



# GST India

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# Goods and Services Tax

# GST

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## About Us

Bishan R. Shah & Co. is a professional services firm practicing in the entire field of taxation with a specialization in indirect taxes. The firm has a distinct research orientation towards GST, Customs, FTP, WTO, excise, service tax and VAT related matters and is a front runner in the field of GST advisory, implementation and re-presentation aspects. The basic philosophy of the firm revolves around the principle of integrity, knowledge, problem solving and timeliness. Over the last 2 decades the firm has created a niche for itself in the field of consultancy and evolving new paradigms in quality services to clients. The firm serves a wide arena of cliental ranging across the spectrum of various industries like banking, hospitality, construction and infrastructure, financial services, software, manufacturing, retail, tourism, clubs and NGOs etc.

The firm is headed by Bishan R. Shah who is a Chartered accountant practicing for the last 22 years. Since last 3 years he is special invitee to the Indirect Taxes Committee of ICAI and is the Managing Committee member of the Ahmedabad Branch of WIRC of ICAI. He is also member of the Indirect Taxes committee of the Gujarat Chamber of Commerce and Industry. Ever since GST was conceptualized the firm has understood the importance of the landmark reform and has been active in the said domain.

The firm is active in customized GST awareness and acclamation sessions with corporate. It has completed GST implementation assignments of various diversified businesses and believes that technology holds the key to successful implementation.

The firm is geared to render diverse nature of services which include consultancy.

The firm believes in an optimum mix of theory and practice and Finds both of them complimentary to each other. Indeed, each practical advice further strengthens the theory related thereto. The firm encapsulates these practical advises info case studies and builds up a progressive knowledge base which helps in providing speedy solutions to future clients.

## Introduction

In India, we are having a federal structure. As a result, we evolve with the first time in the world concept of Dual GST. With the federal structure, it is imperative that State and Centre both wants to collect taxes. Moreover, with centralised single GST where power to collect GST by Union, State will neither get any authority to tax nor any political advantage.

Post introduction of GST i.e. after 01.07.2017 it is more than 2 years and Government has issued a plethora of notifications and circulars to make the law stable and digestive to address the need of the citizens as to fit the same with expectations of taxpayer considering their culture and attitude. Tax amnesty schemes are being introduced by keeping in mind faith and trust to unload previous legacy issues with dispute resolution schemes to focus on this new revolutionary tax - GST.

It is worth to note that first time in the world post-implementation of GST present government is able to repeat their term. Otherwise, the world over any government which introduced GST has been fall and people have not given them a second chance. In India, people have repeated Modi Government post-GST.

This revolutionary reform has changed significantly the way businesses were structured, the way transactions were planned, the way pricing of products and the way compliance was done. Not only will the domestic market become competitive, but Indian products will also have their stand in the international market due to the reduction in prices. This will have a boosting impact on economic growth.

We welcome comments and feedbacks. The information provided in this booklet is as on October, 2019 and is based on passed CGST, SGST and IGST Acts and Rules thereunder. Various seminars have been conducted by us to spread awareness amongst our clients on this landmark reform, where we discuss detailed preparedness schedule and steps to be taken by them for the successful implementation of GST.

Bishan R Shah & Co.

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## 1. Dual GST

Considering the federal structure of India, a dual GST model has been worked out for India. Both Centre and States simultaneously levy GST on a common tax base on common portal i.e. GSTIN.

## 2. GST - Constituents

- a. CGST - Central Goods and Services Tax - Levied by the Centre on intra-State supply
- b. SGST - State Goods and Services Tax - Levied by the States on intra-State supply
- c. IGST - Integrated Goods and Services Tax - Levied on inter-state supply, inter-state stock transfers, imports (in addition to custom duties), exports (if made on payment of GST under claim of rebate) and supply to SEZ or by SEZ.
- d. UTGST - Union Territory Goods and Services Tax.

## 3. Legislation

The dual GST model would be implemented through multiple statutes and Rules:-

Acts	Rules	
a. CGST Act	a. Composition(Levy)	k. Advance Ruling
b. SGST Act	b. Registration	l. Appeals and Revision
c. IGST Act	c. Determination of Value of Supply	m. Transitional Provisions
d. UTGST Act	d. Input Tax Credit	n. Anti-profiteering
e. The GST (Compensation to States) Act	e. Tax Invoice, debit & credit note	o. E-way bill
	f. Accounts And Records	p. Inspection, search and seizure
	g. Returns	q. Demand and recovery
	h. Payment of Tax	r. Offences and Penalties
	i. Refund	
	j. Assessment And Audit	

#### 4. Taxes to be subsumed

GST will be levied in lieu of the taxes mentioned below

Levied and collected by the Center

1. Central Excise Duty
2. Service Tax
3. Additional Duties of Customs (CVD)
4. Special Additional Duty of Customs (SAD)
5. Duties of Excise (Medicinal Preparations and Toilet)
6. Additional Duties of Excise (Goods of Special Importance)
7. Additional Duties of Excise (Textiles and Textile Products)
8. Central Surcharges and Cesses so far as they relate to supply of goods and services

Levied and collected by the State

1. State VAT
2. CST
3. Entry Tax (all forms)
4. Luxury Tax
5. Entertainment & Amusement Tax (except when levied by the local bodies)
6. Taxes on advertisements
7. Purchase Tax
8. Taxes on lotteries, betting & gambling
9. State Surcharges & Cesses so far as they relate to supply of goods & services.

CGST

SGST

IGST

#### 5. Taxes not to be subsumed & commodities out of the ambit of GST

##### i. Taxes not to be subsumed

- Basis Customs Duties - shall be levied on imports in addition to IGST.
- Electricity duty - shall be levied on electricity.
- Stamp Duty + Property Taxes - Sale / purchase of Real Estate.
- Professional Tax

## ii. Commodities out of the ambit of GST

- Alcoholic liquor for human consumption.
- Petroleum crude
- High speed diesel
- Motor spirit (petrol) | To be notified from the future date
- Natural gas; and
- Aviation turbine fuel

As producing States do not want to lose their share of revenue, it will be difficult to say that in the near future these commodities will be covered under the ambit of GST.

## 6. Registration

## i. Migration

Assessee previously registered under VAT, Excise, Service Tax as on 30.06.2017 were automatically migrated to GST.

Every person registered under any of the existing laws, but not required to be registered under the Act, shall within 30 days from the appointed day file for cancellation in FORM GST REG-29

## ii. New Registration

Who is liable to get registered:

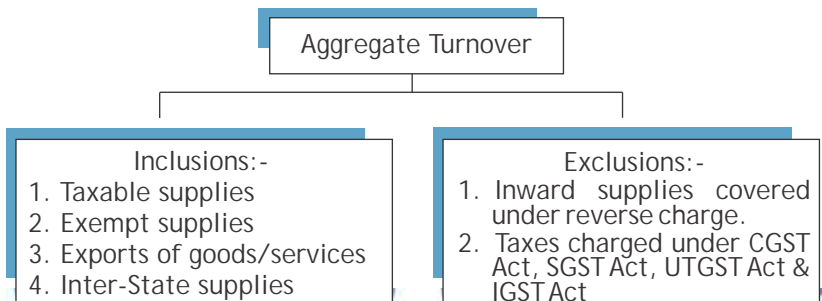
Aggregate Turnover	Sale of goods/ Providing services	Remark
<u>Upto 31.03.19</u>		
Exceeds Rs.20 lakh	Both	Other than special category state
Exceeds Rs.10 lakh	Both	For Special category state
<u>01.04.2019 onwards</u>		
Exceeds Rs.40 lakh	Sale of goods	Other than special category state
Exceeds Rs.20 lakh	Sale of goods	For Special category state



Aggregate Turnover	Sale of goods/ Providing services	Remark
<u>01.04.2019 onwards</u>		
Exceeds Rs.20 lakh	Providing services	Other than special category state
Exceeds Rs.10 lakh	Providing services	For Special category state

Particulars	Description	Forms
Application to be made	Within 30 days of becoming liable to registration	Form GST REG-01
Provisions for Casual Taxable Person/ Non Resident Taxable Summary	Registration 5 days before the commencement of business along with advance payment of tax.	Form GST REG-09
<ul style="list-style-type: none"> <li>Registration is required in every such state from where he makes taxable supply</li> </ul>		

### iii. Aggregate Turnover



- Aggregate Turnover - Calculated on the basis of single PAN & not for each registration separately.
- Aggregate Turnover - To be computed on PAN India basis.

- iv. Aggregate turnover in case of Principal-Agent  
Supplies made on behalf of all his principals - Included in aggregate turnover of agent.
- v. Aggregate turnover in case of Principal-Job Worker  
The supply of goods, after completion of job-work, by a registered job worker shall be included in aggregate turnover of "principal" & not the registered job worker.
- vi. Compulsory registration
  - Exemption limit is not applicable for the following:-
    - a. Inter-state taxable supplier of goods
    - b. Casual taxable person [Sec 2(20)]
    - c. Non-resident taxable person [Sec 2(68)]
    - d. Person paying under reverse charge.
    - e. Electronic commerce operator
    - f. Person required to deduct tax.
    - g. Agents
    - h. Input Service Distributor.
    - i. Person supplying goods/services through such electronic commerce operator who is required to collect tax at source
    - j. Every person supplying online information and data base access or retrieval services from a place outside India to a person in India, other than a registered person.
- vii. Exemption from registration
  - a. Person exclusively engaged in non-taxable or exempt supply.
  - b. an agriculturist, to the extent of supply of produce out of cultivation of land.

## 7. Levy of Tax

- Intra-State supply of goods/services - CGST + SGST
- Inter-State supply of goods/services - IGST
- Inter-State Vs. Intra-State

Particulars	Intra-State supply	Inter-State supply
Scope	Supply of goods/ services where the location of the supplier and the place of supply of goods are in the same State or same Union territory.	<ul style="list-style-type: none"> <li>➤ Any supply of goods/ services where the location of supplier and place of supply are in different States</li> <li>➤ Import of goods/services</li> <li>➤ Supply of goods/services when supplier is in India and place of supply is outside India.</li> <li>➤ Supply of goods/services to or by SEZ unit or SEZ developer.</li> </ul>
Composition Levy	Eligible for the composition scheme under Section 10 with some exceptions.	Eligible for the procurement from the person registered under composition scheme but not eligible for making supply under the composition scheme under Section 10.
Exemption limit	Eligible for the threshold exemption limit with some exceptions.	Not eligible for the threshold exemption limit * vide notification no. Notification No. 10/2017 - Integrated Tax dated 13.10.2017 inter-State supplies of taxable services eligible for the threshold exemption limit
Tax wrongfully collected and paid to Central Government or State Government	<p>If a registered person has paid CGST &amp; SGST instead of IGST Or has paid IGST instead of CGST &amp; SGST, he shall be refunded the amount of taxes so paid.</p> <p>He shall not be required to pay any interest on the amount of actual IGST OR CGST &amp; SGST payable.</p>	

## 8. Unregistered Dealer

- Supply of taxable goods/services by a non-registered person to a registered person - Liability to pay tax shall be on the recipient.
- Recipient - Shall issue an invoice on the date of receipt of such goods/services by him.
- Such recipient shall also issue a payment voucher at the time of making payment to the supplier.
- Such tax paid by the recipient shall be considered as "input tax" for him and credit of the same can be availed by him.

Note: Reverse Charge Mechanism (in case of supplies made by unregistered persons to registered persons) will apply, starting from 1<sup>st</sup> Feb 2019, only on specified goods/services and specified persons.

The list of persons or items subject to the provisions is yet to be notified.

## 9. What is Supply ?

(Currently known as Sale/Manufacturing/rendering of services)

- Under GST, the taxable event is "Supply"

Supply includes:-

1. All forms of supply of goods/services such as sale, transfer, barter, etc. made or agreed to be made:-
  - i. for a consideration,
  - ii. by a person,
  - iii. in the course or furtherance of business.
2. Import of services, for a consideration whether or not in the course or furtherance of business.
3. A supply specified in Schedule I (Supply even if made without consideration)

- Schedule II certain activities that shall be treated either as supply of goods or supply of services
- Schedule III specifies activities that shall be treated neither as a supply of goods nor a supply of services.

## SCHEDULE I

(Activities to be treated as Supply even if made without consideration)

- Permanent transfer of business assets but ITC was availed on the same
- Supply when in the course or furtherance of business between related persons or specified distinct persons (branch transfer).  
Exception - Gift by employer to employee up to Rs. 50,000 is not supply
- Supply of goods by principal to agent
- Supply of goods by agent to principal
- Import of services by a taxable person from a related person/his other establishments in the course of business.

## SCHEDULE II

- Matters to be treated as Supply of Goods:-
  - a. Transfer of the title in goods.
  - b. Property in goods will pass at a future date upon payment of full consideration.
  - c. Goods forming part of assets of a business are transferred, whether or not for a consideration.
  - d. If Person ceases to be taxable person, goods forming part of assets of a business shall be deemed supply, unless business is transferred as going concern or business is carried by personal representative.
  - e. Supply of goods by any unincorporated association or body of persons to a member.
- Matters to be treated as Supply of Services:-
  - a. Transfer of right in goods without the transfer of title thereof
  - b. Lease, tenancy, easement, license to occupy land
  - c. Lease or letting out of the building including a commercial, industrial or residential complex for business or commerce
  - d. Any treatment or process applied to another person's goods

- e. Renting of immovable property.
- f. Goods held for business purposes put to private use/other than business purpose
- g. Construction
- h. Temporary transfer or permitting the use or enjoyment of any intellectual property right
- i. Works contract
- j. Restaurant
- k. Development, customization, upgradation, etc. of IT software.
- l. Agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act
- m. Transfer of the right to use any goods for any purpose

### SCHEDULE III

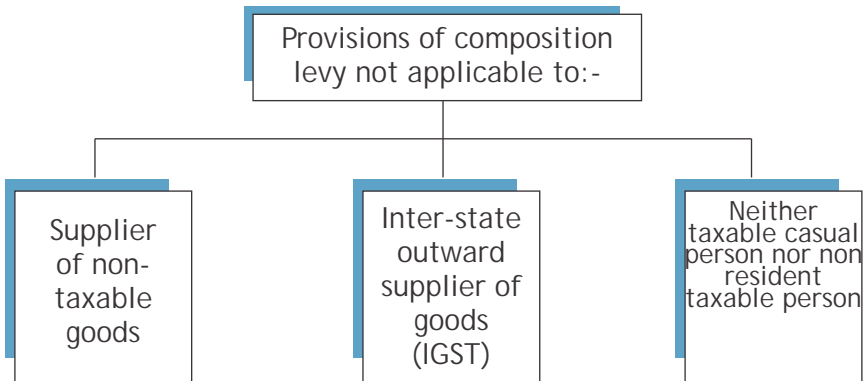
(Activities or transactions - treated neither as a Supply of Goods nor a Supply of Services - Non-taxable supply)

- Employee to employer in course of employment
- Services by any Court or Tribunal
- The functions performed by the MP, MLA, Members of Panchayats, Members of Municipalities and Members of other local authorities.
- Sale of land and, after BU permission is received - sale of building.
- Actionable claims, other than lottery, betting and gambling.
- Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
- Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India.
- Supply of warehoused goods to any person before clearance for home consumption
- Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods after the goods have been dispatched from port of origin located outside India but before clearance for home consumption.

## 10. Composition Levy

- Aggregate turnover limit - Up to Rs. 50 lakhs in preceding Financial Year on the basis of single PAN in the country.
- ITC - Cannot be availed
- CGST & SGST - Cannot be collected from the recipient.
- Optional scheme
- Rate:- as may be prescribed but up to
  - Manufacturer : Total GST of up to 1% of "turnover in a State/UT".
  - Restaurant : Total GST of up to 5% of "turnover in a State/UT"
  - Others (Traders) : Total GST of up to 1% of "turnover in a State/UT"
  - Service provider : Total GST of up to 6% of "turnover in a State/UT"
- All registrations under the same PAN shall uniformly opt for this composition. Either all can opt for this or none can opt for these provisions.
- To opt into the composition scheme limit increase to Rs 1.5 crores from Rs 1 crore. However, the limit remains Rs 75 lakhs for N.E states & Uttarakhand. (w.e.f 01.04.2019 -Notification No.14/2019-CT dated 07.03.2019)
- Any supply received from Unregistered Dealer or any services received are covered under RCM - Composition supplier shall pay GST under reverse charge and no credit shall be eligible.

➤ Provisions of composition levy not applicable to:-



## 11. Composite & mixed supply

### i. Composite supply

- Meaning - “composite supply” means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.
- Treatment - Treated as a supply of principal supply
- E.g. - Supply of goods with packing material, insurance, etc.

### ii. Mixed supply

- Meaning - “mixed supply” means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.
- Each item of mixed supply can be supplied separately and are not dependent on each other
- Treatment - Treated as a supply that attracts highest rate of tax.
- E.g. - Gift package of chocolates, sweets, etc.



## 12. Time of Supply

### i. Significance - Liability to pay CGST/SGST arises at the time of supply

Goods	Services
<p>Earliest of:-</p> <p>i. Date of invoice</p> <p>ii. Date of removal of goods or Date of delivery of goods/ making available</p>	<p>Earliest of:-</p> <p>i. If invoice issued within 30 days from date of supply of service - Earlier of date of invoice and date of receipt of payment.</p> <p>ii. If invoice not issued within 30 days from date of supply of service - Earlier of date of provision of service and date of receipt of payment.</p> <p>Note : If not possible from above 2, the date on which the recipient shows in his books.</p>

### ii. Time of supply - Reverse charge & URD

Goods	Services
<p>Earliest of:-</p> <p>i. Date of receipt of goods</p> <p>ii. Earlier of Date of payment in books &amp; date of debit in bank a/c</p> <p>iii. 31<sup>st</sup> day from date of invoice/other document</p> <p>Note: If not possible from above 3, then date of entry in recipient's books.</p>	<p>Earliest of:-</p> <p>i. Earlier of date of payment as per books and date of debit in bank account</p> <p>ii. 61<sup>st</sup> day from date of invoice/ other document</p> <p>Note: If not possible from above 2, then date of entry in recipient's books.</p>

## iii. Time of supply - Other provisions

Goods	Services
i. Excess receipt of Rs. 1,000/- than tax invoice - time of supply for excess receipt - date of invoice.	i. Excess receipt of Rs. 1,000/- than tax invoice - time of supply for excess receipt - date of invoice.
ii. Addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration - Time of supply shall be the date on which the supplier receives such addition in value.	ii. Addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration - Time of supply shall be the date on which the supplier receives such addition in value.

## 13. Change in rate of tax:

- i. In case the goods or services or both have been supplied BEFORE the change in rate of tax:

Sr. No.	Condition	Time of supply
1.	Where the invoice has been issued and the payment is also received after change in rate of tax	Whichever is earlier: I. Date of issue of invoice II. Date of receipt of payment
2.	Where the invoice has been issued prior to change in rate of tax but payment is received after the change in rate of tax	Date of issue of invoice
3.	Where the invoice has been issued after change in rate of tax but payment is received before the change in rate of tax	Date of receipt of payment

II. In case the goods or services or both have been supplied AFTER the change in rate of tax:

Sr. No.	Condition	Time of supply
1.	Where the invoice has been issued and the payment is also received before the change in rate of tax	Whichever is earlier: I. Date of issue of invoice II. Date of receipt of payment
2.	Where the invoice has been issued prior to change in rate of tax but payment is received after the change in rate of tax	Date of receipt of payment
3.	Where the invoice has been issued after change in rate of tax but payment is received before the change in rate of tax	Date of issue of invoice

## 14. Place of Supply

Significance - To determine whether the case falls under inter-state supply or not. Accordingly, whether IGST is applicable or not.

### i. Place of supply of goods

- Other than supply of goods imported into, or exported from India

Sr. No.	Description	Place of supply
1.	Supply involves movement of goods by anyone (supplier, recipient, transporter)	Location of goods at the time when the movement of goods terminates for delivery.
2.	Goods are delivered on the direction of the third person	Principal place of business of the third person.
3.	Goods does not involve movement of goods	Location of such goods at the time of delivery to the recipient.
4.	Goods are required to be assembled or installed at site	Place of such installation or assembly
5.	Goods are supplied at board a conveyance Ex: Vessel, aircraft, train, motor vehicle etc.	Location at which goods are taken on board.

- Goods imported into, or exported from India

Sr. No.	Description	Place of supply
1.	Goods imported into India	Location of the importer
2.	Goods exported from India	Location outside India

ii. Place of supply of Services

- Location of the supplier of service and location of recipient of service is in India

Sr. No.	Description	Place of supply
1.	Services provided for or by an Immovable property. Any services ancillary to the services in relation to any services on an Immovable property	Location of the immovable property.
2.	Immovable property. Boat, vessel located outside India	Location of the recipient
3.	Restaurant, catering, personal grooming, fitness, beauty treatment health services	Location where the services are performed
4.	Admission to a cultural, artistic, sporting, scientific, educational, amusement park etc. and any services in ancillary	Location where the event is being held
5.	Services on board a conveyance e.g. Ship, Aircraft, Train etc.	Location of first schedule point of departure of the conveyance
6.	Supply of advertisement services to the CG/SG/ Statutory Body/Local Authority etc. meant for identifiable states	Location of each such state in proportion to the amount attributable as per contract
7.	Banking & Financial Services including Stock broking -	Whether location of recipient is available in bank records Yes - Such Location No - Location of supplier of services

Sr. No.	Description	Place of supply
8.	Place of Supply of Insurance	Whether service recipient is registered Yes - Recipient location No - Recipient location as per supplier records
9.	Transportation of goods- within India	Whether service recipient is registered Yes - Recipient location No - Location where goods are handed over
10.	Transportation of goods- outside India	Place of destination of goods
11.	Passenger Transportation	Whether service recipient is registered Yes - Recipient location No - Location where passenger embark on the conveyance for continuous journey -Return journey to be treated as separate journey
12.	Services relating to training and performance appraisal	Whether service recipient is registered Yes - Recipient location No - Location where Services are performed
13.	Services by way of organization of an event and services ancillary to the same or assigning of sponsorship of any of the above events.	Whether service recipient is registered Yes - Recipient location No - Location where Event is held

Sr. No.	Description	Place of supply
14.	Services by way of organization of an event and services ancillary to the same or assigning of sponsorship of any of the above events outside India -	Location of the recipient
15.	Any other case	Whether recipient is registered Yes - Recipient location No - Whether service recipient location is available with provider. Yes - Recipient location No - Supplier location

iii. Location of supplier of service

- Supply made from a registered place of business - the location of such place of business;
- Supply made from a place other than registered place of business, i.e. a fixed establishment elsewhere - the location of such fixed establishment;
- Supply made from more than one establishment - the location of the establishment most directly concerned with the provision of the supply; and
- in absence of such places, the location of the usual place of residence of the supplier

When the "place of supply" and "Location of supplier" are in 2 different states, the same is considered as an inter-state supply and IGST is applicable on the same

## 15. Value of supply

- If supplier and recipient are not related parties and price is the sole consideration for supply, then value of taxable supply shall be:-

Transaction Value, i.e. actual price of supply

(+) Taxes other than GST

(+) Amount that the supplier is liable to pay in relation to such supply but which has been incurred by the recipient

(+) Incidental expenses like commission and packing charges

(+) Interest/Penalty for delayed payment of consideration

(+) Subsidies except Central and State Government's subsidy

Exclusions:-

1. Discount before supply - To be shown in invoice
2. Discount after supply - Prior agreement must be there. Discount can be given by way of credit note by supplier. Recipient shall reverse ITC on this credit note's basis.



## 16. Invoices

### i. Types

Sr. No.	Type	Description
1.	Tax invoice	For supply under GST (Other than below items)
2.	Invoice-cum-bill of supply	Supplying taxable as well as exempted goods or services or both
3.	Bill of Supply	Composition levy and supply of exempted goods/services. If value of supply < Rs. 200, then bill of supply is not to be issued
4.	Revised Invoice	Against the invoice issued for the period of effective date of registration to issuance of certificate of registration
5.	Supplementary invoice	For upward price revision
6.	Debit Note	Tax charged < Tax payable. Corresponding effect to be given in the return by supplier and recipient
7.	Credit Note	Tax charged > Tax payable or Goods returned or deficient goods/service. Corresponding effect to be given in the return by supplier and recipient
8.	Invoice by recipient	Issued on receipt of goods/services if reverse charge is applicable and supplier is non-registered

NOTE 1 : Payment voucher - Issued by recipient for making payment to supplier

NOTE 2 : Receipt voucher - Issued by supplier for receipt of any advance payment

NOTE 3 : Refund voucher - Issued by supplier if no supply is made and no tax invoice is issued after issuance of receipt voucher

## ii. Contents of Tax Invoice

Sr. No.	Contents
1.	Name, address, GSTIN of Supplier & Recipient
2	Serial No. & Date
3	Description of Goods/ Services. Qty & unit of Goods
4	HSN code/ Accounting Code of Goods/ Services
5	Total Value of Goods & Service
6	Taxable value of Goods & Services after discount & abatement.
7	Rate & amount of Tax
8	Signature/ Digital Signature

## iii. Additional Contents of Tax Invoice in case of exports

Sr. No.	Contents
1.	Recipient's Name & Address
2	Delivery Address
3	Name of Destination Country
4	No. & Date of application for removal of goods for export
5	<p>Shall carry an endorsement</p> <p>“SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATORS ON PAYMENT OF IGST”</p> <p>or</p> <p>“SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATORS UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF IGST”</p>

iv. Contents of Bill of supply

Sr. No.	Contents
1.	Name, address, GSTIN of Supplier & Recipient
2.	Serial No. & Date
3.	Description of Goods/ Services
4.	HSN code/ Accounting Code of Goods/ Services
5.	Value of Goods & Service considering discount & abatement
6.	Signature/ Digital Signature

Tax invoice/ Bill of supply may not be issued individually and consolidated invoice/bill of supply may be issued if:-

- i. The value of supply is less than Rs. 200
- ii. Recipient is unregistered
- iii. Recipient does not require invoice/bill of supply

v. Credit/Debit Note

Sr. No.	Credit Note issued by Supplier	Debit Note issued by Supplier
1.	Tax charged > Tax payable or goods returned or goods/services deficient Supplier shall issue a credit note	Tax charged < Tax payable, Supplier shall issue a debit note
2.	Details of credit note to be declared in the return of the month during which such credit note is issued/ received or any subsequent return but up to earlier of due date of return of September of the following F.Y or the date of filing Annual Return and tax liability shall be adjusted accordingly	Details of debit note to be declared in the return of the month during which such debit note is issued/ received and tax liability shall be adjusted accordingly  Note: Debit Note includes Supplementary invoice

## vi. Contents of Supplementary Tax Invoice

Sr. No.	Contents
1.	Name, address, GSTIN of Supplier & Recipient
2.	Serial No. & Date
3.	Sr. No & Date of Original Tax Invoice/Bill of Supply
4.	Signature/ Digital Signature

## vii. Contents of Credit/Debit Note

Sr. No.	Contents
1.	Name, address, GSTIN of Supplier & Recipient
2.	Serial No. & Date
3.	Sr. No & Date of Original Tax Invoice/Bill of Supply
4.	Taxable Value of Goods & Service
5.	Rate and Amount of Tax
6.	Signature/ Digital Signature

## viii. Content of invoice in case of Input Service Distributor

Sr. No.	Contents
1.	Name, address, GSTIN of ISD, Recipient & Supplier of services
2.	Serial No. & Date
3.	Amount of credit distributed
4.	Signature/ Digital Signature

ix. Content of invoice in case of Input Service Distributor

Sr. No.	Contents
1.	Name, address, GSTIN of ISD, Recipient & Supplier of services
2.	Serial No. & Date
3.	GSTIN of common service and original invoice no. whose credit sought to be transferred
4.	Taxable Value of Goods & Service
5.	Rate and Amount of Tax to be transferred
6.	Signature/ Digital Signature

x. Goods Transport Agency

Goods Transport Agency being a Supplier of taxable services,

shall issue tax invoice or any other document & apart from other prescribed details, contain the details of,

gross weight, Consignor 's & Consignee's name, registration no. of goods carriage, details of goods transported, place of origin & destination

GSTIN of the person liable to pay tax

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xi. Passenger Transportation Service

Supplier of passenger transportation service

shall issue tax invoice or a ticket in any form,

whether or not serially numbered,

whether or not containing recipient's address

but shall contain other prescribed information.

xii. Supplying service by way of admission to exhibition of cinematography films in multiplex screen:

Issue an electronic ticket

Does not contain the details of the recipient of service

## 17. Job Work

- Principal can send inputs (including intermediate goods)/capital goods to the job work without paying tax.
- Principal shall issue a challan while sending above inputs/capital goods.
- Details of the challans shall be reflected in Form GSTR-1
- Such inputs/capital goods to be either brought back within 1 year/3 years respectively or directly supply from job worker's place of business within such time, else challans shall be deemed to be invoices.
- Direct supply from job worker's place of business is permissible if: -
  1. Job worker is registered
  2. Job worker is not registered but his place of business is declared as additional place of business by the principal.
- Exception to 3 year limit - Moulds and dies, jigs and fixtures, or tools.
- If inputs/capital goods are not brought back or directly supplied within 1 year/3 years - Deemed supply by the principal on the date such inputs/capital goods were sent out
- Filing of the form ITC-04 for the quarters between July 2017 to March 2019 has been waived off.
- ITC in case of Job-Work
  - Principal is allowed the credit on inputs/capital goods sent for job work.
  - ITC can be availed even if such inputs/capital goods are not received by the Principal and are directly sent to job worker.

## 18. Input Tax Credit (ITC)

### i. Conditions

- In the course or furtherance of his business
- He is in possession of a tax invoice or debit note

- He has received the goods and/or services (Exception-Job Work);  
Note: Goods received by agent = Deemed receipt by principal.
- The tax charged in respect of such supply has been actually paid to the account of the appropriate Government in cash or input tax credit
- He has furnished the return under section 39
- No credit if depreciation claimed
- Goods received in installment - ITC eligible on receipt of last installment
- Above credit shall be eligible to be taken on provisional basis.

ii. The documents contains following details to avail credit: (w.e.f. 04.09.2018)

- The amount of tax charged
- Description of goods or service or both
- GSTIN of supplier and recipient
- Place of supply in case of inter-state supply

iii. ITC to be availed in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers shall not exceed 20% of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers. (w.e.f. 09.10.2019)

iv. Utilization of Input Tax Credit : (w.e.f 01.02.2019)

Input	Output liability on account of Integrated tax	Output liability on account of Central tax	Output liability on account of Sales tax
IGST	(1)	(2) In any order and in any proportion	
(3) ITC on account of IGST to be completely exhausted mandatorily			
CGST	(5)	(4)	Not permitted
SGST	(7)	Not permitted	(6)



v. Block credits (Credits not entitled to be availed)

Sr. No.	Particular
1.	<p><u>Motor vehicle for transportation of persons</u> having approved seating capacity of not more than 13 persons (including the driver)</p> <p><u>Note:</u> Credit allowable if motor vehicle is used for: -</p> <ol style="list-style-type: none"> <li>1. Further supply of such vehicle.</li> <li>2. Transportation of passengers.</li> <li>3. Imparting training on driving, etc.</li> </ol>
2.	<p><u>Vessels and aircraft</u></p> <p><u>Note:</u> Credit allowable if vessels and aircraft is used for: -</p> <ol style="list-style-type: none"> <li>1. For making the following taxable supplies <ul style="list-style-type: none"> <li>· Further supply of such vessels or aircraft</li> <li>· Transportation of passengers</li> <li>· Imparting training on navigating such vessels</li> <li>· Imparting training on flying such aircraft</li> </ul> </li> <li>2. For transportation of goods</li> </ol>
3.	<p>Services of general insurance, servicing, repair and maintenance in so far as relate to motor vehicles, vessels or aircraft</p>
4.	<p>Food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft, life insurance and health insurance.</p> <p><u>Note:</u> Credit allowable if output category is same as input category.</p>
5.	<p>Membership of a club, health and fitness centre</p>
6.	<p>Travel benefits extended to employees on vacation such as leave or home travel concession</p>
7.	<p>Works contract services when supplied for construction of an immovable property</p> <p><u>Note:</u> Credit allowable if output services are Works contract</p>

Sr. No.	Particular
8.	Goods or services or both received by a taxable person for construction of an immovable property (other than plant or machinery) on his own account including when such goods or services or both are used in the course or furtherance of business. <u>Note:</u> Construction includes capital repairs
9.	Tax paid under composition scheme
10.	Goods/services used for personal consumption
11.	Goods lost, destroyed, written off or disposed of by way of gift or free samples

## 19. Refunds

### I. Types of refund

Sr. No.	Types of refund
1.	Excess Balance in Electronic Cash Ledger
2.	ITC on Export of Goods & Services without Payment of Tax
3.	On account of supplies made to SEZ unit/ SEZ developer (without payment of tax)
4.	on account of ITC accumulated due to Inverted Tax Structure
5.	On account of Refund by Recipient of deemed export
6.	on account of Supplies to SEZ unit/ SEZ Developer (with payment of tax)
7.	Export of services with payment of tax
8.	Tax paid on an intra-State supply which is subsequently held to be inter-State supply and vice versa
9.	On account of Refund by Supplier of deemed export
10.	Excess payment of tax
11.	On Account of Assessment/Provisional Assessment / Appeal / Any other order
12.	Any other

ii. Forms and time limit for claiming these refunds

Sr. No.	Types of refund	Form	Time limit
1.	Unutilized ITC	GST RFD-01	Within 2 years from relevant date (Point IV)
2.	Balance in electronic cash ledger	GST RFD-01  Or As may be applicable, 1. GSTR-3B or 2. CMP-08 (Composition supplier); or 3. GSTR-7 (Person required to deduct TDS)	
3.	Advance tax deposited by CTP or NRTP (If furnished all returns under Section 39)	GST RFD-01  Or  In the last return	
4.	Refund by persons specified under Section 55 (Embassy, Agency of UNO, etc.) - Refund of tax on inward supply	GST RFD-10	Quarterly - within 6 months from the quarter end of receipt of supply

- Taxes claimed as refund = GST (CGST, IGST, SGST, UTGST), interest paid and any other amount (say, penalty, fees)
- No refund - if amount is less than Rs. 1000/-

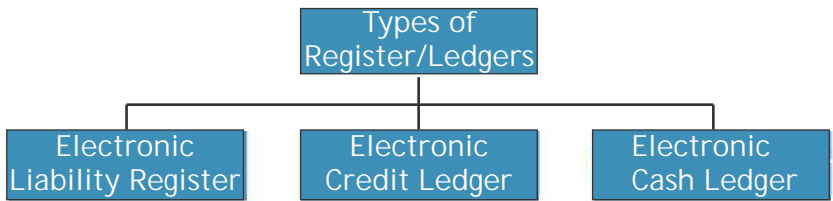
Relevant Date:	
Export of goods	
In case if the goods are exported by sea or air	The date on which the ship or the aircraft in which such goods are loaded, leaves India.
In case if the goods are exported by land	The date on which such goods pass the frontier.
In case if the goods are exported by post,	The date of dispatch of goods by the Post Office concerned to a place outside India.
Deemed exports	The date on which the return relating to such deemed exports is filed.
Export of Services for refund of GST	Issue of invoice, where payment for the service had been received in advance prior to the date of issue of the invoice.
Refund due to consequence of judgement	The date of communication of such judgment, decree, order or direction.
Refund of tax paid provisionally	The date of adjustment of tax after the final assessment thereof;
Refund claimed by person other than supplier	The date of receipt of goods or services by such person.
In any other cases	The date of payment of tax.

iii. Types of Forms relating to refund

Sr. No.	Form No.	Description
1.	GST RFD-01	Refund application
2.	GST RFD-01A	Application for Refund (Manual)
4.	GST RFD-02	Acknowledgement at the common portal
5.	GST RFD-03	Communication of deficiencies
6.	GST RFD-04	Provisional - Order sanctioning the amount of refund
7.	GST RFD-05	Payment advice
8.	GST RFD-06	Final order sanctioning the amount of refund
9.	GST RFD-07	Order for complete adjustment of sanctioned refund
10.	GST RFD-08	Notice for rejection of application for refund
11.	GST RFD-09	Reply to show cause notice
12.	GST RFD-10	Refund application by embassies, etc.
13.	GST RFD-11	Furnishing of bond or letter of undertaking for export of goods or services

## 20. Payments

### i. Types of Register/Ledgers



### ii. Electronic Liability Register

In terms of provisions of Section 49(7) of the CGST Act, 2017 read with Rule 1 of Payment of Tax Rules, all liabilities of a taxable person under this Act shall be recorded and maintained in an electronic liability register to be maintained in Form GST PMT-01.

Sequence of discharging tax and other dues:

- i. Previous tax period
- ii. Current tax period
- iii. Any other amount payable under this Act

### iii. Electronic Credit Ledger

In terms of provisions of Section 49(2) of the CGST Act, 2017 read with Rule 2 of Payment of Tax Rules, the Input Tax Credit (ITC) as self-assessed in the return of a registered person shall be credited to his electronic credit ledger to be maintained in Form GST PMT-02

Unutilized amount in the Electronic Credit Ledger after payment of tax and other dues can be claimed as refund subject to the provisions of Section 54 of CGST Act, 2017 read with Refund Rules. Ledger shall be debited accordingly. If refund is rejected, then ledger shall be re-credited by proper officer by order in Form GST PMT-03

### iv. Electronic Cash Ledger

In terms of provisions of Section 49(1) of the CGST Act, 2017 read with Rule 3 of Payment of Tax Rules, every deposit made towards tax, interest, penalty, fee or any other amount by a

person shall be credited to the electronic cash ledger to be maintained in Form GST PMT-05.

Payment sources:

Payment can be made through following modes:-

- i. Internet banking
- ii. Debit card/Credit card
- iii. NEFT
- iv. RTGS
- v. Over the counter (OTC) - Up to Rs. 10,000/- is permitted per challan per tax period by cash/cheque/DD

Payment procedure

- i. Challan to be generated in FORM GST PMT - 06 for the tax, interest, etc. to be deposited (Valid for 15 days).
- ii. Payment by non-registered person shall be made on the basis of temporary identification no.
- iii. Mandate form (Applicable in case of NEFT and RTGS):

Where the payment is made by way of NEFT or RTGS mode, the mandate form shall be generated along with the challan on the Common Portal and the same shall be submitted to the bank from where the payment is to be made (The said mandate form will be valid for 15 days from the date of generation of challan).

- iv. On successful payment, a Challan Identification Number (CIN) will be generated and the same shall be indicated in the challan. On receipt of CIN from the authorized Bank, the said amount shall be credited to the electronic cash ledger. But if CIN is not generated or not communicated, person may represent in FORM GST PMT - 07 to bank/electronic gateway.

## v. Interest on delayed payment of tax

Where payment under GST is not made within the prescribed time, registered taxable person shall pay interest for such delay as under: -

Case	Situation	Rate of Interest
Case-I	For delayed payment	Maximum rate is 18%
Case-II	For excess claim of ITC/ excess reduction in output tax liability	Maximum rate is 24%

## vi. Tax deduction at source

Sr. No.	Particulars	Description
1.	Deductor	<ul style="list-style-type: none"> <li>• A department or an establishment of the Central Government or State Government; or</li> <li>• Local authority; or</li> <li>• Governmental agencies; or</li> </ul> Such persons or category of persons as may be notified, by the Central or a State Government on the recommendations of the Council
2.	Deductee	Supplier of taxable goods/services
3.	Rate	<ul style="list-style-type: none"> <li>• 1% of each CGST &amp; SGST/UTGST</li> <li>• 2% of IGST</li> </ul> Of the amount paid/credited.
4.	Limit	<ul style="list-style-type: none"> <li>• The payment made/ credited to a supplier</li> <li>• Where total value of supply under a contract</li> <li>• In respect of supply of taxable goods or services or both</li> </ul> Exceeds Rs. 2,50,000/- excluding GST



Sr. No.	Particulars	Description
5.	GSTR 7	10 <sup>th</sup> of the next month
6.	Payment of TDS	10 <sup>th</sup> of the next month
7.	Certificate	System generate TDS certificate in Form 7A to the deductee within 5 days of crediting payment of TDS to the Government.
8.	Effect in cash ledger	TDS to be credited to electronic cash ledger of the person from whom the amount was deducted after the same is reflected in the return of Deductor
9.	Effective date	01.10.2018

## vii. Collection of tax at source

These provisions are applicable when supplies are made through an electronic commerce operator. Details are in the below table:-

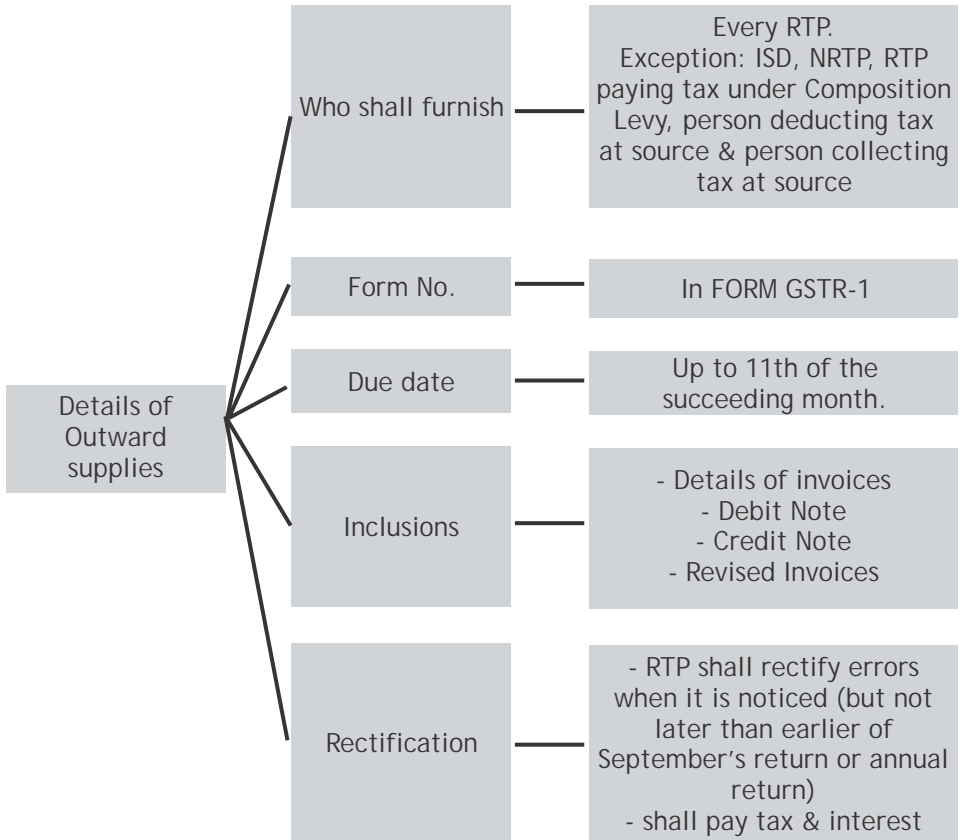
Sr. No.	Particulars	Description
1.	Tax to be collected by	Electronic commerce operator(operator)
2.	Tax to be collected from	Supplier supplying through operator
3.	Rate	Up to 1% of net taxable supplies made through it where consideration is to be collected by the operator
4.	Net taxable value	Net taxable value is after returns and after Section 9(5)
5.	Payment of TCS	10 <sup>th</sup> of the next month
6.	electronically statement by operator	10 <sup>th</sup> of the next month - containing details of supplies made through it, supplies returned, tax collected. Any error may be rectified in the statement of the month in which it is noticed, but up to earlier of September's due date or annual statement's actual date
7.	Effect in cash ledger	TCS to be credited to electronic cash ledger of the person from whom the amount was collected after the same is reflected in the statement of operator

viii. Summary of Forms under Payment provisions

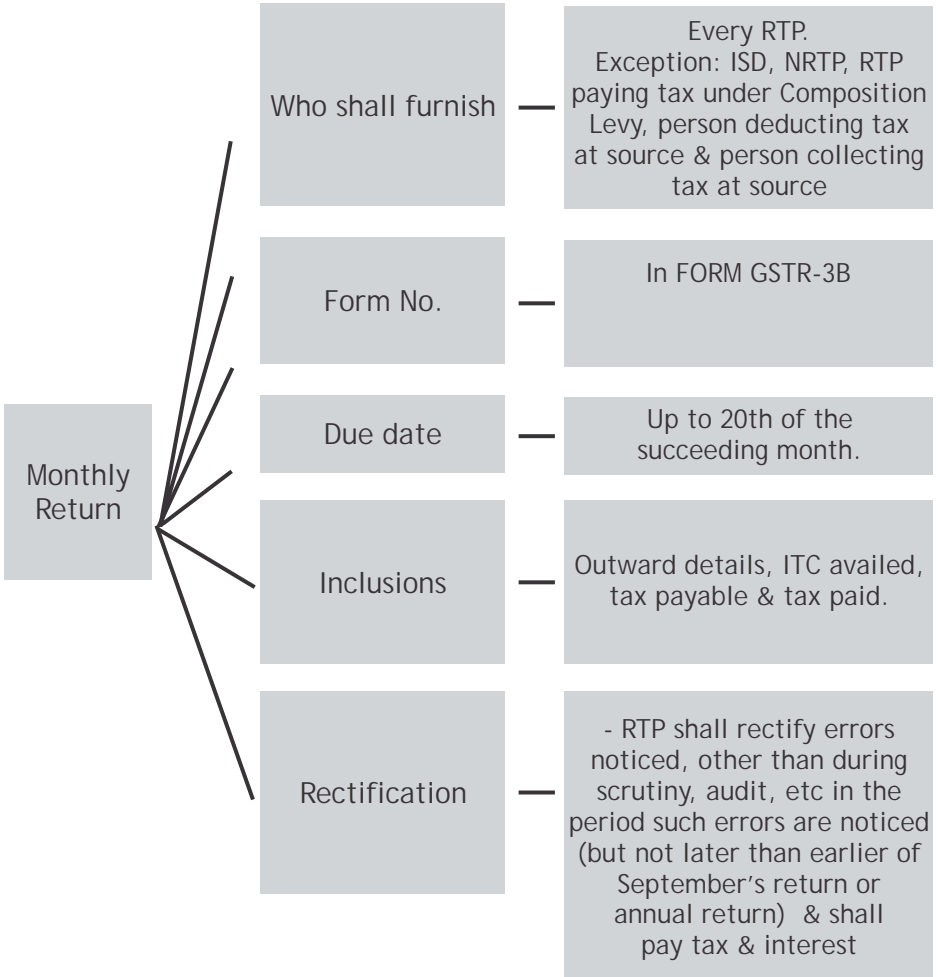
Sr. No.	Particulars	Form No.
1.	Electronic Liability Register	GST PMT-01
2.	Electronic Credit Ledger	GST PMT-02
3.	Electronic Credit or Cash Ledger to be re-credited by proper officer by order if refund is rejected	GST PMT-03
4.	Communication of discrepancy in Electronic Credit Ledger/ Cash ledger/Liability Register	GST PMT-04
5.	Electronic Cash Ledger	GST PMT-05
6.	Challan	GST PMT-06
7.	Application for intimating discrepancy relating to payment	GST PMT-07
8.	Transfer of amount from one account head to another in electronic cash ledger	GST PMT-09

## 21. Returns

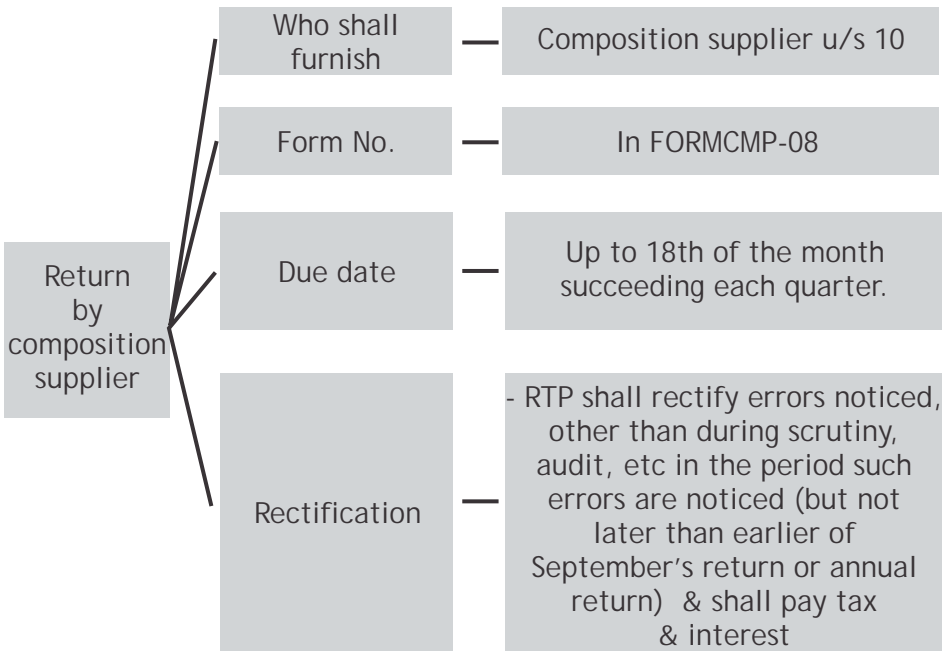
## a. Details of outward supplies



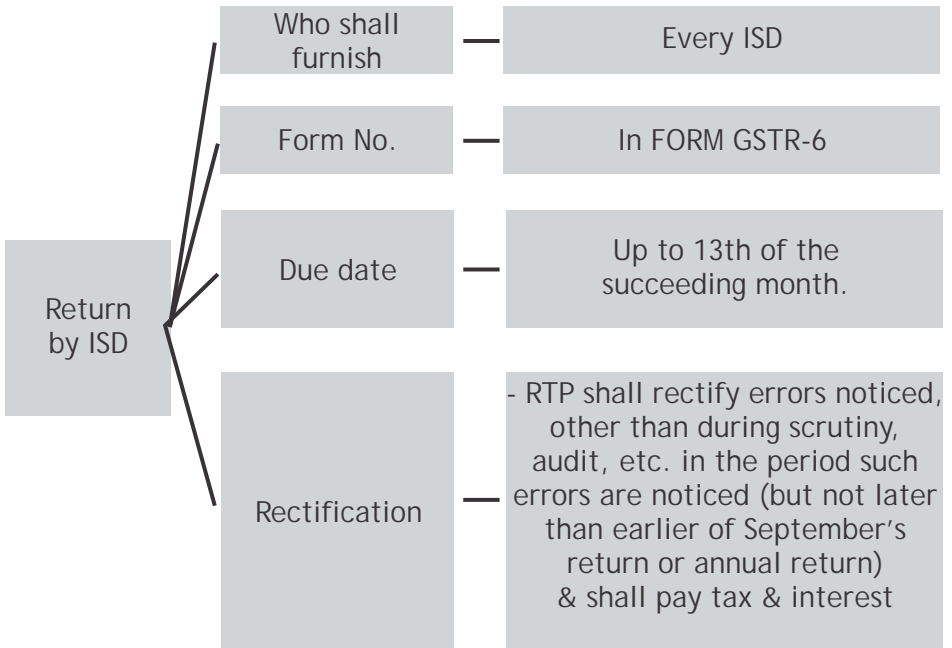
- b. Details of inward supplies in FORM GSTR-2  
(Currently Suspended)
- c. Monthly Return



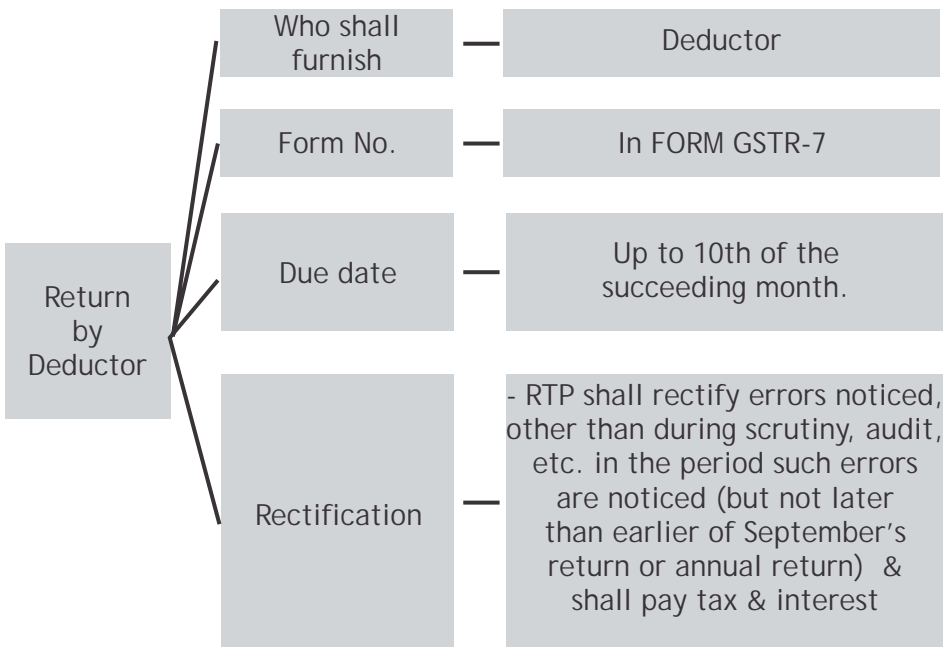
## d. Return by composition supplier



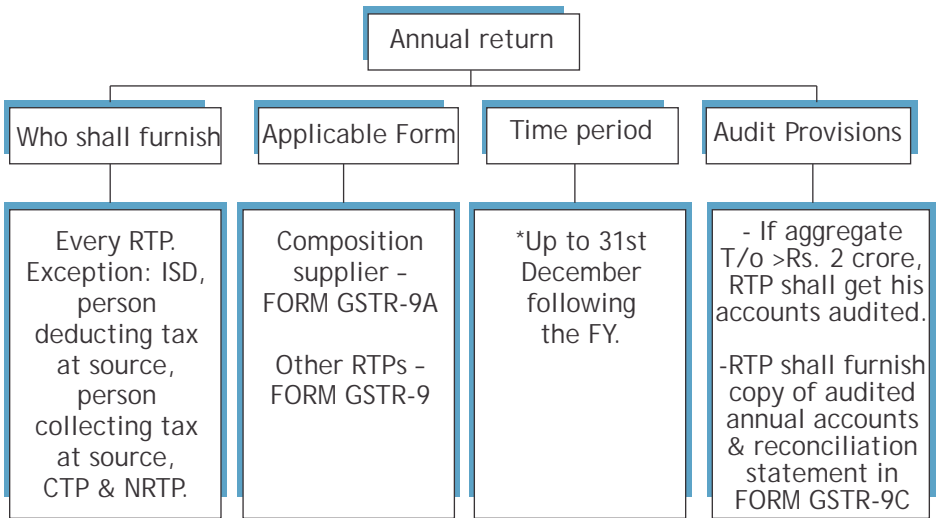
e. Return by ISD



f. Return for TDS



## g. Annual return



Note: GSTR-9A filing for composition taxpayers waived off for FY 2017-18 and FY 2018-19.

Note: GSTR-9 filing for businesses with turnover up to Rs 2 crore made optional for FY 2017-18 and FY 2018-19.

\*Note: Time period for filing GSTR-9 for FY 2017-18 businesses with aggregate turnover above Rs 2 crore has been extended to 30<sup>th</sup> November 2019.

## 22. E-way Bill

- I. E-Way Bill is required to be generated by registered person prior to the movement of goods of consignment value exceeding fifty thousand rupees-
  - In relation to supply.
  - For reasons other than supply (e.g.: Return of goods).
  - Due to 'Inward supply' from an unregistered person.



II. Following type of movement of goods are covered under the purview of E-Way Bill:

Sale of goods	Branch Transfer	Barter/Exchange
Export/Import	Job work	SKD or CSD
Recipient not known	Line sale	Sales returns
Exhibition/Fairs	For own use	Sale on approval basis
Others		

III. Person Required to Generate E-Way Bill

<p>Registered Person</p> <ul style="list-style-type: none"> <li>➤ Value &gt; Rs.50,000</li> <li>➤ Movement of goods caused by him</li> <li>➤ For inward supply from unregistered person</li> <li>➤ E-commerce operator</li> </ul>	<p>Transporter</p> <ul style="list-style-type: none"> <li>➤ Consolidated E-Way Bill for multiple consignments</li> <li>➤ If goods are handed over to him by Registered Person having consignment value less than 50000 without generating E-Way Bill</li> <li>➤ If movement of goods caused by unregistered person</li> </ul>	<p>Special case</p> <ul style="list-style-type: none"> <li>➤ Principal in case of Job work</li> <li>➤ Handicraft supplier</li> </ul> <p>*The e-way bill shall be generated by the said person irrespective of the value of the consignment.</p>
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#### IV. Validity of E-Way Bill

An E-Way Bill or a consolidated E-Way Bill generated shall be valid for the period mentioned as under:

Sr. no.	Distance (Within Country)	Validity Period
1.	Upto 100 kms	One day in cases other than over dimensional Cargo
2.	For every 100 kms or part thereof thereafter	One additional day in cases other than over dimensional Cargo
3.	Upto 20 km	One day in case of over dimensional Cargo
4.	For every 20 km. or part thereof	One additional day in case of Over Dimensional Cargo.

#### V. Cancellation of E-Way Bill

- An E-Way Bill can be cancelled if-
  - Goods are not transported Or
  - Goods are not transported as per the details furnished in E-Way Bill.
- An E-Way Bill can be cancelled electronically on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, within 24 hours of generation of the E-Way Bill.
- An E-Way Bill cannot be cancelled if it has been verified in transit.

#### VI. Details require to generate E-way bill

- Document /Invoice / Challan No
- Document / Invoice / Challan Date
- GSTIN of Recipient (If person is Unregistered GSTIN will be "URP")
- Place of Delivery
- Distance to delivery (Approx.)
- Value of Goods
- HSN Code
- Reason for Transportation
- Rate of Tax
- Mode of Transport
- Transporter's GSTIN & Name Or Vehicle No. of Transporter

*Man cannot discover new  
oceans unless he has the  
courage to lose sight of the shore!!*

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