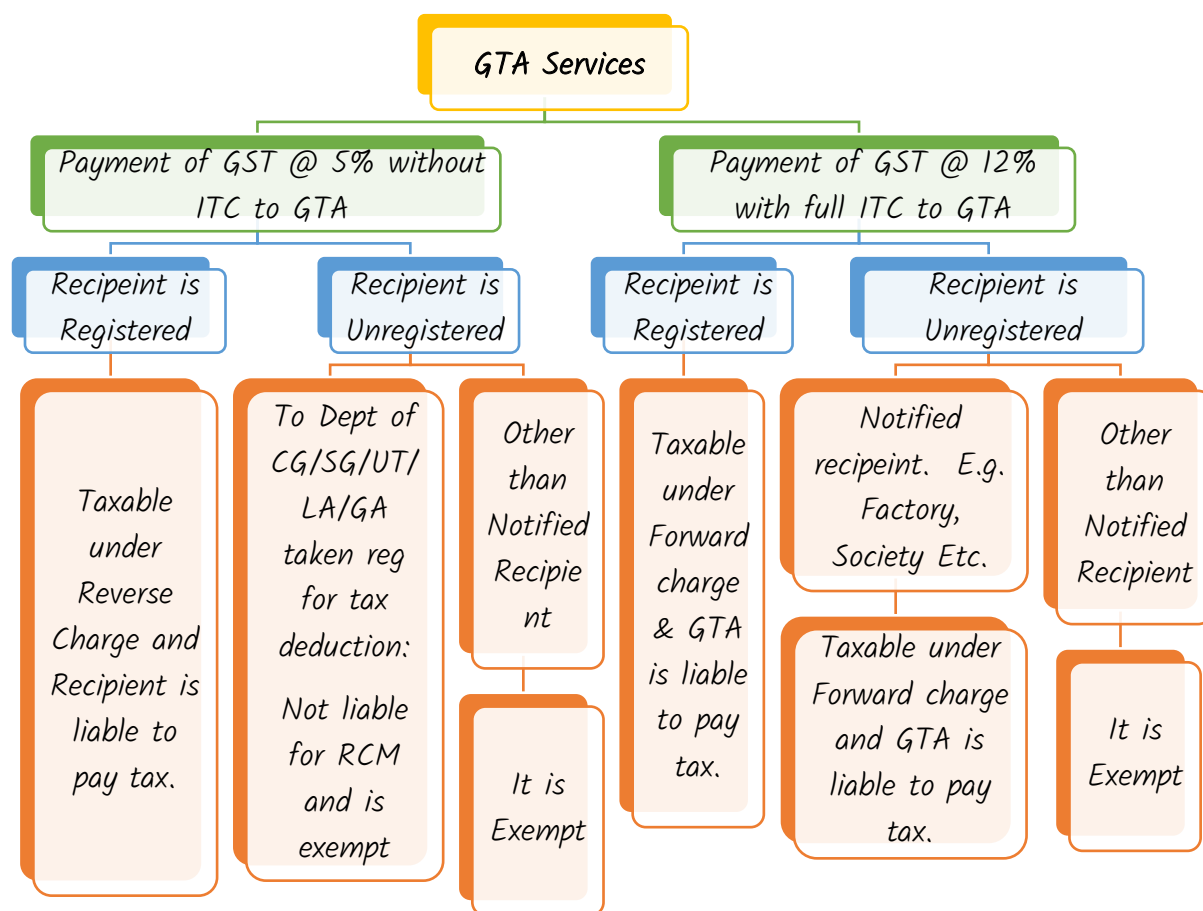
⇒ CGST Purposes

Sr. No	Category of supply of service	Supplier of service	Person liable to pay tax & Recipient of Service
1	GTA who has not paid CGST 6% & SGST 6% GST in respect of transportation of goods by road.	Goods Transport Agency (GTA)	(a) factory or (b) society or (c) co-operative society or (d) any person registered under the CGST Act or the IGST Act or the SGST Act or the UTGST Act; or (e) body corporate or (f) any partnership firm or (g) any casual taxable person. Located in taxable territory

Amendment in RCM Provision applicable to GTA: RCM shall not apply to services provided by a GTA, by way of transport of goods in a goods carriage by road to-

- (a) a Department/establishment of the CG/SG/UT or
- (b) local authority; or
- (c) Governmental agencies,

which has taken registration under the CGST Act only for the purpose of deducting tax under section 51 and not for making a taxable supply of goods or services.

Analysis of Exemption and taxability of GTA Services

Sr. No	Category of supply of service	Supplier of service	Person liable to pay tax & Recipient of Service
2	Services supplied by an individual advocate including a senior advocate by way of representational services before any court, tribunal or authority , directly or indirectly, to any business entity located in the taxable territory , including where contract for provision of such service has been entered through another advocate or a firm of advocates, or by a firm of advocates, by way of legal services, to a business entity.	An individual advocate including a senior advocate or firm of advocates.	Any business entity located in the taxable territory .
3	Services supplied by an arbitral tribunal to a business entity.	An arbitral tribunal.	Any business entity located in the taxable territory .

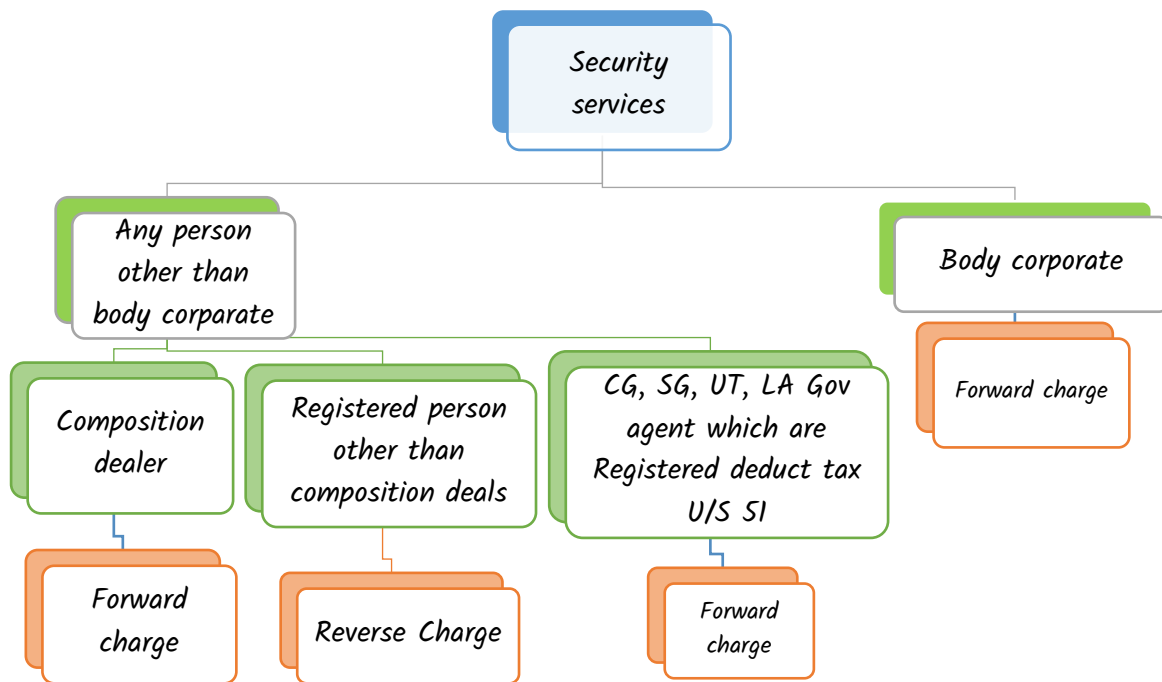
4	Services provided by way of sponsorship to body corporate or partnership firm .	Any person	Any body corporate or partnership firm located in the taxable territory.
5	Services supplied by the <ul style="list-style-type: none"> CG, SG, Union territory or local authority to a business entity excluding, - (1) renting of immovable property , and (2) services specified below- (i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than CG, SG or Union territory or local authority ; (ii) Services in relation to an aircraft or a vessel , inside or outside the precincts of a port or an airport (iii) Transport of goods or passengers .	<ul style="list-style-type: none"> CG, SG Union territory or local authority 	Any business entity located in the taxable territory
SA	Services supplied by CG, SG, Union territory/ local authority by way of renting of immovable property to a person registered under CGST Act, 2017	<ul style="list-style-type: none"> CG, SG Union territory or local authority 	Any person registered under the CGST Act, 2017
SB (Newly Inserted)	Services supplied by any person by way of transfer of development rights or Floor Space Index (FSI) (including additional FSI) for construction of a project by a promoter	Any person	Promoter
SC (Newly Inserted)	Long term lease of land (30 years or more) by any person against consideration in the form of upfront amount (called as premium, salami, cost, price, development charges or by any other name) and/or periodic rent for construction of a project by a promoter.	Any person	Promoter

Summary Book

6	Services supplied by a director of a company/ body corporate to the said company/ body corporate.	A director of a company or a body corporate	The company or a body corporate located in the taxable territory.
7	Services supplied by an insurance agent	An insurance agent	Any person carrying on insurance business , located in the taxable territory.
8	Services supplied by a recovery agent	A recovery agent	A banking company or a financial institution or a non-banking financial company (NBFC) , located in the taxable territory.
9	Supply of services <ul style="list-style-type: none"> • by an author, music composer, photographer, artist or • the like by way of transfer or permitting use or • enjoyment of a copyright covered under section 13(1)(a) of the Copyright Act, 1957 relating to original literary, dramatic, musical or artistic works to a publisher, music company, producer or the like. 	Author or music composer, photographer, artist, or the like	Publisher, music company, producer or the like, located in the taxable territory
10	Supply of services by the members of Overseeing Committee to Reserve Bank of India (RBI)	Members of Overseeing Committee constituted by RBI	RBI
11	Services supplied by individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership (LLP) firm to bank or non-banking financial company (NBFCs).	Individual Direct Selling Agents (DSAs) other than a body corporate,	A banking company or a NBFC , located in the taxable territory

Summary Book

		partnership or LLP firm	
12 (Newly Inserted)	Services provided by Business facilitator to a banking company [Effective from 01.01.2019]	Business facilitator	A banking company, located in the taxable territory
13 (Newly Inserted)	Services provided by an agent of business correspondent to business correspondent.	An agent of business correspondent	A business correspondent, located in the taxable territory
14 (Newly Inserted)	<p>Security services (services provided by way of supply of security personnel) provided to a registered person. However, nothing contained in this entry shall apply to:</p> <p>(i) (a) a Department establishment of CG or SG or UT or (b) local authority or (c) Governmental agencies; which has taken registration under the CGST Act only for the purpose of deduction tax under section 51 of the said Act and not for making a taxable supply of goods or services or</p> <p>(ii) a registered person paying tax under composition scheme.</p> <p>[Effective from 01.01.2019]</p>	Any person other than a body corporate	A registered person, located in the taxable territory.



⇒ **IGST Purposes**

Sr. No	Category of supply of service	Supplier of service	Person liable to pay tax & Recipient of Service
1.	Any service supplied by any person who is located in a non-taxable territory to any person other than non-taxable online recipient.	Any person located in a non-taxable territory	Any person located in the taxable territory other than non-taxable online recipient
2.	Services supplied by a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India	A person Located in non-Taxable Territory	Importer , located in the taxable territory.

- ✓ **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. 1.5 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	Nagaland	Tripura
Sikkim	Uttarakhand	
Note: In case of Himachal Pradesh, Assam & Jammu and Kashmir, the eligibility limit of turnover will be Rs. 1.5 crore		

- ✓ **Composition Rates**

Sec 10(1)	Category of Registered Persons	Rate (CGST+SGST)
(a)	Manufacturer	1% of T/O in state or UT
(b)	Supplier of Food (i.e. Restaurant services)	5% of T/O in state or UT
(c)	Traders	1% of T/O of Taxable supplies of goods and services in the state or UT

A person who opts to pay tax under clause (a), (b) or(c) may supply services (other than Restaurant services), of value not exceeding

- ✓ 10% of turnover in a State or UT in the preceding financial year or
 - ✓ 5 lakhs rupees,
- whichever is higher

Note : While computing value of services [other than restaurant services] as referred in second proviso to section 10(1), interest on loans/deposit/advances will not be taken into account.

⇒ “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

✓ 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
Tax is not collected from recipient of supply
Input tax credit is not availed
Composition Scheme if availed shall include all registered persons having same PAN

Non- Eligible Supplies
<p>(a) Save as provided in 10(1), he is not engaged in the supply of services i.e.</p> <ul style="list-style-type: none"> ✓ Either he is not at all engaged in supply of services other than restaurant services or ✓ In case he supplies services other than restaurant services, value of such services does not exceed 10% of the turnover in a State/Union Territory in the preceding financial year or ` 5 lakh, whichever is higher.
Supplier of Goods which are not taxable under the CGST / SGST / UTGST Act
Supplier of Inter - State outward supplies of goods
Person supplying goods through an electronic commerce operator
<p>Manufacturer of certain goods as may be notified by the Government</p> <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
He is neither a casual taxable person nor a non- resident taxable person
Stock has not been purchased from an unregistered supplier, where purchased tax paid under reverse charge
He shall pay tax under section 9(3)/9(4) (reverse charge) on inward supplies
He is not engaged in manufacturer of notified goods
Words "Composition taxable person, not eligible to collect tax on supplies" is mentioned at the top of the bill of supply
Words "Composition taxable person" displayed at prominent places

Option to pay concessional tax @ 3%

A RP whose AT in PFY is upto 50 lakh and who is not eligible to pay tax under composition scheme to pay tax @3% **on first supplies of goods and/or services upto an aggregate turnover of ` 50 lakh** made on/after 1st April in any FY, subject to specified conditions

A RP whose AT in **the PFY does not exceed ` 50 lakh and:**

- ✓ Who **is exclusively engaged in supplying services other than restaurant services**, or
- ✓ Who is engaged in supply of services [other than restaurant services] along with supply of goods and/ or restaurant services of value exceeding `5 lakh in current FY.

Conditions:

Supplies are made by a registered person who is:

1. **Not** engaged in making **non-taxable supply**.
2. **Not engaged in making any inter-State outward supply**
3. Neither a **CTP nor NRTP**.
4. **Not engaged in making supply through ECO** who is required to collect TCS u/s 52.
5. **Not engaged in making supplies of notified goods**, namely, ice cream and other edible ice, whether or not containing cocoa, Pan masala and Tobacco and manufactured tobacco substitutes.
6. **Shall not collect any tax from the recipient** on supplies made by him nor shall he be entitled to any credit of input tax.
7. The registered person shall **issue a bill of supply** instead of tax invoice.

First Supplies of goods or services or both:

For determining eligibility of a person to pay tax under this notification	For the purpose of determination of tax payable under this notification
Include the supplies from 1st April of a FY to the date from which he becomes liable for registration under the said act	Shall not include the supplies from the first day of April of a financial year to the date from which he becomes liable for registration under the Act.

Other significant points:

1. More than 1 RP having same PAN, GST on supplies by all such RP @3%
2. RP opting to pay **CGST@ 3% under this notification** shall be liable to pay: -

CGST @ 3% on all outward supplies	CGST on inward supplies
First supplies of goods or services or both upto an aggregate turnover of `50 lakh made on or after the 1st April in any FY	On which he is liable to pay tax under section 9(3)/9(4) (reverse charge) at the applicable rates .

3. In **computing aggregate turnover** in order to determine eligibility of a registered person to pay central tax @ 3% under this notification, **value of supply of exempt services** by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount, **shall not be taken into account**.

4. Where any registered person who has availed of ITC opts to pay tax under this notification, he shall **pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger**, equivalent to the

- ✓ ITC in respect of inputs held in stock and
- ✓ Inputs contained in semi-finished or
- ✓ Finished goods held in stock and
- ✓ On capital goods

The balance of input tax credit, if any, lying in his electronic credit ledger shall lapse.

Example : Mr. Siddhant is a service provider and not a registered person during Financial Year 2018-19. From 1st April 2019 to September 2019, he achieves the aggregate turnover of Rs. 20 Lakhs and is liable for registration under GST Laws w.e.f. 1st October 2019. From October 2019 to December 2019, he made outward supply of Rs. 30 Lakhs. And, from Jan 2020 to March 2020, he made outward supply of Rs. 15 lakh. Determine the eligibility of levy of concessional rate under Notification No. 2/2019-Central Tax (Rate) Dated 7th March 2019 of 6% ?

Answer : His turnover of Rs 50. Lakh for recognising his benefit under this scheme {Notification No. 2/2019-Central Tax (Rate) Dated 7th March 2019} will be counted from 1st April 2019. However, tax under this scheme shall be payable only for the supplies made during October 2019 to December 2019 (i.e. on Rs. 30 lakhs).

As the limit of Rs. 50 Lakhs under this scheme exhausted till 31st December 2019 (i.e. Rs. 20 Lakhs before registration and Rs. 30 Lakhs after registration), hence, from 1st January 2019 onwards, tax shall be payable under normal provisions of GST as applicable for regular dealer.

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 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

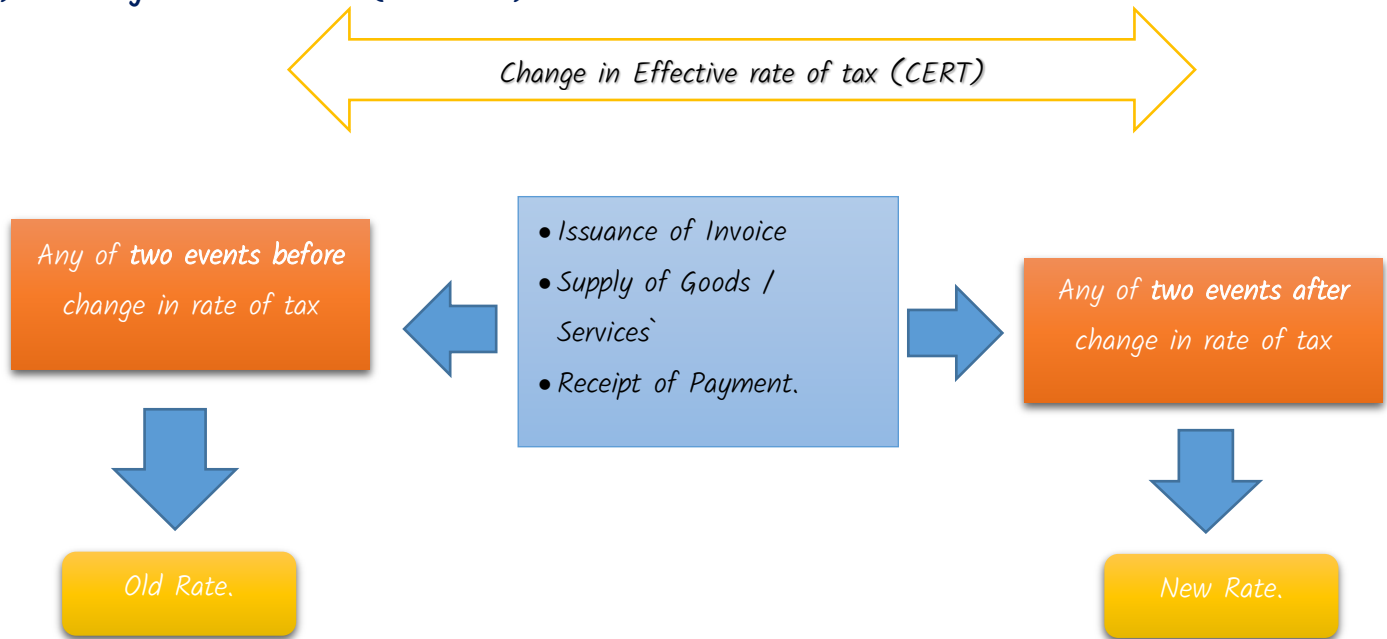
5) Time Of Supply Of Goods And Services In Residual Cases

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)

9) **Special procedure for determining the time of supply of services in certain cases**

Supply of services **by a landowner to a developer** by way of -

- (i) **transfer** of transferable development rights (TDR) or floor space index (FSI);
- (ii) **granting** of long term lease,

for construction of **residential** apartments have been **exempted subject** to the condition that the **constructed flats are sold before issuance of completion certificate or first occupation of the project, whichever is earlier, and tax is paid on them.**

Such **exemption** for TDR, FSI, long term lease (premium) shall **not be available** in case of flats which **remain un-booked** on the date of issuance of completion certificate or first occupation of the project, whichever is earlier.

Summary Book

The **promoter** (developer) shall be liable to pay tax at the applicable rate, on reverse charge basis, on such proportion of

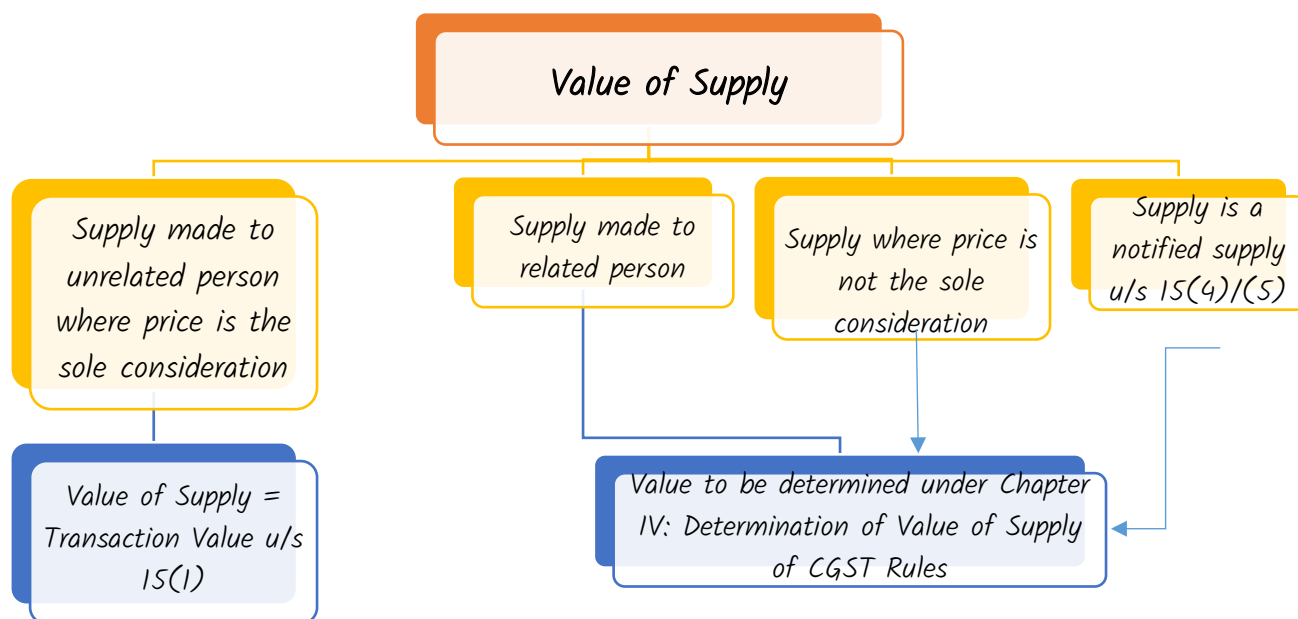
(i) Value of development rights and/or FSI, or

(ii) Upfront amount paid for long term lease,

As is attributable to such un-booked residential apartments.

For such persons, **the liability to pay tax shall arise on the date of issuance of completion certificate or first occupation of the project, whichever is earlier.**

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

Significant Notifications/ Circulars/ Orders

1. For the purpose of 15(2), TCS under the provisions of the Income Tax Act, 1961 would not be includible as it is an interim levy not having the character of tax.

2. In the BF model or the BC model operated by a banking company, a **banking company is the service provider**. The **banking company is liable to pay GST on the entire value of service charge or fee charged to customers** whether or not received via BF or BC.

3. Clarification on discounts

Discounts including 'Buy more, Save more' offers : Discounts offered by the suppliers to customers (including staggered discount under "Buy more, save more" scheme and post supply / volume discounts established before or at the time of supply) shall be **excluded to determine the value of supply if it satisfy parameters laid down in section 15(3) of the CGST Act, including the reversal of ITC by the recipient of the supply as is attributable to the discount on the basis of document issued by the supplier.**

Secondary Discounts: These are the discounts which are not known at the time of supply or are offered after the supply is already over. Secondary discounts shall not be excluded while determining the value of supply as such discounts are not known at the time of supply and the conditions laid down in section 15(3)(b) of the CGST Act are not satisfied.

CHAPTER 8

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**
 - ✓ **Deemed receipt of goods in case of bill to ship to model**
 - ✓ **Deemed receipt of services, if services provided to any person on the direction of and on account of RP**

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 :

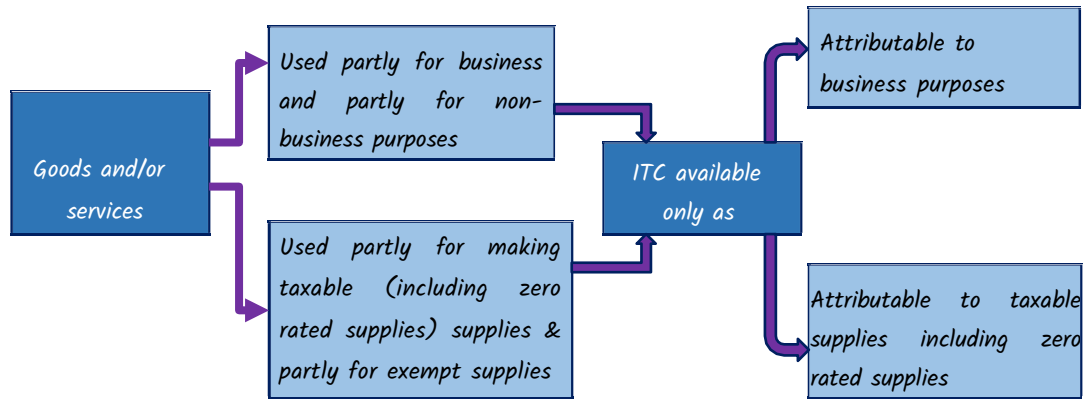
- ITC to be **reversed with interest @ 18% if value + tax** of goods and /or services is not paid within 180 days of the issuance of invoice.
- Such supplies will be specified in GSTR -2 of the month immediately following 180 days and ITC added in the output tax liability of the said month.
- On payment, 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



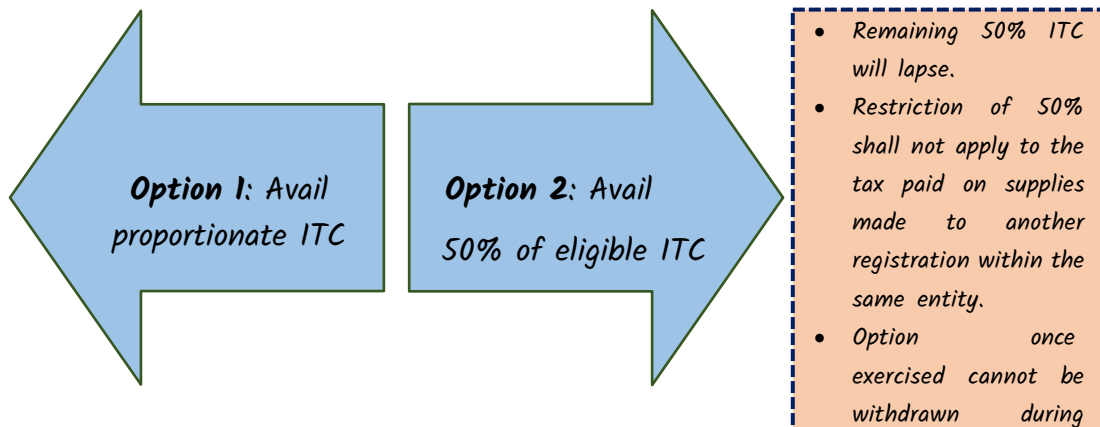
Exempt supplies include supplies charged to tax under reverse charge, transactions in securities, sale of land and sale of building when entire consideration is received post completion certificate.

'value of exempt supply' for the purpose of this section 17(3) **shall not include the value of activities or transactions specified in Schedule III, except those specified in paragraph 5 of the said Schedule, i.e. sale of land and sale of building.**

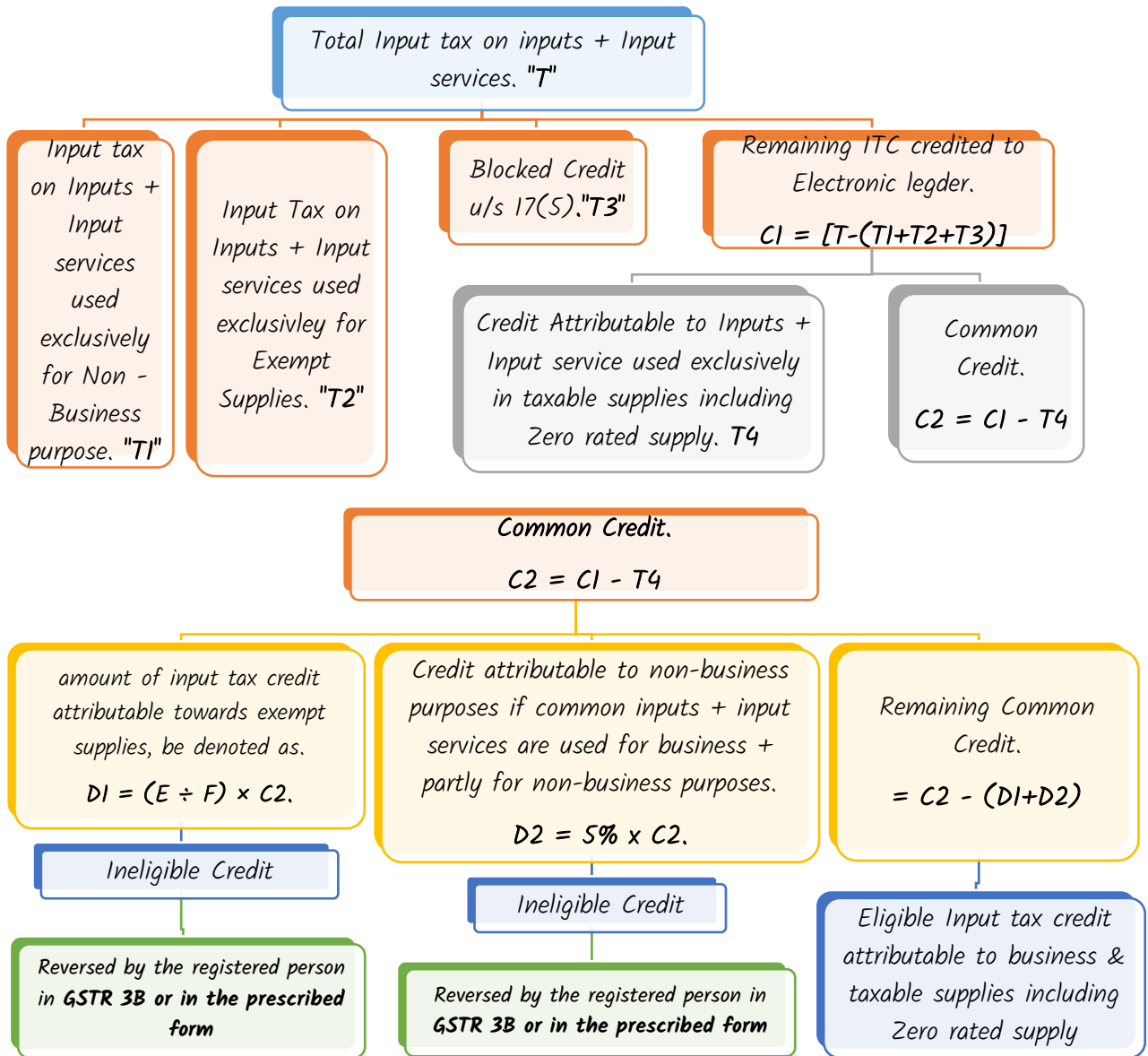
(Inserted by CGST Amendment Act, 2018)

Therefore, while in all other items of Schedule III, ITC will not be required to be reversed; in case of sale of land and sale of building, ITC will need to be reversed

B Special provisions for banking companies and NBFC

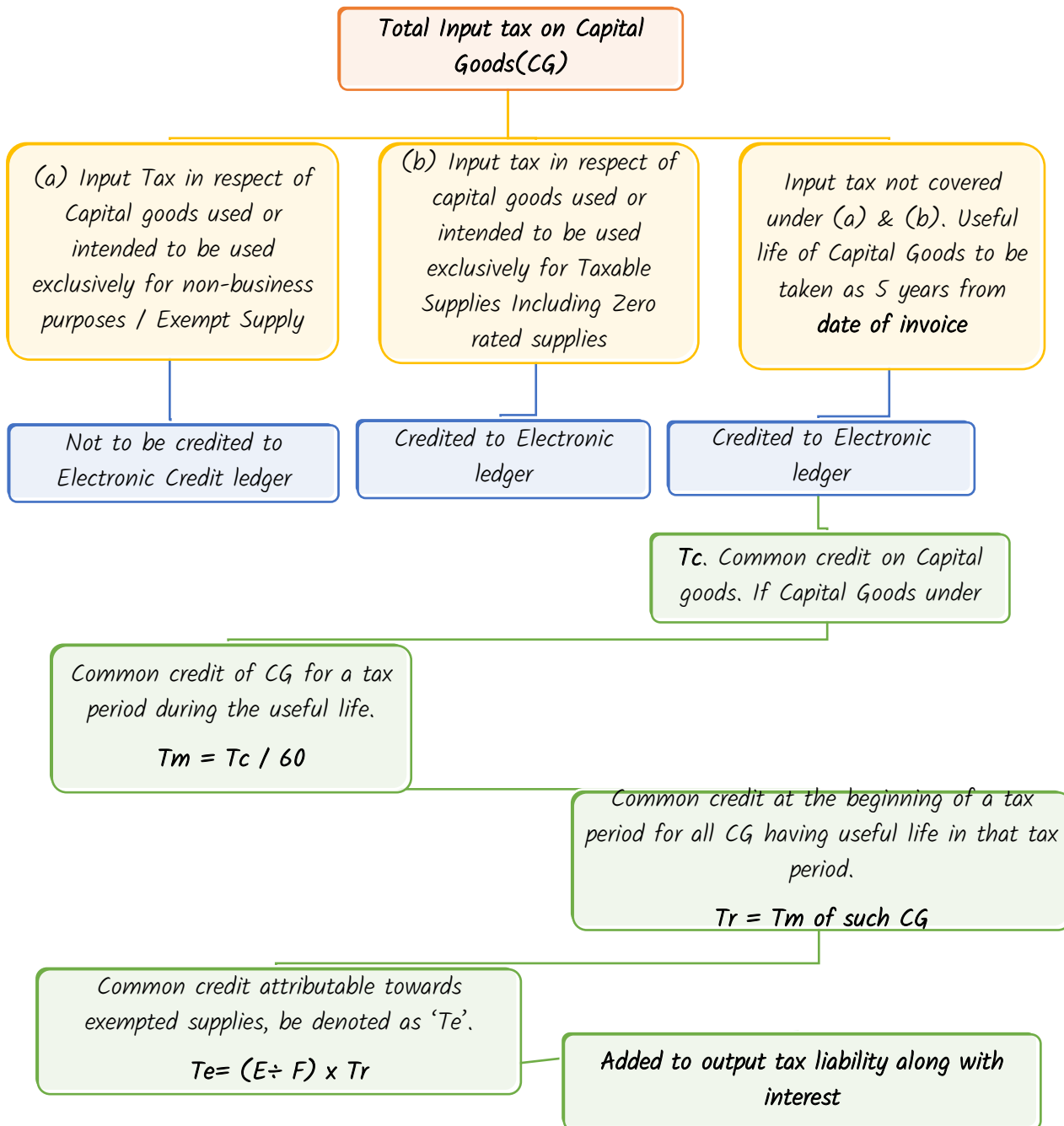


C Apportionment of common credit in case of inputs and input services



- 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 reversed by the RP in GSTR 3B 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



Note : The amount T_e should be computed separately for ITC of CGST, SGST/UTGST and IGST and declared in GSTR 3B.

BLOCKED CREDITS PART-A

MV for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver),

EXCEPTIONS

except when they are used for making the following **taxable supplies**, namely:
(A) further **supply** of such motor vehicles or
(B) transportation of passengers; or
(C) imparting training on driving such vehicles

vessels and aircraft except when they are used

EXCEPTIONS

(i) for making the following **taxable supplies**, namely:—
(A) further supply of such vessels or aircraft; or
(B) transportation of passengers; or
(C) imparting training navigating such vessels; or
(D) imparting training on flying such aircraft;
(ii) for **transportation of goods**

(ab) services of **general insurance, servicing, repair and maintenance** in so far as they relate to motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa)

EXCEPTIONS

(i) where the motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) are used for the purposes specified therein;
(ii) where received by a taxable person engaged—
(I) in the manufacture of such motor vehicles, vessels or aircraft; or
(II) in the supply of general insurance services in respect of such motor vehicles, vessels or aircraft insured by him;

Food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) except when used for the purposes specified therein, life insurance and health insurance:

EXCEPTIONS

1. ITC available where an inward supply of such goods or services or both is used by a registered person **for making an outward taxable supply**

- ✓ Of the **same category** of goods or services or
- ✓ Both or as an element of a **taxable composite or mixed supply**

2. ITC available it is **obligatory for an employer to provide the same to its employees** under any law for the time being in force

Credit available on the above

1. Membership of a club/health & fitness centre
2. Travel benefits extended to employees on vacation such as leave or home travel concession

Exception:

ITC available it is **obligatory for an employer to provide the same to its employees** under any law for the time being in force

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

Inward supplies used for personal consumption

BLOCKED CREDITS PART-B

WCS for construction of immovable property

EXCEPTIONS

- a. WCS for P & M
- b. Where WCS for immovable property is input service for further supply of WCS [Sub-contracting]

Credit available on such exceptions

Inward supplies received by taxable person for construction of immovable property on his own account including when such supplies are used in the course or furtherance of business

EXCEPTIONS

- A. Construction of P & M
- B. Construction of immovable property for others

Inward supplies charged to composition levy

G/S received by N RTP
Exception:
ITC available on goods imported by him

Tax paid u/s 74 (Tax short / not paid or erroneously refunded due to fraud etc)
Tax paid u/s 129 (Amount paid for release of goods and conveyances in transit which are detained) and
Tax paid u/s 130 (Fine paid in lieu of confiscation)

(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.

MV&OC-Motor vehicle & other conveyance;
N RTP-Non-resident taxable person;
WCS-Works contract service; LTC-Leave Travel Concession; HT-Home town

Clarification on ITC in the hands of the supplier in respect of sales promotional schemes:

Free samples and gifts.

Section 17(5)(h) of the CGST Act provides that ITC shall not be available in respect of goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples.

It has been clarified that **ITC shall not be available to the supplier on the inputs, input services and capital goods to the extent they are used in relation to the gifts or free samples distributed without any consideration.** However, where the activity of distribution of gifts or free samples falls within the scope of “supply” on account of the provisions contained in Schedule I of the said Act, the supplier would be eligible to avail the ITC.

Buy one get one free offer:

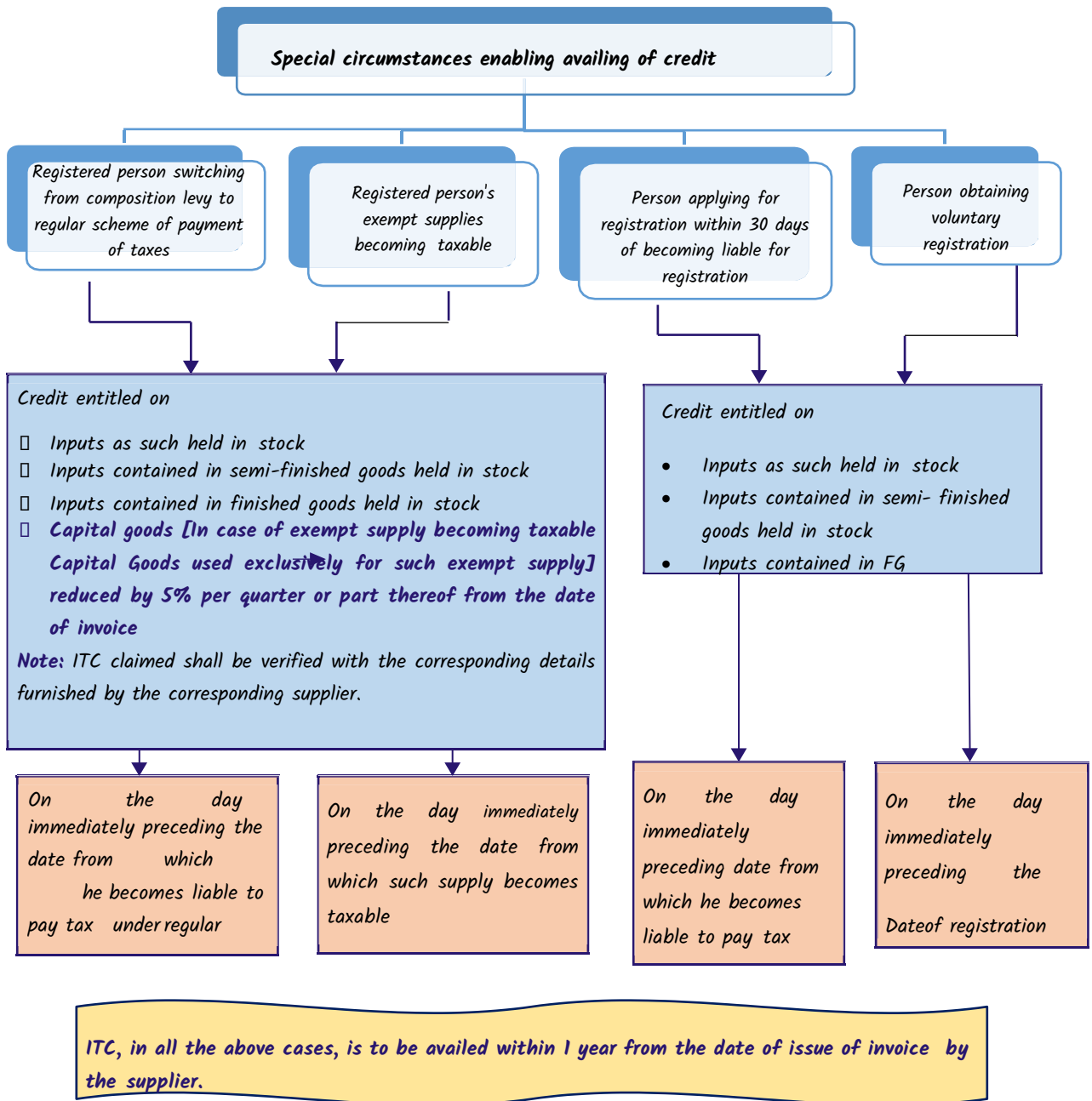
It is clarified that **ITC shall be available to the supplier for the inputs, input services and capital goods used in relation to supply of goods or services** or both as part of such offers.

Discounts including ‘Buy more, save more’ offers:

It is clarified that the supplier shall be entitled to avail the **ITC for such inputs, input services and capital goods used in relation to the supply of goods or services or both on such discounts.**

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

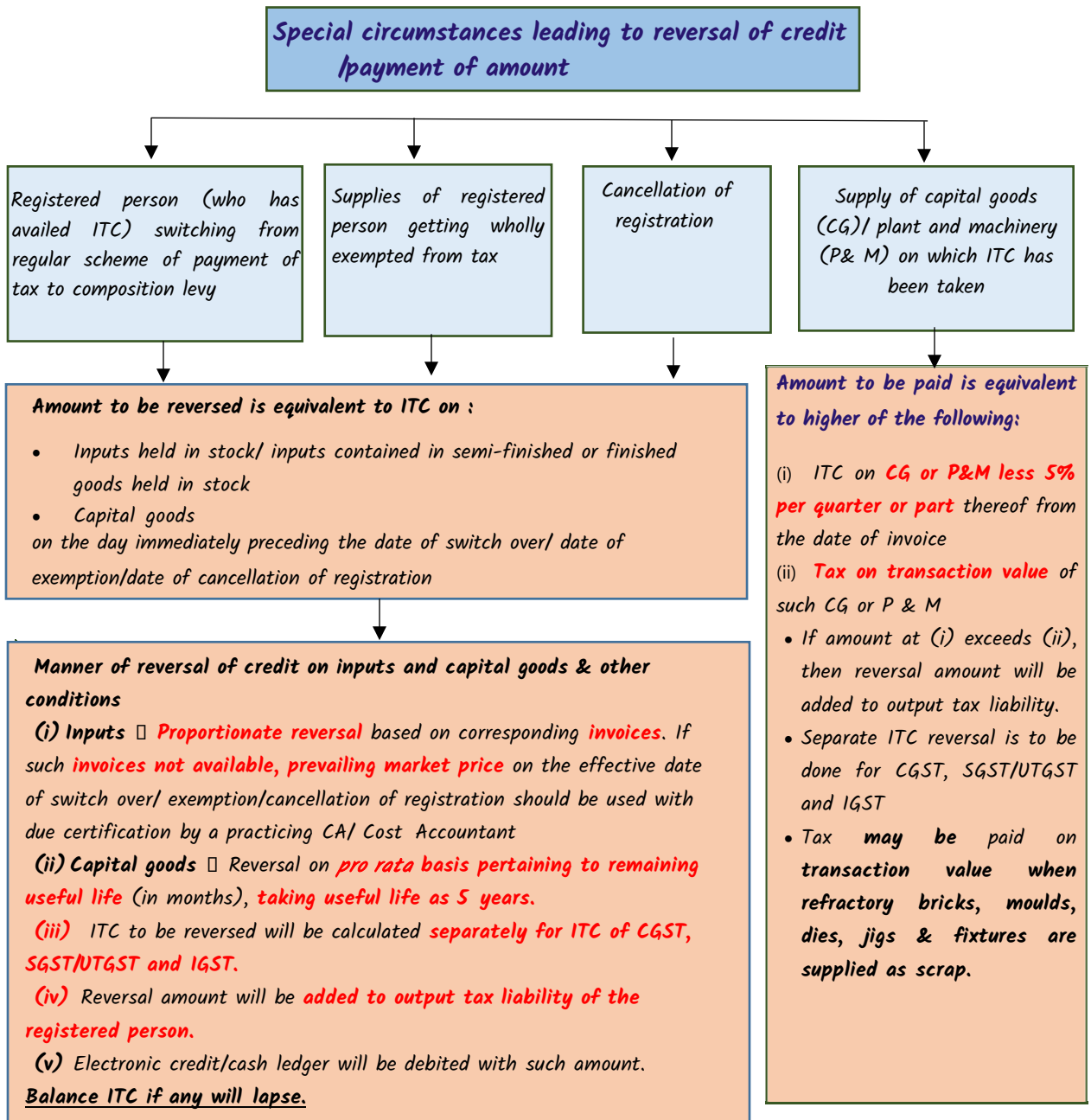
a. Special circumstances enabling availing of credit



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.
- Declaration has to be filed within 30 days from becoming eligible to avail credit.
- 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. The “value of assets” means the value of the entire assets of the business, whether or not ITC has been availed thereon.**
- 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 unutilized ITC will be credited to his Electronic Credit Ledger.

Note : It has been clarified that **transfer or change in the ownership of business will include transfer or change in the ownership of business due to death of the sole proprietor.**

⇒ 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.

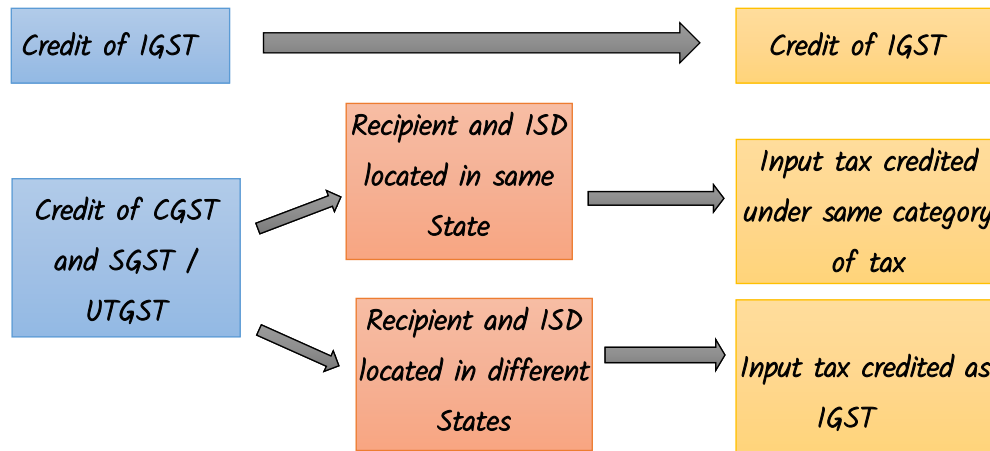
If the ISD has distributed excess credit to any recipient, the excess will be recovered from the recipient with interest as if it was tax not paid.

For the purpose of this section Turnover in relation to any registered person engaged in supply of taxable goods as goods not taxable under this act means =

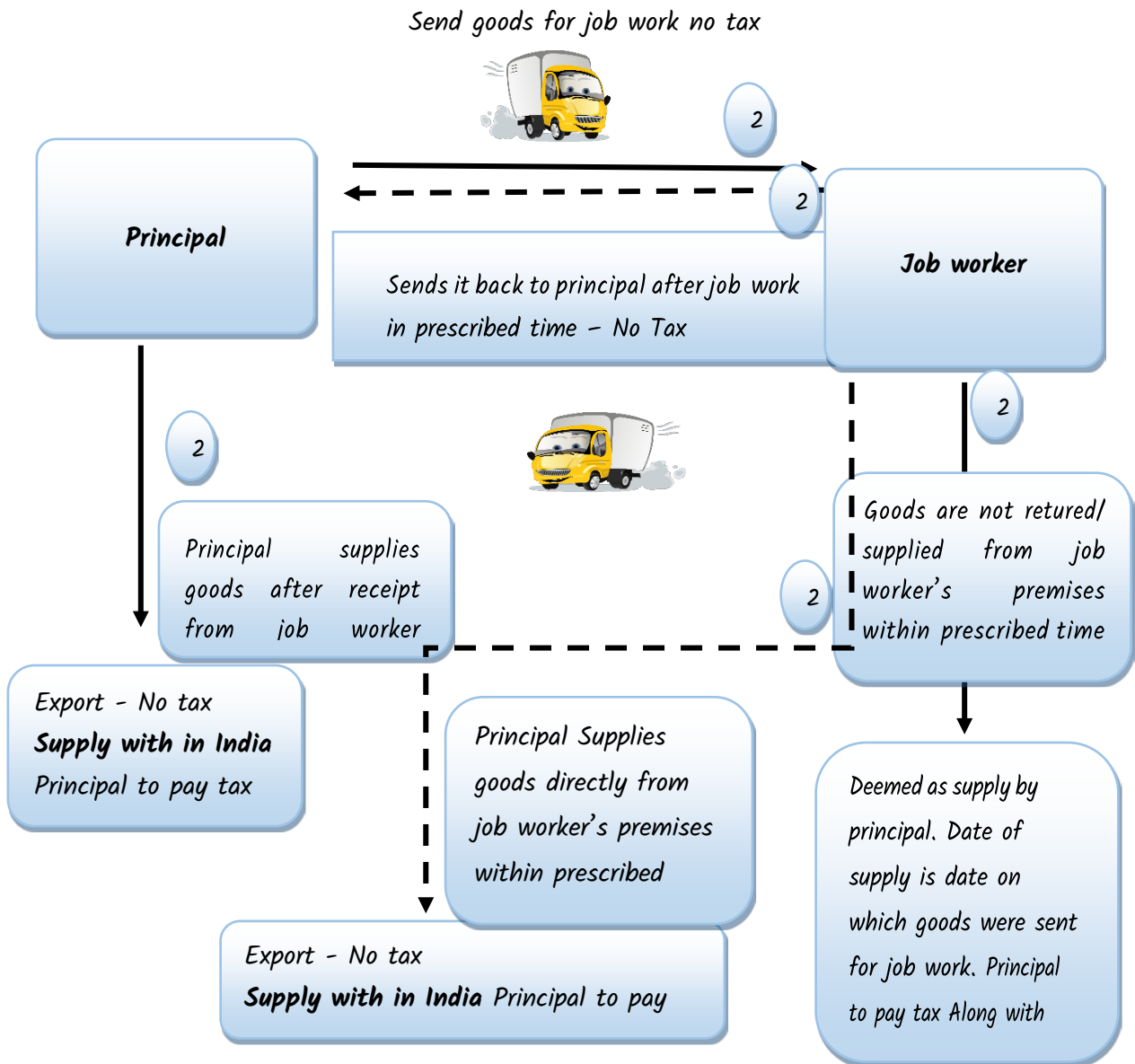
Value of turnover reduced by :

- 1) Excise duty
- 2) State Excise duty
- 3) VAT
- 4) CST

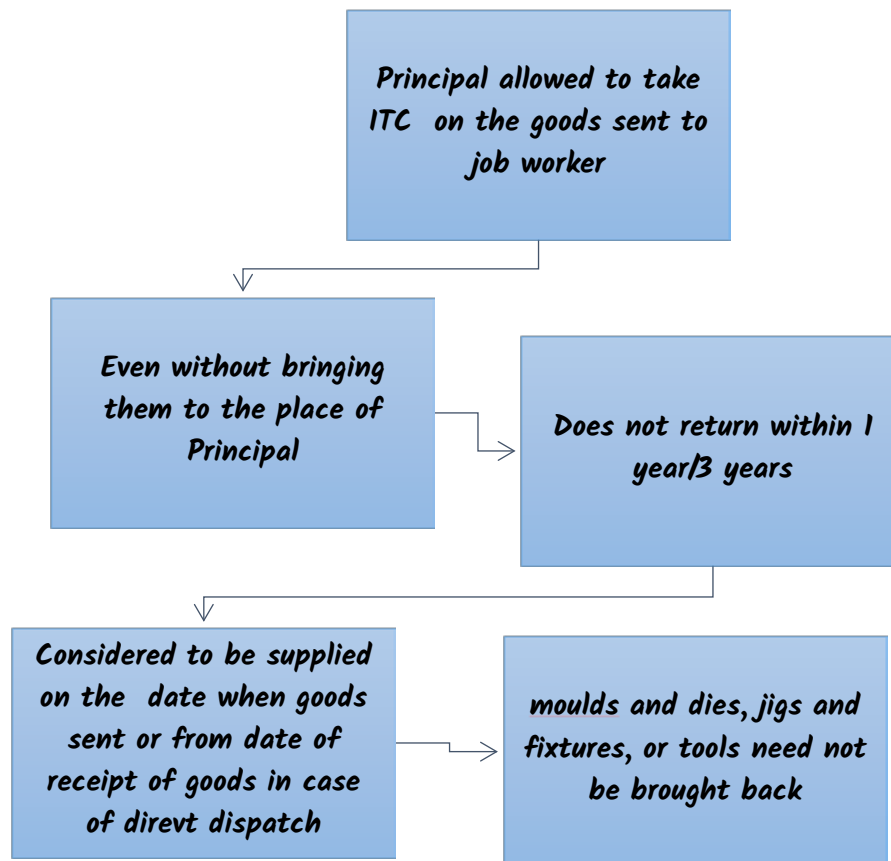
The above-mentioned scenario can be understood with the help of below mentioned presentation:



⇒ Goods Sent by principal to Job work



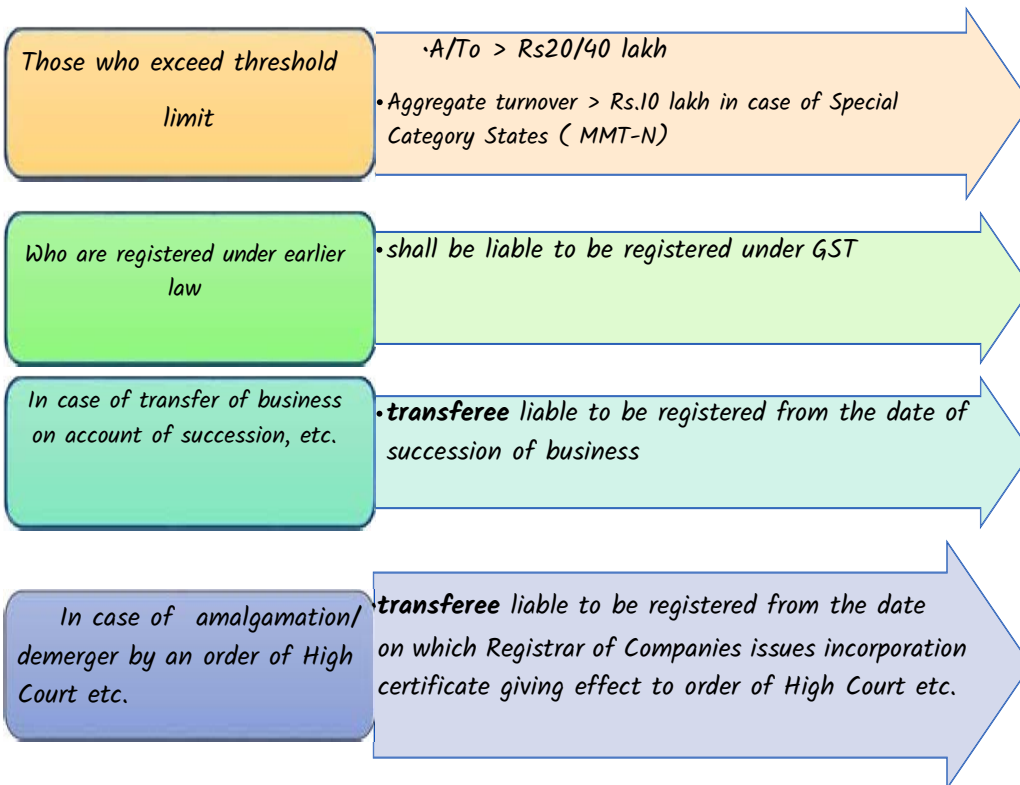
⇒ *Input credit to be availed by Principal on Goods sent to Job Worker*

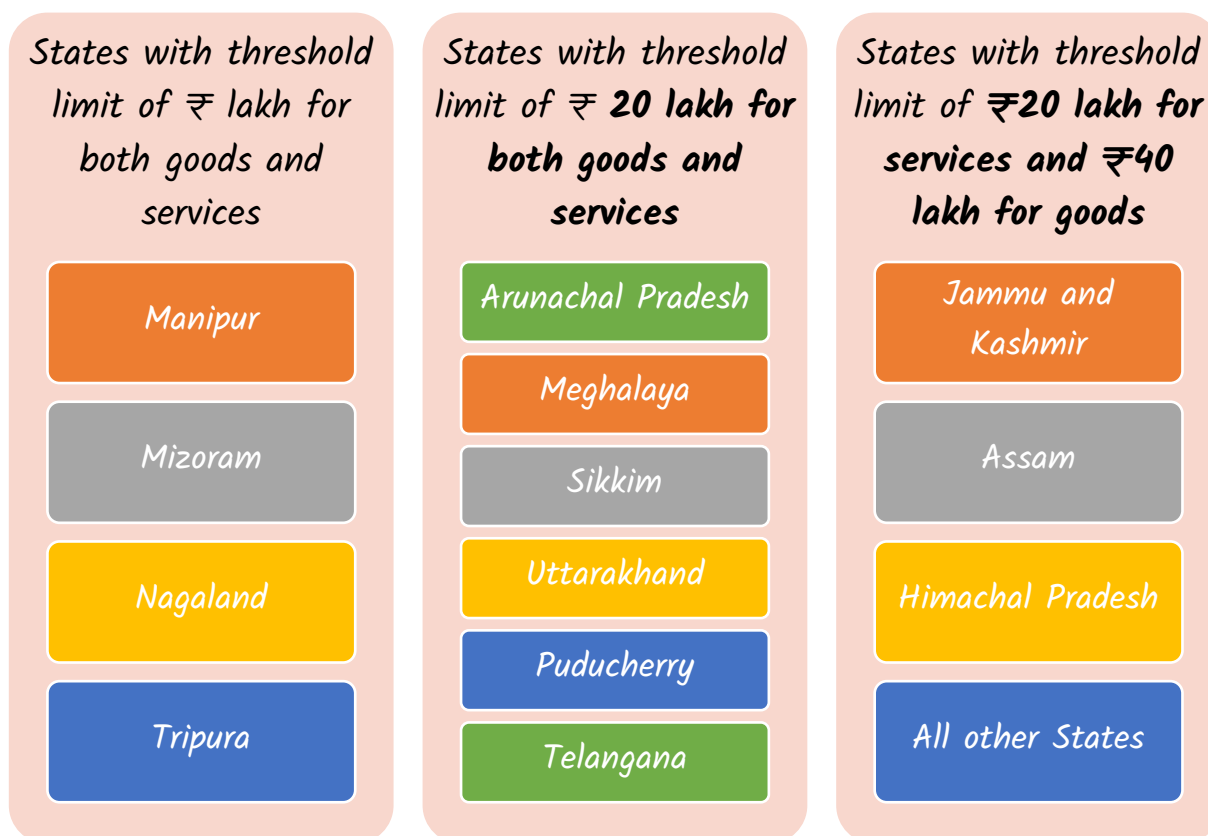


1) Nature of Registration

- 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**

(i) Inter-State supplier

Except –

- ✓ Service supplier if aggregate TO doesn't exceed Rs. 20 lakh,
- ✓ Person making inter-state supply of handicraft goods if aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of Rs. 20 lakh [Rs. 10 lakh in case of specified SCS [i.e MMT-N] in a F.Y.
- ✓ Persons making inter-State taxable supplies of notified products when made by craftsmen if Aggregate value does not exceed 20 lacs [Rs. 10 lakh in case of specified SCS [i.e MMT-N] in a F.Y.
- ✓ 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

(ii) Casual taxable person

Except –

- ✓ If CTP is engaged in making supply of Handicraft goods then he is no required to obtain registration if aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of Rs. 20 lakh [Rs. 10 lakh in case of specified SCS [i.e MMT-N] in a F.Y..
- ✓ CTP making inter-State taxable supplies of notified products when made by craftsmen if Aggregate value does not exceed 20 lacs [Rs. 10 lakh in case of specified SCS [i.e MMT-N] in a F.Y.

(iii) Person receiving supplies on which tax is payable by recipient on reverse charge basis

(iv) A person who is required to pay tax under 9(5) E.g. : Booking of cab through an ECO.

(v) Person who is required to deduct tax u/s 51

(vi) Non-resident taxable persons

- (vii) 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
- (viii) A person who supplies on behalf of some other taxable person (i.e. an Agent of some Principal)
- (ix) ISD whether or not separately registered under this act.
- (x) Every ECO required to collect TCS U/s 52
- (xi) Supplier of OIDAR Services
- (xii) 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 place of business in a state or union territory may obtain separate registration for each place of business

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

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

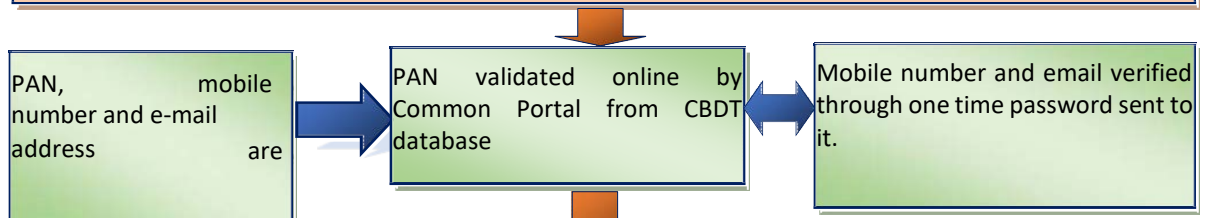
Where, **pursuant to any survey, enquiry, inspection, search or any other proceedings under the Act**, the proper officer finds that a **person liable to registration under the Act**** has failed to apply for such registration, such **officer may register the said person on a temporary basis** and issue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

11) **SEZ to apply for separate registration as distinct from place of business located outside SEZ.**

12) Procedure of Registration

Part I

Every person liable to get registered and person seeking voluntary registration shall, before applying for registration, declare his Permanent Account Number (PAN), mobile number, e-mail address, State/UT in **Part A of FORM GST REG-01** on GST Common Portal.



Temporary Reference Number (TRN) is generated and communicated to the applicant on the validated mobile number and e-mail address.

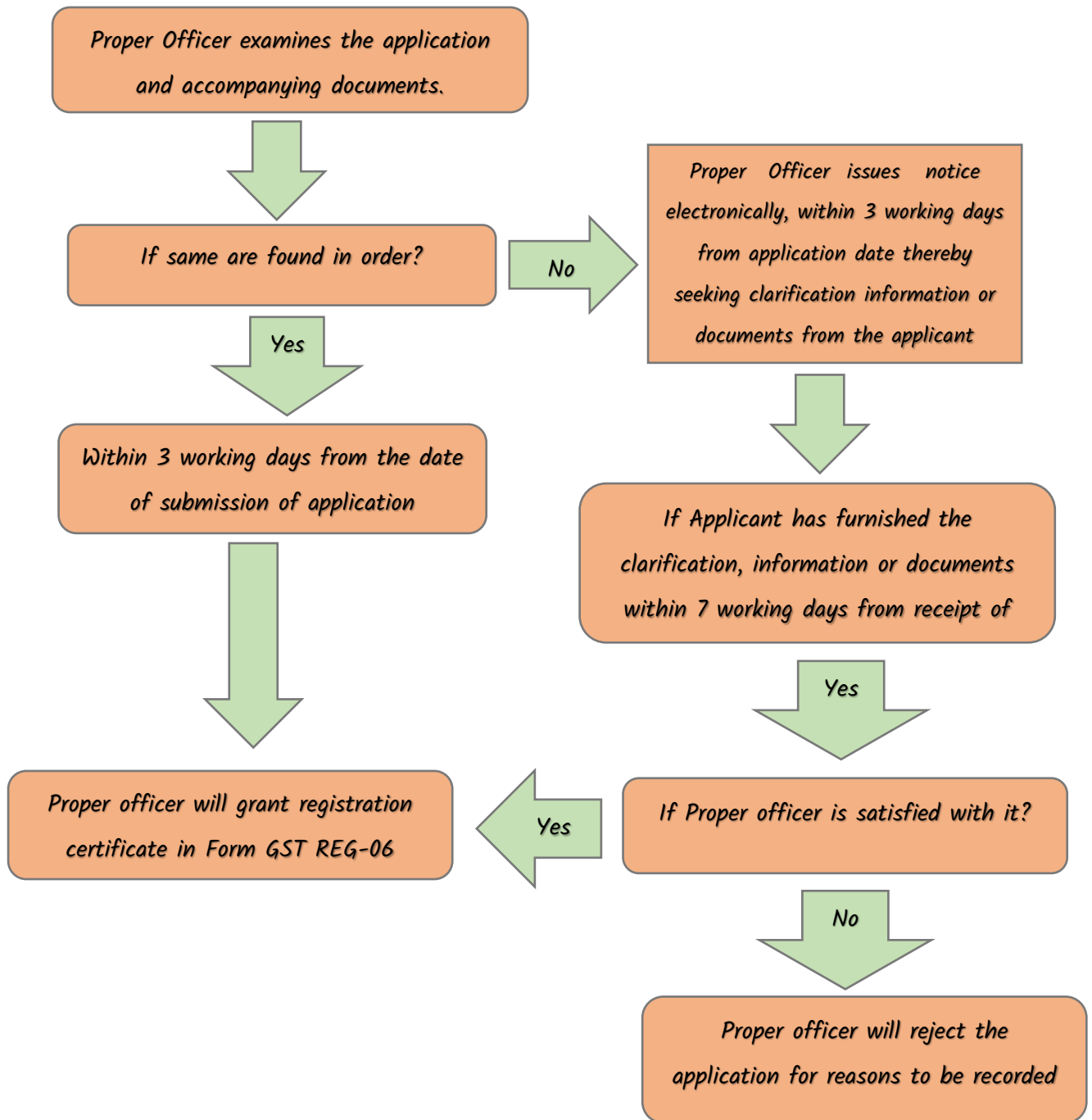
Using TRN, applicant shall electronically submit application in Part B of application form, along with specified documents at the Common Portal.

On receipt of such application, an acknowledgement in the prescribed form shall be issued to the applicant electronically. A **Causal Taxable Person (CTP)** applying for registration gets a TRN for making an advance deposit of tax in his electronic cash ledger and an acknowledgement is issued only after said deposit.*

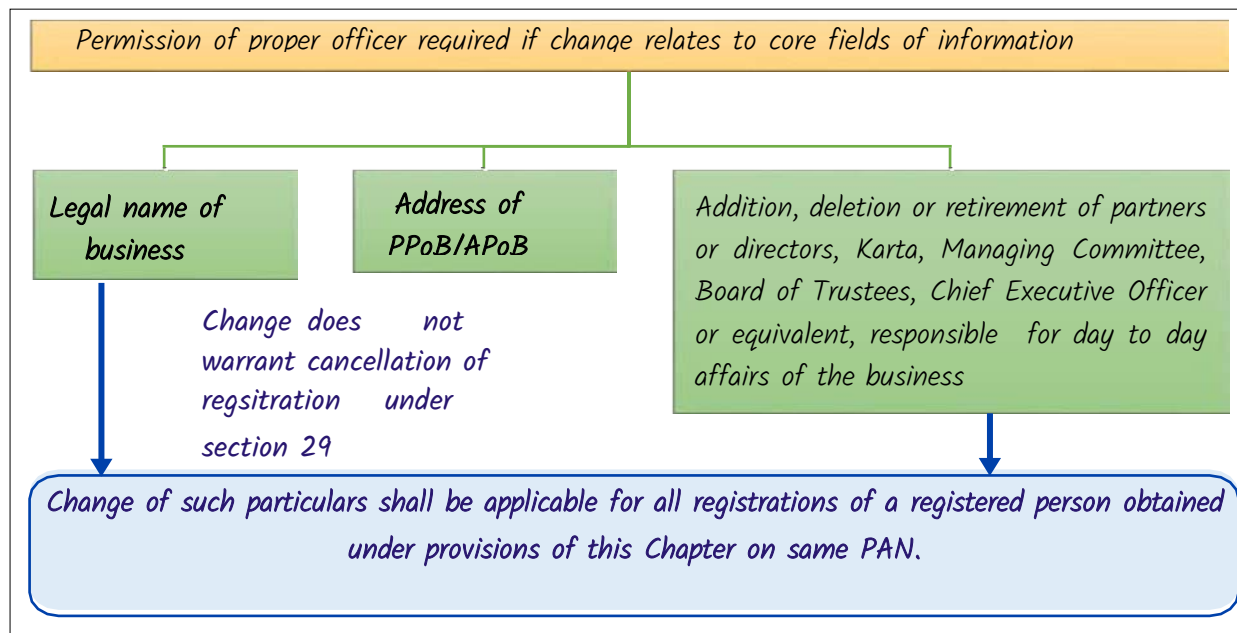
Application shall be forwarded to the Proper Officer.

The procedure after receipt of application by the Proper Officer is depicted in Part II of the diagram.

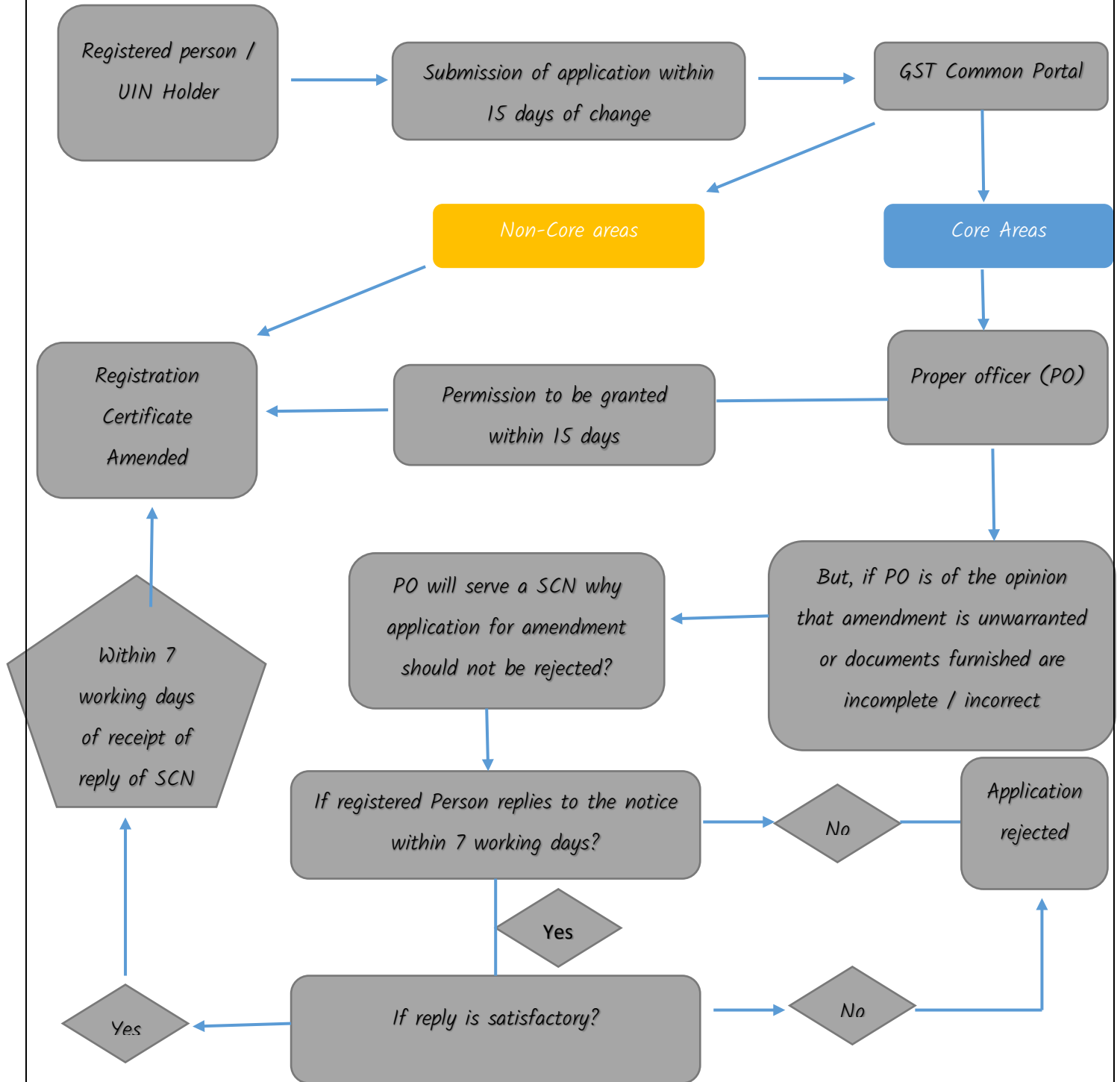
Part - II



13) Amendment of Registration



Summary Book

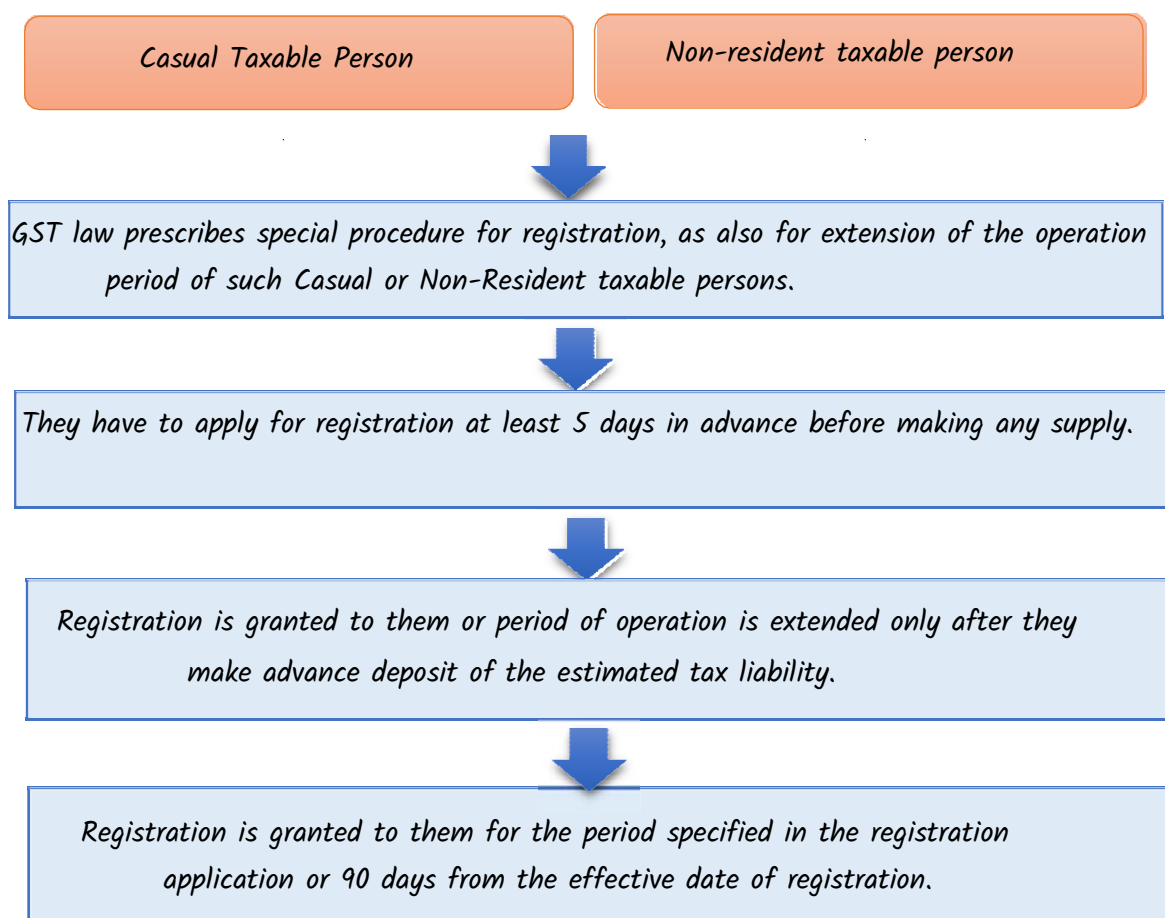


If the Proper officer fails to take any action:

- *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

14) 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>



15) 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.

16) Cancellation or suspension 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

During pendency of the proceedings relating to cancellation of registration filed by the registered person, the registration may be suspended.

- ✓ 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.

Situations	Registration to be suspended from
Where registered person has applied for cancellation of registration	(a) the date of submission of the application or (b) the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration.
Where cancellation of the registration has been initiated by the Department on their own motion	With effect from a date to be determined by Proper officer, pending the completion of the proceedings for cancellation of registration.

A registered person, whose registration has been suspended as above:

- shall not make any taxable supply during the period of suspension and
- shall not be required to furnish any return under section 39.

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 = (T301-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 rainning 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 • <i>P</i>ost-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

Summary Book

		<ul style="list-style-type: none"> 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 Physically 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 or any other treatment or process 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 ntermediary services	
	Services consisting of hiring of means of T ransport, including yachts but excluding aircrafts and vessels, up to a period of one month	
6	T ransportation of goods, other than by way of mail or courier	Place of destination of such goods
7	Passenger T ransportation	Place where the passenger embarks on the conveyance for a continuous journey
8	Services provided O n-board a conveyance	First scheduled point of departure of that conveyance for the journey
9	O nline information and database access or retrieval services (OIDAR Services)	Location of recipient of service

- 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		
1	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

IGST Rules :

IGST Rule: To compute the proportionate value of advertisement services attributable to different States or UT in the absence of any contract between the supplier and recipient:

Rule	Means of Advertisement	Mode of Payment & Basis of Apportionment
3 (1)	Newspapers and publications	The amount payable for publishing an advertisement in all the editions of a newspaper or publication, which are published in a State or Union territory, as the case may be
3 (2)	Printed material like pamphlets, leaflets, diaries, calendars, T-shirts	The amount payable for the distribution of a specific number of such material in a particular State or Union territory
3 (3)	Hoardings other than on trains	The amount payable for the hoardings located in each State or Union territory.
3 (4)	Hoarding , ads placed on trains	The breakup, calculated on the basis of the ratio of the length of the railway track in each State for that train, of the amount payable for such advertisements
3 (5)	On back of utility bills of oil & gas companies etc.	The amount payable for the advertisements on bills pertaining to consumers having billing addresses in such States or Union territory
3 (6)	Ads on Railway tickets	The breakup, calculated on the basis of the ratio of the number of Railway Stations in each State or Union territory, when applied to the amount payable for such advertisements
3 (7)	Radio Stations	The amount payable to such radio station, which by virtue of its name is part of a State or Union territory.

3 (8)	Television Channels	<p>The amount attributable to the value of advertisement service disseminated in a State shall be calculated on the basis of the viewership of such channel in such State, which in turn, shall be calculated in the given manner</p> <ul style="list-style-type: none"> the channel viewership figures be taken from figures published in this regard by the Broadcast Audience Research Council; the figures published for the last week of a given quarter shall be used for calculating viewership for the succeeding quarter where such channel viewership figures relate to a region comprising of more than one State or Union territory, the viewership figures for a State or Union territory of that region, shall be calculated by applying the ratio of the populations of that State or Union territory, as determined in the latest Census, to such viewership figures <p>the ratio of the viewership figures for each State or Union territory as so calculated, when applied to the amount payable for that service, shall represent the portion of the value attributable to the dissemination in that State or Union territory</p>
3 (9)	At cinema halls	<p>the amount payable to a cinema hall or screens in a multiplex, in a State or Union territory, as the case may be</p>
3 (10)	Over Internet	<p>The advertisement service shall be deemed to have been provided all over India. Thus, the value of such service will be apportioned amongst all States and UTs, of India in the manner prescribed therein.</p> <p>The amount attributable to the value of advertisement service disseminated in a State or Union territory shall be calculated on the basis of the internet subscribers in such State or Union territory, which in turn, shall be calculated in the following manner, namely:</p> <p>(1) the internet subscriber figures for a State shall be taken from the figures published in this regard by the Telecom Regulatory Authority of India;</p>

		<p>(ii) the figures published for the last quarter of a given financial year shall be used for calculating the number of internet subscribers for the succeeding financial year;</p> <p>(iii) where such internet subscriber figures relate to a region comprising of more than one State or Union territory, the subscriber figures for a State or Union territory of that region shall be calculated by applying the ratio of the populations of that State or Union territory, as determined in the latest census, to such subscriber figures; the ratio of the subscriber figures for each State or Union territory as so calculated, when applied to the amount payable for this service, shall represent the portion of the value attributable to the dissemination in that State or Union territory.</p>
3(11)	Short Message	<p>The amount attributable to the value of advertisement service disseminated in a State or Union territory shall be calculated on the basis of the telecommunication (hereinafter referred to as telecom) subscribers in such State or Union territory, which in turn, shall be calculated in the following manner, namely:</p> <p>(a) the number of telecom subscribers in a telecom circle shall be ascertained from the figures published by the Telecom Regulatory Authority of India on its website www.trai.gov.in;</p> <p>(b) the figures published for a given quarter, shall be used for calculating subscribers for the succeeding quarter;</p> <p>(c) Where such figures relate to a telecom circle comprising of more than one State, or Union territory, the subscriber figures for that State or Union territory shall be calculated by applying the ratio of the populations of that State or Union territory, as determined in the latest census, to such subscriber figures.</p> <p>(d) the ratio of the subscriber figures for each State or Union territory as so calculated, when applied to the amount payable for that service, shall represent the portion of the value attributable to the dissemination in that State or Union territory.</p>

⇒ **Computation of value of services where immovable property is located in more than one State and where the location of supplier and recipient is in India [New rule 4 of the IGST Rules]**

S.No.	Type of service in relation to immovable property	Factor which determines the proportionate value of service
(a)	Service provided by way of lodging accommodation by hotel, inn, guest house etc. and its ancillary services (other than the cases where such property is a single property located in 2 or more contiguous States/ UT or both)	Number of nights stayed in such property
(b)	All other services provided in relation to immovable property including :	Area of the immovable property lying in each State/ UT
	<ul style="list-style-type: none"> • services by way of accommodation in any immovable property for organising any marriage or reception etc. 	
	<ul style="list-style-type: none"> • Supply of accommodation by a hotel, inn, guest house, club or campsite, by whatever name called where such property is a single property located in 2 or more contiguous States or/and UT 	
	<ul style="list-style-type: none"> • Services ancillary to services mentioned above 	
(c)	Services by way of lodging accommodation by a house boat or vessel and its ancillary services	Time spent by the boat or vessel in each such State/ UT, to be determined on the basis of declaration made by the service provider

⇒ **Computation of value of services where event is organised in more than one State and where the location of supplier and the recipient is in India [New rule 5 of the IGST Rules]**

Particulars	Place of Supply
If contract or agreement exists	The place of supply of such service is deemed to be in each of the respective State/ UT in proportion to the value of services determined in terms of the contract or agreement entered into in this regard.
In the absence of any such contract or agreement	The value is determined in accordance with rule 5 by the application of generally accepted accounting principles.

⇒ **Computation of value of services where leased circuit is installed in more than one State and where the location of supplier and the recipient is in India [New rule 6 of the IGST Rules]**

In the absence of any such contract or agreement, the value is determined in accordance with rule 6 in proportion to the number of points lying in the State/ UT.

⇒ **Computation of value of services where the service is performed in more than one State and where the location of supplier or the recipient is outside India [New rule 7 of the IGST Rules]**

Section 13(3) POS of **goods and individual** requiring **physical presence**. The place of supply of such services is the **location where such services are performed**.

As per section 13(7) of the IGST Act, if such services **are supplied in more than one State/ UT**, the place of supply of such services is taken as being in each such State/ UT and the value of such supplies is determined **in terms of the contract or agreement entered into in this regard**. In the absence of any such contract or agreement, the value is determined in accordance with rule 7 in the following manner:-

S.No.	Cases	Manner of computing the proportionate value of service
(i)	Services supplied on the same goods	Equally dividing the value of service in each of the States/ UT where the service is performed
(ii)	Services supplied on different goods	Considering the ratio of the invoice value of goods in each States/ UT, on which service is performed, as the ratio of the value of the service performed in each State/UT
(iii)	Services supplied to individuals	Applying generally accepted accounting principles .

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,- (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 or in Indian rupees wherever permitted by the RBI and (v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 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**

Import of Goods	Import of Services
<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;</p> <p>(ii) the recipient of service is located in India;</p> <p>and</p> <p>(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:**

Sr. No	LOS	LOR	POS	Inter State or Intra State	Remarks
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**

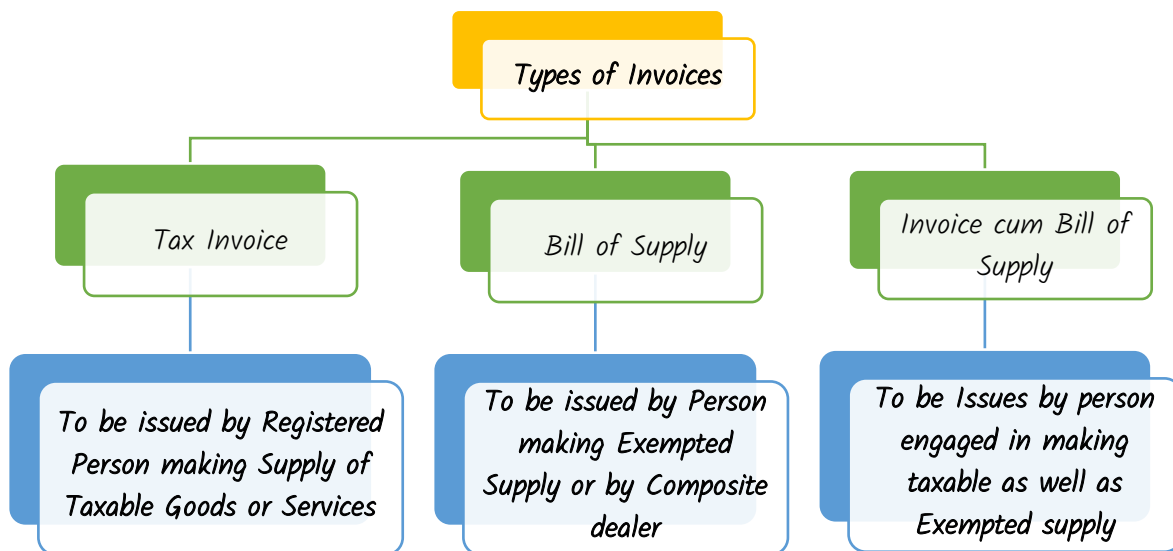
Type of service	Supplier of Service	Recipient of Service	Status	Remarks
OIDAR Services	Any Person located in Non-Taxable Territory	Non-Taxable Online Recipient	Taxable	Supplier is liable to take registration and pay tax u/s 14 of IGST Act, 2017
OIDAR Services		Trust	Taxable	Trust is liable to pay tax 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

CHAPTER 13 Tax Invoice, Debit note and Credit Note

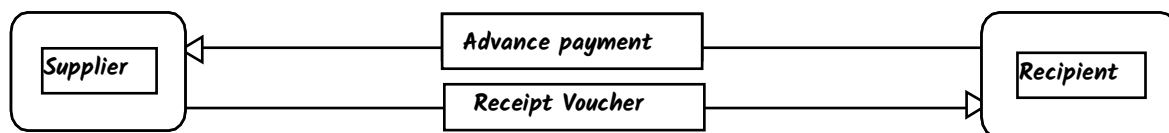
1) Manner of Issuing the invoice

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



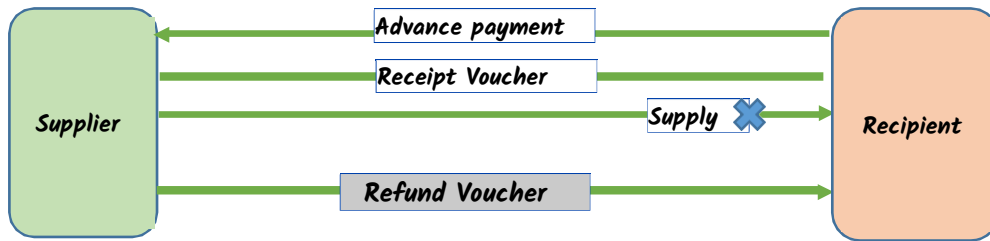
3) Receipt Voucher



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

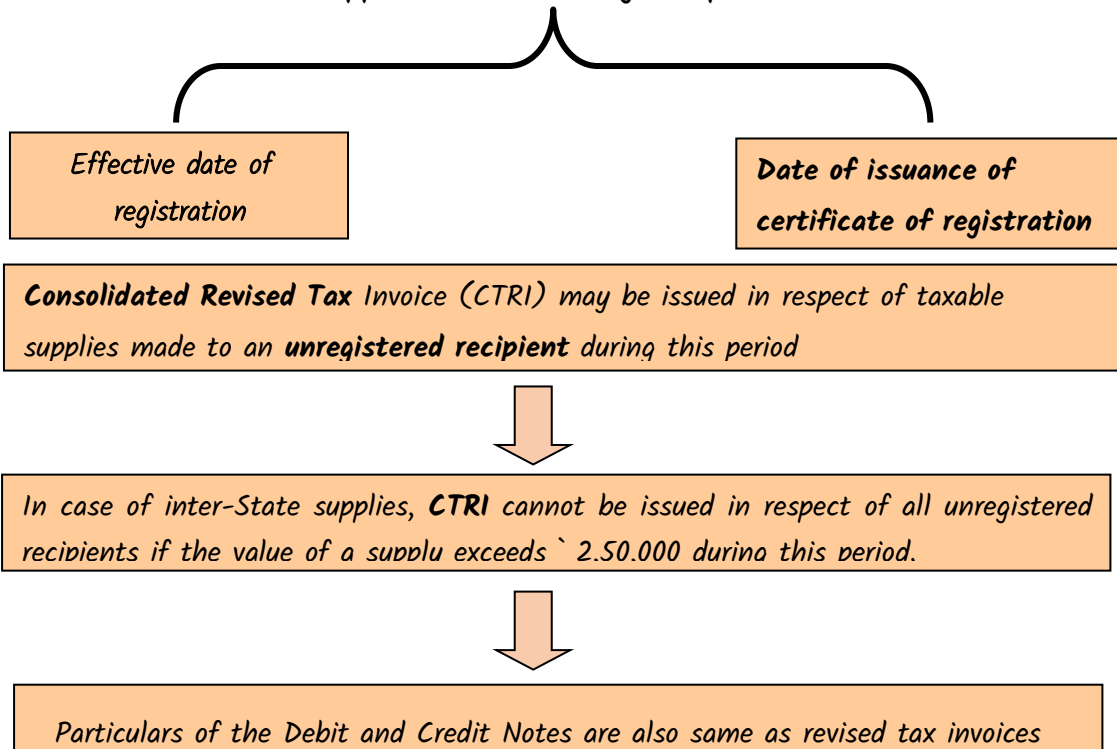
Consolidated Tax Invoice shall be issued for such supplies at the close of each day in respect of all such supplies

Tax Invoice is not required to be issued where:

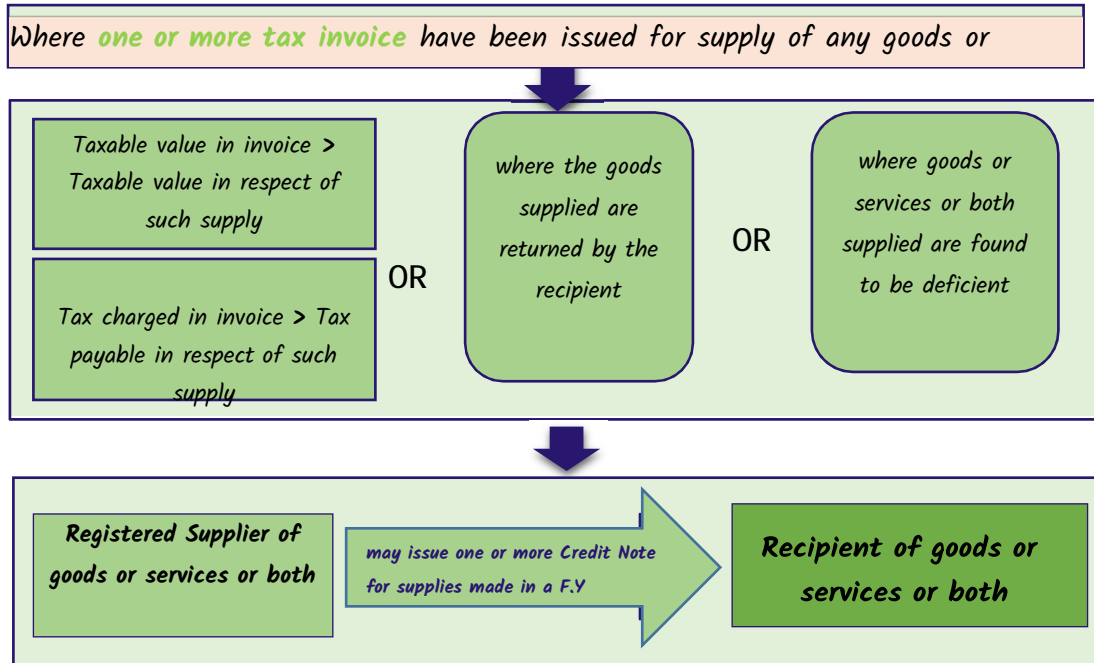
- Value of supply < Rs. 200
- Recipient is unregistered
- Recipient does not require such invoice

6) Revised Tax Invoice

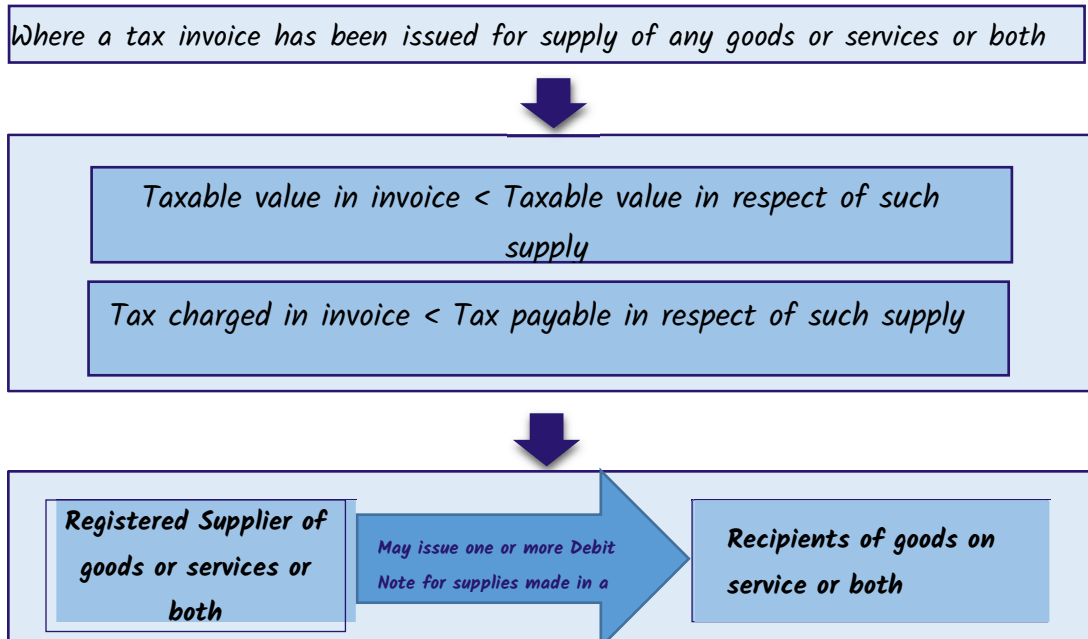
Revised Tax Invoices to be issued in respect of taxable supplies effected during this period



7) Credit Note



8) Debit Note



9) Signature/ digital signature of supplier/ his authorised representative not required on :

- (i) Electronic tax invoice,
- (ii) Electronic bill of supply,
- (iii) Electronic consolidated tax invoice in case of banking companies etc. and
- (iv) Electronic ticket for passenger transportation service

10) Number of HSN digits required on tax invoice and class of registered person not required to mention HSN:

Sr. No	Annual Turnover in the Preceding FY	No of digits of HSN Code
1	$AT \leq \text{Rs. } 1.5 \text{ crores}$	Nil
2	$\text{Rs. } 1.5 \text{ Cr} < AT \leq \text{Rs. } 5 \text{ Cr}$	2
3	$AT > \text{Rs. } 5 \text{ crores}$	4

⇒ **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.

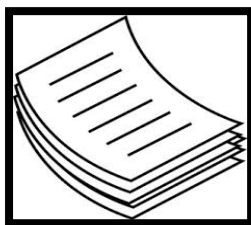
⇒ **Period of Retention of Accounts**

- 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.**

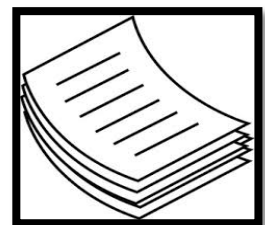
⇒ **Audit of Accounts [Section 35(5) read along with Section 44(2) and rule 80] :**

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

Books of accounts of the CG/SG/LA would not be subject to audit by a CA/CMA if the same are subject to audit by CAG of India or any statutory auditor appointed for auditing the accounts of local authorities.

⇒ **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

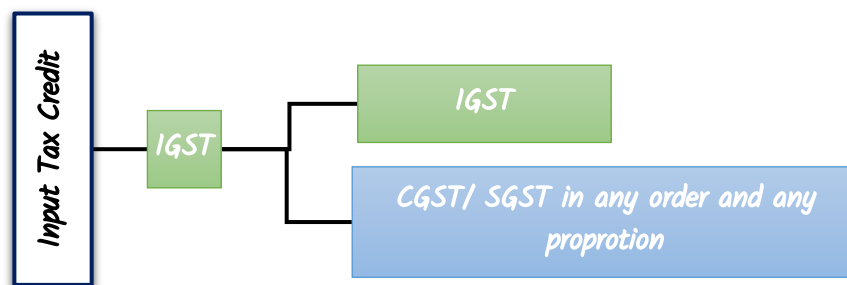
Electronic Liability Register

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

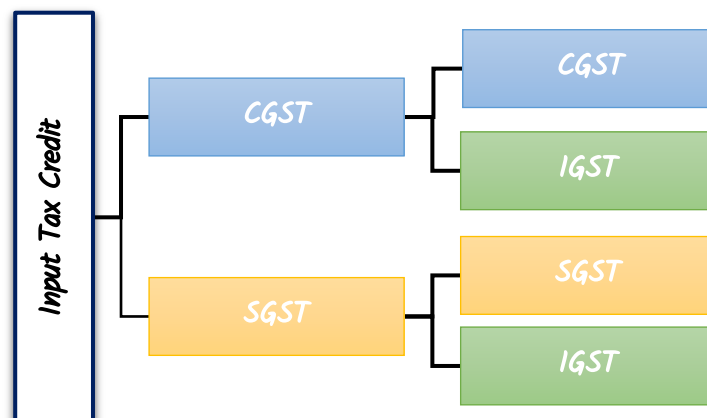
• **Electronic Credit Ledger**

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

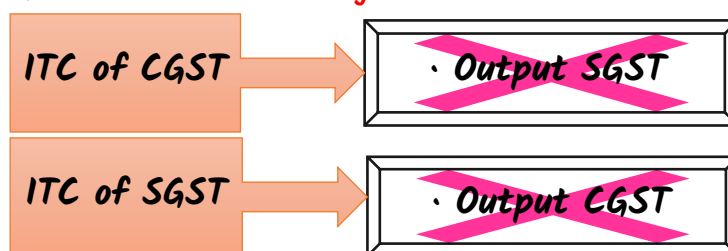
Tax Dues	Utilisation of Cash ledger	Utilisation of Credit ledger
Output GST	Yes	Yes
Interest	Yes	No
Penalty	Yes	No
Fees	Yes	No
Other Amount	Yes	No



After, ITC of IGST to be completely exhausted mandatorily



ITC on account of SGST/ UTGST should be utilized towards payment of IGST only after the ITC of CGST has been utilized fully



• **Electronic Cash Ledger**

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

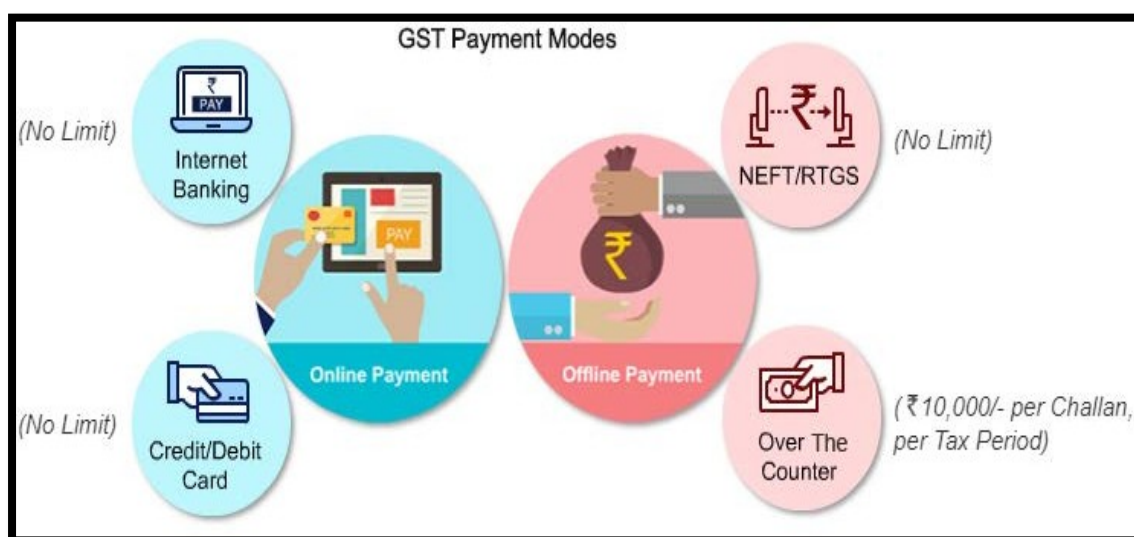
- ⇒ Tax
- ⇒ interest
- ⇒ penalty,
- ⇒ fees or
- ⇒ any other amount payable under the provisions of this Act or the rules made there under

Major Heads		Minor Heads
• IGST		• Tax
• CGST		• Interest
• SGST/UTGST		• Penalty
• CESS		• Fee
		• Others

Major Heads	Minor Heads				
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

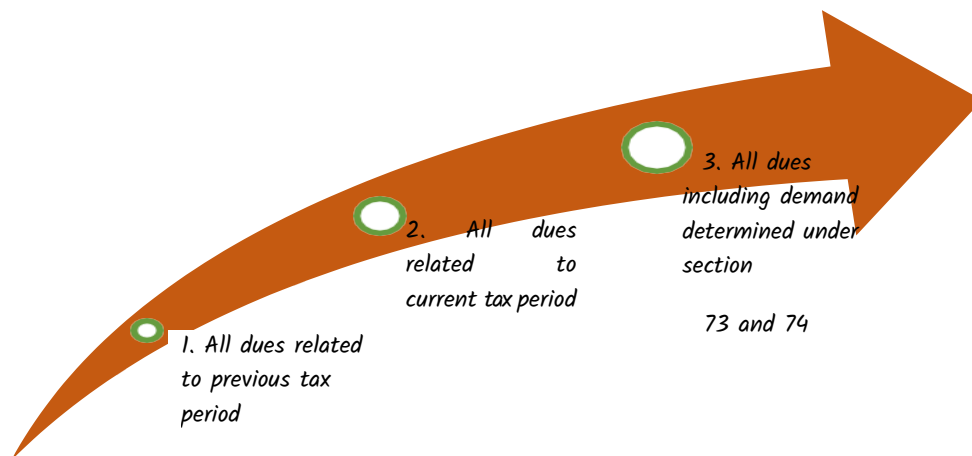
⇒ **Modes of Payment :**



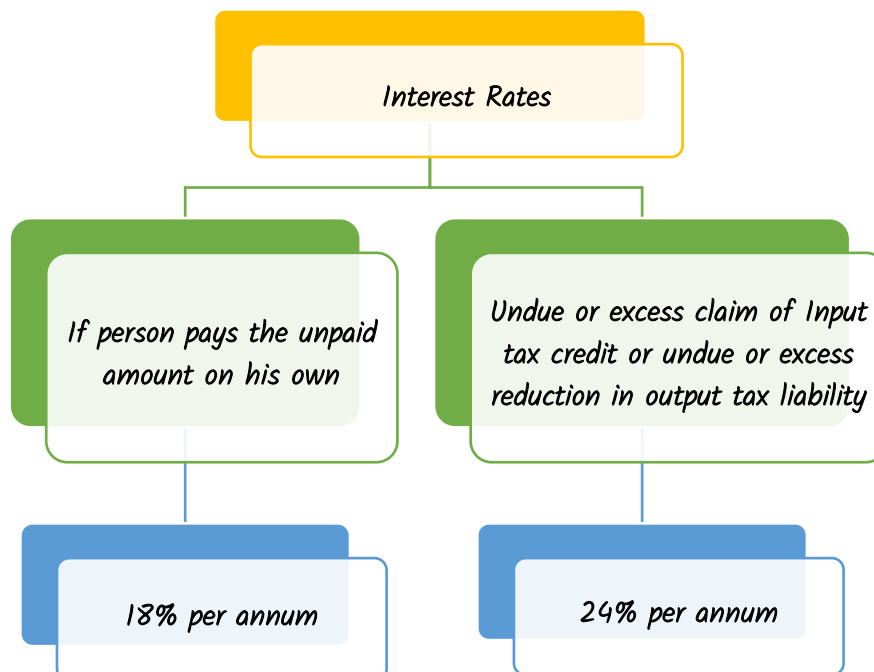
⇒ Author's Note: Certain liabilities only to be discharged through cash

- TDS u/s 51 or TCS u/s 52
- RCM Payment
- Composition Levy u/s 10
- Interest, Penalty, Fees or any other amount under this act

⇒ Order of Discharge of Liability of Taxable Person



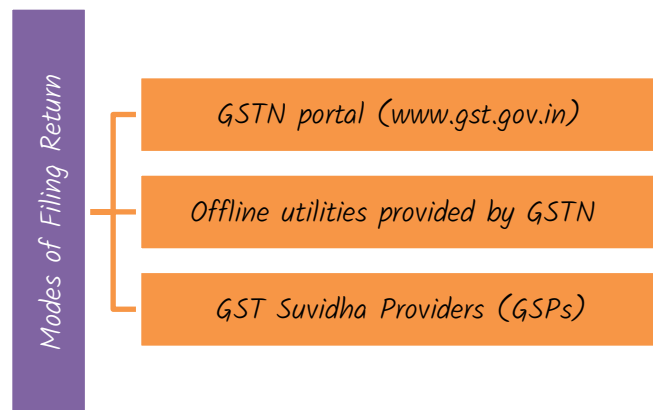
⇒ Interest on delayed payment of tax



⇒ 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



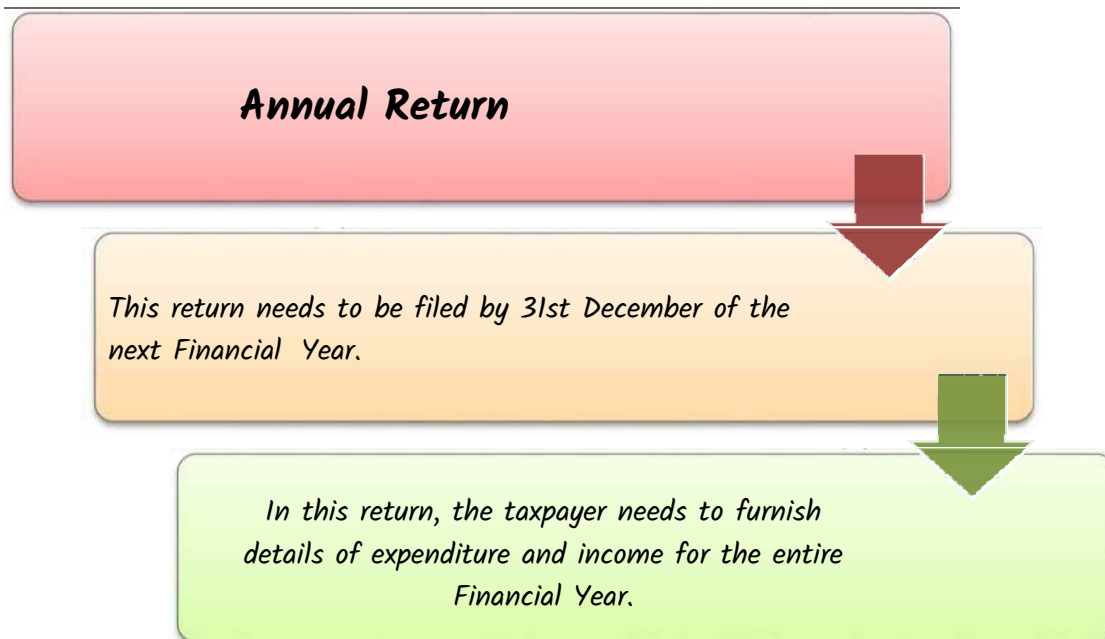
⇒ List of Returns under GST

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	Return for FY or part of the year	Taxable Person opting for Composition Levy	30 th day of April following the end of FY
	Quarterly Statement		18 th of the month succeeding the Qtr

Summary Book

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

⇒ **Annual Return**



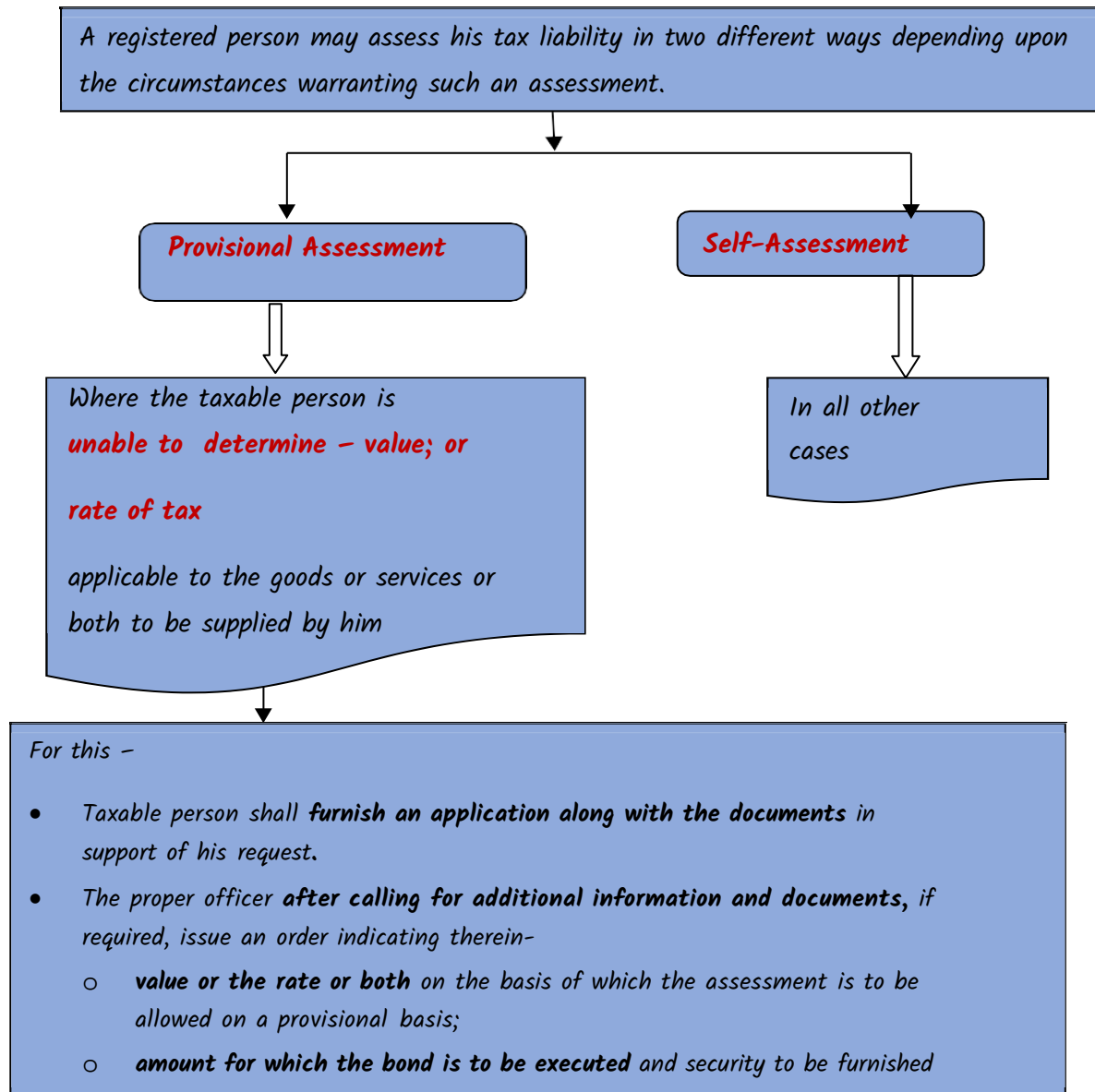
⇒ **Revision of Returns**

The mechanism of filing revised returns for any correction of errors/omissions has been done away with.
The rectification of errors/omissions is allowed in the subsequent returns.
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.

⇒ **Penal Provision relation to returns**

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

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



⇒ **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.

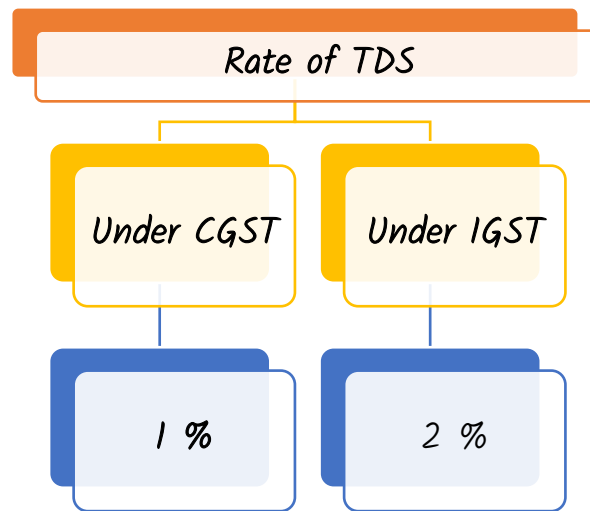
⇒ Audit under the Act

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.

Significant Notifications

- I. *Audit by tax authorities can be conducted for a Financial year or a part of a year or multiples thereof.*
- II. *Summary of various assessment orders to be uploaded on portal in prescribed form.*

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
 - Authority or board or any other body
 - Set up by act of parliament or state legislature
 - Established by govt with 51% or more participation

- Society established by CG/SG/LA
- PSU

- **Categories of persons not liable to deduct TDS :**

- When goods and/or services are supplied from a PSU to another PSU, whether or not a distinct person.
- When supply of goods and/or services takes place between one person to another person specified in clause a to d of section 51(1).

- It has been clarified that provisions of section 51 of the CGST Act are **applicable only to such authority or a board or any other body set up by an Act of parliament or a State legislature or established by any Government in which 51% or more participation by way of equity or control is with the Government.**

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.

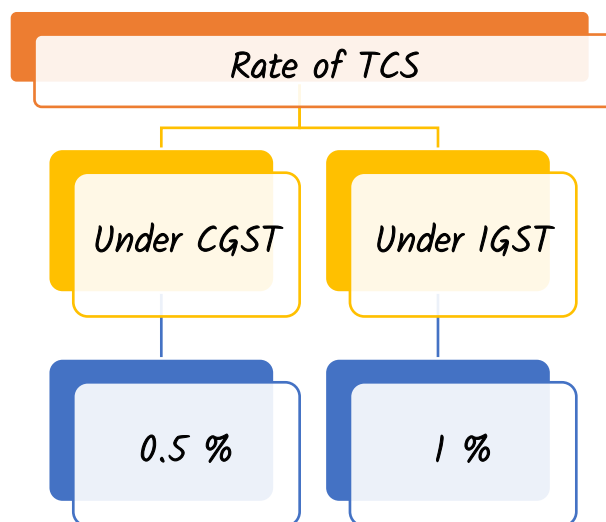
5) Manner Of Account Of TDS By Supplier

- 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.

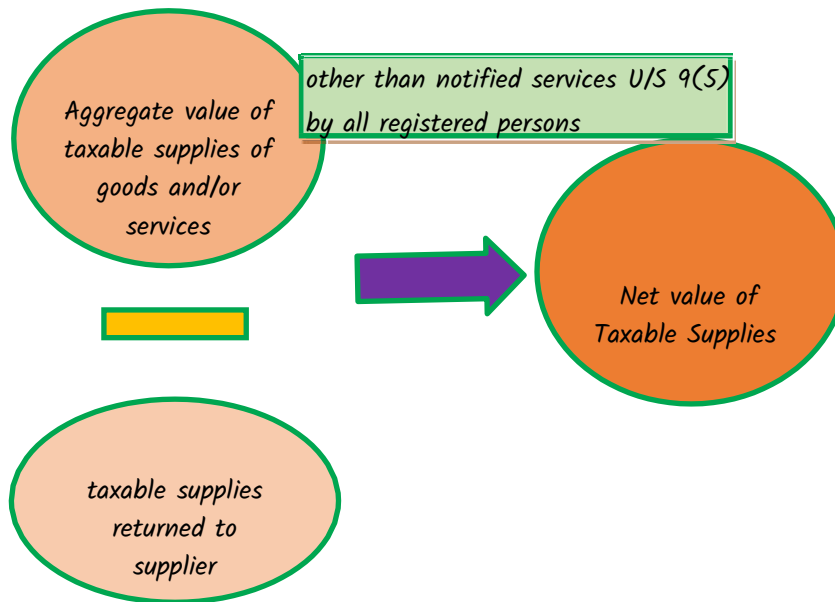
7) TCS Rate



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

11) **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.

⇒ 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*

Sr No	Nature of case	Time for issuance of notice	Time for issuance of order
1	Normal Cases	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	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
2	Fraud Cases	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.	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
3	Any amount collected as tax but not paid	No time limit	Within 1 year from the date of issue of notice [to be discussed subsequently in this chapter]
4	Non- payment of self-assessed tax	No need to issue a SCN	Recovery proceedings can be started directly [to be discussed subsequently in this chapter]

Deposit of Excess Tax Collected	<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>
Modes of Recovery	<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
Provisional attachment	<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>

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 receiver or manager

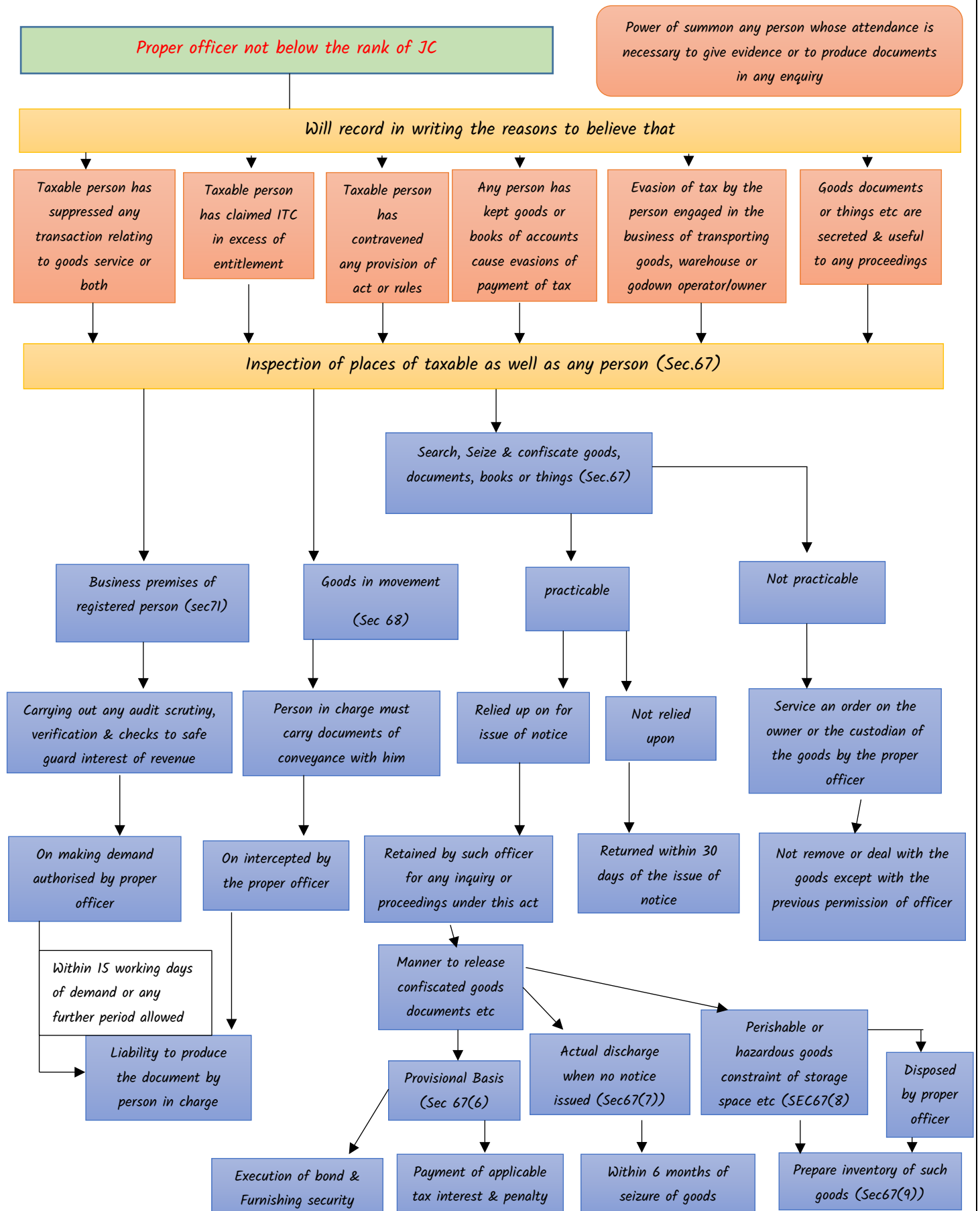
	<p><u>On death of a person liable to pay tax, interest or penalty</u></p> <p>(a) Business Carried on by Deceased person is continued</p> <p>(b) Business carried on by deceased person is discontinued (whether before or after his death)</p>	<p><i>Legal representative or other person</i> who continues the 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>
	On partition of HUF or AOP	<p><i>Property of the HUF and AOP is partitioned</i> amongst the various members or groups of members, Then, <i>each member / group of members shall, jointly and severally, be liable</i> to pay the tax, interest or penalty due from the taxable person under said Act <i>Up to the time of the partition</i></p>
	On dissolution of a firm	<p>Every person who was a <i>partner shall, jointly and severally, be liable</i> to pay the tax, interest or penalty due from the firm under said Act up to the time of dissolution</p>
	On termination of guardianship or trust	<p><i>Ward or the beneficiary shall be liable to pay the tax, interest or penalty</i> due from the taxable person</p> <p><i>Up to the time of the termination of the guardianship or trust</i></p>
	<p>✓ Discontinuation of business by a firm/AOP/HUF</p> <p>✓ Dissolution of firm/AOP or partition of HUF</p>	<p>Every person who, at the time of such discontinuance, was a <u><i>partner of such firm, or a member of such association or family, shall</i></u>, notwithstanding such discontinuance, <u><i>jointly and severally, be liable</i></u></p>
	Change in the constitution of the firm or AOP	<p><i>Partners of the firm or members of association</i>, as it existed before and as it exists after the reconstitution, shall, without prejudice to the provision of section 90, <i>jointly and severally, be liable</i></p>

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

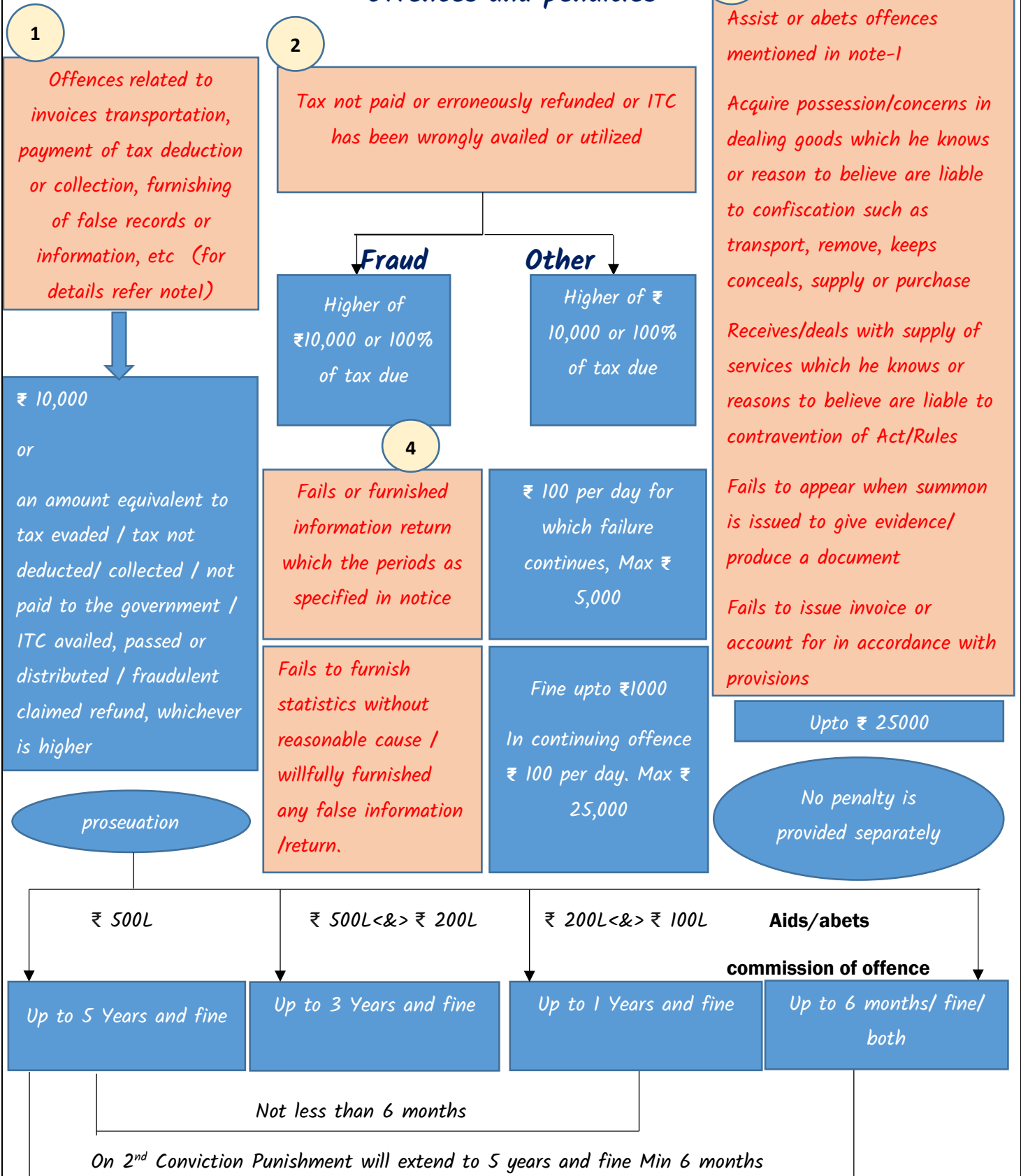
Significant Circulars: Transferee/successor be liable to pay any tax, interest or any penalty due from the transferor in cases of transfer of business due to death of sole proprietor.

CHAPTER 21

Inspection Search and Seizure



Offences and penalties

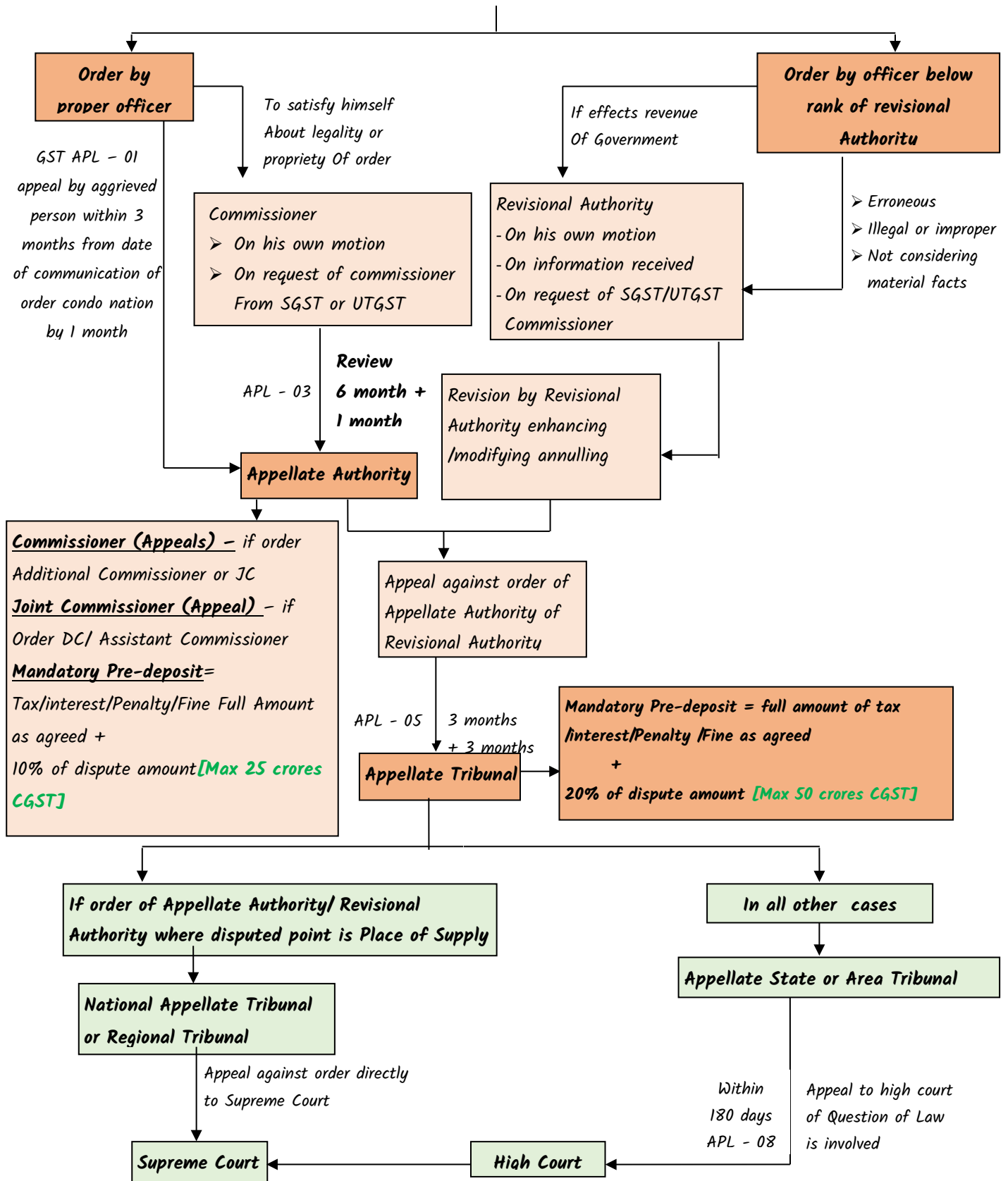


CHAPTER 23

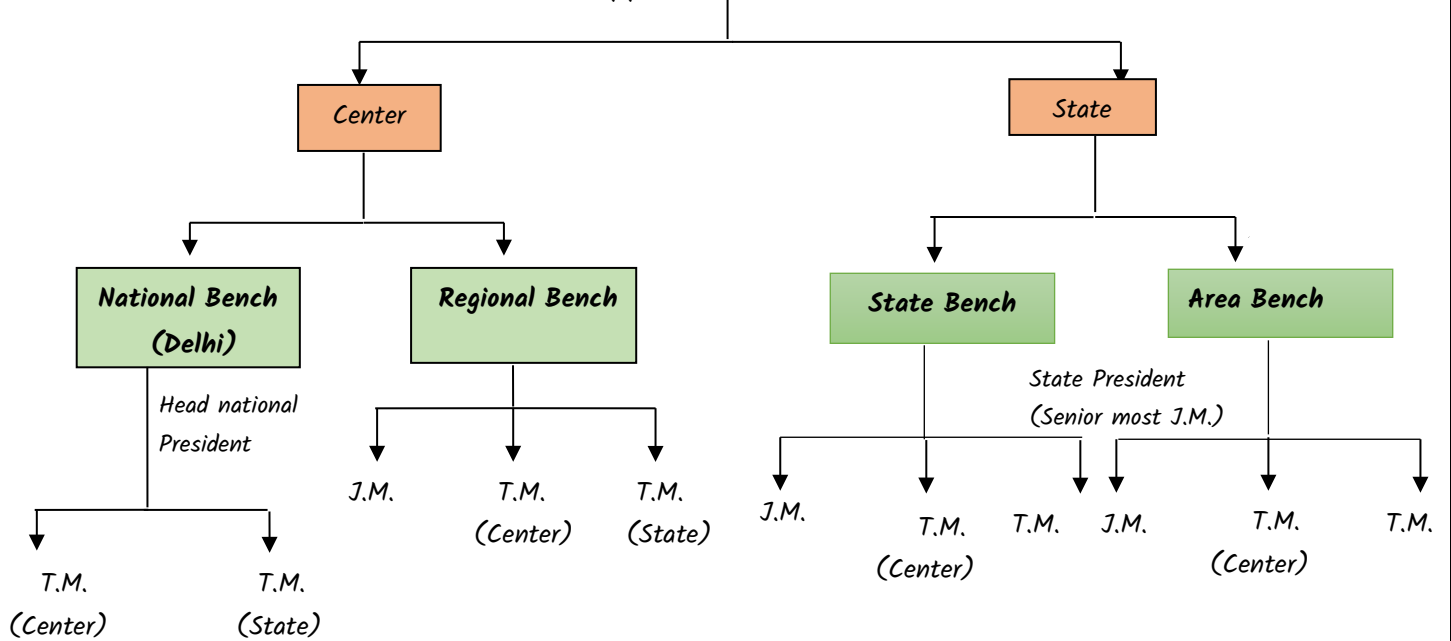
Appeals and Revisions

Appeals and Revision Chapter

Adjudication by Proper officer [Sec. 73/74/76]



Appellate Tribunal



T.M. – Technical Member

J.M. – Judicial Member

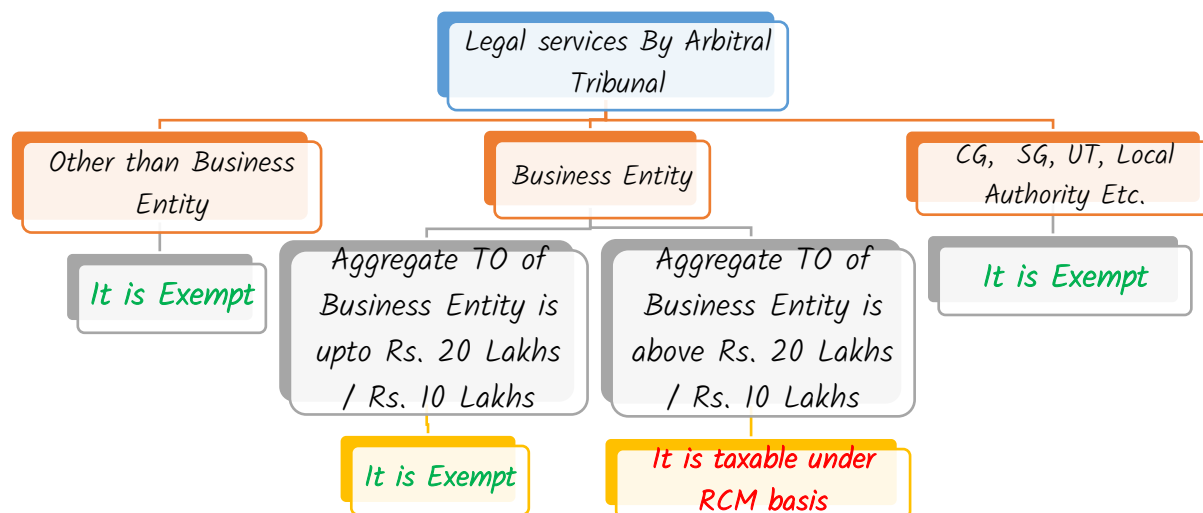
1) Power to grant Exemption from Tax (Section 11 of CGST / Section 6 of IGST Act)

Exemption by Notification	Exemption by Special Order
Section 11(1) of CGST Act, 2017	Section 11(2) of CGST Act, 2017
<ul style="list-style-type: none"> Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by notification, exempt generally, either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the tax leviable thereon with effect from such date as may be specified in such notification 	<ul style="list-style-type: none"> Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by special order in each case, under circumstances of an exceptional nature to be stated in such order, exempt from payment of tax any goods or services or both on which tax is leviable.

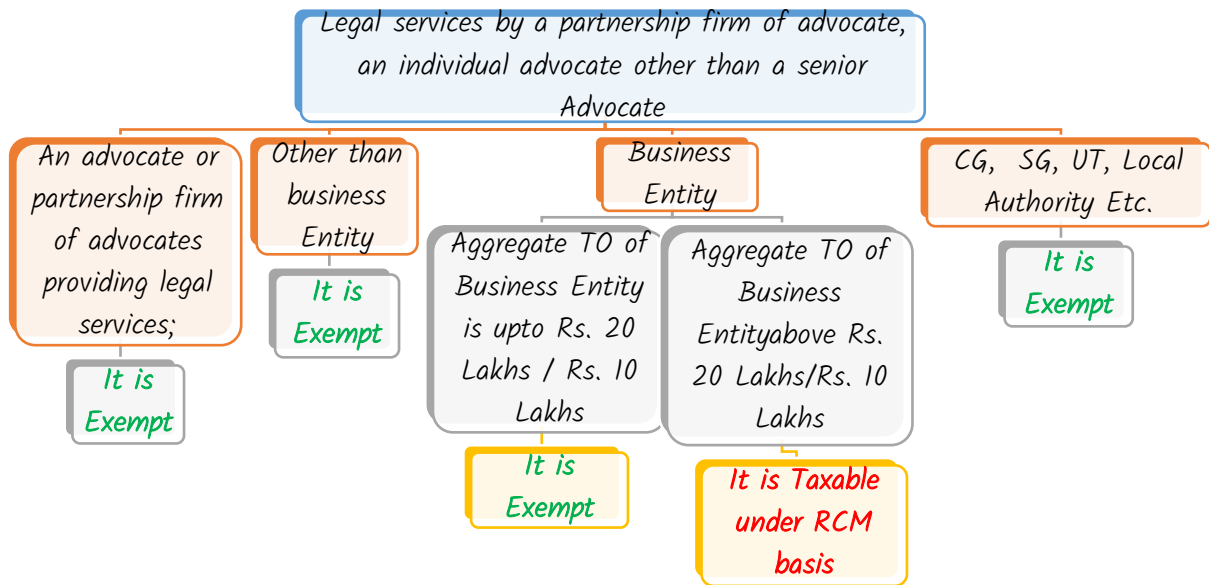
2) Legal services :

Following services under this category are exempt from the levy of GST

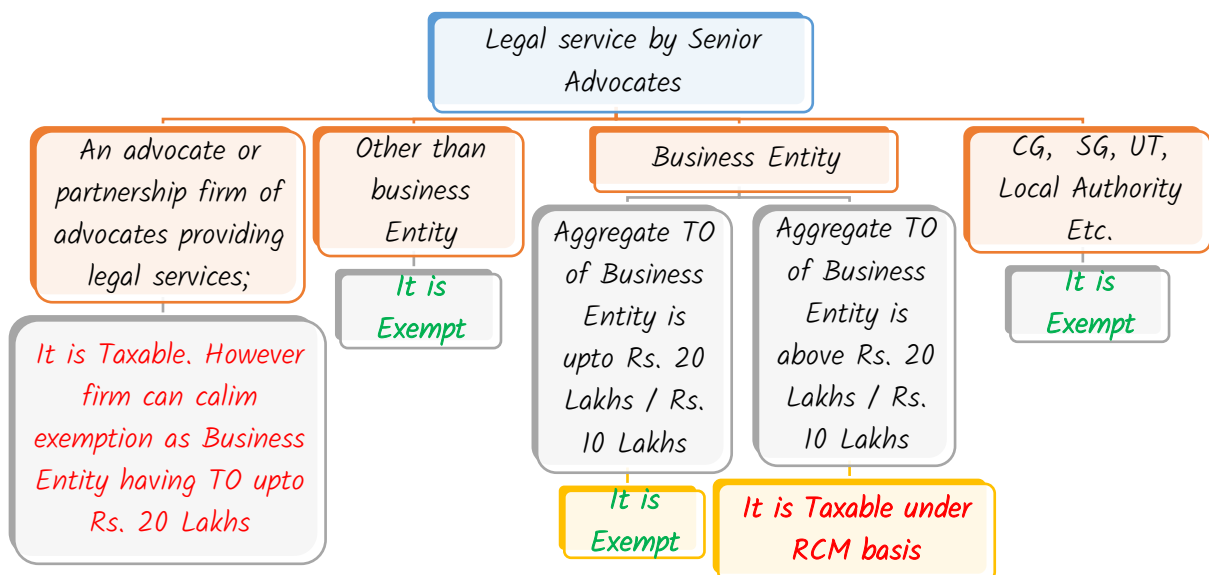
✓ Legal services by Arbitral Tribunal to following recipient are exempt from GST



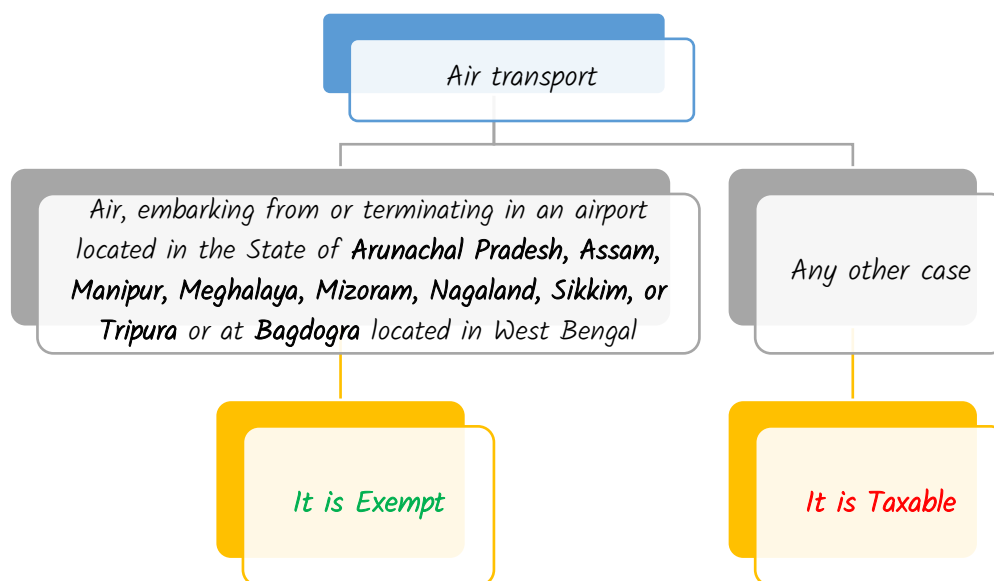
- ✓ Legal services by a partnership firm of advocates or an individual as an advocate including a senior advocate to following recipient are exempt from GST.



- ✓ Legal services by Senior Advocate to following recipient are exempt from GST



3) Passengers Transportation services (Entry No 15, 16 & 17)



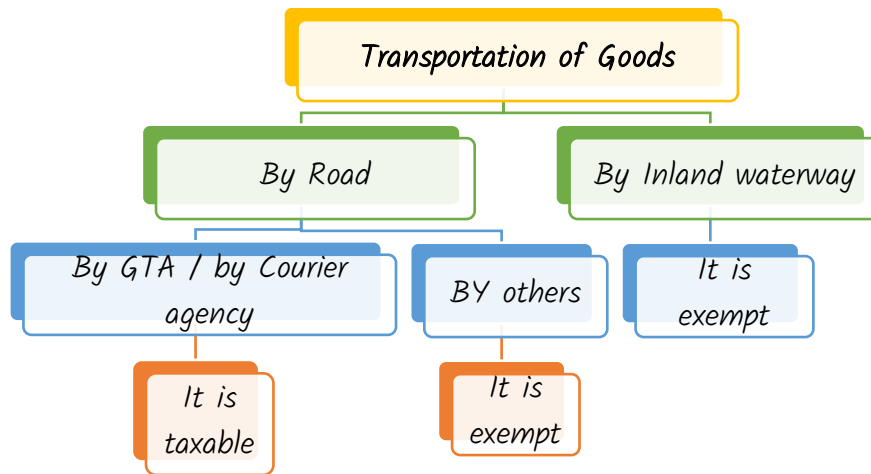
Description	Status of Taxability
Non-AC Contract Carriage for Tourism	Taxable
Non-AC Contract Carriage other than tourism	Exempt
AC Contract Carriage	Taxable
Non-AC Stage Carriage	Exempt
AC Stage Carriage	Taxable
Old / Uber Cab (Radio Taxi)	Taxable

✓ Analysis of entry no. 17

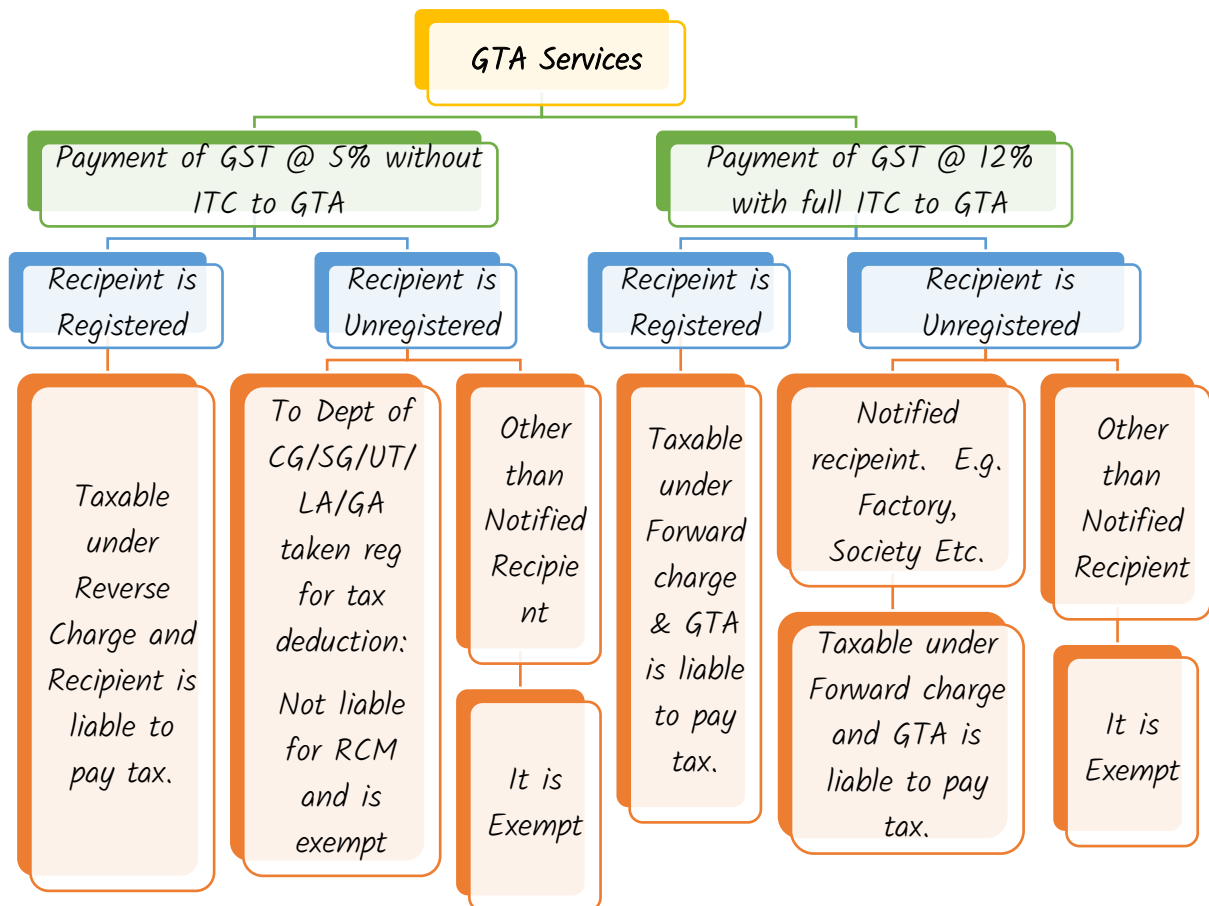
Description	Status of Taxability
Railway Ticket in AC coach / First class	Taxable
Railway Ticket in Sleeper Coach	Exempt
Ticket of travelling from Janakpuri to Rajiv Chowk in Delhi Metro	Exempt
Ticket in Inland Waterway from Haldia port to Allahabad	Exempt
Ticket of vessel from one spot to other Spot in Goa (Other than tourism)	Exempt
Ticket of Angriya Cruise from Mumbai to Goa	Taxable
Fare paid for Metered cab in Mumbai	Exempt
Fare Paid for Auto-Rickshaw / E Rickshaw	Exempt

4) Goods Transport Agency Services (Entry no. 18, 21, 21A, 22 & 22B)

✓ Analysis of entry no. 18



✓ Analysis of GTA services

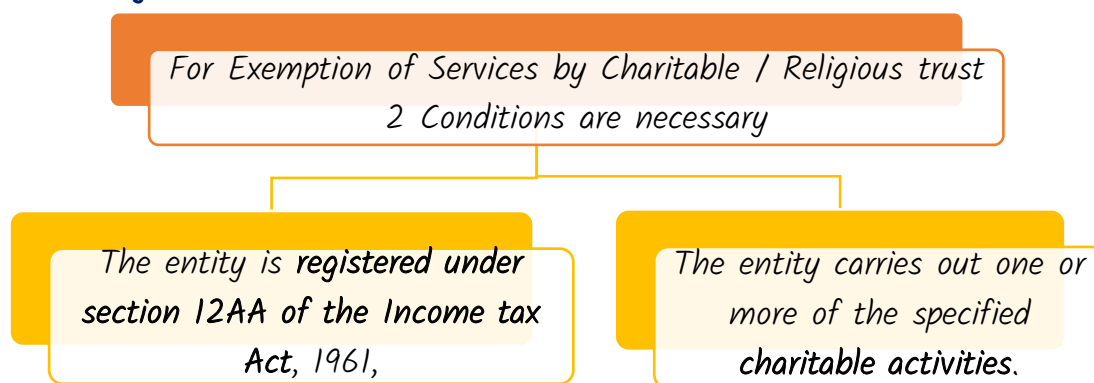


⇒ **Exemptions granted to transport of specified goods through rail or a vessel or a by GTA in goods carriage**** are presented in the following table:

Transportation of the following goods by rail / vessel is exempt	Transportation of the following goods by a GTA in a goods carriage is exempt
Railway equipment's or materials	(i) goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed Rs. 1,500; (ii) goods, where consideration charged for transportation of all such goods for a single consignee does not exceed Rs. 750.
Transportation of the following goods by rail / vessel / GTA in goods carriage is exempt	
(a) agricultural produce (b) milk, salt and food grain including flours, pulses and rice (c) organic manure (d) newspaper or magazines registered with the Registrar of Newspapers (e) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap (f) defence or military equipments	

5) Charitable and religious activity related services

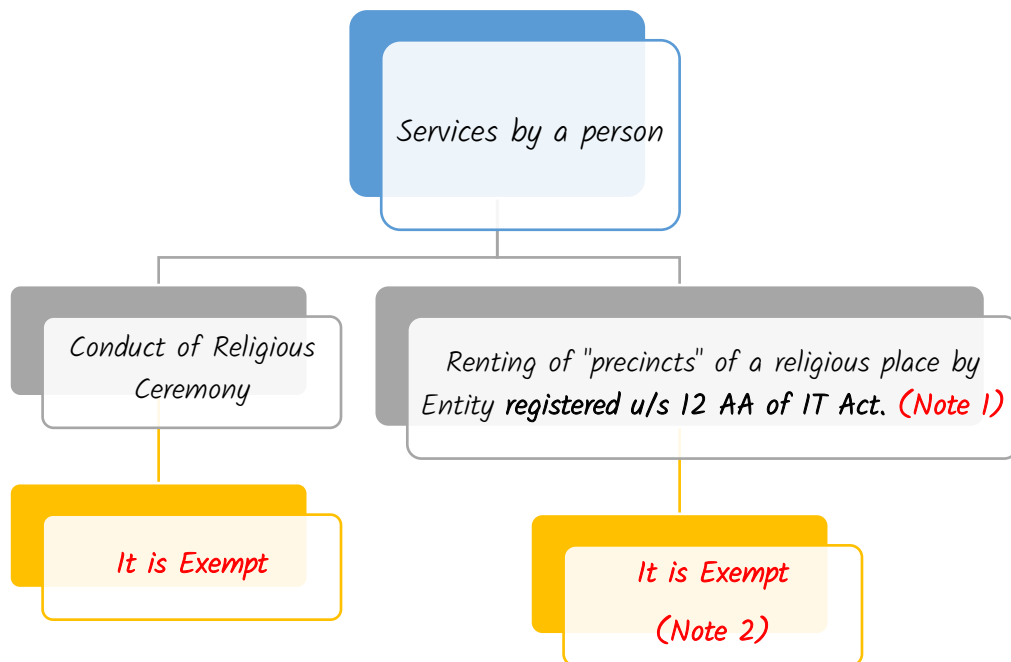
✓ Analysis of Entry No. 1



✓ Charitable Activities Includes

Public Health Services
Advancement of Religion, Spirituality or Yoga
Advancement of Educational Programmes / Skill Development
Preservation of Environment including watershed, Forests & Wildlife

✓ **Analysis of Entry No. 13**



Note 1 : The word '**precincts**' is not to be interpreted in a restricted manner and **all immovable property of the religious place located within the outer boundary walls** of the complex (of buildings and facilities) in which the religious place is located, is to be considered as being located in the precincts of the religious place.

Note 2: Renting of precincts of religious place is exempt from GST. However the exemption shall be subject to per day / per month rental limit as specified in respective entry.

Exemption shall apply to-

- (i) **renting of rooms** where charges are **Rs. 1,000 or more per day;**
- (ii) **renting of premises**, community halls, kalyanmandapam or open area, and the like where **charges are Rs. 10,000 or more per day;**
- (iii) **renting of shops** or other spaces for business or commerce where charges **are Rs. 10,000 or more per month.**

6) Health care services:

Entry No. 46: Services by a **veterinary clinic** in relation to health care of **animals or birds**.

Entry No. 74 : Services by way of-

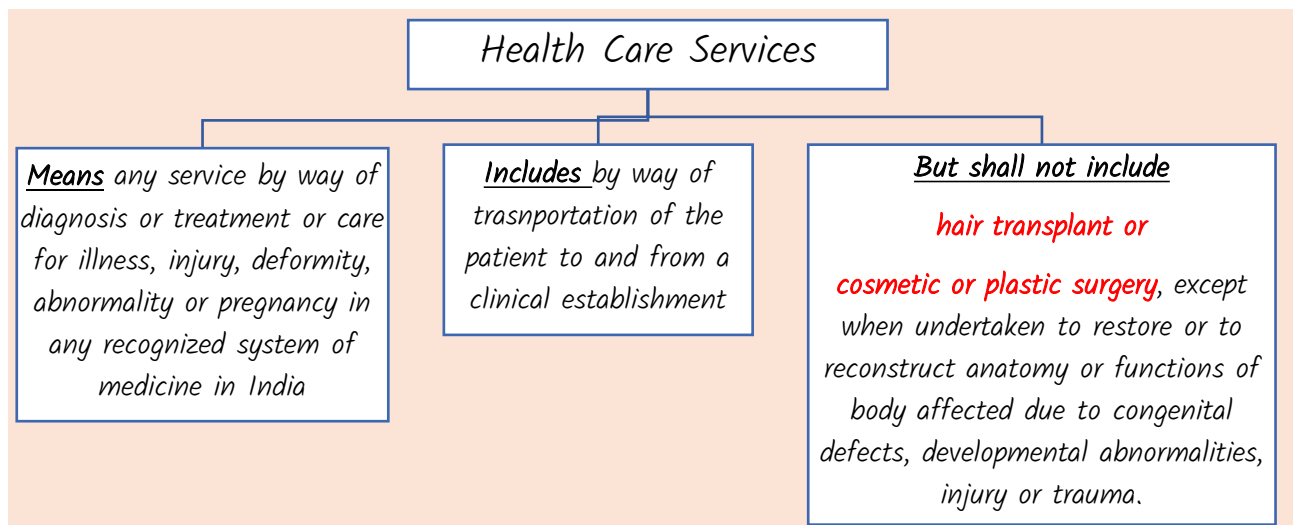
- (a) health care services by a **clinical establishment, an authorised medical practitioner or para-medics;**
- (b) services provided by way of **transportation of a patient in an ambulance**, other than those specified in (a) above.

Entry No. 73 : Services provided by the **cord blood banks** by way of **preservation of stem cells** or any other service in relation to such preservation.

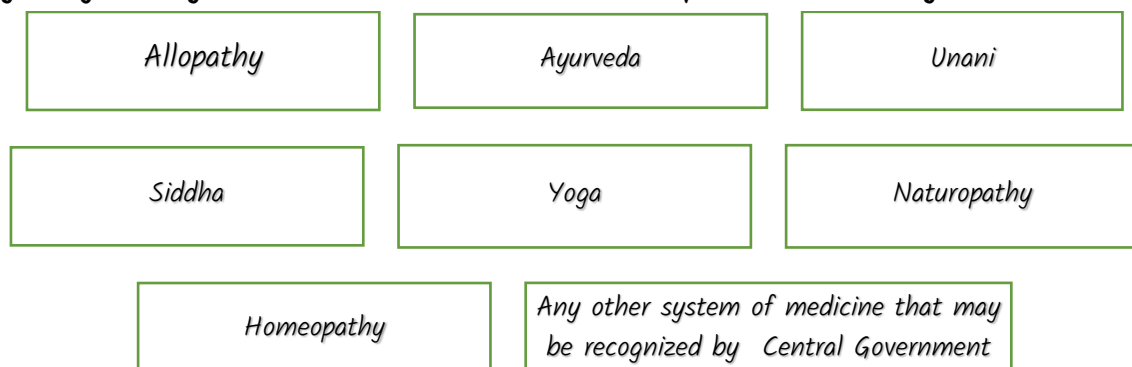
Entry No. 75 : Services provided by **operators of the common bio-medical waste treatment facility** to a clinical establishment by way of treatment or disposal of bio-medical waste or the processes incidental thereto.

Entry No. 75 : Services provided by **operators of the common bio-medical waste treatment facility** to a clinical establishment by way of treatment or disposal of bio-medical waste or the processes incidental thereto.

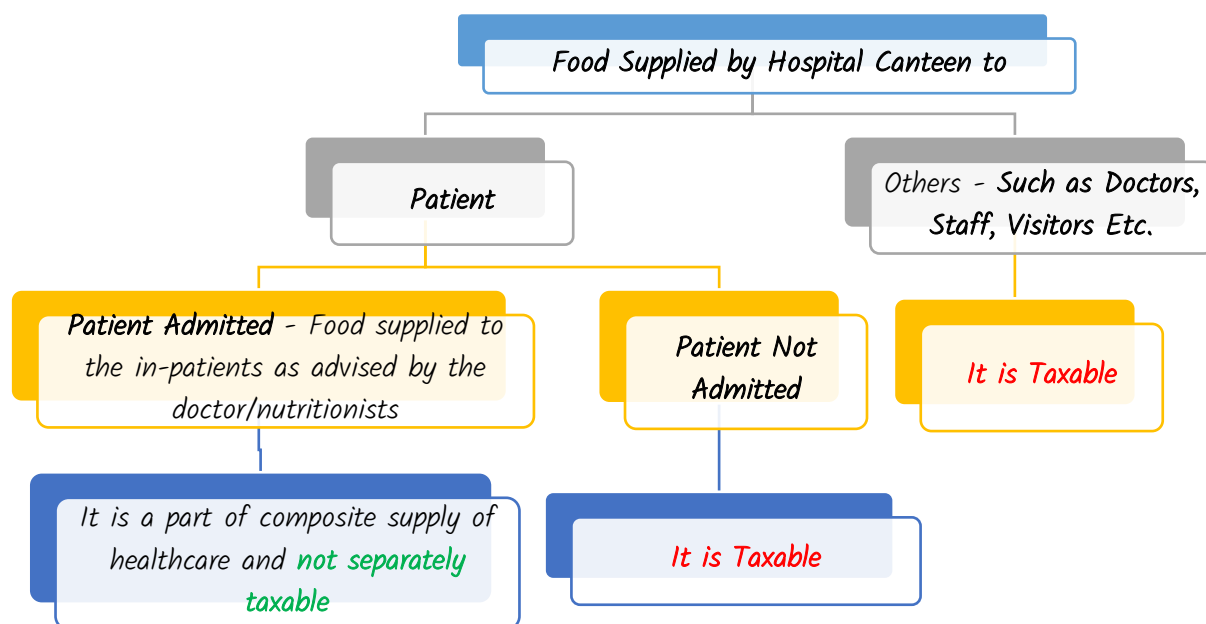
Entry No. 74A : Services provided by **rehabilitation professionals recognised under the Rehabilitation Council of India Act, 1992 by way of rehabilitation, therapy or counselling and such other activity** as covered by the said Act at medical establishments, educational institutions, rehabilitation centres established by CG/SG/UT or an entity registered under section 12AA of the Income Tax Act, 1961.



✓ **Only recognized system of medicines in India are exempt under this entry such as:**



- ✓ **Food supplied to the patients:** Taxability of Food supplied in hospital premises can be understood with the help of below mentioned chart



7) Educational services:

Entry No	Description of Services
66	<p>Services Provided -</p> <p>(a) by an educational institution to its students, faculty and staff</p> <p>(aa) by way of conduct of entrance examination against consideration in the form of entrance fee are exempt from GST.</p> <p>(b) To an educational institution, by way of, -</p> <p>(i) transportation of students, faculty and staff</p> <p>(ii) catering, including any mid-day meals scheme sponsored by the central government, state government or union territory</p> <p>(iii) Security or cleaning or house-keeping services performed in such educational institution:</p> <p>(iv) Services relating to admission to, or conduct of examination by, such institution:</p> <p>(v) Supply of online educational journals or periodicals</p> <p>However, nothing contained in sub-items (i), (ii) and (iii) of item (b) shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent.</p> <p>Further, nothing contained in sub-item (v) of item (b) shall apply to an institution providing services by way of,-</p> <p>(i) pre-school education and education up to higher secondary school or equivalent; or</p> <p>(ii) Education as a part of an approved vocational education course.</p>

Educational institution means an institution providing services by way of,-

(i) pre-school education and education up to higher secondary school

or equivalent;

(ii) education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;

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

Education services provided	Covered in sub-clause (ii)	Reasons
Conduct of degree courses by colleges, universities or institutions	Yes	These courses lead to grant of qualifications recognized by law
Training given by private coaching institutes	No	Such training does not lead to grant of a recognized qualification.
Education as a part of a prescribed curriculum for obtaining a qualification recognized by a law of a foreign country	No	Education as a part of a prescribed curriculum for obtaining a qualification recognized by a law of a foreign country

IIMs are now covered under the definition of 'educational institution' whose services are exempt under entry No. 66 of the said notification

✓ **Composite and mixed supply in so far as education is concerned**

- Boarding schools **provide service of education coupled with other services** like providing dwelling units for residence and food. This may be a case of composite supply if the charges for education and lodging and boarding are inseparable. **Their taxability will be determined in terms of the principles laid down in section 2(30) read with section 8 of the CGST Act, 2017 (i.e. Composite Supply)**
- Such services in the case of boarding schools are naturally bundled and supplied in the ordinary course of business. **Therefore, the bundle of services will be treated as consisting entirely of the principal supply**, which means the service which forms the predominant element of such a bundle.
- In this **case since the predominant nature is determined by the service of education**, the other service of providing residential dwelling will not be considered for the purpose of determining the tax liability and in this case the entire consideration for the supply will be exempt.

8) **Agricultural Related Activities:**

Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of—

- (a) **agricultural operations directly related to production of any agricultural produce** including cultivation, harvesting, threshing, plant protection or testing;
- (b) supply of **farm labour**;
- (c) **processes carried out at an agricultural farm** including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market;
- (d) **renting or leasing of agro machinery or vacant land** with or without a structure incidental to its use;
- (e) **loading, unloading, packing, storage or warehousing** of agricultural produce;
- (f) **agricultural extension services**;
- (g) services by any **Agricultural Produce Marketing Committee** or Board or services provided by a commission agent for sale or purchase of agricultural produce.
- (h) **Services by way of fumigation in a warehouse of agricultural produce.**

✓ **Examples:**

Agricultural Produce	Non Agricultural Produce
Potato	Potato Chips
Tomato	Tomato Ketchup
Vegetables & Fruits	Vegetable & Fruit Juice
Wheat	Wheat Flour
Paddy	Rice
Green Tea Leaves	Green Tea

Entry No
24: Services by way of loading, unloading, packing, storage or warehousing of rice.
24 A: Services by way of warehousing of minor forest produce.
53 A: Services by way of fumigation in a warehouse of agricultural produce.
55 A: Services by way of artificial insemination of livestock (other than horses).
57: Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables which don't change or alter the essential characteristics of the said fruits or vegetables.

9) Services by an unincorporated body or a non-profit entity

Entry No	Description of Services
77	Service by an unincorporated body or a non-profit entity registered under any law for the time being in force, to its own members by way of reimbursement of charges or share of contribution – (a) as a trade union (b) for the provision of carrying out any activity which is exempt from the levy of GST; or (c) up to an amount of Rs. 7,500 per month per member for sourcing of goods or services from a third person for the common use of its members in a housing society or a residential complex.
77 A	Services provided by an unincorporated body or a non-profit entity registered under any law for the time being in force, engaged in,- (i) activities relating to the welfare of industrial or agricultural labour or farmers; or (ii) promotion of trade, commerce, industry, agriculture, art, science, literature, culture, sports, education, social welfare, charitable activities and protection of environment, to its own members against consideration in the form of membership fee up to an amount of Rs. 1000/- per member per year.

10) Accommodation services

Entry No	Description of Services
14	Services by a hotel, inn, guest house, club or campsite , by whatever name called, for residential or lodging purposes, having Value of Supply of a unit of accommodation below Rs. 1,000 per day or equivalent.
12	Services by way of renting of residential dwelling for use as residence.

11) Sports Related Activities

Entry No	Description of Services
68	<p>Services provided to a recognised sports body by-</p> <p>(a) an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organised by a recognized sportsbody;</p> <p>(b) Another recognised sportsbody.</p> <p>However, services by individuals such as selectors, commentators, curators, technical experts are taxable. The service of a player to a franchisee which is not a recognized sports body is also taxable. The term 'recognised sports body' has been defined earlier in this chapter.</p>
53	<p>Services by way of sponsorship of sporting events</p> <p>(a) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, State, zone or Country;</p> <p>(b) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special OlympicsBharat;</p> <p>(c) by the Central Civil Services Cultural and SportsBoard;</p> <p>(d) as part of national games, by the Indian Olympic Association;or</p> <p>(e) Under the Panchayat Yuva Kreedha Aur Khel AbhiyaanScheme.</p>

12) Art Related Activities

Entry No	Description of Services
78	<p>Services by an artist by way of a performance in folk or classical art forms of-</p> <p>Music or dance or theatre</p> <p>If the consideration charged for such performance is not more than Rs. 1,50,000 are exempt from GST.</p> <p>Further, all other activities by an artist in other art forms e.g. western music or dance, modern theatres, performance of actors in films or television serials would be taxable. Similarly activities of artists in still art forms e.g. painting, sculpture making etc. are taxable. However, the exemption shall not apply to service provided by such artist as brand ambassador.</p>

13) Construction Services

Entry no.	Description of Services
10	<i>Services provided by way of pure labour contracts of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works pertaining to the beneficiary-led individual house construction or enhancement under the Housing for All (Urban) Mission or Pradhan Mantri Awas Yojana.</i>
10A	<i>Services supplied by Electricity Distribution Utilities by way of construction, erection, commissioning, or installation of infrastructure for extending electricity distribution network up to the tube well of the farmer or agriculturalist for agricultural use.</i>
11	<i>Services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex.</i>

14) Services Provided by Specified Bodies

Entry No.	Description of Services
30	<i>Services by the Employees' State Insurance Corporation to persons governed under the Employees' State Insurance Act, 1948.</i>
31	<i>Services provided by the Employees Provident Fund Organisation to the persons governed under the Employees Provident Funds and the Miscellaneous Provisions Act, 1952.</i>
31A	<i>Services by Coal Mines Provident Fund Organisation to persons governed by the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948.</i>
31B	<i>Services by National Pension System (NPS) Trust to its members against consideration in the form of administrative fee.</i>
32	<i>Services provided by the IRDAI (Insurance Regulatory and Development Authority of India) to insurers under IRDAI Act, 1999.</i>
33	<i>Services provided by the SEBI (Securities and Exchange Board of India) set up under the SEBI Act, 1992 by way of protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market.</i>

15) Leasing Services

Entry No.	Description of Services
41	<p>Upfront amount(called as premium, salami, cost, price, development charges or by any other name) payable in respect of service by way of granting of long term lease of 30 years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations or Undertakings or by any other entity having 50% or more ownership of Central Government, State Government, Union territory to the industrial units or the developers in any industrial or financial business area.</p> <p>Explanation - For the purpose of this exemption, the Central Government, State Government or Union territory shall have 50 % or more ownership in the entity directly or through an entity which is wholly owned by the Central Government, State Government or Union territory.</p> <p>Clarification :</p> <p>Upfront amount which is determined upfront but is paid or payable in instalments for long term (30 years, or more) lease of industrial plots or plots for development of financial infrastructure, it has been clarified vide <i>Circular No. 101/20/2019 GST dated 30.04.2019</i> that GST exemption on the upfront amount is admissible irrespective of whether such upfront amount is payable or paid in one or more instalments, provided the amount is determined up front.</p>
43	Services of leasing of assets (rolling stock assets including wagons, coaches, locos) by the Indian Railways Finance Corporation to Indian Railways.
New Entries 41A and 41B	<p>Supply of TDR, FSI, long term lease (premium) of land by a landowner to a developer have been exempted subject to the condition that the constructed flats are sold before issuance of completion certificate and tax is paid on them.</p> <p>Exemption of TDR, FSI, long term lease (premium) shall be withdrawn in case of flats sold after issue of completion certificate, but such withdrawal shall be limited to 1% of value in case of affordable houses and 5% of value in case of other than affordable houses. This will achieve a fair degree of taxation parity between under construction and ready to move property</p>

16) Services Provided by Government

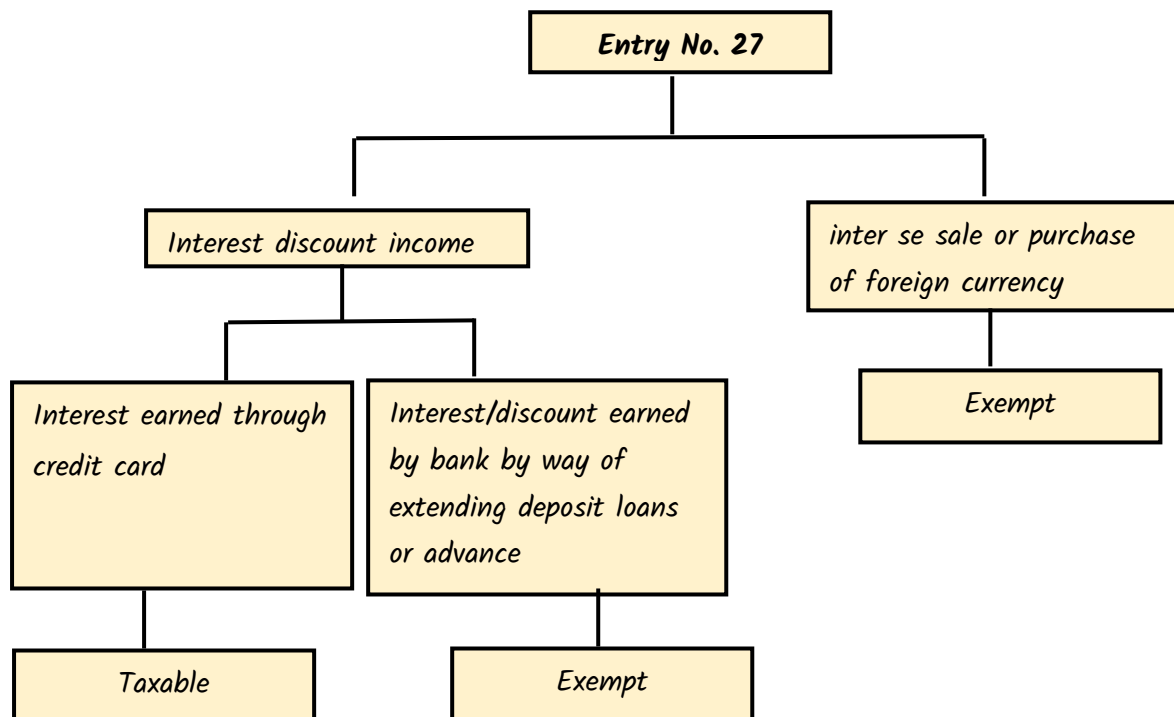
Entry no.	Description of Services
4	Services by governmental authority by way of any activity in relation to any function entrusted to a municipality under article 243 W of the Constitution are exempt.
5	Services by a governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution.
6	Services by the Central Government, State Government, Union territory or local authority excluding the following services— (a) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory; (b) services in relation to an aircraft or a vessel , inside or outside the precincts of a port or an airport; (c) transport of goods or passengers; or (d) any service, other than services covered under entries (a) to (c) above, provided to business entities.
7	Services provided by the Central Government, State Government, Union territory or local authority to a business entity with an aggregate turnover of up to Rs. 20 lakh (Rs. 10 lakh in case of a Special Category States) in the preceding FY. Explanation - For the purposes of this entry, it is hereby clarified that the provisions of this entry shall not be applicable to following services:- (i) item (a), (b) and (c) of Entry 6 above. (ii) services by way of renting of immovable property.
8	Services provided by the Central Government, State Government, Union territory or local authority to another Central Government, State Government, Union territory or local authority. However, nothing contained in this entry shall apply to services referred in item (a), (b) and (c) of Entry 6 above.
9	Services provided by Central Government, State Government, Union territory or a local authority where the consideration for such services does not exceed Rs. 5,000. However, nothing contained in this entry shall apply to services referred in item (a), (b) and (c) of Entry 6 above Further, in case where continuous supply of service* is provided by the Central Government, State Government, Union territory or a local authority, the exemption shall apply only where the consideration charged for such service does not exceed ` 5,000 in a FY.
9C	Supply of service by a Government Entity to Central Government, State Government, Union territory, local authority or any person specified by Central Government, State Government, Union territory or local authority against consideration received from CG/SG/UT/LA, in the form of grants.

9D	<p>Services by: an old age home run by:</p> <ul style="list-style-type: none"> Central Government, State Government or an entity registered under section 12AA of the Income-tax Act, 1961 <p>to its residents (aged 60 years or more) against consideration up to Rs. 25,000 per month per member, provided that the consideration charged is inclusive of charges for boarding, lodging and maintenance.</p>
34A	<p>Services supplied by Central Government, State Government, Union territory to their undertakings or Public Sector Undertakings(PSUs) by way of guaranteeing the loans taken by such undertakings or PSUs from the banking companies and financial institutions. (The words 'banking companies' have been inserted in the entry)</p>
47	<p>Services provided by the Central Government, State Government, Union territory or local authority by way of-</p> <p>(a) registration required under any law for the time being in force;</p> <p>(b) testing, calibration, safety check or certification relating to protection or safety of workers, consumers or public at large, including fire license, required under any law for the time being in force.</p>
61	<p>Services provided by the Central Government, State Government, Union territory or local authority by way of issuance of passport, visa, driving license, birth certificate or death certificate.</p>
62	<p>Services provided by the Central Government, State Government, Union territory or local authority by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable to the Central Government, State Government, Union territory or local authority under such contract.</p>
63	<p>Services provided by the Central Government, State Government, Union territory or local authority by way of assignment of right to use natural resources to an individual farmer for cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products.</p>

17) Banking and financial service

Entry No. 26

Services by RBI are exempt from GST



Entry No. 34	Services by an acquiring bank, to any person in relation to settlement of an amount up to Rs. 2,000 in a single transaction transacted through credit card, debit card, charge card or other payment card service.
Entry No. 39A	Services by an intermediary of financial services located in a multi services SEZ with International Financial Services Centre (IFSC) status to a customer located outside India for international financial services in currencies other than Indian rupees (INR).

18) Right to admission to various events

