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**Important One Day Before Exam**

**SMART SUMMARY NOTES**

**By CA Vishal Bhattad**

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## Topics

- ☛ Amendments for May-23 Exam
- ☛ Interest rate Chart
- ☛ Monetary Limit Chart
- ☛ Time Limit Chart
- ☛ Fees & Penalties
- ☛ Due Date Chart

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# GST Summary Notes

01

## Supply

Sec	Relevant Provision
Sec 7(2)	Services under Article 243G & 243H of Panchayats & Municipality <b>and</b> Services of granting liquor license against consideration in the form of license fee by SG are <b>neither</b> supply of goods <b>nor</b> supply of services. This notification is <b>retrospectively</b> applicable from 01.07.2017

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### Important Clarifications

1)	<p><b>Perquisites by employer to employee:- [Circular No.172/04/2022 Dt. 06/07/2022]</b></p> <p>Any perquisites provided by employer to its employees:</p> <ul style="list-style-type: none"> <li>➤ If it is in terms of contract, then it is not treated as supply under Schedule III &amp;</li> <li>➤ If it is not in terms of contract, the value of more than ₹50,000 is taxable as per Para 2 of Schedule I</li> </ul>
2)	<p><b>GST applicability on liquidated damages, compensation and penalty arising out of breach of contract or other provisions of law [Circular No. 178/10/2022 dt 03/08/2022]:-</b></p> <p><b>Certain parameters for taxability under GST:-</b></p> <ul style="list-style-type: none"> <li>➤ GST is leviable on “The activity for a consideration” which involves <b>contractual relationship between supplier and recipient.</b></li> <li>➤ As per <b>Para 5(e) of Schedule II to CGST Act</b>, agreeing to the obligation to refrain from an act or to tolerate an act/situation, or to do an act is supply of service.</li> <li>➤ There is an express or implied promise from supplier for above 3 activities in return of money <b>(i.e. payment cannot be assumed to be made for those 3 activities).</b></li> <li>➤ It must be independent arrangement/activity &amp;</li> <li>➤ If payment is merely an event in the course of performance of an agreement and it does <b>not represent the 'object'</b> of the contract, then it cannot be considered 'consideration'.</li> </ul> <p><b>Based on above parameters, CBIC provided few clarification as below:-</b></p> <ol style="list-style-type: none"> <li>1) <b>Liquidated Damages:</b> Normally there is no express or implied agreement, hence these damages are <b>not taxable</b> but in certain case, are taxable like amounts paid for acceptance of late payment, early termination of lease or for pre-payment of loan or the amounts forfeited on cancellation of service by the customer.</li> <li>2) <b>Compensation for cancellation of coal blocks:</b> This compensation was not given under a contract between allottees &amp; Government; Hence, such compensation is <b>not taxable.</b></li> <li>3) <b>Cheque dishonour fine/ penalty:</b> There is never an implied or express offer by supplier hence, it is not a consideration for any service and <b>not taxable.</b></li> <li>4) <b>Penalty imposed for violation of Law:</b> There is <b>no agreement</b> between Government and the violator. Accordingly, penalty for violation of laws is not consideration and <b>not taxable.</b></li> <li>5) <b>Forfeiture of salary or payment of bond amount:</b> These amounts are <b>not consideration</b> for tolerating the act of such premature quitting of employment &amp; hence, not taxable.</li> <li>6) <b>Compensation for not collecting toll charges:</b> It is clarified that service provided by toll operators is that of access to a road or bridge and merely because consideration came from a person other than the actual user of service does not mean that the service has changed. Thus, <b>compensation received would be treated as supply.</b></li> </ol>

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- 7) **Late payment surcharge or fee:** The facility of accepting late payments with interest, fee, fine or penalty are granted by supplier are **naturally bundled**, Hence, **assessed at the same rate as the principal supply**.
- 8) **Fixed Capacity charges for Power:** The minimum fixed charges/capacity charges and the variable/energy charges are charged for sale of **electricity** which is **exempt** from GST.
- 9) **Cancellation Charges:** Suppliers of services such as hotel accommodation, tour and travel, transportation etc., **commonly provide the facility of cancellation**. Thus, it should be assessed as the principal supply & Accordingly, such cancellation fees should be **assessed at the same rate as applicable to the service contract**.

3) **Other Clarifications: [Circular No.177/09/2022- GST]:**

- ➔ It is **clarified** that sale of land after levelling, laying down of drainage lines, water line, electricity etc is considered as Sale of land only, hence **not taxable**.
- ➔ It is **clarified** that construction, installation and commissioning of a dairy plant constitutes supply of works contract and was **eligible** for concessional rate of GST.

## 02 Reverse Charge Mechanism & ECO

**Entry 1)** Service of transportation of goods by road by **Goods transport Agency (GTA)** to any person located in taxable territory. Earlier forward charge option was available @ 12% GST, now also it is available @ 12% GST with following conditions (as per 2nd proviso).

- ➔ If the supplier (GTA) takes registration under GST &
- ➔ opts to pay tax under forward charge &
- ➔ issues tax invoice & made declaration on invoice as per Annexure

**Entry 5)** **Services supplied by Government to Any business entity located in Taxable territory.**  
**Exceptions: (Services excluded from RCM)**

- 1) Renting of immovable property.
- 2) **All taxable Services provided by the Department of Posts.**

**Note:** Earlier for Department of post services like speed post, express parcel post or Agency **Amendment** services are taxable under forward charge but now all services of Department of post are taxable under forward charge subject to exemption **under entry no. 24C**.

- 3) Services in an aircraft/vessel, inside or outside the precincts of a port or an airport
- 4) Transport of goods or passengers.

**5AA) Services of renting residential dwelling by any person to a registered person.**

No.	Type of property	Purpose of use	Recipient	Taxability
1	Residential	Residential	Unregistered	Exempt
			Registered	Taxable under reverse charge
2	Residential	Commercial	Registered	Taxable under reverse charge
			Unregistered	Taxable under Forward charge
3	Commercial	Commercial	Any Person	Taxable under Forward charge

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**Clarification under RCM :- [Circular No. 177/09/2022 GST dated 03.08.2022]:**

- ➔ **RCM would apply** on renting of vehicles if the body corporate use in the manner as it likes subject to agreement with the person providing vehicle on rent.
- ➔ **RCM would not apply** on transportation of passengers if body corporate avails said service for specific journeys or voyages and does not take vehicle on rent for any period of time.

# 03

## Composition Scheme

**Sec 10(2)(e):** The registered person should not be the manufacturer of notified goods for eligibility of composition levy.  
**Earlier Provision:-** One of the same is Fly ash bricks or fly ash aggregate with 90% or more fly ash content, fly ash blocks  
**Amendment:-** which is replaced by **Fly ash bricks, fly ash aggregates, Fly ash blocks.**  
**Example:** Mr. A manufactures Fly ash having aggregate content 90%, whether he is eligible for Composition - between 01.04.2022 to 18.07.2022 he was ineligible for composition levy but after 18.07.2022 is eligible for composition levy.

# 04

## Payment of Tax

<p><b>49(2)</b> <b>Amendment</b></p>	<p>The ITC which is self-assessed by registered person is credited to his E-credit ledger as per Sec 41.  <b>Note:</b> References of GSTR 2 &amp; Sec 42,43 &amp; 43A ie matching &amp; mismatching is omitted by FA 2022, So their references in other sections are also <b>omitted.</b></p>
<p><b>49(4)</b></p>	<p>Amount available in electronic credit ledger may be used only for <b>Output tax</b> in accordance with the manner, conditions and <b>restrictions</b> prescribed.  <b>Note:</b> The word “restriction” is inserted to give the validity to Sec 38(2) &amp; Rule 86.</p>
<p><b>49(10)</b> <b>With Rule 87(14)</b></p>	<p>Registered person can also transfer the amount of tax, interest, penalty &amp; fees to E-cash ledger of IGST &amp; CGST of his <b>deemed distinct person</b> in Form PMT 09, but he does not have any unpaid liability in E-credit ledger.  <b>Example:</b> Mr. A is having excess balance in his cash ledger in one of his branches at Gujarat &amp; there is liability of output tax arise in another branch at Maharashtra. Can he use excess balance of Gujarat branch for payment of tax liability at Maharashtra.  <b>Answer: Yes,</b> he can do so by using Form PMT-09.</p>
<p><b>49(12)</b> <b>With Rule 86B</b></p>	<p>Government may specify maximum proportion of output tax liability under CGST or IGST Act, 2017 which may be discharged through the e-credit ledger by a registered person as prescribed conditions &amp; restrictions  <b>Note:-</b> Sec 49(12) is inserted to give validity to rule 86B (utilisation of ITC 99% of output tax)</p>
<p><b>Rule 85</b></p>	<p><b>Electronic Liability Register:</b> The provision of amount of tax &amp; interest u/s 42 or 43 debited to E-liability register is omitted.</p>
<p><b>Rule 87</b></p>	<p><b>Tax Payment Challan:</b> Earlier deposits made by Internet banking, Debit card, Credit Card, NEFT/RTGS was allowed through <b>PMT-06 challan</b> in electronic cash ledger, now govt has also allowed deposits through <b>IMPS &amp; UPI</b> &amp; the validity of mandate form of NEFT/RTGS/IMPS is 15 days</p>
<p><b>Rule 86</b></p>	<p><b>Electronic Credit Ledger:</b>          If a registered person deposits the amount of erroneous refund sanctioned to him u/s 54(3) or u/r 96(3) along with interest and penalty if applicable, by debiting the electronic cash ledger through FORM GST DRC 03, <u>on his own or being pointed out by an officer</u> then the amount of erroneous refund deposited by him shall be <b>re-credited</b> to the electronic credit ledger by the proper officer through an <b>order</b> in FORM GST PMT-03A.</p>
<p><b>Sec 50(3)</b></p>	<p>If ITC has been wrongly availed <b>and</b> utilised, the registered person shall pay interest on such utilised ITC at the rate not exceeding 18% p.a. as notified by Government (also read Rule 88B)</p>



**Rule 88B****V.V. IMP**

(1) If there is delay in payment of tax through delayed filing of return but before proceedings u/s sec 73 or 74, then the interest shall be charged @ 18% p.a on the tax paid by debiting E-cash ledger (**ie Net tax liability after ITC plus RCM**) from the period of delay in filing the return beyond the due date upto date of filing GSTR-3B.

(2) In all other cases u/s 50(1), interest shall be charged @18% p.a on the unpaid tax amount (**ie Gross tax liability**) from the date on which such tax was due to be paid till the date of payment of such tax

(3) If the ITC is wrongly availed and utilised u/s 50(3) then the interest shall be charged @18% p.a on ITC wrongly utilised from date of wrongly utilised ITC till the date of reversal of such credit.

**Explanation:- For the purposes of rule 88B(3):-**

**The date of utilisation of such ITC shall be taken to be as under:-**

a) If balance in e-credit ledger falls below the amount of ITC wrongly availed on account of payment of tax through the said return, then date of utilisation of such ITC shall be **earlier** of:-

- Due date of return u/s 39
- Actual date of filing of return.

b) If balance in e-credit ledger falls below the amount of ITC wrongly availed in all other cases, then the date of utilisation is the date of debit in the electronic credit ledger.

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**Circular No. 172/04/2022 GST: Utilisation of the amounts available in the E-credit ledger & E-cash ledger for payment of tax and other liabilities**

- ➔ It is **clarified** that any payment towards output tax other than RCM, either self-assessed or consequence of any proceeding under GST can be made through electronic credit ledger of a registered person
- ➔ Amount of E-credit ledger **cannot** be used for making payment of any interest, penalty, fees or any other amount payable under GST & also not for making payment of any erroneous refund.
- ➔ Amount of E-cash ledger **can** be used for making any payment towards tax, interest, penalty, fees or any other amount payable under GST Laws

**05****TDS-TCS**

**52(6) Omission or incorrect particulars in monthly statement: Maximum time limit to rectify monthly statement by ECO if discovers any omission or incorrect particulars is EARLIER of:-**

- ➔ 30th November following the end of the F.Y. or
- ➔ actual date of furnishing of the relevant annual statement

**06****Input Tax Credit**

**Sec 16: Eligibility and conditions for taking input tax credit**

**2(ba)** The new clause is inserted ie clause (ba) where the details of ITC of registered person should not be restricted under Sec 38 (GSTR-2B).

**Note:** Detailed discussion of Sec 38 is in Chap: Returns

**(4)** Earlier Time limit was 20th oct, now this time limit is increased to 30th Nov, Hence ITC of a particular FY can be availed by **30th Nov of next FY or date filing of annual return, whichever is earlier**



## 2nd Proviso to Sec 16(2) read with Rule 37

### Rule 37: Reversal of ITC in case of non-payment of consideration:

- Registered person who has availed ITC shall pay full amount (i.e Value + tax) to the supplier **within 180 days** from the date of invoice.
- Otherwise, ITC availed by him shall be added to output tax liability with interest u/s 50 @18% p.a immediately following the period of 180 days
- If payment is made after 180 days, he shall be entitled to re-avail the ITC.

#### Exceptions:

- ⇒ Supplies on which tax is payable under RCM.
- ⇒ Deemed supplies without consideration.
- ⇒ Additions made u/s 15(2)(b) to the value on account of supplier's liability being paid by recipient.

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## CBIC Clarification on Sec 17(5)(b) :-

### Leasing of motor vehicle :

- ⇒ It is clarified that "leasing" referred in Sec 17(5)(b)(i) refers to leasing of motor vehicles, vessels & aircrafts only and not to leasing of any other items. Accordingly, availment of ITC is not barred.

### Circular No. 172/04/2022 -GST dt 06.07.2022:

- ⇒ ITC of goods/services or both shall be available, which are obligatory for an employer to provide to its employees under any law for the time being in force, Accordingly, it is clarified that the proviso after Sec 17(5)(iii) **is applicable to the whole clause (i)/(ii)/(iii) of Sec 17(5) (b)** of CGST Act.

### N/n 3/2018 C.T. dated 23-1-2018:

#### For Rule 42 & Rule 43, it is clarified that the aggregate value of exempt supplies shall exclude:

- ⇒ Service of accepting deposits, extending loans or advances where the consideration is either interest or discount. However, it is included in the exempt supply if the same are provided by a banking company or a financial institution including a NBFC.
- ⇒ Transportation of goods by a vessel from the customs station of clearance in India to a place outside India
- ⇒ **The value of supply of Duty Credit Scrips specified in relevant Notification.**

Amendment

**Note:** References of GSTR 2 have been removed under Rule 42 & Rule 43

07

## Registration

### Sec 22: Person liable to Registration:-

**N/n. 10/2019 CT dt 07.03.2019:** Exception to exemption of threshold for exclusive supply of goods



- ⇒ Notified goods like Fly ash bricks or fly ash aggregate with 90% or more fly ash content, fly ash blocks is replaced by **Fly ash bricks, fly ash aggregates, Fly ash blocks**


### Sec 29 read with Rule 21: Cancellation of Registration:-

- (2) **Following are the circumstances where the PO may cancel the registration:**
- ⇒ If the registered person is required to file return monthly & not furnished returns for a continuous period of **6 months**.
  - ⇒ If the registered person is required to file return under QRMP scheme for each quarter or part thereof & not furnished returns for a continuous period of **2 tax periods**
  - ⇒ A person paying tax under composition levy has not furnished the return for a financial year beyond 3 months from the due date of furnishing the said Return

### Rule 21A: Suspension of Registration:

- (4) **Proviso 2:** If registration has been **suspended** for contravention of provisions of section 29(2)(b)/(c) (ie non furnishing of bank details & monthly or quarterly returns) and the registration has not already been cancelled by PO under rule 22, the suspension of registration shall be **deemed to be revoked** upon furnishing of all the pending returns

Sr.No.	Amendments in Existing Exemptions:	
74	<b>Health Care Services:</b> Now the services are provided by Clinical establishment by providing room having charges <b>more than ₹ 5,000 per day</b> to a <b>person are taxable</b> but in case of ICU, ICCU, CCU & NICU, <b>exemption is available.</b>	
(2)	<b>Agricultural Sector:</b> Services by way of storage or warehousing of cereals, pulses, fruits and vegetables are <b>exempt.</b> <b>Note:-</b> Now exemption is restricted only for 4 products therefore, storage or warehousing of Nuts, spices, copra, jaggery, coffee and tea & etc. are removed from exemption & it become taxable (if they are not agriculture produce).	
(3)	<b>Sports Sector:</b> Services by way of right to admission to the events organised under FIFA U-17 Women's World Cup 2020 <b>[whenever rescheduled] are exempt.</b>	
(4)	<b>Transport Sector:</b> Services of passenger transport by Air in <b>Economy class</b> embarking or termination to/from the specified states are <b>exempt.</b> <b>Note:-</b> Earlier exemption was for all classes, now it is restricted to Economic class. <b>Also,</b> Services of transportation of railway equipment's or material by Rail or vessel are <b>taxable</b> now.	
(5)	<b>Renting of Immovable Property:</b> Services of renting of residential dwelling for use as residence are <b>exempt</b> except if the residential dwelling is rented to a registered person	Scan & Learn 
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(6)	<b>Entertainment Sector:</b> Services of training or coaching in Recreational activities relating to → arts or culture, <b>by an individual</b> or <b>Note:-</b> Earlier exemption was available to all service provider now it is restricted to individual only. → Sports by charitable entities registered u/s 12AA or 12AB of the Income-tax Act are <b>exempt.</b>	Scan & Learn 
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(7)	<b>Services provided by Government:</b> All services provided by Govt are <b>exempt</b> except Services by department of post, Aircraft or Vessel, transport of goods or passengers, other services provided to business entities. <b>Note:</b> References of Services of Department of post like Speed post, Express parcel post or Agency services are removed everywhere, now all services of the same are taxable subject to exemption in Sr. No. 24C (Refer below).	

Sr.No.	New Exemption Introduced:	
24C	Services by the department of post through post card, inland letter, book post and ordinary post (envelopes weighing less than 10 grams) are <b>exempt</b>	
52A	<b>Tour operator Services:</b> Services provided by <b>Tour operator to Foreign Tourist</b> by way of Tour operator service, which is performed partly in India and partly outside India, <b>to the extent</b> of the value of such service which is <b>performed outside India are exempt.</b> The Value of the tour operator service performed <b>outside India</b> shall be <b>lower</b> of following: → $\frac{\text{Total consideration Charged} \times \text{No. of days of such service performed outside India}}{\text{Total number of days of such Tour package}}$	Scan & Learn 

OR

⇒ 50% of Total consideration for such Tour package

**Example: A tour operator provides a tour operator service to a foreign tourist as follows:**

1) 2 days in India, 3 nights in Nepal; Consideration Charged for the entire tour: ₹1,00,000

**Exemption:** ₹60,000 (₹1,00,000 × 3/5) or ₹50,000 (50% of ₹1,00,000) whichever is less, i.e., ₹50,000 (i.e., Taxable value: ₹50,000);

2) 2.5 days in India, 3 days in Nepal; Consideration charged for the entire tour: ₹1,00,000

**Exemption:** ₹54,545 (₹1,00,000 × 3/5.5) or ₹50,000 (50% of 1,00,000) whichever is less, i.e., ₹50,000 (i.e., Taxable value: ₹50,000)

Following Exemption are omitted and Now services become taxable :-

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(1)	<del>Services provided by cord blood banks for preservation of stem cells or any other related service. —</del>
(2)	<del>Services provided by operators of the common bio-medical waste treatment facility to a clinical establishment for treatment or disposal of bio-medical waste. —</del>
(3)	<del>Services by way of fumigation in a warehouse of agricultural produce —</del>
(4)	<del>Transportation of goods by a GTA have been exempted from service tax:- — ⇒ goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed ₹1500 — — ⇒ goods, where consideration charged for transportation of all such goods for a single consignee does not exceed ₹750 —</del>
(5)	<del>Services by a hotel, inn, guest house, club or campsite, for residential or lodging purposes, having Value of Supply (substituted) below or Equal to ₹1000 per day or equivalent. —</del>
(6)	<del>Services by the Reserve Bank of India —</del>
(7)	<del>Services supplied to Food Business Operators by way of licensing, registration and analysis or testing of food samples —</del>
(8)	<del>Services provided by the GSTN to the Government for implementation of GSTN —</del>
(9)	<del>Services provided by the IRDA to insurers under IRDA Act. —</del>
(10)	<del>Services provided by the SEBI by protecting the interests of investors in securities and to promote the development and regulate the securities market —</del>
(11)	<del>Services by way of slaughtering of animals. —</del>
(12)	<del>Services received by the RBI, from outside India for management of foreign exchange reserves. —</del>

**Important Clarifications: [Circular No. 177/09/2022- GST]**

(1)	It is <b>clarified</b> that services by IVF are covered under health care services and thus exempt
(2)	It is <b>clarified</b> that exemption would apply to tickets purchased for transportation from one point to another irrespective of whether the ferry is owned/operated by a private sector enterprise or PSU.
(3)	It is <b>clarified</b> that exemption is available to passenger transportation services by non-air-conditioned contract carriages if transportation takes place over pre-determined route on a pre-determined schedule. However, if it is hired for period of time, exemption shall not be applicable.
(4)	It is <b>clarified</b> that the fee charged from prospective students for entrance/admission, or issuance of eligibility certificate & migration certificates by educational institutions to the leaving or ex-students are <b>exempt</b> .
(5)	It is <b>clarified</b> that additional fee collected through higher toll charges from vehicles not having Fastag is like payment of toll for allowing access to roads/bridges, hence it is also <b>exempt</b> .



(6)	It is <b>clarified</b> that Services provided by the guest anchors in lieu of honorarium attract GST liability subject to registration requirement as per the provisions of the law.
(7)	It is <b>clarified</b> that movement of empty containers from Nepal and Bhutan, after delivery of goods there is a service associated with the <b>transit cargo to Nepal and Bhutan</b> , hence it is exempt.
(8)	It is <b>clarified</b> that if services of sanitation & conservancy services are procured by Indian Army or any other Government Department which does not perform any functions listed in the 11th and 12th Schedule, in the manner as a local authority does for the general public, the same are <b>not exempt</b> .
(9)	It is <b>clarified</b> that such renting of trucks and other freight vehicles with driver for a period of time is a service of renting of transport vehicles with operator and not service of transportation of goods by road. Hence, it is <b>not exempt</b> .
(10)	It is <b>clarified</b> that location charges or preferential location charges (PLC) paid upfront in addition to the lease premium for long term lease of land constitute part of upfront amount charged are exempt.

## 09

### TAX INVOICE, DEBIT NOTES & CREDIT NOTES

<b>Rule 48(4)</b>	<p>⇒ E-invoicing is mandatorily applicable to all registered business (except specified class of persons) whose aggregate turnover <b>exceeds ₹10 Cr</b> in any preceding year from 2017-18 <b>Note:</b> Earlier the limit was ₹20 Cr, now it is reduced to ₹10 Cr</p> <p>⇒ Taxpayer whose aggregate turnover in any PFY from 2017-18 onwards exceeds ₹ 10 Crore but is <b>exempted</b> from e-invoicing shall give a <b>declaration</b> in the tax invoice</p> <p><b>Declaration in Invoice:-</b> I/We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under rule 48(4), we are not required to prepare an invoice in terms of the provisions of the said sub-rule.</p>
<b>Sec 34(2)</b>	<p><b>Time limit for issuance of Credit Notes:</b> Details of Credit notes should be declared in earlier of <b>30th Nov</b> of following the end of FY or date of furnishing annual return.</p> <p><b>Note:-</b> Earlier date was 30th Sep, now it is extended to <b>30th Nov</b>.</p>

## 10

### RETURNS

#### Sec 37 read with rule 59: Furnishing details of Outward supplies:

(1)	<p>Every registered person including CTP (except specified class of person) required to furnish details of outward supplies in GSTR 1 on or before 11th day of the succeeding month subject to such <b>conditions &amp; restrictions</b> &amp; details communicated to recipient in Form GSTR 2B.</p> <p><b>Note:</b> The word <b>restrictions</b> (inserted above) indicates that person has not filed GSTR 1 for preceding tax period then he cannot file GSTR -1/3B of current tax period. However govt may allow notified person to file GSTR 1, even he has not filed the same for previous tax periods.</p>
(3)	Person can <b>rectify error in GSTR 1</b> , & the time limit is <b>earlier</b> of <b>30th Nov</b> or date of annual return.

#### Sec 38: Communication of details of inward supplies and ITC:

(1)	The details of GSTR1 filed by supplier is auto generated in GSTR 2B & made available to recipient.
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- (2) The auto generated GSTR 2B in sec 38(1) consists of:
- (a) Details of inward supplies in which ITC is available
- (b) ITC cannot available as per GSTR - 2B if the supplier,**
- ➔ Is having new registration (upto the prescribed time period)
  - ➔ has defaulted in tax payment and default has continued for the prescribed time period
  - ➔ has tax paid in GSTR-3B lower than output tax shown in GSTR-1 by the prescribed limit
  - ➔ has taken more ITC than in GSTR - 2B by the prescribed limit
  - ➔ has paid higher proportion of taxes from his credit than what is allowed as per law u/s 49(12) read with rule 86B (i.e use of credit more than 99% of output tax)
  - ➔ other notified persons

### Sec 39: Furnishing of Returns:

- (5) Form GSTR-5 is to be filed monthly by Non-taxable resident person in **earlier** of following:
- ➔ 13 days after the end of a calendar month or
  - ➔ 7 days after the last day of the period of registration specified u/s 27(1).
- (7) Registered person **under QRMP** scheme shall pay tax to the Government, in such form and manner, and within such time, as may be prescribed: -
- (a) an amount equal to tax due taking into account inward & outward supplies of goods or services or both, ITC availed, tax payable and such other particulars during a month (ie Self-assessment Method) or
- (b) in lieu of the amount referred to in clause (a), an amount determined (ie Fixed sum method)
- (9) Person can rectify error other than result of scrutiny, audit or inspection in GSTR 3B, & the time limit is **earlier** of 30th Nov of subsequent year or date of furnishing annual return.
- (10) Registered person shall **not be allowed to furnish a return** for a tax period if he has not furnished the GSTR 3B or GSTR 1 for previous tax periods, however govt may allow notified person to file GSTR 3B, even he has not filed GSTR 3B or GSTR 1 for previous tax periods

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### Sec 41: Claim of ITC and Provisional acceptance thereof:

- (1) Every registered person can avail self-assessed ITC & credited to his Electronic credit ledger
- (2) If the supplier has not paid the tax to govt, then availed ITC shall be reversed along with interest, However registered person can re-avail the ITC if supplier makes such payment.

### Sec 47: Delay in filing returns

- (1) Government has removed the late fee for inward supply statement GSTR - 2

## 11

## DEMAND & RECOVERY

### Clarification on legal position of voluntary payment of taxes during inspection, search or investigation:

- ➔ U/s 73(5) & 74(5), taxpayer have option for voluntary payment of tax before issuance of SCN and pay reduced penalty.
- ➔ Recovery of taxes not paid or short paid can be made u/s 79 only after following due legal process of issuance of notice.
- ➔ Thus, officer cannot make **"recovery"** of tax dues during search, inspection or investigation, on account of any issue detected during such proceedings.

- ⇒ However, taxpayer can voluntarily make payment of tax liability ascertained by him or tax officer, either before or during the course of such proceedings or subsequently.
- ⇒ Tax officer should inform taxpayers regarding the provisions of voluntary tax payments.

In short, if taxpayer have paid tax voluntarily then recovery proceeding will not conduct against him.

## 12

### OFFENCE & PENALTIES

**Clarification on demand & penalty provisions under CGST Act for transactions involving fake invoices without actual supply of goods &/or services to enable recipients to avail & utilize ITC fraudulently:-**

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<p>(1)</p>	<p>If registered person "A" issued tax invoice to registered person "B" without supply,</p> <ul style="list-style-type: none"> <li>⇒ If Tax invoice is issued by 'A' to 'B' without underlying supply of G/S &amp; thus, <b>not a supply</b>.</li> <li>⇒ As there is <b>no tax liability</b> so, <b>no demand &amp; recovery is required</b> to be made against A.</li> <li>⇒ However, '<b>A shall be liable for penal action u/s 122(1)(ii)</b> for issuing tax invoices without actual supply of goods &amp;/or services</li> </ul>
<p>(2)</p>	<p>To continue above example if B avails ITC on invoice of A &amp; further issues invoice with underlying supply to his buyers &amp; utilizes ITC availed on tax invoice issued by "A", for payment of his outward tax liability.</p> <ul style="list-style-type: none"> <li>⇒ Since 'B' has <b>availed &amp; utilized fraudulent ITC</b>, without receiving G/S, in contravention of sec 16(2)(b), he <b>shall be liable</b> for <b>demand &amp; recovery, penalty u/s 74, &amp; interest u/s 50</b>.</li> <li>⇒ As per section 75(13), if penal action for fraudulent availment/utilization of ITC is taken against 'B' u/s 74, <b>no penalty for same act</b> can be imposed under any other provisions.</li> </ul>
<p>(3)</p>	<p>To continue with case 1, If B avails ITC on invoice of A &amp; further passes to registered person 'C' by issuing invoices without supply. Is 'B' will be liable for demand &amp; recovery &amp; penal action, u/s 73 or 74 or any other provisions.</p> <ul style="list-style-type: none"> <li>⇒ As there was <b>no supply</b> by 'B' to 'C', <b>no tax</b> was to be paid by 'B'.</li> <li>⇒ <b>ITC availed by 'B'</b> in his e-credit ledger based on tax invoice issued by 'A', without actual receipt of goods &amp;/or services, <b>is ineligible</b> u/s 16(2)(b).</li> <li>⇒ Thus, in these specific cases, <b>no demand &amp; recovery</b> is required to be made from 'B' u/s 73/74 for ITC wrongly availed by 'B' or tax liability for outward transaction by 'B' to 'C'.</li> <li>⇒ However, '<b>B shall be liable for penal action u/s 122(1) for both i.e.</b> for issuing invoices without actual supply &amp; for utilizing ITC without actual receipt of goods or services</li> </ul>

## 13

### Refund

- (1) **Document required as per Rule 89(2):**
- Refund on Export of electricity:** Statement containing the number & date of export invoice, details of energy exported, tariff per unit for export of electricity as per agreement, copy of statement of scheduled energy for exported electricity.
- Refund on Export of goods other than electricity:** Statement containing number & date of shipping bills or bills of export & number and date of relevant export invoices

(2)	<b>Rule 96: Refund in case of goods or services exported with payment of tax:</b>	
	(1)	<b>Shipping bill</b> is deemed to be an application of refund which is deemed to be filed only when <ul style="list-style-type: none"> <li>➤ Person in charge files Export manifest covering number &amp; dates of shipping bills &amp;</li> <li>➤ Has furnished a valid return in GSTR-3B,</li> </ul> if there is any mismatch between data furnished in shipping bill & in form GSTR1 Such application shall be deemed to have been filed when mismatch is rectified by exporter.
	(4)	Claim for refund shall be <b>withheld</b> where: <ul style="list-style-type: none"> <li>(a) Request has been received from the jurisdictional Commissioner of GST to withhold refund due u/s 54(10)/ (11) or</li> <li>(b) PO of Customs determines that the goods were exported in violation of Customs Act.</li> <li>(c) The Commissioner/officer is of the opinion that verification of credentials of the exporter, including the availment of ITC by the exporter, is considered essential before grant of refund, in order to safeguard the interest of revenue.</li> </ul>
	(5)	<b>Omitted</b>
	(5A)	If refund is <b>withheld as per Rule 96(4)(a)/(c)</b> , claim shall be transmitted to the PO of CGST/ SGST/UTGST electronically in a system generated <b>FORM GST RFD-01</b> & the intimation of transmission shall send to the exporter & deemed to have been filed on date of transmission.
	(5B)	If refund is <b>withheld as per Rule 96(4)(b)</b> , the PO of the Customs passes an order that the goods have been exported in violation of the Customs Act, claim shall be transmitted to the PO of CGST/SGST/UTGST electronically in a system generated <b>FORM GST RFD-01</b> & the intimation of transmission shall send to the exporter & shall be deemed to have been filed on the date of such transmission
	(5C) The application for refund in FORM GST RFD-01 transmitted electronically through the common portal under sub rule (5A) & (5B) & shall be deal with the Rule 89 accordingly	
	(6) <b>Omitted</b>	
	(7) <b>Omitted</b>	
(3)	<b>Refund of ITC in case of Zero-rated supply as per Rule 89(4):</b> <b>Refund Amount</b> = $(\text{Turnover of zero-rated supply of goods} + \text{Turnover of zero-rated supply of services}) \times \text{Net ITC} \div \text{Adjusted Total Turnover}$ <b>"Turnover of zero-rated supply of goods"</b> lower of the following:- <ul style="list-style-type: none"> <li>➤ value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking or</li> </ul> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <b>Explanation:</b> the value of goods exported shall be the <b>lower</b> of: <ol style="list-style-type: none"> <li>1) the Free on Board (FOB) value declared in the Shipping Bill or Bill of Export or</li> <li>2) the value declared in tax invoice or bill of supply</li> </ol> </div> <ul style="list-style-type: none"> <li>➤ the value which is 1.5 times the value of like goods domestically supplied by the same or, similarly placed, supplier, as declared by the supplier,</li> </ul>	
(4)	<b>Relevant date for claiming the refund u/s 54(2)(b):</b> For ZRS of goods or services to <b>SEZ developer/unit</b> where a refund of tax paid is available for such supplies on inputs or input services used in such supplies, <b>the relevant date</b> is <b>due date for furnishing of return u/s 39</b>	

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(5) Refund of ITC in case of Inverted Tax Structure as per Rule 89(5): **V.V. IMP**

$$\text{Maximum Refund Amount} = \left[ \frac{\text{Turnover of inverted rated supply of goods and services} \times \text{Net ITC}}{\text{Adjusted Total Turnover}} \right] - \left[ \text{Tax payable on such inverted rated supply of goods and services} \times \frac{\text{Net ITC}}{\text{ITC availed on inputs and input services}} \right]$$

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**Note:- Student must scan QR code for detailed discussion and example**

(6) Time limit for Refund claim in case of UIN bodies, Embassies, etc.:

As per **sec 54(2) read with rule 95(1)**, persons may make an application for refund **once in every quarter but before the expiry of 2 years** from the last day of the qtr in which supply was received

(7) Withholding of Refund claim:

**As per Sec 54(10)**, If any refund is due to registered person & he has defaulted in furnishing return & has not been stayed by any Court, Tribunal or Appellate Authority then Proper officer may:

- ➔ **withhold** payment of refund due until the said person has furnished the return or paid the tax, interest or penalty
- ➔ Deduct such Tax, interest & penalty from the refund due

**Important Clarifications:**

**Refund of accumulated ITC on account of reduction in GST rate on goods [Circular No.135/05/2020 GST dated 31.03.2020]**

1) It is **clarified** that refund of accumulated ITC u/s 54(3)(ii) would not be applicable in cases where the input and the output supplies are the same.

In a case, if the rate of tax of output supply is **less than** the rate of tax on inputs because of **concessional notification**, the credit accumulated is admissible for refund under the rule 89(5) other than the cases where output supply is either Nil rated or fully exempted or are notified by the Government for their exclusion from refund of accumulated ITC.

## 14

## MISCELLANEOUS PROVISIONS

**Sec 151: Power to collect Statistics:** Commissioner or an officer authorised by him may direct **any person** to furnish information relating to any matter under GST in prescribed time, form & manner

**Sec 152: Bar on Disclosure of Information:** Information on any matter u/s 150 or 151 shall be published with the **prior consent** of concerned person or his representative



# Custom Summary Notes

1

## VALUATION UNDER THE CUSTOMS ACT, 1962

Section 14(1)-2nd proviso (iv) amended to address the issue of under valuation in imports

**(iv) the additional obligations of the importer in respect of any class of imported goods and the checks to be exercised, including the circumstances and manner of exercising thereof, as the Board may specify, where, the Board has reason to believe that the value of such goods may not be declared truthfully or accurately, having regard to the trend of declared value of such goods or any other relevant criteria.**

2

## IMPORTATION, EXPORTATION AND TRANSPORTATION OF GOODS

### Specified deposits exempted from provisions of electronic cash ledger [Section 51A]

Section 51A provides for payment of duty, interest, penalty, fee or any other sum payable by a person through deposit made in electronic cash ledger.

Section 51A(4) provides that CBIC may by notification exempt certain deposits to which provisions of Electronic Cash Ledger will not be applicable. Accordingly, with effect from 30.11.2022, CBIC has exempted deposits:-

- (i) with respect to goods imported or exported in customs stations where customs automated system is not in place;
- (ii) with respect to accompanied baggage;
- (iii) other than those used for making payment of,-
  - (a) any duty of customs, including cesses and surcharges levied as duties of customs;
  - (b) IGST;
  - (c) GST Compensation Cess;
  - (d) interest, penalty, fees or any other amount payable under the said Act, or the Customs Tariff Act, 1975 from the provisions of section 51A of the Customs Act.

3

## FOREIGN TRADE POLICY (FTP)

### Applicability of FTP extended till 31.03.2023

Foreign Trade Policy (FTP), 2015-2020, (as updated) incorporating provisions relating to export and import of goods and services will now remain in force upto 31.03.2023, unless otherwise specified.

## Interest Rate

Sections	Description	Rate of Interest (p.a.)	From	To
<b>GST ACT (CGST) 2017</b>				
Sec 16(4) read with Rule 37	Interest on non-payment of consideration <b>within 180 days</b>	18%	Date of availment	Date of reversal
Sec 17 read with Rule 42	ITC to be reversed on Inputs, Inputs services & Capital Goods	18%	1st April of succeeding FY	Date of payment
Sec 50(1) read with Rule 88B	Delayed payment of Self-assessment tax	18%	Succeeding day on which tax becomes due ie 20th of next month	Actual date of payment
Sec 50(3) read with Rule 88B	ITC wrongly availed & Utilised <i>Note:- Rate applicable for exam is 18% &amp; not 24%</i>	18%	Date of utilisation of such wrongly availed ITC	Actual date of payment
Sec 56	Interest on Delayed refunds (If not refunded within 60 days)	6%	After expiry of 60 days from date of receipt of application	Date of refund of such tax
Sec 56	Interest on Delayed refunds as consequence of order of Adjudicating/ AA/AT/Court (If not refunded within 60 days)	9%	After expiry of 60 days from date of receipt of application	Date of refund of such tax
Sec 60(4)	Interest on Amount <b>payable</b> on provisional assessment	18%	Succeeding day after due date of payment of tax	Actual date of payment
Sec 60(5)	Interest on Amount <b>refundable</b> on provisional assessment	6%	After expiry of 60 days from date of receipt of application	Date of refund of such tax
Sec 115	Interest on pre-deposit	6%	Date of payment of pre-deposit	Date of refund of pre-deposit
<b>CUSTOMS ACT 1962</b>				
Sec 18	Interest on Amount <b>payable</b> on provisional assessment	15%	1st day of month in which duty is provisionally assessed	Actual date of payment of duty
Sec 18	Interest on Amount <b>refundable</b> on provisional assessment	6%	After expiry of 3 months from finalisation of assessment	Date of refund of such duty
Sec 47	Interest on late payment of import duty in case of Immediate payment	15%	Next day after presentation of BOE for home consumption	Actual date of payment of duty
Sec 61	Indirect clearance of Customs warehouse	15%	Next date after 90 days of warehousing order by proper officer	Actual date of payment of duty
Sec 75A (1)	Interest on drawback payable to claimant	6%	After expiry of 1 month from date of filing drawback claim	Date of payment of such drawback
Sec 75A (2)	Interest on erroneous drawback paid to claimant [If claimant does not pay within 2 months from the date of demand]	15%	Date of payment of such drawback to claimant	Date of recovery of such drawback

# Monetary Limits under GST

Sec/Rules	Explanation																
<b>Schedule III</b>	Gifts by employer to employee $\leq$ ₹50,000 per employee in a FY would not qualify as supply																
<b>Sec 10(1)</b>	Turnover limit for composition scheme ₹75L (8 Special states) & ₹ 150L (Rest of India) in PFY																
<b>Sec 10(2A)</b>	Turnover limit for composition scheme ₹50L who are ineligible u/s 10(1) & (2) in PFY																
<b>Rule 32(2)(b)</b>	<b>At the option of supplier, value of supply/ change of foreign currency shall be deemed to be:</b> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Currency Exchanged</th> <th>Value of supply</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Upto 1L</td> <td><b>Higher of:</b> 1% of Gross amount of currency exchanged or ₹ 250</td> </tr> <tr> <td>2.</td> <td>Above 1L &amp; upto 10L</td> <td>₹1,000 + 0.05% of (Exchanged value – 1L)</td> </tr> <tr> <td>3.</td> <td>Above 10L</td> <td><b>Higher of:</b> 5,500 + 0.1% of (Exchanged value – 1L) or ₹ 60,000</td> </tr> </tbody> </table>	S.No.	Currency Exchanged	Value of supply	1.	Upto 1L	<b>Higher of:</b> 1% of Gross amount of currency exchanged or ₹ 250	2.	Above 1L & upto 10L	₹1,000 + 0.05% of (Exchanged value – 1L)	3.	Above 10L	<b>Higher of:</b> 5,500 + 0.1% of (Exchanged value – 1L) or ₹ 60,000				
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<b>Sec 12 &amp; 13</b>	TOS for Excess amount upto ₹1,000 is Date of issue of invoice at the option of supplier																
<b>Sec 51</b>	TDS shall apply only if Value of Supply $>$ ₹ 2,50,000																
<b>Rule 40(1)</b>	If the value of the claim $>$ Rs 2 lakhs for availing ITC of inputs held in stock, then declaration shall be duly certified by a practicing CA or CMA																
<b>Rule 87</b>	Deposits can be made online (No limit) & offline (with limit) ie upto ₹ 10,000 over the counter payment is valid.																
<b>Rule 86A</b>	<table border="1"> <thead> <tr> <th>Ineligible availed ITC</th> <th>Officer to disallow debit of amount from E-credit ledger</th> </tr> </thead> <tbody> <tr> <td><math>\leq</math> ₹1 Crore</td> <td>Deputy Commissioner/Assistant Commissioner</td> </tr> <tr> <td><math>&gt;</math> ₹ 2 Crore but <math>\leq</math> ₹ 5 Crore</td> <td>Additional Commissioner/Joint Commissioner</td> </tr> <tr> <td><math>&gt;</math> ₹ 5 Crore</td> <td>Principal Commissioner/Commissioner</td> </tr> </tbody> </table>	Ineligible availed ITC	Officer to disallow debit of amount from E-credit ledger	$\leq$ ₹1 Crore	Deputy Commissioner/Assistant Commissioner	$>$ ₹ 2 Crore but $\leq$ ₹ 5 Crore	Additional Commissioner/Joint Commissioner	$>$ ₹ 5 Crore	Principal Commissioner/Commissioner								
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<b>Rule 86B</b>	If value of taxable supply $>$ ₹ 50 Lakhs in a month, then registered person can use 99% of output tax from ITC balance to discharge the tax liabilities																
<b>Sec 11</b>	<table border="1"> <tbody> <tr> <td>1</td> <td>Services by clinical establishment by providing room charges <math>&gt;</math> ₹ 5,000 per day are <b>taxable</b> other than ICU, CCU, NICU, ICCU</td> </tr> <tr> <td>2</td> <td>Services by Resident welfare association to its members upto ₹7,500 for sourcing of goods or services for common use are <b>exempt</b>.</td> </tr> <tr> <td>3</td> <td>Services by Govt. to business entity are <b>exempt</b> if consideration <math>&lt;</math> ₹ 5,000.</td> </tr> <tr> <td>4</td> <td>Services by acquiring bank to any person for settlement of an amount upto ₹ 2,000 in a single transaction are <b>exempt</b> transacted through Credit card, Debit card.</td> </tr> <tr> <td>5</td> <td>Services of Life micro-insurance product as approved by IRDA, Maximum cover of ₹ 2L are <b>exempt</b></td> </tr> <tr> <td>6</td> <td>Services by incubatee are <b>exempt</b> upto total turnover of ₹ 50L in FY provided its turnover <math>\leq</math> ₹50L in PY &amp; 3 yrs has not elapsed from the date of agreement.</td> </tr> <tr> <td>7</td> <td>Service performed by an artist in folk/classical art in the form of Music/dance/ theatre is <b>exempt</b> if the consideration charged <math>&lt;</math> ₹ 1,50,000, except brand ambassador</td> </tr> <tr> <td>8</td> <td>Services of religious ceremony, renting of religious place are <b>exempt</b>, but if Rooms <math>\geq</math> ₹ 1,000 per day, Premises, halls, or open area <math>\geq</math> ₹ 10,000 per day &amp; shops <math>\geq</math> ₹ 10,000 per month <b>are taxable</b></td> </tr> </tbody> </table>	1	Services by clinical establishment by providing room charges $>$ ₹ 5,000 per day are <b>taxable</b> other than ICU, CCU, NICU, ICCU	2	Services by Resident welfare association to its members upto ₹7,500 for sourcing of goods or services for common use are <b>exempt</b> .	3	Services by Govt. to business entity are <b>exempt</b> if consideration $<$ ₹ 5,000.	4	Services by acquiring bank to any person for settlement of an amount upto ₹ 2,000 in a single transaction are <b>exempt</b> transacted through Credit card, Debit card.	5	Services of Life micro-insurance product as approved by IRDA, Maximum cover of ₹ 2L are <b>exempt</b>	6	Services by incubatee are <b>exempt</b> upto total turnover of ₹ 50L in FY provided its turnover $\leq$ ₹50L in PY & 3 yrs has not elapsed from the date of agreement.	7	Service performed by an artist in folk/classical art in the form of Music/dance/ theatre is <b>exempt</b> if the consideration charged $<$ ₹ 1,50,000, except brand ambassador	8	Services of religious ceremony, renting of religious place are <b>exempt</b> , but if Rooms $\geq$ ₹ 1,000 per day, Premises, halls, or open area $\geq$ ₹ 10,000 per day & shops $\geq$ ₹ 10,000 per month <b>are taxable</b>
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<b>Sec 22</b>	Person is liable to get registered if his Agg t/o for goods > ₹ 40L, For goods and/or services > ₹ 20L & For special category states > ₹ 10L				
<b>Sec 31(3)(b)</b>	If the amount of tax invoice is < ₹ 200, it is not mandatory to issue tax invoice except in case of entry ticket in Multiplex & B2B transactions				
<b>E-invoicing</b>	All registered businesses whose Agg t/o in any P.F.Y. from 2017-18 onwards > ₹ 10 Crore will be required to issue e-invoices subject to exempted entities.				
<b>Rule 53</b>	The supplier can issue consolidated invoice to unregistered recipient: <table border="1" style="width: 100%; margin-top: 5px;"> <tr> <td style="width: 50%;">In case of Inter State supplies</td> <td>Value of Total supplies &lt;= ₹ 2,50,000</td> </tr> <tr> <td>In case of Local supplies</td> <td>For all the supplies</td> </tr> </table>	In case of Inter State supplies	Value of Total supplies <= ₹ 2,50,000	In case of Local supplies	For all the supplies
In case of Inter State supplies	Value of Total supplies <= ₹ 2,50,000				
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<b>Rule 138</b>	Every Registered person who causes movement of goods having consignment value > ₹ 50,000 need to generate E-way bill, However for interstate Job work & movement of Handicraft goods, E-way bill is mandatory irrespective of consignment value				
<b>Sec 54(6) read with Rule 91</b>	Provisional refund shall be granted if person claiming Refund has not been prosecuted for an offence where amount of tax evaded > ₹ 2.5 Cr during any period of 5 years immediately preceding the tax period to which the claim for refund relates.				
<b>Sec 54(14)</b>	Refund can be credited to account only if amount > ₹ 1,000				

## Time Limits under GST

Sec/Rules	Explanation
<b>Rule 3 &amp; 4</b>	Intimation for <b>entering</b> into Composition scheme by Registered Person is to be filed in Form CMP-02 Prior to commencement of FY & also furnish statement in Form GST ITC – 03 within 60 Days
<b>Rule 6</b>	Intimation for <b>withdrawal</b> from the composition scheme is to be given within 7 days
<b>Sec 16(2)</b>	Registered person must pay value of goods/services plus tax within <b>180 days</b> from the date of Invoice issued by supplier other than RCM supplies. If failed to do so, corresponding credits shall be added with output tax liability along with interest
<b>Sec 16(4)</b>	Registered Person can claim ITC in <b>Earlier</b> of 30th Nov of next FY or Date of furnishing annual return
<b>Sec 18(1)</b>	Registered person is entitled to take ITC held in stock on the day immediately preceding the date of grant of registration <b>within 30 days</b>
<b>Sec 25(1)</b>	Person has to apply for registration <b>within 30 days</b> u/s 22 or 24 from the day he becomes liable & CTP/NRTP has to apply <b>at least 5 days prior</b> to the commencement of business
<b>Rule 10A</b>	Registered person shall furnish details of Bank account on common portal by the <b>Earlier</b> of after obtaining registration certificate but within 45 days or date of furnishing return u/s 39
<b>Sec 27</b>	Validity of Registration certification of CTP/NRTP is <b>Earlier</b> of Period specified in registration certificate or 90 days from effective date of registration, Further extension of 90 days is also allowed.
<b>Sec 28</b>	Registered person shall intimate <b>within 15 days</b> of such amendment by applying electronically
<b>Rule 20 &amp; 22</b>	Registered person shall apply for cancellation of registration <b>within 30 days</b> of occurrence of the event warranting cancellation
<b>Sec 60</b>	<ul style="list-style-type: none"> <li>➤ PO shall pass <b>Provisional Assessment order</b> within 90 days from the date of receipt of such request.</li> <li>➤ PO shall pass <b>Final Assessment order</b> for finalizing the provisional assessment within 6 months, However it can be extended by Joint/Additional Commissioner for 6 months &amp; by Commissioner for 4 years.</li> </ul>

<b>Sec 62</b>	PO shall pass the <b>best judgement assessment order</b> for Non-filers of returns within 5 years from date specified u/s 44 for the FY related to tax not paid.
<b>Sec 65</b>	Audit shall be completed <b>within 3 months</b> & further extended <b>upto 6 months</b> by Commissioner)
<b>Sec 66</b>	CA or CMA nominated by Commissioner for conducting <b>Special audit</b> shall submit a report of such audit <b>within 90 days</b> with further extension of 90 days
<b>Sec 67</b>	Books shall be returned <b>within 30 days</b> & Goods shall be returned with 6 months (Further extension of 6 months) after inspection
<b>Sec 73</b>	If Tax not paid/short paid /erroneously refunded/ITC wrongly utilised other than fraud, PO shall issue <b>SCN</b> at least 3 months prior to the issuance of order & issues <b>Order</b> within 3 years from the due date of furnishing Annual return of FY
<b>Sec 74</b>	If Tax not paid/short paid /erroneously refunded/ITC wrongly utilised for reason of fraud, PO shall issue <b>SCN</b> at least 6 months prior to the issuance of <b>order</b> & issues Order within 5 years from the due date of furnishing Annual return of FY
<b>Sec 76</b>	If the <b>tax collected but not paid to Govt</b> then PO shall issue an order within 1 year from the date of issue of the notice
<b>Sec 78</b>	If the taxable person fails to pay amount in pursuance of an order, then <b>Recovery proceeding</b> can be initiated within 3 months from date of such order.
<b>Sec 98</b>	Authority shall <b>pronounce advance ruling</b> within 90 days from date of receipt of application.
<b>Sec 100</b>	The aggrieved applicant can file an appeal to Appellate Authority against the Advance Ruling <b>within 30 days</b> (further extension of 30 days) from the date on which the ruling sought to be appealed.
<b>Sec 101</b>	Order of Appellate Authority shall be passed <b>within 90 days</b> from the date of filing of appeal
<b>Sec 102</b>	Rectification of Advance ruling can be done <b>within 6 months</b> from the date of order
<b>Sec 107</b>	<ul style="list-style-type: none"> <li>➤ Aggrieved person may appeal to Appellate authority <b>within 3 months</b> (Extension of 1 month) from the date of communication of such order</li> <li>➤ Commissioner may appeal to Appellate authority <b>within 6 months</b> (Extension of 1 month) from the date of communication of such order</li> </ul>
<b>Sec 108</b>	Revisional Authority can revise an order <b>after expiry of 6 months</b> from the communication of said order <b>but not later than expiry of 3 years</b> from the passing of said order
<b>Sec 112</b>	<ul style="list-style-type: none"> <li>➤ Aggrieved person may appeal to Appellate Tribunal <b>within 3 months</b> from the date of communication of such order</li> <li>➤ Commissioner may appeal to Appellate authority <b>within 6 months</b> from the date of communication of such order</li> </ul>
<b>Sec 117</b>	Appeals to High court are to be filed <b>within 180 days</b> from date on which order appealed against is received by aggrieved person
<b>Sec 132</b>	Person who collects any amount as tax but fails to pay the same <b>within 3 months</b> from the due date of such payment is liable to penalty
<b>Sec 54</b>	Any person claiming Refund may make an application <b>within 2 years</b>
<b>Sec 161</b>	<ul style="list-style-type: none"> <li>➤ Any authority can rectify its order <b>within 3 months</b> from the date of issue of such decision, no such rectification shall be done for a period of 6 months</li> <li>➤ However, 6 months shall not apply in rectification of <b>clerical or arithmetical error</b></li> </ul>



# Fees & Penalties under GST

Section	Explanation				
Sec 47 read with Notifi.	<b>Maximum late fees payable under section 47</b>				
	<b>Normal Tax Payer</b>	<b>Late Fee</b>			
	1) RP - GSTR -1 = Nil, GSTR 3B = Nil	(100 + 100) per day or Max 500 (₹250 each under CGST & SGST or 500 under IGST)			
	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 the PFY	(100 + 100) per day or Max ₹ 2,000 (₹ 1,000 each under CGST & SGST or ₹ 2,000 under IGST)		
		Agg. T/o more than 1.5 Cr but 5 Cr. in the PFY	(100 + 100) per day or Max 5,000 (₹ 2,500 each under CGST & SGST or ₹ 5,000 under IGST)		
	3) RP other than (1) and (2)	Agg. T/o > 5 Cr. in the PFY	100 for every day max amount of 5000 (100 + 100 & max ₹ 10,000)		
	<b>Composition scheme GSTR - 4</b>	<b>Late Fee</b>			
	1) Where Total tax payable in GSTR-4 is Nil	(₹ 100 + 100) per day or Max ₹ 500 (₹250 each under CGST & SGST or ₹ 500 under IGST)			
	2) Where RP other than those covered in (1) above	(₹ 100 + 100) per day or Max ₹ 2,000 (₹1,000 each under CGST & SGST or ₹ 2,000 under IGST)			
	<b>Annual Return</b>	<b>Late Fee</b>			
RP who fails to furnish AR by the due date	₹100 for every day max amount of ₹ 0.25% of T/o in State (₹100 + ₹100 & max 0.5% of T/o in State)				
<b>73</b>	If tax amount is not paid or short paid, then penalty will be <b>Higher</b> of ₹ 10,000 or equivalent to 10% of tax due from such person & issues order.				
<b>80</b>	The Facility of payment of tax dues in instalments shall not be allowed if amount <b>&lt; ₹ 25,000</b>				
<b>97</b>	Fees for <b>application</b> to the authority for Advance Ruling on the common portal is ₹ 5,000				
<b>100</b>	Fees for <b>appeal</b> to Appellate authority for Advance Ruling on the common portal is ₹ 10,000				
<b>109</b>	<ul style="list-style-type: none"> <li>➤ In the absence of a Member, any appeal with the approval of the President to be heard by <b>bench of 2 members</b></li> <li>➤ If Tax, ITC, Fine, fee, Penalty determined in any order appealed does not exceed ₹ 5,00,000 &amp; does not involve question of law, then appeal may be heard by <b>bench of single member</b></li> </ul>				
<b>112</b>	Fees for appeal/restoration of appeal shall be <b>₹ 1,000 for every ₹ 1,00,000</b> of tax determined in order appealed against. However, the fee shall not exceed ₹ 25,000.				
<b>122</b>	21 Categories of offences u/s 122(1), Person shall be liable to pay penalty of <b>Higher</b> of ₹ 10,000 or Actual amount of tax involved				
<b>122(2)</b>	Any registered person supplying goods or services on which any tax has not been paid- <table border="1" style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 5%; text-align: center;"><b>a</b></td> <td>for any reason other than fraud, Penalty shall be <b>Higher</b> of ₹ 10,000 or 10% of tax due from such person.</td> </tr> <tr> <td style="width: 5%; text-align: center;"><b>b</b></td> <td>for reason of fraud, Penalty shall be <b>Higher</b> of ₹ 10,000 or 100% of tax due from such person.</td> </tr> </table>	<b>a</b>	for any reason other than fraud, Penalty shall be <b>Higher</b> of ₹ 10,000 or 10% of tax due from such person.	<b>b</b>	for reason of fraud, Penalty shall be <b>Higher</b> of ₹ 10,000 or 100% of tax due from such person.
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123	If a person fails to furnish information u/s 150 within 90 days from date of SCN, he shall be liable to pay penalty which is <b>Lower</b> of ₹100 for each day of period during which such failure continues or ₹ 5,000.												
124	Any person fails to furnish any information u/s 151, he shall be liable to pay following <b>penalty</b> : ➤ In case of Non continuing offence: upto ₹ 10,000 ➤ In case of Continuing offence: ₹ 100 per day subject to maximum of ₹ 10,000												
125	General penalty for Contravention of GST law is maximum of <b>₹ 25,000</b>												
126	If the amount of tax involved < ₹ 5,000, it will be considered as <b>Minor breach</b> which means Breach without fraudulent intention or gross negligence.												
The Penalty to release the detained or seized goods are as follows:													
<table border="1"> <thead> <tr> <th colspan="2">For Taxable goods</th> <th colspan="2">For Exempted goods</th> </tr> </thead> <tbody> <tr> <td><b>a</b></td> <td>If owner of goods comes forward to pay penalty, penalty = <b>200% of tax</b> payable on such goods.</td> <td><b>a</b></td> <td>If owner of goods comes forward to pay penalty, penalty is Lower of:- - <b>2%</b> of value of goods or <b>₹ 25,000</b>.</td> </tr> <tr> <td><b>b</b></td> <td>If owner of goods doesn't come forward to pay penalty, penalty is Higher of:- - <b>50% of value</b> of goods or - <b>200% of tax</b> payable on such goods.</td> <td><b>b</b></td> <td>If owner of goods doesn't come forward to pay penalty, penalty is <b>Lower of:-</b> - <b>5%</b> of value of goods or <b>₹ 25,000</b>.</td> </tr> </tbody> </table>		For Taxable goods		For Exempted goods		<b>a</b>	If owner of goods comes forward to pay penalty, penalty = <b>200% of tax</b> payable on such goods.	<b>a</b>	If owner of goods comes forward to pay penalty, penalty is Lower of:- - <b>2%</b> of value of goods or <b>₹ 25,000</b> .	<b>b</b>	If owner of goods doesn't come forward to pay penalty, penalty is Higher of:- - <b>50% of value</b> of goods or - <b>200% of tax</b> payable on such goods.	<b>b</b>	If owner of goods doesn't come forward to pay penalty, penalty is <b>Lower of:-</b> - <b>5%</b> of value of goods or <b>₹ 25,000</b> .
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132	Punishment for 12 categories of offences stated u/s 132(1):												
<table border="1"> <thead> <tr> <th>Cases where tax Evaded</th> <th>Punishments</th> </tr> </thead> <tbody> <tr> <td>Amount &gt; ₹ 5 Crores</td> <td>Imprisonment upto 5 years plus Fine</td> </tr> <tr> <td>Amount is between ₹ 2 Crores to ₹ 5 Crores</td> <td>Imprisonment upto 3 years plus Fine</td> </tr> <tr> <td>Amount is between ₹ 1 Crores to ₹ 2 Crores</td> <td>Imprisonment upto 1 years plus Fine</td> </tr> </tbody> </table>		Cases where tax Evaded	Punishments	Amount > ₹ 5 Crores	Imprisonment upto 5 years plus Fine	Amount is between ₹ 2 Crores to ₹ 5 Crores	Imprisonment upto 3 years plus Fine	Amount is between ₹ 1 Crores to ₹ 2 Crores	Imprisonment upto 1 years plus Fine				
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133	If a person engaged in collection of statistics u/s 151, having access to information specified u/s 150(1), or wilfully discloses any information of any return furnished, then he shall be punishable with imprisonment <b>upto 6 months or Fine upto ₹ 25,000 or both</b>												
138	Person who are not compounded under Compounding of offences: ➤ Already compounded once ➤ Other than offences specified in Sec 138(1)(a) to (f), where value of supplies > <b>₹ 1 Crore</b> ➤ Convicted for an offence under GST Act by a court a) The <b>lower limit</b> for compounding amount is <b>Higher</b> of - 50% of tax involved or ₹ 10,000. b) The <b>upper limit</b> for compounding amount is <b>Higher</b> of - 150% of tax involved or ₹ 30,000.												

## Due Date Chart

Sec	Provision	Before Amendment	After Amendment
52(6)	<b>Omission or incorrect particulars in monthly statement</b>	Earlier of 20th Oct or date of furnishing annual return	<b>Earlier of 30th Nov of next financial year or date of furnishing annual return</b>
16(4)	<b>Time limit for availing ITC</b>	Earlier of 20th Oct or date of furnishing annual return	
34(2)	<b>Time limit to declare the details of credit note</b>	Earlier of 30th Sep or date of furnishing annual return	
37(3)	<b>Time limit for rectification of error in GSTR 1</b>	Earlier of 11th Oct(GSTR -1)& 20th Oct(GSTR -3B) or date of furnishing annual return	
39(9)	<b>Time limit for rectification of error in GSTR 3B</b>		