



HANDBOOK ON GST

ASHU DALMIA

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CHAPTER- 1**INPUT TAX CREDIT****1.1 Summary of Input Tax Credit Relevant Sections and Rules**

Section/Rule	Heading
CGST Act, 2017	
Sec 2(6)	Definition of Aggregate Turnover
Sec 2(19)	Definition of Capital Goods
Sec 2(47)	Definition of exempt Supply
Sec 2(59)	Definition of Input
Sec 2(60)	Definition of Input Service
Sec 2(61)	Definition of Input Service Distributor
Sec 2(67)	Definition of Inwards Supply
Sec 2(78)	Definition of Non-Taxable Supply
Sec 2(82)	Definition of Output Tax
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Sec 2(108)	Definition of Taxable Supply
Sec 16	Eligibility and conditions for taking input tax credit
Sec 17	Apportionment of credit and blocked credits
Sec 18	Availability of credit in special circumstances
Sec 19	Taking Input Tax Credit in respect of inputs and capital goods sent for job work.
Sec 20	Manner of distribution of credit by Input Service Distributor
Sec 21	Manner of recovery of credit distributed in excess
IGST Act, 2017	
Sec 16	Zero Rated Supply
CGST Rules, 2017	
Rule 36	Documentary requirements and conditions for claiming Input Tax Credit
Rule 37	Reversal of Input Tax Credit in case of non –payment of consideration
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Rule 39	Procedure for distribution of input tax credit by Input Service Distributor
Rule 40	Manner of claiming credit in special circumstances
Rule 41	Transfer of credit on sale, merger, amalgamation, lease or transfer of a business
Rule 42	Manner of determination of input tax credit in respect of inputs and input services and reversal thereof

Rule 43	Manner of determination of input tax credit in respect capital goods and reversal thereof in certain cases
Rule 44	Manner of reversal of credit under special circumstances
Rule 44A	Manner of reversal of credit of additional duty of customs in respect of Gold Dore bar
Rule 45	Conditions and restrictions in respect of inputs and capital goods sent to the job worker

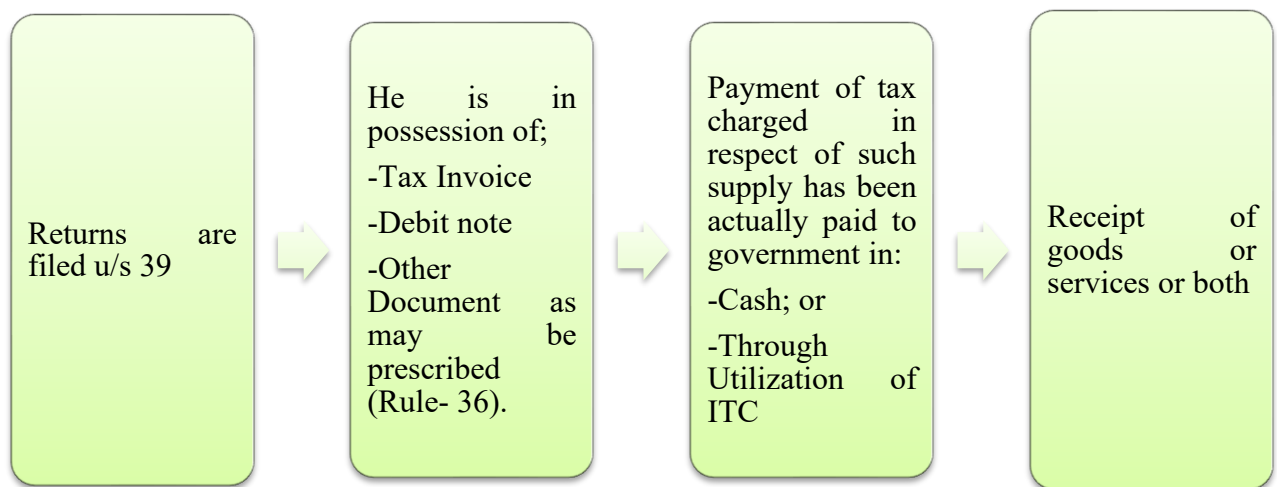
1.2 Eligibility and conditions for taking input tax credit for registered person:

Eligible Person to take ITC

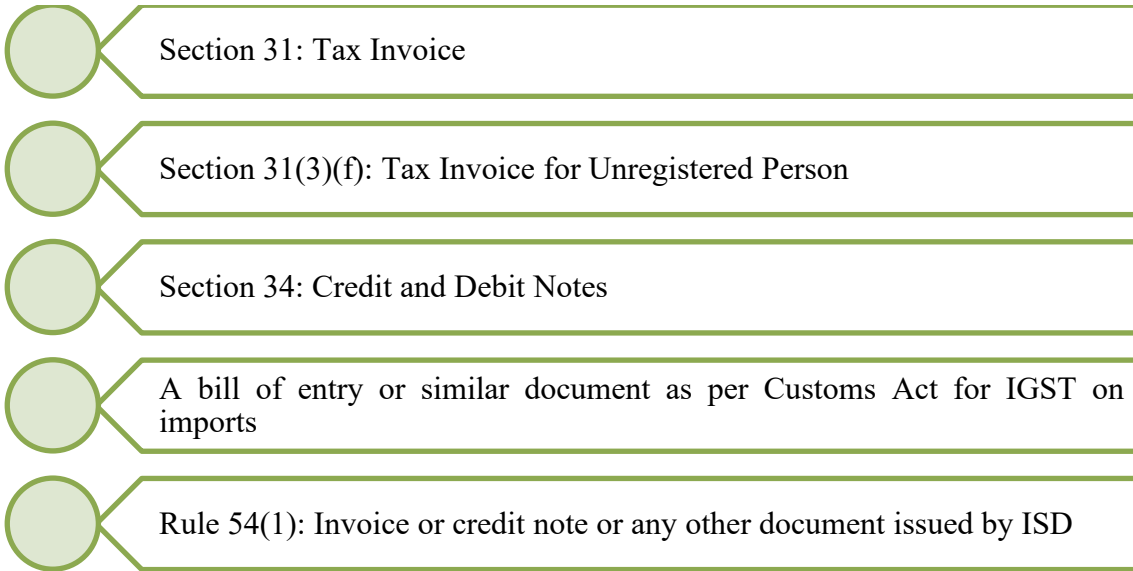
- Registered person [Section 16 of CGST/ SGST Act]
- Person making **zero rated supplies** [Section 16(3) of IGST Act]



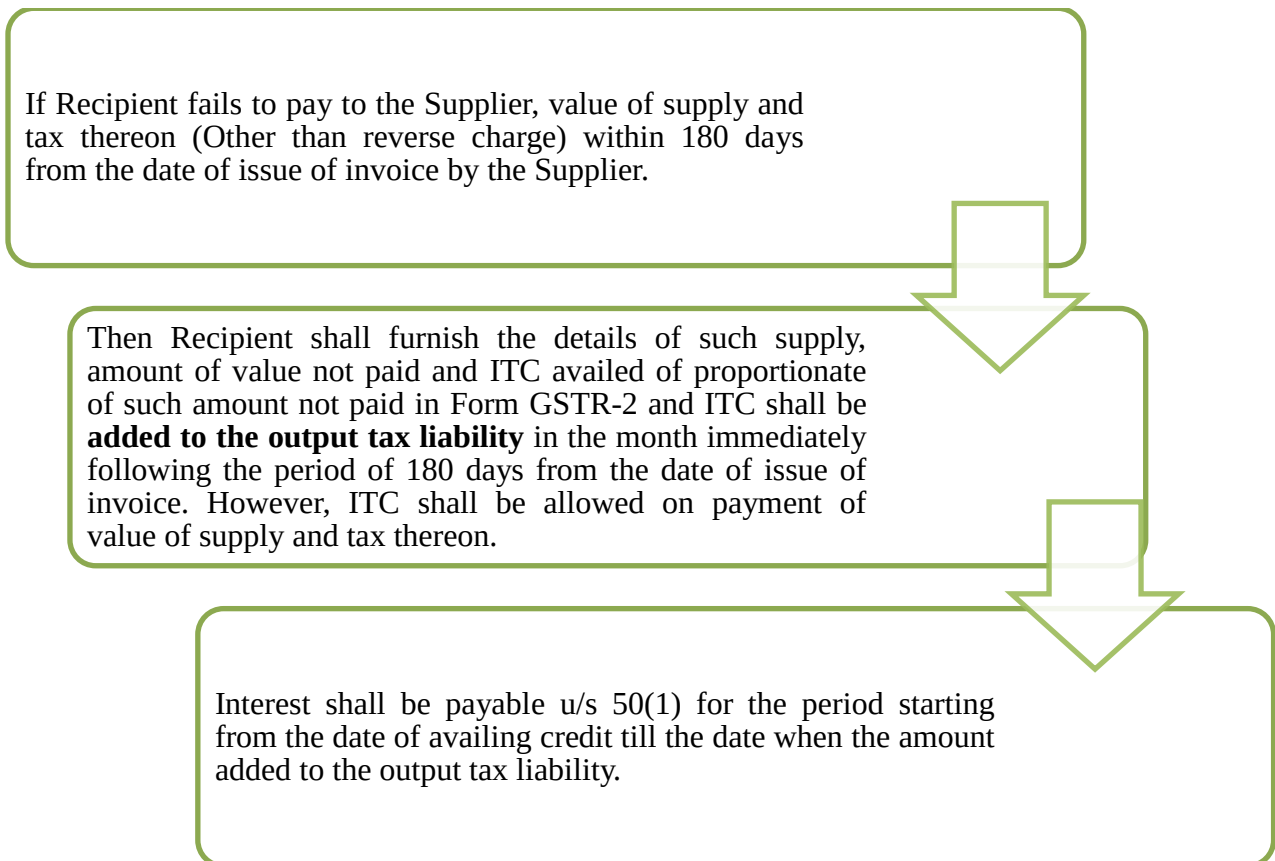
Conditions for availing ITC



Documentary requirements for claiming Input Tax Credit



1.3 Reversal of Input Tax Credit in case of non –payment of consideration

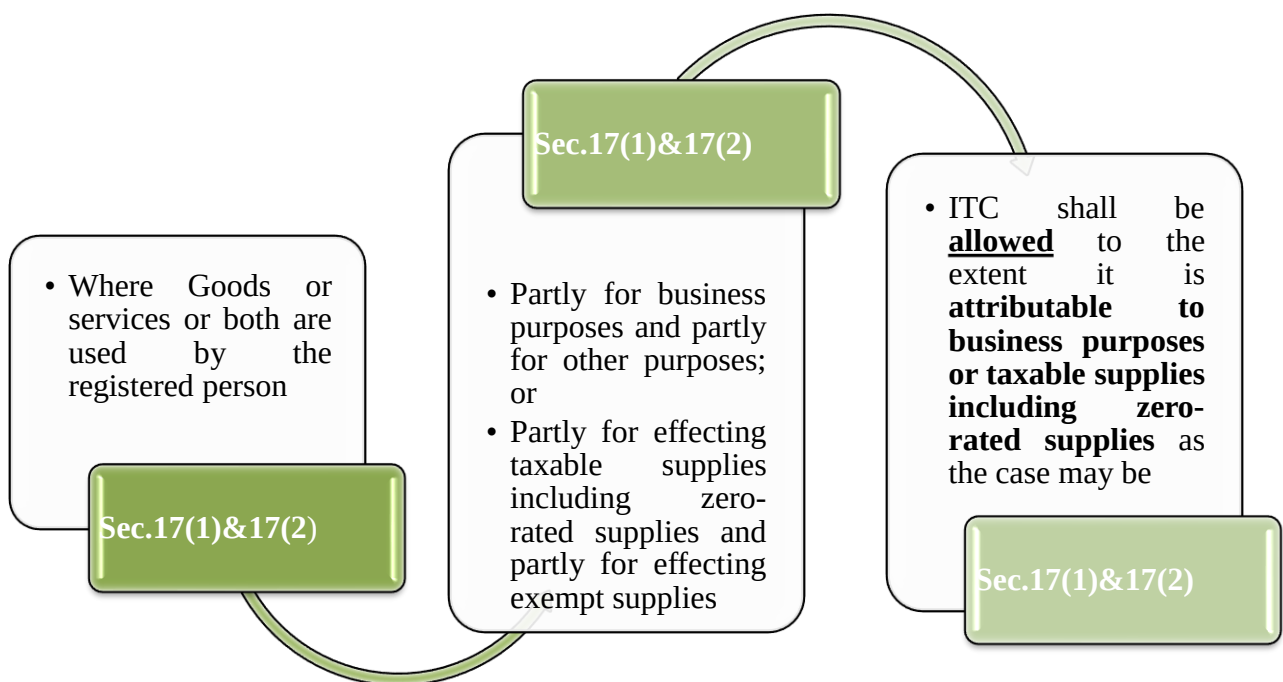


Clarifications:

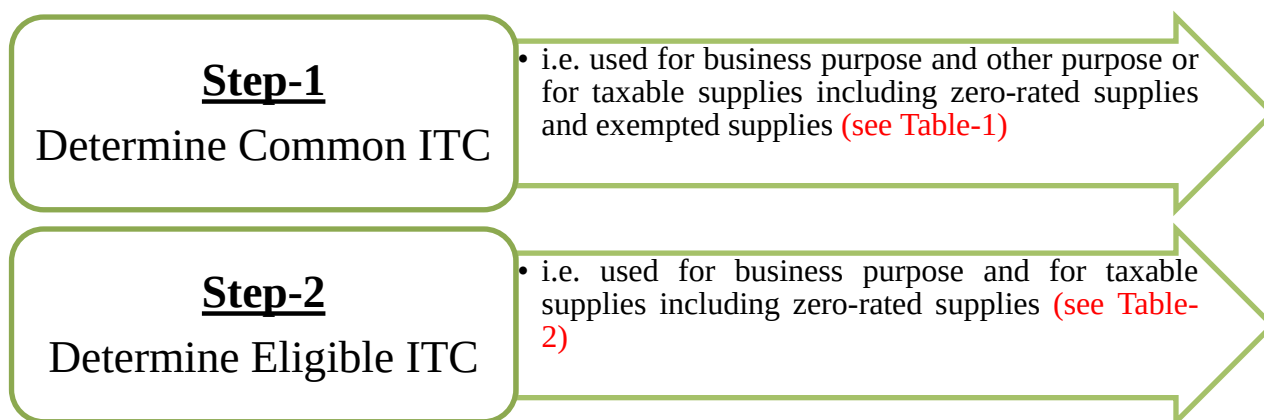
- Value of supplies made without consideration as specified in Schedule-I shall be deemed to have been paid.
- Any amount added u/s 15(2)(b) of CGST Act, that the supplier is liable to pay in relation to such supply but which has been incurred by the recipient of the supply and not included in the price actually paid or payable for the goods or services or both, shall also be deemed to have been paid.

1.4 Apportionment of credits and blocked credits

Sec.17(1) and 17(2)



Rule 42: Manner of determination of input tax credit in respect of inputs and input services and reversal thereof

**Table 1: Common ITC for a Tax Period (i.e. one month)**

	Particulars	Amount (Rs.)
	Total ITC during the relevant year (T)	XXXX
Less:	ITC pertaining to the input and input services which are used exclusively for “purposes other than business” (T1)	XXXX
Less:	ITC pertaining to the input and input services which are used exclusively for effecting “Exempt Supplies” (T2)	XXXX
Less:	ITC in respect of inputs on which credit is not available u/s 17(5) (T3)	XXXX
Less:	ITC pertaining to the input and input services which are used exclusively for effecting “Supplies other than exempted but including Zero-rated Supplies” (T4)	XXXX
	Common Credit (C = T – T1 – T2 – T3 – T4)	XXXX

Table 2: Eligible ITC for a Tax Period (i.e. one month)

	Particulars	Amount (Rs.)
	Common Credit (C)	XXXX
Less:	Ineligible Credit:	XXXX
	- ITC pertaining to the “Exempt Supplies” (D1) (Note-1)	XXXX
	- ITC pertaining to the “Non-Business Purposes” (D2) (Note-2)	XXXX
	Eligible Credit (E = C - D1 - D2)	XXXX

Note-1: ITC pertaining to the “Exempt Supplies” equals to –

Common Credit * E/F

Where-

“E” denotes aggregate value of Exempt Supplies during the tax period; and

“F” denotes “Total Turnover” in the State of the registered person during the tax period

Clarifications-

- ☐ In case turnover is not available for the tax period, value of “E” and “F” shall be taken for the last tax period in which details of turnover are available
- ☐ Values of “E” and “F” shall be exclusive of any duty or tax levied under entry 84 of List I of the Seventh Schedule to the Constitution and entry 51 and 54 of List II of the said Schedule.

Note-2: ITC pertaining to the “Non-Business Purposes” equals to –

Common Credit * 5%

Rule.43: Manner of determination of input tax credit in respect of capital goods and reversal thereof in certain cases

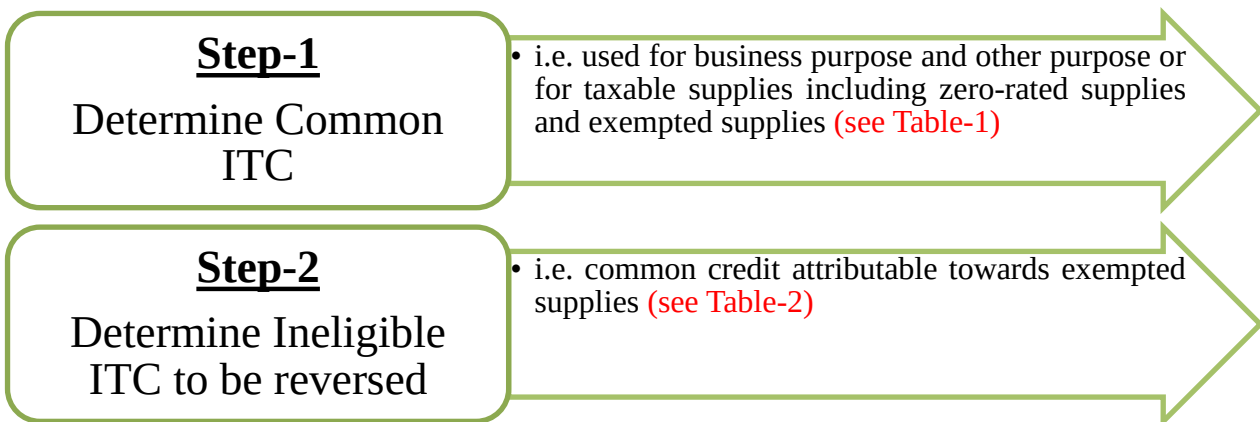


Table 1: Common ITC for a Tax Period (i.e. one month)

	Particulars	Amount (Rs.)
	Total ITC during the relevant year (T)	XXXX
Less:	ITC in respect of capital goods which are used exclusively for “non-business purposes” (T1)	XXXX
Less:	ITC in respect of capital goods which are used exclusively for effecting “Exempt Supplies” (T2)	XXXX

Less:	ITC in respect of capital goods which are used exclusively for effecting “Supplies other than exempted but including Zero-rated Supplies” (T3)	XXXX
	Balance Credit (A = T – T1 – T2 – T3)	XXXX

Note: 1 ‘A’ shall be credited to the e-credit ledger and useful life of such goods shall be taken as **5 years** from the date of invoice.

Ineligible ITC for a Tax Period (i.e. one month)



Note-1: Common ITC attributable towards “Exempt Supplies” equals to –

$$T_e = (E \div F) \times T_r$$

Where-

“E” denotes aggregate value of Exempt Supplies during the tax period; and

“F” denotes “Total Turnover” of the registered person during the tax period

Clarifications-

- ☐ It is clarified that in case turnover is not available for the tax period, value of “E” and “F” shall be taken for the last tax period in which details of turnover are available
- ☐ It is further clarified that values of “E” and “F” shall be exclusive of any duty or tax levied under entry 84 of List I of the Seventh Schedule to the Constitution and entry 51 and 54 of List II of the said Schedule.

Note-2: The amount of 'Te' along with applicable interest shall be added to the output tax liability of the person making claim of such credit.

Note-3: The amount of 'Te' shall be computed separately for Central tax, State tax, Union territory tax and Integrated tax.

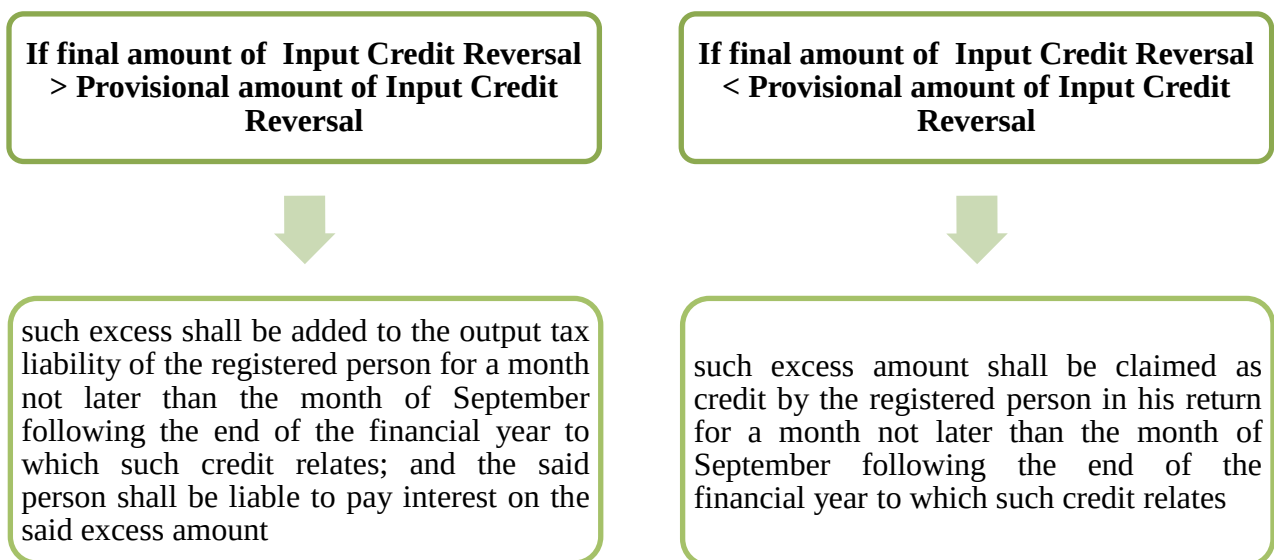
For Rule 42 and 43

Aggregate values of exempt supplies shall exclude:

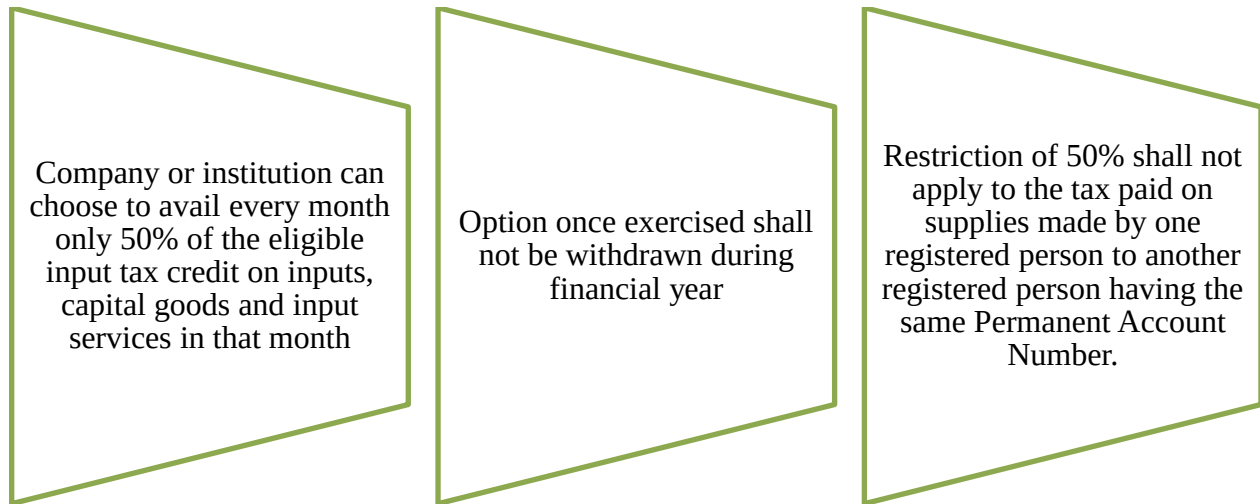
- ✓ The value of supply of services having place of supply in Nepal or Bhutan, against payment in Indian Rupees;
- ✓ The value of services by way of accepting deposits, extending loans or advances in so far as the consideration is represented by way of interest or discount, except in case of a banking company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances; and
- ✓ The value of supply of services by way of transportation of goods by a vessel from the customs station of clearance in India to a place outside India.

FINAL ELIGIBLE ITC FOR THE YEAR

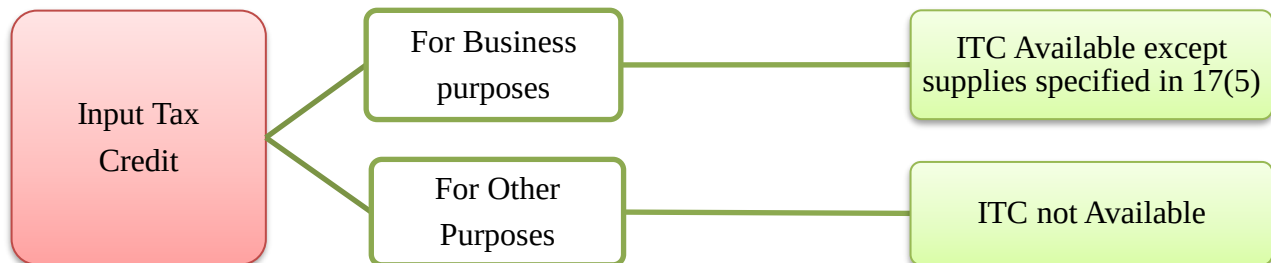
The eligible ITC shall be calculated finally for the financial year before the due date for filing the return for the month of September following the end of the financial year to which such credit relates:



1.5 Sec.17(4): A Banking Company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances



Rule-38: Claim of credit by a banking company or a financial institution



The said company or institution shall avail the credit of tax paid on inputs and input services referred to in the Sec.17 (4) second proviso i.e. supplies made by one registered person to another registered person having the same Permanent Account Number.

50 per cent. of the remaining amount of input tax shall be the input tax credit admissible to the company or the institution and shall be furnished in Return.

the amount referred above i.e. eligible for input tax credit, subject to the provisions of sections 41, 42 and 43, be credited to the electronic credit ledger of the said company or the institution.

1.6 Sec. 17(5): Exclusion from ITC

Particulars	ITC restriction
Motor vehicles and other conveyance	All Motor Vehicle and other conveyance except when they are used for: ➤ Making the following taxable supplies ▪ Further supply of such vehicles or conveyance; or ▪ Transportation of passengers; or ▪ Imparting training on driving, flying, navigating such vehicles or conveyance ➤ Transportation of goods
Specified supply of goods or services	➤ Except where said category of inward supply of goods or services are used for making an outward supply of goods or service of same category: ✓ Food and Beverages ✓ Outdoor Catering ✓ Beauty Treatment ✓ Health Services ✓ Cosmetic and Plastic Surgery ➤ Membership of a club, Health and fitness center ➤ Except where the government notifies the services which are obligatory for an employer to provide to its employees or where said category of inward supply of goods or where services are used for making an outward supply of goods or service of same category: ✓ Rent-a-cab ✓ Life insurance ✓ Health insurance ➤ Travel benefits extended to employees on vacation such as leave or home travel concession
Works contract services	When supplied for construction of immovable property (other than plant and machinery) except where it is an input service for further supply of works contract service.

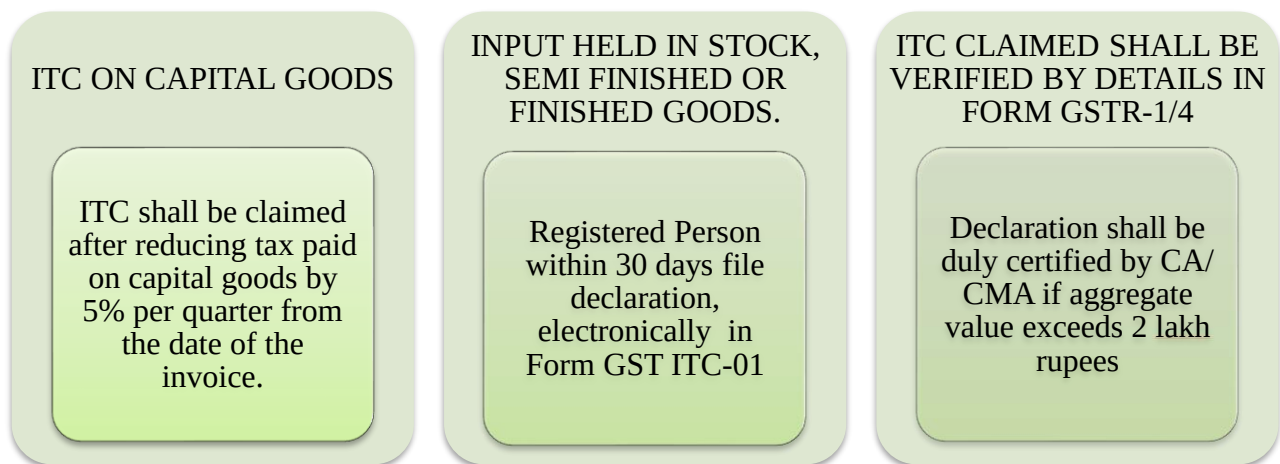
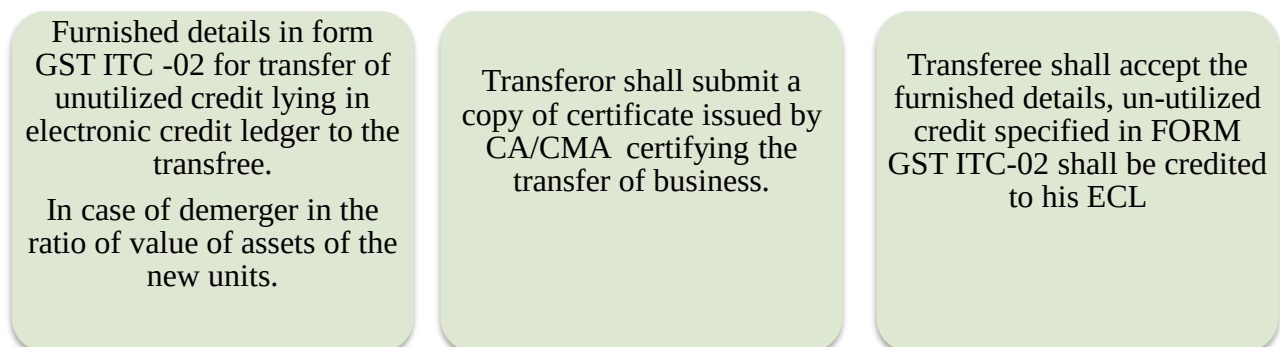
Goods or services or both	➤ When it is received by a taxable person for construction of an immovable property on his own account (other than plant and machinery) even when used in course or furtherance of business ➤ On which tax has been paid under Composition Scheme ➤ Received by a non-resident taxable person except on goods imported by him ➤ Used for personal consumption
Goods	Lost, stolen destroyed, written off or disposed of by way of gift or free samples
Any tax paid	➤ U/s 74: Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any willful misstatement or suppression of facts ➤ U/s 129: Detention, seizure and release of goods and conveyances in transit ➤ U/s 130: Confiscation of goods or conveyances and levy of penalty

1.7 Sec.18: Availability of credit in special circumstances:

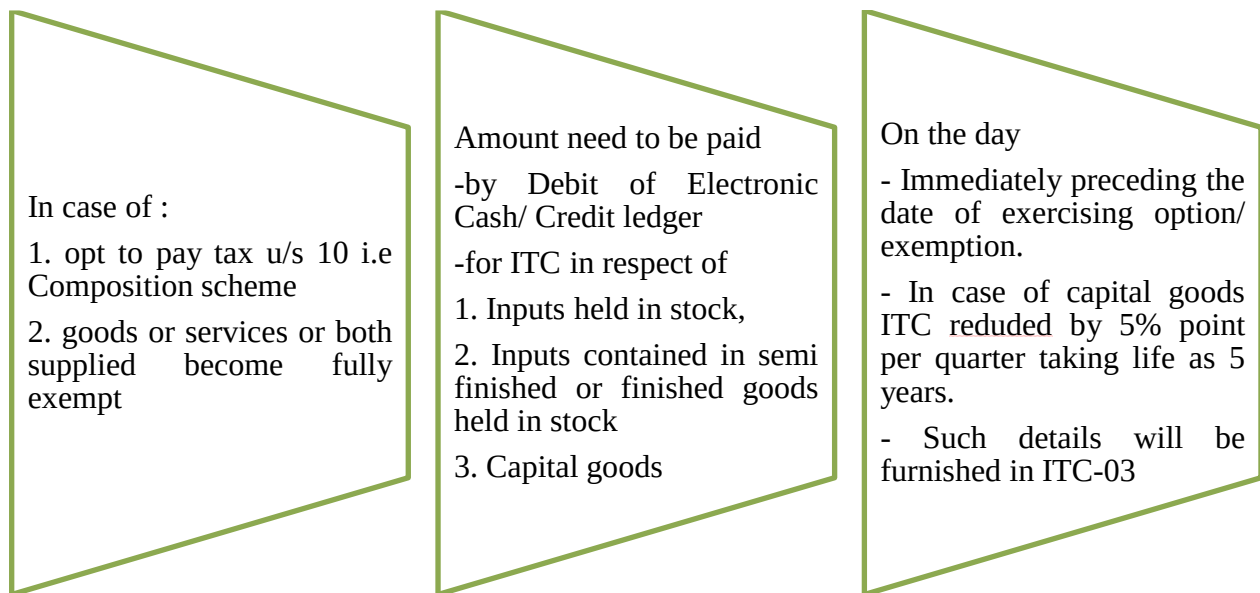
Taxability	ITC availability
Mandatory registration	➤ Input tax for inputs - ✓ Held in stock ✓ Contained in semi-finished/ finished goods held in stock ➤ The credit will available for stock of above mentioned inputs for immediately preceding the day from which the person was liable to pay tax.

Voluntary registration	➤ Input tax for inputs - ✓ Held in stock ✓ Contained in semi-finished/ finished goods held in stock ➤ The credit will be available for stock of above mentioned inputs on the day immediately preceding the date of grant of registration.
Taxpayer ceases to be a composition dealer	➤ Input tax for inputs - ✓ Held in stock ✓ Contained in semi-finished/ finished goods held in stock ✓ On capital goods ➤ The credit will be available for stock of above mentioned inputs on the day immediately preceding the day of becoming liable for mandatory registration. ➤ Credit on capital goods shall be reduced by five percentage points per quarter of a year or part thereof from the date of invoice/ other document.
Exempt Supply becomes taxable	➤ Input tax for inputs - ✓ Held in stock relating to exempt supply ✓ Contained in semi-finished/ finished goods held in stock relating to exempt supply ✓ On capital goods exclusively used for exempt supply ➤ The credit will be available for stock of above mentioned inputs on the day immediately preceding day of supply becoming taxable. ➤ Credit on capital goods shall be reduced by five percentage points per quarter of a year or part thereof from the date of invoice/ other document.
Change in constitution	In case of change in constitution (sale, merger, lease etc.) the successor registered person can avail the unutilized credit in books of predecessor registered person.
Taxpayer switches to Composition scheme/ Goods or services become wholly exempt	When a registered person switches to composition scheme, or his supply becomes exempt, he will have to pay an amount equal to credit on inputs and capital goods held on immediately preceding day of exercising such

	option or date of such exemption, as the case may be. Balance ITC after payment of such amount shall lapse.
Supply of capital goods or plant and machinery on which ITC has been taken	In case of supply of capital goods or plant and machinery, on which input tax credit has been taken: ✓ the registered person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery reduced by 5% percentage points for every quarter or part thereof from the date of invoice/ other document; or ✓ the tax on the transaction value of such capital goods or plant and machinery determined under section 15, whichever is higher.

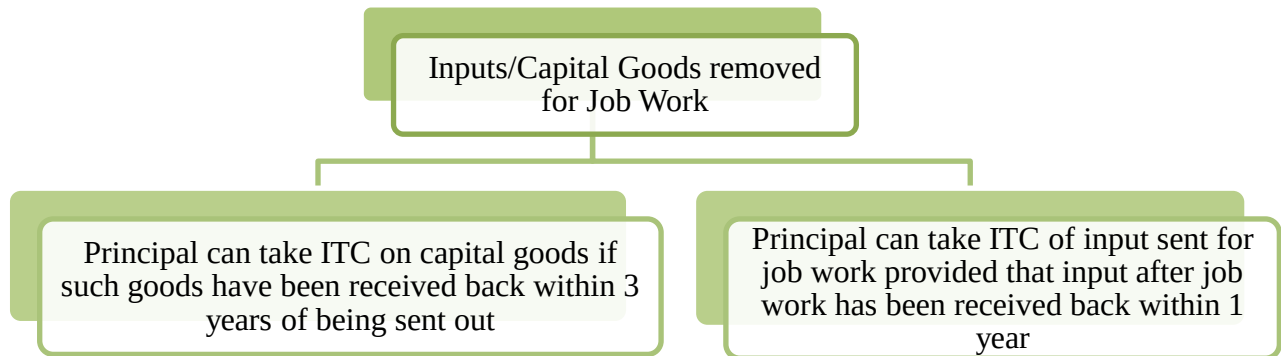
Rule-40: Manner of claiming credit in special circumstances**Rule-41: Transfer of credit on sale, merger, amalgamation, lease or transfer of a business**

1.8 Rule-44: Manner of reversal of credit under special circumstances



1.
 - For Input held in stock, semi finished or finished stock , ITC shall in calculated proportionally on the basis of invoice
2.
 - For Capital goods, ITC for remaining life in month shall be calculated on pro- rata basis, taking 5 years useful life
3.
 - If input invoice not available, estimated amount based on prevailing market price of goods on effective date,detail furnished shall be duly certified by CA /CMA
4.
 - Amount determined become the part of output tax liability and details of amount shall be furnished in form GST ITC-03
5.
 - Amount of ITC for Capital goods determined separately for IGST and CGST, if more shall be the part of Output tax liability and furnished in Form GSTR 1

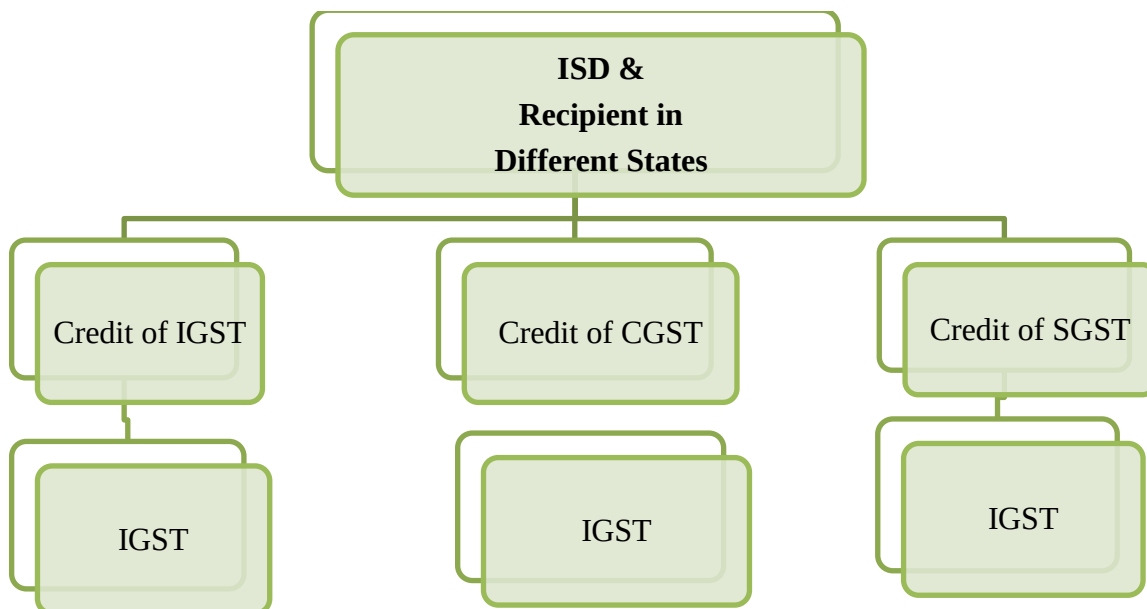
1.9 Sec.19: Taking input tax credit in respect of inputs and capital goods sent for job work

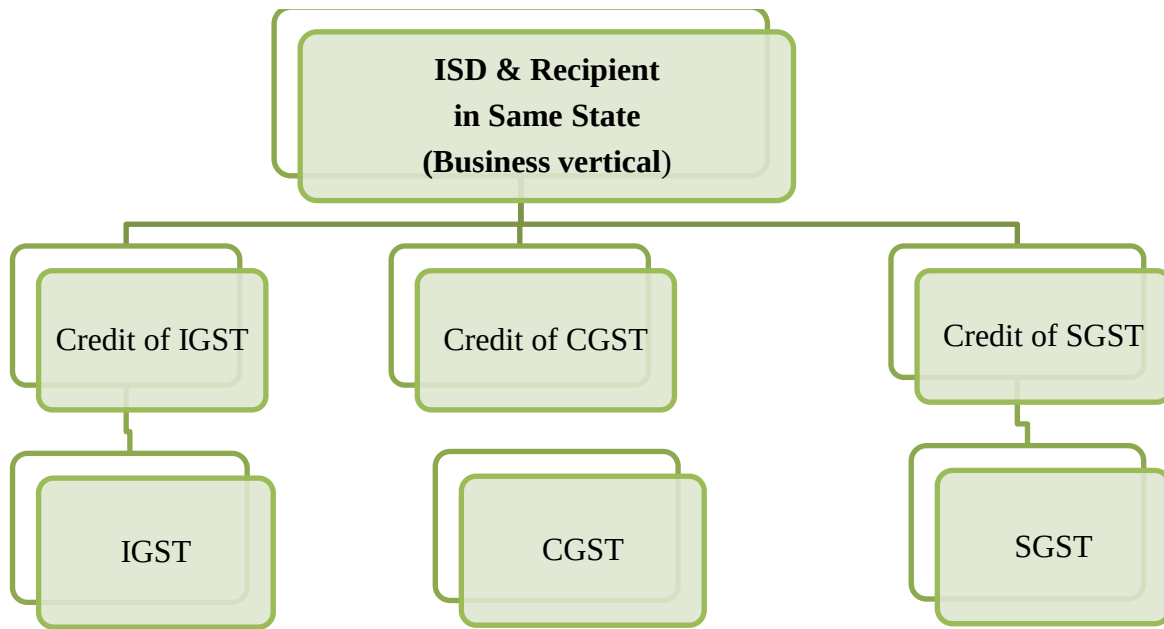


✓ If inputs/CG not received back by principal after completion of job work or are not supplied from place of business of job worker within 1 year (3years for CG) from date of sending, it shall be deemed that inputs/CG had been supplied by the principal to job worker on the day when they were sent out.

✓ Not Applicable on moulds, dies, jigs, fixtures and tools.

1.10 Sec.20: Manner of distribution of credit by Input Service Distributor

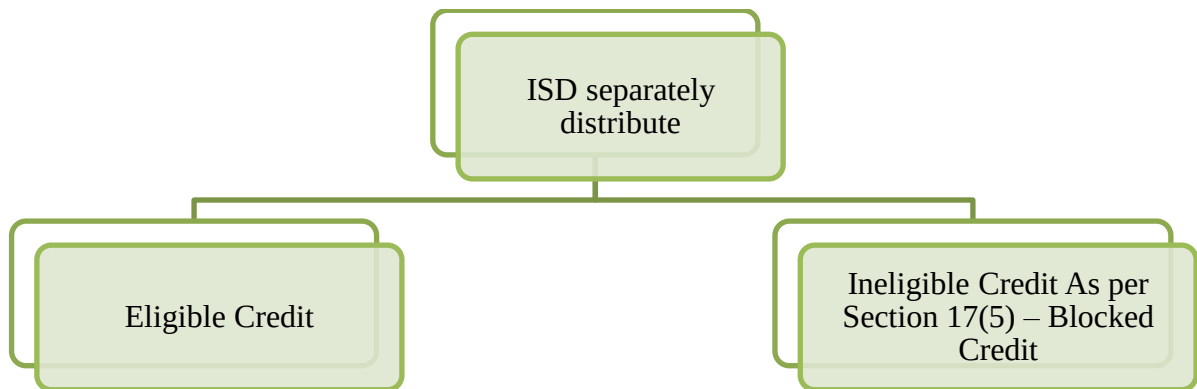




Conditions for distribution of ITC by Input Service Distributor

ISD shall not be entitled to distribute credit of input tax of services received unless:

- ✓ Credit distributed to recipient through prescribed documents containing prescribed details.
- ✓ Such document should be issued to each of the recipient of credit.
- ✓ Credit distributed should not exceed the credit available for distribution.
- ✓ Tax paid on input services used by a particular location (registered as supplier) has to be distributed only to that location.
- ✓ Credit of tax paid on input service used by more than one location who are operational is to be distributed to all of them based on the pro rata basis of turnover.
- ✓ The credit of tax paid on input services attributable to all recipients of credit shall be distributed amongst such recipients and such distribution shall be pro rata on the basis of the turnover in a State or turnover in a Union territory of such recipient, during the relevant period, to the aggregate of the turnover of all recipients and which are operational in the current year.

Rule-39: Procedure for distribution of input tax credit by Input Service Distributor:**ITC that is required to be distributed every month by Input Service Distributor**

Particulars	Amount (Rs.)
Turnover as referred to in Section 20 (Note 1) of person R1 during the relevant period (t1)	XXXX
Aggregate of the turnover, during the relevant period, of all recipients to whom the input service is attributable (T)	XXXX
Amount of credit to be distributed (C)	XXXX
Total ITC required to be distributed by ISD (C1= (t1 / T) x C)	XXXX

Note 1: The term “turnover”, in relation to any registered person engaged in the supply of taxable goods as well as goods not taxable under this Act, means the value of turnover, reduced by the amount of any duty or tax levied under entry 84 of List I of the Seventh Schedule to the Constitution and entries 51 and 54 of List II of the said Schedule

R1 is one of the recipients whether registered or not, from amongst the total of all the recipients to whom input tax credit is attributable, including the recipient(s) who are engaged in making exempt supply, or are otherwise not registered for any reason.

CHAPTER- 2

E-WAY BILL SYSTEM

2.1 Summary of E-way bill System Sections and their Relevant Rules

Section/Rule	Heading
Sec 68	Inspection of goods in movement
Rule 138	Information to be furnished prior to commencement of movement of goods and generation of e-way bill
Rule 138A	Documents and Devices to be carried by a person-in-charge of a conveyance
Rule 138B	Verification of Documents and Conveyance
Rule 138C	Inspection and Verification of Goods
Rule 138D	Facility of uploading information regarding detention of vehicles
	<u>Relevant Notifications</u>
	Notification No. 27/2017-CT-30.08.2017
	Notification No. 74/2017-CT-29.12.2017
	Notification No. 03/2018-CT-23.01.2018
	Notification No. 09/2018-CT-23.01.2018
	Notification No. 11/2018-CT-02.02.2018
	Notification No. 28/2018-CT-19.06.2018

2.2 Requirements of E-Way Bill

Every registered person who causes movement of goods of consignment value exceeding Rs. 50 thousand—

- ✓ For a supply; or
- ✓ For other than supply; or
- ✓ Due to inward supply from an unregistered person.

Shall, before commencement of such movement, furnish information relating to the said goods as specified in **Part A of FORM GST EWB-01**

Provided, in the following two cases consignment value is irrelevant.

- Where goods are sent to an **Interstate Job Worker**.
- Where **handicraft goods** are **transported to other state** by a person who has been exempted from the requirement of obtaining registration under clauses (i) and (ii) of section 24.

Explanation; - The consignment value shall be determined as per section 15, declared in a document issued and includes the tax and cess charged but excludes value of exempt supply.

2.3 Parts of E-Way Bill

E-Way Bill has two parts;

1. PART-A: -

- a. GSTIN of Suppliers & Recipient (**URP, if unregistered**)
- b. Place of Delivery (**PIN Code of Place of Delivery**)
- c. Document No. (**Tax Invoice, Bill of Supply & Delivery Challan etc.**)
- d. Document Date
- e. Value of Goods (**Including Tax & Cess**)
- f. HSN Wise Summary (**if aggregate turnover upto 5 crores; 2 digits. & for more than 5 crores; 4 digits**)
- g. Reason for Transportation (**select from dropdown menu**)

2. PART-B: -

- a. Vehicle No. for Road
- b. Transport Document Number (**GRN, Railway Receipt, Air Way Bill etc.**)

2.4 Non-Requirements of E-Way Bill

I. Transportation of specified goods i.e.;

LPG for supply to household and Non-domestic exempted category (NDEC) customers	Kerosene oil sold under PDS	Postal baggage transported by Department of Posts	Natural/cultured pearls and precious/semi-precious stones; precious metals and metals clad with precious metal	Jewellery, goldsmiths' and silversmiths' wares and other articles	Currency	Used personal and household effects.	Coral, unworked (0508) and worked coral (9601)
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- II. Goods are being transported by a **non-motorized conveyance**;
- III. If goods are transported from the customs port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs;
- IV. Movement of goods **within notified areas** of rule 138 (14) of the Goods and Services Tax Rules of the concerned State;
- V. Where the goods, other than de-oiled cake, being transported are **specified in the Schedule appended to notification No. 2/2017- Central tax (Rate) dated the 28th June 2017**;

- VI. Where the goods being transported are **alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas or aviation turbine fuel;**
- VII. Where the goods being transported are treated as no supply under **Schedule III** of the Act;
- VIII. where the goods are being transported—
 - (i) under customs bond from an inland container depot or a container freight station to a customs port, airport, air cargo complex and land customs station, or from one customs station or customs port to another customs station or customs port, or
 - (ii) under customs supervision or under customs seal;
- IX. where the goods being transported are transit cargo from or to Nepal or Bhutan;
- X. where the goods being transported are exempt from tax under notification No. 7/2017-Central Tax (Rate), dated 28th June 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 679(E) dated the 28th June, 2017 as amended from time to time and notification No. 26/2017- Central Tax (Rate), dated the 21st September, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1181(E) dated the 21st September, 2017 as amended from time to time;
- XI. any movement of goods caused by defence formation under Ministry of defence as a consignor or consignee;
- XII. where the consignor of goods is the Central Government, Government of any State or a local authority for transport of goods by rail;
- XIII. where empty cargo containers are being transported;
- XIV. where the goods are being transported upto a distance of twenty kilometers from the place of the business of the consignor to a weighbridge for weighment or from the weighbridge back to the place of the business of the said consignor subject to the condition that the movement of goods is accompanied by a delivery challan issued in accordance with rule 55;
- XV. where empty cylinders for packing of liquefied petroleum gas are being moved for reasons other than supply.

2.5 Who Will Generate E-Way Bill

CONSIGNOR/ CONSIGNEE/ REGISTERED PERSON

- ✓ Where the goods are transported by the consignor or consignee, whether in his own conveyance or a hired one or a public conveyance, by road, consignor or consignee may generate the e-way bill in **Part B of FORM GST EWB-01**.
- ✓ Where the goods are transported by railways or by air or vessel, the e-way bill shall be generated by the registered person (supplier/ recipient) in **Part B of FORM GST EWB-01**.
- ✓ Where the goods are transferred from one conveyance to another, the consigner or the recipient, who has provided information in **Part- A of FORM GST EWB-01**, or the transporter shall, before such transfer and further movement of goods, update the details of conveyance in the e-way bill in **Part-B of FORM GST EWB-01**.

- ✓ Where the goods are transported for a **distance of upto 50 kilometers within the State or Union territory** from the place of business of the transporter finally to the place of business of the consignee, the details of conveyance **may not be updated** in the e-way bill.
- ✓ The consignor or the recipient, who has filled **Part-A of FORM GST EWB-01**, or the transporter, may assign the e-way bill number to another registered or enrolled transporter for updating the information in **Part-B of FORM GST EWB-01** for further movement of consignment.
- ✓ Provided that once the details of the conveyance have been updated by the transporter, the consignor or recipient, who has furnished the information in **Part-A of FORM GST EWB-01** shall not be allowed to assign the e-way bill number to another transporter.

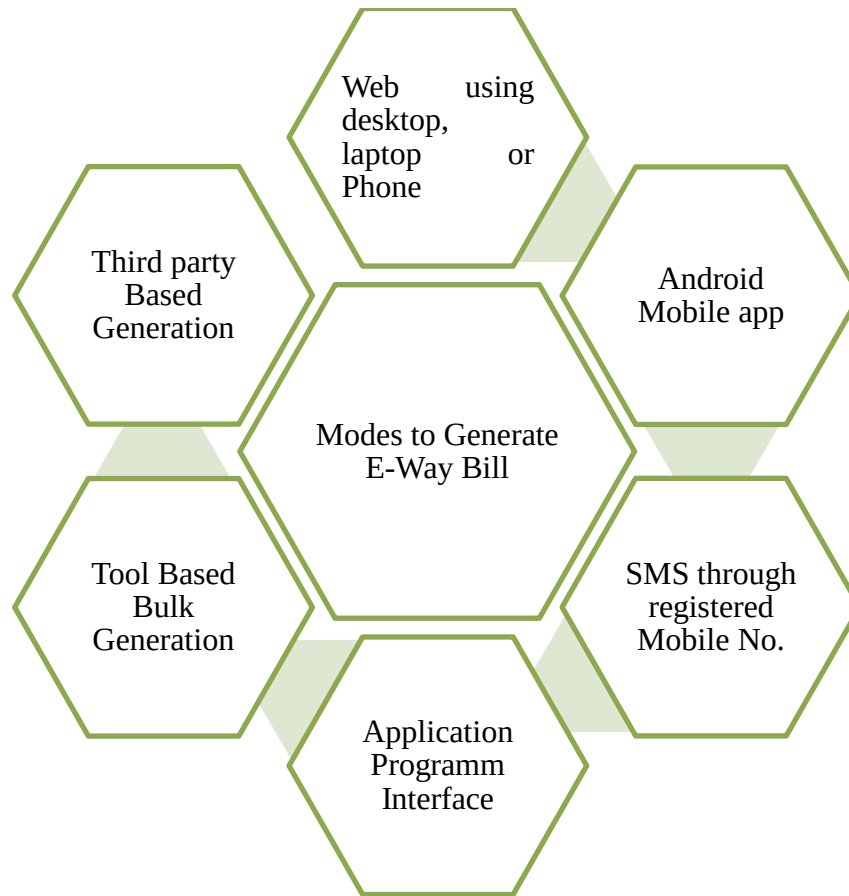
TRANSPORTER

- ✓ If the e-way bill is not generated by consignor or consignee and the goods are handed over to a transporter for transportation by road, the registered person shall furnish the information and the e-way bill **shall be generated by the transporter** on the basis of the information furnished by the registered person in **Part A of FORM GST EWB-01**.
- ✓ Where the goods are transported for a **distance of upto 50 kilometers within the State or Union territory** from the place of business of the consignor to the place of business of the transporter for further transportation, the supplier or the recipient, or as the case may be, the transporter **may not furnish** the details of conveyance in **Part B of FORM GST EWB-01**.
- ✓ Where multiple consignments are intended to be transported in one conveyance, the transporter may indicate the serial number of e-way bills generated in respect of each such consignment and a **consolidated e-way bill in FORM GST EWB-02** may be generated by him.
- ✓ Where the consignor or the consignee has not generated **FORM GST EWB-01** and the value of goods carried in the conveyance is **more than fifty thousand rupees**, the transporter (except in case of transportation by railways, air and vessel) shall generate **FORM GST EWB-01** for Inter-State Supply on the basis of invoice or bill of supply or delivery Challan.
- ✓ Where the goods to be transported are supplied through an **e-commerce operator or courier agency**, the information in **Part A of FORM GST EWB-01** may be furnished by **such ecommerce operator or courier agency**.
- ✓ **An Unregistered person** can alternatively **enrol and log in as the citizen** and generate the E-Way bill.

2.6 Cancellation of the E-Way Bill

- ✓ Where an e-way bill has been generated, but goods are either not transported or are not transported as per the details furnished in the e-way bill, the e-way bill may be cancelled electronically on the common portal **within 24 hours** of generation.
Note: The E-Way bill **can't be cancelled**, after verification in-transit.
- ✓ Where the person to whom the information specified in sub-rule (11) has been made available does not communicate his acceptance or rejection **within 72 hours** of the details being made available to him, it shall be deemed that he has accepted the said details.

2.7 Modes to Generate E-Way Bill



2.8 Validity of E-Way Bill

- ✓ An e-way bill or a consolidated e-way bill shall be valid for the period as prescribed below from the relevant date (**Date of Generation of Part B**), within the country;

S. No.	Distance	Validity period
1.	Upto 100 km.	One day in cases other than Over Dimensional Cargo
2.	For every 100 km. or part thereof thereafter	One additional day in cases other than Over Dimensional Cargo
3.	Upto 20 km.	One day in case of Over Dimensional Cargo
4.	For every 20 km. or part thereof thereafter	One additional day in case of Over Dimensional Cargo

Notes:

(1) Commissioner may, by notification, **extend the validity** period of e-way bill for certain categories of goods as may be specified.

(2) 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**.

(3) The e-way bill generated under this rule or under rule 138 of the Goods and Services Tax Rules of any State shall be valid in every State and Union territory.

(4) Over Dimensional Cargo shall mean a cargo carried as a single indivisible unit and which exceeds the dimensional limits prescribed in Rule 93 of the Central Motor Vehicle Rules, 1989.

2.9 Penalty for Non-Generation of the E-Way Bill

Section 122 (XIV); -

Penalty for transporting goods without cover of documents as specified

Section 129(i)2; -

Penalty for Transporting /storing goods in contravention of the Act

Section 130; - Penalty for using any conveyance for carriage of goods in contravention of the Act

This is penalty of **Rs. 10000/-** or amount equivalent, whichever is higher

Penalty equivalent to amount of tax sought to be evaded in addition to detention or seizure of goods and conveyance

-Confiscation of the goods
-Penalty u/s 122
-Fine upto market value of goods confiscated

2.10 How to Create Masters for E-Way bill

Any person registered on E-way bill portal can maintain master for **Products, Clients/Customers, and Suppliers & Transporters** for quick and easier avoiding chances of errors and can also save time.

Every time the initial name of product or customer or supplier or transporter is entered, the rest of the details are auto-populated. Let's see the step-by-step process of creating masters;

i. Products Masters: -

Step-1: Log-in to your account and select the option of 'My Masters' > 'Products' from the left panel.

Step-2: Enter the following details

- Product Name
- Measurement Unit of product (UQC/UQM)
- Brief Description (Product Info.)
- HSN Code.
- Rate of tax for each type i.e. CGST, SGST, IGST, Cess.

Step-3: Click on 'Submit'.

The system will validate the details; any error will be shown on screen. Correct the errors, if any and submit again

ii. Clients & Suppliers Masters: -

- a. Select the option of 'Clients' / 'Suppliers' under the heading of 'My Masters'
- b. Select whether the Client/ supplier is **registered or unregistered**.

For Registered client/supplier

- Select 'GST Registered' and **enter the GSTIN** of the customer
- Click on 'Submit'
- Customer name appears automatically.
- Select the place of business and distance in KMs from your own place of business
- Now Click on 'Submit'
- Message will appear on successful addition of details

For Unregistered client/supplier

- Select 'Unregistered GST' and
- Click on 'Submit'
- Enter the details.
- Click on **Submit**
- Message will appear on successful addition of details.

iii. Transporters Masters: -

Step-1: Select the option of 'Transporters' under the heading of 'My Masters'

Step-2: Enter Transporters Number and click on 'Submit'

Step-3: Legal name will be auto-filled now

Step-4: Select the place of business and click on 'Submit'

Step-5: The details of the transporter will be added, and list will be shown.

- ✓ Go to **Homepage** and click on '**How to use**' & Select the option of '**Tools**' > '**Bulk Generation Tools**'.
- ✓ Click on '**Master JSON Preparation**' to Download & Fill the details in the downloaded file and validate it.
- ✓ Click on '**Prepare JSON**' on each excel & **Select the sheet** to upload data.
- ✓ **Upload the JSON file** created & the list will be available to view on successful upload of JSON file.

2.11 Information Required for Generation of the E-Way Bill

<u>DOCUMENTS</u>	<u>INFORMATION</u>
1. Tax Invoice/Bill of Supply/ Delivery Challan etc. 2. GRN/Air Way Bill/Bill of Lading/Railway receipt	1. GSTIN of Supplier. 2. GSTIN of Recipient 3. Place of Delivery 4. Document Date & No. 5. Document No. 6. HSN Code 7. Value of Goods 8. Reason for transport

2.12 Goods Detention and Verification by Proper Officer

- ✓ If goods are detained by proper officer unnecessary for **more than 30 minutes**, Transporter may report by filling **Form GST EWB-04**.
- ✓ Verification/Inspection report shall be uploaded by the officer to the portal within the time stipulated by filling **Form GST EWB-03**.
 - I. **Part – A** of the report is to be filed **within 24 hours**.
 - II. **Part – B** of the report is to be filed **within 3 days** of the inspection.
- ✓ A Registered person may obtain an invoice reference number from the common portal by uploading tax invoice details in **Form GST INV-1** and produce the same for verification by proper officer in lieu of the tax invoice and such number shall be valid for a period of **30 days** from the date of uploading.

2.13 Miscellaneous Provisions

- ✓ The information furnished in **Part - A of FORM GST EWB-01** shall be **auto populated** to the registered supplier. Who **may utilize** the same for furnishing details in **FORM GSTR-1**
- ✓ The details of e-way bill shall be made available to the-
 - a. Supplier, if registered, where the information in **Part A of FORM GST EWB-01** has been furnished by the recipient or the transporter; or
 - b. Recipient, if registered, where the information in **Part A of FORM GST EWB-01** has been furnished by the supplier or the transporter, and the supplier or the recipient, as the case may be, shall communicate his acceptance or rejection of the consignment covered by the e-way bill.
- ✓ **Form GST ENR-01:** Application for enrolment u/s 35(2) by **unregistered person** for generation of e-way bill on common portal.
- ✓ **Form GST ENR-02:** Application for obtaining unique common enrolment number by Transporters registered in more than one State or Union Territory having the same PAN.

2.14 Notified Forms under E-way Bill System

FROM	DESCRIPTION
FORM GST EWB-01	E-Way Bill Form Part A-Details of Consignment Part B-Transporter/Conveyance Details
FORM GST EWB-02	Consolidated E-way Bill from to be generated by Transporter
FORM GST EWB-03	Verification Report to be filled up by proper officer Part A-Summary Report Part B-Final Report
FORM GST EWB-04	Report of Detention to be uploaded by transporter, if vehicle detained for more than 30 minutes
FORM GST INV-01	Report of Invoice Reference Number to be filled online by a registered person in lieu of the tax Invoice

2.15 Circular No. 41/15/2018-GST dated 13th April 2018

- ✓ The Circular Clarifying the procedure for interception of conveyances for inspection of goods in movement, and detention, release and confiscation of such goods and conveyances.
- ✓ The proper officer may intercept any conveyance for verification of documents and/or inspection of goods. An EBN may be available in any forms are valid. Wherever a facility exists to verify the e-way bill electronically, the same shall be so verified, either by logging on to <http://mis.ewaybillgst.gov.in> or the Mobile App or through SMS by sending **EWBVER** <**EWB_NO**> to the mobile number **77382 99899** (For e.g. **EWBVER 120100231897**).
- ✓ The government has notified the following forms with regard to Inspection, Verification and Detention of goods in transit.

FORM NAME	PURPOSE
GST MOV-01	Statement of owner, driver or person in charge of the vehicle
GST MOV-02	Order for physical verification and inspection of goods, conveyance or documents
GST MOV-03	Order for extension of time beyond 3 days for inspection
GST MOV-04	Physical verification report
GST MOV-05	Release order
GST MOV-06	Order of detention
GST MOV-07	Notice specifying tax and penalty amount
GST MOV-08	Bond for provisional release of goods/ conveyance
GST MOV-09	Order of demand of tax and penalty
GST MOV-10	Notice for the confiscation of goods
GST MOV-11	Order of confiscation of goods and conveyance and demand of tax, fine and penalty.
FORM GST-DRC-07	A summary of every order in FORM GST MOV-09 and FORM GST MOV-11 shall be uploaded electronically

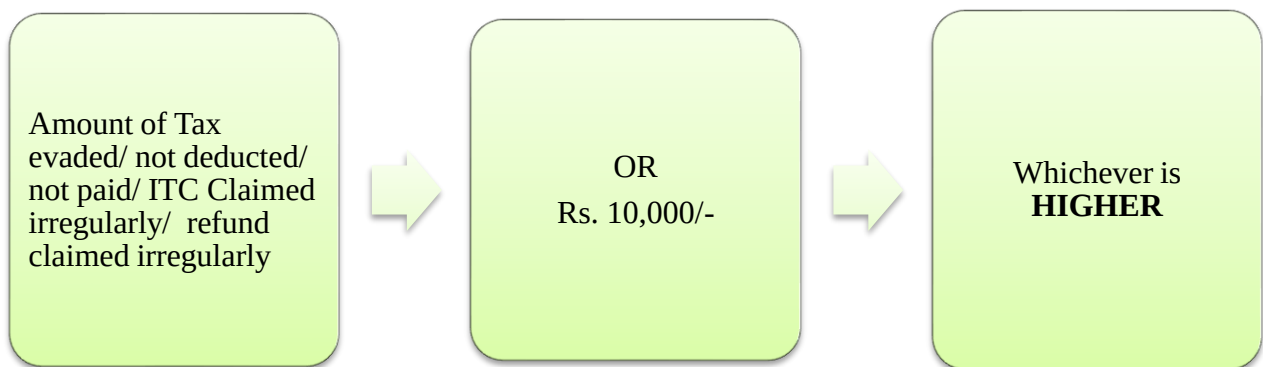
CHAPTER- 3**OFFENCES AND PENALTIES****3.1 Summary of Offences and Penalties Sections and their Relevant Rules:**

Section/Rule	Heading
Sec 122	Penalty for certain offences
Sec 123	Penalty for failure to furnish information return
Sec 124	Fine for failure to furnish statistics
Sec 125	General Penalty
Sec 126	General disciplines related to penalty
Sec 127	Power to impose penalty in certain cases
Sec 128	Power to waive penalty or fee or both
Sec 129	Detention, seizure and release of goods and conveyances in transit
Sec 130	Confiscation of goods or conveyances and levy of penalty
Sec 137	Offences by companies
Sec 138	Compounding of offences
Rule 162	Procedure for compounding of offences

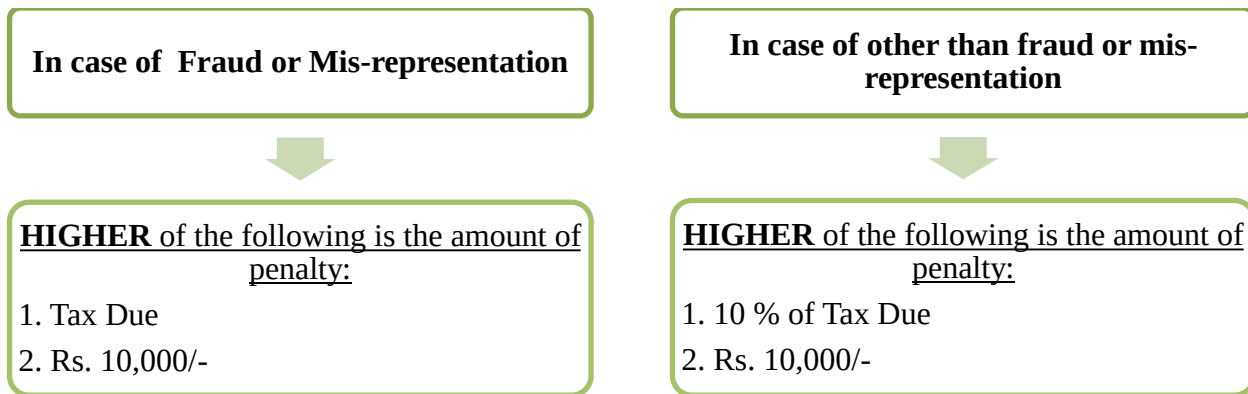
3.2 Sec-122: Penalty for certain offences**In case of Taxable Person:**

- (i) supplies any goods or services or both without issue of any invoice or issues an incorrect or false invoice with regard to any such supply;
- (ii) issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act or the rules made there under;
- (iii) collects any amount as tax but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;
- (iv) collects any tax in contravention of the provisions of this Act but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;
- (v) fails to deduct the tax in accordance with the provisions of sub-section (1) of section 51, or deducts an amount which is less than the amount required to be deducted under the said sub-section, or where he fails to pay to the Government under sub-section (2) thereof, the amount deducted as tax;
- (vi) fails to collect tax in accordance with the provisions of sub-section (1) of section 52, or collects an amount which is less than the amount required to be collected under the said sub-section or where he fails to pay to the Government the amount collected as tax under sub-section (3) of section 52;

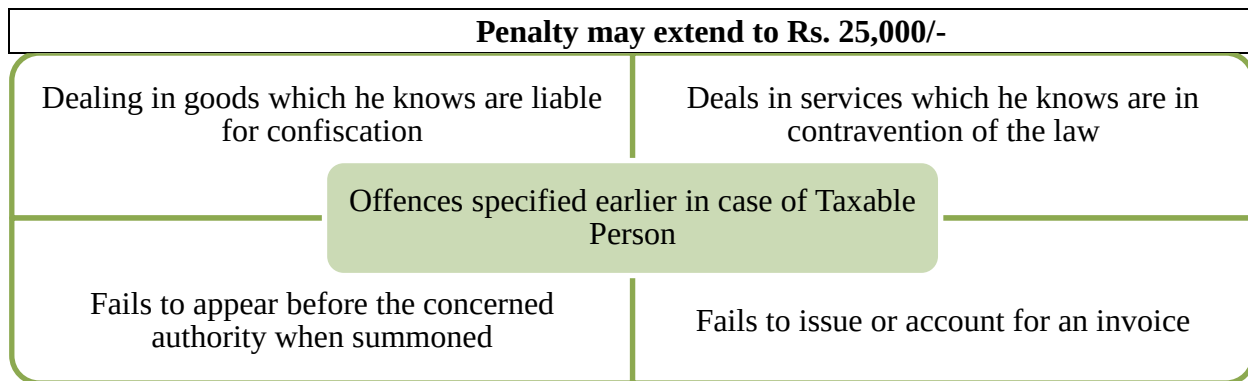
- (vii) takes or utilizes input tax credit without actual receipt of goods or services or both either fully or partially, in contravention of the provisions of this Act or the rules made there under;
- (viii) fraudulently obtains refund of tax under this Act;
- (ix) takes or distributes input tax credit in contravention of section 20, or the rules made there under;
- (x) falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information or return with an intention to evade payment of tax due under this Act;
- (xi) is liable to be registered under this Act but fails to obtain registration;
- (xii) furnishes any false information with regard to registration particulars, either at the time of applying for registration, or subsequently;
- (xiii) obstructs or prevents any officer in discharge of his duties under this Act;
- (xiv) transports any taxable goods without the cover of documents as may be specified in this behalf;
- (xv) suppresses his turnover leading to evasion of tax under this Act;
- (xvi) fails to keep, maintain or retain books of account and other documents in accordance with the provisions of this Act or the rules made there under;
- (xvii) fails to furnish information or documents called for by an officer in accordance with the provisions of this Act or the rules made there under or furnishes false information or documents during any proceedings under this Act;
- (xviii) supplies, transports or stores any goods which he has reasons to believe are liable to confiscation under this Act;
- (xix) issues any invoice or document by using the registration number of another registered person;
- (xx) tampers with, or destroys any material evidence or document;
- (xxi) disposes off or tampers with any goods that have been detained, seized, or attached under this Act.



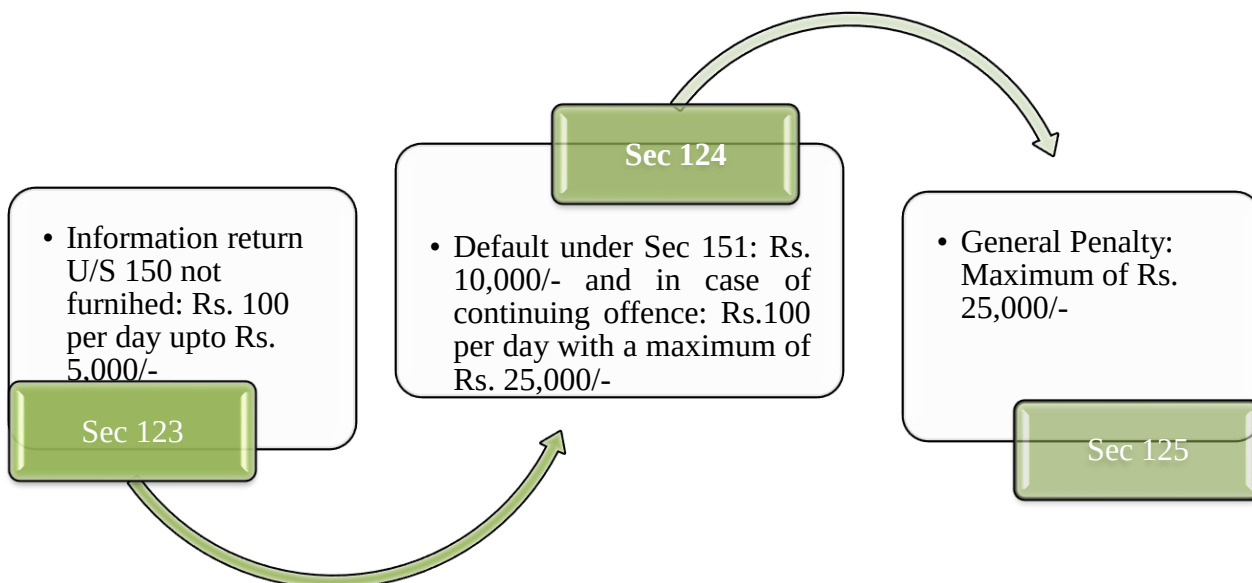
In case of a Registered Person:



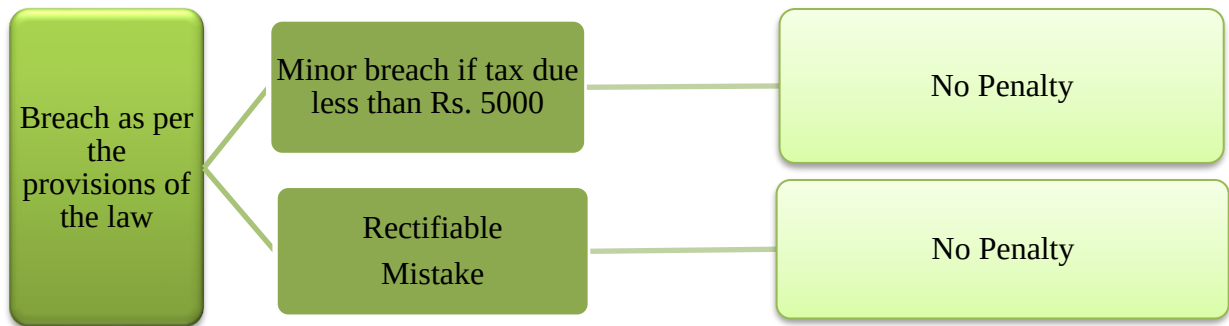
In case of any other person:



Sec 123 to Sec 125

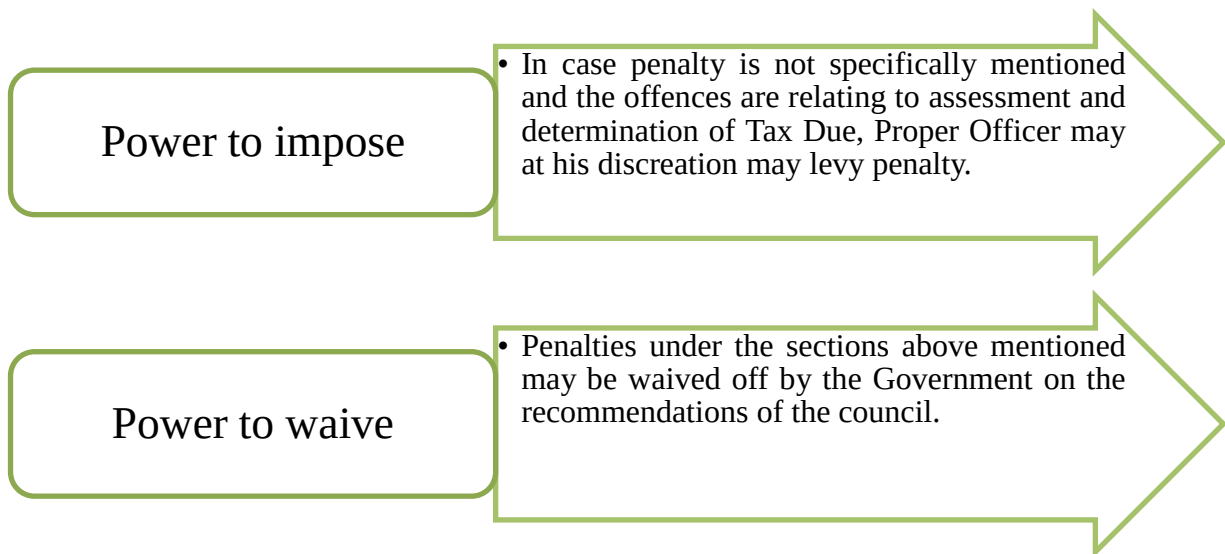


3.3 Sec-126: General Disciplines relating to Penalty

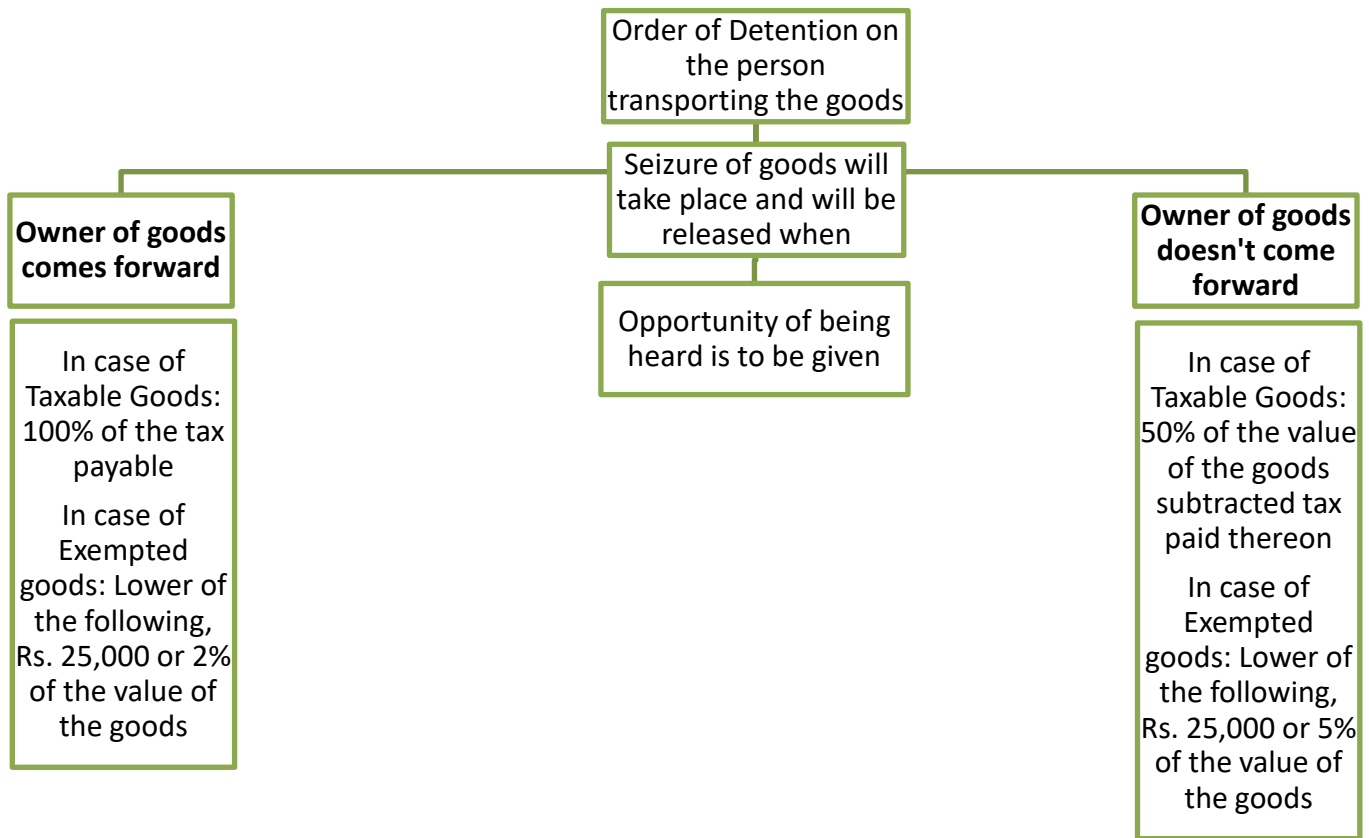


- Consideration to the fact that person has voluntarily disclosed the facts of the case.
- Opportunity of being heard is to be given.
- Section is not applicable if the amount of penalty is a fixed amount or a fixed percentage.

3.4 Sec 127 & 128: Power to impose and power to waive Penalty, Fee or Both



3.5 Sec-129: Transport of goods in contravention of the provisions of the Act



3.6 Sec-130: Fine in lieu of confiscation of goods



3.7 Sec-137: Offences by Companies

- Every person who was in charge and responsible at the time when the offence was being committed as well as the company shall be deemed to be guilty and shall be liable to be proceeded and punished accordingly.
- Where the person proves that the offence has been committed without his knowledge or that due diligence has been exercised to prevent the commission of such offence, such person shall not be liable to any punishment under this Act.
- This Section is made applicable to accompany and Company includes Partnership Firm, Limited Liability Partnership Firm, Hindu Undivided Family, and Trust.

3.8 Sec-138 and Rule 162: Compounding of Offences and its manner

- Offences can be compounded by the commissioner
- Compounding can only be allowed after making full payment of Tax, Interest and Penalty.

<u>Minimum Amount</u>	• Higher of the following, 50% of the Tax involved or Rs. 10,000/-
<u>Maximum Amount</u>	• Higher of the following, 150% of the Tax involved or Rs. 30,000/-

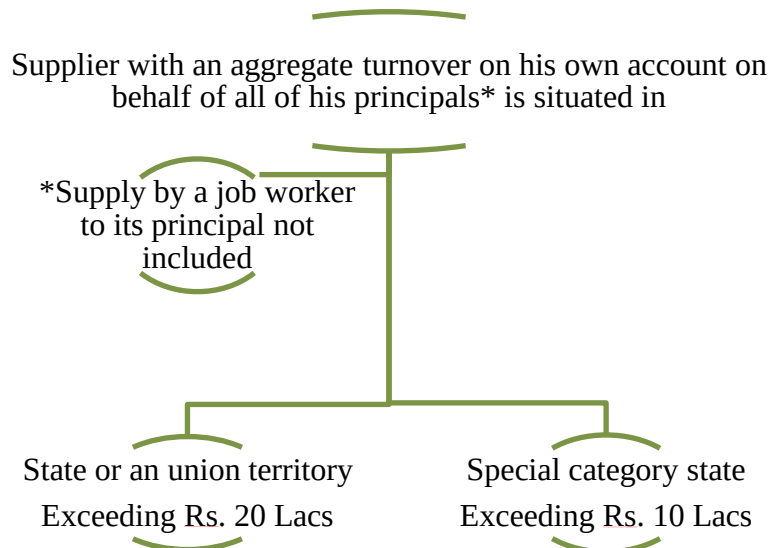
Nothing mentioned above shall apply in case where,

Compounding of an offence has been done earlier
Offence is as per any other law in force
Convicted by a court

CHAPTER- 4**REGISTRATION UNDER GST****4.1 Summary of Registration Sections and their Relevant Rules**

Section/Rule	Heading
Sec 22	Persons liable for registration
Sec 23	Persons not liable for registration
Sec 24	Compulsory registration in certain cases
Sec 25	Procedure for Registration
Sec 26	Deemed Registration
Sec 27	Special Provisions relating to Casual Taxable person and non- resident taxable person
Sec 28	Amendment for Registration
Sec 29	Cancellation of Registration
Sec 30	Revocation of Cancellation of Registration
Rule 8	Application for registration
Rule 9	Verification of the application and approval
Rule 10	Issue of RC
Rule 11	Separate registrations for multiple business verticals with in a State or UT
Rule 12	Grant of registration to person required to deduct tax at source or to collect tax at source
Rule 13	Grant of Registration to Non Resident taxable person
Rule 14	Grant of Registration supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipients
Rule 15	Extension in period of operation by casual taxable person and non-resident taxable person
Rule 16	Suo moto registration
Rule 17	Assignment of UIN to certain special entities
Rule 18	Display of RC and GSTIN on the name board
Rule 19	Amendment of Registration
Rule 20	Application for cancellation of Registration
Rule 21	Registration to be cancelled in certain cases
Rule 22	Cancellation of Registration
Rule 23	Revocation of cancellation of Registration

4.2 Sec 22, 23 & 24: Persons liable for and not liable for Registration



Persons not liable for registrations in the following cases

- Deals exclusively in exempted services or goods or both
- Agriculturist, to the extent of supply of produce out of cultivation of land

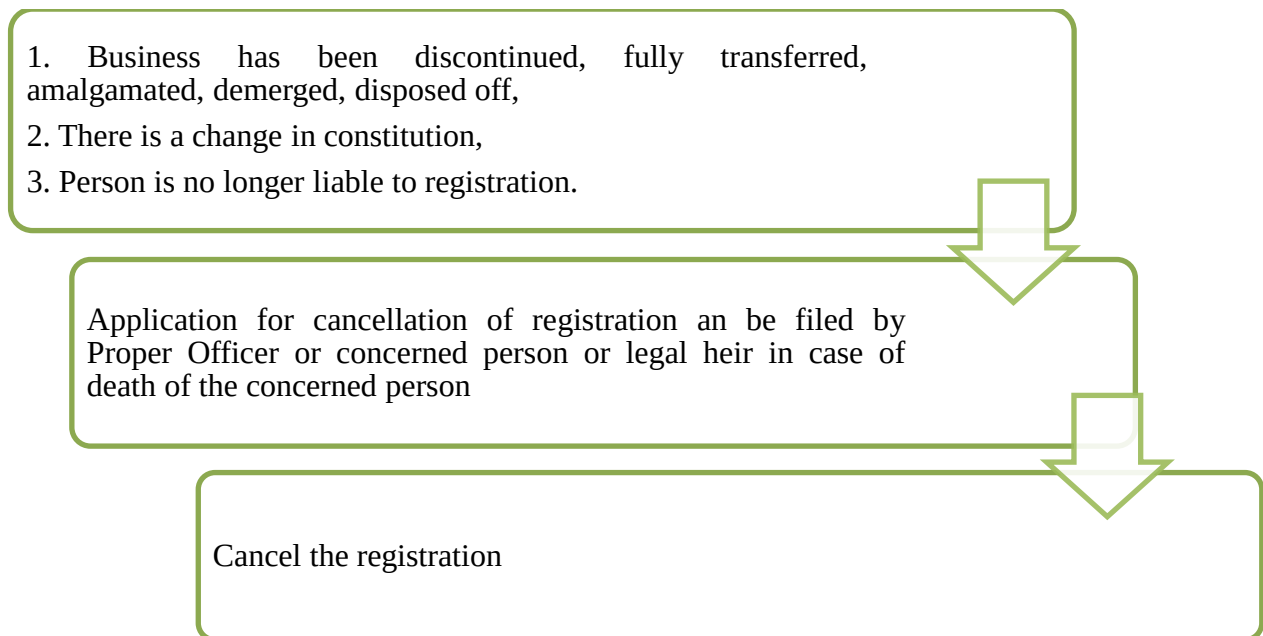
4.3 Compulsory Registrations in the following cases

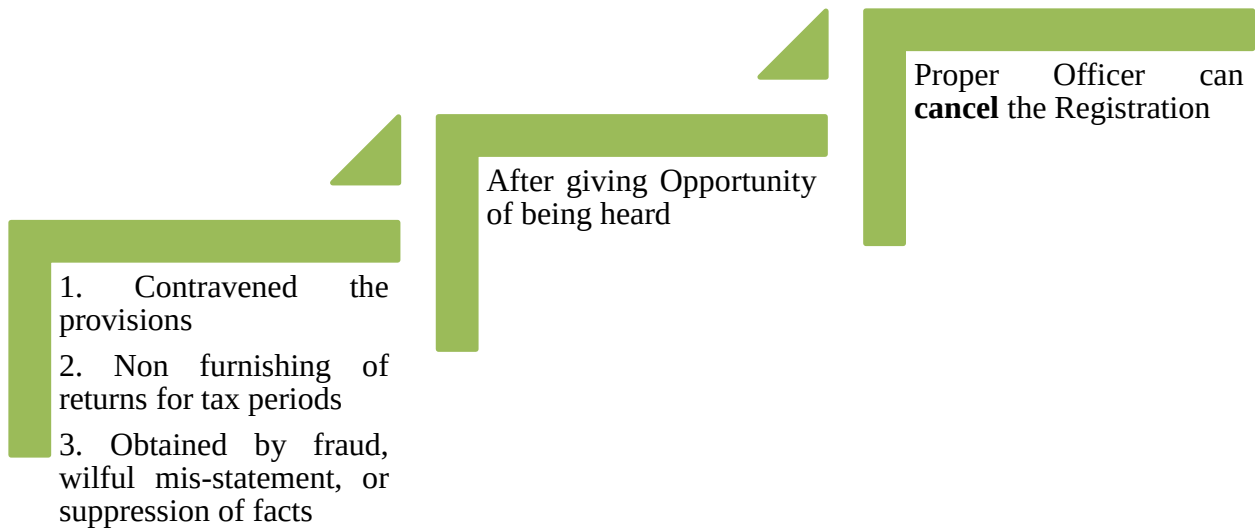
- Interstate taxable supply is being made
- Casual Taxable person making taxable supply
- Has a liability to pay tax under Reverse Charge Mechanism
- Pays tax u/s 9(5)
- Non-resident taxable person making taxable supplies
- Required to deduct tax under section 51
- Person making taxable supply as an agent or otherwise
- Input Service distributor
- Electronic commerce operator
- Person supplying online information and database access or retrieval services from a place outside India to a place in India
- Other persons as notified on the recommendation of the council

4.4 Sec-27: Special Provisions relating to Casual Taxable person and non- resident taxable person



4.5 Sec-29: Cancellation of registration





Before cancellation of the registration, pay an amount equal to

- Credit of Input tax in respect of input in stock, input in semi-finished goods, finished goods, capital goods* on the day just before the date of cancellation, or,
- Output tax payable on such goods,

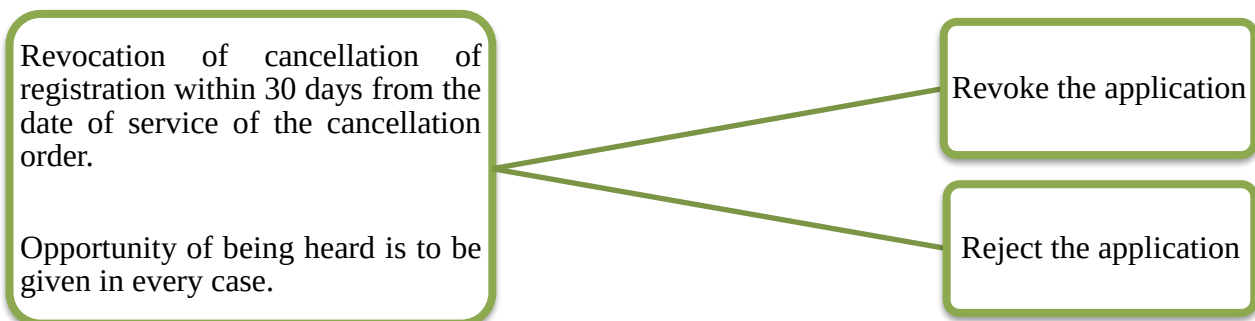
Whichever is higher.

*In case of Capital Goods, higher of the following is to be paid;

Credit amount will be reduced by such percentage points, or

Tax due on the transaction value.

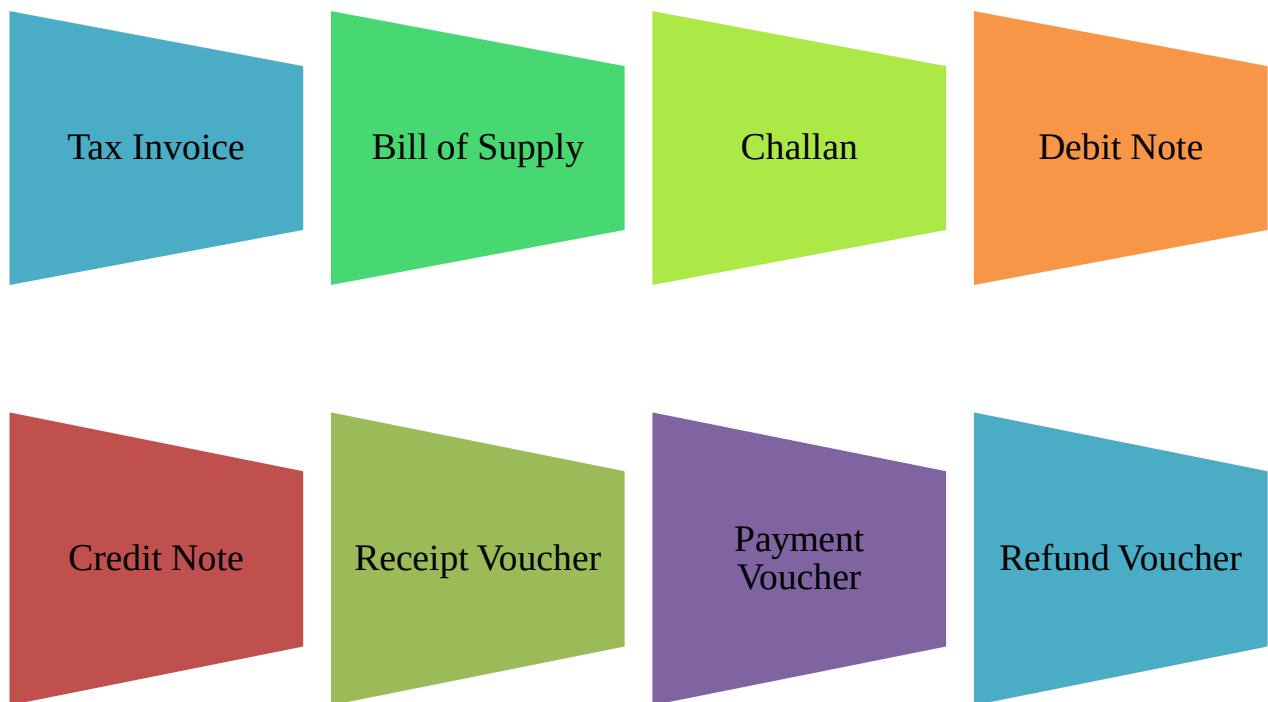
4.6 Sec-30: Revocation of Cancellation of registration



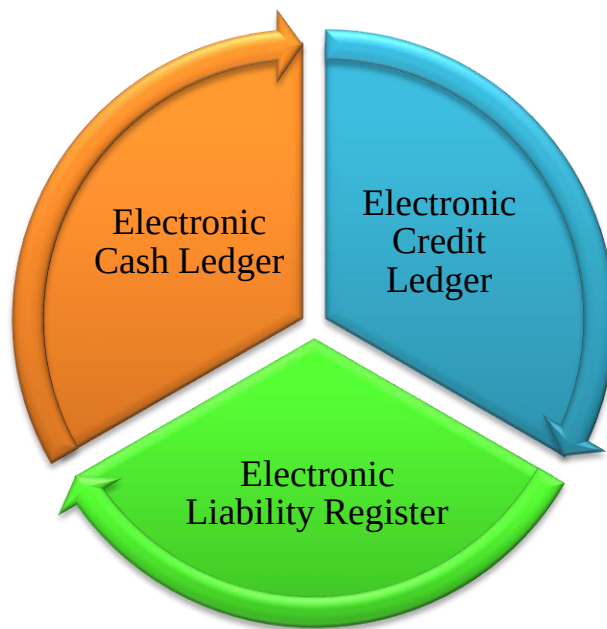
CHAPTER- 5**DOCUMENTS AND PAYMENT OF TAX IN GST REGIME****5.1 Summary of documents in GST regime and payment of tax Sections and their Relevant Rules**

Section/Rule	Sections details
Sec 31	Tax invoice
Sec 32	Prohibition of unauthorized Collection of tax
Sec 33	Amount of tax to be indicated in tax invoice and other documents
Sec 34	Credit and debit notes
Sec 35	Accounts and Other records
Sec 36	Period of Retention of accounts
Rule 46	Contents of Tax invoice
Rule 46A	Invoice-cum-bill of supply
Rule 47	Time limit for issuing tax invoice
Rule 48	Manner of issuing invoice
Rule 49	Bill of supply
Rule 50	Receipt Voucher
Rule 51	Refund Voucher
Rule 52	Payment Voucher
Rule 53	Revised Tax Invoice and Credit or Debit Notes
Rule 54	Tax Invoice in Special Cases
Rule 55	Transportation of goods without issue of invoice. (Delivery Challan)
Rule 55A	Tax invoice or bill of supply to accompany transport of goods.
Rule 56	Maintenance of Accounts by registered persons
Rule 57	Generation and maintenance of electronic records
Rule 58	Records to be maintained by owner or operator of godown or warehouse and transporters

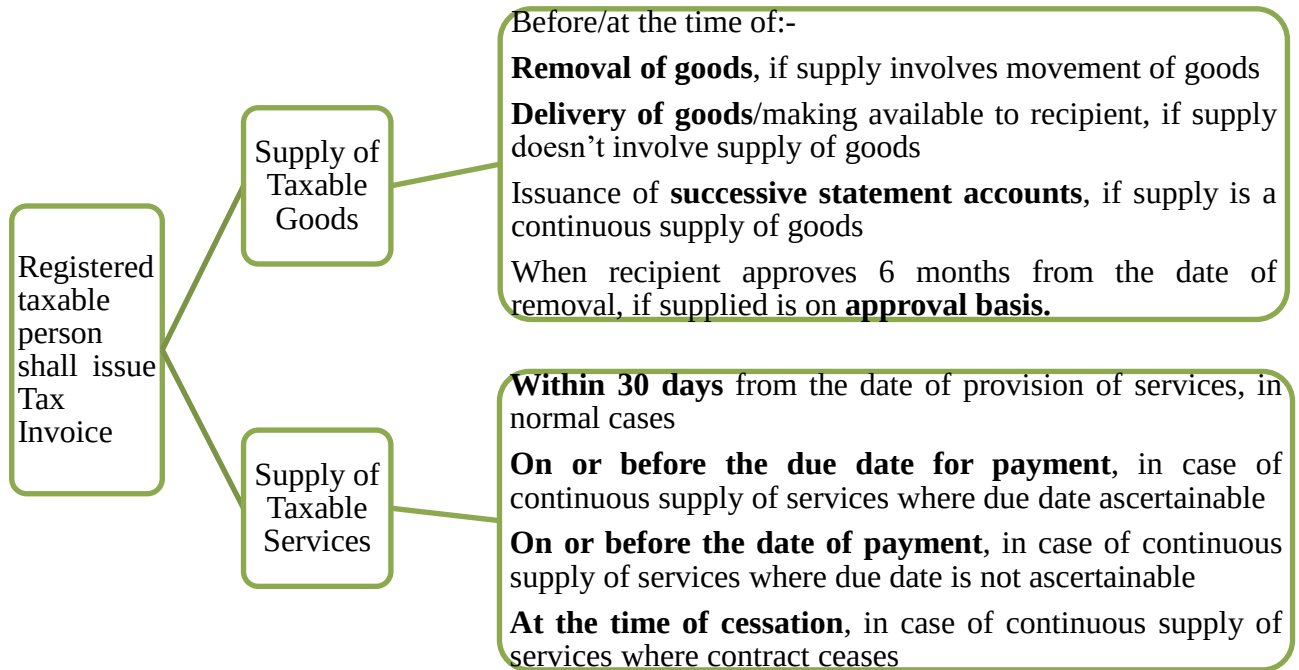
5.2 Document under GST



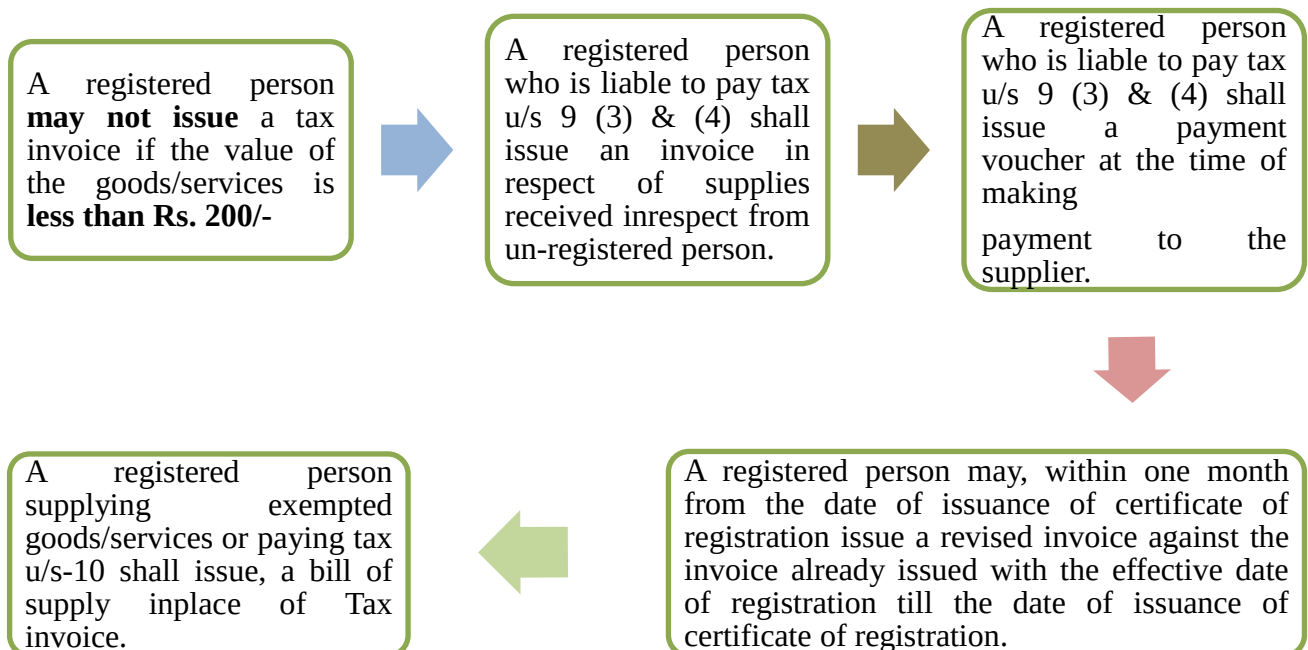
5.3 Type of Electronic Ledger under GST



5.4 Tax Invoice



Special Conditions



Contents of Tax Invoice

Name, address and GSTIN of the supplier;

A consecutive serial number not exceeding sixteen characters, in one or multiple series;

Date of its issue;

Name, address and GSTIN, if registered, of the receiver;

Address of delivery, along with the name of the State and its code if such recipient is un-registered & value of the taxable supply is fifty thousand rupees or more;

Harmonised System of Nomenclature code for goods or services;

Description of goods or services;

Quantity in case of goods and unit or Unique Quantity Code thereof;

Total value of supply of goods or services or both

Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);

Discount or abatement, if any;

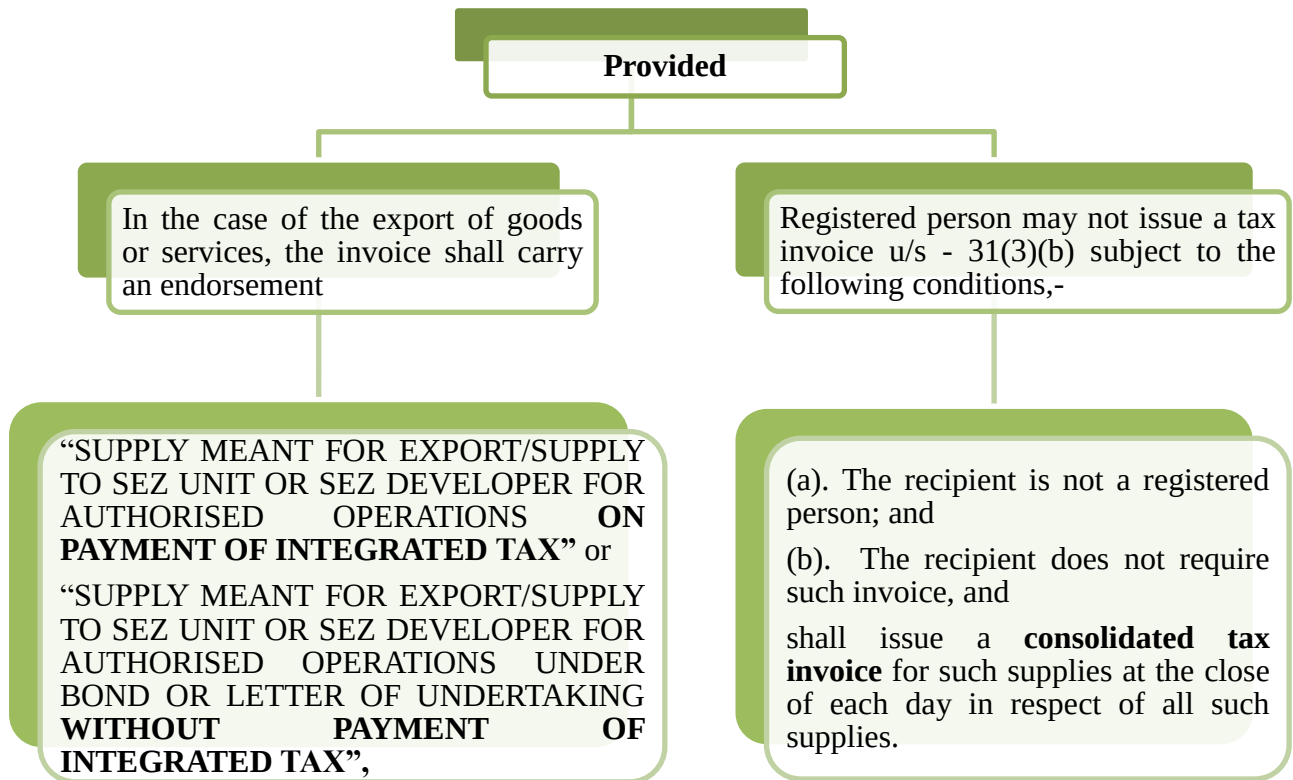
Amount of tax charged in respect of taxable goods or services;

Place of supply along with the name of the State,

Address of delivery where the same is different from the place of supply;

Whether the tax is payable on reverse charge basis; and

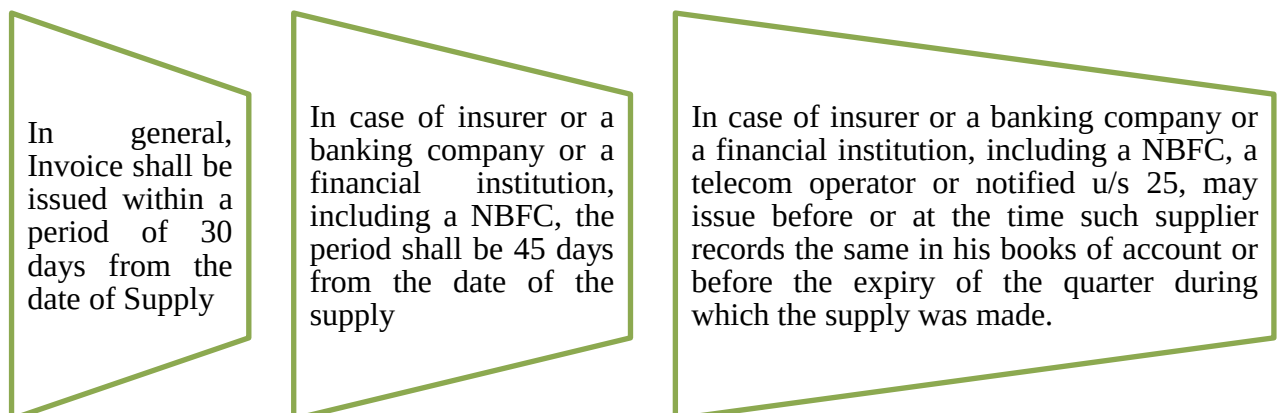
Signature or digital signature of the supplier or his authorised representative.



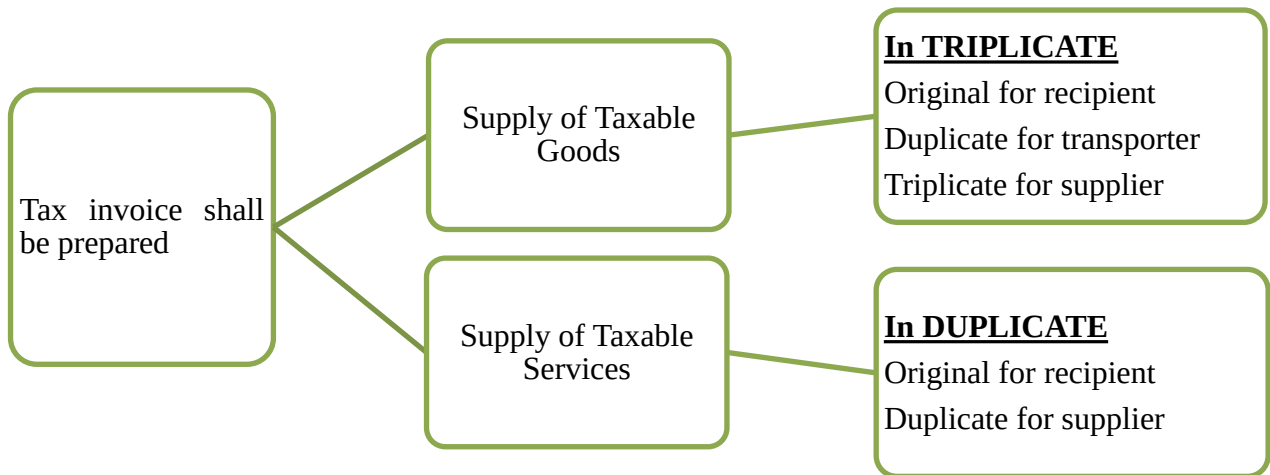
Invoice-cum-bill of supply

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.

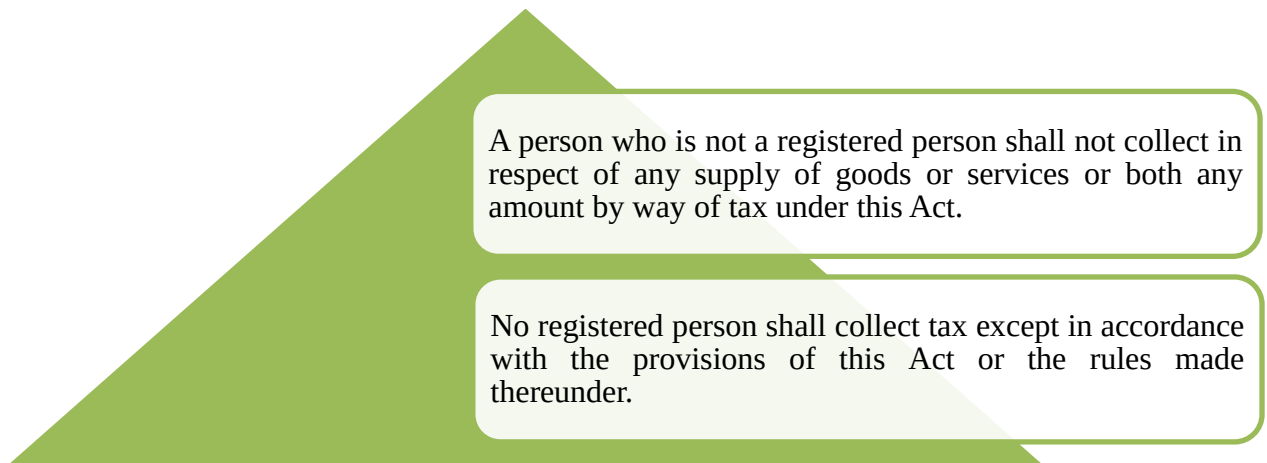
Time limit for issuing tax invoice



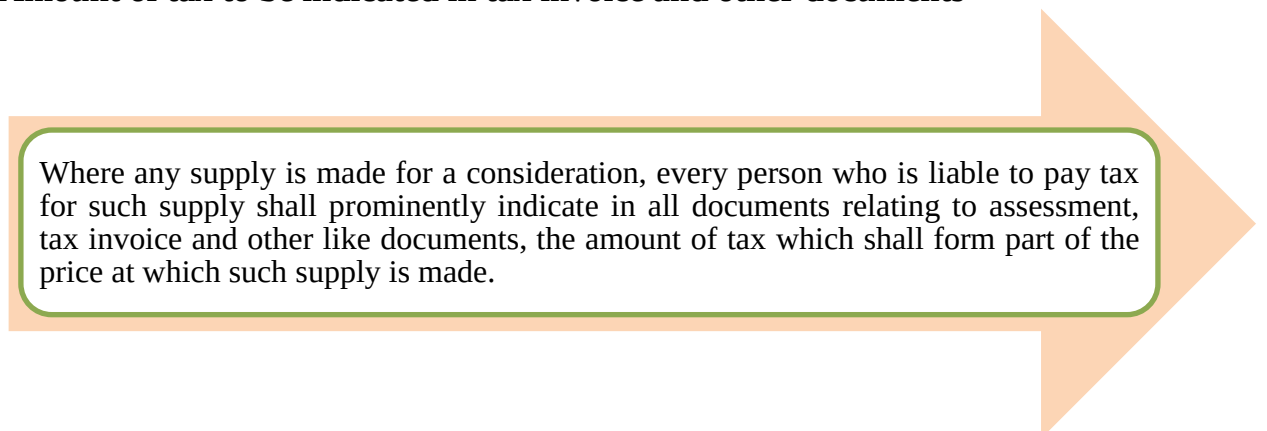
Manner of issuing invoice



Prohibition of unauthorized Collection of tax



Amount of tax to be indicated in tax invoice and other documents



5.5 Credit and debit notes

Where a tax invoice has been issued and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable or where the goods supplied are returned by the recipient the registered person may issue to the recipient a credit note;

Any registered person who issues a credit note shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than September following the end of the financial year or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted;

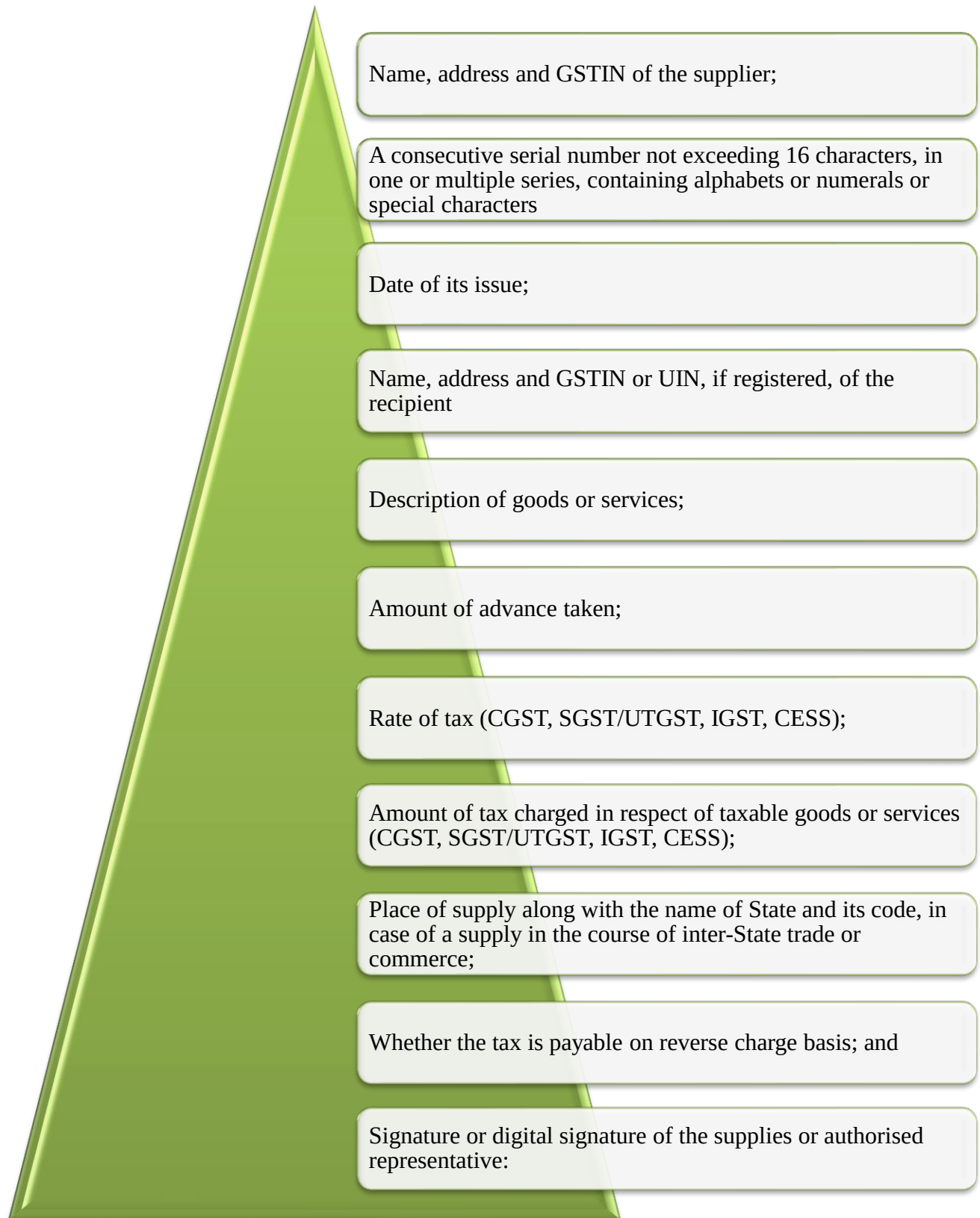
Where a tax invoice has been issued and the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable, the registered person, shall issue to the recipient a debit note;

Any registered person who issues a debit note shall declare the details of such debit note in the return for the month during which such debit note has been issued and the tax liability shall be adjusted.

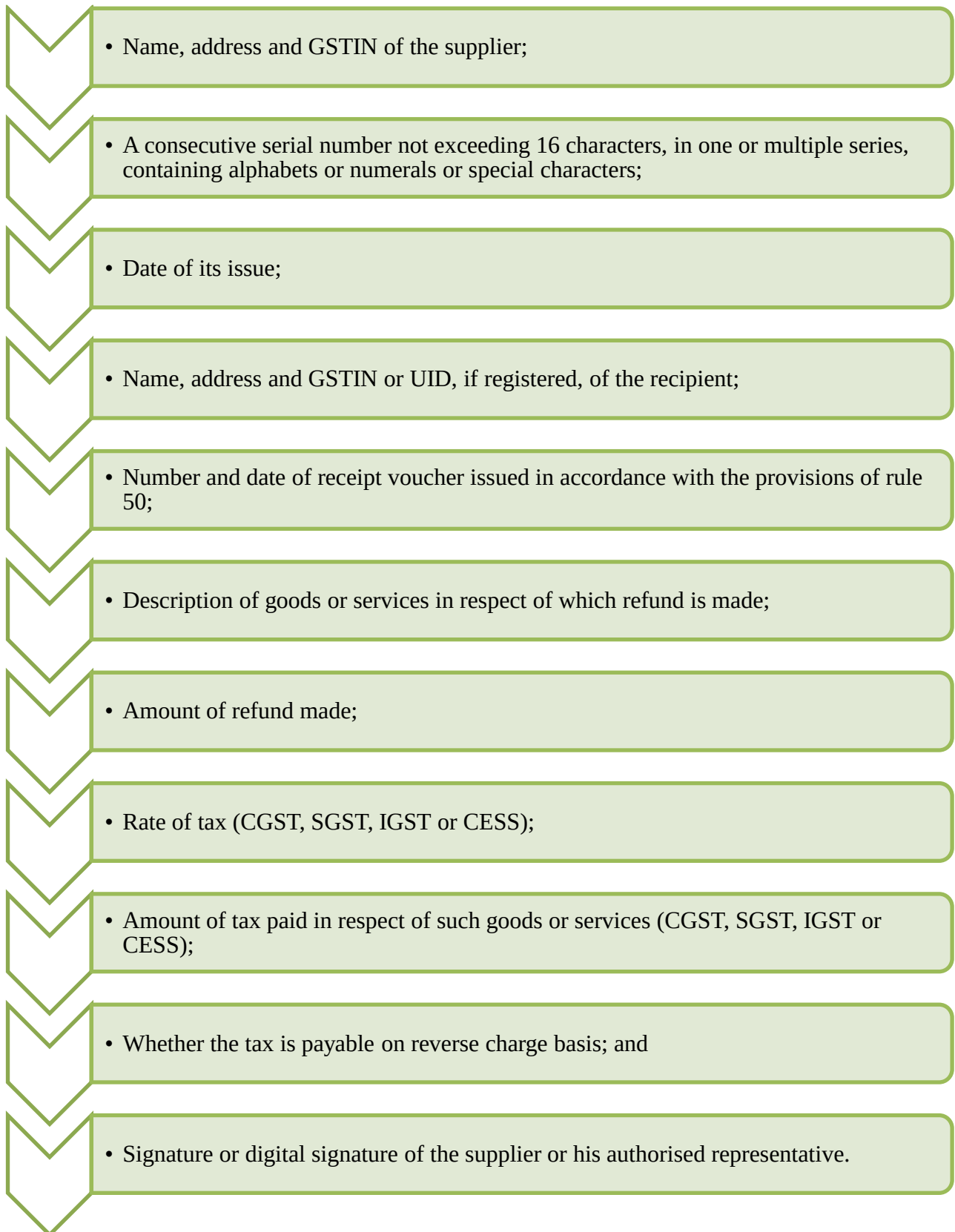
5.6 Bill of supply

- Name, address and GSTIN of the supplier;
- A consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters;
- Date of its issue;
- Name, address and GSTIN or UIN, if registered, of the recipient;
- Harmonised System of Nomenclature Code for goods or services;
- Description of goods or services or both;
- Value of supply of goods or services or both taking into account discount or abatement, if any; and
- Signature or digital signature of the supplier or his authorised representative;

5.7 Receipt voucher

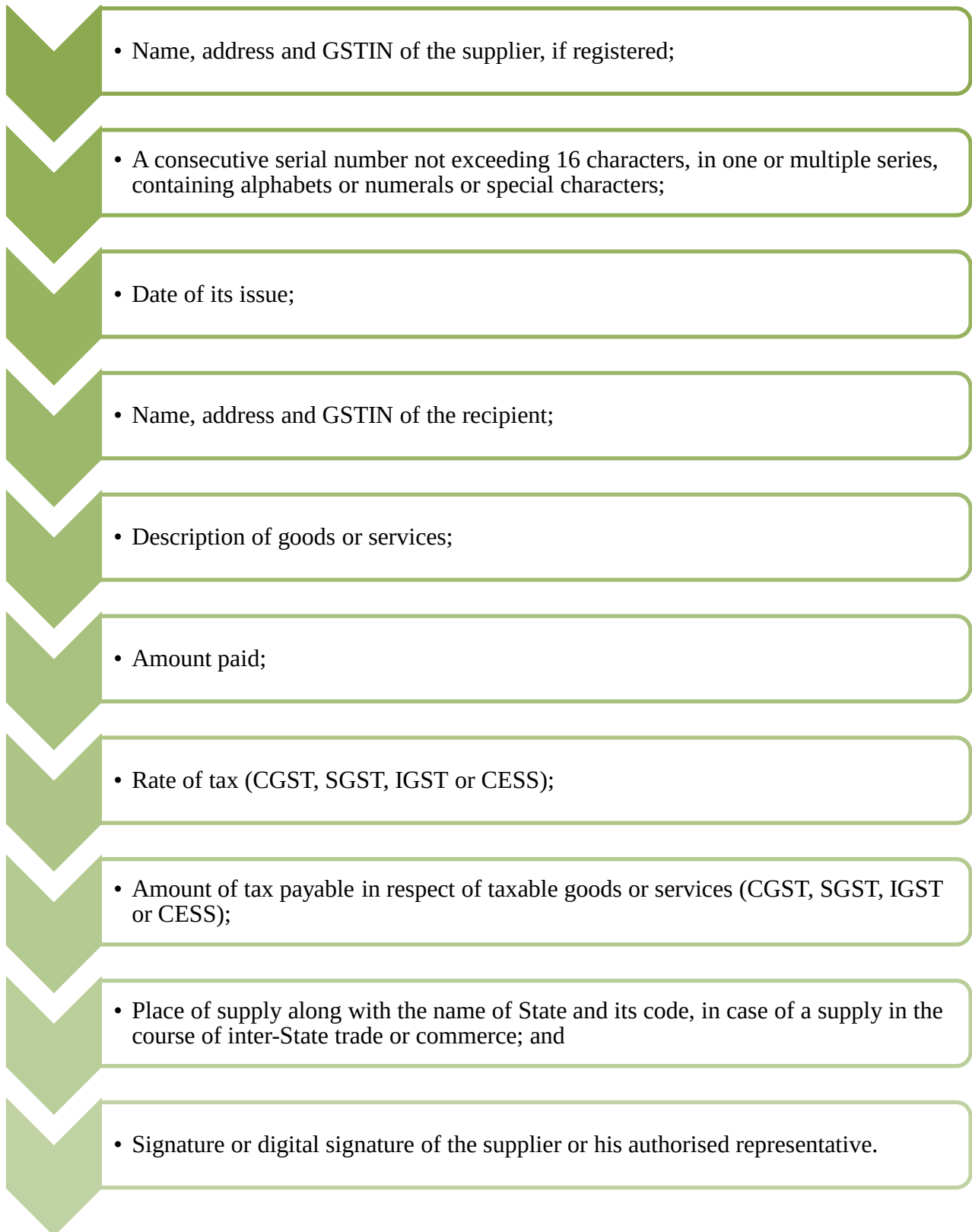


5.8 Refund voucher



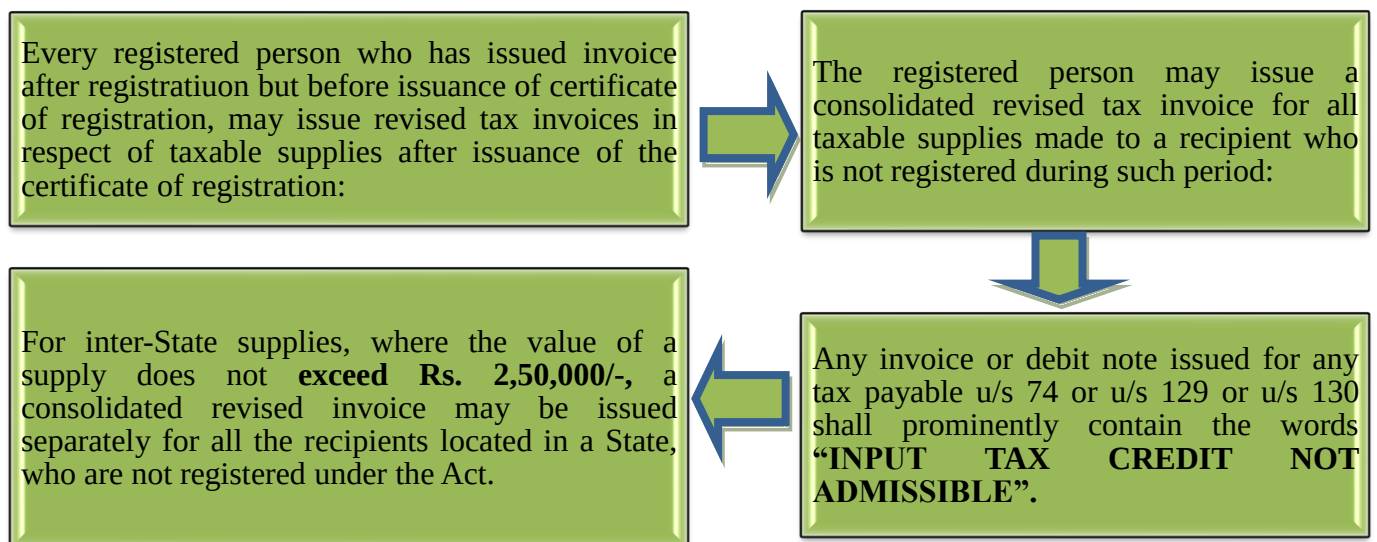
- Name, address and GSTIN of the supplier;
- A consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters;
- Date of its issue;
- Name, address and GSTIN or UID, if registered, of the recipient;
- Number and date of receipt voucher issued in accordance with the provisions of rule 50;
- Description of goods or services in respect of which refund is made;
- Amount of refund made;
- Rate of tax (CGST, SGST, IGST or CESS);
- Amount of tax paid in respect of such goods or services (CGST, SGST, IGST or CESS);
- Whether the tax is payable on reverse charge basis; and
- Signature or digital signature of the supplier or his authorised representative.

5.9 Payment voucher



5.10 Revised tax invoice and credit or debit notes

The word “ Revised Invoice ”, wherever applicable, indicated prominently;
Name, address and GSTIN of the supplier;
Nature of the document;
Consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters;
Date of issue of the document;
Name, address and GSTIN or UID, if registered, of the recipient;
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;
Serial number and date of the corresponding tax invoice or, as the case may be, bill of supply;
Value of taxable supply of goods or services, rate of tax and the amount of the tax credited or debited to the recipient; and
Signature or digital signature of the supplier or his authorised representative.



5.11 Tax invoice in special cases

An Input Service Distributor invoice or credit note issued by an Input Service Distributor shall contain the following details:-

Name, address and GSTIN of the ISD;	A consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters;	Date of its issue;	Name, address and Goods and Services Tax Identification Number of the recipient to whom the credit is distributed;	Amount of the credit distributed; and	Signature or digital signature of the Input Service Distributor or his authorised representative;
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A registered person, having the same PAN and State code as an Input Service Distributor, may issue an invoice or a credit or debit note to transfer the credit of common input services to the Input Service Distributor, which shall contain the following details:-

Name, address and GSTIN of the registered person having the same PAN and same State code as ISD;	A consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters;	Date of its issue;	GSTIN of supplier of common service and original invoice number whose credit is sought to be transferred to ISD;	Name, address and GSTIN of the ISD;	Taxable value, rate and amount of the credit to be transferred; and	Signature or digital signature of the registered person or his authorised representative.
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Where the supplier is a GTA supplying services in relation to transportation of goods by road in a goods carriage, supplier shall issue a tax invoice or any other document containing the gross weight of the consignment, name of the consigner/consignee, registration number of vehicle, goods transported, place of origin and destination, GSTIN of the person liable for paying tax whether as consigner, consignee or goods transport agency, and other information as per rule 46.



Where the supplier of taxable service is supplying passenger transportation service, a tax invoice shall include ticket in any form whether or not serially numbered, and whether or not containing the address of the recipient of service but containing other information as mentioned under rule 46.

5.12 Transportation of goods without issue of invoice

For the purposes of-

- Supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known,
- Transportation of goods for job work,
- Transportation of goods for reasons other than by way of supply, or
- Such other supplies as may be notified by the Board,

The consigner may issue a delivery Challan, serially numbered not exceeding 16 characters, in one or multiple series, in lieu of invoice at the time of removal of goods for transportation, containing the following details, namely;-

➤	• Date and number of the delivery challan;
➤	• Name, address and GSTIN of the consigner, if registered;
➤	• Name, address and GSTIN or UID of the consignee, if registered;
➤	• Harmonised System of Nomenclature code and description of goods;
➤	• Quantity (provisional, where the exact quantity being supplied is not known);
➤	• Taxable value;
➤	• Tax rate and tax amount – CGST, SGST, IGST or CESS, where the transportation is for supply to the consignee;
➤	• Place of supply, in case of inter-State movement; and
➤	• Signature.

For **supply of goods**, the delivery challan shall be prepared in;

In TRIPLICATE

1. Original for Consignee;
2. Duplicate for Transporter;
3. Triplicate for Consigner.

Where the goods are being transported in a **semi knocked down or completely knocked down condition**; -

- (a) the supplier shall issue the **complete invoice before dispatch of the first consignment**;
- (b) the supplier shall issue a **delivery challan for each of the subsequent consignments**, giving reference of the invoice;
- (c) each consignment shall be accompanied by copies of the corresponding delivery challan along with a duly certified copy of the invoice; and
- (d) **the original copy** of the invoice shall be sent along **with the last consignment**.

Where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods for the purpose of supply, the supplier shall issue a tax invoice after delivery of goods.

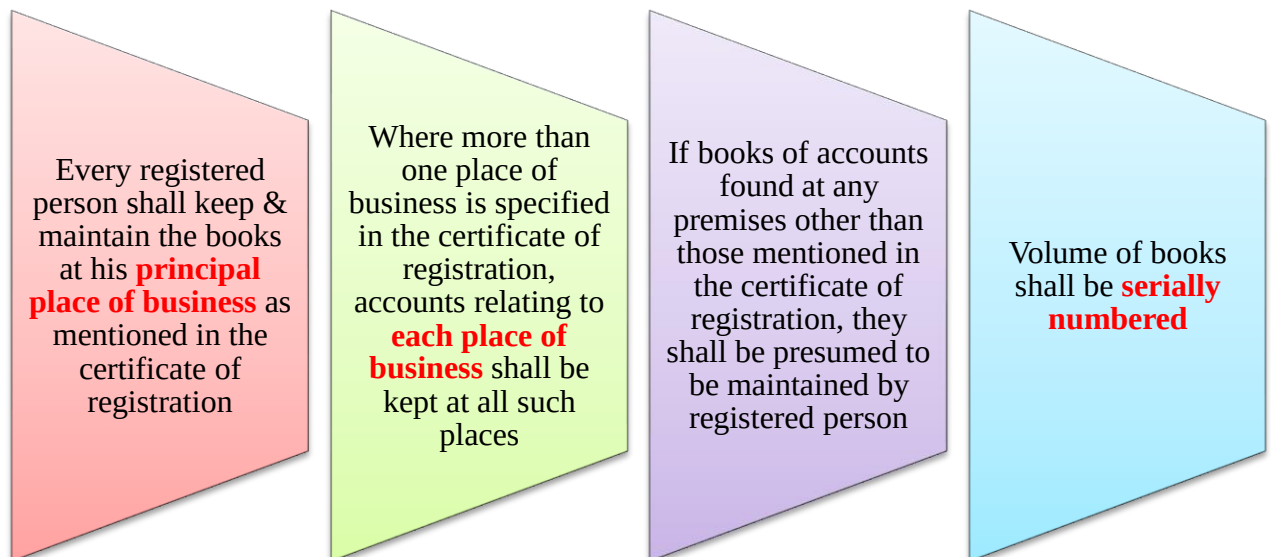
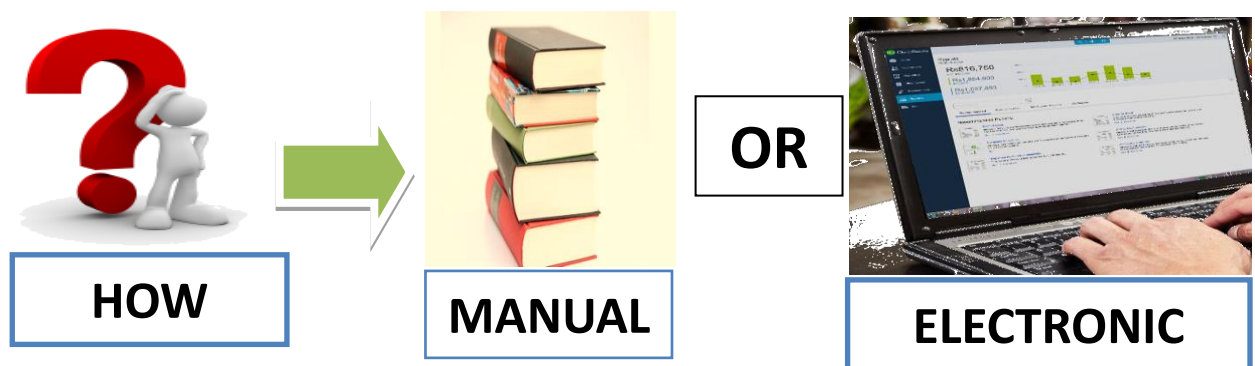
Tax Invoice or bill of supply to accompany transport of goods

The transporter shall carry a copy of the tax invoice or the bill of supply in a case where such person is not required to carry an e-way bill under rule 138.

5.13 Summary of Records to be maintained



5.14 Where and how to Maintain Books



5.15 Period of Retention of Books

81 months
from the due date of furnishing annual return or
5 years 9 months from the end of FY

5.16 How to pay Tax and Set-off ITC

It is to be noted that **electronic credit ledger** can be utilized for the payment of tax payable, however **electronic cash ledger** can be utilized for the payment of tax, interest, penalty, fee, any other amount payable under the provisions of GST.

The Input Tax Credit can be utilized in following sequence:

IGST Input	CGST Input	SGST Input
IGST	CGST	SGST
CGST	IGST	IGST
SGST	-	-

Any payment either through electronic cash ledger or electronic credit ledger will be done in following sequence:

- Taxes and other dues of Previous Tax period;
- Taxes and other dues of current tax period;
- Any other amount payable.

Explanation

- **“Tax Dues” means** the tax payable under the GST Act and does not include interest, fee and penalty.
- **“Other Dues” means** Interest, penalty, fee or any other amount payable under the Act or the rules made there under.

5.17 Summary of Forms of Payment under GST

Form No.	Title of the Form
Form GST PMT 1	Electronic Tax Liability Register of Taxpayer (Part–I: Return related <u>liabilities</u>) Electronic Tax Liability Register of Taxpayer (Part–II: Other than return related liabilities)
Form GST PMT 2	Electronic Credit Ledger
Form GST PMT 2A	Order for re-credit of the amount to cash <u>or credit</u> ledger
Form GST PMT 3	Electronic Cash Ledger
Form GST PMT 4	<u>Challan</u> for Deposit of Goods and Services Tax
Form GST PMT 5	Payment Register of Temporary IDs/Un-registered Taxpayers
Form GST PMT 6	Application for Credit of Missing Payment (CIN not generated)

CHAPTER- 6**LEVY AND PLACE OF SUPPLY****6.1 Summary of Levy and Place of Supply Relevant Sections and Rules:**

Section/Rules	Heading
Sec 2(50)	Definition of Fixed Establishment
Sec 2 (70)	Definition of Location of the recipient of services
Sec 2 (71)	Definition of Location of the supplier of services
Sec 2 (85)	Definition of Place of Business
Sec 2(86)	Definition of Place of Supply
Sec 2 (93)	Definition of Recipients
Sec 2 (107)	Definition of Taxable Person
Sec 9	Levy and Collection
Sec 2 (5) of IGST Act	Definition of Export of Goods
Sec 2 (6) of IGST Act	Definition of Export of Services
Sec 2 (10) of IGST Act	Definition of Import of Goods
Sec 2 (11) of IGST Act	Definition of Import of Services
Sec 5 of IGST Act	Levy and Collection
Sec 7 of IGST Act	Inter-State Supply
Sec 8 of IGST Act	Intra-State Supply
Sec 10 of IGST Act	Place of supply of goods other than supply of goods imported into or exported from India
Sec 11 of IGST Act	Place of supply of goods imported into or exported from India
Sec 12 of IGST Act	Place of supply of services where location of supplier and recipient is in India
Sec 13 of IGST Act	Place of supply of services where location of supplier or location of recipient is outside India
Sec 14 of IGST Act	Special provision for payment of tax by a supplier of online information and database access or retrieval services

6.2 Sec-9 of CGST Act: LEVY AND COLLECTION

- 1) There shall be levied a tax called the CGST/SGST or UTGST on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

- 2) The Central or a State Government may specify categories of supply of goods/ services the tax on which is payable on reverse charge basis and the tax thereon shall be paid by the recipient of such goods/services and all the provisions of this Act shall apply to such person as if he is the person liable for paying the tax in relation to the supply of such goods/services.
- 3) The Central or a State Government may also specify categories of services the tax on which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the person liable for paying the tax in relation to the supply of such services;

PROVIDED that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax.

PROVIDED FURTHER that where an electronic commerce operator does not have a physical presence in the taxable territory and also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.

6.3 Sec-5 of IGST Act: LEVY AND COLLECTION

- 1) There shall be levied a tax called the IGST on all inter-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 of the CGST Act and at such rates, not exceeding forty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person;
PROVIDED that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 on the value as determined under the said Act at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962.
- 2) The Government may specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such 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.
- 3) The integrated tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient 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.

- 4) The Government may specify categories of services, the tax on inter-State supplies of which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services:

PROVIDED that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax:

PROVIDED FURTHER that where an electronic commerce operator does not have a physical presence in the taxable territory and also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.

6.4 Definition of Supply

The taxable event for levy of GST is **supply** and section 7 of the CGST Act, covers the meaning and scope of supply.

All forms of supply of goods and/or services such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made **for a consideration** by a person **in the course or furtherance of business**.

Importation of service, for a consideration and whether or not in the course or **furtherance of business**, and

A supply specified in **Schedule I**, made or agreed to be made **without a consideration**. **Schedule I specifies following 4 items:**

- i. Permanent transfer/disposal of business assets where input tax credit has been availed on such assets.
- ii. Supply of goods or services between related persons, or between distinct people.
- iii. Supply of goods by a principal to his agent or vice-versa.
- iv. Importation of services by a taxable person from a related person or from any of his

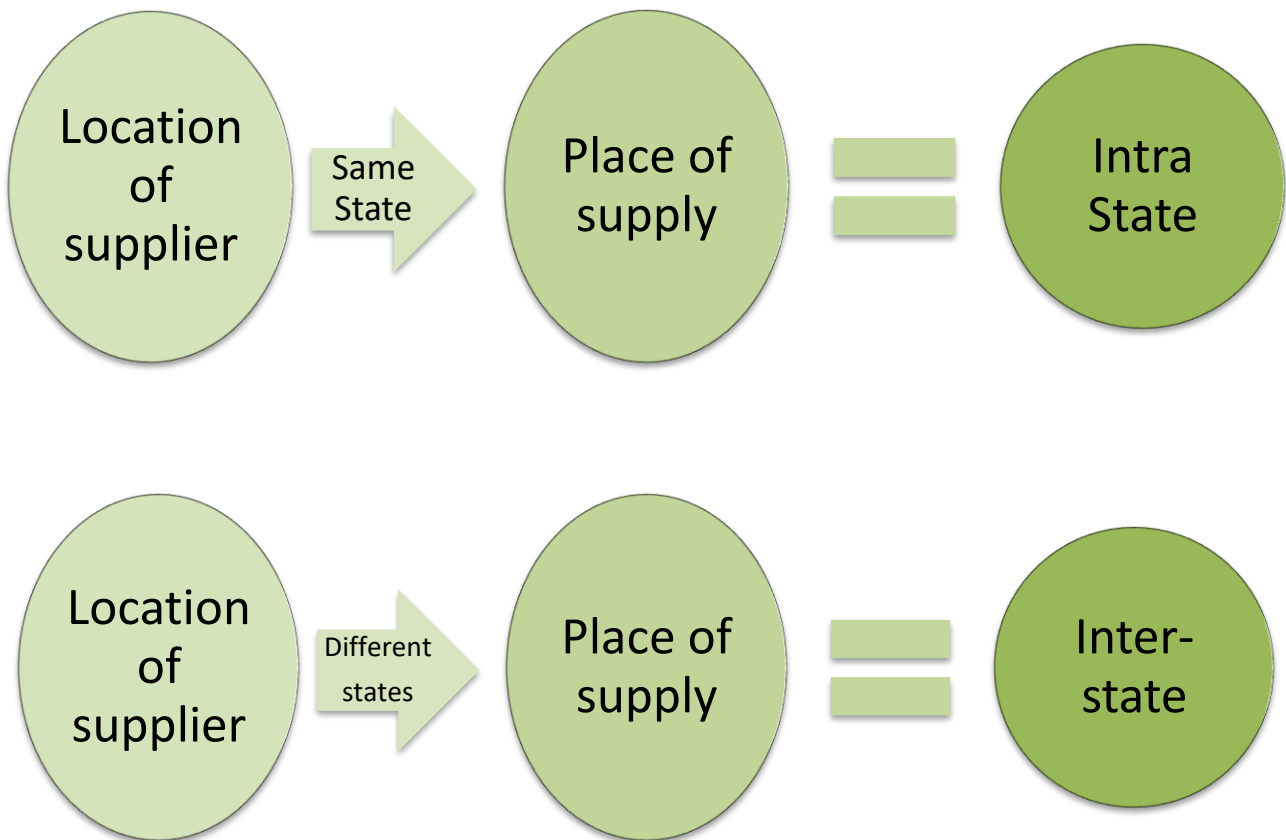
Schedule II, which give the matters or a transaction that is to be treated as either;

- Supply of goods. or
- Supply of services.

6.5 Taxable Person

- “Taxable person” means a person who is registered or liable to be registered under section 22 or section 24
- An establishment of a person who has obtained or is required to obtain registration in a State, and any of his other establishments in another State shall be treated as **establishments of distinct persons** for the purposes of this Act.

6.6 Classification of Supply as Intra State/ Inter State



SL. No.	Location of supplier	Place of supply	Intrastate/Inter state	Tax Applicable
1	State 'A'	State 'A'	Intra state supply	CGST and SGST
2	State 'A'	State 'B'	Interstate supply	IGST

There are different provisions to determine location of supplier and place of supply for supply of Goods and for supply of services.

6.7 Supply of Goods and/or Services in the course of Inter-State Trade or Commerce

- Supply of goods in the course of inter-State trade or commerce means any supply where the location of the supplier and the place of supply are in different States.
- Supply of services in the course of inter-State trade or commerce means any supply where the location of the supplier and the place of supply are in different States.
- Supply of goods in the course of import into the territory of India till they cross the customs frontiers of India shall be deemed to be a supply of goods in the course of inter-State trade or commerce.
- Supply of services in the course of import into the territory of India shall be deemed to be a supply of services in the course of inter-State trade or commerce.
- Supply of goods and/or services, when the supplier is located in India and the place of supply is outside India, shall be deemed to be a supply of goods and/or services in the course of inter-State trade or commerce.
- Supply of goods and/ or services to or by a SEZ developer or an SEZ unit, shall be deemed to be a supply of goods and/or services in the course of inter-State trade or commerce.

Any supply of goods and/or services in the taxable territory, not being an intra-State supply and not covered elsewhere in this section, shall be deemed to be a supply of goods and/or services in the course of inter-State trade or commerce.

6.8 Supply of Goods and/or Services in the course of Intra-State Trade or Commerce

- **Intra-State supply of goods means any supply of goods where the location of the supplier and the place of supply are in the same State:**

PROVIDED that the intra-State supply of goods shall not include:

- i. Supply of goods to or by a SEZ developer or to or by an SEZ unit;
- ii. Supply of goods brought into India in the course of import till they cross the customs frontiers of India.

- **Intra-State supply of services means any supply of services where the location of the supplier and the place of supply are in the same State:**

PROVIDED that the intra-State supply of services shall not include supply of services to or by a SEZ developer or to or by an SEZ unit;

6.9 Definition – Location of Supplier of Service

Section 2(71) of the IGST Act, defines the location of Supplier of service. As per this section, location of supplier of service means:

Place of Business (Registered with GST) from where supply is made;

Location of fixed establishment (Other than the registered place of business) from where supply is made;

(As per Section 2(50) of the CGST Act, “fixed establishment” means a place (other than the place of business) which is characterized by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services, or to receive and use services for its own needs;)

In case supply is made from multiple places, the location of supplier is the place which is most directly concerned with provision of the supply;

In the absence of any such place, the location is the usual place of residence of the supplier.

6.10 Definition – Location of Recipient of Service

Section 2(70) of the IGST Act, defines the location of Recipient of service. As per this section, location of recipient of service means:

Place of Business (Registered with GST) where a supply is received;

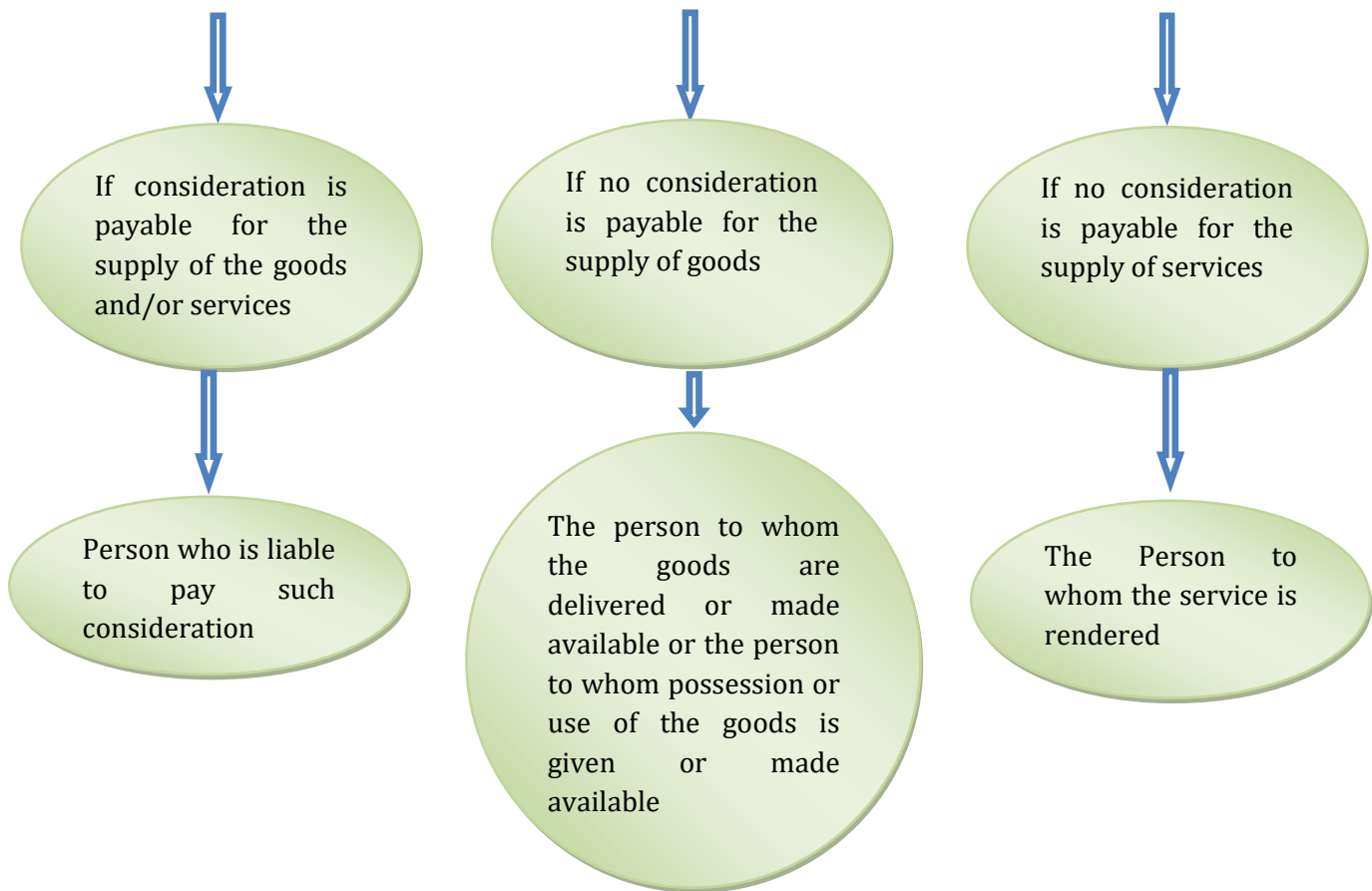
Location of fixed establishment (Other than the registered place of business) where a supply is received;

(As per Section 2(50) of the CGST Act, “fixed establishment” means a place (other than the place of business) which is characterized by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services, or to receive and use services for its own needs;)

In case supply is received at multiple places, the location of recipient is the place which is most directly concerned with receipt of the supply;

In the absence of any such place, the location is the usual place of residence of the recipient.

6.11 Definition – Recipient of Supply of Goods and/or Services



- Any reference to which supply is made shall be construed as a reference to the recipient of supply.
- The Expression recipient shall also include an agent acting as such on behalf of the recipient in relation to the goods and/or services supplied.

6.12 Nature of Supply – Local/Inter-State

SITUATION	PLACE OF SUPPLY
Inter-State Supplies (Leviable to IGST)	If location of supplier and place of supply are in different States.
	If supply of goods or services is made to SEZ Developer or SEZ Unit.
Intra-State Supplies (Leviable to CGST/SGST)	If location of supplier and place of supply are in same State.
Import of Goods and Services	Inter State Supply
Export of Goods and Services	Zero Rated Supply

6.13 Place of Supply of Goods and/or Services

Section-10	• Place of supply of goods other than supply of goods imported into, or exported from India
Section-11	• Place of supply of goods imported into, or exported from India
Section-12	• Place of supply of services where the location of supplier of service and the location of the recipient of service is in India
Section-13	• Place of supply of services where the location of supplier of service and the location of the recipient of service is outside India
Section-14	• Special provision for payment of tax by a supplier of online information and database access or retrieval services

6.14 Definition – Export of Goods/Import of Goods

Export of Goods- Section 2(5) & (6) of IGST Act,	• Export of goods means taking goods out of India to a place outside India;
Import of Goods- Section 2(10) & (11) of IGST Act,	• Import of Goods means bringing goods into India from a place outside India;

6.15 Definition – Import of Service

As per Section 2(10) & (11) of IGST Act, import of services means the supply of any service, where;

- the supplier of service is located outside India,
- the recipient of service is located in India, and
- the place of supply of service is in India;

6.16 Definition – Export of Service

As per Section 2 (5) & (6) of IGST Act, export of services means the supply of any service when;

- the supplier of service is located in India,
- the recipient of service is located outside India,
- the place of supply of service is outside India,
- the payment for such service has been received by the supplier of service in convertible foreign exchange, and
- The supplier of service and recipient of service are not merely establishments of a distinct person in accordance with explanation 1.

6.17 Place of Supply of Goods other than Goods Imported or Exported

SITUATION	PLACE OF SUPPLY
When movement of goods <u>involved</u>	Location of goods at the time movement terminates for delivery
When movement of goods <u>not involved</u>	Location of goods at the time of delivery
Where the goods are delivered by the supplier to a recipient or any other person, <u>on the direction of a third person</u> , whether acting as an agent or otherwise, before or during movement of goods.	Place of supply of such goods shall be the principal place of business of such third person
Goods supplied on board a conveyance	Place where goods taken on board
When goods <u>assembled or installed at site</u>	Place of installation or assembly

6.18 Place of Supply of Goods Imported into or Exported from India

Goods imported into India	• Location of the Importer
Goods exported from India	• Location outside India

6.19 Place of Supply of Services – Where Location of the Supplier and Recipient is in India

GENERAL RULE

B2B SUPPLIES	• Location of the Recipient
B2C SUPPLIES	• Address on Record exists – Location of Recipient • Any other Case- Location of supplier

IN CASE OF SERVICES-IMMOVABLEPROPERTY

SITUATION	PLACE OF SUPPLY
Services directly <u>related with immovable property</u> including services provided by architects, interior decorators, surveyors, engineer's and other related experts or estate agents; Services <u>by way of accommodation</u> by a hotel, inn, guest house, home stay, club or campsite including a house boat or any other vessel; Services <u>by way of accommodation in any immovable property for organizing</u> any marriage or reception, official, social, cultural, religious or business function; Any <u>services ancillary</u> to the above services provided in relation to immovable property.	Location of immovable property (Refer Note 1 and Note 2);

Note-1;

Location of immovable property is outside India – Location of the Recipient

Note- 2;

Where property located in more than one state- Proportionate allocation amongst states as per the contract or on reasonable basis

6.20 Miscellaneous

<u>SITUATION</u>	<u>PLACE OF SUPPLY</u>
<u>Performance based services</u> Specific services covered such as supply of restaurant and catering services, personal grooming, fitness, beauty treatment, health service including cosmetic and plastic surgery	Place of actual performance
Services in relation to training and performance appraisal	B2B supply: location of recipient B2C supply: place of performance
Admission to an event including conference and similar events or Ancillary Services	Place where event held or where the park/other place is located
Organization of event and services in relation to such event and ancillary services or assigning of sponsorship	B2B supply: location of recipient B2C supply: Location where event is held
Transportation of goods including mail or courier	B2B supply: Location of recipient B2C supply: Location where goods handed over the transportation
Passenger transportation service (Return Journey=Separate Journey)	B2B supply: Location of recipient B2C supply: Point of embarkation
Services provided on board a conveyance	First scheduled point of departure
<u>TELECOMMUNICATION SERVICES INCLUDING DATA TRANSFER, BROADCASTING, CABLE OR DTH SERVICE</u>	
Services related with Fixed telecommunication line, leased circuits, internet leased circuits, cable or dish antenna;	Location where it is installed for receipt of services.
Mobile connection for telecommunication and internet services provided on post-paid basis;	Location of billing address of the recipient of services on record of the supplier of services.
Mobile connection for telecommunication and internet services provided on prepayment through a voucher or any other means through selling agent or a re-seller or a distributor of SIM card or re-charge voucher;	Address of the selling agent or re-seller or distributor as per the record of the supplier at the time of supply
Mobile connection for telecommunication and internet services provided on prepayment through a voucher or any other means by any person to the final subscriber; In any other case not covered in above	Location where such pre-payment is received or such vouchers are sold

	Address of the recipient as per records of the supplier of the service.
Where the address of the recipient as per records of the supplier of service is not available, the place of supply shall be location of the supplier of service. If such prepaid service is availed or the recharge is made through internet banking or other electronic mode or payment, the location of the recipient of the services on record of the supplier of services shall be the place of supply of such service.	
Banking and other financial services including stock broking services to any person	Location of the recipient of the service on the records of the supplier of services If the location of the recipient of services is not on the records of the supplier, the place of supply shall be the location of the supplier of services.
Insurance Services	B2B supply: Location of recipient B2C supply: Location of the recipient of services on the records of the supplier of services.

6.21 Place of Supply of Services – Location of the Supplier or the Recipient is Outside India

GENERAL RULE

Location of the Recipient

ANY OTHER CASE I.E. LOCATION OF THE RECIPIENT OF SERVICE IS NOT AVAILABLE IN ORDINARY COURSE OF BUSINESS

• Location of Supplier of

OTHER RULES

SITUATION	PLACE OF SUPPLY
Performance Based Services - With Respect to Goods Performance Based Services-With Respect to Individuals	Place where services are actually performed
Immovable property related services including services supplied in this regard by experts and estate agents, supply of hotel 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 co-ordination of construction work, including architects or interior Decorators.	Location of the immovable property
<u>Admission to or organization</u> of a cultural, artistic, sporting, scientific, educational, or entertainment, event, or a celebration, conference, fair, exhibition, or similar events and ancillary services	Location where event is held
Where the above service supplied at <u>more than one Location including a location</u> in the taxable territory, place of supply will be the location of Taxable Territory where greatest proportion of service is provided. Where the above service supplied to <u>more than one State</u>, Place of supply shall be taken in each state in proportion of value of services provided as per contract or on reasonable basis.	
Services supplied by a banking company, or a financial institution, or a NBFC to account holders; Intermediary Services; Service consisting of hiring of means of transport other than aircraft and vessels except yachts, upto a period of one month.	Location of supplier of Service
Transportation of goods other than by way of mail or courier	Destination of the goods
Passenger transportation Service	Point of embarkation
Services provided on board a conveyance during the course of a passenger transport operation including service intended to be wholly or substantially consume while on board.	First scheduled point of departure

In case of “ online information and database access or retrieval services ”	Location of the recipient of Service
<u>As per Section 2(17) of the IGST Act, 2016, “online information and database access or retrieval services” means services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention, and impossible to ensure in the absence of information technology and includes electronic services such as,-</u> a) advertising on the internet; b) providing cloud services; c) provision of e-books, movie, music, software and other intangibles via telecommunication networks or internet; d) providing data or information, retrievable or otherwise, to any person, in electronic form through a computer network; e) Online supplies of digital content (movies, television shows, music, etc.); f) digital data storage; and g) online gaming;	