

**CA Intermediate
Reboot Amendments
Notes of Questionnaire
For Nov. 23 Exams**

Question 14

Discuss about the late fee levied for delay in filing :

- (i) Final Return
(ii) Annual Return

[CA Inter Nov. 2019, 5 Marks]

Answer :

- (i) The late fee levied for delay in filing final return is:
- (a) Rs. 100 for every day during which such failure continues or
(b) Rs. 5,000,
whichever is lower.
- (ii) The late fee levied for delay in filing annual return is:
- (a) Rs. 100 for every day during which such failure continues or
(b) 0.25% of the turnover of the registered person in the State/Union Territory,
whichever is lower.

However, the Government has reduced the late fees for delay in filing of annual return for the financial year 2022-23 onwards, as under [NN 07/2023 - CT, dated 31.03.2023]:

S.N.	Class of Registered Person	Late Fee per day [CGST]	Max. Fee [CGST]
1.	Registered persons having an aggregate turnover of up to Rs. 5 crores in the relevant financial year.	Rs. 25	0.02% of turnover in the State or Union territory
2.	Registered persons having an aggregate turnover of more than Rs. 5 crores and up to Rs. 20 crores in the relevant financial year.	Rs. 50	0.02% of turnover in the State or Union territory

Question 15

No Change

Question 16

The aggregate turnover of Mr. Prithvi, a registered person for the FY 2022-23 and 2023-24 were Rs. 240 lakh and Rs. 570 lakh respectively. He has not filed the annual return (GSTR-9) under section 44(1) of CGST Act, 2017 before the due date.

Discuss the penal provisions, if any, for not filing the returns before the due date. [Modified, CA Inter Jan. 2021, 3 Marks]

Answer : The late filing fees for not filing the annual return (GSTR-9) under section 44(1) of the CGST Act, 2017 before the due date are as under :-

- (a) Rs. 100 for every day during which such failure continues,
or
(b) 0.25% of the turnover of the registered person in the State/Union Territory, whichever is lower.

However, the Government has reduced the late fees for delay in filing of annual return for the financial year 2022-23 onwards, as under [NN 07/2023 - CT, dated 31.03.2023]:

S.N	Class of Registered Person	Late Fee per day [CGST]	Max. Fee [CGST]
1.	Registered persons having an aggregate turnover of up to Rs. 5 crores in the relevant financial year.	Rs. 25	0.02% of turnover in the State or Union territory
2.	Registered persons having an aggregate turnover of more than Rs. 5 crores and up to Rs. 20 crores in the relevant financial year.	Rs. 50	0.02% of turnover in the State or Union territory

Answer : The advice given by tax manager is valid in law. Payment of taxes by the normal tax payer is to be done on monthly basis. Cash payments will be first deposited in the Cash Ledger and the tax payer shall debit the ledger while making payment in the returns and shall reflect the relevant debit entry number in his return. However, payment can also be debited from the Credit Ledger. Composition tax payers will need to pay tax on quarterly basis.

Question 21

Discuss the eligibility for QRMP scheme under GST ?

[MTP May 2021]

Answer : Registered persons (other than supplier of online information and database access or retrieval services (OIDAR) located in non-taxable territory and providing such services to a non-taxable online recipient), having an aggregate turnover up to Rs. 5 crore in the preceding financial year, and who have opted to furnish quarterly return under QRMP scheme are eligible for QRMP scheme as the class of persons who shall furnish a return for every quarter from January, 2021 onwards, and pay the tax due every month.

Thus, the taxpayers whose aggregate turnover is up to Rs. 5 crore in the preceding financial year are eligible for QRMP scheme. For computing aggregate turnover, details furnished in returns for tax periods in the preceding financial year shall be taken into account.

Question 22

What are the cases where a registered person is debarred from furnishing details of outward supplies in GSTR-1/IFF?

[MTP May 2021]

Answer :

- (i) A registered person shall not be allowed to furnish the details of outward supplies in Form GSTR-1, if he has not furnished the return in Form GSTR-38 for the preceding month.
- (ii) A registered person, opting for QRMP scheme shall not be allowed to furnish the details of outward supplies in Form GSTR-1 or using IFF, if he has not furnished the return in Form GSTR-3B for preceding tax period.
- (iii) *A registered person, to whom an intimation has been issued on the common portal under the provisions of rule 88C(1) in respect of a tax period, shall not be allowed to furnish the details of outward supplies of goods or services or both in FORM GSTR-1 or using IFF for a subsequent tax period, unless he has either deposited the amount specified in the said intimation or has furnished a reply explaining the reasons for any amount remaining unpaid, as required under the provisions of rule 88C(2).*

Question 23

The due date for payment of tax by a person paying tax under section 10 of the CGST Act, 2017, i.e. a composition supplier is aligned with the due date of return to be filed by the said person. Discuss the correctness or otherwise of the statement.

[RTP May 2020]

Answer : The statement is not correct. Every registered person paying tax under section 10, i.e. a composition supplier, is required to file a return annually in Form GSTR-4. Form GSTR-4 for a financial year should be furnished by 30th April of the succeeding financial year. However, a composition supplier is required to pay his tax on a quarterly basis. A quarterly statement for payment of self-assessed tax in GST CMP-08 is required to be furnished by 18th day of the month succeeding such quarter.

Therefore, while the return is to be furnished annually, payment of tax needs to be made on a quarterly basis, by a composition supplier.

Question 24

Mr. Gauri Shiva, a registered person in Punjab, supplies goods taxable @ 12% [CGST @ 6%, SGST @ 6% & IGST @ 12%] in the States of Punjab and Haryana. He has furnished the following details in relation to independent supplies made by him in the quarter ending June, 20XX:-

Supply	Recipient	Nature of supply	Value (Rs.)
1	Mr. A, a registered person	Inter-State	2,20,000
2	Mr. B, a registered person	Inter-State	2,55,000

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Further, where the said supplier subsequently makes payment of the tax payable in respect of the aforesaid supplies, the said recipient may re-avail the ITC reversed by him.

Rule 37A : Reversal of input tax credit in the case of non-payment of tax by the supplier and re-availment thereof [Inserted by NN 26/2022 – CT, w.e.f. 26.12.2022] :

- ✓ *Even if the recipient has paid the tax to the supplier, his claim for ITC gets confirmed only when the supplier deposits the tax so collected by him to the Government.*
- ✓ *Presently, suppliers are required to furnish details of outward supplies through FORM GSTR-1 or using Invoice Furnishing Facility (IFF). Then, GSTR-2B, an auto-generated ITC statement is generated for the recipient, based on GSTR-1/IFF filed by the suppliers. On the basis of the details available in GSTR-2B, the recipient takes ITC on self-assessment basis in his GSTR-3B for discharging the tax liability.*
- ✓ *Subsequently, if the supplier does not pay the Tax to the government by filing return in FORM GSTR-3B for the tax period corresponding to the said statement of outward supplies, till the 30th day of September following the end of financial year in which the ITC in respect of such invoice or debit note has been availed, then, the recipient shall be required to reverse the ITC while furnishing a return in FORM GSTR-3B on or before the 30th day of November following the end of such financial year.*
- ✓ *However, where the said amount of ITC is not reversed by the recipient in a return in FORM GSTR-3B on or before the 30th day of November following the end of the financial year, then, such amount shall be payable by the said person along with interest thereon under section 50 (if ITC is utilized).*
- ✓ *Further, the recipient can re-avail the aforesaid ITC (without any time limit specified u/s 16(4)), if the said supplier subsequently furnishes the return in FORM GSTR-3B for the said tax period.*

(d). **Filing of Return [Section 16(2)(d)]:** The registered person taking the ITC must have filed his return u/s 39.

Goods received in lots: ITC available only on receipt of last lot [First proviso to section 16(2)]

In case the goods covered under an invoice are not received in a single consignment but are received in lots/instalments, the ITC can be taken only upon receipt of the last lot/instalment.

Payment for the invoice to be made within 180 days [Second provision to section 16(2) read with rule 37 of CGST]

If the recipient, who has availed input tax credit on any inward supply of goods or services or both, fails to pay to the supplier, the value of the goods and/or services, *whether wholly or partly*, along with the tax within 180 days from the date of issue of invoice, then, such ITC availed by the recipient in respect of such supply, *proportionate to the amount not paid to the supplier*, would be *reversed or* added to his output tax liability along with applicable interest while furnishing the return in Form GSTR-3B for the tax period in which the said 180 days expired.

Exception: This condition of payment of value of supply plus tax within 180 days does not apply to the supplies on which tax is payable under reverse charge mechanism.

Note:

1. The value of supplies made without consideration as specified in Schedule I of the said Act shall be deemed to have been paid for the purposes of this provision.
2. The value of supplies on account of any amount added in accordance with the provisions of section 15(2)(b) shall be deemed to have been paid for the purposes of this provision.
3. Interest will be payable @ 18% p.a. from the date of utilising the ITC till the date when it is paid to the Government after adding it to the output tax liability.

However, subsequently, when the recipient makes the payment to the supplier, the recipient will be entitled to re-avail the credit again without any time limit specified u/s 16(4). In case part payment has been made, proportionate credit will be allowed.

	<p>(ii) where, -</p> <p>(a) the supplier (GTA) has taken registration under GST and exercised the option to pay GST under forward charge mechanism on the services of GTA; and</p> <p>(b) the supplier (GTA) has issued a tax invoice to the recipient charging GST at the applicable rates and has made following declaration on such invoice issued by him: "I/we have taken registration under the CGST Act, 2017 and have exercised the option to pay tax on services of GTA in relation to transport of goods supplied by us during the Financial Year ____ under forward charge."</p> <p>[as amended by NN 05/2022 - CT (R), w.e.f. 18.07.2022]</p> <p>[also refer analysis given at the end of this table]</p>		
2.	<p>Services provided by an individual advocate including a senior advocate or firm of advocates by way of legal services, directly or indirectly.</p> <p>Explanation.- "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."</p>	An individual advocate including a senior advocate or firm of advocates.	Any business entity located in the taxable territory.
3.	Services supplied by an arbitral tribunal to a business entity.	An arbitral tribunal.	Any business entity located in the taxable territory.
4.	Services provided by way of sponsorship to any body corporate or partnership firm.	Any person	Any body corporate or partnership firm located in the taxable territory.
5.	<p>Services supplied by the Central Government, State Government, Union territory or local authority to a business entity excluding, -</p> <p>(1) renting of immovable property, and</p> <p>(2) Services specified below -</p> <p>(i) services by the Department of Posts;</p> <p>(ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;</p> <p>(iii) transport of goods or passengers.'</p> <p>[Provisions of RCM, in so far as they apply to the Central Government and State Governments, shall also apply to the Parliament, State Legislatures, <i>Courts and Tribunals (Words 'Courts and Tribunals' inserted by NN 02/2023 - CT (R), w.e.f. 01.03.2023)</i>]</p>	Central Government, State Government or Union territory or local authority;	Any business entity located in the taxable territory.
5A.	Services supplied by the Central Government , State Government, Union territory or local authority by way of renting of immovable property to a person registered under the CGST Act, 2017.	Central Government, State Government, Union Territory or Local Authority	Any person registered under GST
5AA.	Service by way of renting of residential dwelling to a registered person	Any person	Any Registered person

the students.

Clarification regarding GST on supply of various services by Central and State Board [such as National Board of Examination – (NBE)] [Circular No. 151/07/2021-GST, dated 17.06.2021]

- (i) GST is exempt on services provided by Central or State Boards (including the boards such as NBE) by way of conduct of examination for the students, including conduct of entrance examination for admission to educational institution [under sl. no. 66(aa) of NN 12/2017 – CT (R)]. Therefore, GST shall not apply to any fee or any amount charged by such Boards for conduct of such examinations including entrance examinations.
 - (ii) GST is also exempt on input services relating to admission to, or conduct of examination, such as online testing service, result publication, printing of notification for examination, admit card and questions papers etc, when provided to such Boards [under sl. no. 66(b)(iv) of NN 12/2017 – CT (R)].
 - (iii) Further, GST at the rate of 18% applies to other services provided by such Boards, namely of providing accreditation to an institution or to a professional (accreditation fee or registration fee such as fee for FMGE screening test) so as to authorise them to provide their respective services.
- (3) *For removal of doubts, it is clarified that any authority, board or body set up by the Central Government or State Government including National Testing Agency for conduct of entrance examination for admission to educational institutions shall be treated as educational institution for the limited purpose of providing services by way of conduct of entrance examination for admission to educational institutions. [Inserted by NN 01/2023 – CT (R) w.e.f. 01.03.2023]*
- (4) **Clarification regarding applicability of GST on supply of food in Anganwadis and Schools under Mid-Day Meals Scheme if such supplies are funded by government grants and/or corporate donations [Circular No. 149/05/2021 - GST, dated 17.06.2021]**

As per recommendation of the GST Council, it is clarified that services provided to an educational institution by way of serving of food (catering including mid- day meals) is exempt from levy of GST irrespective of its funding from government grants or corporate donations [under said entry 66(b)(ii)]. Educational institutions as defined in the notification include anganwadi. Hence, serving of food to anganwadi shall also be covered by said exemption, whether sponsored by government or through donation from corporates.

- (5) **[Circular No. 28/02/2018 – GST, dated 08.01.2018] & [Circular No. 85/04/2019- GST, dated 01-01-2019]**

Mess Facility / food and beverage provided by Educational Institution	Exempt
Mess Facility / food and beverage provided by anyone other Than Educational Institution	Taxable

- (6) **Applicability of GST on various programmes conducted by the Indian Institutes of Management (IIMs) [Circular No. 82/01/2019- GST, dated 01.01.2019]**
All long duration programs (one year or more) conferring degree/ diploma including one- year Post Graduate Programs for Executives are exempt from GST. And, all short duration executive development programs or need based specially designed programs (less than one year) which are not a qualification recognized by law are not exempt from GST.
- (7) **Clarification on applicability of GST exemption to the DG Shipping approved maritime courses conducted by Maritime Training Institutes of India [Circular No. 117/36/2019 – GST, dated 11.10.2019]**
Maritime Institutes are educational institutions under GST Law and the courses conducted by them are exempt from levy of GST. The exemption is subject to meeting the conditions specified at Sl. No. 66 of the notification No. 12/ 2017- Central Tax (Rate) dated 28.06.2017.
- (8) The exemption is wide enough to cover the amount or fee charged for admission or entrance, or amount charged for application fee for entrance, or the fee charged from prospective students for issuance of eligibility certificate to them in the process of their entrance/admission to the educational institution. Services supplied by an educational institution by way of issuance of migration certificate to the leaving or

15.	Service by way of access to a road or a bridge on payment of annuity. [Omitted by NN 15/2022 - CT (R), w.e.f. 01.01.2023]
16.	Services by way of granting National Permit to a goods carriage to operate through-out India/contiguous States.

Construction Related Services

1.	Services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex .
2.	Services provided by way of pure labour contracts of construction , erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works pertaining to the beneficiary led individual house construction or enhancement under the Housing for All (Urban) Mission or Pradhan Mantri Awas Yojana .
3.	Supply of Transfer of Development Rights (TDR), Floor Space Index (FSI) including additional FSI, Long Term Lease (premium, salami, cost, price, development charges or by any other name) of land by a landowner to a developer are exempted subject to the condition that the constructed flats are sold before issuance of completion certificate and tax is paid on them. Exemption of TDR, FSI, long term lease (premium, salami, cost, price, development charges or by any other name) shall be withdrawn in case of flats sold after issue of completion certificate, but such withdrawal shall be limited to 1% of value in case of affordable houses and 5% of value in case of other than affordable houses.

Renting of Immovable Property Related Services

1.	<p>Services by way of renting of residential dwelling for use as residence except where the residential dwelling is rented to a registered person. [As amended by NN 04/2022 - CT (R), w.e.f. 18.07.2022]</p> <p>Explanation [inserted by NN 15/2022 - CT (R), w.e.f. 01.01.2023] - For the purpose of exemption under this entry, this entry shall cover services by way of renting of residential dwelling to a registered person where, -</p> <ol style="list-style-type: none"> <i>the registered person is proprietor of a proprietorship concern and rents the residential dwelling in his personal capacity for use as his own residence; and</i> <i>such renting is on his own account and not that of the proprietorship concern.</i>
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graph TD
    A[Renting of Residential Dwelling] --> B[If Recipient is Registered Person]
    A --> C[If Recipient is other than Registered Person]
    B --> D[Commercial Use]
    B --> E["Use as Residence by recipient itself (if claiming as an expense in the books of accounts) or for its Employee, Director, etc."]
    C --> F[Commercial Use]
    C --> G["Use as Residence by recipient itself (whether or not claiming as an expense in the books of accounts) or for its Employee, Director, etc."]
    D --> H[Taxable]
    E --> I[Taxable]
    F --> J[Taxable]
    G --> K[Exempt]
    H --> L[RCM applicable]
    I --> M[RCM applicable]
    J --> N[FCM applicable]
  
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Clarification on Applicability of GST on Accommodation Services supplied by Air Force Mess to its Personnel - [Circular No. 190/02/2023 - GST, dated 13.01.2023]

As recommended by the GST Council, it is hereby clarified that accommodation services provided by Air Force Mess and other similar messes, such as, Army mess, Navy mess, Paramilitary and Police forces mess to their personnel or any person other than a business entity are covered by Sl. No. 6 of NN. 12/2017 - CT (R), provided the services supplied by such messes qualify to be considered as services supplied by Central Government, State Government, Union Territory or local authority.

Banking Related Services					
1.	Services by the Reserve Bank of India. [omitted by NN. 04/2022 CT (R), w.e.f. 18.07.2022]				
2.	Services received by the RBI, from outside India in relation to management of foreign exchange reserves. [omitted by NN 04/2022 IT (R), w.e.f. 18.07.2022]				
3.	<p>Services by way of -</p> <p>(a) extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services);</p> <p>(b) inter se sale or purchase of foreign currency amongst banks or authorized dealers of foreign exchange or amongst banks and such dealers.</p> <p>Note : The services in the case of the Credit Card are by way of levy of issuing charges or the commission charged from merchants, etc. The interest charged for failure to pay due amount at the due date have been specifically excluded from this exemption entry. Therefore, these are taxable.</p> <p>Clarification regarding applicability of GST on additional / penal interest - [Circular No. 102/21/2019, dated 28.06.2019]</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Penal Interest charged for delay in making payment of value of goods or services or both</td> <td style="width: 50%;">Penal Interest is included in value of Supply for Charging GST</td> </tr> <tr> <td>Penal Interest charged in respect of loan account</td> <td>Not Taxable</td> </tr> </table>	Penal Interest charged for delay in making payment of value of goods or services or both	Penal Interest is included in value of Supply for Charging GST	Penal Interest charged in respect of loan account	Not Taxable
Penal Interest charged for delay in making payment of value of goods or services or both	Penal Interest is included in value of Supply for Charging GST				
Penal Interest charged in respect of loan account	Not Taxable				
4.	Services provided by a banking company to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY).				
5.	<p>Services by an acquiring bank, to any person in relation to settlement of an amount upto Rs. 2,000/- in a single transaction transacted through credit card, debit card, charge card or other payment card service.</p> <p>Clarification on Applicability of GST on incentive paid by Ministry of Electronics and Information Technology (MeitY) to Acquiring Banks under Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions [Circular No. 190/02/2023 - GST, Dated 13.01.2023]:</p> <p>(i) <i>Under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM- UPI transactions, the Government pays the acquiring banks an incentive as a percentage of value of RuPay Debit card transactions and low value BHIM-UPI transactions up to Rs. 2,000/-.</i></p> <p>(ii) <i>The Payments and Settlements Systems Act, 2007 prohibits banks and system providers from charging any amount from a person making or receiving a payment through RuPay Debit cards or BHIM-UPI.</i></p> <p>(iii) <i>The service supplied by the acquiring banks in the digital payment system in case of transactions through RuPay/BHIM UPI is the same as the service that they provide in case of transactions through any other card or mode of digital payment. The only difference is that the consideration for such services, instead of being paid by the merchant or the user of the card, is paid by the central government in the form of incentive. However, it is not a consideration paid by the central government for any service supplied by the acquiring bank to the Central Government. The incentive is in the nature of a subsidy directly linked to the price of the service and the same does not form part of the taxable value of the transaction in view</i></p>				

	<p><i>of the provisions of section 2(31) and section 15 of the CGST Act, 2017.</i></p> <p><i>(iv) As recommended by the Council, it is hereby clarified that incentives paid by MeitY to acquiring banks under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions are in the nature of subsidy and thus not taxable.</i></p>
6.	<p>Services by the following persons in respective capacities –</p> <p>(a) business facilitator or a business correspondent to a banking company with respect to accounts in its rural area branch;</p> <p>(b) any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in entry (a); or</p> <p>(c) business facilitator or a business correspondent to an insurance company in a rural area.</p> <p>GST on Services of Business Facilitator (BF) or a Business Correspondent (BC) to Banking Company [Circular No. 86/05/2019- GST, dated 01.01.2019]</p> <p>The banking company is liable to pay GST on the entire value of service charge or fee charged to customers whether or not received via business facilitator or the business correspondent.</p>

Insurance Related Services	
1.	<p>Services of general insurance business provided under following schemes –</p> <p>(a) Hut Insurance Scheme;</p> <p>(b) Cattle Insurance under Swarnajayanti Gram Swarozgar Yojna;</p> <p>(c) Scheme for Insurance of Tribals;</p> <p>(d) Janata Personal Accident Policy and Gramin Accident Policy;</p> <p>(e) Group Personal Accident Policy for Self-Employed Women;</p> <p>(f) Agricultural Pumpset and Failed Well Insurance;</p> <p>(g) Premia collected on export credit insurance;</p> <p>(h) Restructured Weather Based Crop Insurance Scheme (RWCIS), approved by the Government of India and implemented by the Ministry of Agriculture;</p> <p>(i) Jan Arogya Bima Policy;</p> <p>(j) Pradhan Mantri Fasal Bima Yojana (PMFBY);</p> <p>(k) Pilot Scheme on Seed Crop Insurance;</p> <p>(l) Central Sector Scheme on Cattle Insurance;</p> <p>(m) Universal Health Insurance Scheme;</p> <p>(n) Rashtriya Swasthya Bima Yojana;</p> <p>(o) Coconut Palm Insurance Scheme;</p> <p>(p) Pradhan Mantri Suraksha Bima Yojana;</p> <p>(q) Niramaya Health Insurance Scheme implemented by the Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999.</p> <p>(r) Bangla Shasya Bima [Under this scheme, the West Bengal Government will provide crop insurance coverage to farmers, especially for the Kharif season crops].</p>
2.	<p>Services of life insurance business provided under following schemes –</p> <p>(a) Janashree Bima Yojana;</p> <p>(b) Aam Aadmi Bima Yojana;</p> <p>(c) Life micro-insurance product as approved by the Insurance Regulatory and Development Authority, having maximum amount of cover of Rs. 2,00,000/-</p>

1. “Agreeing to the obligation to refrain from an act or to tolerate an act or a situation, or to do an act” has been specifically declared to be a supply of service in para 5(e) of Schedule II of CGST Act if the same constitutes a “supply” within the meaning of Sec. 7 of the Act. The said expression has following three limbs:
 - a. Agreeing to the obligation to refrain from an act: Example - Non-Compete Agreements.
 - b. Agreeing to the obligation to tolerate an act or a situation: Example - A shopkeeper allowing a hawker to operate from the common pavement in front of his shop against a monthly payment by the hawker.
 - c. Agreeing to the obligation to do an act: Example - An industrial unit agrees to install equipment for zero emission/discharge at the behest of the RWA of a neighbouring residential complex against a consideration paid by such RWA, even though the emission/discharge from the industrial unit was within permissible limits and there was no legal obligation upon the individual unit to do so.
2. Agreement to do or refrain from an act should not be presumed to exist: Payments such as liquidated damages for breach of contract, Penalty imposed for violation of laws such as traffic violations, or for violation of pollution norms or other laws, penalties under the mining act for excess stock found with the mining company, forfeiture of salary or payment of amount as per the employment bond for leaving the employment before the minimum agreed period, penalty for cheque dishonor, etc. are not a consideration for tolerating an act or situation. Such amounts are for preventing breach of contract or non-performance and are thus mere ‘events’ in a contract. Further, such amounts do not constitute payment (or consideration) for tolerating an act, because there cannot be any contract: (a) for breach thereof, or (b) for violation of laws, or (c) for holding more stock than permitted under the mining contract, or (d) for leaving the employment before the agreed minimum period, or (e) for doing something leading to the dishonour of a cheque. Such payments are merely flow of money and are not a consideration for any supply. Hence, such activities will not constitute “supply” and will not be chargeable to GST.
3. Late payment fees or surcharge: The facility of accepting late payments with interest or late payment fee, fine or penalty is a facility granted by supplier naturally bundled with the main supply. Since, it is ancillary to and naturally bundled with the principal supply such as of electricity, water, telecommunication, cooking gas, insurance etc., it should be assessed at the same rate as the principal supply.
4. Fixed Capacity charges for Power: The minimum fixed charge or part of it is not a charge for tolerating the act of not scheduling or consuming the minimum the contracted or available capacity or a minimum threshold. Both the components of the price, the minimum fixed charges/capacity charges and the variable/energy charges are charged for sale of electricity and are thus not taxable as electricity is exempt from GST.
5. Cancellation charges: The amount forfeited in the case of non-refundable ticket for air travel or security deposit or earnest money forfeited in case of the customer failing to avail the travel, tour operator or hotel accommodation service or such other intended supplies are elements of composite supply and should be assessed at the same rate as applicable to the service contract, say air transport or tour operator service, or other such services.

Clarification on Taxability of No Claim Bonus offered by Insurance Companies - [Circular No. 186/18/2022 - GST, dated 27.12.2022]

Issue 1: Whether the deduction on account of No Claim Bonus allowed by the insurance company from the insurance premium payable by the insured, can be considered as consideration for the supply provided by the insured to the insurance company, for agreeing to the obligation to refrain from the act of lodging insurance claim during the previous year(s)?

Clarification: As per practice prevailing in the insurance sector, the insurance companies deduct No Claim Bonus from the gross insurance premium amount, when no claim is made by the insured person during the previous insurance period(s). The customer/insured procures insurance policy to indemnify himself from any loss/ injury as per the terms of the policy, and is not under any contractual obligation not to claim insurance claim during any period covered under the policy, in lieu of No Claim Bonus.

It is, therefore, clarified that there is no supply provided by the insured to the insurance company in form of agreeing to the obligation to refrain from the act of lodging insurance claim during the previous year(s) and No Claim Bonus cannot be considered as a consideration for any supply provided by the insured to the insurance company.

Issue 2: Whether No Claim Bonus provided by the insurance company to the insured can be considered as an admissible discount for the purpose of determination of value of supply of insurance service provided by the insurance company to the insured?

Clarification: *As per section 15(3)(a) of the CGST Act, value of supply shall not include any discount which is given before or at the time of supply if such discount has been duly recorded in the invoice issued in respect of such supply.*

The insurance companies make the disclosure of the fact of availability of discount in form of No Claim Bonus, subject to certain conditions, to the insured in the insurance policy document itself and also provide the details of the no claim Bonus in the invoices also. The pre-disclosure of NCB amount in the policy documents and specific mention of the discount in form of No Claim Bonus in the invoice is in consonance with the conditions laid down for deduction of discount from the value of supply under section 15(3)(a) of the CGST Act.

It is, therefore, clarified that No Claim Bonus (NCB) is a permissible deduction under section 15(3)(a) of the CGST Act for the purpose of calculation of value of supply of the insurance services provided by the insurance company to the insured. Accordingly, where the deduction on account of No claim bonus is provided in the invoice issued by the insurer to the insured, GST shall be leviable on actual insurance premium amount, payable by the policy holders to the insurer, after deduction of No Claim Bonus mentioned on the invoice.

under section 22 or section 24	he becomes liable to registration	he is so liable
A casual taxable person or a non-resident taxable person	at least 5 days prior to the commencement of business	
Every person who makes a supply from the territorial waters of India	within 30 days from the date on which he becomes liable to registration	in the coastal State/UT where the nearest point of the appropriate base line is located.

- Registration needs to be taken State-wise, i.e. there are no centralized registrations under GST. A business entity having its branches in multiple States will have to take separate State-wise registration.
- Further, within a State, an entity with different branches would have single registration wherein it can declare one place as principal place of business (PPoB) and other branches as additional place of business (APoB).
- A person having multiple places of business in a State or Union territory may be granted a separate registration for each such place of business, subject to such conditions as may be prescribed.
- If separate registration for each POB, then, all separately registered POB shall be treated as distinct person. Separate registration application needs to be filed for each POB.
- If one of the POB of a taxable person is paying tax under normal levy [Section 9], no other POB shall be granted registration to pay tax under composition levy [Section 10].
- Once a person obtains voluntary registration, he has to pay tax even though his aggregate turnover does not exceed Rs. 20 lakh/Rs. 10 lakh. **[Section 25(3)]**
- A person who has more than one registration, whether in one State or more than one State shall, in respect of each such registration, be treated as **distinct persons**. **[Section 25(4)]**
- A Permanent Account Number is mandatory to be eligible for grant of registration. **[Section 25(6)]**
- A Non-Resident Taxable Person (NRTP) may be granted registration on the basis of other prescribed documents. **[Section 25(7)]**
- Any specialized agency of the United Nations Organization or any Multilateral Financial institution and organization as notified under the United Nations (Privileges and Immunities) Act, 1947, consulate or embassy of foreign countries and any other person notified by the Commissioner, is required to obtain a UIN from the GSTN portal.
- Where, pursuant to any survey, enquiry, inspection, search or any other proceedings under the Act, PO finds that a person liable to registration under the Act has failed to apply for such registration, such officer may register the said person on a temporary basis and issue an order in prescribed form.
- There may be a case where two units of a tax payer are located in same State – one in SEZ and another outside SEZ. Separate registrations have to be obtained for each of the two units.

Procedure For Registration

Every Person liable to get registered and person seeking voluntary registration shall, before applying for registration, declare his Permanent Account Number (PAN), ~~mobile number, e-mail address~~, State/UT in **Part A** of **FORM GST REG-01** on GST Common Portal (www.gst.gov.in). *[Omitted words, omitted by NN 26/2022 – CT, w.e.f. 26.12.2022]*

The Permanent Account Number shall be validated online by the common portal from the CBDT database *and shall also be verified through separate one-time passwords sent to the mobile number and e-mail address linked to the PAN.*

Temporary Reference Number (TRN) is generated and communicated to the applicant on the validated mobile number and e-mail address.

Using TRN, applicant shall electronically submit application in **Part B** of application form, along with specified documents at the Common Portal.

Rule 8(4A): Where an applicant, other than a person notified u/s 25(6D), opts for authentication of Aadhaar number, he shall, while submitting the application, undergo authentication of Aadhaar number and the date of submission of the application in such cases shall be the date of authentication of the Aadhaar number, or 15 days from the submission of the application in Part B of FORM GST REG-01, whichever is earlier.

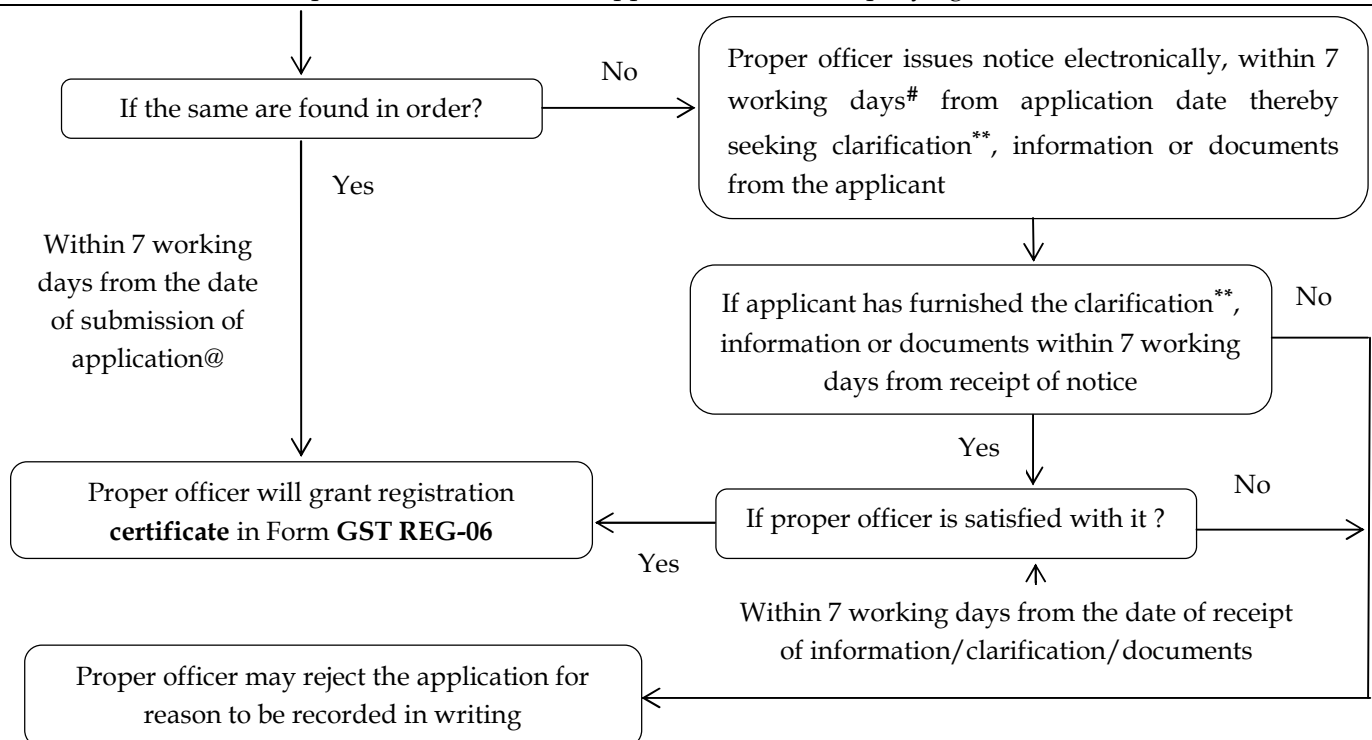
Further, w.e.f. 26.12.2022, if the applicant is applying for GST registration in the State of Gujarat, then, the following additional procedure needs to be followed by the applicant:

Every registration application made by a person, other than a person notified u/s 25(6D), who has opted for authentication of Aadhaar number and is identified on the common portal, based on data analysis and risk parameters, shall be followed by biometric-based Aadhaar authentication and taking photograph of the applicant where the applicant is an individual or of such individuals in relation to the applicant as notified u/s 25(6C) where the applicant is not an individual, along with the verification of the original copy of the documents uploaded with the application in FORM GST REG-01 at one of the Facilitation Centres notified by the Commissioner for the purpose of this sub-rule and the application shall be deemed to be complete only after completion of the process laid down under this proviso. [Proviso inserted by NN 04/2023 – CT, w.e.f. 26.12.2022]

On receipt of such application, an acknowledgement in the prescribed form shall be issued to the applicant electronically. A Casual Taxable Person (CTP) applying for registration get a TRN for making an advance deposit of tax in his electronic cash ledger and an acknowledgement is issued only after said deposit.

Application shall be forwarded to the proper officer.

Proper officer examines the application and accompanying documents



****Clarification includes modification / correction of particulars declared in the application for registration, other than PAN, state, mobile no. and e-mail address**

@ However, where -

- (a) a person, other than a person notified u/s 25(6D), fails to undergo authentication of Aadhaar number as specified in rule 8(4A) or does not opt for authentication of Aadhaar number; or
- (aa) a person, who has undergone authentication of Aadhaar number as specified in rule 8(4A), is identified on the common portal, based on data analysis and risk parameters, for carrying out physical verification of places of business; or [inserted by NN 26/2022 - CT, w.e.f. 26.12.2022]*
- (b) the proper officer, with the approval of an officer authorised by the Commissioner not below the rank of Assistant Commissioner, deems it fit to carry out physical verification of places of business, the registration shall be granted within 30 days of submission of application, after physical verification of the place of business in the presence of the said person, in the manner provided u/r 25 and verification of such documents as the proper officer may deem fit. [Proviso to Rule 9(1)]

#However, where-

- (a) a person, other than a person notified u/s 25(6D), fails to undergo authentication of Aadhaar number as specified in rule 8(4A) or does not opt for authentication of Aadhaar number; or
- (aa) a person, who has undergone authentication of Aadhaar number as specified in rule 8(4A), is identified on the common portal, based on data analysis and risk parameters, for carrying out physical verification of places of business; or [inserted by NN 26/2022 - CT, w.e.f. 26.12.2022]*
- (b) the proper officer, with the approval of an officer authorised by the Commissioner not below the rank of Assistant Commissioner, deems it fit to carry out physical verification of places of business, the notice may be issued not later than 30 days from the date of submission of the application. [Proviso to Rule 9(2)]

Deemed Approval of Application [Rule 9(5)]

If the proper officer fails to take any action, -

- (a) within a period of 7 working days from the date of submission of the application in cases where the person is not covered under proviso to sub-rule (1); or
- (b) within a period of 30 days from the date of submission of the application in cases where a person is covered under proviso to sub-rule (1); or
- (c) within a period of 7 working days from the date of the receipt of the clarification, information or documents furnished by the applicant under sub-rule (2),

the application for grant of registration shall be deemed to have been approved.

Information required while filing application for Registration:

- (i) Valid PAN
- (ii) Valid Indian Mobile Phone Number
- (iii) Valid E-mail Address
- (iv) Prescribed documents & information on all mandatory fields of registration application
- (v) Place of Business
- (vi) Jurisdiction Details

11	Amount of Advance Taken	-	-	-	-	✓	✗	✗
12	Amount of Refund Made	-	-	-	-	✗	✓	✗
13	Amount Paid	-	-	-	-	✗	✗	✓
14	Rate of tax	✓	✗	✗	✗	✓	✓	✓
15	Amount of tax	✓	✗	✗	✗	✓	✓	✓
16	Place of supply, in case of inter-state supply	✓	✗	✗		✓	✗	✓
17	Address of delivery	✓	✗	✗	✗	-	-	-
18	Whether the tax is payable on reverse charge basis; and	✓	✓	✗	✗	✓	✓	✗
19	Signature or digital signature of the supplier or his authorized representative	✓	✓	✓	✓	✓	✓	✓
20	Nature of Document	✗	✗	✗	✓	-	-	-
21	Sr. No. & Date of Tax Invoice/Bill of Supply/Receipt Voucher	✗	✗	✗	✓	✗	✓	✗
22	QR Code (in case of e-invoice)	✓	✓	✓	✓	✗	✗	✗

Further, where any taxable service is supplied by or through an ECO or by a supplier of OIDAR services to a recipient who is un-registered, irrespective of the value of such supply, a tax invoice issued by the registered person shall contain the name and address of the recipient along with its PIN code and the name of the State and the said address shall be deemed to be the address on record of the recipient. [Proviso inserted by NN 26/2022 – CT, w.e.f. 26.12.2022]

Number of HSN digits required on tax invoice:

As per NN. 12/2017 - CT, as amended by NN. 78/2020 – CT, dated 15.10.2020, the requirement to mention the HSN Code for goods or services w.e.f. 01.04.2021 is as under:

S. No.	Aggregate Turnover (AT) in the preceding F.Y.	Number of Digits of HSN Code
1.	Upto Rs. 5 crores	4
2.	More than Rs. 5 crores	6

Further, it is provided that a registered person whose aggregate turnover in the preceding financial year is upto Rs. 5 crores, may not mention the number of digits of HSN Codes as specified in the table above, in a tax invoice issued by him in respect of supplies made to unregistered persons. Above provisions are also applicable to Bill of Supply.

Invoice-cum-bill of supply (Rule 46A): Where a registered person is supplying taxable as well as exempted goods or services or both to an unregistered person, a single “invoice-cum-bill of supply” may be issued for all such supplies.

Further, the said single “invoice-cum-bill of supply” shall contain the particulars as specified under Rule 46 (i.e. for Tax invoice) or Rule 54 (i.e. for Tax invoice in special cases), as the case may be, and Rule 49 (i.e. for Bill of Supply). [Proviso inserted by NN 26/2022 – CT, w.e.f. 26.12.2022]

Where at the time of receipt of advance		
(i)	rate of tax is not determinable	tax shall be paid at the rate of 18%
(ii)	nature of supply is not determinable	same shall be treated as inter-State supply

Supplier permitted to issue any document other than tax invoice [Section 31(2) and proviso to section 31(1) read with rules 54 and 55] :

which such credit note has been issued. The tax liability shall be adjusted in the return subject to conditions of section 34 of the CGST Act. There is no need to file a separate refund claim.

However, in cases where there is no output liability against which a credit note can be adjusted, registered persons may proceed to file a claim under “Excess payment of tax, if any” through FORM GST RFD-01.

2. In case GST is paid by the supplier on advances received for an event which got cancelled subsequently and for which no invoice has been issued in terms of section 31 (2) of the CGST Act, he is required to issue a “refund voucher” in terms of section 31 (3) (e) of the CGST Act read with rule 51 of the CGST Rules.

The taxpayer can apply for refund of GST paid on such advances by filing FORM GST RFD-01 under the category “Refund of excess payment of tax”.

3. In such a case where the goods supplied by a supplier are returned by the recipient and where tax invoice had been issued, the supplier is required to issue a “credit note” in terms of section 34 of the CGST Act. He shall declare the details of such credit notes in the return for the month during which such credit note has been issued. The tax liability shall be adjusted in the return subject to conditions of section 34 of the CGST Act. There is no need to file a separate refund claim in such a case.

However, in cases where there is no output liability against which a credit note can be adjusted, registered persons may proceed to file a claim under “Excess payment of tax, if any” through FORM GST RFD-01.

E-invoice through Govt. notified website [Sub-rules (4), (5) & (6) of Rule 48]

As per Rule 48(4) of the CGST Rules, the registered person whose aggregate turnover in any preceding financial year from 2017-18 onwards **10 crores**, shall, in respect of supply of goods or services or both to a registered person (i.e. B2B) or for exports, prepare invoice and other prescribed documents, by including such particulars contained in FORM GST INV-01 after obtaining an Invoice Reference Number by uploading information contained therein on the Common GST Electronic Portal.

However, this provision is not applicable to the following persons:

- (i) A Special Economic Zone unit [Not SEZ Developer]
- (ii) Insurer, Banking Company, financial institution including a NBFC;
- (iii) Goods Transport Agency;
- (iv) Passenger Transport Service Supplier;
- (v) Supplier of services by way of admission or exhibition of cinematograph films in multiplex screens;
- (vi) A Government Department or a Local Authority

However, the Commissioner may, on the recommendations of the Council, by notification, exempt a person or a class of registered persons from issuance of invoice under this sub-rule for a specified period, subject to such conditions and restrictions as may be specified in the said notification.

Further, as per rule 48(5) of the CGST Rules, if any person to whom sub-rule (4) applies, issues any invoice in any manner other than the manner specified in the said sub-rule, then, such invoice shall not be treated as an invoice.

Further, as per rule 48(6) of the CGST Rules, the provisions of sub-rules (1) and (2) [i.e. issue of invoice in triplicate / duplicate copies] shall not apply to an invoice prepared in the manner specified in sub-rule (4).

Further, as per clause (s) of Rule 46 of the CGST Rules, if any person to whom Rule 48(4) applies, issues any invoice in any manner other than the manner specified in the said sub-rule, then, the following declaration is also required to be given on the invoice:

“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 u/r 48(4), we are not required to prepare an invoice in terms of the provisions of the said sub-rule.”

Clarification on applicability of e-invoicing w.r.t an entity [Circular no. 186/18/2022 - GST, dated 27.12.2022]

Issue: *Whether the exemption from mandatory generation of e- invoices is available for the entity as whole, or whether the same is available only in respect of certain Supplies made by the said entity?*

Clarification: Certain entities/sectors have been exempted from mandatory generation of e-invoices as per rule 48(4). It is hereby clarified that the said exemption from generation of e-invoices is for the entity as a whole and is not restricted by the nature of supply being made by the said entity.

Illustration: A Banking Company providing banking services, may also be involved in making supply of some goods, including bullion. The said banking company is exempted from mandatory issuance of e-invoice for all supplies of goods and services and thus, will not be required to issue e-invoice with respect to any supply made by it.

Tax invoice to have Dynamic QR Code

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.

Using this power, vide NN 14/2020 - CT, dated 21.03.2020, w.e.f. 01.12.2020, the Government has notified that an invoice issued by a registered person, whose aggregate turnover in any preceding financial year from 2017-18 onwards **exceeds Rs. 500 crores**, to an unregistered person (i.e. B2C invoice), shall have Dynamic Quick Response (QR) code:

However, this provision is not applicable to the following persons:

- (i) Insurer, Banking Company, financial institution including a NBFC;
- (ii) Goods Transport Agency;
- (iii) Passenger Transport Service Supplier;
- (iv) Supplier of services by way of admission or exhibition of cinematograph films in multiplex screens;
- (v) Supplier of OIDAR services located in non-taxable territory.

However, where such registered person makes a Dynamic Quick Response (QR) code available to the recipient through a digital display, such B2C invoice issued by such registered person containing cross-reference of the payment using a Dynamic Quick Response (QR) code, shall be deemed to be having Quick Response (QR) code.

Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of NN 14/2020 - CT, dated 21.03.2020 [Circular no. 146/02/2021-GST, dated 23.02.2021]

S.N.	Issues	Clarification
1.	To which invoice is NN 14/2020 - CT, dated 21.03.2020 applicable? Would this requirement be applicable on invoices issued for supplies made for Exports?	This notification is applicable to a tax invoice issued to an unregistered person by a registered person (B2C invoice) whose annual aggregate turnover exceeds 500 Cr rupees in any of the financial years from 2017-18 onwards. However, the said notification is not applicable to an invoice issued by certain specified persons. As regards the supplies made for exports, though such supplies are made by a registered person to an unregistered person, however, as e-invoices are required to be issued in respect of supplies for exports, in terms of NN. 13/2020-CT, dated 21.03.2020 treating them as Business to Business (B2B) supplies, NN. 14/2020- CT, dated 21.03.2020 will not be applicable to them.
2.	What parameters/ details are required to be captured in the Quick Response (QR) Code?	Dynamic QR Code is required to contain the following information: i. Supplier GSTIN number ii. Supplier UPI ID iii. Payee's Bank A/C number and IFSC iv. Invoice number & invoice date, v. Total Invoice Value and vi. GST amount along with breakup i.e. CGST, SGST, IGST, CESS, etc. Further, Dynamic QR Code should be such that it can be scanned to make a digital payment.
3.	If a supplier provides/ displays Dynamic QR Code, but the customer opts to make payment without using	If the supplier has issued invoice having Dynamic QR Code for payment, the said invoice shall be deemed to have complied with Dynamic QR Code requirements. In cases where the supplier, has digitally displayed the Dynamic QR Code

ANNEXURE

[(See rule 138 (14)]

S.N.	Description of Goods
1.	Liquefied petroleum gas for supply to household and non domestic exempted category (NDEC) customers
2.	Kerosene oil sold under PDS
3.	Postal baggage transported by Department of Posts
4.	Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal (Chapter 71)
5.	Jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71) <i>excepting Imitation Jewellery (7117) [Words 'excepting Imitation Jewellery (7117)' inserted by NN 26/2022 - CT, w.e.f. 26.12.2022]</i>
6.	Currency
7.	Used personal and household effects
8.	Coral, unworked (0508) and worked coral (9601)

Points to remember

1. E-way bill is not valid for movement of goods without vehicle number on it.
2. Once E-way bill is generated, it cannot be edited for any mistake. However, it can be cancelled within 24 hours of generation.
3. E-Way Bill may be updated with vehicle number any number of times.
4. The latest vehicle number should be available on e-way bill and should match with the vehicle carrying it in case checked by the department.

Rule 138A: Documents and devices to be carried by a person-in-charge of a conveyance

- (1) The person in charge of a conveyance shall carry –
 - (a) the **invoice** or bill of supply or delivery challan, as the case may be; and
 - (b) a copy of the **e-way bill** in physical form or the e-way bill number in electronic form or mapped to a Radio Frequency Identification Device embedded on to the conveyance in such manner as may be notified by the Commissioner:

However, nothing contained in clause (b) of this sub-rule shall apply in case of movement of goods by rail or by air or vessel.

Further, in case of **imported goods**, the person in charge of a conveyance shall also carry a copy of the **bill of entry** filed by the importer of such goods and shall indicate the number and date of the bill of entry in Part A of FORM GST EWB-01.

- (2) In case, invoice is issued in the manner prescribed under sub-rule (4) of rule 48 (i.e. e-invoice), the Quick Response (QR) code having an embedded Invoice Reference Number (IRN) in it, may be produced electronically, for verification by the proper officer in lieu of the physical copy of such tax invoice.

[Circular No. 160/16/2021 - GST, dated 20.09.2021] : It is clarified that there is no need to carry the physical copy of tax invoice in cases where e-invoice has been generated by the supplier in the manner prescribed under rule 48(4) of the CGST Rules and production of the Quick Response (QR) code having an embedded Invoice Reference Number (IRN) electronically, for verification by the proper officer, would suffice.

- (3) Where the registered person uploads the invoice under sub-rule (2), the information in Part A of FORM GST EWB-01 shall be auto-populated by the common portal on the basis of the information furnished in FORM GST INV-1.

Rule 138B: Verification of documents and conveyances

- **Time limit for Rectification:** The maximum time limit within which rectifications/amendments are permissible in GSTR-1 is earlier of the following dates:
 - 30th November following the end of the financial year to which such details pertain *or*
 - Date of filing of the relevant annual return
- GSTR 1 needs to be filed even if there is no business activity (Nil Return) in the tax period.
- Furnishing of GSTR-1 for the current tax period is not allowed, if GSTR-1 for any of the previous tax periods has not been furnished. However, the Government may allow a registered person or a class of registered persons to furnish GSTR-1, even if he has not furnished GSTR-1 for one or more previous tax periods. [inserted by Finance Act, 2022, w.e.f. 01.10.2022]
- **Bar on filing of GSTR-1 or using IFF [Rule 59(6) of the CGST Rules, 2017]:** Notwithstanding anything contained in this rule, -
 - (i) a registered person shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1, if he has not furnished the return in FORM GSTR-3B for the preceding month;
 - (ii) a registered person, required to furnish quarterly return, shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1 or using the invoice furnishing facility, if he has not furnished the return in FORM GSTR-3B for preceding tax period;
 - (iii) *a registered person, to whom an intimation has been issued on the common portal under the provisions of sub-rule (1) of rule 88C in respect of a tax period, shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1 or using the invoice furnishing facility for a subsequent tax period, unless he has either deposited the amount specified in the said intimation or has furnished a reply explaining the reasons for any amount remaining unpaid, as required under the provisions of sub-rule (2) of rule 88C. [clause (d) inserted by NN 26/2022 – CT, w.e.f. 26.12.2022]*
- **Rule 88C – Manner of dealing with difference in liability reported in statement of outward supplies and that reported in return:**
 - (1) *Where the tax payable by a registered person, in accordance with the statement of outward supplies furnished by him in FORM GSTR-1 or using the IFF in respect of a tax period, exceeds the amount of tax payable by such person in accordance with the return for that period furnished by him in FORM GSTR-3B, by such amount and such percentage, as may be recommended by the Council, the said registered person shall be intimated of such difference in Part A of FORM GST DRC-01B, electronically on the common portal, and a copy of such intimation shall also be sent to his e-mail address, highlighting the said difference and directing him to—*
 - a) *pay the differential tax liability, along with interest u/s 50, through FORM GST DRC-03; or*
 - b) *explain the aforesaid difference in tax payable on the common portal, within a period of 7 days.*
 - (2) *The registered person referred to in sub-rule (1) shall, upon receipt of the intimation referred to in that sub-rule, either,-*
 - a) *pay the amount of the differential tax liability, as specified in Part A of FORM GST DRC- 01B, fully or partially, along with interest under section 50, through FORM GST DRC-03 and furnish the details thereof in Part B of FORM GST DRC-01B electronically on the common portal; or*
 - b) *furnish a reply electronically on the common portal, incorporating reasons in respect of that part of the differential tax liability that has remained unpaid, if any, in Part B of FORM GST DRC-01B, within a period of 7 days.*
 - (3) *Where any amount specified in the intimation referred to in sub-rule (1) remains unpaid within the period specified in that sub-rule and where no explanation or reason is furnished by the registered person in default or where the explanation or reason furnished by such person is not found to be acceptable by the proper officer, the said amount shall be recoverable in accordance with the provisions of section 79.*

3.	Registered persons having an aggregate turnover of more than Rs. 1.5 crores and upto Rs. 5 crores in the preceding FY, other than those covered under S. No. 1	GSTR-1/ GSTR-3B	Rs. 25/-	Rs. 2,500
4.	Registered persons required to deduct TDS u/s 51	GSTR-7	Rs. 25/-	Rs. 1,000
5.	Input Service Distributors	GSTR-6	Rs. 25/-	Rs. 5,000
6.	Registered Non - Resident Taxable Persons whose total amount of CGST payable in the said return is NIL	GSTR-5	Rs. 10/-	Rs. 5,000
	Registered Non - Resident Taxable Persons who have CGST liability payable in the said return		Rs. 25/-	Rs. 5,000

3. **Late fees levied for delay in filing annual return [Section 47(2)]:** Any registered person who fails to furnish the Annual Return by the due date shall be liable to pay a late fee = Rs. 100 per day (CGST Act) during which such failure continues or 0.25% (CGST Act) of the turnover of registered person in the State/UT, whichever is lower.

However, the Government has reduced the late fees for delay in filing of annual return for the financial year 2022-23 onwards, as under [NN 07/2023 – CT, dated 31.03.2023]:

S. N.	Class of Registered Person	Late Fee per day [CGST]	Max. Fee [CGST]
1.	Registered persons having an aggregate turnover of up to Rs. 5 crores in the relevant financial year.	Rs. 25	0.02% of turnover in the State or Union territory
2.	Registered persons having an aggregate turnover of more than Rs. 5 crores and up to Rs. 20 crores in the relevant financial year.	Rs. 50	0.02% of turnover in the State or Union territory

4. It may be noted that the late fee payable by a registered person for delayed filing of a return and/or annual return, as mentioned above, is with reference to only the CGST Act. An equal amount of late fee would be payable by such person under the respective SGST/UTGST Act as well.

Goods and Services Tax Practitioners [Sec. 48]

What is the eligibility criteria for GSTP?

- Eligibility
 - a citizen of India;
 - a person of sound mind;
 - not adjudicated as insolvent;
 - has not been convicted by a competent court
- Satisfies any of the following conditions
 - he is a retired officer of the Commercial Tax Department of any State Government or of the CBEC, DoR, GoI, who had worked in a post not lower than the rank of a Group-B gazetted officer for a period of not less than 2 years; or
 - he has enrolled as a Sales Tax Practitioner or Tax Return Preparer under the erstwhile laws for a period of not less than 5 years; or
- He has passed,