

**Other Topics-**  
**Additional &**  
**Changed**  
**Questions from**  
**Questionnaire**



# Reverse Charge Mechanism

CCP 03.03.13.00

State, with reason, the person liable to pay GST in each of following independent cases:-

Assume recipient is located in taxable territory.

- (i) Rental income received by Tamil Nadu State Government from renting an immovable property to Mannappa Pvt. Ltd. (Turnover of the company was ₹ 22 lakhs in the preceding F.Y.).
- (ii) Legal Fees received by Mr. Sushrut, a senior advocate, from M/s. Tatva Trading Company having turnover of ₹50 lakhs in preceding financial year.
- (iii) Services supplied by a recovery agent to a car dealer.
- (iv) XYZ Ltd. availed services of Vimal Goods transport agency for transportation of goods by road from factory located in New Delhi to its Jaipur depot and paid freight of ₹1,00,000 where the GST is charged at the rate applicable. Vimal Goods transport agency is registered under GST & has exercised the option to pay tax under forward charge.

What will be your answer if GTA has not exercised the option to pay tax under forward charge?

- (v) Sponsorship services provided by a company to an individual.
- (vi) Mr. Chirag who is not registered under GST rents out its commercial property (non-residential) to ABC Pvt. Ltd. for the purpose of setting up their office.

Answer:-

(i)	<p><b>Legal Provision:-</b> As per section 9(3) of CGST Act, 2017, if service of renting of immovable property is provided by the Central Government, <b>State Government</b>, Union Territory, or local authority to <b>any registered person</b> located in the taxable territory, then GST is payable under reverse charge by recipient.</p> <p><b>Discussion &amp; Conclusion:-</b></p> <ul style="list-style-type: none"><li>➤ In the given case, Mannappa Pvt. Ltd. is <b>registered</b> under GST as the turnover of the company was ₹ 22 lakhs in the preceding financial year which is exceeding threshold limit for registration u/s 22 of CGST Act.</li><li>➤ So, here, the <b>State Government</b> of Tamil Nadu provided <b>service of renting of immovable property to a registered person</b> located in taxable territory.</li><li>➤ Therefore, <b>Mannappa Pvt. Ltd.</b> is liable to pay GST under <b>reverse charge</b>.</li></ul>
(ii)	<p><b>Legal Provision:-</b> As per section 9(3) of CGST Act, if legal services are supplied by a senior advocate to any business entity located in the taxable territory, then GST is payable on reverse charge basis by recipient.</p> <p><b>Discussion &amp; Conclusion:-</b></p> <ul style="list-style-type: none"><li>➤ In the given case, Mr. Sushrut is a <b>senior advocate</b> &amp; he is supplying <b>legal services</b> to M/s. Tatva Trading Company i.e. a business entity.</li><li>➤ Thus, <b>M/s. Tatva Trading Company</b> is liable to pay GST under <b>reverse charge</b>.</li></ul>
(iii)	<p><b>Legal Provision:-</b> As per section 9(3) of CGST Act, if services are supplied by a <b>recovery agent to a banking company or a financial institution or a non-banking financial company (NBFC)</b> located in the taxable territory, then GST is payable on reverse charge basis by recipient.</p> <p><b>Discussion &amp; Conclusion:-</b></p> <ul style="list-style-type: none"><li>➤ In the given case, services are being supplied by a recovery agent <b>to a car dealer &amp; not to a banking company or financial institution or NBFC</b>.</li><li>➤ Thus, service provider i.e. the <b>recovery agent</b> is liable to pay GST under <b>forward charge</b>.</li></ul>

<b>(iv)</b>	<p><b>Legal Provision:-</b></p> <ul style="list-style-type: none"> <li>➤ As per section 9(3) of CGST Act, if service of transportation of goods by road is provided by a GTA to a specified recipient, i.e., a body corporate established by or under any law, then such body corporate is liable to pay tax under reverse charge.</li> <li>➤ However, if the registered GTA has exercised the option to pay tax under forward charge on transportation of goods and also issued a tax invoice to the recipient charging Central Tax at the applicable rates with a declaration thereon, then the <b>GTA is liable to pay tax under forward charge.</b></li> </ul> <p><b>Discussion &amp; Conclusion:-</b></p> <ul style="list-style-type: none"> <li>➤ In the first case, XYZ Ltd. is a specified recipient, i.e., a <b>body corporate</b> established by or under any law liable to pay freight.</li> <li>➤ However, GTA has exercised the option to pay tax under forward charge and also issued a tax invoice charging GST at the applicable rate.</li> <li>➤ Therefore, Vimal Goods transport agency is liable to pay GST under <b>forward charge.</b></li> <li>➤ In the second case, if GTA has not exercised the option to pay tax under forward charge, then XYZ Ltd., being a specified recipient, is liable to tax under reverse charge.</li> </ul>
<b>(v)</b>	<p><b>Legal Provision:-</b> As per section 9(3) of CGST Act, if sponsorship services are provided by <b>any person to any body corporate or partnership firm</b> located in the taxable territory, then GST is payable under reverse charge by recipient.</p> <p><b>Discussion &amp; Conclusion:-</b></p> <ul style="list-style-type: none"> <li>➤ In the given case, sponsorship services have been provided to an <b>individual.</b></li> <li>➤ Thus, the <b>reverse charge</b> provisions <b>will not be attracted</b> here.</li> <li>➤ So, company i.e. the <b>supplier</b> is liable to pay GST under <b>forward charge.</b></li> </ul>
<b>(vi)</b>	<p><b>Legal provision:</b> As per <b>section 9(3)</b> of CGST Act, if service of renting of immovable property other than residential dwelling is provided by the <b>any unregistered person to any registered person</b> located in the taxable territory, then GST is payable by <b>recipient</b> under reverse charge.</p> <p><b>Discussion &amp; Conclusion:</b></p> <ul style="list-style-type: none"> <li>➤ In the given case, Mr. Chirag who is unregistered person and provides services of <b>renting of immovable property for commercial purposes</b> to ABC Pvt. Ltd.</li> <li>➤ Thus ABC Pvt. Ltd. is liable to pay GST under Reverse charge mechanism.</li> </ul>



# Exemption under GST

## 08. Exemptions relating to Immovable Property:

### CCP.04.08.14.00

A hotel offers accommodation services with a value of supply at ₹18,000 per person per month. A customer books a room for 95 continuous days. Under the GST law, is this accommodation service subject to GST?

**Answer:-**

#### Legal Provision:

⇒ Accommodation services with a value of supply **less than or equal to ₹20,000** per person per month, provided for a minimum continuous period of 90 days, are **exempt** from GST.

#### Discussion & Conclusion:

⇒ In this case, the hotel offers accommodation at ₹18,000 per person per month, and the customer books the room for 95 continuous days.

⇒ Since both conditions are met (value of supply is less than ₹20,000 per person per month and the accommodation is for more than 90 days). **Therefore**, this service is **exempt** from GST.

### CCP.04.08.14.01

Roshan of Bengaluru owns 9 properties in different parts of Karnataka. From the information given below, find out GST payable by him for the quarter ending on 31st March, 20XX. GST rate is 18 per cent (i.e., CGST 9 % + SGST 9 %) Municipal tax pertaining to these properties is ₹ 44,000. Expenditure on repair is ₹ 1,32,000. Fire insurance premium paid by Roshan is ₹ 48,000. [CMA Final RTP Dec 18] [CA Final RTP Dec 2018-Similar]

Particulars	Amount
Rent of residential Building I (given on rent to A, a salaried employee & unregistered under GST, for his residence)	10,00,000
Rent of residential Building II [given on rent to a bank, registered under GST, for residence of a branch manager]	15,00,000
Rent of vacant plot of Land III (given on rent to a manufacturing company)	8,00,000
Rent of vacant plot of Land IV (given on rent for agriculture purposes)	4,50,000
Rent of residential Building V (given on rent to B Ltd., an unregistered person under GST, for residence of employees)	3,00,000
Rent of commercial Building VI (given on rent to C, who has a sole proprietary business)	1,50,000
Rent of residential building VII (it is situated in residential area but used for commercial purposes and it is given on rent on the understanding that the tenant, who is unregistered under GST, can use it for commercial purposes if there is no objection by the municipal corporation)	6,50,000
Accommodation of residential building VIII (i.e Greenwood Hostel, given on rent to college student for 3 months whose rent is ₹ 25,000 per person per month)	75,000
Accommodation of Students Residence building IX for 60 days, rent is ₹ 18,000 per person per month	36,000



**Answer:- Computation of GST of Roshan for the quarter ending on 31st March, 20XX:-**

Particulars	Amount (₹)	Explanation
Rent of residential Building I	-	Renting of residential dwelling for use as residence to an unregistered person is <b>exempt</b> .
Rent of residential Building II	-	Letting out of residential building for residential purposes to a registered person is <b>liable to GST</b> , but the tax thereon is to be paid by recipient (i.e. bank) under reverse charge.
Rent of vacant plot of Land III	8,00,000	It is not covered under any exemption & hence, taxable. (Roshan is RP, hence RCM is not applicable)
Rent of vacant plot of Land IV	-	Letting out of vacant plot for agricultural purposes is <b>exempt</b> .
Rent of residential Building V	-	Letting out of residential building for residential purposes to an unregistered person is <b>exempt</b> .
Rent of commercial Building VI	1,50,000	Letting out of commercial property is <b>liable to GST</b> .
Rent of residential building VII	6,50,000	Letting out of residential property to unregistered person for commercial purposes is <b>chargeable to tax under forward charge</b> .
Rent of residential building VIII	75,000	Renting of residential dwelling to student is <b>taxable</b> under GST under Entry no 12 & also under Entry no. 12A as value <b>exceeds ₹20,000 per person per month</b> .
Rent of Students Residence Building IX	36,000	Renting of residential dwelling to student is <b>taxable</b> under GST under Entry no 12 & also under Entry no. 12A as value <b>not exceeding ₹20,000 per person per month but it is for a period of 60 days</b> .
<b>Taxable value of supply</b>	<b>17,11,000</b>	
CGST @ 9%	1,53,000	
SGST @ 9%	1,53,000	
<b>Total GST charged by Roshan</b>	<b>3,06,000</b>	

Roshan has paid fire insurance premium and expenditure on repair of buildings. These expenses are not deductible while calculating taxable value of supply. However, input tax credit pertaining to these expenses can be claimed, subject to provision of section 17 of CGST Act read with Rule 42 of CGST Rules.

**CCP.04.13.24.00**

Answer the following questions independently:-

1. British High Commission, chief diplomatic mission of the United Kingdom located in India, is providing advisory services to the students willing to travel to UK for further studies. The mission has organized a seminar for such students and a registration fee of ₹ 5,000 per student has been charged from the students for the same. You are required to determine whether the advisory services provided by British High Commission are liable to GST. [Study Mat]
2. India Corporations Ltd., a Public Sector Undertaking (PSU), has taken loan from a banking company - Wellness Bank. The loan was guaranteed by the Central Government. India Corporations Ltd. defaulted in the repayment of such loan. Examine whether the services of guaranteeing of loan by the Central Government, in the given case, is liable to GST. [Study Mat]
3. The Ministry of Railways (Indian Railways) offers various services to individuals and engages in internal service exchanges and collaborations with Special Purpose Vehicles (SPVs). The services

provided include:

- a) Sale of Platform tickets & Cloak room services.
- b) Intra railway transactions between different zones/divisions.
- c) Services provided by Special Purpose Vehicles (SPVs) to the Ministry of Railways (Indian Railways) and vice versa, specifically in relation to the use and maintenance of infrastructure during the concession period.

Discuss the tax treatment under GST Law.

**Answer :-**

1. Services by a foreign diplomatic mission located in India are **exempt** from GST vide exemption notification. Hence, in the given case, advisory services by British High Commission located in Delhi to the students are **exempt** from GST.

2. **Legal Provision:-**

⇒ Services supplied by Central Government, State Government, Union territory to their undertakings or Public Sector Undertakings (PSUs) by guaranteeing the loans taken by such undertakings or PSUs from the banking companies and financial institutions **are exempt** from GST.

**Discussion & Conclusion:-**

⇒ In present case, Central Government has guaranteed the loan taken by India Corporations Ltd. [a PSU], from Wellness Bank, [a banking company].

⇒ Thus, service provided by Central Government by way of guaranteeing the loan **is exempt** from tax.

3.

- a) Services provided by the Ministry of Railways to **individuals** by way of sale of platform tickets, the facility of retiring rooms/waiting rooms, cloakroom services, and battery-operated car services, are **exempt** from GST. Thus, in given case, services are **exempt**.
- b) Services provided by one zone/division to another within the Ministry of Railways are **exempt** from GST.
- c) Both types of services, SPVs allowing the Ministry of Railways to use their infrastructure and the Ministry of Railways providing maintenance services to SPVs are **exempt** from GST.



## Value of Supply

CCP 06.05.19.01

ABC Pvt. Ltd., an Indian company, provides a corporate guarantee of ₹15,00,00,000 to a bank on behalf of its related company, XYZ Pvt. Ltd., also located in India. The actual consideration for the guarantee is ₹2,00,000 per annum. XYZ Pvt. Ltd. is eligible for full Input Tax Credit (ITC). What will be the value of the supply of services for GST purposes, and how much GST will be payable if the applicable GST rate is 18%?

**Answer:-**

**Legal Provision:**

⇒ As per **Rule 28(2)** of CGST Rules 2017, The value of supply of services by a supplier to a related recipient in India, by providing a corporate guarantee to a bank or financial institution, shall be deemed to be 1% of the guarantee amount per annum or the actual consideration, **whichever is higher**.

⇒ If the recipient is eligible for full ITC, the value declared in the invoice shall be **deemed to be the value of said supply of services**.

### Discussion & Conclusion:

- ⇒ In the given case, 1% of the guaranteed amount is ₹15,00,00,000 \* 1% = ₹15,00,000, which is higher than the actual consideration of ₹2,00,000 per annum.
- ⇒ Therefore, the deemed value for GST purposes is ₹15,00,000.
- ⇒ However, since XYZ Pvt. Ltd. is **eligible for full ITC**, the value declared in the invoice can be ₹2,00,000.
- ⇒ Hence, GST will be calculated on ₹2,00,000. The GST payable at 18% is ₹2,00,000 \* 18% = ₹36,000.



## Input Tax Credit

CCP 07.01.01.00

Rimjhim Sales, a registered supplier, receives 100 invoices (for inward supply of goods/ services) involving GST of ₹ 10 lakh, from various suppliers during the month of January, 20XX. Out of 100 invoices, details of 80 invoices involving GST of ₹ 6 lakh have been furnished by the suppliers in their respective GSTR-1s filed on the prescribed due date therefor and such details have also been duly communicated to the recipients of such invoices in Form GSTR-2B.

Compute the ITC that can be claimed by Rimjhim Sales in its GSTR-3B for the month of January, 20XX to be filed by 20th February assuming that GST of ₹10 lakh is otherwise eligible for ITC.

**Answer:**

**Legal Provision:**

- ⇒ As per **Section 16(2)(a)** of the CGST Act 2017, taxpayer must be in possession of the tax invoice or other tax paying document in respect of which he is claiming the ITC.
- ⇒ As per **Sec 16(2)(aa)**, the details of the invoice or debit note referred to in clause (a)
  - has been furnished by the supplier in the statement of outward supplies and
  - such details have been communicated to the recipient of such invoice or debit note in the manner specified under section 37.
- ⇒ Further As per **Rule 36(4)** of CGST Rules 2017, No input tax credit shall be availed by a registered person in respect of invoices or debit notes the details of which are required to be furnished under section 37(1) **unless,-**
  - a) the details of such invoices or debit notes have been furnished by the supplier in the statement of outward supplies in GSTR1 & GSTR1A or using the invoice furnishing facility and
  - b) the details of input tax credit in respect of such invoices or debit notes have been communicated to the registered person in FORM GSTR-2B under rule 60(7).

**Discussion & Conclusion: Computation of ITC that can be claimed by Rimjhim sales in its GSTR-3B for the month of January 20XX**

Invoices	Amount of ITC involved in the invoices (₹ in Lakhs)	Amount of ITC that can be availed (₹ in Lakhs)
80 invoices furnished in GSTR-1	6	6 (Note-1)
20 invoices not furnished in GSTR-1	4	Nil (Note -2)
Total	10	6

**Notes:**

- 1) Full ITC can be availed on the invoices uploaded by the supplier in their GSTR1 & GSTR1A u/s 16(2)(aa) read with rule 36(4).

2) Input tax credit in respect of any supply of goods or services or both is available to a registered person only, if the details of the invoice/debit note in respect of said supply has been furnished by the supplier in the statement of outward supplies (GSTR 1 & GSTR 1A ) and such details have been communicated to the recipient of such invoice/debit note in the manner specified under section 37. Thus, in respect of 20 invoices not furnished in GSTR-1s, no ITC is available.

#### CCP 07.01.03.01

ABC Pvt. Ltd. is engaged in the supply of electronic goods. During the FY 2022-23, the company's GST registration was cancelled on 15th August 2022. Subsequently, the cancellation was revoked on 5th February 2023 by an order from Appellate Authority. ABC Pvt. Ltd. filed return for the period for which registration stood cancelled on 25th February 2023. ABC Pvt. Ltd. has an invoice dated 20th July 2022 for goods supplied worth ₹1,00,000. Can ABC Pvt. Ltd. claim the ITC for the invoice dated 20th July 2022. Discuss with relevant provisions.

**Note:** ABC Pvt. Ltd. has furnished annual return on 15th December 2023.

**Answer:- Legal Provision:**

- As per **Sec 16(6)** of CGST Act, if the registration of a registered person is cancelled u/s 29 and subsequently revoked u/s 30 or by an order from the Appellate Authority, Appellate Tribunal, or court, the registered person can claim ITC for the invoices or debit notes that were not restricted u/s 16(4) on the date of cancellation.
- Its ITC can be claimed in the return filed till the **later of** following dates:
  - Earlier of 30th Nov of following year or date of furnishing Annual return.
  - Return filed for period from the date of cancellation of registration or the effective date of cancellation of registration till the date of the order revoking the cancellation, if such return is filed within 30 days from the date of the revocation order.

**Discussion & Conclusion:**

- In the given case, ITC for the invoice dated 20th July 2022 will be claimed by the **later of:-**
  - a) 30th November 2023 i.e. the earlier of 30th November 2023 or 15th December 2023 or
  - b) 25th February 2023 i.e. the date of filing return for the period from 15th August 2022 (cancellation date) to 5th February 2023 (revocation order date).
- Thus ABC Pvt. Ltd. must claim the **ITC by 30th November 2023.**

#### CCP 07.04.10.00

Krishna Motors is a car dealer selling cars of an international car company. It also provides maintenance and repair services of the cars sold by it as also of other cars. It seeks your advice on availability of input tax credit in respect of the following expenses incurred by it during the course of its business operations:

- 1) Cars purchased from the manufacturer for making further supply of such cars. Two of such cars are destroyed in accidents while being used for test drive by potential customers. What would be your answer if Krishna Motors purchases a demo vehicle for demonstration purposes.
- 2) Works contract services availed for constructing a car parking shed in its premises [Study Mat]



**Answer:**

<p>1.</p>	<p><b>Legal Provision:</b></p> <p>⇒ As per <b>section 17(5)(a)</b> of CGST Act, ITC is <b>not available</b> on Motor vehicle for transportation of persons having approved seating capacity of not more than 13 persons (including driver), <b>except</b> when they are used for making taxable supplies for further supply of such motor vehicles.</p> <p><b>Discussion &amp; conclusion:</b></p> <p>⇒ Thus, ITC on cars purchased from the manufacturer for making further supply of such cars will be <b>allowed</b>.</p> <p>⇒ However, ITC on the cars fully destroyed in accident will <b>not be allowed</b> as the ITC on goods destroyed for whichever reason is specifically blocked u/s <b>17(5)(h)</b>.</p> <p>⇒ In second case, <b>CBIC clarified</b> that if the vehicle is solely used for demonstration purposes and not for passenger transport or training, then ITC is <b>not blocked u/s 17(5)(a)</b>.</p>
<p>2.</p>	<p><b>Legal Provision:</b></p> <p>⇒ As per <b>section 17(5)(c)</b> of CGST Act, ITC is <b>blocked</b> on works contract services supplied for construction of an immovable property (other than Plant &amp; Machinery) <b>except</b> where it is an input Service for further supply of works contract service.</p> <p><b>Discussion &amp; conclusion:</b></p> <p>⇒ In the given case, the car parking shed is not a plant and machinery, and the works contract service is not used for further supply of works contract service.</p> <p>⇒ Thus, ITC thereon will <b>not be allowed</b>.</p>



## Place of Supply

CCP.08.05.07.01

XYZ Pvt. Ltd., a furniture manufacturer based in Rajasthan, receives an order from Mr. Sharma, an individual (unregistered person) residing in Delhi. Mr. Sharma purchases a dining table and requests delivery to his residence in Delhi. XYZ Pvt. Ltd. issues an invoice with Mr. Sharma's Delhi address and arranges for the delivery of the dining table through a third-party logistics provider. Determine Place of Supply and GST implications. Will the place of supply still be same, if Mr. Sharma instructs XYZ Pvt. Ltd. to deliver the dining table to another address located in Punjab which is recorded in invoice as address of delivery whereas the billing is done at Delhi's address?

**Answer :- Legal Provision :-**

- ⇒ As per **section 10(1)(ca)** of IGST Act, if the supply of goods is made to unregistered person, the place of supply shall be the **location as per the address of the said person recorded in the invoice**.
- ⇒ However, If the address of the unregistered person is not recorded in the invoice, the place of supply shall be the **location of the supplier**.
- ⇒ **As per CBIC clarification**, if billing address differs from delivery address in invoice in case of supply of goods to unregistered person, **POS shall be address of delivery of goods recorded on invoice**.

**Discussion & Conclusion:**

- ⇒ In the given case, the invoice issued by XYZ Pvt. Ltd. records Mr. Sharma's address in Delhi. Therefore, the place of supply for this transaction will be **Delhi**.

- ⇒ Since the place of supply (Delhi) is different from the location of the supplier (Rajasthan), this transaction constitutes an **interstate supply**. Thus, liable to **IGST**.
- ⇒ In second case, if billing address differs from the delivery address in invoice, **POS** shall be the **address of delivery** of dining table recorded on invoice i.e. **Punjab**.



## REGISTRATION

CCP 09.11.28.00

Explain the circumstances under which proper officer can cancel the registration on his own of a registered person under CGST Act, 2017. [CA Inter Jan 21 Exam]

**Answer:-**

As per **section 29(2)** of CGST Act, 2017 read with **rule 21** of CGST Rules, 2017, the circumstances under which **proper officer can cancel the registration on his own** of a registered person after giving the person an opportunity of being heard are as under:-

- (i) A registered person has **contravened any of the following provisions** of the GST law:-
  - a) he does not conduct any business from the declared place of business.
  - b) he issues invoice/bill without supply of goods or services or both in violation of the provisions of GST law.
  - c) he violates the provisions of anti-profiteering.
  - d) he violates the provisions relating to furnishing of bank details.
  - e) He avails input tax credit in violation of the provisions of section 16 of CGST Act or the rules made thereunder.
  - f) furnishes the details of outward supplies in FORM GSTR-1, **as amended in FORM GSTR-1A if any u/s 37** for one or more tax periods which is in excess of the outward supplies declared by him in his valid return under section 39 for the said tax periods.
  - g) violates the provision of rule 86B.
    - ga) violates the provisions of 3rd or 4th proviso to rule 23(1)**
      - failed to file returns due between the order of cancellation and revocation of registration within 30 days of the revocation order.
      - If the cancellation was retrospective, failed to file all returns from the date of order of cancellation date to the revocation order within 30 days
  - h) being a registered person required to file return under section 39(1) for each month or part thereof, has not furnished returns for a continuous 6 months.
  - i) being a registered person required to file return under proviso to section 39(1) for each quarter or part thereof, has not furnished returns for a continuous 2 tax periods.
- (ii) A person paying tax under **composition levy** has furnished the return for a financial year **beyond 3 months** from the due date of furnishing the said return.
- (iii) Voluntarily registered person has **not commenced the business within 6 months** from the date of registration.
- (iv) Registration was obtained by means **of fraud, wilful misstatement or suppression of facts**.





## Tax Invoice

CCP.10.05.10.00

Mr. A started a retail business of toys & gifts. He doesn't know the provisions regarding the manner of issuing the invoice. As a Chartered Accountant, you are required to advise him about the same.

**Answer :-**

- As per **rule 48** of CGST Rules, for taxable supply of goods, invoice shall be prepared in triplicate as:-
  - the original copy being marked as **original for recipient**,
  - the duplicate copy being marked as **duplicate for transporter &**
  - the triplicate copy being marked as **triplicate for supplier**.
- The **serial number** of invoices issued during a tax period shall be furnished electronically through common portal in **FORM GSTR-1 or in Form GSTR-1A, if any**.
- **Notified class of registered persons shall prepare e-invoice** by uploading the particulars contained in Form GST INV-01 on Common GST Electronic Portal & obtain an IRN (Invoice Reference Number).
- However, Commissioner may, on recommendations of Council, by notification, exempt a person or a class of registered persons from issuance of e-invoice under rule 48(4) of CGST Rules.
- Invoice issued in any manner other than in rule 48(4) **shall not be treated as an invoice**, if this rule is applicable to such person.
- If **e-invoicing** is applicable, there is **no need to issue** invoice copies in triplicate/duplicate.



## E-Way Bill

CCP.11.02.13.00

How an e-way bill needs to be generated in case of supply of goods by an unregistered person to a registered person?

**Answer :-**

- If goods are supplied by an unregistered supplier to a registered known recipient, movement is said to be caused by recipient if he is **known** at time of commencement of movement of goods & thus, e-way needs to be generated by such recipient.
- In all other cases, if movement is caused by an unregistered person where either in his own conveyance or a hired one or through a transporter, **he or the transporter may**, at their option, generate the e-way bill.
- If URP needs to generate an e-way bill using FORM GST EWB-01, they must:
  - a) Submit details electronically on the common portal using FORM GST ENR-03.
  - b) Do this either directly or through a designated Facilitation Centre.
  - c) After validation, they will receive a unique enrolment number.



# Payment of Tax

CCP 12.02.04.00

Miss Nitya has following balances in her Electronic Cash Ledger as on 28th February as per GST portal

Major Heads	Minor Heads	Amount (₹)
CGST	Tax	40,000
	Interest	1,000
	Penalty	800
SGST	Tax	80,000
	Interest	400
	Penalty	1,200
	Fee	2,000
IGST	Tax	45,000
	Interest	200
	Penalty	Nil

She furnishes return on monthly basis. Her tax liability for the month of February for CGST and SGST was ₹75,000 each. She failed to pay the tax and contacted you as legal advisor on 12th April to advise her as to how much amount of tax or interest she is required to pay, if any. In order to optimize the interest liability as per GST provisions, she is willing to make any transfer from the cash ledger between any of the major or minor heads as the case may be. She wants to pay the tax on 20th April.

Other information:

- Date of collection of GST was 18th February.
- No other transaction after this up to 20th April.
- Ignore penalty and late fee for this transaction.
- No other balance is available.

You are required to advise her with reference to legal provisions with brief notes on the legal provisions applicable. [Study Mat][CA Final Nov 18 Exam (New)]

Answer:

Legal Provision:

- As per **proviso to Sec 50** of CGST Act, interest on tax payable for supplies made during a tax period and declared in the return for the said period furnished **after** the due date as per sec 39, **except** where such return is furnished after commencement of any proceedings u/s 73/ 74 for the said period, shall be **payable on that portion of the tax** which is paid by debiting the E cash ledger (i.e. on Net tax liability).
- However, if amount is credited in Electronic Cash Ledger on or before due date of filing the said return but is debited from it to pay tax while filing the said return after the due date, the said amount **shall not be taken into consideration to calculate interest** if the said amount is lying in the said ledger from the due date till the date of its debit at the time of filing return.
- Also, As per Section 49(10), any amount of tax, interest, penalty, fee or other amount available in the E-cash ledger can be transferred to the E-cash ledger for IGST, CGST, SGST/UTGST in prescribed form and manner

Discussion & Conclusion:

- In the given case, Due date for payment of tax collected on 18th February is 20th March whereas Miss Nitya is willing to pay tax for the month of February on 20th April.
- There were some amount of balances lying in all three major heads of electronic cash ledgers as on 20th

March which remained unutilized till 20th April & hence there will be **no interest payable** on such amount utilised after 20th March.

⇒ Thus, Miss Nitya is liable to pay the following amount of tax as under:

Particulars	CGST	SGST
	Tax	Tax
Tax Liability	75,000	75,000
Balances in E-Cash ledger in same Major/minor head	40,000	80,000
Balance transferred from other Major/minor head	35,000 (IGST)	
<b>Amount payable in cash</b>	<b>Nil</b>	<b>Nil</b>

- ⇒ Since the balances in the E-Credit Ledger were sufficient to cover both liabilities, no interest is payable on CGST or SGST.
- ⇒ The remaining balances in electronic cash ledgers of IGST & SGST is ₹10,000 & ₹5,000 respectively.



## Return

### CCP.13.01.02.00

**What kinds of invoice details of outward supplies are required to be furnished in GSTR-1 & GSTR-1A for outward supplies? [CA Inter Nov 18 Exam Old]**

**Answer:**

- ⇒ Some of the details of invoice for outward supplies required to be furnished in GSTR-1 are:- Name, address & GSTIN of recipient, invoice number, date, total value, taxable value, rate of tax, amount of tax, HSN code, etc.
- ⇒ As per Rule 59(4) of CGST Rules, 2017, GSTR-1 shall include following:-
  - a) Invoice-wise details of all:-
    - i) Inter-State and intra-State supplies made to registered persons and
    - ii) Inter-State supplies made to unregistered persons with invoice value more than ₹1,00,000.
  - b) Consolidated details of all:-
    - i) Intra-State supplies made to unregistered persons for each rate of tax and
    - ii) Inter-State supplies made to unregistered persons with invoice value upto ₹1,00,000 for each rate of tax separately for each State.
  - c) Debit & credit notes, if any, issued during the month for invoices issued previously.
- ⇒ As per Rule 59(4A) of CGST Rules, 2017, GSTR-1A shall include following:  
The additional details or amendments of the details of outward supplies of goods or services or both furnished in FORM GSTR-1A may, as per the requirement of RP, include the –
  - (a) invoice wise details of –
    - i) inter-State & intra-State supplies made to Rps; &
    - ii) inter-State supplies with invoice value **more than ₹1 lakh** made to the URPs;
  - (b) consolidated details of –
    - (i) intra-State supplies made to URPs for each rate of tax; &
    - (ii) State wise inter-State supplies with invoice value upto **₹1 lakh** made to URPs for each rate of tax;
  - (c) debit & credit notes, if any, issued during the month for invoices issued previously.

**Note:** Question can be-invoice details of outward supplies required to be furnished in GSTR-1 or invoice details of outward supplies required to be furnished invoice-wise in GSTR-1.

Answer the following questions elaborating the relevant provisions of section 44:

- a) Who is required to furnish the annual return and what is the due date for furnishing the same?
- b) What is the prescribed form for furnishing annual return/statement?
- c) Who is required to furnish a self-certified reconciliation statement?

[CA Final RTP May 23]

Answer:

a.	<p><b>Persons required to furnish an annual return u/s 44 of CGST Act:-</b></p> <ul style="list-style-type: none"> <li>⇒ All registered persons are required to file an annual return.</li> <li>⇒ However, following persons are not required to file annual return:-             <ol style="list-style-type: none"> <li>(i) Casual taxable persons</li> <li>(ii) Non-resident taxable person</li> <li>(iii) Input service distributors</li> <li>(iv) Persons authorized to deduct/collect tax at source under section 51/52.</li> </ol> </li> <li>⇒ <b>On recommendations of Council, Commissioner exempts the registered person whose aggregate turnover in F.Y. 2023-24 is up to 2 crore, from filing annual return for the said F.Y.</b></li> <li>⇒ The department of Central/State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force, are exempt from the requirement of furnishing an annual return including self-certified reconciliation statement.</li> </ul> <p><b>Due date to furnish Annual return:-</b></p> <ul style="list-style-type: none"> <li>⇒ Annual return for a financial year shall be filed by <b>31st December of Next financial year.</b></li> <li>⇒ Due date <b>may be extended</b> by Commissioner.</li> <li>⇒ However, registered person shall not be allowed to furnish an annual return for a financial year after 3 years from due date of furnishing the said annual return. Government may allow to file it after 3 years in certain cases.</li> </ul>
b.	<ul style="list-style-type: none"> <li>⇒ The annual return is to be filed electronically in Form GSTR-9 through the common portal.</li> <li>⇒ However, a person paying tax under the composition scheme is required to file the annual return in <b>Form GSTR-9A.</b></li> <li>⇒ Further, an ECO required to collect tax at source is required to file an annual statement referred to in section 52(5) in <b>Form GSTR-9B</b> (yet to be notified). The statement for a financial year needs to be filed by 31st December of the next financial year.</li> </ul>
c.	<ul style="list-style-type: none"> <li>⇒ <b>All registered persons</b> are required to file furnish a self-certified reconciliation statement along with annual return <b>if their aggregate turnover during a financial year exceeds ₹ 5 crores.</b></li> <li>⇒ Such registered persons should furnish, electronically, the annual return along with a copy of self-certified reconciliation statement, duly certified, in <b>Form GSTR-9C.</b></li> <li>⇒ A Self-certified reconciliation statement will reconcile the value of supplies declared in the return furnished for the financial year with the audited annual financial statement.</li> <li>⇒ <b>However, following persons are not required to file self-certified reconciliation statement:</b> <ul style="list-style-type: none"> <li>➤ Casual taxable persons</li> <li>➤ Non-resident taxable person</li> <li>➤ Input service distributors</li> </ul> </li> <li>⇒ Persons authorized to deduct/collect tax at source under section 51/52.</li> </ul>



# Offences, Penalties & Proceecution

CCP 21.01.05.01

ABC Ltd. is a manufacturer of textiles and has recently installed five new dyeing machines in their factory in Gujarat which were purchased locally. As per a special procedure notified u/s 148 of CGST Act, ABC Ltd. was required to register these machines by October 31, 20XX. However, due to an oversight, they failed to register two of these machines by the due date. On November 10, 20XX, a GST officer conducted an inspection and issued a penalty order u/s 122A & communicated the same. What will be the consequences for ABC Ltd. under the GST law, and how can they avoid confiscation of the machines?

**Answer :** Since ABC Ltd. failed to register 2 machines under special procedure notified u/s 148, following consequences will apply:

1)	<b>Penalty for Non-Registration:</b>	ABC Ltd. will be liable to pay a penalty of ₹ 2 lakhs each under CGST & SGST for 2 unregistered machines & thus, <b>total penalty under CGST and SGST = ₹4 lakhs.</b>
2)	<b>Additional Penalties:</b>	This penalty <b>will be in addition</b> to any other penalties payable under demand & recovery or any other provisions applicable under GST law.
3)	<b>Seizure &amp; Confiscation</b>	The 2 unregistered machines will be seized and liable for confiscation.
4)	<b>Avoiding Confiscation:</b>	<b>ABC Ltd. can avoid the confiscation of machines by:</b> a) Paying penalty of ₹4 lakh (₹2 lakh for each machine under CGST & SGST) & b) Registering 2 unregistered machines as per special procedure within 3 days from the receipt of communication of penalty order (November 10, 20XX).



# Appeal & Revision

CCP 22.06.13.00

With reference to the provisions of section 120 of the CGST Act, 2017, list the cases in which appeal is not to be filed. [Study Mat]

**Answer:** As per **section 120** of CGST Act, there are certain cases in which appeal is not to be filed as under:-

(i) On recommendations of GST Council, the Board may issue orders or instructions or directions **fixing monetary** limits for regulating filing of appeal or application by the CGST officer. Accordingly, CBIC fixes following monetary limits below which appeal or application or Special Leave Petition shall not be filed by CGST officers before following, subject to specified exclusions :-

Appeallate Forum	Monetary Limit (₹)
GSTAT	20,00,000
High Court	1,00,00,000
Supreme Court	2,00,00,000

(ii) Non-filing of appeal/application by a CGST officer on account of such monetary limits fixed by the Board **shall not preclude such officer** from filing appeal or application **in any other case** involving the same or similar issues or questions of law.



- (iii) A person who is a party in application or appeal **cannot contend that CGST Officer has acquiesced** in the decision on disputed issue by not filing an appeal/application on account of monetary limits.
- (iv) **Appellate Tribunal or Court** hearing such appeal or application **shall have regard to circumstances for non-filing** of appeal or application by CGST officer on account of monetary limits fixed by Board.