



V'Smart Academy

CA INTER | CMA INTER | CS EXECUTIVE

GST

LAST DAY REVISION

(One Day Before Exam)

Applicable for Sep 25 Exam

Think GST...

Think Vishal Sir... !!

CA Vishal Bhattad



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CA Inter: Exam Paper Analysis

Taxation [Group-1 - Paper 3]

PART-1 → MCQ (30 marks)

PART-2 → Descriptive. (70 marks)

1) Direct Tax - Income tax [50 marks] - Section A

2) Indirect Tax - GST [50 marks] - Section B

⇒ MCQ = 30 marks [PART-1]

⇒ Ans to be marked on the OMR answer sheet
as given on the cover page of descriptive
answer book

⇒ Income Tax = 15 marks	Case Scenario - 4 [5-6 marks each] Direct MCQ - 2 (1-2 marks each)
GST = 15 marks	

⇒ Case Scenario base - Questions (Institute)

Descriptive Questions. [PART-2] 70 marks.

1) Section A - Income tax (35 marks)

Question 1: Compulsory question.

Questions 2-4: Need to solve 2 questions.

2) Section B - GST (35 marks)

Question 5: Compulsory question

Question no. 6-8: Need to solve 2 questions.
(1 optional)

Q. NO. 5
(Compulsory)

(a) 10 marks

(b) 5 marks

15



Numerical questions
→ Calculation of net GST
→ Computation of Value.



Topics covered-

- Supply
- Composite/Mixed Supply
- RCM & ECO
- YOS
- Exemptions
- POS
- ITC
- Composition levy.

Q. NO. 6

(a) 5 marks

(b) 5 marks



Numericals or
Case study base
questions



Topics

- Supply
- C.L.
- RCM
- ITC
- * → POS
- TOS

Q. no. 7

(a) 5 marks

(b) 5 marks.



Case study
or
direct questions



Topics

- Registration
- Invoice
- Payment of tax
- Return
- A/c & records
- TOS & TCS

Q. NO. 8

(a) Two Subquestion
Need to Solve 1
(5 marks)

(b) 5 marks.



Direct
Questions.



TOPICS

- Supply
- YOS
- E-way bill
- Introduction
- Invoice
- RCM
- A/c & records

Additional Important references :

- 1) RTP for Sep 25
- 2) Solved Questions of Booster Practice batch
- 3) Amendment Summary & Video

Summary of GST Amendments Sep 25

CONCEPT OF SUPPLY

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1)	Sec 9(1) of CGST Act/Sec 5(1) of IGST Act: CGST applies to all goods & services supplied within a state, except alcohol liquor for human consumption and un-denatured extra neutral alcohol/rectified spirit used for manufacture of alcoholic liquor for human consumption.	
2)	Apportionment of co-insurance premium (Para 9 of Sch III): The apportionment of co-insurance premium by the lead insurer to the co-insurer is not considered a supply of goods or services , provided the lead insurer pays GST on the entire premium received from the insured.	Scan & Learn
3)	Services by insurer to the reinsurer (Para 10 of Sch III): Services provided by an insurer to a reinsurer, where a ceding or reinsurance commission is deducted from the reinsurance premium, are not considered a supply of goods or services , provided the reinsurer pays GST on the gross reinsurance premium, inclusive of the commission.	
4)	Taxability of Penal Charges by Banks etc. [Cir. No. 245/02/2025]: ➔ RBI directed lenders to charge penal charges instead of penal interest for loan term violations ➔ Such charges are not seen as payment for tolerating a breach, So GST is not applicable.	Scan & Learn

Scan & Learn



REVERSE CHARGE MECHANISM

1)	Entry 4: If Sponsorship services are provided by Any person other than body corporate to Any body corporate or partnership firm located in taxable territory, then it will be taxable under RCM.	Scan & Learn
2)	Entry 5AB: : If an unregistered person provides a services of renting of immovable property other than a residential dwelling (i.e commercial property) to a registered person except composition dealer , then it will be taxable under RCM.	

Scan & Learn



TIME OF SUPPLY

1)	Sec 13(3): For services under reverse charge, TOS shall be the earliest of following: a) Date of payment by recipient (i.e., earlier of book entry or debit to bank) or b) 61 days after the supplier issues the invoice, or c) Date of issue of invoice by the Recipient i.e Self invoice, (if required).	Scan & Learn
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PLACE OF SUPPLY

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1)	POS of Online Services supplied to unregistered recipients. [Cir. No. 242/36/2024]: ➔ Suppliers of online services to unregistered users must mention the recipient's State on the invoice, irrespective of the value. ➔ This State is treated as the place of supply for GST, as per IGST Act Sec 12(2)(b). ➔ Suppliers must collect this information before supplying.	
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EXEMPTIONS UNDER GST

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1)	Sec 11A of CGST Act/ Sec 6A of IGST Act: No GST Recovery Due to General Practice: ➔ The government can decide not to recover GST if it was not levied or short levied due to a commonly followed practice. ➔ With Council's approval, it can notify that no GST needs to be paid in such cases.		<p>Scan & Learn</p>
2)	GST on Ancillary Services in Power Distribution [Entry no. 25A]: Exemption on services like meter rental, testing, new connections, shifting meters, and duplicate bills are ancillary to electricity transmission and distribution and are part of the main electricity supply by utilities.		<p>Scan & Learn</p>
3)	Re-Insurance Services [Entry no. 36B]: Exempt: The Motor Vehicle Accident Fund provides insurance services using contributions from third-party motor insurance premiums.		
4)	Service by National Skill Development Corporation (NSDC) etc. (Entry No. 69): Exemption on services provided by: ➔ NSDC ➔ NCVET ➔ Recognized Awarding Bodies, Assessment Agencies & Training Bodies/ training partner approved by NSDC, including National Skill Development Programme, National Skill Certification Scheme, and approved qualifications under the National Skill Qualification Framework.		
5)	CBIC Circulars [245/02/2025]:		<p>Scan & Learn</p>
	GST on Facility Management for Municipal Corporation of Delhi:	Facility services like housekeeping, maintenance etc provided to MCD are taxable , as they're not linked to municipal functions under Article 243W.	<p>Scan & Learn</p>
	GST Exemption for Payment Aggregators on Small Transactions:	Payment Aggregators are exempt from GST for settling card payments up to ₹ 2,000, but Payment Gateway services are not exempt .	<p>Scan & Learn</p>


INPUT TAX CREDIT

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1)	Sec 17(5)(i): Any tax paid under Section 74 for periods up to FY 2023–24. Note: If any tax paid u/s 129/130 by supplier & passed on to Recipient, then recipient can claim ITC.		<p>Scan & Learn</p>
2)	ITC on Ex-Works Supply under Section 16(2)(b) [Cir. No. 241/35/2024]:		<p>Scan & Learn</p>
	Auto dealers claim ITC when goods are handed to transporters at the OEM's factory under Ex-Works, but some officers insist on physical receipt	➔ Under Ex-Works, goods given to the transporter at the factory is deemed as received by the dealer for ITC. ➔ ITC is allowed only if used or intended to be used for business, however ITC is disallowed if goods are lost, stolen, or used for non-business. ➔ All CGST compliances u/s 16 & 17 must be followed.	


TDS-TCS

1)	Rule 66(1): TDS Return Filing Procedure: TDS deductors must file FORM GSTR-7 by the 10th of the next month on the GST portal.	Scan & Learn 
2)	ITC Eligibility for ECO u/s 9(5) Services [Cir. No. 240/34/2024]: ➔ ECOs don't need to reverse ITC for services u/s 9(5) except restaurant services. ➔ They can claim ITC on inputs/services but can't use it to pay 9(5) tax liability. ➔ Tax u/s 9(5) must be paid in cash . ➔ ITC can be used for ECO's own taxable supplies like commission or platform fees.	

REGISTRATION

		Scan & Learn 
1)	Sec 23: Clarification on GST Rate & Goods Classification [Cir. No. 247/04/2025]: Agriculturists need no GST registration for supplying dried pepper or raisins.	
2)	Rule 8(4A):- AA (Proviso 2: Additional Verification Steps if AA is not opted & its completion): ➔ If AA is not opted, the applicant must provide a photograph (or photos of related individuals if not an individual) and verify documents at a Facilitation Centre. ➔ The application is complete only after successful verification.	
3)	Sec 30: Revocation of cancellation of Registration: The PO can approve or reject the revocation of registration. ➤ Applicant must be heard before rejection. ➤ Revocation is allowed only if certain conditions and restrictions are followed	
4)	Rule 16A: Grant of Temporary Identification Number (TIN): If a person doesn't need GST registration but required to pay tax, the officer can give a TIN and issue FORM GST REG-12.	

TAX INVOICE

TAX INVOICE		Scan & Learn 				
1)	Sections 31(1) & (2) read with rule 46: Particulars of Tax invoice: (s) Taxpayers above the turnover limit can declare non-applicability of e-invoice rules u/r 48(4)					
	<table><tr><td>2nd Proviso</td><td>If purchases u/s 9(4) exceed ₹ 5,000 in a day, RP can issue one consolidated invoice at month end. OMITTED</td></tr><tr><td>3rd Proviso</td><td>Export invoices must mention that the supply is for export or SEZ unit/developer, , with or without IGST payment.</td></tr></table>		2nd Proviso	If purchases u/s 9(4) exceed ₹ 5,000 in a day, RP can issue one consolidated invoice at month end. OMITTED	3rd Proviso	Export invoices must mention that the supply is for export or SEZ unit/developer, , with or without IGST payment.
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3rd Proviso	Export invoices must mention that the supply is for export or SEZ unit/developer, , with or without IGST payment.					
2)	Self-Invoice and Payment Voucher in Case of RCM: Under reverse charge, the recipient must: ➔ Issue a payment voucher when making payment to the supplier. ➔ Issue a self-invoice if the supplier is unregistered including TDS – only registered suppliers . ➔ Issue a Self-invoice within 30 days of receiving goods/services. [Rule 47A]					

ACCOUNTS, RECORDS & E-WAY BILL

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- 1) **Generation of unique enrolment number [Rule 138(3)]:** Unregistered persons must enter details on the portal to get a **unique enrolment number** if they:
 - (i) making inter-State supply of handicraft goods exempted from obtaining compulsory registration
 - (ii) Choose to generate an e-way bill.

RETURNS

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- 1) **Sec 39(3) : Furnishing of returns by TDS deductor:** Every TDS deductor u/s 51 must file **monthly GSTR-7**, even if no tax was deducted, by the **10th of the next month** on the GST portal.

VALUE OF SUPPLY

Sec 15(1) : Value of Supply = Transaction Value + Not related & Sole consideration
 \downarrow
 [Price actually paid or payable for goods when sold]

Sec 15(2) : Addition in value [If charged or paid Extra]

(a) All taxes & duties [except GST]

(b) Supplier's liability incurred by recipient & not included in Price.

(c) incidental exp. charged by seller [e.g. packing + commission]

(d) Interest + late + Penalty for delay payment

(e) Non-Govt Subsidy linked to the price.

Sec 15(3) : Deduction of discount.

(a) Prediscount = Any discount + recorded in Invoice.

(b) Post discount = Agreed at the time of Supply + linked to the Invoice + Proportionate ITC is reversed by recipient.

Special discussion.

1) Freight charges.

- Ex-factory / Ex-shop \rightarrow Don't Add.
- buyer's destination (FOR) = Add
- Suppliers liability paid by recipient = Add.

2) Interest / late fee / Penalty.

- inclusive of GST $V = \left(\frac{\text{Interest} \times 100}{100 + \text{Rate}} \right)$

- TOS = when received.
- [If interest is waived = NO GST]

3) DCA (del credere agent)

- Not a Para 3 Agent = Interest is finance Charges = **Exempt**.
- Para-3 Agent = Interest is for delay Payment = **includible in Vos**.

4) TCS = interim levy not to be added in Value.

5) Subsidy.

- price net of Subsidy or after considering Subsidy.
Govt \rightarrow No Impact [don't add or less]
* Non-govt = Add.
- price including subsidy or considering Subsidy.
Govt - less from price.
Non-govt = NO Impact.
* Subsidy is linked to price.

6) Price inclusive of GST.

$$\text{Vos} = \frac{\text{Price} \times 100}{100 + \text{GST Rate}}$$

7) Discount for earlier transaction is given on next transaction = not deductible (not agreed)

8) Forward & backward Approach.

Reverse Charge Mechanism & ECO

1) GTA - transportation of goods by Road - Any R.P. + URP (notified persons)

- Notified Person: Factory, SO, Co-op SO, Body corporate, AOP, BOI, P.F. & CIP.
- If GTA opt for 12+ with ITC - Forward Charge (declaration in Invoice)
- Individual Carriage operator not a GTA = Exempt.
- GTA Service to URP - other than notified = Exempt.

2) Ind/Sr/Firm of Advocate - legal Service [LS] - Business entity (TT)

→ legal Service [LS] = Advice/consultancy in law + representation in court.

3) Arbitral Tribunal [AT] - Any Service - Business entity (TT)

- LS/BT to B.E. (Agg T/O in PFY less than threshold) = Exempt.
- LS/BT to non B.E. + Govt/LA = Exempt.

* 4) Any person other than body corporate - Sponsorship Service - Body corporate or P.F. [TT]

→ If Supplier is body corporate → No rem.

5) CB/SLA - Any Service - B.E. [TT]

Forward charge

- Dept of post / Indian railway / goods or passenger transport / at port or airport for vessels or aircraft.
 - Renting of immovable property to URP [if to RP = REM]
- Exemptions:
- Services to B.E. (Agg T/O in PFY less than threshold) = Exempt.
 - Value of Service Supplied is ₹5000 or less. = Exempt.

6) Any Person - Renting of residential dwelling (RRD) - to R.P. [TT]

- RRD is residential use to any URP = Exempt.
- RRD to an R.P. (proprietor) using it for personal purpose. = Exempt.

7) URP - Renting of immovable property - R.P. [other than Composition Terr.]

→ if recipient is Under C-L → No rem.

GST- RCM LDR NOTES

8) Director — Any Service — to company or body corporate. [TDS-194I] [TT]

- If TDS is deducted u/s 192 - in the course of employment = Not a Supply.
- Service in personal capacity (Renting of I.P.) = Forward charge.

9) Insurance Agent — Service — Insurance company. [TT]

→ Only applicable to licensed insurance agent.

10) Recovery Agent — Service — Bank/FI/NBFC. [TT]

11) Individual DSA — Service — Bank/NBFC [TT]

12) Business Facilitator — service — Bank [TT]

— If Service provided in rural area = Exempt.

13) Agent of BC — service — to business correspondent (B.C.). [TT]

14) Transfer of Copyright Services.

a) Music composer/photographer/Artist — Original dramatic, musical — to music co.,
or artistic works producer or like

b) Author — Original literary work — publisher [TT]. [Default Rem]

Exception: Author can opt for F.C. if - 1) he must registered in GST.

2) file declaration to comm. 3) declaration of F.C. in invoice 4) for 1 year.

15) Any Person (other than B.C.) — Supply of security Personnel — to R.P.

Forward charge : 1) to CB/SB/UT/LA/Govt Agency. Only they R.P. for deducting T.D.S (Security Services) 2) to recipient Paying tax under composition Scheme.

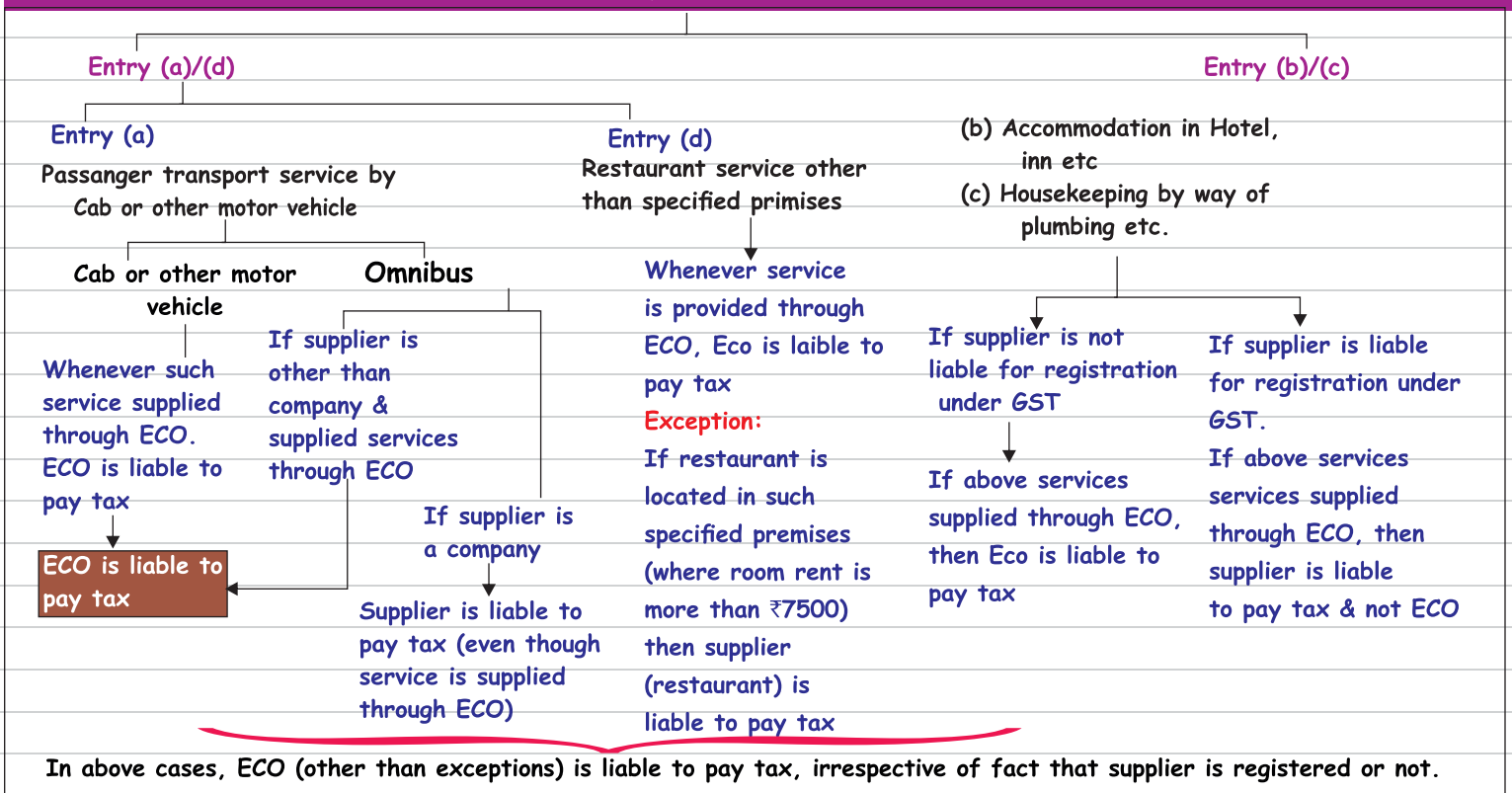
16) Any person opted for ST → Renting of M.V. —————→ To B.C.
[Other than B.C.] [Designed to carry passenger + cost of fuel]

17) services by the member of overseeing Committee to RBI.

18) Security lending services to Security Borrower.

GST- RCM LDR NOTES

Sec 9(5) : Liability of ECO for Notifies Services



INPUT TAX CREDIT

Definitions

- 1) Inputs = Any goods + used or intended to be used + in business (other than cb)
- 2) Input Service = Any Service + do
- 3) Capital Goods (cb) = Goods + value capitalised + used or intended to be used + Business

Sec 16(1) : Eligibility of ITC

- 1) RP 2) used in the course of or furtherance of business

Sec 16(2) : Conditions for availment/taking ITC

- a) Tax invoice or debit note are in possession

Authenticity: Following 5 information must be needed

- 1) Tax charged 2) Description of b/s
- 3) VOS 4) GSTIN 5) POS (Inter-state)

- b) goods or services is received by R.P.

Bill to ship to = when delivered by supplier to recipient.

- aa) Supplier has furnished GSTR-1/IFF & input tax is updated in GSTR-2B of R.P. taking ITC.

- ba) Supplier is not covered in Block list of Sec 38(2)

- c) Supplier have paid tax on which ITC is taken by R.P.

Rule 37A: Tax paid = GSTR-3B is filed by supplier.

Step-1: Take ITC immediately on above cond^{ns}.

Step-2: If supplier does not furnish GSTR-3B till 30th Sep of subsequent F.Y. then ITC shall be reversed.

Step 3: Reversal within 30th Nov of subsequent F.Y.

Step 4: If not reversed then interest @ 18% p.a. from 1st Dec till reversal.

Step 5: Reavail ITC when supplier files GSTR-3B.

- d) R.P. taking ITC furnished GSTR-3B.

Proviso-1: Goods received in lots = ITC is on last lot

Proviso-2: Payment within 180 days. [Rule 37]

- 1. R.P. taking ITC fails to make payment of Value + Tax within 180 days from the date of Invoice.

1. R.P. taking ITC fails to make payment of **Value + Tax** within 180 days from the date of Invoice.
2. Need to **Reverse = ITC taken**.
3. Reversal immediately in next GSTR-3B after 180 days.
4. **Regain ITC** after payment.
5. if partly paid = Reversal is proportionate to outstanding.
6. **Reversal not applicable to**.
 - 1) Tax payable under RCM.
 - 2) Sch-1 Supply.
 - 3) Third party payment u/s 15(2)(b).

Sec 16(3) : No ITC = Depⁿ is claimed on ITC component of C-b.

Sec 16(4) : Time limit of availing ITC \Rightarrow 30th Nov of Subsequent F.Y.
OR
Date of filing A.R. 

Sec 16(6) : If RP's registration is cancelled & later revoked, then he can claim ITC of invoice (not taken earlier) in the return filed till the later of following dates

- \rightarrow earlier of 30th Nov of following year (to which invoice pertain) or date of furnishing Annual return. OR
- \rightarrow The return for the period between cancellation & revocation is filed within 30 days of revocation order.

Sec 17(5) : Blocked Credit.

a) Motor vehicle (M.V.) Seating capacity upto 13 = No ITC

Exceptions : i) M.V. (Seating capacity ≤ 13) is used for taxable supply. (ITC allowed)

- (i) further Supply
 - (ii) passenger transportation
 - (iii) training or driving of M.V.
- 2) Seating capacity of M.V. exceeds 13.
- 3) M.V. used for transportation of goods.

aa) Vessels or Aircraft is used for transportation of person = No ITC

Exceptions : (i) Vessels or Aircraft - is used for taxable supply. (ITC allowed)

- (i) further Supply
- (ii) passenger transportation
- (iii) Imparting training - navigation of vessels - flying of Aircraft.

(2) Vessels or Aircraft used for transportation of goods

Clause (b). Services

- 1) General Insurance.
- 2) Servicing.
- 3) Repairs maintenance.
- 4) Leasing, renting, Hiring.

Clause (b) ⇒

Used for M.V. Vessels / Aircraft for which ITC is blocked. = NO ITC

Used for M.V. Vessels / Aircraft for which ITC is not blocked. = ITC allowed

Exceptions:

- 1) If above services are taken on. (ITC allowed) M.V. / vessels / Aircraft = F.P. of Manufacturer.
- 2) Re-insurance service of M.V. / vessels / Aircraft.

(b). (i) → Food & beverage.

→ outdoor catering

→ Beauty treatment

→ Health Services

→ Cosmetic & plastic Surgery

→ Life & health Insurance

→ leasing, hiring of M.V. etc.

↓
NO ITC.

(ii) membership of a

Club, health & fitness center.

↓
NO ITC

(iii) Travel benefits

to Employee.

↓
NO ITC

ITC allowed = if Services or goods under (i) | (ii) | (iii) are Supplied by employer under the obligation of law.

Exceptions: If used for same outward supply or composite / mixed supply.

(c) (d)

Works contract / goods / Services

+ Construction + immovable property.

= NO ITC.

Exceptions

1) Works contract / goods / Services

+ Construction +

Plant & Machinery

= ITC allowed.

Note:

- 1) Plant & Machinery does not include:
 - i) Land & building.
 - (ii) Telecommunication Tower &.
 - (iii) Pipeline laid outside the factory.

2) Construction = reconstruction + renovation + addition (ITC allowed) + repairs = Revenue exp.

- e) Inward Supplies from composition dealer = NO ITC
- f) Goods or services used by NRTP except Imported goods = NO ITC
- g) Goods or services used for CSR
- h) Goods or services used for personal consumption.
- i) Goods lost, stolen, destroyed, written off or supplied as gift / sample.
- j) No ITC if supplier made a fraud.

Sec 18 [switching]

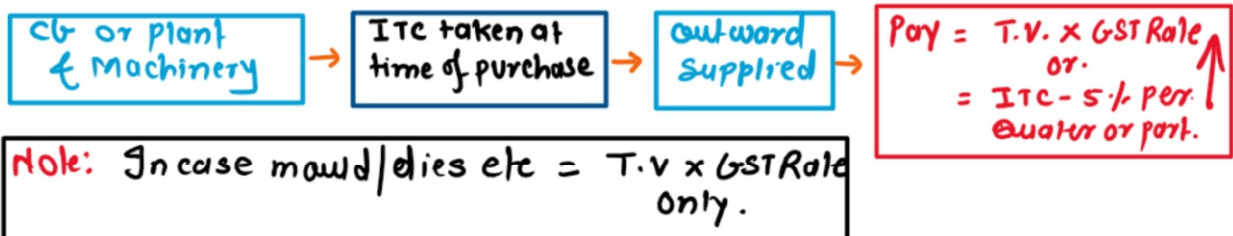
Sec 18(1)(a): Switching from URP → RP. (Applied Reg. in 30 days)

ITC allowed. = $\begin{matrix} \text{I - stock} \\ \text{I - WIP} \\ \text{I - F.P} \end{matrix} \left[\begin{matrix} \text{laying on} \\ \text{Preceding date} \\ \text{of switching} \end{matrix} + \begin{matrix} \text{purchased in} \\ \text{last 1 year} \end{matrix} \right]$ NO ITC of Stock of C.B.

Sec 18(1)(c)/(d): Switching from → C.L → Taxable.
E.S. → Taxable.

ITC allowed. = $\begin{matrix} \text{I - stock} \\ \text{I - WIP} \\ \text{I - F.P} \end{matrix} \left[\begin{matrix} \text{laying on} \\ \text{Preceding date} \\ \text{of switching} \end{matrix} + \text{C.B.} \right]$ ITC = GST on C.B. - 5% per Quarter or part
purchased in last 1 year.

Sec 18(6): Sale of C.B. on which ITC is taken.



Sec 18(3): Transfer of ITC is allowed in case of transfer of business → condⁿ = Transfer of all liabilities.

Rule 86A: Restriction on utilisation of ITC = Ref. Questionnaire.


Rule 86B: Restriction on use of ITC for payment of Tax.

- 1) Only Value taxable supply > 50 lakhs. in a month.
- 2) Use of ITC = 99% of output tax
- 3) Remaining balance will be C/F.

Note: Taxable Supply does not includes exempt & Zero rate.

TIME OF SUPPLY

Time of Supply u/s 12 & 13

Cases	Sec 12 : TOS for SOG	Sec 13 :- TOS for SOS	
	Sec 12(2) : TOS	Sec 13(2) :TOS	
Forward charge or Tax on Outward supply	Earlier of ➡ Date of issue of Invoice or ➡ Last Date of issue of Invoice Whichever is earlier Note : As per N/N 66/2017, TOS of goods is not on date of Receipt except Specified actionable claim	(a) If Invoice is issued within time	Date of invoice or Date of Receipt, whichever is earlier
		(b) If Invoice is not issued within time	Date of Completion or Receipt whichever is earlier
		(c) If TOS cannot be determined as per (a) or (b)	Date when Recipient shows receipt of service in his books
RCM or Tax on Inward supply	Sec 12(3) : TOS is on (a) Date of Receipt of goods, or (b) Date of Payment, or (c) 31st Day from Supplier's Invoice Whichever is earlier Note : If (a) (b) or (c)is not possible then date of Entry in Books of Accounts of recipient	Sec 13(3) : TOS is on (a) Date of Payment, or (b) 61st Day from Supplier's Invoice (if invoice is issued by the supplier) or (c) Date of invoice issued by Recipient (Self Invoice), if any. Whichever is earlier Note : If (a) or (b) or (c) is not possible then date of Entry in Books of Accounts of recipient	
Payment upto ₹1000 in excess of Invoice	Proviso to Sec 12(2) and 13(2) : TOS is on, at the option of Supplier, on the date of issue of next invoice in which such payment is adjusted		
Vouchers	Sec 12(4) and 13(4) : TOS is on (a) If Supply is identifiable - Date of Issue of Vouchers (b) In Other Cases - Date of payment of tax		
Residual Cases	Sec 12(5) and 13(5) : TOS cannot be determined in any of the above sec, then (a) In case Periodical returns is to be filed - Date on which such return is filed (b) In Other Cases - Date of Payment of Tax		
Interest/ Late Fees or Penalty for delay payment of consideration	Sec 12(6) and 13(6) : TOS is on ➡ Date on which Supplier receives such addition in value		

Note:

- i) **Date of Payment received** ➔ Date of book entry, or
 ➔ Credited to Bank } **Whichever is earlier**
- ii) **Date of Payment (RCM)=** ➔ Date of Payment entered in books of accounts, or
 ➔ Date of debit to bank } **Whichever is earlier**

Exemptions Under GST

S.No.	Exemption	Taxability
HEALTH CARE SECTOR		
01	Services By Clinical Establishment, Authorised Medical Practitioner, Or Paramedics	Exempt
02	Service by way of diagnosis, treatment or care for illness, injury, deformity, abnormality or pregnancy	Exempt
03	Services in form of Assisted Reproductive Technology (ART) procedures such as in vitro fertilization (IVF)	Exempt
04	Only Recognized Systems Ayurveda, Allopathy, Homeopathy, Yoga, Naturopathy, Homeopathy, Siddha, Unani etc.	Exempt
05	Room charges \leq ₹5000/day	Exempt
06	ICU/CCU/NICU always exempt irrespective of charges	Exempt
07	Ambulance (Road/Air etc) services by clinical establishments or under NHM	Exempt
08	Cosmetic or plastic surgery & Hair transplant to correct congenital defects, injury, trauma	Exempt
09	Food supplied to admitted patients (as part of healthcare)	Exempt
10	Services by senior doctors, consultants, technicians to hospitals	Exempt
11	Retention money by hospitals	Exempt
12	Health care service by veterinary doctor	Exempt
13	Rehabilitation, therapy, counselling by recognized rehab professionals at specified centres	Exempt
14	Health care services of animals or birds provided by a veterinary clinic.	Exempt
Charitable & Religious Sector		
15	Religious ceremonies (life-cycle rituals like marriage, death) conducted by authorized persons	Exempt
16	Services by a registered charitable trust (Sec 12AA / 12AB) for specified charitable activities	Exempt
17	Care or counselling of terminally ill, disabled, HIV patients, addicts	Exempt
18	Public awareness on health, family planning, HIV prevention	Exempt
19	Advancement of religion, spirituality, or yoga by way of camps/programmes (not only fitness/dance classes)	Exempt
20	Advancement of educational programs for abandoned children, prisoners, elderly persons over the age of 65 years residing in a rural area	Exempt
21	Preservation of environment (forests, wildlife, etc.)	Exempt
22	Renting precincts of religious place to public: Room rent < ₹1000/day	Exempt
23	Renting of community halls/open areas: Rent < ₹10,000/day	Exempt
24	Renting of shops/space for business at religious place: Rent < ₹10,000/month	Exempt
Special Taxability		
25	Activities not related to religion/spirituality/yoga (like fitness camps, dance classes or only accommodation)	Taxable
Legal Sector		
26	Services by Arbitral Tribunal to: - Non-business entity-CG/SG/UT/LA/Governmental Authority/Entity - Business entity whose turnover in PFY \leq threshold for registration	Exempt
27	Legal services by individual advocate or firm of advocates (other than senior advocate) to: - Non-business entity - CG/SG/UT/LA/Governmental Authority/Entity - Business entity whose turnover in PFY \leq threshold for registration - to another advocate or firm of advocate.	Exempt

GST- Exemptions LDR NOTES

28	Legal services by Senior Advocate to: - Non-business entity - CG/SG/UT/LA/Governmental Authority /Entity - Business entity whose turnover in PFY \leq threshold for registration	Exempt
Special Taxability		
29	Legal services by any advocate to business entity whose turnover exceeds threshold limit in PFY - GST payable by recipient under Reverse Charge	Taxable
30	Legal services by senior advocate to other advocates/firms (where turnover exceeds threshold)- GST payable under Reverse Charge Mechanism	Taxable
Agricultural Sector		
31	Cultivation of plants & rearing of animals (except horses) For food, fibre, fuel, raw materials, etc.	Exempt
32	Agricultural operations like cultivation, harvesting, threshing, plant protection, testing relate to production of agricultural produce	Exempt
33	Supply of farm labour	Exempt
34	Processes at farm which do NOT alter essential characteristics (trimming, drying, grading, etc.)	Exempt
35	Renting/leasing of agro-machinery	Exempt
36	Loading/unloading, packing, storage or warehousing of agricultural produce	Exempt
37	Agricultural extension services (training, advisory)	Exempt
38	Services by Agricultural Produce Marketing Committee (APMC) or Board	Exempt
39	Commission agent for sale/purchase of agricultural produce	Exempt
40	Intermediate production process (Job work) like cleaning, drying of AP	Exempt
41	Loading/unloading/packing/storage/warehousing of rice	Exempt
42	Warehousing of minor forest produce	Exempt
43	Storage/warehousing of cereals, pulses, fruits, vegetables	Exempt
44	Pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables	Exempt
45	Artificial insemination of livestock (except horses)	Exempt
Special Taxability		
46	Processing that alters essential characteristics (e.g., potato \rightarrow potato chips, tomato \rightarrow ketchup, pulses, rice, sugar etc	Taxable
47	Milling of paddy into rice	Taxable
48	Services by commission agents related to non-AP goods (sugar, jaggery, processed pulses)	Taxable
49	Services relating to processed tea, processed coffee	Taxable
50	Rearing of horses	Taxable
Learn this definition		
51	Any produce of agricultural on which either no processing is done or Such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market.	Taxable
Passenger Transport Services		
52	Railways: Transport of passengers other than in first class or AC coach	Exempt
53	Metro, Monorail, Tramway transport of passengers	Exempt
54	Transport by Inland Waterways	Exempt
55	Public Transport by vessel (non-tourism purpose)	Exempt
56	Metered Cabs or Auto Rickshaws (including e-rickshaws)	Exempt

GST- Exemptions LDR NOTES

S.No.	Exemption	Taxability
57	Non-AC Contract Carriage (excluding tourism, conducted tour, charter or hire)	Exempt
58	Non-AC Stage Carriage (bus service)	Exempt
59	Air transport of passengers in economy class embarking from or terminating in: - Arunachal Pradesh - Assam - Manipur - Meghalaya - Mizoram - Nagaland - Sikkim - Tripura - Bagdogra (West Bengal)	Exempt
60	Ferry Transport within India for public service (Private and Govt ferries both)	Exempt

Special Taxability

61	Railways: First class or AC coach	Taxable
62	Passenger transport by Cable Car or Ropeway	Taxable
63	Passenger transport by AC contract or stage carriage (bus)	Taxable
64	Transport by non-AC contract carriage for tourism, conducted tour, charter or hire	Taxable
65	Transport services through ECO (like Ola, Uber) even if metered cab or non-AC bus	Taxable

Goods Transport Services

66	Transport of goods by road (other than by GTA or courier agency)	Exempt
67	Transport of goods by Inland Waterways (river, canal, etc.)	Exempt
68	Transport by GTA of following goods (by Rail, Vessel, GTA)- DR MONA Defence or military equipment ⇔ Relief materials (natural/man-made disasters) ⇔ Milk, Salt, and Food Grains (flours, pulses, rice) ⇔ Organic manure ⇔ Newspaper or magazines ⇔ Relief materials (natural/man-made disasters) ⇔ Agricultural Produce	Exempt
69	GTA services provided to Government Departments registered only for TDS u/s 51 (not for taxable supply)	Exempt
70	Services by way of hiring of means of goods transport to GTA	Exempt
71	Simple Road Transport (no consignment note)	Exempt

Renting of Immovable Property

72	Renting of residential dwelling for residence to unregistered person	Exempt
73	Renting of residential dwelling to a registered person who is a proprietor renting in personal capacity for own residence	Exempt
74	Accommodation service in student residences/hostels/camps/PG/Service apartment etc -Only if rent /charges is upto ≤ ₹20,000/month per person and stay for ≥ 90 continuous days.	Exempt

Special Taxability

75	Renting of residential dwelling for residence to registered person (other than exempted proprietor case)- taxable under RCM	Taxable
76	Renting of residential dwelling for commercial use (to any person)	Taxable
77	Renting of immovable property (other than residential dwelling) - if [URP TO RP = RCM is applicable] [other case = FC is applicable]	Taxable

Entertainment Sector

78	Performance by individual artist in folk or classical art forms of music, dance, or theatre where fee ≤ ₹1,50,000 per performance (other than brand ambassador)	Exempt
79	Admission to circus, dance, theatrical performance, drama, ballet, award function, concert, pageant, musical performance, sporting event (recognized or non-recognized), planetarium, where ticket ≤ ₹500/person	Exempt
80	Admission to protected monuments declared under Ancient Monuments Act (No ₹500 limit)	Exempt
81	Admission to museum, national park, wildlife sanctuary, tiger reserve, zoo (No ₹500 limit)	Exempt
82	Training or coaching in arts or culture provided by individual (Dance, music, painting etc)	Exempt
83	Training or coaching in sports by charitable entities (registered under Sec 12AA/12AB)	Exempt

Special Taxability

84	Modern arts like western music, drama, acting in films/TV, etc.	Taxable
85	Artist services as brand ambassador	Taxable

GST- Exemptions LDR NOTES

S.No.	Exemption	Taxability
Banking and Financial Services		
86	Extending deposits, loans, or advances where consideration is interest or discount (except credit card interest)	Exempt
87	Discounting of cheque, promissory note, bill of exchange, invoice	Exempt
88	Discount/subscription of Commercial Papers (CPs) and Certificates of Deposit (CDs)	Exempt
89	Interest on debentures, bonds	Exempt
90	Penal interest also exempt if linked to loan	Exempt
91	Repo and reverse repo transactions	Exempt
92	Sale/purchase of foreign currency between banks and authorized dealers	Exempt
Special Taxability		
93	Interest and late payment charges on credit card	Taxable
94	Service charges, fees, documentation fees, broking charges, facilitation fees, processing charges	Taxable
95	Sale/purchase of foreign exchange to/from general public	Taxable
96	Interest on finance lease transactions	Taxable
Education Sector - Educational Institution (EI) must provide pre-school to higher secondary education, or education leading to recognized qualifications by Indian Law, or approved vocational education or Central and State Educational Boards to the extent of conduct of examination to claim exemption.]		
Service by an Educational Institution (EI)		
97	Any service by an Educational Institution (EI) to its students, faculty, staff	Exempt
98	Conduct of entrance examination by EI against entrance fee	Exempt
Service to an Educational Institution (EI)		
99	Transportation (students, faculty, staff), Catering (including mid-day meals), Security/cleaning/ housekeeping to pre-school to higher secondary education (includes food services to Anganwadi centres)	Exempt
100	online educational journal education leading to recognized qualifications	Exempt
101	Services relating to admission or conduct of examination (paper setting/evaluation etc) to all EI	Exempt
Special Taxability		
102	Training services by private coaching centers (not leading to qualification recognized by law)	Taxable
103	Clubbing of recognized and unrecognized courses (dual qualification)- Taxable Mixed supply, highest GST rate)	Taxable
104	Recognized qualifications by foreign Law	Taxable
105	Renting, auditing, accounting services, all other service provided to EI	Taxable
106	Security/housekeeping services off-campus (e.g., Annual Day event)	Taxable
Affiliation services		
107	Affiliation services by Central/State Educational Board or Council to government-controlled schools	Exempt
108	Affiliation services by Universities to Colleges-	Taxable
Services by Government & Local Authority		
109	All Services provided by CG, SG, UT, or LA (subject to exceptions)	Exempt
110	Basic postal services by Dept. of Post (Postcard, Inland letter, Book post, Ordinary post <10g)	Exempt
111	Services provided by Govt/LA to Business Entity whose turnover below GST registration limit in P.F.Y.	Exempt
112	Services by Ministry of Railways to individuals: - Sale of platform tickets - Facility of retiring rooms/ waiting rooms - Cloak room services - Battery-operated car services	Exempt

GST- Exemptions LDR NOTES

S.No.	Exemption	Taxability
113	Services between different zones/divisions under Indian Railways	Exempt
114	services by SPVs to Railways during concession period (use/maintenance of infrastructure)	Exempt
115	Govt services relating to registration/testing/calibration/safety check/certification (like fire license)	Exempt
116	Govt services related to issue of passport, visa, driving licence, birth/death certificate	Exempt
117	Services provided by CG/SG/UT/LA to another CG/SG/UT/LA	Exempt
118	Services supplied by CG/SG/UT to PSUs by way of guaranteeing loans	Exempt
119	Services by CG/SG/UT/LA by way of tolerating non-performance of contract (fines/liquidated damages paid by contractor to Govt for late delivery)	Exempt
120	Services by Govt Authority related to functions entrusted under Article 243G/243W (Municipality/ Panchayat)[water supply, street lighting, waste management]	Exempt
121	Services by way of providing information under the RTI Act, 2005	Exempt
122	Statutory collections made by RERA are exempt.	Exempt
123	Assignment of right to use natural resources by Govt to individual farmer (for food, fuel, fiber production)	Exempt

Special Taxability

124	Specific services by Govt: - Transport of goods/passengers	Taxable
125	services by the Department of Post (other than basic post services as above) - Speed post, express parcel, agency services (passport handling, bill collection, etc.)	Taxable
126	Services by Ministry of Railways (other than exempted above)- always FCM	Taxable
127	Services provided to Business Entity by Govt/LA (if BE required to register under GST)	Taxable
128	Services related to aircraft/vessel operation at ports or airports.	Taxable
129	Renting of immovable property by Government or Local Authority to registered (RCM) or unregistered persons (FCM).	Taxable

Other Government Sector

130	Services by way of access to a road or bridge on payment of toll charges	Exempt
131	Services by Foreign Diplomatic Missions located in India	Exempt
132	Services by Govt. for granting national permits to goods carriages for inter-state movement	Exempt
133	Supply of grant services by Govt. Entity to Govt. / Govt specified person against grant consideration	Exempt
134	Services by Old Age Home (Govt or Sec 12AA/12AB entity) to senior citizens (age ≥ 60 yrs) up to ₹25,000/month (Inclusive of boarding, lodging, maintenance)	Exempt
135	Service by SG to Excess Royalty Collection Contractor (ERCC) for assigning royalty collection rights (Subject to conditions on GST payment by lease holders)	Exempt
136	Research & Development services funded by Govt Entity / Recognized Institution under Income Tax Act	Exempt

Services to Government

137	Services to Governmental Authority by way of: - Water supply - Public health - Sanitation conservancy - Solid waste management - Slum improvement & upgradation	Exempt
138	Training programs provided to Government/UT where ≥75% of total expenditure borne by Govt.	Exempt
139	Transmission or distribution of electricity by a Transmission/Distribution Utility	Exempt
140	Ancillary services related to electricity (renting metering equipment, testing meters, shifting lines, duplicate bills) by ETDUs	Exempt
141	Services by Fair Price Shop to Govt (PDS sale of grains, kerosene, oil, etc.)	Exempt
142	Composite supply (Pure Service or Minor Goods) to Govt/LA where value of goods ≤ 25% and relating to functions under Article 243G/243W	Exempt
143	Services provided to Govt under Insurance Scheme where full premium paid by Govt	Exempt
144	Transport of passengers by Air to/from Regional Connectivity Scheme (RCS) airport funded by Govt .	Exempt

GST- Exemptions LDR NOTES

S.No.	Exemption	Taxability
Sport Sector		
145	Services provided by an individual as a player, referee, umpire, coach, or team manager) for participation in sporting event to a Recognized Sports Body	Exempt
146	Services provided by one Recognized Sports Body to another Recognized Sports Body	Exempt
Special Taxability		
147	Services by individuals such as selectors, commentators, curators, technical experts	Taxable
Construction Sector		
148	Pure labour contracts for construction, erection, commissioning, or installation of original works pertaining to a single residential unit (otherwise than as part of a residential complex)	Exempt
Special Taxability		
149	Pure labour contracts for Repair – Maintenance – Renovation pertaining to a single residential unit (otherwise than as part of a residential complex)	Taxable
150	Construction of residential complex (multiple independent units/flats/apartments)	Taxable
Housing Society (RWA)		
151	Services by RWA For sourcing of goods or services from a third party for common use in a housing society/residential complex, up to ₹7,500 per member per month	Exempt
152	Monthly maintenance charges more than ₹7,500 but Annual Turnover ≤ ₹20 lakh	Exempt
153	Property tax, water tax collected on behalf of Municipal Corporation by RWA	Exempt
Special Taxability		
154	if the monthly contribution exceeds ₹7,500/- per member, entire contribution is taxable.	Taxable
Miscellaneous Sector		
155	Services –By way of transfer of a going concern, As a whole or an independent part thereof.	Exempt
156	Services by an organiser to any person in respect of a business exhibition held outside India.	Exempt
157	Services by way of collection of contribution under State Government Pension Schemes	Exempt
158	Upfront amount (premium/salami/lease rent) on long-term lease (≥30 years) of industrial plots by SG entities	Exempt
159	Satellite launch services by ISRO/Antrix/NSIL	Exempt
160	Skill training services under Deen Dayal Upadhyaya Grameen Kaushalya Yojana	Exempt
161	Services by an Incubatee (Startup in Incubators) up to turnover of ₹50 lakh for 3 years	Exempt
162	Supply of TDR/FSI/Long-term Lease of land by landowner to builder for construction	Exempt
163	Reinsurance services for exempted insurance schemes (Inclusion of retrocession services in reinsurance)	Exempt
164	Services by Business Facilitators/Correspondents to banks in rural areas	Exempt
165	Incubator services recognized by BIRAC (biotech sector)	Exempt
166	Collection/provision of news by Press Trust of India, United News of India, or independent journalist	Exempt
167	Services by way of providing public conveniences (bathrooms, toilets, urinals,etc.)	Exempt
168	Vocational education and assessment services provided by or approved by NSDC, SSCs, or bodies recognized by NCVET, as per Govt. notification under the National Skill Development Mission etc	Exempt
169	Insurance Services Provided by the Motor Vehicle Accident Fund	Exempt

COMPOSITION LEVY

Agg T/O \Rightarrow includes [All T.S. + E.S. [whom + Nil + NTS] + Export + Inter-state Under Some PAN.]

\Rightarrow Exclude [GST + RCM inward supplies + Interest on loan/Adv/deposits]

Imp notes: 1) Supply to SEZ = inter-state = zero rate = include

2) Direct Supply to job work location = include

3) Inward Supply Subject to RCM or not = Exclude.

4) Outward Supply Subject to RCM = include.

5) Value inclusive of GST \Rightarrow Value = $\frac{T/O \times 100}{100 + GST}$

Sec 10(1): C.L. $\left[\begin{array}{l} \text{1) Manufacturer (Sob)} \\ \text{2) Restaurant (SOS)} \\ \text{3) Trader (Sob)} \end{array} \right] + \left[\begin{array}{l} \text{Marginal Supply of Service} \\ \Rightarrow 10\% \text{ of T/O in state of P.F.Y.} \\ \text{OR } \Rightarrow \text{Rs } 5,00,000 \text{ W.F.H.} \end{array} \right]$ **Agg T/O** does not exceeds $\text{Rs } 150 \text{ lakhs}$ (including Assam, H.P & J&K) (SCS = $\text{Rs } 1 \text{ lakhs}$.)

GST Rates: $M = 1 + [0.5 + 10.5 + 7]$ of T/O in [T.S + E.S] | **Trader** = $1 + [0.5 + 10.5 + 7]$ of taxable T/O in state.
 $R\&C = 5 + [2.5 + 12.5 + 7]$ of state [+ Nil]

\Rightarrow Composition levy upto $\text{Rs } 150 / 75 \text{ lakhs}$ in c.f.y. thereafter normal tax.

Sec 10(2) Conditions	Not Engage in:	1. SOS except allowed.	2. Non Taxable Supply	3. Inter-State outward supply	4. SOS through EWO/SSZ	5. Manufacturer of notified goods	6. CTP & NRSP.
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Notified goods ① Icecream ② edible ice ③ Ponnasala ④ Aerated water ⑤ tobacco & tobacco substitutes ⑥ Fly ash bricks/blocks. ⑦ building bricks ⑧ earthen or roofing tiles

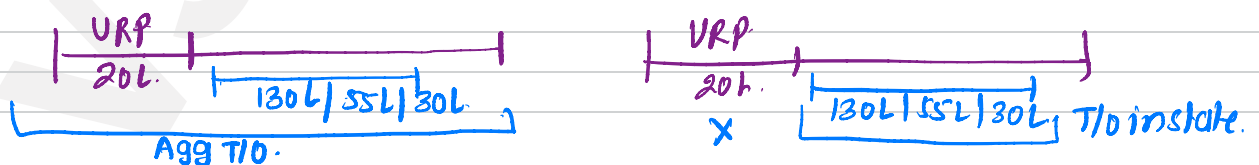
Sec 10(2A): C.L. $\left[\begin{array}{l} \text{R.P. not eligible U/s 10(1)} \\ \Rightarrow \text{Service Provider} \\ \Rightarrow \text{M/R/E/T} \end{array} \right]$ **Agg T/O** does not exceeds $\text{Rs } 50 \text{ lakhs}$ in p.f.y.
 GST @ $6 + [3 + 3]$ upto $\text{Rs } 50 \text{ lakhs}$ in c.f.y

Cond's. Except ① = all conditions are same. | * Notified goods = only first ⑤ above.

Common Provisions

- \Rightarrow Applicable to all DDP - if any in-eligible then all in-eligible.
- \Rightarrow No ITC & NO collection of tax.
- \Rightarrow Issue bill of Supply. (Title = "Composition taxable person, not eligible to collect tax")
- \Rightarrow Penalty if opt for C.L. even if not eligible.
- \Rightarrow Intimation of C.L. at the time of registration if already registered then before starting of c.f.y. (only one intimation for all DDP.)
- \Rightarrow Return = GSTR-4 (Yearly) = HII 30th June.
- \Rightarrow Statement = CMP-08 (Quarterly) Payment = Quarterly by 18th of next month.
- \Rightarrow Annual Return = GSTR-3A HII 31st Dec.
- \Rightarrow Interest / discount on loan/Adv/deposits = exclude from Agg T/O & T/O in state.

Computation



PAYMENT OF TAX

E-Cash ledger.

Deposit modes: Internet banking, UPI, IMPS, debit-credit card, NEFT/RTGS
Used for: Payment of tax, Interest, Penalty, fees or any other payment.

OTC limit: Upto ₹ 10,000 limit.

Exception to OTC: Govt Dept, recovery officers, investigation/enforcement collection.

Cr to E-cash led: Deposits via challan, TDS/TCS deducted.

Dr. to E-cash led: Payment made towards Tax, interest, fees, Penalty etc.

payment challan: PMT-06. Valid for 15 days

EPIN: Common portal Identification No. - 14-digit ID - Valid for 15 days

CFN: Challan Identification No. - 18 digits ID from bank after payment.

PMT-09 Challan: 1) Used for Intra-ledger transfer of amount between major/minor head of CBST/SBST/UTBST/ITBST.

2) Used for Intra-DDP transfer of amount between major/minor heads of CBST/ITBST.

URP: Used temporary identification no. to deposit via e-cash-ledger.

E-Credit ledger.

Used for: Payment of output tax (ITBST, CBST, SBST/UTBST) only.

Cannot be used for: RCM payment, interest, Penalty, fees or erroneous refund.

Source of credit: "Self assessed ITC from filed return (GSTR-3B) & credited to this led.

Utilisation Rule: ① Used ITBST credit first for ITBST & then CBST/SBST in any order.

② then use CBST credit for - CBST & ITBST

③ use SBST credit for - SBST & ITBST

Note: cross credit of CBST & SBST is not allowed.

E- Liability Register

Purpose: To records all liabilities of the R.P. under GST (tax, interest, fees, penalties etc.

Debit Entry: ① self assessed tax in return ② Interest U/s 50 ③ Tax, interest, fees, Penalty determined by officers ④ Other dues.

Credit Entry: Payment made via E-cash ledger or E-credit ledger

Order of discharge: 1) Self assessed tax & other dues (in return) of previous period
2) Self assessed tax & other dues (in return) of current period
3) Other amount due including demand by officers.

Sec 50 - Interest

Sec 50(1): Delay payment of Tax in Full/part

⇒ Interest @ 18% p.a. (calculation on day wise basis)

⇒ From next day after due date till day of payment

If tax is paid other due date but before providing u/s 73/74/74A started

Interest is on tax payable through E-cash Ledger

(net GST liability + RCM)

If tax is paid after start of proceeding u/s 73/74/74A

Interest is payable on GST gross liability

Proviso:- If any amt is credited (deposited) to E-cash ledger by or before due of return but debited for tax payment after due date of return (because of late filing of return)

interest won't payable to that intent if the amount remains in the ledger from the due date until debited.

Sec 50(3): Utilisation of wrongly availed ITC

Interest @ 18% p.a. to the extent of ITC wrongly utilise (calculation on day wise basis)

From : day next to the date of utilization of wrongly availed ITC

To : Date of reversal or date of payment

Date of utilisation (ITC balance E-credit ledger fall below the ITC wrongly availed)

If amount in E-credit falls below wrongly availed ITC on A/c of payment of tax through return

Due date of return or actual date of filing return whichever is earlier

If amount in credit ledger falls below wrongly availed ITC otherwise

Date of debit to E-credit ledger

Sec 50(1) - Calculation of Interest for delay Payment of Tax (all amounts are assumed)

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Output tax payable	4,50,000	2,85,000	2,85,000
Less: ITC	(2,50,000)	(55,000)	(55,000)
Net Tax (A)	2,00,000	2,30,000	2,30,000
Tax under reverse charge is payable in cash (B)	18,000	32,000	32,000
Total tax payable in cash [(A) + (B)]	2,18,000	2,62,000	2,62,000
Interest payable @ 18% per annum (rounded off)	6,450 (2,18,000*18% *60/365)	7,752 (2,62,000*18% *60/365)	7,752 (2,62,000*18% *60/365)

Sec 50(3) - Calculation of Interest for wrongly availed & utilise ITC

Month	Opening balance in electronic credit ledger [A]	Eligible ITC (B)	ITC wrongly availed (C)	Total ITC (D) = (A+B+C)	Output liability (E)	Closing balance in E-credit ledger (F) = (D-E)	Due date of return filing	Actual date of filing Return	Amount on which Interest is applicable
April	-	7,00,000	50,000	7,50,000	7,00,000	50,000	20 May XX	20 May XX	-
May	50,000	5,00,000	-	5,50,000	5,00,000	50,000	20 Jun XX	20 Jun XX	-
June	50,000	3,00,000	-	3,50,000	3,30,000	20,000	20 Jul XX	20 Jul XX	30,000
July	20,000	6,00,000	-	6,20,000	6,10,000	10,000	20 Aug XX	18 Aug XX	10,000
Aug	10,000	5,00,000	-	5,10,000	5,10,000	-	20 Sep XX	25 Sep XX	10,000

June :- Interest = ₹ 30,000 * 18% * 92 days (21st July to 20th Oct 20XX)/ 365 days = ₹ 1,361

July :- Interest = ₹ 10,000 * 18% * 63 days (19th Aug to 20th Oct 20XX)/ 365 days = ₹ 311

August :- Interest = 10,000 * 18% * 30 days (21st Sep to 20 th Oct 20XX)/ 365 days = ₹ 148

Note: Assume payment/reversal of ITC made on 20th October

TDS-TCS

Section 51	TDS
Who Should Deduct TDS	1. Govt departments/establishments 2. Local authorities 3. Govt agencies 4. Notified bodies (PSUs, Boards with ≥51% Govt control) 5. Any RP receiving supplies of metal scrap from other RP
When to Deduct TDS	When taxable supply under a contract exceeds ₹2.5 lakh (excluding GST & cess)
Rate of TDS	2% total (1% CGST + 1% SGST or 2% IGST)
Time of Deduction	At time of payment or credit, whichever is earlier
Due Date to Deposit TDS	Within 10 days from end of the month in which deduction is made
TDS Return	GSTR-7 (to be filed on or before 10th day of the next month.)
TDS Certificate	Form GSTR-7A auto-generated after filing GSTR-7 by deductor
Credit to Deductee	Deducted amount gets credited to deductee's E-Cash Ledger and usable for payment of any GST liability
Interest on Late Payment	18% p.a. if TDS not deposited in time
Section 52	TCS
Who Collects TCS	Electronic Commerce Operators (ECOs) not acting as agents
When is TCS Applicable	TCS on net value of taxable supplies (excluding Sec 9(5) & returns) where consideration is collected by ECO
TCS Rate	0.5% (0.25% CGST + 0.25% SGST) or 0.5% IGST on inter-state supplies
When TCS Not Applicable	1. Exempt, nil-rated, non-taxable supplies 2. Composition taxpayers (services) 3. RCM-based supplies 4. Imports (goods/services) 5. Unregistered suppliers 6. sale of own goods by ECO
Monthly Return	GSTR-8 by 10th of next month (with TCS deposit)
Credit to Supplier	TCS auto-credited to supplier's E-Cash Ledger after GSTR-8 filing
Late Fee	₹100 CGST + ₹100 SGST per day (max ₹10,000)
Annual Return	Form GSTR-9B (to be notified), due by 31st Dec of following FY
Payment Mode	TCS must be paid in cash (not through ITC)

E-WAY BILL

1. Who will generate E-way Bill - R.P. (Supplier or recipient) who causes the movement of goods.
2. When E-way Bill required - movement of goods i) in relation to supply.
2) reason other than supply 3) inward supply from URP.
3. Value limit of E-way bill - Consignment value exceeds ₹ 50,000.
4. Voluntary E-way bill - allowed even if value ≤ 50,000.
5. Authorisation of E-way bill - Can be authorised to EOI Courier Agency / transporter to furnish E-way bill
6. Form of E-way bill - By R.P = EWB-01 consolidated E-way bill.
by transporter = EWB-02.
7. Compulsory E-way bill irrespective of value.
 - a) Job worker. - Inter-State movement to job worker by R.P.
 - b) Supplier of Handicraft goods. (URP) → having PAN.
8. Two Parts of E-way Bill [EWB-01]
 - PART A - Goods details, dispatch & delivery details.
 - PART B - Conveyance details.
9. How to determine Consignment Value.
 1. Value of IS 15 = T.V. + 15(2) payments - discounts.
 - *Add : GST in Value (Only for E-way bill).
 - Less : Value of Exempt Supply (if included in total value).
10. E-way Bill in case of "Transshipment" [only one E-way Bill required]
 - i) Meaning - Tr of goods from original conveyance to another during the course of transport.
 - ii) Procedure - step 1: transport in original conveyance - furnish info.
PART A = by R.P. PART B = assign to 1st transporter.
Step 2: while shifting goods in another conveyance.
→ 1st transporter assign ref. to 2nd transporter.
to change info. in part B of EWB-01.

GST- E-Way Bill LDR NOTES

11. Validity of E-way Bill

1. Other than overdimensional Cargo — Up 200 km or = 1 day for.
part thereof = Every 200 km / part.

2. overdimensional Cargo — Up 20 km or = 1 day for.
part thereof = Every 20 km / part.

First day starting from

14 th April 10 am	First day	15-16 th April Midnight 12 am	1-day.	16-17 th April Midnight. 12 am.
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Extension is allowed in exceptional cases within 8 hrs of expiry.

12. Exemption from E-way Bill [EWB-01 not required]

- 1) Exempt supply
- 2) Non Taxable supply
- 3) Sch-III Supply
- 4) Supply in non-motorised conveyance.
- 4) Currency, Jewellery etc.

13. E-way bill Invoice-wise - for each Invoice one E-way bill. [EWB-01]

14. Consolidated E-way bill. - If multiple consignments with multiple Invoices is transported by in a single conveyances then transporter prepare consolidated E-way Bill [EWB-02] in addition to EWB-01.

15. Documents or devices to be carried on by person-in-charge (driver)

- 1) Invoice / Bill of Supply / challan &
- 2) EWB in physical form / EWB No. in E-form or RFID installed

[Note: (2) not applicable for movement of goods by rail / Air / vessels.

16. Cancellation of E-way Bill - May be cancelled within 24 hrs of generation if goods are not transported at all or not transported as per details.

Note: EWB cannot be cancelled once its verified.

17. Rejection of E-way Bill. - Earlier of a) 72 hrs of generation or b) before delivery

18. When E way generation is disabled. (Restriction on filing E-way bill)

- 1) Non filing of return for 2-tax period
- 2) Non filing of GSTR-1 for 2 tax Period
- 3) if reg. has been suspended.

Imp.: Restriction is applicable for generation of EWB on outward supply & not on Inward Supply. i.e. Supplier can generate EWB on such defaulter.

RETURNS

Statement of OUTward Supply = GSTR-1.

1. When to file GSTR-1 → 11th of next month.
2. Who need not to file GSTR-1 → 1) NRTP 2) composition dealer.
3) TDS/TCS deductor or collector
3. Can GSTR-1 can be filed before end of current tax period. → NO.
Note: In 2 cases it can be filed early 1) CTP on closure of business
2) cancellation of GSTIN by normal tax payer.
4. Details of GSTR-1.
 - 1) Invoice wise details of Supplies (Intra/Inter) to RP. (B2B)
 - 2) Consolidated details of Supplies to URP (Intra/Inter) to URP. (B2C)
 - 3) Invoice-wise details in case of inter-state supplies if value is more than ₹ 2,50,000.
 - 4) details of Credit note & Debit note.
5. Nil GSTR-1 - 1) Need to be filed, even if no business activities.
2) It can be filed with SMS verified with OTP. on mobile.
6. Restriction on filing GSTR-1.
 - 1) if no GSTR-1 of previous tax period is filed.
 - 2) if no GSTR-3B of previous tax period is filed
 - 3) No reply on intimation of mismatch of outward supply or ITC.
 - 4) Bank details is not furnished after Reg.
7. Amendments in details of GSTR-1 after filing. (in case of error)
 - 1) Amendments of earlier period can be made in Subsequent Period - in Amendment table of GSTR-1
 - 2) Time limit of rectification = Both NOV of Subsequent F.Y. ^{OR} actual date of filing A.R. ↑
8. GSTR-1A → Amendments in GSTR-1 or to add details of outward supply.
→ to be filed after GSTR-1 but before filing GSTR-3B.
→ It is optional (only if there is correction if any)
→ changes made in GSTR-1A will reflect in GSTR-3B of same period but recipient can take ITC in next period.

GST- Returns Bill LDR NOTES

Return in. GSTR-3B = Normal Tax Payer

1. When to file GSTR-3B → 20th of next month.
2. Who need not to file GSTR-3B → 1) N RTP 2) Composition dealer.
3) TDS/TCS deductor or collector.
3. Nil GSTR-3B - 1) Need to be filed, even if no business activities (no entry in table)
2) It can be filed with sms verified with OTP. on mobile.
4. Restriction on filing GSTR-3B.
1) if no GSTR-1 of previous tax period is filed.
2) if no GSTR-3B of previous tax period is filed
5. Amendments in details of GSTR-1 after filing. (in case of error)
1) Return once filed, it cannot be revised.
2) Amendments of earlier period can be made in subsequent period - in Amendment table of GSTR-1
3) Time limit of rectification = 30th Nov of Subsequent F.Y. OR actual date of filing A.R.
6. Due date of payment of Tax = Due date of filing return
[Return cannot be uploaded without payment]

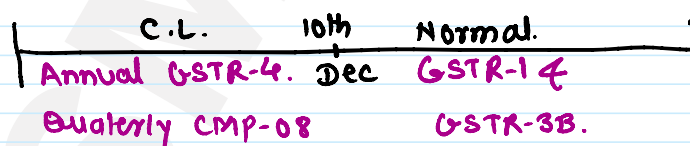
Statement or Return for composition dealer.

1. Return - GSTR-4 to be filed yearly by 30th June after end of F.Y.
2. Payment of tax & its details - Statement CMP-08 - Quarterly - to be filed by 18th of next month after end of Quarter.

Note: Return is yearly but statement & payment is Quarterly.

3. Nil CMP08 - 1) Need to be filed, even if no business activities (no entry in table)
2) It can be filed with sms verified with OTP. on mobile.

4. Conversion from composition to normal scheme.



QRMP Scheme for Normal Tax payer. - Scheme is optional

1. Who is eligible for QRMP Scheme - R.P the Agg T/o is upto 5cr in P.F.Y.
2. Filing of GSTR-1 & GSTR-3B - Quarterly basis.
3. Payment of tax - Monthly basis.

4. QRMP Scheme is GSTIN wise.
5. Time limit of opting QRMP.
 - ⇒ from 1st day of 2nd month of preceding quarter
 - ⇒ till last day of 1st month of the quarter for which option exercised.

Note: Scheme can be opted in any quarter.
6. Conditions & restriction
 1. Agg. T/o does not exceeds 5cr in P.F.Y.
 2. R.P. furnished return of preceding month on due date.
 3. R.P. is not required to exercise option every quarter.
7. When QRMP Lapse - When Agg. T/o of c.f.y. exceeds 5cr.
 - opt for normal return.
8. Opting out of QRMP voluntarily - allowed
 - ⇒ from 1st day of 2nd month of preceding quarter
 - ⇒ to the last day of the month of the quarter.
9. Invoice Furnishing facility (IFF) - optional.
 1. Details of outward supplies for 1st & 2nd month. (for 3rd month = GSTR-1)
 2. It is upto cumulative value of ₹ 50 lakh for each month.
 3. It is only for B2B Invoices
 4. details of IFF will be reflected in GSTR-2B of recipient & recipient can take ITC.

First Return

1. It is to be filed for outward supplies made from a date when person liable for Reg. till date of grant of reg.
2. Revised Invoice is to be issued during this period.
3. It is to be filed after granting R.C.

Final Return - GSTR-10

1. It is required to be filed in case whose reg. is cancelled or suspended
2. Time limit: within 3 months of
 - 1) Date of cancellation or
 - 2) Date of order of cancellation

} which ever is later.

Annual Return.

1. Every R.P. shall furnish A.R. Except 1) CTP 2) NRTP 3) TDS/TCS deductor.

2. Form - 1) Normal Tax payer - GSTR-9 2) Composition dealer - GSTR-9A.

3. due date - 31st Dec of next F.Y.

Consequences of Non filing of Return

1. Notice : E-notice to R.P to furnish return within 15 days

2. Interest : if payment is not made within due date.

3. Subject to Best judgement Assessment.

4. Late Fee:-

Late fee u/s 47 for delayed filing of GSTR-1 and/or GSTR-3B

1) RP - GSTR -1 = Nil or GSTR 3B = Nil	₹20 per day (i.e. ₹10 per day each under CGST & SGST) but max.= ₹ 500 (i.e. 250 under CGST & SGST each)	
2) RP other than those covered in (1) above (i.e. there is outward supply in GSTR - 1 or tax payable as per GSTR- 3B)	Agg. T/o of ≤ ₹1.5 cr. in PFY	⇒ ₹50 per day (i.e. ₹25 per day each under CGST & SGST) ⇒ max.= ₹2000 (i.e. 1000 under CGST & SGST each)
	Agg. T/o more than 1.5 Cr but ≤ 5 Cr. in PFY	⇒ ₹ 50 per day (i.e. ₹25 per day each under CGST & SGST) ⇒ max.= ₹ 5000 (i.e. 2500 under CGST & SGST each)
3) RP having Agg. T/o > 5 Cr. in PFY	₹ 50 per day (i.e. ₹25 per day each under CGST & SGST) but max.= ₹10,000 (i.e. 5000 under CGST & SGST each)	

Late fee u/s 47 for failure to furnish annual return by due date [N/No. 07/2023- CT]

1)	RP having an aggregate turnover ≤ ₹5 Cr. in relevant F.Y.	⇒ ₹ 50 per day (i.e. ₹ 25 per day each under CGST & SGST/UTGST) but ⇒ maximum= 0.04% (i.e. 0.02 % under CGST & SGST/UTGST each) of T/o in State or UT
2)	RP having an Agg. T/O of > ₹ 5 Cr & and ≤ ₹20 Cr in relevant F.Y.	⇒ ₹100 per day (i.e. ₹50 per day each under CGST & SGST/UTGST) but ⇒ maximum=0.04% (i.e. 0.02 % under CGST & SGST/UTGST each) of T/o in State or UT
3)	RP having an Agg T/O of > ₹20 Crores in relevant F.Y.	⇒ ₹200 per day (i.e. ₹100 per day each under CGST & SGST/UTGST) but ⇒ 0.50% of the turnover in State/UT (0.25 % under CGST & SGST/UTGST each)

GSTP: Ref. from notes | chart | Question Bank.

LDR Notes

1. Definition of Supply (Sec 7)

- **Sec 7(1)(a): Supply of Goods/Services** - Includes all forms of supply of goods, services, or both, such as: Sale, transfer, barter, exchange, licence, rental, lease, or disposal.
- **Conditions:**
 1. Made or agreed to be made for a consideration.
 2. Conducted in the course or furtherance of business.
- **Sec 7(1)(b): Import of Services** - treated as supply if:
 1. Done for a consideration (even if not for business purposes).
- **Sec 7(1)(c): Supply Without Consideration** - Activities listed in Schedule I are treated as supply even without consideration.

2. Key Definitions

1. **Goods (Sec 2(52))** - Movable property (excludes money/securities). Includes actionable claims, crops.
2. **Services (Sec 2(102))** - Anything other than goods/money/securities, Seperate consideration charged for use or conversion of money, to facilitate the transaction in securities.
3. **Consideration (Sec 2(31))** - Payment (monetary/non-monetary) for supply and monetary value of Act or forbearance. Excludes subsidies by CG/SG or Unutilised Deposit.
4. **Business (Sec 2(17))** - Trade, profession, vocation, etc., even without profit motive.

3. Schedule I (Deemed Supply Without Consideration)

- **Para 1** - Permanent transfer or disposal of business assets (if ITC availed).
- **Para 2** - Supply between related/distinct persons (e.g., inter-branch transfers) in the course of business.
Exception: Gifts ≤ ₹50,000/year by employer to employee.
- **Para 3** - Principal to agent or vice-versa
Circular No. 57/31/2018
 1. If invoice issued by agent in his own name - Stock transfer between principal to agent, treated as supply.
 2. If invoice issued by agent in name of Principal - Stock transfer between principal to agent, not treated as supply.
- **Para 4:** Importation of services - from related persons or his other establishment outside India (in the course or furtherance of business)

4. Schedule II (Classification as Goods/Services)

- **Para 1** - Transfer of title in goods (including in future) - SOG and Transfer of Right / Undivided share in Goods - SOS
- **Para 2** - Lease of land / building - SOS
- **Para 3** - Treatment or Process on another person goods (Jobwork) - SOS
- **Para 4** - Transfer of Business Asset
 1. Permanent Transfer of Business Asset - SOG,
 2. Temporary Transfer of Business Asset- SOS,**Note** - Person Ceases to be a taxable person:- Goods > as assets > deemed to be supplied by him,
Exception:- Business transferred as going concern to another person or carried by a personal representative who is deemed taxable person. (Immaterial ITC taken or not)
- **Para 5** - Activities always treated as supply of services
 - a) Renting of Immovable Property
 - b) Construction of complexes, buildings, or civil structures intended for sale is considered a supply.
Exceptions: Not supply if entire consideration received after completion certificate or 1st occupation, whichever is earlier. (Even 1 INR Received before, full value taxable)
 - c) Temporary Transfer of Intellectual Property Rights (IPR)
 - d) Development, design, programming, customization of IT software & License. (Sale of Pre-packed Software: SOG.)
 - d) Agreeing to refrain from or tolerate an act is considered a supply. (Kuch na Karne ka बाद)
 - e) Transfer of the right to use goods for consideration (cash/deferred).
- **Para 6** - Composite Supplies Refers to bundled supplies (G+ S) treated as a single supply under GST.
Works Contract (involving activities like: Building, construction, fabrication etc to to immovable property. Involves transfer of property in goods (as goods or in another form) during execution. Treated as a Service (SOS - Supply of Service) under GST.

GST - Supply LDR Notes

5) Schedule III (Non-Supplies)

- **Para 1:** Services by an employee to the employer during employment are not treated as supply.
 - Compensation for premature termination: Non-taxable (related to employment).
 - Non-compete fees received by an employee: Taxable (not related to employment).
 - Casual labor hired for wages: Non-taxable (employment contract).
 - Director's remuneration:
 - TDS under IT Act Section 192: Not a supply.
 - TDS under other sections: Supply.
 - Perquisites provided by employer as per employment contract: Not a supply.
- **Para 2:** Services provided by any court or tribunal established under law are not treated as supply.
- **Para 3:** Functions performed by:
 - MPs, MLAs, Panchayat/Municipality members, and local authority members.
 - Persons holding posts under the Constitution.
 - Chairpersons/Members/Directors in bodies set up by Central/State Government or local authorities.
- **Para 4:** Services related to funeral, burial, crematorium, mortuary, and transportation of the deceased are not treated as supply.
- **Para 5:** Sale of land and building: Not treated as supply (No GST).
 1. Clarification: Sale of land (even after development like levelling, drainage, etc.) is exempt from GST.
 2. Rental/Leasing/Licensing of land and building: Treated as supply (GST payable).
 3. Sale of building before completion certificate/first occupancy: Treated as supply (GST payable).
- **Para 6:** Actionable claims (other than specified ones eg - betting, casinos, gambling, horse racing, lottery or, online money gaming) are not treated as supply.
- **Para 9: Apportionment of co-insurance premium:** The apportionment of co-insurance premium by the lead insurer to the co-insurer is not considered a supply of goods or services, provided the lead insurer pays GST on the entire premium received from the insured.
- **Para 10 : Services by insurer to the reinsurer :** Services provided by an insurer to a reinsurer, where a ceding or reinsurance commission is deducted from the reinsurance premium, are not considered a supply of goods or services, provided the reinsurer pays GST on the gross reinsurance premium, inclusive of the commission.

6. Composite vs. Mixed Supply

Definition of Composite Supply

A supply made by a taxable person comprising:

- Two or more goods/services naturally bundled and supplied together in the ordinary course of business.
- One supply is the principal supply; others are ancillary.

Tax Treatment

- The entire supply is treated as the principal supply for GST liability.

Key Features

1. Natural Bundling: Components are interdependent and inherently linked (e.g., hotel accommodation + breakfast).
2. Principal Supply: The primary/most significant component (e.g., construction service in a works contract).
3. Ancillary Supplies: Secondary to the principal supply (e.g., cement in a construction contract).

Definition of Mixed Supply

A supply made by a taxable person comprising:

- Two or more independent goods/services (not naturally bundled).
- Sold together for a single price (but can be supplied separately).
- Does not qualify as a composite supply (no principal-ancillary relationship).

Tax Treatment

- The entire supply is taxed at the highest GST rate applicable to any individual component.

Key Features

1. No Natural Bundling: Components are standalone (e.g., gift hamper with chocolates + books).
2. Single Price: Sold as a combo but can be priced separately.
3. Independent Supplies: Each item can exist without the other.

Example:

- Diwali Hamper (sweets + LED lamp):
 - Sweets (5% GST) + Lamp (18% GST) → Entire hamper taxed at 18%.

GST - Supply LDR Notes



Sr. No.	Issue	Clarification
1	GST on holding shares by a holding company.	Shares are neither goods nor services. Holding shares does not attract GST.
2	Donations to charitable institutions.	Donations without quid pro quo (no obligation to provide services) are not taxable. Gratitude acknowledgments and act of philanthropy (e.g., nameplates) without business promotion are exempt.
3	Artwork sent to galleries for exhibition.	No GST applies until the artwork is sold; GST is levied only on the sale transaction.
4	Free samples/gifts in sales promotions.	Free samples without consideration are not taxable unless covered under Schedule I.
5	Taxability of liquidated damages, penalties, etc.	<p>Payments for tolerating/refraining from an act qualify as a supply of service (Schedule II, Para 5(e)) only if:</p> <ol style="list-style-type: none"> 1. There is an express/implied contract. 2. Consideration is exchanged for the act/omission. 3. The payment is the primary objective (not incidental to another contract). <p>Not Taxable:</p> <ul style="list-style-type: none"> • Liquidated Damages - Compensation for breach, not consideration for toleration. • Cheque Dishonor Fine - Penalty for default, not a service. • Penalties for Law Violation (e.g., traffic fines) - Statutory, no supply involved. • Forfeiture of Salary/Bond - Deterrent, not a taxable supply. • Fixed Power Charges - Exempt (electricity supply is GST-free). <p>Taxable (as Principal Supply):</p> <ul style="list-style-type: none"> • Late Payment Surcharge - Treated as part of main supply (same GST rate). • Cancellation Charges (e.g., flights) - Bundled with principal service.
6	Penal charges by banks/NBFCs.	Penal charges (replacing penal interest) for loan non-compliance are not taxable.
7	Food/beverages in cinema halls.	Sold separately: Taxable as restaurant service. Bundled with tickets: Taxed as cinema service (principal supply).
8	Perquisites to employees.	Perquisites (e.g., housing, club memberships) under employment contracts are not taxable.
9	GST on ESOPs/ESPPs/RSUs.	ESOPs are part of remuneration, not taxable. Reimbursement to foreign holding companies at cost is exempt; markups attract GST.
10	Fees/penalties by Consumer Dispute Redressal Commissions.	Complaint fees and penalties are not taxable (treated as court services).
11	Inter-state movement of conveyances between distinct persons.	No GST on movement for repairs or passenger/goods transport. GST if conveyance is supplied further.
12	Inter-state movement of rigs/tools between distinct persons.	No GST on movement; GST applies if further supplied.
13	Printing contracts.	Books/pamphlets with recipient's content: Principal supply is service (SOS). Printed boxes/envelopes: Principal supply is goods (SOG).
14	Hospital Food	Food for in-patients: Part of healthcare (exempt). Food for visitors: Taxable.
15	Bus body building and tyre retreading.	Bus body building: Principal supply determined case-by-case. Tyre retreading: Service (SOS) if customer's tyres; goods (SOG) if supplier's tyres.
16	Salvage value in motor insurance claims.	Salvage deducted from claim: No GST (ownership remains with insured). Full IDV paid: GST applies when insurer sells salvage.
17	Preferential Location Charges (PLC) in real estate.	PLC is part of construction service (same GST rate).
18	Taxability of Penal Charges by Banks etc	<ul style="list-style-type: none"> ➤ RBI directed lenders to charge penal charges instead of penal interest for loan term violations ➤ Such charges are not seen as payment for tolerating a breach, So GST is not applicable.

- 1) PLACE OF SUPPLY**
- 2) REGISTRATION**
- 3) TAX INVOICE**
- 4) ACCOUNTS & RECORDS**

**Refer
from
CHART
BOOK**

Summary of GST Amendments May 25

CONCEPT OF SUPPLY

CBIC Clarifications

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- 1) **Taxability of ESOP/ESPP/RSU Granted by Overseas Holding Company (Cir.No.213/07/2024):**
- ESOP/ESPP/RSU are employee benefits, **not supplies** under Schedule III.
 - Securities/Shares are not goods or services, so buying/selling is **not a supply**.
 - Cost-to-cost reimbursement by Indian subsidiary to foreign holding Co. is **not subject to GST**.
 - Any extra fees (markup, commission) by the foreign company for issuing securities are **taxable under GST** as SOS under RCM.

- 2) **GST on Salvage/Wreck Value in Motor Vehicle Insurance Claims (Cir. No.215/09/2024):**

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Settlement of claim by insurance Co., **Salvage value of damage vehicle**

Deduction of Salvage value from settlement	Full Insured declared value settlement
<ul style="list-style-type: none">➤ Claim is settled after deducting salvage value➤ Ownership of salvage value with person insured➤ Salvage does not become property of insurance co.	<ul style="list-style-type: none">➤ Claim is settled on full value without deducting salvage➤ Ownership of salvage is with Insurance co.

Deduction of salvage value = Not a Supply
(No GST is payable by Ins. Co.)

Sale of salvage by Insurance Co. = Supply
(Ins. Co. liable to pay GST)

- 3) **Preferential Location Charges (PLC) in Property Sales (Cir. No. 234/28/2024):**

PLC charges are bundled with the construction service & not separately taxable

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If Construction intended for sale

Sale of building after completion

PLC is a composite supply & taxable as construction service

It is not a supply hence PLC is not taxable

REVERSE CHARGE MECHANISM & ECO

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- 1) **RCM for SOG:** Sale of **metal scrap** by URP to RP is liable to GST under RCM.

- 2) **RCM for SOS (Entry 5AB):** Renting of any immovable property **other than** residential dwelling by URP to RP is liable to GST under RCM.

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EXEMPTIONS UNDER GST

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Amendments in Existing Entries

- 1) **Renting of Residential Dwelling (Entry no. 12):**
 - Renting of residential dwelling is **exempt** when rented to an URP.
 - **Exemption doesn't apply** to student housing, hostels, camps, paying guest accommodations, etc.
- 2) **Education & Training (Entry no. 66) with Cir No. 234/28/2024:**
 - Approved Vocational Courses by ITI/ ITC affiliated to **National Council for Vocational & Educational Training, (NCVET)** or SCVT are exempt.
 - Flying training courses conducted by FTOs & approved by DGCA, requiring a completion certificate, are **exempt** from GST.
- 3) **Entry No. 71: Exemption on skill or vocational training services under DDUGKY certified by the NCVET.**
- 4) **Service by National Skill Development Corporation (NSDC) etc. (Entry No. 69):** **Exemption** on services provided by NSDC, **NCVET**, Recognized Awarding Bodies, Assessment Agencies & Training Bodies for skill development programs, **including** National Skill Development Programme, National Skill Certification Scheme and **approved** qualifications under the National Skill Qualification Framework.

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Newly Inserted Entries

- 1) **Accommodation Services (Entry no. 12A) with Cir No. 228/ 22/2024: [Most expected]**
 - Accommodation services $\leq ₹20,000$ per person pm and provided for at least 90 continuous days are **exempt**.
 - Following services exempted if above condition are satisfied
 - a) Hostel accommodation, services apartment, hotels booked for longer period
 - b) Hostels run by charitable trust
- 2) **Entry No. 66A with Cir No. 234/28/2024: Affiliation Services**
 - By central or state educational board or council or any other similar body
 - To a school established owned or controlled by - CG/SG/UT/LA & Govt authority/Entity → **Exempt**
 - To Private schools → **Taxable**
 - By Universities to colleges → **Taxable**
- 3) **Services Provided by Indian Railways (Entry No. 9E):** Railways provides services like platform ticket sales, retiring/waiting rooms, cloak room, & battery-operated car services to individuals are **exempt**.

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4)	Services Provided by Railway Zones/Divisions (Entry No. 9F): Services between Railway zones/ divisions are exempt from tax.	Scan & Learn 
5)	Services by SPVs to Ministry of Railways (Entry No. 9G): Exemption on services provided by SPVs to Ministry of Railways, including allowing use of infrastructure & maintenance services during the concession period for consideration.	Scan & Learn 
6)	Ancillary Services in Electricity Transmission & Distribution (Entry No. 25A): Exemption on services like renting metering equipment, testing meters/transformers, releasing connections, shifting meters, and issuing duplicate bills.	Scan & Learn 
7)	Government-Funded Research & Development Services (Entry No. 44A): R&D services funded by Govt entities or notified research institutions are exempt , provided they are notified at the time of supply of such services.	Scan & Learn 
8)	Re-Insurance Services (Entry No. 36A): <ul style="list-style-type: none"> ➤ Exemption on reinsurance services for specified insurance schemes (Life, Govt, General). ➤ Retrocession services (ceding risk to another insurer) are also included in reinsurance under this exemption. 	Scan & Learn 

CBIC Clarifications

1)	GTA with Cargo Handling Services Packing, loading, unloading etc. (Cir. No. 234/28/2024): <div style="display: flex; justify-content: space-around; align-items: flex-start; margin-top: 10px;"> <div style="text-align: center;">  <div style="border: 1px solid black; padding: 5px; background-color: #e6f2ff; margin: 5px;"> Naturally Bundle Services [Bundle Invoice] </div>  <p>Composite Supply of transport of goods [irrespective of Invoice method used]</p> </div> <div style="text-align: center;">  <div style="border: 1px solid black; padding: 5px; background-color: #e6f2ff; margin: 5px;"> Separate Invoice If services is not provided in the course of transportation & Invoice separately </div>  <p> It is not treated as composite supply Taxable individually as cargo handling services </p> </div> </div>	Scan & Learn 
2)	Taxability of Loans from Overseas Affiliates to Indian Affiliates (Cir. No. 218/12/2024): <ul style="list-style-type: none"> ➤ If no charges (other than interest/discount) are applied for loans between related parties or by overseas affiliates to Indian parties, there is no supply & no GST. ➤ If charges (like processing fees, administrative fees) are applied in addition to interest/discount, it is considered as SOS and GST will apply. 	Scan & Learn 
3)	GST on Statutory Collections by RERA (Cir. No. 228/22/2024): <ul style="list-style-type: none"> ➤ Statutory collections made by RERA, a governmental authority, are exempt from GST. 	Scan & Learn 

TIME OF SUPPLY

CBIC Clarifications

1)	GST on Spectrum Usage Payments in Instalments by Telecom Operators (Cir. No. 222/16/2024): <ul style="list-style-type: none"> ➤ Spectrum services with deferred payments are treated as continuous supply. ➤ GST is payable for upfront payment when the payment is due or made, WIE, & for deferred payment 	Scan & Learn 
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when each instalment is paid or due, WIE.

➤ This applies to other government-allocated resources with similar payment terms.

2) **GST on Road Construction & Maintenance under NHAI in HAM Model (Cir No. 221/15/2024):**

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- HAM Contracts are single agreements for highway construction and O&M, with part payment during construction period and the remaining as annuities over 15-17 years.
- Payments made periodically or after specified events & treated as **Continuous SOS**.
- TOS is when the invoice is issued or payment is received, WIE. If invoices are issued not on time, TOS is at service provision or payment receipt, WIE.
- Annuity payments (including interest) are **taxable** u/s 15(2)(d).

VALUE OF SUPPLY

CBIC Clarifications

1) **ITC Availability for Warranty Replacement & Repair Services (Cir. No. 195/07/2023 & 216/10/2024):**

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- i) ➤ If a distributor replaces goods/parts under warranty from their own stock and later gets replenished by manufacturer without any charge, **no GST is payable** on the replenishment.
- Further, the manufacturer **does not need to reverse any ITC** for the replenished goods/parts.

ii) **GST implication of warranty [Most Expected]**

Basic Warranty

It's cost is already included in the price of original goods. hence **no GST is payable separately**

Extended Warranty

Customer opt for extended warranty at the time of supply

Customer opt for extended warranty after supply

- 1) It is treated as a part of Composite supply
- 2) Principle Supply is SOG

Then extended warranty is treated as separate SOS & GST is payable as the rate applicable for service. i.e. 18%

Eg. price of goods	1,00,000
Extended warranty	20,000
Total	1,20,000
GST Rate for Goods	12%
GST rate of Warranty	18%
GST = (1,20,000 X 12%) = 14,400	

Note:- ➤ If supplier of goods (assume - manufacturer) & supplier of extended warranty (dealer) are different

➤ then GST payable on extended warranty as SOS

- 2) **GST Applicability on Incentive Amounts in RuPay & BHIM-UPI Promotion Scheme (Cir. No. 228/22/2024):** Incentive sharing by acquiring banks with stakeholders, as per NPCI's scheme, is considered a subsidy and is **not taxable**.

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INPUT TAX CREDIT

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1) **Sec 16: Eligibility & Conditions of ITC:**

- 5) **Extension of Time Limit:** RP can **claim ITC for invoices or debit notes** from FY 2017-18 to 2020-21 in any return filed by November 30, 2021, despite Section 16(4).
- 6) **ITC Claim Post-Revocation of Registration: [Most Expected]** If a RP's registration is cancelled & later revoked, and ITC was not restricted u/s 16(4) at the time of cancellation, they can **claim ITC** in the return filed till the **later of** following dates:
- **Earlier of** 30th Nov of following year or date of furnishing Annual return.
 - For the period from the cancellation to the revocation order, if the return is filed within 30 days of the revocation order.

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2) **Rule 36: Documentary requirements and conditions for claiming ITC:**

- 3) ITC **cannot be claimed** on tax paid for demands confirmed due to fraud, wilful misstatement, or suppression of facts **u/s 74**.

CBIC Clarifications

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1) **Time Limit for Availing ITC on RCM Supplies from URPs (Cir. No. 211/5/2024):**

- If a RP receives supply from a URP & pays tax under RCM, they must issue an self invoice u/s 31(3)(f) to avail ITC.
- **The relevant FY for ITC eligibility is when the invoice is issued, not when the supply was received.**
- If the invoice is issued after the TOS, **interest and penalties** will apply.

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2) **ITC on Demo Vehicle Purchases by Dealers (Cir.no. 231/25/2024):**

Demo vehicle (Seating capacity ≤ 13) & its ITC treatment

Purchase of demo vehicle by authorised agent

- 1) If demo vehicle used for trial run or to demonstrate its features to potential buyer
- ITC allowed = used for further supply
- 2) If demo vehicle is used for transportation of employee or management
- ITC not allowed = not used for further supply = blocked credit

Authorised agent acting as an agent on the behalf of manufacturer

- 3) If value of demo vehicle is capitalised
Capitalization does not affect ITC
- ITC allowed = used for further supply
(if used for trial run or for demonstration)

Dealer doesn't buy or sell demo vehicle on his own A/C
↓
ITC not allowed = not used for further supply = blocked credit

3) **ITC Entitlement for Insurance Co. on Motor Vehicle Repair Expenses (Reimbursement Mode) (Cir. No. 217/11/2024):**

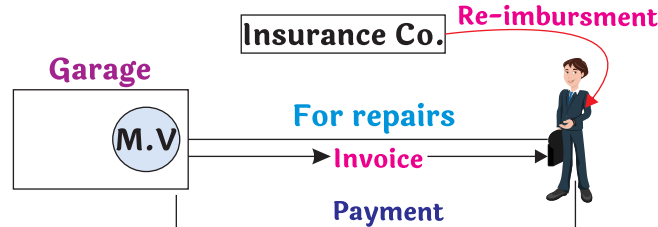
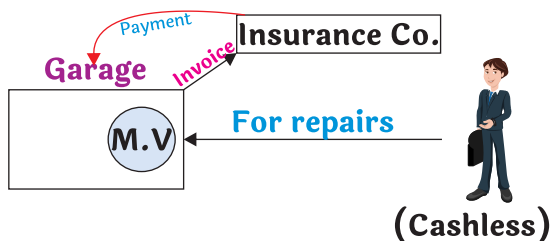
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Insurance Co. = General insurance of M.V.

Handling of repair/damage cost through **Cashless mode**

Handling of repair/damage cost through **Re-imbursement Mode**



ITC to Insurance Co. on Invoice of Garage for repairs

- Not Blocked u/s 17(5)
- Invoice in the name of Ins. Co.
- Use in Outward Supply

ITC Allowed

ITC to Insurance Co. on Invoice of Garage for repairs

- Not Blocked u/s 17(5)
- But**
- Invoice not in the name of Ins. Co.

Hence, ITC is ineligible u/s 16(2)(a)/(aa)

4) **ITC on Ducts & Manholes for Optical Fiber Cables (OFCs) u/s 17(5) (Cir. No. 219/13/2024):** Since they are essential for telecommunication services and classified as "plant & machinery," ITC is eligible and **not blocked** u/s 17(5)(c) & (d).

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5) **ITC CASE LAW:- Case of Chief Commissioner of CGST v. Safari Retreats Pvt. Ltd (2024)**

- The SC clarified the difference between "plant AND machinery" (clause (c)) and "plant OR machinery" (clause (d)) in the CGST Act.
- "Plant AND machinery" is defined in section 17, while "plant OR machinery" is not.
- ITC is allowed for "plant AND machinery" in clause (c) and "plant OR machinery" in clause (d).
- A building essential for business (like renting or leasing) can be considered "plant" and eligible for ITC.
- The Court upheld the constitutional validity of clauses (c) and (d) of sec 17(5) and sec 16(4).

PLACE OF SUPPLY

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CBIC Clarifications

- 1) **POS of Goods supplied to URPs u/s 10(1)(ca) (Cir. No. 209/3/2024):** If goods are sold to a URP via an e-commerce platform, the **POS is based on the delivery address**, not the billing address.

Payment of Tax

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- 1) **Rule 88B (Proviso): [Most Expected]** If any amount is credited to the E-Cash Ledger before the return's due date but is used to pay tax after the due date, it shall **not be considered for interest**, as long as it lying in the ledger between the due date and when it's used.

TDS-TCS

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- 1) **Sec 51: Notified person u/s 51(d):**
 - ➔ An authority, board, or body set up by Parliament, State Legislature, Govt with at least 51% control or equity to perform specific functions.
 - ➔ Society established by the CG/SG/LA
 - ➔ PSUs
 - ➔ **Any RP Receiving supplies of metal scrap from other RP**
- 2) **Non-Applicability of TDS:**
 - ➔ When goods or services are supplied between PSUs, whether or not they are distinct persons.
 - ➔ When goods or services are supplied between persons listed in section 51(1) **except for those receiving metal scrap.**
- 3) **Sec 52: TCS Rates [Most Expected]:** Notified rate for **TCS CGST = 0.25%, SGST = 0.25%, IGST = 0.5%** of the net value of intra-State/ interstate taxable supplies.
Note: Old rates were CGST: 0.50%, SGST: 0.50% & IGST: 1%

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E-WAY BILL

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- 1) **Rule 138(3): Cases for Mandatory Generation of E-Way Bill, irrespective of consignment value:**
 - ➔ An URP must submit details electronically in GST ENR-03 on the common portal or through a Facilitation Centre.
 - ➔ After validation, a **unique enrolment number** will be generated and communicated.

REGISTRATION

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- 1) **Sec 23(2): Notified Persons Not Liable For Registration:** Persons making only reverse charge supplies are **exempt** from registration, **except those supplying metal scrap to a RP.**
- 2) **Applicability of biometric based Aadhaar authentication extended to all over India:** Biometric Aadhaar authentication for registration is applicable to **all** States and UTs.

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3)	Rule 8(4A):- AA (Proviso 2: Additional Verification Steps if AA is not opted & its completion): <ul style="list-style-type: none"> ☞ If AA is not opted, the applicant must provide a photograph (or photos of related individuals if not an individual) and verify documents at a Facilitation Centre. ☞ The application is complete only after successful verification. 	Scan & Learn
4)	Sec 29 read with Rule 21 [Expected]: Two additional clauses allow the PO to cancel a person's registration. <ul style="list-style-type: none"> ☞ Registration may be cancelled if returns are not filed within 30 days of the revocation order. ☞ In case of retrospective cancellation, from the cancellation date to the revocation order. 	Scan & Learn
<div style="text-align: center;"> Analysis:- METAL SCRAP [Most Expected] </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="width: 45%;"> <p>Supply of Metal Scrap from URP to RP</p> <p>1) Applicability of RCM u/s 9(3) Recipient (R.P.) is liable to pay 100% tax under RCM</p> <p>2) Non-Applicability of Sec 23(2) i.e. if URP exceeds agg. T/O then he need to Reg u/s 25 & after Reg. provision of TDS under part II will be available</p> </div> <div style="width: 45%;"> <p>Supply of Metal Scrap from RP to RP</p> <p>1) Applicability of TDS u/s 51 Recipient (R.P.) will deduct TDS @ 2 % only Note: supplier R.P will assessed tax liability & adjust the TDS.</p> <p>2) Exemption from deduction of TDS between notified person is not applicable here</p> </div> </div>		
<h2>RETURN</h2>		
1)	Rule 59(1): Who is required to furnish GSTR-1A & when it should be furnished? <ul style="list-style-type: none"> ☞ The RP may amend or add details of outward supplies in GSTR-1A after filing GSTR-1 but before GSTR-3B for the same tax period. ☞ The changes made in GSTR-1A will reflect in GSTR-3B of the same tax period and the recipient can claim ITC in GSTR-2B for the next tax period. ☞ GSTR-1A is available after the filing of GSTR-1 (or its due date) until GSTR-3B is filed. 	Scan & Learn
2)	Rule 59(4A): Details in GSTR-1 / GSTR-1A:- <p>Invoice-wise details:</p> <ul style="list-style-type: none"> ☞ Inter-State & Intra-State supplies to RPs. ☞ Inter-State supplies to URP (invoice > ₹1 lakh). <p>Consolidated details:</p> <ul style="list-style-type: none"> ☞ Intra-State supplies made to URP for each rate of tax ☞ Inter-State supplies to URPs (invoice upto ₹1 lakh) for each rate of tax separately for each State. 	Scan & Learn
3)	Rule 62(1)(a): GSTR-4 (Composition dealer) due date: 30th June following the end of the financial year.	Scan & Learn
4)	Sec 44 read with Rule 80: Annual Return: Commissioner exempts RP with a turnover up to ₹2 crore in FY 2023-24 from filing the annual return.	Scan & Learn

