

CS PROFESSIONAL

(OLD/NEW)

GOODS & SERVICE TAX

AMENDMENTS

APPLICABLE FOR

(JUNE 20 EXAM)

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Note: Custom Amendments will be uploaded soon.

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CHAPTER 1 INTRODCUTION TO GST

No Amendments

CHAPTER 2 ADMINISTRATION

No Amendments

CHAPTER 3 CHARGE OF TAX & APPLICATION OF CGST & IGST

No Amendments

CHAPTER 4 CONCEPT OF SUPPLY

STATUTORY PROVISIONS

Sec 7	Meaning and scope of supply	
Sub-sec	Particulars	
(1)	<u>Supply includes-</u>	
	a	All forms of supply of goods or service or both such as sale, transfer, barter, exchange, licence, rental, lease, or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;
	b	Importation of services for a consideration whether or not in the course of furtherance of Business and
	c	The activities specified in schedule 1 made or agree to be made without a consideration
	d	The activities to be treated as supply of goods or supply of services as referred to in schedule II [omitted retrospectively by CGST (amendment) Act 2018 w e f 01 07 2017]
1(A)	Where certain activities or transactions constitute a supply in accordance with the provisions of subsection 1, they shall be created either as supply of goods or supply of services as referred to in schedule II subsection 1 an inserted retrospectively by CGST (amendment) act 2018 w e f 01 07 2017	
(2)	Notwithstanding anything contained in subsection (1)	
	a	Activities for transactions specified in schedule III, or
	b	Such activities for transactions undertaken by the central government a State government or any local authority in which they are engage as public authorities as may be notified by the government on the recommendations of the Council shall be treated as neither as a supply of goods nor supply of service.
		<u>Amendment</u>

		The central government vide notification no 25/ 2019 - CT (Rate) dated 30-09-2019 W.e.f 30-09-2019 has notified that service by way of grant of alcoholic liquor licence, against consideration in the form of licence fee or application fee or by whatever name it is called when undertaken by the state governments in which they are engaged as public authorities, shall be treated neither as a supply of goods nor a supply of service.
(3)	Subject to sub-section (1), (1A) and (2) the government may on the recommendations of the Council specify by notification the transactions that are to be treated as-	
	a	A supply of goods and not as a supply of services or,
	b	Supply of services and not as a supply of goods.

CHAPTER 5 CHARGE OF GST

SEC. 9(3): REVERSE CHARGE UNDER NOTIFIED CASES

SERVICES UNDER REVERSE CHARGE AS APPROVED BY GST COUNCIL

S N	Service	Provider of service	Recipient of Service
9	Transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub section (1) of Section 13 of the Copyright Act, 1957 relating to original literary, dramatic, musical or artistic works	Author or music composer, photographer, artist, etc.	Publisher , Music company, producer
9A	<div>Supply of service by way of transfer or permitting the use or enjoyment of copyright relating to Original literary work</div> <div>Conditions:</div> <div><div><div>Reverse charge is not applicable in following cases</div><div>Provided that nothing contained in this entry shall apply where, -</div><div><div>i</div><div>The author has taken registration, and filed a declaration, within the time limit with the jurisdictional GST commissioner that</div><div><div><div>•</div><div>He exercises the opinion to pay central tax on the</div></div></div></div></div></div>	An author	A publisher located in the taxable territory

		<p>service under forward charge and</p> <ul style="list-style-type: none"> To comply with all the provisions as they apply to a person liable for paying the tax in relation to the supply of any goods or services or both and That he shall not withdraw the said option within a period of 1 year from the date of exercising such option; 		
	ii	The author makes a declaration, on the invoice issued by him in Form GST Inv-I to the publisher.		
		<p>Note: Thus, where the author is registered and he make declaration to pay the tax to proper officer then publisher is not required to pay tax & author will pay tax under forward charge.</p>		
16	Services provided by way of renting of a motor vehicle	<p><u>Any person another than a body corporate</u> (Paying CGST @2.5% & SGST @2.5% on renting of motor vehicles with input tax credit only of</p>	Anybody corporate located in the territory	

		input service in the same line of business)	
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SEC. 9(4) (CGST) REVERSE CHARGE – WHEN SUPPLY OF GOODS OR SERVICES BY UNREGISTERED PERSON TO REGISTERED PERSON

Reverse Charge - when supply of goods or services by unregistered person

•	The Central Tax in respect of the
•	Supply of specified category of goods or services or both by a supplier, who is not registered,
•	A specified class of registered person
•	Shall be paid by such person on reverse charge basis as the recipient of such supply of goods or services or both and
•	All the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both

Amendment

SR	Nature	Supplied By	Person Liable to Pay
1	Value of inputs and input services purchased from registered supplier is less than 80%	Purchased from unregistered person	Person liable to pay tax is promoter
2	In case of cement	Supplied by unregistered person	Person liable to pay tax is promoter
3	In case of capital goods	Supplied by unregistered person	Supplied by unregistered person

Note Above reverse charge is applicable in a case if

i	Promoter is opting for 1% or 5% scheme of N/N 11/2017
ii	Promoter has to pay GST u/s 9(4) of the CGST Act, at the rate of 18% on all such inward supplies (to the extent short of 80% of the inward supplies from registered supplier).
iii	Where cement is received from an unregistered person, the promoter shall pay tax on supply on such cement on, u/s 9(4) of the CGST Act, at the applicable rate which is 28%

	(CGST 14% + SGST 14%) at present.
iv	Moreover, GST on capital goods shall be paid by the promoter on reverse charge basis, u/s 9(4) of the CGST Act at the applicable rates.

CHAPTER 6 COMPOSITION SCHEME

RATE OF TAX OF THE COMPOSITION LEVY

S N	Categories of registered person	Central Rate	State /UT GST Rate	Total Rate	Basis of Calculation
1	Manufactures other than manufactures of such goods as may be notified by the government	0.5%	0.5%	1%	Turnover in State
2	Suppliers making supplies referred to in Clause (b) of part 6 of schedule II <u>Example:</u> Restaurant, Catering, Mess or any other service contract where goods as food or drink as supplied for human consumption	2.50%	2.50%	5%	Turnover in State
3	Another supplier	0.50%	0.50%	1%	Turnover of taxable supplies of goods & Services in State

Sec 10(2) THE REGISTERED PERSON SHALL BE ELIGIBLE TO OPT UNDER SUB SECTION (1), IF

1	a	He is not engaged in the supply of services other than supplies referred to in
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		clause (b) of paragraph 6 of Schedule II; <i><u>Comment:</u> As we have seen in proviso to sec 10(1), that a person who opts to pay tax under clause (a) or clause (b) or clause (c) may supply services (other than those referred to in clause (b) of paragraph 6 of schedule II), of value not exceeding 10% of turnover in a State or Union Territory in the proceeding financial year 5 lakh rupees, whichever is higher</i>										
	b	He is not engaged in making any supply of goods which are not leviable to tax under this Act;										
	c	He is not engaged in making any inter - State outward supplies of goods;										
	d	He is not engaged in making any supply of goods through an electronic commerce operator who is required to collect tax at source under section 52; and										
	E	He is not manufacturer of such goods as may be notified by the Government on the recommendations of the Council <table><tr><th>Tariff item HSN Code</th><th>Description</th></tr><tr><td>2105 00 00</td><td>Ice cream and other edible ice, whether or not containing cocoa</td></tr><tr><td>2106 90 20</td><td>Pan Masala</td></tr><tr><td>2202 10 10</td><td>Aerated water [W.e.f 1-10-19]</td></tr><tr><td>Chapter 24</td><td>All goods, i.e. Tobacco and manufactured tobacco substitutes</td></tr></table>	Tariff item HSN Code	Description	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa	2106 90 20	Pan Masala	2202 10 10	Aerated water [W.e.f 1-10-19]	Chapter 24	All goods, i.e. Tobacco and manufactured tobacco substitutes
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CHAPTER 7 PLACE OF SUPPLY

SECTION 12 (IGST) – PLACE OF SUPPLY OF SERVICES WHERE LOCATION OF SUPPLIER AND RECIPIENT IS IN INDIA

3	The place of supply of services	
	a	Directly in relation to an immovable property, including services provided by the architects, interior decorators, surveyors, engineers and other related experts or estate agents, any service provided by way of grant of rights to use immovable property or for carrying out or co - ordination of construction work; or
	b	By way of lodging accommodation by a hotel, inn, guest house, home stay, club or composite, by whatever name called, and including a house boat or any other vessel; or
	c	By way of accommodation in any immovable property for organizing any marriage or reception or matters related thereto, official, social, cultural, religious or business function including services provided in relation to such function at such property; or
	d	Any services ancillary to the services referred to in clauses (a), (b) and (c),
		<u>Shall be the location at which the immovable property or boat or vessel, as the case may be, is located or intended to be located:</u>
	Provided that	if the location of the immovable property or boat or vessel is located or intended to be located outside India, the place of supply shall be the location of the recipient.

Amendment

Rule 4: - The supply of services attributable to different States or Union territories, under section 12(3) of the integrated Goods and Services Tax Act, 2017, in the case of

In case of service	Basis of apportionment and value of services
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By way of lodging accommodation by a hotel, inn, guest house, the supply of services shall be treated as or campsite, by whatever name called (except cases where such property is a single property located in two or more contiguous states or union territories or both) and services ancillary to such services	The supply of services shall be treated as made in each of the respective states or union territories in proportion to the number of nights stayed in such property
Issue	A hotel chain charges a consolidated sum of Rs.60,000/- for stay in its two establishments in Pune and Surat, where the stay in Pune is for 2 nights and the stay in Surat is for 1 night.
Answer	The place of supply in this case is both in the state of Maharashtra and in the State of Gujarat.
	The service shall be deemed to have been provided in Pune and in the State of Maharashtra in the ratio 2:1 respectively. The value of services provided will thus be apportioned as Rs.40,000/- in the state of Maharashtra and Rs. 20,000/- in the State of Gujarat.
(ii) In case of all other services in relation to immovable property including services by way of accommodation in any immovable property for organizing any marriage or reception etc. , and in cases of supply of accommodation by a hotel, inn, guest house, club or campsite, by whatever name called where such property is a single property located in two or more contiguous States or Union territories or both, and services ancillary to such services	The supply of services shall be treated as made in each of the respective States or Union territories, in proportion to the area of the immovable property lying in each State or Union territory
Issue	There is a piece of land of area 40,000 square feet which is partly in State P1 say 24,000 square feet and partly in State P2, say 16,000 square feet. Site preparation work has been entrusted to X. The ratio of land in the two states works out to 12:8.
Answer	The place of supply is in both States P1 and P2
	The service shall be deemed to have been provided in the ratio of 12:8 or 3:2 in the

	States P1 and P2 respectively. The value of the service shall be accordingly apportioned between the States.
(iii) By way of lodging accommodation by a house boat or any other the supply of services shall be treated as vessel and services ancillary to such services	The supply of services made be treated made in each of the respective States or Union territories, In proportion to the time spent by the boat or vessel in each such State or Union territory Which shall be determined on the basis of a declaration made to the effect by the service provider.
Issue	A company Y provides the service of 24-hour accommodation in a houseboat which is situated both in Kerala and Jammu & Kashmir the guest board the house boat in Kerala and stay there for 22 hours but it also moves into Jammu & Kashmir for 2 hours (as declared for the service provider)
Answer	<p>The place of supply of this service is in the states of Kerala and Jammu & Kashmir</p> <p>The service shall be deemed to have been provided in the ratio of 22:2 or 11:1 in the States Kerala and Jammu & Kashmir respectively.</p> <p>The value of the service shall be accordingly apportioned between the States</p>

7	The place of supply of services provided by way, of	
	a	Organization of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to a conference, fair, exhibition, celebration or similar events; or
	b	Services ancillary to organization of any to the events or services referred to in clause (a), or assigning of sponsorship to such events
		<ul style="list-style-type: none"> To a registered person, shall be the location of such person; <div style="border: 1px solid black; padding: 5px; margin: 5px 0; text-align: center;">POS of services provided by way of Admission to event</div> <div style="border: 1px solid black; padding: 5px; margin: 5px 0; text-align: center;">Place where event is actually held</div> To a person other than a registered person, shall be the place where

the event is actually held and if the event is held outside India, the place of supply shall be the location of the recipient

Explanation

Where the event is held in more than one State or Union territory and a consolidated amount is charged for supply of services relating to such event, the place of supply of such services shall be taken as being in each of the respective States or Union territories in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed

POS of services provided by way of organising certain event

Provided to registered Person

Location of such person

Provided to other than registered Person

Location where service is actually performed

Provided Outside India

Location of Recipient

Provided in more than 1 state / UT

Location will be determined in Proportion basis

Amendment

Rule 5: - prescribed for supply of services attributable to different state or union territories under sub section (7) of section 12 of the said act in the case of -

In case of service	Basis of appointment
Where the services are supplied to a person other than a registered person the event is held in India is more than one state or union territory and a consolidated amount is charged for supply of such services shall be taken as being in each of the respective	Shall be determined by application of the generally accepted accounting principles

<p>state or union territories. In the absence of any contract or agreement between the supplier of service and recipient of services for separately collecting or determining the value of the services in each such state or union territory as the case maybe.</p>	
Issue	<p>An event management company X has to organise some promotional events in states P1 and P2 has recipient Q. Three events are to be organised in P1 and 2 in P2. They charged a consolidated amount of Rs. 20,00,000 from Q.</p>
Answer	<p>The place of supply of this service is in both the states P1 and P2.</p>
	<p>The proportion arrived at by the application of generally accepted accounting principles is 3:2 The service shall be deemed to have been provided in the ratio 3:2 in P1 and P2 respectively the value of services provided will thus be apportioned as Rs 12,00,000 in P1 and Rs 8,00,000 in P2</p>

11 The place of supply of telecommunication services including data transfer, broadcasting, cable and direct to home television services to any person shall be

Nature of Supply		Place of Supply
<ul style="list-style-type: none"> • fixed telecommunication line • Leased circuits • Internet leased circuit • Cable or dish antenna 		Location where the telecommunication line leased circuit or cable connection or dish antenna is installed for receipt of services
Post-paid mobile connection for telecommunication and internet services		<ul style="list-style-type: none"> • Location of billing address of the recipient of services in the records of the supplier of services • Location of the supplier of services if the address is not available
Pre-paid mobile connection internet services and DTH services (recharge coupon vouchers net pack etc.)	(i) Services provided through <ul style="list-style-type: none"> • a Selling agent • Re-seller • distributor of subscribe identity module card or vouchers 	<ul style="list-style-type: none"> • Address of the selling agent /reseller/ distributor at the time of supply • Location of the supplier of services if the address is not available
	(ii) Service provided by any person to final subscriber	Location where such prepayment is received or such vouchers are sold
Other cases		<ul style="list-style-type: none"> • The address of the recipient as per the records of the supplier of services • Location of the supplier of services if the address is not available
<u>Proviso</u> Pre-paid services, the payment for which is made through internet banking/other electronic mode of payment		Location of the recipient of services in the records of the supplier of services

Explanation	Where the leased circuit is installed in more than one State or Union territory and a consolidated amount is charged for supply of services relating to such circuit, the place of supply of such services shall be taken as being in each of the respective States or Union territories in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed
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Amendment

Rule 6: -is prescribed a supply of service attributable to different state or union territories under sub section 11 of section 12 of the said act,

In case of service	Basis of apportionment
<p><u>Supply of services relating to a leased circuit</u></p> <p>Where the leased circuit is installed in more Than one state or Union territory and a Consolidated amount is charged for supply of Such services Shall be taken as being in each of the Respective states or Union territories,</p> <p><u>Note</u></p> <p>In the absence of any contract or Agreement between the supplier of service And recipient of services for separately Collecting or determining the value of the Services in each such state or Union territory, as the case maybe, shall be determined in the Manner</p>	<p>a) <u>The number of points in a circuit shall be Determined in the following manner.</u></p> <p>(i) In the case of a circuit between two Points or places, the starting point of Place of the circuit and the end point of Place of the circuit will invariably Constitute two points</p> <p>(ii) Any intermediate point or place in the Circuit will also Constitute a point Provided that the benefit of the leased Circuit is also available at that Intermediate point;</p> <p>b) <u>The supply of services shall be treated as made in each of the respective states or Union territories</u></p> <p>-in proportion to the number of</p>

		points lying in the state or Union territory
<u>ISSUE</u>	A company Y installs a leased circuit between the Delhi and Pune Offices of a company A. the starting point of this circuit is in Delhi and the End point of the circuit is in Pune. Hence one point of this circuit is in Delhi and another in Maharashtra.	
<u>Answer</u>	The place of supply of this service in the Union territory of Delhi and the State of Maharashtra	
	The service shall be deemed to have been provided in the ratio of 1-1 in The Union territory of Delhi and the state of Maharashtra, respectively	
<u>Issue</u>	A company Y installs a leased circuit between the Pune, Bengaluru And Mysore offices of a company Y. The starting point of this circuit also Pune and the end point of the circuit is in Mysore. The circuit also Connects Bengaluru. Hence one point of this circuit is in Maharashtra and Two points in Karnataka	
<u>Answer</u>	The place of supply of this service is in the States of Maharashtra and Karnataka	
	The service shall be deemed to have been provided in the ratio of 1:2 in The state of Maharashtra and Karnataka, respectively	
<u>Issue</u>	A company C installs a leased circuit between the Kolkata Patna and Guwahati offices a company C. there are 3 point in this circuit in Kolkata, Patna and Guwahati One point each of this circuit is therefore In west Bengal, Bihar and Assam	
<u>Answer</u>	The place of supply of this service is in the states of West Bengal, Bihar And Assam	
	The service shall be deemed to have been provided in the ratio of 1:1:1 In the states of west Bengal, Bihar and Assam, respectively	

SECTION 13 (IGST): PLACE OF SUPPLY WHERE LOCATION OF SUPPLIER OR LOCATION OF RECIPIENT IS OUTSIDE INDIA

The provisions of this Section shall apply to determine the place of supply of services where the location of the supplier of services or the location of the recipient of services is outside India.

2 The place of supply of services except the services specified in sub Section (3) to (13) shall be the location of the recipient of services

Provided that where the location of the recipient of services is not available in the ordinary course of business, the place of supply shall be location of the supplier of services

3 place of supply of performance base service

Clause	Description	Place of supply
A	Service supplies in respect of good which are required to be made physically available by the recipient of services <ul style="list-style-type: none"> To the services of supplier, or To a person acting on behalf of the supplier of services in order to provide the services 	Place of performance

	Description	Place of supply
Proviso	Provide that when such service is provided from a remote location by way of electronic means	The place of supply shall be the location where goods are situated at the time of supply of services
Exception	Provided further that nothing contained in this clause shall apply in the case of services supplied in respect of goods	
	a	Which are temporarily imported into India for repairs or for any other treatments or process and
	b	Are exported after such repairs or treatment or process

	c	Without being put to any use in India, other than that which is require for such repair or treatment or process
Place of supply in case where physical presence of an individual is needed for provision of service		
Clause	Description	Place of supply
b	<p>Services supplied to an individual represented</p> <ul style="list-style-type: none"> • Either as the recipient of services or • A person acting on behalf of the recipient <p>Which require the physical presence of the recipients or the person action on his behalf with the supplier for the supply of services.</p>	Place of performance

4 Services relating to Immovable property

The place of supply of services supplied directly in relation to an immovable property, including services supplied in this regard by experts and estate agents, supply of accommodation by a hotel, inn, guest house, club or campsite, by whatever name called, grant of rights to use immovable property, services for carrying out or coordination of construction work, including that of architects or interior decorators, **shall be the place where the immovable property is located or intended to be located.**

5 Service related to Event

The place of supply of services supplied by way of admission to, or organization of a cultural artistic, sporting, scientific, educational or entertainment event, or a celebration, conference, fair, exhibition or similar events, and of services ancillary to such admission or organization, **shall be the place where the event is actually held.**

6 Where any services referred to in sub Section (3) or sub section (4) or sub section (5) is

supplied at more than one location, including a location in the taxable territory, its place of supply shall be the location in the taxable territory.

Example

An Indian firm provides a technical inspection and certification service for a newly developed product of an overseas firm (say, for a newly launched motorbike which has to meet emission standards in different states or countries) say, the testing is carried out in Maharashtra (20%) and an international location (say, Colombo 80%)

Notwithstanding the fact that the greatest proportion of service is outside the taxable territory, the place of supply will be the place of supply will be the place in the taxable territory in this case Maharashtra.

7 Place of supply of services when supplied in multiple state or union territory

Description	The place of provision of services
Where any service referred in sub section 3, 4 or 5 are supplied at more than one state or union territory	POS: the place of supply of such services shall be taken as being in each of the respective state or union territories and

Value: the value of such supplies specific to each state or union territory shall be in proportion to the value of services separately collected or determine in terms of the contractor or agreement entered into in this regard or

In the absence of such contract or agreement on such other basis as may be prescribed

Amendment

The supply of service attributable to different states or union territory u/s 13(7) of the IGST act.

Rule no	Section	In case of service	Basis of apportionment
Rule 7	1) service supplied in respect of Goods which are required to be	Services Supplied on the same	By equally dividing the value of the service in each of the states and Union territories

		Made physically available or	goods	Where the service is performed;
		2) in case service is supplied to an Individual and etc.	In the case of services supplied on different goods	By taking the ratio of the invoice value of goods in each of the states and Union territories, on Which service as preform, as the ratio of the Value of the service preformed in each state or Union territory
			In the case of services supplied to individuals	By applying the generally accepted accounting principles

Issue	A company P which is located in Pune is providing the services of testing of a Dredging machine and the testing service on the machine is carried out in Orissa and Andhra Pradesh
Answer	The place of supply this service is in Orissa and Andhra Pradesh
	The value of the service in Orissa and Andhra Pradesh will be ascertained by dividing the Value of the service equally between these two states
Issue	A company P which is located in Pune is providing the service of servicing of two cars Belonging to Mr. P, one car is of manufacturer A (value of car 5000000) and is Located in Delhi and is serviced by its Delhi workshop. The other car is of manufacturer B (value of car is 1000000) and is located in Guru gram and is serviced by its Grogram workshop
Answer	The place of supply of this service in Union Territory of Delhi and the state of Haryana
	The value of service attributable to the Union territory of Delhi and the state of Haryana Respectively shall be calculated by applying the ratio of the

	invoice value of car A and the Invoice value of car B, (i.e.in ratio 5:1) to the total value of the service.
Issue	A makeup artist P has to provide make up services to an actor A.A is shooting some Scenes in Mumbai and some scenes in Goa. M provides the makeup services in Mumbai and Goa
Answer	The place of supply of this service is in the state of Maharashtra (Mumbai) and the state of Goa
	The value of the service in Maharashtra and Goa will be ascertained by applying the Generally accepted accounting principles

Rule no	Section	Basis of apportionment
Rule no 8	Sec 13 (4), Supply of service directly in relation To immovable property etc.	Value of services in each such state or union territory as the Case maybe shall be determined by applying the provisions of rule 4, mutatis mutandis.

Rule no	Section	Basis of apportionment
Rule no 9	Sec 13(5) Supply of service by way of Admission to or organisation of a cultural artistic etc.	Value of the services in each such state or Union territory, as the Case maybe shall be determined by applying the provision of rule 5.mutatis mutandis

CHAPTER 8 TIME AND VALUE OF SUPPLY

No Amendments

CHAPTER 9 INPUT TAX CREDIT

No Amendments

RULE 36: DOCUMENTARY REQUIREMENTS AND CONDITIONS FOR CLAIMING INPUT TAX CREDIT

Unmatched credit cannot exceed 20% 1 of ITC available in GSTR-2A [Rule 36(4)]:

Input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers u/s. 37(1) i.e. in GSTR-1 and not reflected in GSTR-2A of the recipient, shall not exceed 20% of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under Section 37(1) i.e., in GSTR-1 and reflected in GSTR-2A of the recipient. [Inserted vide notification No. 49/2019-CT w.e.f. 09-10-2019]

Case	Details of suppliers' invoices for which recipient is eligible to take ITC	20% of eligible credit where invoices are uploaded	Eligible ITC to be taken in GSTR-3B to be filed by 20 th Nov.
(1)	Suppliers have furnished in FORM GSTR-1 80 invoices involving ITC of Rs. 6 lakhs as on the due date of furnishing of the details of outward supplies by the suppliers.	Rs. 1,20,000/-	Rs. 6,00,000 [i.e. amount of eligible ITC available, as per details uploaded by the suppliers] + Rs. 1,20,000 [i.e. 20% of amount of eligible ITC available, as per details uploaded by the suppliers] = Rs.7,20,000/-
(2)	Suppliers have furnished in FORM GSTR-1 80 invoices involving ITC of Rs.7 lakhs as on the due date of furnishing of the details of	Rs. 1,40,000/-	Rs. 7,00,000 + Rs. 1,40,000 = Rs. 8,40,000

	outward supplies by the suppliers.		
(3)	Suppliers have furnished in FORM GSTR-1 75 invoices having ITC of Rs. 8.5 lakhs as on the due date of furnishing of the details of outward supplies by the suppliers.	Rs. 1,70,000/-	Rs. 8,50,000 + Rs. 1,50,000* = Rs. 10,00,000
	When can balance ITC be claimed in case availment of ITC is restricted as per the provisions of rule 36(4)?	<p>The balance ITC may be claimed by the taxpayer in any of the succeeding months provided details of requisite invoices are uploaded by the suppliers. He can claim proportionate ITC as and when details of some invoices are uploaded by the suppliers provided that credit on invoices, the details of which are not uploaded [u/s. 37(1) remains under 20% of the eligible input tax credit, the details of which are uploaded by the suppliers. Full ITC of balance amount may be availed, in present illustration by "R", in case total ITC pertaining to invoices the details of which have been uploaded reaches Rs.8.3 lakhs [Rs. 10 lakhs /1.20]. In other words, taxpayer may avail full ITC in respect of a tax period, as and when the invoices are uploaded by the suppliers to the extent Eligible ITC/1.2. The same is explained for Case No. 1 and 2 of the illustrations provided at Sl. No. 4 above as under:</p>	
		Case 1	"R" may avail balance ITC of Rs. 2.8 lakhs in case suppliers upload details of some of the invoices for the tax period involving ITC of Rs. 2.3 lakhs out of invoices involving ITC of Rs. 4 lakhs details of which had not been uploaded by the suppliers. [Rs. 6 lakhs + Rs.

			2.3 lakhs = Rs. 8.3 lakhs]
		Case 2	"R" may avail balance ITC of Rs. 1.6 lakhs in case suppliers upload details of some of the invoices involving ITC of Rs. 1.3 lakhs out of outstanding invoices involving Rs. 3 lakhs. [Rs. 7 lakhs + Rs. 1.3 lakhs = Rs. 8.3 lakhs]

CHAPTER 10 REGISTRATION

CENTRAL GOODS AND SERVICE TAX [CGST] RULES, 2017

RULE 10 A – FURNISHING OF BANK ACCOUNT DETAILS:

Any registered person registered under rule 12 or rule 16 as the case may be within 45 days from the date of grant of certificate of registration in FORM GST REG-06 or the date on which the return required under section 39 is due to be furnished, whichever is earlier furnish information with respect to details of bank account, or any other information as may be required on the common portal in order to comply with any other provision.

RULE 21A, SUSPENSION OF REGISTRATION**Rule 21A, Suspension of Registration [inserted by NN 03/2019 – CT, w.e.f. 01.02.2019]:**

1	Where a registered person has applied for cancellation of registration, the registration shall be deemed to be suspended from the date of submission of the application or the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration.
2	Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29 or under rule 21, he may, after affording the said person a reasonable opportunity of being heard, suspend the registration of such person with effect from a date to be determined by him, pending the completion of the proceedings for cancellation of registration.
3	A registered person, whose registration has been suspended under sub-rule (1) or sub-rule (2), shall not make any taxable supply during the period of suspension and shall not be required to furnish any return under section 39. Meaning of expression shall not make any taxable supply [explanation]; the expression shall not make any taxable supply shall mean that the registered person shall not issue tax invoice and, accordingly, not charge tax on supplies made by him during the period of suspension. [inserted vide notification no-49/2019- CT W.e.f 9-1-2019]
4	The suspension of registration under sub-rule (1) or sub-rule (2) shall be deemed to be revoked upon completion of the proceedings by the proper officer and such revocation shall be effective from the date on which the suspension had come into effect.

- 5** Revised tax invoice and first return provisions applicable [Rule 21A(5)]: where any order having the effect of revocation of suspension of registration has been passed, the provisions of section 31(3) (a) i.e. revised tax invoice and section 40 i.e. first return in respect of the supplies made during the period of suspension and the procedures specified therein shall apply. [instead vide notification no. 49/2019- CT w.e.f. 9/10/2019]

Note:

The cancellation of registration shall be effective from a date to be determined by the proper officer. He will direct the taxable person to pay arrears of any tax, interest or penalty including the amount liable to be paid under section 29(5) [as discussed in the next para].

CHAPTER 11 TAX INVOICE

CENTRAL GOODS AND SERVICES TAX [CGST] RULES, 2017**RULE 46, TAX INVOICE**

Subject to rule 54, a tax invoice referred to in section 31 shall be issued by the registered person containing the following particulars, namely:

a	Name, address and Goods and Services Tax Identification Number of the supplier;
b	A consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and slash symbolized as "- "and "/" respectively, and any combination thereof, unique for a financial year;
c	Date of its issue;
d	Name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
e	Name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and where the value of the taxable supply is fifty thousand rupees or more;
f	Name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and where the value of the taxable supply is less than fifty thousand rupees and the recipient requests that such details be recorded in the tax invoice;
g	Harmonized System of Nomenclature code for goods or services;
h	Description of goods or services;
i	Quantity in case of goods and unit or Unique Quantity Code thereof;
j	Total value of the supply of goods or services or both taking into account discount or abatement, if any;
k	Taxable value of the supply of goods or services or both taking into account discount or abatement, if any;
l	Rate of tax [central tax, State tax, integrated tax, Union territory tax or cess];
m	Amount of tax charged in respect of taxable goods or services [central tax, State tax,

	integrated tax, Union territory tax or cess];
n	Place of supply along with the name of the State, in the case of a supply in the course of inter-State trade or commerce;
o	Address of delivery where the same is different from the place of supply;
p	Whether the tax is payable on reverse charge basis; and
q	Signature or digital signature of the supplier or his authorized representative:

Amendment

However, the Government may, by notification, on the recommendations of the Council, and subject to such conditions and restrictions as mentioned therein, specify that the tax invoice shall have Quick Response [QR] code. [Inserted vide Notification No. 31/2019-CT dated 28-06-2019 with effect from a date to be notified later]

48: MANNER OF ISSUING INVOICE

1	The invoice shall be prepared in triplicate, in the case of supply of goods, in the following manner, namely	<table><tr><td>a</td><td>The original copy being marked as ORIGINAL FOR RECIPIENT;</td></tr><tr><td>b</td><td>The duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and</td></tr><tr><td>c</td><td>The triplicate copy being marked as TRIPLICATE FOR SUPPLIER.</td></tr></table>	a	The original copy being marked as ORIGINAL FOR RECIPIENT;	b	The duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and	c	The triplicate copy being marked as TRIPLICATE FOR SUPPLIER.
a	The original copy being marked as ORIGINAL FOR RECIPIENT;							
b	The duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and							
c	The triplicate copy being marked as TRIPLICATE FOR SUPPLIER.							
2	The invoice shall be prepared in duplicate, in the case of the supply of services, in the following manner, namely:	<table><tr><td>a</td><td>The original copy being marked as ORIGINAL FOR RECIPIENT; and</td></tr><tr><td>b</td><td>The duplicate copy being marked as DUPLICATE FOR SUPPLIER.</td></tr></table> <p>The serial number of invoices issued during a tax period shall be furnished electronically through the common portal in FORM GSTR-1.</p>	a	The original copy being marked as ORIGINAL FOR RECIPIENT; and	b	The duplicate copy being marked as DUPLICATE FOR SUPPLIER.		
a	The original copy being marked as ORIGINAL FOR RECIPIENT; and							
b	The duplicate copy being marked as DUPLICATE FOR SUPPLIER.							
3	E invoicing	<p><u>Amendment</u></p> <p>E-Invoicing : The invoice shall be prepared by such class of registered persons as may be notified by the Government, on the</p>						

		recommendations of the Council, by including such particulars contained in FORM GST INV-01 after obtaining an Invoice Reference Number by uploading information contained therein on the Common Goods and Services Tax Electronic Portal in such manner and subject to such conditions and restrictions as may be specified in the notification
4	Invoice other than E invoice	Amendment Invoices other than E-Invoice - not regarded as invoice: Every invoice issued by a person to whom above provision applies in any manner other than the manner specified in the said sub-rule shall not be treated as an invoice.
		Amendment The provisions of Rule 48(1) & (2) shall not apply to an invoice prepared in the manner specified in Rule 48(4).

RULE 49: BILL OF SUPPLY

A bill of supply referred to in clause (c) of sub-section (3) of section 31 shall be issued by the supplier containing the following details, namely:

A	Name, address and Goods and Services Tax Identification Number of the supplier,
B	A consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters - hyphen or dash and slash symbolized as "-" and "/" respectively, and any combination thereof, unique for a financial year;
C	Name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
D	Harmonized System of Nomenclature Code for goods or services;
E	Description of goods or services or both;
F	Value of supply of goods or services or both taking into account discount or abatement, if

	any; and
G	Signature or digital signature of the supplier or his authorized representative: The signature or digital signature of the supplier or his authorized representative shall not be required in the case of issuance of an electronic bill of supply in accordance with the provisions of the Information Technology Act, 2000. [Inserted vide Notification No. 74/2018-CT dated 31.12.2018]

Amendment**No Tax Invoice**

No Tax invoice if the value is less than Rs. 200 [Section 31(3)(b) read with 4th proviso to Rule 46] [Inserted vide Notification No. 33/2019-CT dated 18-07-2019 w.e.f. 01-09-2019] : **A registered person, other than the supplier engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex screens, may not issue a tax invoice.**

RULE 49: BILL OF SUPPLY

<u>A bill of supply referred to in clause (c) of sub-section (3) of section 31 shall be issued by the supplier containing the following details, namely:</u>	
a	Name, address and Goods and Services Tax Identification Number of the supplier,
b	A consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters - hyphen or dash and slash symbolized as "-" and "/" respectively, and any combination thereof, unique for a financial year;
c	Name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
d	Harmonized System of Nomenclature Code for goods or services;
e	Description of goods or services or both;
f	Value of supply of goods or services or both taking into account discount or abatement, if

	any; and
g	Signature or digital signature of the supplier or his authorized representative: The signature or digital signature of the supplier or his authorized representative shall not be required in the case of issuance of an electronic bill of supply in accordance with the provisions of the Information Technology Act, 2000. [Inserted vide Notification No. 74/2018-CT dated 31.12.2018]
h	Amendment However, the Government may, by notification, on the recommendations of the Council, and subject to such conditions and restrictions as mentioned therein, specify that the bill of supply shall have Quick Response [QR] code.] [Inserted vide Notification Ni. 31/2019-CT dated 28-06-2019 with effect from a date to be notified later].
Provided that the provisions to rule 46 shall, mutatis mutandis, apply to the bill of supply issued under this rule:	
Provided further that any tax invoice or any other similar document issued under any other Act for the time being in force in respect of any non-taxable supply shall be treated as a bill of supply for the purposes of the Act.	

RULE 53: REVISED TAX INVOICE AND CREDIT OR DEBIT NOTES

1	A revised tax invoice referred to in section 31 and credit or debit notes referred to in section 34 shall contain the following particulars, namely:	a	The word "Revised Invoice", wherever applicable, indicated prominently;
		b	Name, address and Goods and Services, Tax Identification Number of the supplier;
		c	Nature of the document;
		d	A consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and slash symbolized as "-" and "/" respectively and any combination thereof, unique for a financial year;

		e	Date of issue of the document;
		f	Name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
		g	Name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered;
		h	Serial number and date of the corresponding tax invoice or, as the case may be, bill of supply;
		i	Value of taxable supply of goods or services, rate of tax and the amount of the tax credited or, as the case may be, debited to the recipient; and
		j	signature or digital signature of the supplier or his authorized representative.

RULE 53A: DETAILS TO BE STATED IN CREDIT OR DEBIT NOTE

1	Name, address and goods and service tax identification number of the supplier
2	Nature of the document
3	A consecutive serial number not exceeding sixteen character's, in one or multiple series, containing alphabets or numerals or special character's hyphen or dash and slash symbolized as "-" and "/" respectively, and any combination thereof, unique for a financial year;
4	Date of issue of the document
5	Name, address and goods and service tax identification number or unique identity number if registered of the recipient
6	Name and address of the recipient and the address of delivery along with the name of the state and its code, if such recipient is un-registered
7	Serial number(s) and date (s) of the corresponding tax invoice (s) or, as the case may be,

	bill (s) of supply
8	Value of taxable supply of goods or service rate of tax and the amount of the tax credited or as the case may be debited may be recipient and
9	Signature or digital signature of the supplier or his authorized representative

Comment:- As earlier rule 53 was common for both tax invoice and in case of debit or credit notes as refer in sec 34 but now as per N/N 3/2019 as new sub rule 1A of rule 53 has been inserted which is started as above in which all particulars to be given in relation to issue debit or credit note.

CHAPTER 12 ACCOUNTS, RECORDS AND E WAY BILL

Amendment

Validity period of E-way Bill/Consolidated E-Way bill [Rule 138(10)] Inserted by the CGST [Amendment] Rules, 2019, w.e.f. 28-06-2019 : An e-way bill or a consolidated e-way bill generated shall be valid for the period from the relevant date, for the distance within the country the goods have to be transported, as mentioned below :

	Distance	Validity period
1.	Up to 100 km.	One day in cases other than Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship.
2.	For every 100 km. or part thereof hereafter	One additional day in cases other than Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship.
3.	Up to 20 km.	One day in case of Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship.
4.	For every 20 km. or part thereof thereafter	One additional day in case of Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship.

However, the Commissioner may, by notification, extend the validity period of e-way bill for certain categories of goods as may be specified therein.

However, the validity of the e-way bill may be extended within 8 hours from the time of its expiry.

Further where, under circumstances of an exceptional nature, including trans-shipment, the goods cannot be transported within the validity period of the e-way bill, the transporter may extend the validity period after updating the details in Part B of FORM GST EWB-01, if required.

“**Relevant date**” shall mean the date on which the e-way bill has been generated and the period of validity shall be counted from the time at which the e-way bill has been generated and each day shall be counted as the period expiring at midnight of the day immediately following the date of generation of e-way bill.

This can be explained by following examples: -

- (i) Suppose an e-way bill is generated at 00.04 hrs. on 14th March. Then first day would end on 12.00 midnight of 15-16 March. Second day will end on 12.00 midnight of 16-17 March and so on.
- (ii) Suppose an e-way bill is generated at 23.58 hrs. on 14th March. Then first day would end on 12.00 midnight of 15-16 March. Second day will end on 12.00 midnight of 16-17 March and so on.

The validity of the e-way bill starts when first entry is made in Part-B i.e. vehicle entry is made first time in case of road transportation or first transport document number entry in case of rail/air/ship transportation, whichever is the first entry. It may be noted that validity is not re-calculated for subsequent entries in Part-B. [Explanation 1].

CHAPTER 13 RETURNS

FURNISHING DETAILS OF OUTWARD SUPPLIES: SECTION 37 [CGST] R/W RULES**59**

7	Rectification of Return	<p>In case any error or omission is discovered in the course of matching as specified in the Act and discussed under Section 42 and 43, rectifications of the same shall be affected. Tax and Interest, if any as applicable shall be paid on such corrections by the person responsible for filing the return of outward supplies.</p> <p>Such rectification, however, is not permitted after filing of annual return or the return for the month of September of the following financial year whichever is earlier.</p> <p>Provided further that the rectification of error or omission in respect of details furnish under subsection (1) shall be allowed after furnishing the return under section 39 for the month of September 2018 till the due date for furnishing the details under sub section (1) for the month of march 2019 or for the quarter January 2019 to march, 2019 (order no. 2/2018 CT dt 31/12/2018)</p> <p>For example, let us say an entity has furnished the annual returns for the year 2018-19 on August 15, 2019. An error is discovered in respect of a transaction pertaining to July 2018. The entity has filed the returns for the month of September 2019 on October 18, 2019. In this above case, the rectification of the error pertaining to a transaction in July 2018 cannot be rectified beyond August 15, 2019.</p>
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SECTION 39 [CGST]: RETURNS

Furnishing of monthly return [Section 39(1): Section 39(1) prescribes a monthly return in Form GSTR-3 for every registered person, other than an input service distributor or a non-resident taxable person or a composition tax payer, person deducting tax at source, electronic commerce operator and supplier of OIDAR services. GSTR-3 is to be filed by 20th day of the month succeeding the relevant calendar month or part thereof. However, filling of GSTR-3 has been deferred by the GST Council.

Currently, return in Form GSTR-3B is being notified as the monthly return to be filed by the registered persons who are required to file GSTR-3. Presently, the due date of submission for GSTR-3B is being notified as 20th day of the month succeeding the relevant month.

GSTR-3B can be submitted electronically through the common portal, either directly or through a notified Facilitation Centre.

GSTR-3B is a simple return containing summary of outward supplies, inward supplies liable to reverse charge, eligible ITC, payment of tax etc. Thus, GSTR-3B does not require invoice-wise data of outward supplies.

Amendment

GSTR-3 not required to be furnished when GSTR-3B furnished: Where a return in FORM GSTR-3B is required to be furnished by a person referred to Rule 61(1) then such person shall not be required to furnish the return in FORM GSTR-3. [Inserted vide Notification No.49/2019-CT dated 9-10-2019 w.e.f. 01-07-2017].

Payment of taxes for discharge of tax liability as per FORM GSTR-3B : Every registered person furnishing the return in FORM GSTR-3B shall, subject to the provisions of Section 49 of the Act, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act by debiting the electronic cash ledger or electronic credit ledger, as the case may be, not later than the last date for filing of return in FORM GSTR-3B. [Sub rule (5) and (6) of Rule 61 of CGST Rules]

Contents of GSTR-3B:

Basic & Other Details	Other details relating to supplies
➤ GSTIN	➤ Summarised details of outward supplies and inward

<ul style="list-style-type: none"> ➤ Legal name of the registered person ➤ Tax period. 	<ul style="list-style-type: none"> supplies liable to reverse charge. ➤ Summarised details of inter-State supplies made to unregistered persons, composition taxable persons and UIN holders. ➤ Eligible ITC ➤ Values of exempt, nil-rated and non-GST inward supplies. ➤ Payment of tax ➤ TDS/TCS credit
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Due dates of filing GSTR-3B Return:

Month	Last date for filing of return in FORM GSTR-3B
October, 2019 to March, 2020	20 th day of succeeding month

RULE 62: FORM AND MANNER OF SUBMISSION OF QUARTERLY RETURN BY THE COMPOSITION SUPPLIER

1.	<u>Every registered person paying tax under Sec. 10 or paying tax by availing the benefit of N/N 2/2019-CT(R) dt. 07-05-2019 shall -</u> <ul style="list-style-type: none"> i) Furnish a statement, every quarter or as the case may be, part thereof, containing the details of payment of self-assessed tax in FORM GST CMP-08, till the 18th day of the month succeeding such quarter, and ii) Furnish a return for every financial year or, as the case may be, part thereof in FORM GSTR-4, till the thirtieth day of April following the end of such financial year. Electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner.
2.	<u>Pay Tax, Interest, penalty, Fee or other amount before furnishing the GSTR - 4:</u>

	Every registered person furnishing the return under sub-rule (1) shall discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act or the provisions of this Chapter by debiting the electronic cash ledger.				
3.	<p><u>Details to be furnished in GSTR - 4:</u> The return furnished under sub-rule (1) shall include the: -</p> <table border="1"> <tr> <td>a.</td><td>Invoice wise inter-state and intra-state inward supplies received from registered and un-registered persons; and</td></tr> <tr> <td>b.</td><td>Consolidated details of outward supplies made.</td></tr> </table>	a.	Invoice wise inter-state and intra-state inward supplies received from registered and un-registered persons; and	b.	Consolidated details of outward supplies made.
a.	Invoice wise inter-state and intra-state inward supplies received from registered and un-registered persons; and				
b.	Consolidated details of outward supplies made.				
4.	<p><u>RP opted composition from Normal from beginning if financial year - Furnish additional return:</u> A registered person who has opted to pay tax under section 10 from the beginning of a financial year shall, where required, furnish the details of outward and inward supplies and return under rules 59, 60 and 61 relating to the period to the period during which the person was liable to furnish such details and returns till the due date of furnishing the return for the month of September of the succeeding financial year or furnishing of annual return of the preceding financial year, whichever is earlier.</p> <p>Explanation: - For the purposes of this sub-rule, it is hereby declared that the persons shall not be eligible to avail of input tax credit on receipt of invoices or debit notes from the supplier for the period prior to his opting for the composition scheme.</p>				
5.	<p>A registered person opting to withdraw from the composition scheme at his own motion or where option is withdrawn at the instance of the proper officer shall, where required, furnish a statement in FORM GST CMP-08 for the period for which he has paid tax under the comparison scheme till the 18th day of the month succeeding the quarter in which the date of withdrawal falls and</p> <p>Furnish a return in FORM GSTR-4 for the said period till the 30th day of April following the end of the financial year during such withdrawal falls.</p>				
6.	<p><u>Amendment</u></p> <p>A registered person who ceases to avail the benefit of N/N 02/2019 - CT (R) dt.07-03-2019 shall, where required, furnish a statement in FORM GST CMP-08 for the period for which he has paid tax by availing the benefit under the said notification till the 18th day of the month succeeding the quarter in which the date of cessation takes place and furnish a</p>				

return in FORM GSTR-4 for the said period till the 30th day of April following the end of the financial year during which such cessation happens.

RULE 80: ANNUAL RETURN

1.	<u>E - filling of</u> <u>Annual return by</u> <u>Normal Tax</u> <u>Payer</u>	<u>Amendment</u> <p>Every registered person, other than those referred to in the provision to Sec 35(5) an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, Any Dept. of CG or a SG or a Local Authority whose books of Account are subject to audit by the comptroller and auditor general of India or an auditor appointed for auditing the A/c. of local authority under any law for time being in force. [Proviso to Sec. 35(5)] shall furnish an annual return as specified under sub-section (1) of section 44 electronically in FORM GSTR-9 through the common portal either directly or through a Facilitation Centre notified by the Commissioner:</p> <p>Provided that a person paying tax under section 10 shall furnish the annual return in FORM GSTR-9A.</p>
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CHAPTER 14 PAYMENT OF TAX, TDS and TCS

Conditions of use of amount available in electronic credit ledger [Rule 86A] [Inserted vide Notification No. 75/2019-CT dated 26-12-2019]

- (1) **Restriction on utilization of balance in EcrL- Conditions:** The Commissioner or an officer authorised by him in this behalf, not below the rank of an Assistant Commissioner, having reasons to believe that credit of input tax available in the electronic credit ledger has been fraudulently availed or is ineligible in as much as
- a) The credit of input tax has been availed on the strength of tax invoices or debit notes or any other document prescribed under rule 36 -
 - (i) Issued by a registered person who has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or
 - (ii) Without receipt of goods or services or both; or
 - b) The credit of input tax has been availed on the strength of tax invoice or debit notes or any other document prescribed under rule 36 in respect of any supply, the tax charged in respect of which has not been paid to the Government; or
 - c) The registered person availing the credit of input tax has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or
 - d) The registered person availing any credit of input tax is not in possession of a tax invoice or debit note or any other document prescribed under rule 36, may, for reasons to be recorded in writing not allow debit of an amount equivalent to such credit in electronic credit ledger for discharge of any liability under section 49 or for claim of any refund of any unutilised amount.
- (2) **Utilization of balance when conditions cease to exist:** The Commissioner, or the authorised officer may, upon being satisfied that conditions for disallowing debit of electronic credit ledger as above, no longer exist, allow such debit.
- (3) **Maximum period of restriction - one year:** Such restriction shall cease to have effect after the expiry of a period of one year from the date of imposing such restriction.

CHAPTER 15 REFUND OF TAX

RULE 91. GRANT OF PROVISIONAL REFUND

1	The provisional refund in accordance with the provisions of sub-section (6) of section 54 shall be granted subject to the condition that the person claiming refund has, during any period of five years immediately preceding the tax period to which the claim for refund relates, not been prosecuted for any offence under the Act or under an existing law where the amount of tax evaded exceeds two hundred and fifty lakh rupees
2	The proper officer, after scrutiny of the claim and the evidence submitted in support thereof and on being prima facie satisfied that the amount claimed as refund under sub-rule (1) is due to the applicant in accordance with the provisions of sub-section (6) of section 54, shall make an order in FORM GST RFD-04, sanctioning the amount of refund due to the said applicant on a provisional basis within a period not exceeding seven days from the date of the acknowledgement under sub-rule (1) or sub-rule (2) of rule 90
3	<p>Amendment</p> <p>E-payment of provisional refund [Rule 91(3)] : The proper officer shall issue a payment order in FORM GST RFD-05 for the amount sanctioned under Rule 91(2) and the same shall be electronically credited to any of the bank accounts of the applicant mentioned in his registration particulars and as specified in the application for refund on the basis of a consolidated payment advice.</p> <p>However, the payment order in FORM GST RFD-05 shall be required to be revalidated where the refund has not been disbursed within the same financial year in which the said payment order was issued.</p>
4	<p>Amendment</p> <p>Disbursement of refund [Rule 91(4)]: The Central Government shall disburse the refund based on the consolidated payment advice issued as above.</p>

CHAPTER 16 EXEMPTION

45	<u>Services provided by:</u>	
	a	An arbitral tribunal to
		i Any person other than a business entity; or
		ii A business entity with a turnover up to rupees twenty lakh (ten lakh rupees in a special category state) in the preceding financial year; Such amount in the preceding financial year as make it eligible for exemption from registration under the central goods and service tax act 2017.
		ii The Central Government, State Government, Union Territory, Local Authority, Government Authority or Government Entity
	b	A partnership firm of advocates or an individual as an advocate other than a senior advocate, by way of legal services to:
		i An advocate or partnership firm of advocates providing legal services;
		ii Any person other than a business entity; or
		ii A business entity with a turnover up to rupees twenty lakh (ten lakh rupees in a special category state) in the preceding financial year; or Such amount in the preceding financial year as makes it eligible for exception from registration under the central goods and service tax act 2017.
		iv The Central Government, State Government, Union Territory, Local Authority, Government Authority or Government Entity
	c	A senior advocate by way of legal services to
		i Any person other than a business entity; or
		ii A business entity up to rupees twenty lakh (ten lakh rupees in a special category state) in the preceding financial year; Such amount in the preceding financial year as makes it eligible for exception from registration under the central goods and service tax

act 2017.

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| ii | The Central Government, State Government, Union Territory, Local Authority, Government Authority or Government Entity |
| i | |

Key terms: -

1	Advocate	has the same meaning as assigned to it in clause (a) of sub section (1) of section 2 of the Advocate Act, 1961. Advocate means an advocate entered in any roll under the provisions of the Advocates Act, 1961 (Section 2(1)(a) of the Advocate Act, 1961).
2	Arbitral tribunal	has the same meaning as assigned to it in clause (d) of section 2 of the Arbitration and Conciliation Act, 1996. Arbitral tribunal means a sole arbitrator or a panel of arbitrators (Section 2(d) of the Arbitration and Conciliation Act, 1996).
3	Senior advocate	has the same meaning as assigned to it in section 16 of the Advocates Act, 1961 which, inter alia, provides that an advocate may, with his consent, be designated as senior advocate if the Supreme Court or a High Court is of opinion that by virtue of his ability standing at the Bar or special knowledge or experience in law he is deserving of such distinction. Senior advocates shall, in the matter of their practice, be subject to such restrictions as the Bar Council of India may, in the interest of the legal profession, prescribe.
4	Legal service	means any service provided in relation to advice, consultancy or assistance in any branch of law, in any manner and includes representational services before any court, tribunal or authority.

EXEMPTIONS RELATED TO AGRICULTURE SECTOR

Sl. No. 24B of notification: Storage or Warehousing of Pulses, Fruits, Nuts etc.

[Heading 9967 or 99850 - Newly inserted N/N 21/2019-CT(R) dt. 30-09-2019.]

Services by way of storage or warehousing of cereals, pulses, fruits, nuts and vegetables, spices, copra, sugarcane, jiggery, raw vegetable fibres such as cotton, flax, jute etc. indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea.

EXEMPTIONS RELATED TO SPORT SECTOR

Sl. No. 9AA of notification: Service provided by and to FIFA - Newly inserted N/N 21/2019-CT(R) dt. 30-09-2019.

Services provided by and to Federation Internationale de Football Association [FIFA] and its subsidiaries directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020 to be hosted in India.

Provided that Director [Sports], Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.

Sl. No. 82A of Notification: FIFA U-17 Women World Cup 2020 [Chapter 9996] - Newly inserted N/N 21/2019-CT(R) dt. 30-09-2019.

Services by way of right to admission to the events organised under FIFA U-17 Women's World Cup 2020.

EXEMPTIONS RELATED TO LIFE / GENERAL SECTOR

Sl. No. 29B of notification: Services of Life Insurance [Heading 9971 OR 9991] Newly inserted N/N 21/2019-CT(R) dt. 30-09-2019.

Services of life insurance provided or agreed to be provided by the Central Armed Police Forces [under Ministry of Home Affairs] Group Insurance Funds to their members under the Group Insurance Schemes of the concerned Central Armed Police Force.

EXEMPTIONS ON IGST NEWLY INSERTED

Sr. No. 12AA of notification: Service Provided by intermediary - Newly inserted N/N 21/2019-CT(R) dt. 30-09-2019.

Services provided by an intermediary when location of both supplier and recipient of goods is outside the taxable territory.

Conditions: Following documents shall be maintained for a minimum duration of five years:

- 1) Copy of Bill of Lading
- 2) Copy of executed contract between Supplier/Seller and Receiver/Buyer of goods
- 3) Copy of commission debit note raised by an intermediary service provider in taxable territory from service recipient located in non-taxable territory.
- 4) Copy of certificate of origin issued by service recipient located in non-taxable territory.
- 5) Declaration letter from an intermediary service provider in taxable territory on company letter head confirming that commission debit note raised relates to contract when both supplier and receiver of goods are outside the taxable territory.

CHAPTER 17: APPEAL AND REVISION

SECTION 112 [CGST]: APPEALS TO APPELLATE TRIBUNAL

(1)	Any person aggrieved by an order passed against him under section 107 or section 108 of this Act or of the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act may appeal to the Appellate Tribunal against such order within 3 months from the date on which the order sought to be appealed against is communicated to the person preferring the appeal.
(2)	The Appellate Tribunal may, in its discretion, refuse to admit any such appeal where the tax or input tax credit involved or the difference in tax or input tax credit involved or the amount of fine, fee or penalty determined by such order, does not exceed 50,000 rupees.
(3)	The Commissioner may, on his own motion or upon request from the Commissioner of State Tax or Commissioner of Union Territory Tax, call or and examine the record of any order passed by the Appellate Authority or the Revisional Authority under this Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act for the purpose of satisfying himself as to the legality or the propriety of the said order and may, by order, direct any officer subordinate to him to apply to the Appellate Tribunal within six months from the date on which the said order has been passed for the determination of such points arising out of the said order as may be specified by the Commissioner in his order.
(4)	Where in pursuance of an order under sub-section (3) the authorized officer makes an application to the Appellate Tribunal, such application shall be dealt with by the Appellate Tribunal as if it were an appeal made against the order under sub-section (11) of section 107, or under sub-section (1) of section 108 and the provisions of this Act shall apply to such application, as they apply in relation to appeals filed under subsection (1).
(5)	On receipt of notice that an appeal has been preferred under this section, the party against whom the appeal has been preferred may, notwithstanding that he may not have appealed against such order or any part thereof, file, within 45 days of the receipt of

	the notice, a memorandum of cross-objections, verified in the prescribed manner, against any part of the order appealed against and such memorandum shall be disposed of by the Appellate Tribunal as if it were an appeal presented within the time specified in sub-section (1).				
(6)	The Appellate Tribunal may admit an appeal within 3 months after the expiry of period referred to in sub-section (1), or permit the filing of a memorandum of cross-objections within 45 days after the expiry of the period referred to in sub-section (5) if it is satisfied that there was sufficient cause for not presenting it within that period.				
(7)	An appeal to the Appellate Tribunal shall be in such form, verified in such manner and shall be accompanied by such fee, as may be prescribed;				
(8)	No appeal shall be filed under sub-section (1) unless the appellant has paid: <table border="1"> <tr> <td>a)</td><td>In full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him, and</td></tr> <tr> <td>b)</td><td>A sum = 20% of the remaining amount of tax in dispute, in addition to the amount paid under sub-section (6) of the section 107, arising from the said order, in relation to which the appeal has been filed; In addition to the amount deposited before the AA, arising for the said order, subject to a maximum of 50 crore, in relation to which appeal has been filled.</td></tr> </table>	a)	In full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him, and	b)	A sum = 20% of the remaining amount of tax in dispute, in addition to the amount paid under sub-section (6) of the section 107, arising from the said order, in relation to which the appeal has been filed; In addition to the amount deposited before the AA, arising for the said order, subject to a maximum of 50 crore, in relation to which appeal has been filled.
a)	In full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him, and				
b)	A sum = 20% of the remaining amount of tax in dispute, in addition to the amount paid under sub-section (6) of the section 107, arising from the said order, in relation to which the appeal has been filed; In addition to the amount deposited before the AA, arising for the said order, subject to a maximum of 50 crore, in relation to which appeal has been filled.				
(9)	Where the appellant has paid the amount as per sub-section (8), the recovery proceedings for the balance amount shall be deemed to be stayed till the disposal of the appeal.				
(10)	Every application made before the Appellate Tribunal: - <table border="1"> <tr> <td>a)</td><td>In an appeal for rectification of error or for any other purpose; or</td></tr> <tr> <td>b)</td><td>For restoration of an appeal or an application, shall be accompanied by such fees as may be prescribed.</td></tr> </table>	a)	In an appeal for rectification of error or for any other purpose; or	b)	For restoration of an appeal or an application, shall be accompanied by such fees as may be prescribed.
a)	In an appeal for rectification of error or for any other purpose; or				
b)	For restoration of an appeal or an application, shall be accompanied by such fees as may be prescribed.				

CHAPTER 18 ANTI PROFITEERING MEASURES**CONSTITUTION OF NATIONAL ANTI-PROFITEERING AUTHORITY.**

- (1) **Constitution of the National Anti-profiteering Authority [Rule 122 of CGST Rules, 2017]:** The National Anti-Profiteering Authority [herein after referred as Authority] shall consist of: -
 - a) A Chairman who holds or has held a post equivalent in rank to a Secretary to the Government of India; and
 - b) Four Technical Members who are or have been Commissioners of State tax or central tax for at least one year or have held an equivalent post under the existing law, to be nominated by the Council.
- (2) **Secretary to the Authority [Rule 125 of CGST Rules, 2017]:** An officer not below the rank of Additional Commissioner [working in the Directorate General of Anti-profiteering] shall be the Secretary to the Authority.
- (3) **Tenure of Authority - 4 years [Rule 137 of CGST Rules, 2017]:** The Authority shall cease to exist after the expiry of 4 years from the date on which the Chairman enters upon his office unless the Council recommends otherwise. [Inserted vide notification No. 33/2019-CT dated 18.07.2019]
- (4) **Quorum:** A minimum of 3 members of the Authority shall constitute quorum at its meetings. If the Members of the Authority differ in their opinion on any point, the point shall be decided according to the opinion of the majority of the members present and voting, and in the event of equality of votes, the Chairman shall have the second or casting vote.

PROCEDURE TO BE FOLLOWED BY NATIONAL ANTI-PROFITEERING AUTHORITY:

The following procedure is followed by the Authority:

- 1) **Examination by the State Level Screening Committee :** All applications from interested parties on issues of local nature shall first be examined by the State Level Screening Committee within a period of two months from the date of the receipt of a written application or within such extended period not exceeding a further period of one month for reasons to be recorded in writing as may be allowed by the Authority. [Inserted by the CGST [Amendment] Rules, 2019, w.e.f. 28-06-2019]
On being satisfied that the supplier has not passed on the benefit, the Screening Committee will forward the application with its recommendations to the Standing Committee. If the Standing Committee is satisfied that there is a prima facie evidence to show that the supplier has not passed on the benefit, it shall refer the matter to the Director General of Anti-profiteering for a detailed investigation.

- 2) **Reference to DG Anti-profiteering:** If the Standing Committee is satisfied that there is a prima facie evidence to show that the supplier has not passed on the benefit, it shall refer the matter to the Director General of Anti-profiteering for a detailed investigation.
- 3) **Investigation:** The Director General of Anti-profiteering shall conduct investigation and collect evidence necessary to determine undue profiteering and before initiation of the investigation, issue a notice to the interested parties [and to such other persons as deemed fit for a fair enquiry into the matter].

Evidences presented before it to be given to other interested parties: The evidence or information presented to the Director General of Anti-profiteering by one interested party can be made available to the other interested parties, participating in the proceedings. The evidence provided will be kept confidential and the provisions of Section 11 of the Right to Information Act, 2005, shall apply mutatis mutandis to the disclosure of any information which is provided on a confidential basis.

Cooperation with other agencies or statutory Authorities: The Director General of Anti-profiteering can seek opinion of any other agency or statutory authorities in the discharge of his duties. The Director General of Anti-profiteering, or an officer authorised by him will have the power to summon any person either to give evidence or to produce a document or any other thing. He will also have same powers as that of a civil court and every such inquiry will be deemed to be a judicial proceeding.

Completion of investigation within 6 months or within extended period 3 months and furnishing of Investigation report to the Authority : The Director General of Anti-profiteering will complete the investigation within a period of 6 months or within such extended period not exceeding a for there period of 3 months for reasons to be recorded in writing as may be allowed by the Authority. Upon completion of the investigation, the Director General of Anti-profiteering will furnish to the Authority, a report of its findings along with the relevant records. [Substituted for "three" by the CGST [Amendment] Rules, 2019, w.e.f. 28-06-2019].

- 4) **Reference to DG Anti-profiteering for further investigation :** If the report of the Director General of Anti-profiteering recommends that there is contravention or even non-contravention of the provisions of Section 171 or these rules, but the Authority is of the opinion that further investigation or inquiry is called for in the matter, it may, for reasons to be recorded in writing refer the matter to the Director General of Anti-profiteering to cause further investigation or inquiry in accordance with the provisions of the Act and these rules.

WRITE A NOTE ON ORDERS OF ANTI PROFITEERING AUTHORITY**1) Order of the Authority [Rule 133 of CGST Rules, 2017] {Amended by the CGST [Amendment] Rules, 2019, w.e.f. 28-06-2019}:**

Where the Authority determines that a registered person has not passed on the benefit of the reduction in the rate of tax on the supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices, the Authority may order: -

- a) Reduction in prices;
- b) Return to the recipient, an amount equivalent to the amount not passed on by way of commensurate reduction in prices along with interest @ 18% from the date of collection of the higher amount till the date of the return of such amount or recovery of the amount including interest not returned, as the case may be;
- c) The deposit of an amount equivalent to 50% of the amount determined under the above clause along with interest @ 18% from the date of collection of the higher amount till the date of deposit of such amount in the Fund constituted under section 57 and the remaining 50% of the amount in the Fund constituted under amount or is not identifiable;
- d) Imposition of penalty as specified under the Act; and
- e) Cancellation of registration under the Act.

2) Other Aspects: The following are noteworthy in this regard: -

- Any order passed by the Authority shall be immediately complied with by the registered person failing which action shall be initiated to recover the amount.
- The Authority will pass order within 6 months from the date of the receipt of the report from the Director General of Anti-profiteering.
- The Authority may seek the clarification, if any, from the Director General of Anti-profiteering on the report submitted by him.
- An opportunity of being heard will be given, if the interested parties request for it in writing.
- Period of interest will be calculated from the date of collection of higher amounts till the date of return of such amount.
- If the eligible person [i.e. the buyer] does not claim the return or the person is unidentifiable then the amount must be deposited to the Consumer Welfare Fund along with applicable interest.
- Where upon receipt of the report of the Director General of Anti-profiteering, the Authority has reasons to believe that there has been contravention of the provisions of section 171 in respect of goods or services or both other than those covered in the said report, it may, for reasons to be recorded in writing, within 6 months, direct the Director General of Anti-profiteering to cause investigation or inquiry with regard to such other goods or services or both, in accordance with the provisions of the Act and

these rules. The investigation or enquiry shall be deemed to be a new investigation or enquiry and all the provisions of rule 129 shall mutatis mutandis apply to such investigation or enquiry.