

Section 16: Eligibility and Conditions for taking ITC – Continued...



Proviso. to Section 16(2): If goods against an invoice are received in lots/installments – RP entitled to avail ITC upon receipt of last lot/ Installment.

Proviso. to Section 16(2): Payment to Supplier within 180 days from Invoice (value + tax both) → if not then Pay Itc availed/reverse with interest, in manner prescribed.

Rule 37: Reversal of ITC incase of non-payment of consideration

RP shall pay/reverse an amount equal to ITC availed in respect of the supply, proportionate to the amount not paid to the supplier, along with interest u/s 50, while furnishing the return GSTR 3B for the tax period immediately following 180 days from the date of invoice (DOI).

No reversal w.r.t. (a) Supplies on which tax payable under RCM (b) Supplies without Consideration (Schedule I Supplies) (c) On that part of VOS which is met by recipient

ITC can be taken again when payment is made to Supplier [No Time limit to regain ITC i.e. Sec 16(4) not applicable]

Sec 16(3): RP if claimed depreciation on tax Component of the Capital goods & Plant and Machinery under income tax act, No ITC on tax Component.



Sec 16(4): Maximum time Limit to claim ITC : W.r.t. any Invoice or Debit note a. 30th day of Nov following the end of FY
b. Actual Date of furnishing Annual return (Whichever is earlier)

Clarification on time limit u/s 16(4) in respect of RCM Supplies received from Unregistered persons.

In Case of Supplies received from URP, where tax has to be paid under RCM & where invoice is to be issued by the recipient in accordance with 31(3)(f), the relevant FY for calculation of time limit for availment of ITC u/s 16(4) will be : The FY in which invoice has been issued by recipient i.e. the Self invoice u/s 31(3)(f), Subject to payment of tax & fulfilment of Other Conditions u/s 16 & 17. Incase the recipient issues the invoice after the TOS, he shall be required to pay tax with interest.

Section 16(6): Time limit to claim ITC in case Cancellation of registration order is revoked.

Where the registration of a RP is cancelled & Subsequently the cancellation of registration is revoked & where ITC in respect of invoice/debit note was not restricted u/s 16(4) on the date of order of Cancellation of Registration, the said RP shall be entitled to take ITC of such invoice/debit note, in a return u/s 39 –

(i) filed upto 30th November following the FY or Actual date of furnishing Annual Return, whichever is earlier; or

(ii) for the period from the date of Cancellation or effective date of cancellation, as the case may be, till the date of order of revocation of Cancellation,

Whichever is later.

where return was filed within 30 days from the date of revocation of Cancellation of registration.

Section 17: Apportionment of Credit and Blocked credit [17(5)]

Note: Section 17(1)(2)(3)(4) & (6) will be discussed at CA final level. Section 17(5) is very important from exam point of view.

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ITC

Blocked Credit – 17(5)







E i N F L I C T³

(a) Motor Vehicle 

For transportation of Persons ⊕

Approved Seating Capacity ≤ 13 (including driver)

Except: when used for

Making taxable Supplies namely :-

(A) Further Supply of such MV or

Circular: ITC of demo vehicles available to dealers engaged in further Supply of such MV.

(B) Transportation of Passengers or

(C) Training on driving such MV.

(aa) Vessels & Aircraft (V&A)

Except: when used for

(i) Making taxable Supplies namely :-

(A) Further Supply of such V&A/

(B) Transportation of Passengers/ Imparting training on :-

(C) on navigating vessels

(D) on flying aircraft

(ii) For transportation of Goods

(ab) Services of General Insurance, Servicing, Repairs & Maintenance of (a) & (aa)

Except (i) When MVA used for Specified Purpose

(ii) where received by a TP engaged

(I) in manufacturing MVA or

(II) in Supplying general insurance Services in respect of such MVA.

(b) Following GIS/B

(ii)

- Club Membership
- health & Fitness centre

No ITC ↑ Obligatory under law → (for employer to provide to employees)

↓ Yes ITC

(iii) Travel benefits to Employees on vacation — No ITC

(i)

- Food & Beverages
- Outdoor Catering
- Beauty treatment




- Leasing/renting/hiring of MVA (referred to in clause (a)/(aa) except when used for Specified purpose)

Circular: Leasing of other items like machinery: ITC available.

- Health Services
- Cosmetic & Plastic Surgery
- Life & health Insurance



↓ Generally → NO ITC

↓ Same Category (Sub-Contracting) → Yes ITC

↓ Element of taxable CS/MS → Yes ITC

(c) Works Contract Services (Capitalized)

For Constn of Immovable property — NO ITC

For Constn of Imp (P&M) — Yes ITC

For further WCS (sub-Contracting) — Yes ITC

(d) GIS/B received by TP (Capitalized)

For Constn of Imp on own a/c — NO ITC

For Constn of Imp (P&M) — Yes ITC

For Constn of Imp for others — Yes ITC





(e) Tax paid u/s 10 (Composition tax)

(f) GIS/B received by NRTP (exception: Goods imported)

(fa) GIS/B received by a taxable person used/intended to be used for activities relating to his obligation under CSR.

(g) GIS/B for Personal Consumption

(h) Goods lost, Stolen, destroyed, written/ disposed off by way of gift/free samples

(i) Tax paid in accordance with Sec 74.

Plant & Machinery means

- Apparatus
- Equipment
- Machinery

fixed to Earth by foundation & Structural Support used for Outward supply of GIS/B & includes such foundation and structural Support

↓ Yes ITC

But Excludes

- L&B ⊕ any Civil Structures
- Telecommunication tower
- Pipelines laid outside factory premises.

↓ NO ITC

Clarification on ITC on the ducts & manholes used in network of optical fiber cables (OFCs)

Issue: Whether ITC is barred on the ducts & manholes used in network of OFCs?

Clarified: Duct & manholes are covered under the definition of P&M as they are used as part of the OFC network for making outward Supply of transmission of telecommunication signals from one point to another. Moreover, they have not been specifically excluded from the above definition of P&M. Accordingly, it is clarified that availment of ITC is not restricted in respect of ducts & manholes used in network OFCs.

Note: MV doesnot include a vehicle running upon fixed rails or a vehicle of Special type for use in a factory/enclosed premises or a vehicle having < 4 wheels fitted with engine capacity upto 25 CC.

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Section - 18 : Credit in Special Circumstances

Sec 18(1): Person shall be entitled to take ITC of: Inputs held in stock/ in Semi finished finished goods held on the day immediately Preceeding the

(a) New Regn (applied within 30 days): Date from which he becomes liable
(b) Voluntary Regn - Sec: 25(3): Date of Grant of Registration
(c) Compo → Regular dealer (RP) taxpayer : Date from which he becomes liable u/s 9
CG ITC available* Rule 40
(d) Exempt → Tanable Supply (RP) Supply : Date from which Supplies become taxable
CG used exclusively for exempt Supplies - ITC available

Note: New Regn: Credit available if applied in 30 days of becoming liable

18(2): No ITC of GIS/B for invoices older than 1 year

Rule 40: Manner of claiming credit in special circumstances

- ITC on CG u/s 18(1)(c) & (d) = Input tax - 5% per Qtr/ Part (from DOI)
- RP within 30 days (+ extention) from becoming eligible - make a declaration electronically in form GST ITC 01 to the effect that he is eligible to avail ITC
- Declaration clearly specify details of inputs in stock/SFG/FGs on day immediately preceeding ⊕ Certified by practicing CA/Cost accountant if claim > 2 lacs.

Circular on various doubts related to treatment of Sales promotion Schemes

- Free samples & gifts: If Activity of distribution of gift/Sample is Supply: ITC allowed, but if such activity is not falling in supply: no ITC w.r.t. I/IS/CGs used for such distribution.
- Buy 1 get 1 free/ Buy more save more discounts: ITC allowed of I/IS/CGs w.r.t. Such Supply
- Secondary discounts (not known at the TOS): No impact on availment of ITC by Supplier.





18(3): In case of change in Constitn of RP: RP allowed to transfer ITC to transferee

- Sale, merger, demerger, amalgamation, Lease, t/f of business (incl. death)
- RP allowed to t/f: ITC which remains unutilized in E.credit ledger
- Rule 41: File GST ITC 02 declaration - buyer will accept - ITC transferred
- In case of demerger: ITC apportionment in ratio of value of assets of new units
- No time limit to file declaration, CA² Certificate mandatory irrespective of amount
- Rule 41A: Transfer of ITC to DP → Separate Reg in same st/UT: ITC 02A (30 days)

18(4): Payment of ITC on Switching to Composition/ Supplies become exempt

Rule 44: Manner of Reversal under special Circumstances
Reversal = Credit of Input tax w.r.t

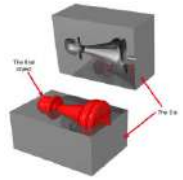
- Inputs held in stock/ contained in SFGs/FGs → Full ITC reversal
- Capital goods held in stock → (ITC availed × Balance life in months/60 months)
- If Tax invoices of Inputs unavailable - estimate based on mkt price (event)
- Amount determined above to be added to OTL + RP to file form GST ITC 03
- No time limit to file declaration and no CA² Certificate required except if FMV of Goods is used - It shall be certified by Practicing CA².

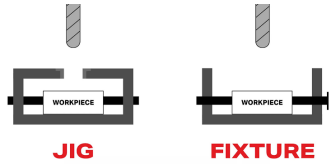
18(6): Incase of Supply of CGs/ P&M (on which ITC taken)

RP shall pay • Reduced ITC (ITC taken - 5% per Qtr/part) (or)
• Tax on TV u/s 15 (Higher)

Proviso: where Refractory bricks/moulds & dies/Jigs & fixtures (Supplied as Scrap)
→ TP may pay tax on TV of Such goods (u/s 15)







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Payment of Tax

Major: IGST, CGST, SGST, UTGST, Cess Minor head: Every major has 5 minors: TIPLO

TP liable/voluntarily → Takes Registration on GST.gov.in → 3 a/cs will be opened by Portal

Common Portal Identification no., 14 digits.

Generate challan GST PMT 06 on portal (valid 15 days)

CPIN generated

Make payment
- Internet Banking ○ IMPS ○ UPI
- Cr/Dr Card ○ Neft/RTGS
- over the Counter (max 10,000 by Cash/cheque/DD) → Per challan, Per tax period

Commission borne by person making payment

Deemed date of deposit of tax

Amount Credited to Govt a/c → CIN Generated (18 digits) → Amount Credited to

Challan Identification no. 14 digit CPIN + 4 digit bank Code

Restriction of Rs 10,000 over the Counter, not applicable in following cases: on deposits made by
- Govt departments/any other deposit by persons notified by Commissioner
- PO/other officer authorised to recover outstanding dues from any person, including recovery made through attachment/Sale of movable/immovable property.
- PO/other officer authorised for the amt collected during investigation/enforcement activity/any ad hoc deposit.

Rule 87: E Cash Ledger

- Credit: Every deposit made towards TIPLO
- Debit: Amount used for: Making payment of TIPLO
- URP: Make payment on the basis of temporary identification no.
- RP may transfer TIPLO from E.cash ledger (CGST) to E.cash ledger for IT/CT/ST/UTT/cess in Form GST PMT 09.
- RP may transfer any amt of TIPLO amt available in e-cash ledger to e-cash for CGST/IGST of a distinct person in PMT 09

Proviso: Transfer not allowed if the RP has any unpaid liability in his e-liability ledger.

- Such transfer from E.cash shall be deemed to be a refund & such transfer to E.Cash shall be deemed to be deposit.

Rule 86B: Restriction on use of amt in E.credit ledger

RP ⊕ value of taxable Supply excluding exempt & Zero-rated Supply in a month > 50 lakhs, he shall not use e.credit ledger to discharge output tax liability in excess of 99%. Restriction NA: RP/Proprietor/Karta/Managing directors, Any 2 partners, Whole time directors, Members of Managing Committee of Associations/Board of Trustees have paid > 1Lac Income tax in each of the last 2 FYs, RP has received refund > 1lac in PFY on a/c of Unutilised ITC, RP has discharged OTL through E.cash > 1% of Output tax liability applied Cumulatively upto said month in CFY, RP is govt department/Public sector under-taking/Local authority/a statutory body.

Rule 86: E.Credit Ledger

- Credit: ITC as self assessed in return
- Debit: Amount used for making payment of 'Output tax'
- Manner of Utilization

IGST ⟶ IGST then CG/SG/UTGST (in any order & Proportion)
IGST should be exhausted
CGST ⟶ CGST then IGST
SG/UTGST ⟶ SG/UTGST then IGST
CGST ⟷ SG/UTGST



Rule 86A: Conditions of use of amount available in E.Credit ledger

Commissioner/officer authorised by him has reason to believe that ITC available in e.credit ledger has been availed fraudulently/is ineligible, he may not allow debit of an such amt = Credit in e.credit ledger for discharge of liability u/s 49/for claim of any refund of any unutilised amount.

Reason for blocking: ▫ ITC has been availed on the basis of invoices/dr. notes issued by a non existent supplier/who is not Conducting business from declared PoB ▫ ITC without receipt of g/s/b ▫ ITC on the basis of document, the tax w.r.t which has not been paid to govt. ▫ Recipient availing ITC found non existent/not Conducting business from declared PoB ▫ ITC without invoice/dr note/any other valid document.

Restriction shall cease to have effect after the expiry of one year.

Circular: ○ Output tax - Self assessed/Owing to proceedings, Can be paid through E.credit ledger. ○ E.credit ledger cannot be used to pay Interest, penalty, late fee or any other amount payable & also for RCM tax liability. ○ E.Cash ledger can be used to Pay Tax, interest, penalty, late fee/any other amount [TIPLO]

Rule 85: E. Liability Ledger

- Debit: ○ Amount Payable towards TILO payable as per return
  ○ Amount of TIPO payable as determined by PO in any proceedings/as ascertained by the said person
  ○ Any amt of Interest that may accrue from time to time.
- Credit: Payment of Liability through e credit/e cash ledger.
- Always debited in E cash: TDS, TCS, Tax under RCM & U/S 10, IPLO
- Manner of discharge (a) Self assessed tax & dues related to returns of the previous tax period (b) of the current tax period (c) Any other amount payable under this act/rules including demand

Sec 50: Interest on delayed payment of tax

- Every person who fails to pay tax due, shall pay with int. @ 18%
  Proviso: Interest shall be payable on tax paid by debiting E.cash ledger
- Interest shall be calculated from the day suceeding the due date.
- Where ITC has been wrongly availed & utilised, int payable @ 18%, No Interest on wrongly availed credit but not utilised (w.e.f. 1.7.17)

Rule 88B: Manner of Calculating int on delayed payment of Tax

(1) Where Supplies made during a tax period are declared in return for the said period after the due date u/s 39, the int @ 18% shall be calculated on the tax paid by debiting e-cash. Proviso: any balance already in E Cash ledger Shall not be taken for interest calculation.

(2) In all other cases, interest shall be calculated on the amt Unpaid i.e. gross tax liability, from due date till date of payment.

(3) Int on ITC wrongly availed & utilised shall be calculated from the date of utilisation till the date of reversal/Payment of tax.

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Tax Deduction at Source (TDS)

Person liable to deduct TDS

(a) Dept/ establishment of CG/SG or
(b) Local authority
(c) Governmental agencies
(d) Persons/Categories of Persons notified by government on recomendation of Council.
↓
a. An authority/ Board/ any other body
(i) Set up under act of Parliament/state legislature or
(ii) Established by govt:
Equity/Control >51% (is with the govt.)
b. Society established by CG/SG/LA
→ Under Societies registration act
c. PSU (Public sector Undertaking)
d. Any RP Supplying Metal to another RP.

Note: Ministry of defence - not to deduct TDS

Credit to E-Cash ledger after validation



Supplier GIS (RP)
[Deductee]

(Excluding tax)
↑
Supply (>2.5 lacs) 3L + 18% GST
Taxable GIS

Tax Invoice	
Value	3,00,000
CGST 9%	27,000
SGST 9%	27,000
	354000



Recipient of GIS } Compulsory Registration
Seperate Registration to be taken
[Deductor]

↓ TDS on - (Invoice value - GST)
Deduct TDS on 3L @ 1% CG + 1% SGST
or 2% IGST
i.e. 6000

↓ Pay the rest

Value of GIS 2,94,000
GST 54,000 → No TDS on GST
3,48,000

Note: Incase of Supply Under Contract, check for total Contract value, If value > 2.5 lacs, then TDS, now single invoice value shall not matter. So, always see contract value for determing TDS/ no TDS, but deduct on invoice amount only.

* Pay to govt via challan

Transfer → 3,48,000

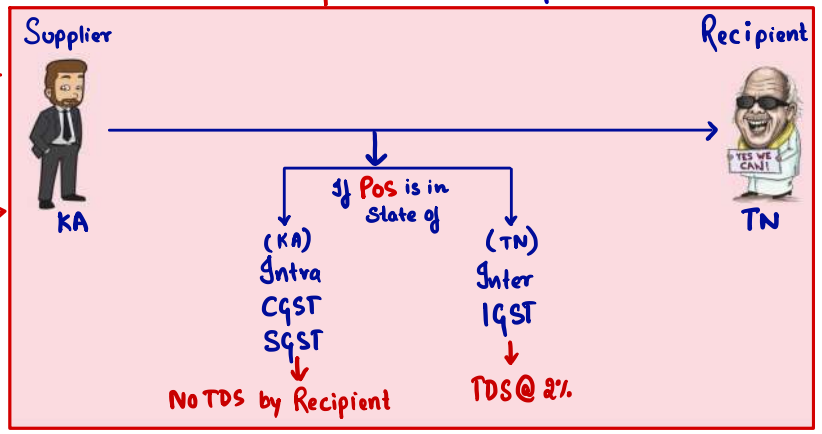
TDS amount: made available to deductee in E Cash ledger

TDS certificate made available to the deductee in GSTR 7A on portal

File TDS Return - GSTR-7 → by 10th of NM
(Return shall be filed irrespective of any deduction)
Failure to deposit TDS i.e. late deposit: Interest @ 18%.

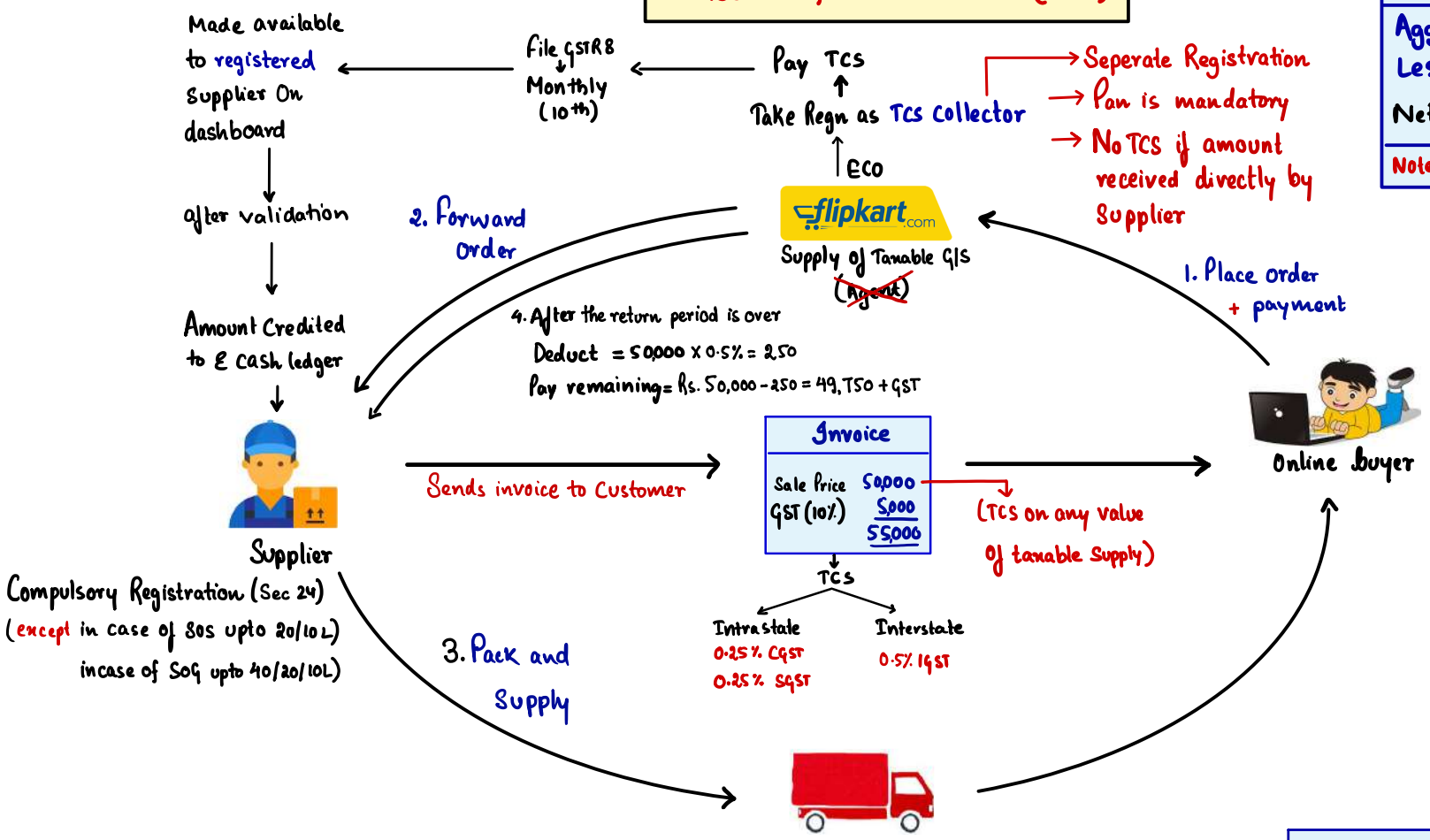
No TDS in the following Cases:

- No TDS if Supply of goods/services takes place between one person to another person specified in clause (a), (b), (c) & (d) U/s 51(1) except incase incase of the person referred to in clause (d) ie metal Scrap.
- Goods/services are supplied from a PSU to another PSU whether/not a distinct person.
- Total value of taxable Supply ≤ 2.5 lakhs under a Contract
- Supplier & Pos are in different State from the ST/UT of registration of the recipient.
- Transaction out of Scope of Supply - Section 7(2).
- Transaction → Nil rated, Wholly exempt, non-taxable Supply.
- Transaction on which tax under RCM - 9(3)/(4)
- Payment made to Unregistered Supplier.



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Collection of Tax at Source (TCS)



TCS on net turnover (Supplierwise)	
Aggregate turnover of TS	xxx
Less: Supplies returned	xxx
Net value of tanable Supplies:	xxx

Note: Exclude notified supplies U/s 9(5)

Annual statement : GSTR-9B - 31st December Nfy.

Rectification of error/mistakes

Rectify in statement to be furnished for the month in which error/omission noticed. Subject to interest @ 18%.

Maximum time limit to rectify

- 30th November following the end of FY or
- Actual date of furnishing Annual Statement (earlier)

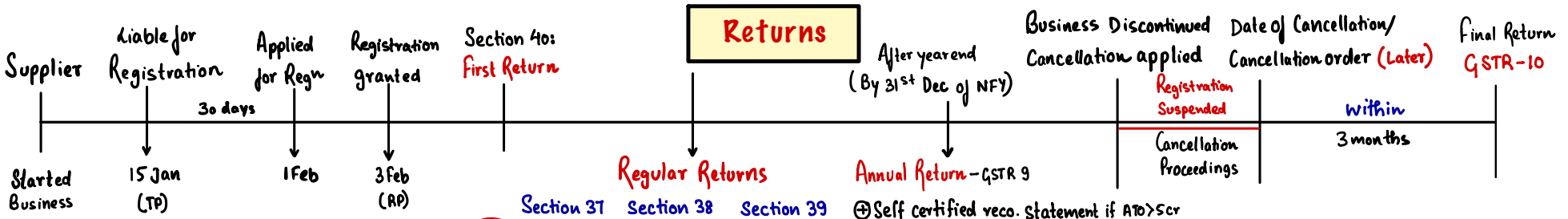
No TCS in following Cases :

1. Transaction out of Scope of Supply - Section 7(2)
   Eg: Sale of Land & Building - 99 acres.com
2. Transaction on which tax under RCM - 9(3)/(4)
3. Transaction Nil rated / wholly exempt / Non tanable Supply
4. Supplier Unregistered Person
5. No TCS on services covered U/s 9(5)

TDS U/s 51	TCS U/s 52
TDS Rate = 1% + 1% = 2%	TCS rate = 0.25% + 0.25% = 0.5%
Recipient deducts and pays to government	Eco deducts and pays to government.
TDS obligation on only notified recipient	TCS is on every Eco who receives payment
TDS is only when value Under Contract > 2.5L	If eco is collecting the Consideration - TCS applicable
Return - GSTR - 7	Statement - GSTR8

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Returns



Every RP (incl. CTP) except NRTP, Compo, TDS deductor, TCS collector, OIDAR. GSTR-1: OS | Section 37 GSTR 2B | Section 38 GSTR 2B | Section 39 GSTR 3B

⊕ Self certified reco. statement if ATO > 5cr

Note: For FY 17-18, 18-19, 19-20 AR made optional for TP with ATO ≤ 2cr.

For 20-21, 21-22, 22-23, 23-24 - RP with ATO upto 2cr exempt from filing AR.

Sec NA to dept of CG/SG/LA whose bks of a/cs are audited by C&AG/auditor appointed under their law.

GSTR-1A: Optional facility

- Optional facility to furnish additional details/amend the records filed in GSTR-1 of Current tax period.
- Corresponding effect of the changes made in 1A on the liability shall be reflected in GSTR 3B for same tax period.
- At the recipient's end, the ITC for supplies declared/amended in GSTR 1A will be available to recipient in GSTR 2B of the next tax period.

NRP: GSTR 1/1A/IFF
NRTP: GSTR 5
→ GSTR 2A (Part A) / GSTR 2A (Part A)
→ Auto generated Statement → GSTR 2B: ITC details
Details furnished in GSTR 1
GSTR 5 & IFF: Invoice details

Supplier (Non-QRMP) GSTR 3B monthly by 20th

Opts GSTR 1 (Monthly): ~~10th~~ 11th NM (By notification)

GSTR 1: O/s Supplies → (invoice, dr & cr notes) → Recipient GSTR 2A → (Auto-generated) → GSTR 2B [14th of NM]

Supplier (QRMP) → ATO in PFY ≤ 5cr GSTR 3B Quarterly by 22nd/24th

- April: IFF (1st till 13th May) → April – B2B (invoice value max upto 50 lacs)
- May: IFF (1st till 13th June) → May – B2B (invoice value max upto 50 lacs)
- June: GSTR 1 (for Quarter): 13th July → June – B2B & B2C + April & May – B2C & B2B remaining invoice
- Optional facility, to furnish B2B invoices only.

Recipient GSTR 2A / GSTR 2A / GSTR 2A → [14th of NM] GSTR 2B / GSTR 2B / GSTR 2B

- **Composition dealer:** GST CMP 08 (Quarterly) till 18th of month Succeeding Qtr, GSTR4: annually by 30th June, Annual return – GSTR 9A by 31st December.
- NRTP → GSTR 5, within 13 days after end of month/within 7 days after last day of validity (earlier). No AR

Rule 67A: NIL – GSTR 3B/GSTR 1/CMP 08 can be furnished through SMS using reg. mobile no. & Same verified through OTP.

Section 46: Non Submission of Return: Notice GSTR 3A to furnish return within 15 days.

Cases when RP is debarred from furnishing details in GSTR1/IFF

- A RP is not allowed to furnish details in GSTR 1, if GSTR 3B not furnished for the preceding month.
- A RP with ATO upto 5cr in PFY & opts for Quarterly returns, not allowed to furnish details in GSTR1/use IFF, if he has not furnished GSTR 3B for Preceding tax period.
- A RP, to whom an intimation has been issued under rule 88C(1) in respect of a tax period, shall not be allowed to furnish GSTR1/use IFF for a subsequent tax period, unless he deposits the amount specified in the intimation/furnishes a reply explaining the reasons for any amount unpaid.
- A RP, to whom an intimation has been issued under rule 88D in respect of a tax period(s), shall not be allowed to furnish GSTR1/use IFF for a subsequent tax period, unless he either paid the amount specified in the intimation/furnishes a reply explaining the reasons in respect of the amount of excess ITC that is still unpaid.
- A RP shall not be allowed to furnish GSTR1/use IFF if he has not furnished the details of the bank account as per rule 10A.

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Returns (QRMP scheme)

PFY: ATO ≤ 5cr → eligible → QRMP • Option available GSTIN wise • Option exercised once shall continue unless revised.



RP | 20XX | 20XX | April | May | June | July | August | Sep | Oct | Nov | Dec | Jan | feb | Mar | 20XX | 20XX

ATO > 5cr

Quarter 1 → Eligible | Quarter 2 → Eligible | Quarter 3 → Eligible | Quarter 4 → ineligible

Note: RP should have furnished last return due on the date of exercising option to opt for QRMP Scheme.

Procedure post opting Quarterly return but payment monthly,

April | May | June | July

So options: → Options:

(1) FSM — Fixed Sum Method

25th NM — Monthly Payment (after considering e cash/e credit ledger)

35% x GST Paid in PQ (using Cash) [where GSTR 3B is furnished Quarterly]

or

(2) SAM — Self Assessment Method

100% of GST paid [where the return was furnished Monthly: if new to QRMP]

Actual tax liability

Payment of the differential & 22nd/24th - Quarterly Return (3B)

Differential payment

No interest to be paid on any tax unpaid/short paid

Interest @18% if differential not paid within due date.

Actual tax liability

Interest is payable u/s 50 on any tax unpaid/short paid (at the time of GSTR 3B)

Rule 61A: Manner of opting Quarterly return

Jan | feb | Mar | April | May | June

01.02.XXXX — 30.04.XXXX

time limit to Opt for QRMP (for April–June)

Tax paid in Cash in Quarter (January - March, 2021)

CGST	100
SGST	100
IGST	500
Cess	50

Tax required to be paid in each of the months – April and May, 2021

CGST	35
SGST	35
IGST	175
Cess	17.5

In case the last return filed was monthly for tax period March, 2021:

CGST	50
SGST	50
IGST	80
Cess	0

Tax required to be paid in each of the months – April and May, 2021

CGST	50
SGST	50
IGST	80
Cess	0

Important notes:

- A RP shall not be allowed to furnish the details of outward supplies (GSTR 1) for a tax period, if the details of outward supplies for previous tax periods have not been furnished by him.
- A RP shall not be allowed to furnish a return (Monthly/Quarterly) if: the return of any previous tax periods/the details of outward supplies (i.e. GSTR 1) has not been furnished by him.
- The details of outward supplies in GSTR 1/1A shall include (a) Invoice-wise details of all (i) Intra-state & Interstate supplies made to the RPs & (ii) Interstate supplies with invoice value > One lac made to URP. (b) Consolidated details of all – (i) Intra-state supplies made to URPs for each rate of tax & (ii) Statewise interstate with invoice value upto one lac rupees made to URPs for each rate of tax.
- B2B/B2C supplies, only details of invoice are required to be provided in return, there is no requirement to upload the scanned copies of invoices on the GST portal at the time of filing returns.
- A tax payer cannot file GSTR1 before the end of current tax period. Exception: CTPs, after the closure of business, Cancellation of GSTIN of a normal taxpayer.
- GSTR 1/3B needs to be filed even if there is no business activity/not made any taxable supplies in the tax period. (i.e. month/Quarter).
- Any error discovered in return GSTR 3B after filing cannot be rectified, there is no mechanism to file revised return. However, the error can be rectified by furnishing appropriate details in the 'Amendment tables' contained in GSTR 3B. Also, no rectification of details furnished in GSTR 3B shall be allowed after (i) 30th day of Nov following the end of FY (ii) Date of filing relevant AR (Earlier).

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Rule 88C: Manner of dealing with difference in liability reported in GSTR1 & GSTR 3B

- Where the tax payable by RP in GSTR1/1A/using IFF exceeds the tax payable in GSTR 3B by such amount & %age as may be recommended by Council, the RP shall be intimated of such difference, on portal & a copy shall also be sent on Email, highlighting difference & directing him to (a) Pay differential liability with interest u/s 50 or
  (b) Explain the aforesaid difference in tax payable on the portal, within a period of 7 days.
- The RP shall (a) Pay & furnish details or (b) furnish a reply, within the said 7 days.
- Where any amount remains unpaid & no explaination is furnished or where the explanation is not found to be acceptable by PO, the amount shall be recoverable.

Rule 88D: Manner of dealing with difference in ITC available in 2B & ITC availed in return (3B)

(1) Where the ITC availed by a RP in the return for a tax period(s) furnished by him in GSTR 3B exceeds the ITC available in auto-generated Statement GSTR 2B, by such amount & such %age, as may be recommended by the Council, the RP shall be intimated of such difference on portal & email, highlighting the difference & directing him to (a) Pay the excess ITC availed with interest u/s 50 or (b) Explain the reasons for difference. within a period of 7 days.

(2) The RP shall either (a) Pay the excess ITC amount with interest u/s 50 or (b) furnish a reply with reasons in respect of excess ITC that has still remained unpaid. within a period of 7 days.

(3) where any amount remains to be paid and where no explanation/reason is furnished by the RP or where the explanation is not found acceptable by the PO, the said amount shall be demanded.

GST Practitioner – Means any person who has been approved u/s 48 to act as GSTP

Apply → Verification by PO → Enrollment/ Rejection

Eligibility

1. Indian citizen
2. Sound mind
3. Not Adjudicated insolvent
4. Not Convicted by a Competent Court

(+)

Satisfies any of the following:

(a) He is a retired officer of Commercial Tax dept of any SG/CBIC (Group B Gazetted officer ≥ 2yrs)

(b) He has enrolled as sales tax practioner/tax return preparer under existing law for ≥ 5 yrs

(c) He has passed:

(i) a graduate/post graduate degree/equivalent in Commerce, Law, Banking, Business Administration or business management from any Indian university

(ii) a degree examination of any foreign university recognised by any Indian university as degree equivalent

(iii) any other examination, notified by govt on recommendation of Council

(iv) has passed final examination of ICAI/ICWAI-Cost accountants/ICSI.

Application: Over common portal

IMPORTANT

Functions of GSTP:

1. Furnish details of outward supplies u/s 37
2. Furnish monthly, annual or final return (u/s 39, 44, 45 resp.)
3. Make deposit for credit into the E.Cash ledger
4. File a refund claim
5. File an application for amendment/Cancellation of Registration
6. Furnish information for generation of e-way bill
7. Furnish details of challan in GST ITC 04 (Jobwork details)
8. File an application for amendment/Cancellation of enrolment under rule 58
9. File an intimation to pay tax Under Composition/withdrawal from Scheme

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Place of Supply

LOS: Location of Supplier
LOR: Location of recipient
AOR: Address on records

(I) Section 10 (goods)

(a) Supply involves movement (S/R/AD) — Where movement terminates for delivery to recipient

(b) 'Bill to Ship to' — PPOB of 3rd party

(c) Supply doesnot involve movement — Location of goods at the time of delivery

(ca) Supply to URP — Location as per address recorded in invoice. If address not recorded: Location of the Supplier.

(d) Assembled/Installed at Site — Place of installation/assembly

(e) Supplied on board — Place taken on board

Circular: Pos of goods (particularly being Supplied through ECO) to URP where billing & delivery address are different shall be: the delivery address & Supplier may record delivery address as the address of recipient on the invoice for determining Pos.

Section 12 (Services)

(1) LOS & LOR both in India → Then sec 12 is applicable

(2) Residual rule → RP - LORP; URP - AOR; ~~AOR~~ - LOS

(3) Services in relation to immovable property
(a) Directly in relation to IMP
(b) Lodging accomodation
(c) Functions at imp.
(d) Ancilliary Services to (a,b,c) → Location/intended location of property/Boat/vessel. Imp. outside India - LOR
Immovable property located in multiple state/UT: SoS treated as made in each state/UT, in proportion to value of Services seperately Collected/determined in term of Contract/As per Rule 4
Rule 4: in proportion to no. of nights/area/on the basis of declaration by service provider.

(4) Performance Based Services RCB & PH → Place of Performance (POP)
R: Restaurant & Catering
C: Cosmetic & Plastic Surgery
B: Beauty treatment
F: Fitness
P: Personal grooming
H: Health Services

(5) Training & Performance Appraisal → RP: LORP; URP: POP

(6) Admission to Event(E)/Park & Services ancillary → POEvent/Park

(7) Organisation of Event & ancillary Services → RP: LORP; URP: POEvent
Event o/s India: LOR
Event in multiple State
Pos in each of the resp. St/UT & Value shall be in proportion to value seperately Collected/in term of Contract/As per Rule 5 (URP): Apply GAAP.

(8) Transportation of goods (incl. mails/courier) → RP - LORP; URP - Handed over (Pick up)

(9) Passenger transportation Services → RP - LORP; URP - Place of embarkation (Jump in)
Right 2 passage: 12(2): Residual rule.
Expln: Return journey is treated as seperate journey.

(10) on Board Services → First Scheduled departure point

(11) Telecommunication Services by
(a) Fixed line, circuit, dish: Location of FL, circuit, etc.
(b) Post paid mobile: Billing address
(c) Pre paid mobile, internet
- Through Selling agent/reseller/distributor: Address of agent/reseller
- By any person → final Subscriber: where prepaymt recd/voucher sold
- Prepaid Service through internet banking: AOR.

(d) Other cases: Address on records, if AOR NA: LOS
Expln: Leased circuit installed in > 1 St/UT, In proportion to value/In term of Contract/As per Rule 6
Rule 6 (in proportion to no. of points lying in St/UT)

(12) Financial & stock Broking Services → AOR, if ~~AOR~~ LOSoS

(13) Insurance services → RP: LOR; URP: AOR

(14) Advertisement Services to CG/SG/LA/statutory body meant for states/UTs
Pos: In every state/UT & value proportion to Amt attributable to Services provided in resp St/UT in term of Contract/As per Rule 3

Circular: Pos in case of SoSs w.r.t. advertisement Sector.
- Supply of Space on hoarding given by vendor to advertisement Co. is grant of right to use an immovable property, Sec 12(3) Shall apply.
- Where the vendor is responsible for display of advertisement, he is providing advertisement Services to adv. Co, Sec 12(2) Shall apply.

Advertisement in	Basis of Apportionment/Vos
Newspaper & Publication	Amount payable for publishing advertisement.
Printed material (pamplets/TShirts)	Amount payable for distribution.
Hoarding other than on trains	Amount payable for hoardings.
Trains	Ratio of length of railway tracks x Amt Payable for such advertisement.
Utility Bills of oil/gas Co.	Amount payable
Railway tickets	Ratio of No. of railway stations x Amount payable
Over Radio Stations	Amount payable to such radio Station
Television channels	Channel Viewership Figures
Cinema halls	Amount payable to a cinema hall/Screens in a multiplex
Over internet	Service deemed provided all over India, Basis: internet Subscribers
through SMS	Telecom Subscribers

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