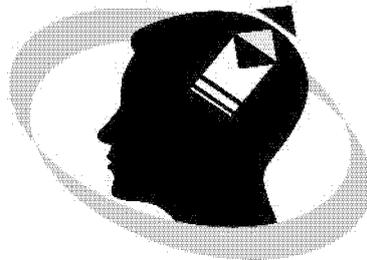


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**AMENDMENTS IN GOODS AND SERVICES TAX  
APPLICABLE FOR NOV 2018 EXAMS**



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## 1. INTRODUCTION TO GST

1. The decision making body of GST is GST Council, which is constituted as per Article 279A of Constitution.
2. Union Finance Minister is the chairman of the GST Council.
3. It is non-profit and non-government entity, wherein government held 49% and private entities held 51%.
4. In the 27<sup>th</sup> Council meeting, it has been decided that Government shall acquire 51% from the private entities thereby making GST Council a 100% government owned entity. Thereafter, 50% owned by CG and 50% owned by SG.
5. **IT Grievance Redressal Committee:**
  - a) The CG has decided to put in place an IT-Redressal Mechanism.
  - b) Where an IT related glitch has been identified as the reason for failure of a class of taxpayer in filing of a return or a form within in the time limit prescribed in the law by a large section of taxpayers and there are collateral evidences available to establish that the taxpayer has made bonafide attempt to comply with the process of filing of form or return, GST Council has delegated powers to the IT Grievance Redressal Committee to approve and recommended to the GSTN on matters identified by it and the steps to be taken to redress the grievance and the procedure to be followed for implementation of the decision.
6. **Legal Issues:**
  - a) GST Council has delegated the power to the IT Grievance Redressal Committee to recommend waiver of fine or penalty, in case of an emergency, to the Government in terms of section 128 of the CGST Act, 2017 under such mitigating circumstances as are identified by the committee. All such notifications waiving fine or penalty shall be placed before GST Council.
  - b) However, where adequate time is available, the issue of waiver of fee and penalty shall be placed before GST Council with the recommendation of the IT-Grievance Redressal Committee.

## 2. SUPPLY

### Whether the following supplies are supply of goods or supply of services?

1. Supply of books, pamphlets, brochures, envelopes, annual reports, leaflets, cartones, boxes etc., printed with design, logo, name, address or other contents:
  - a) Vide Circular No.11/11/2017 (Dt.: 20.10.2017) it is clarified that the said activity is composite supply and whether such supplies constitute supply of goods or services would be determined on the basis of what constitutes principal supply.
  - b) In the case of printing of books, pamphlets, brochures, envelopes, annual reports, and the like, where only content is supplied by the publisher or the person who owns the usage rights to the intangible inputs while the physical inputs including paper used for printing belong to the printer, supply of printing (of the content supplied by the recipient of supply) is the principal supply and therefore such supplies would constitute supply of service.
  - c) In case of supply of printed envelopes, letter cards, printed boxes, tissues, napkins, wall paper etc., printed with design, logo etc. supplied by the recipient of goods but made using physical inputs including paper belonging to the printer, predominant supply is that of goods and the supply of printing of the content (supplied by the recipient of supply) is ancillary to the principal supply of goods and therefore such supplies would constitute supply of goods.
2. **Bus Body Building:** Classification of this composite supply as goods or service would depend on which supply is the principal supply which may be determined on the basis of facts and circumstances of each case.

**3. Retreading of tyres**

- a) Retreading of tyres is a composite supply; the pre-dominant element is the process of retreading which is a supply of service. Rubber used for retreading is an ancillary supply. Which part of a composite supply is the principal supply, must be determined keeping in view the nature of the supply involved. Value may be one of the guiding factors in this determination, but not the sole factor. The primary question that should be asked is what the essential nature of the composite supply and which element of the supply imparts that essential nature to the composite supply.
- b) Supply of retreaded tyres, where the old tyres belong to the supplier of retreaded tyres, is a supply of goods.

**4. Time when supply is taking place:** In case of supply by artists through galleries, there is no consideration flowing from the gallery to the artist when the art works are sent to the gallery for exhibition and therefore, the same is not a supply. It is only when the buyer selects a particular art work displayed at the gallery, that the actual supply takes place and applicable GST would be payable at the time of such supply.

- a) The confusion here was regarding the treatment of this activity whether it is taxable in the hands of the artist when the same is given to the art gallery or at the time of actual supply by the gallery.
- b) It is seen that rule 55(1)(c) of the CGST rules, 2017 provides that the supplier shall issue a delivery challan for the initial transportation of goods where such transportation is for reasons other than by way of supply.
- c) It is also seen that rule 55(4) of CGST rules provides that 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.

**5. Dispatch to Art gallery:**

- a) **DOCUMENTATION:** Removal of art work is for supply on approval basis. Such movement shall take place on a delivery challan along with the e-way bill wherever applicable.
- b) The invoice may be issued at the time of actual supply of art work.

**6. Nature of supply:** The supplies of the art work from one state to another state will be inter-state supplies and attract IGST in terms of section 5 of the IGST act, 2017.**Supply of goods by artist in various states to art galleries:**

An artist/Painter of Delhi sending his painting for exhibition in Mumbai-subsequent sale therefrom

- a) Artist of Delhi sending their artwork to ART GALLERY for exhibition in Mumbai-Art Gallery exhibit it for supply
- b) If art work is selected, then sale/transaction takes place and invoice is issued by artist.

**c) Issues:**

- i) Whether sending goods to Art Gallery is 'supply'?
- ii) If not, then what shall be the place of supply of such transaction and consequent nature of supply?

**7. Applicability of GST on the superior kerosene oil retained for the manufacture of Linear Alkyl Benzene**

IOC (Refinery) sending SKO (kerosene oil) to manufacturer

- a) Generally supplied through pipeline
- b) Manufacturer retain 17%, returned balanced quantity
- c) IOC(refinery) raised invoices only for that 17% quantity retained by manufacturer

d) **Issues:**

Whether the said practice is correct?

**View 1:** Correct – invoice shall be raised only on quantity sold (i.e., 17%)

**View 2:** Incorrect – invoice shall be raised for whole quantity (100%), raise credit note for quantity returned (83%) and claim adjustment in output tax liability in the period in which credit note is issued (sec 34)

**8. Activity of printing (taxability as supply of goods or supply of services)**

a) Prakash Mishra running a printing press.

b) He obtained two orders:

- i) Order from 'Plaza restaurant for printing of napkins (bearing logo of Plaza Restaurant)'
- ii) Order from SUJATA PUBLICATION HOUSE for printing of books / magazines for them

c) Mishra will be purchasing paper and other inputs and using those will supply output (napkin/books) to customers.

d) **Issues:**

Whether supply of Mishra is – supply of goods or supply of service?

**Order 1:** Supply of napkin – It is essentially sale of napkins.

**Order 2:** Supply of books/magazines-Is it also sale of books/ magazines? - No - as Mishra has no right / authorization to sell books/ magazines (as content is owned by Sujata Publication) - so it is supply of service.

**9. Applicability OF GST on inter- state transfer of aircraft engines, parts and accessories for use by their own airlines**

a) ABC Ltd is an aircraft operator operating pan-India air travels services. It has registered offices in different states. It sent some parts and accessories of aircraft from its Delhi registered premise to Maharashtra registered premise. Whether this transaction would amount to supply of goods under GST?

b) SEC7(1)(C) read with Schedule I of CGST act, supply of goods or services or both between related persons or between **distinct persons as specified in Section 25**, when made in the course or furtherance of business, even, if, without consideration, attracts GST. Thus, GST is payable on such inter-state transfer of aircraft engines.

c) **Clarification:**

i) Recipient unit shall be eligible to avail ITC.

ii) ITC admissible notwithstanding that credit of input tax charged on consumption of such goods is not allowed for supply of service of transport of passengers by air in economy class at GST rate of 5%.

**10. Movement of goods (such as jewellery) for supply on approval basis (intra or inter-state):**

At times, suppliers have to visit other places and carry their goods along for approval. They can only issue the invoice at the time of supply and while carrying the goods they are not aware if the goods will be sold. While carrying goods to other states, the supplier cannot even register as a casual taxable person as it is impossible for him to ascertain the supplies beforehand.

- For carrying out this supply, it has been provided that the supplier should issue a delivery challan for initial transportation of goods.
- Only when the supply gets confirmed, the invoice can be issued.
- Further, such supplies where the supplier carries the goods from one state to another and supplies them in a different state, will be treated as inter- state supplies. Therefore, they will attract integrated tax.

11. Whether inter-state movement of various modes of conveyance carrying goods or passengers or both, or for repairs and maintenance, between distinct persons as specified in section 25(4) of the CGST Act,2017(except in cases where such movement is for further supply of the same conveyance),is leviable to IGST?

Vide Circular No.1/1/2017 (Dt:7.7.2017),it is clarified that such interstate movement of Trains,buses,trucks,tankers,trailers,vessels,containers,aircrafts-

- Carrying goods or passengers or both, or
- For repairs and maintenance, shall not constitute supply and not chargeable to GST.

However, applicable CGST/SGST/IGST, as the case may be shall be leviable on repairs and maintenance done for such conveyance.

### 3. LEVY AND COLLECTION OF GST

#### Composition Scheme:

- Composition scheme limit to be increased to Rs. 1 crore (For states other than special category states but excluding the states of Uttarakhand, Jammu & Kashmir). Threshold limit for special category states-No change i.e. for Jammu and Kashmir, uttarakhand limit shall be one crore not 75 lakhs
- FROM GST ITC 03 - Declaration of ITC of reversal w.r.to inputs held in stock, inputs contained in WIP and FG held in stock and capital goods, for the purpose of Sec.18(4) upon opting for composition Scheme.

#### Before Amendment:

FORM GST ITC 03 to be filed within 90 days from the day on which such person commences to pay tax under composition scheme.

#### After amendment:

The said period of 90 days is increased to 180 days

**Note:** 'Such person' refers to the person opting for composition scheme

The words used are 'commences to pay' tax it should be understood as effective date of commencement of composition scheme

- FROM GST CMP 03 - Intimation of stock details on the date of opting for composition scheme, for the purpose of Sec.18 (4) applicable for persons registered under the existing law migrating on the appointed day.

#### Before Amendment:

FORM GST CMP 03 to be filed within 60 days from the day on which option for composition levy is exercised or within such further period as may be extended by the commissioner in this behalf.

#### After amendment:

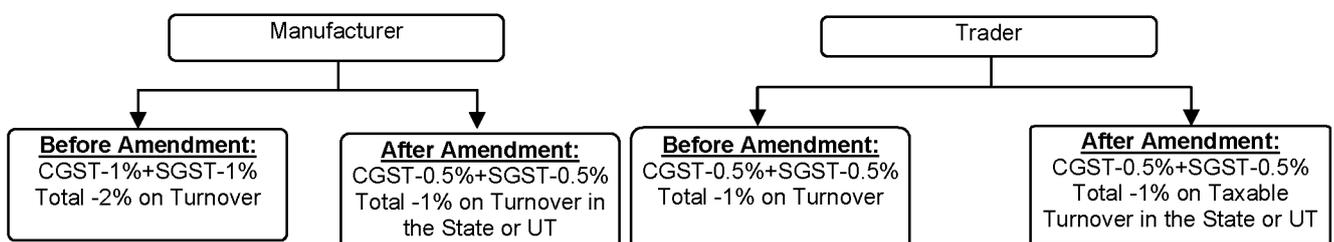
The said period of 60 days is increased to 90 days.

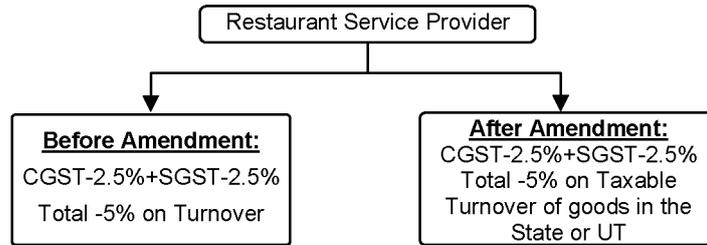
**Note:** FORM GST CMP 03 is filed by a person registered under earlier law and migrating to GST.

FROM GST ITC 03 is filed by a registered person under GST.

A person registered under earlier laws is required to get registered under GST within 30 days from the appointed day (01.07.2017)

#### ➤ Change in Rate of Tax





### Reverse Charge Mechanism

- ECO shall be deemed to be the person liable for the payment of the CGST on services by way of house-keeping (e.g. Plumbing, carpentering etc.) supplied through it, if the supplier of such services is not liable for registration under section 22(1) of the CGST Act, 2017.
- GST (CGST&IGST) to be payable under reverse charge on services provided by Overseeing Committee members to RBI
- Reverse Charge Mechanism (in case of supplies made by unregistered persons to registered persons) delayed till June 30, 2018

## 4. EXEMPTIONS

1. Providing information under RTI Act, 2005 from GST.
2. Legal services provided to Government, Local Authority, Governmental Authority and Government Entity.
3. Services by way of transportation of goods by an aircraft from the customs station of clearance in India to a place outside India up to 30/09/2018.
4. Services by way of transportation of goods by a vessel from the customs station of clearance in India to a place outside India up to 30/09/2018.
5. Life Insurance to personnel of Coast Guard (under the Group Insurance Scheme of the Central Government) by the Naval Insurance Group Fund, retrospectively w.e.f. 1.7.2017
6. Dollar-denominated services provided by financial intermediaries located in IFSC SEZ, which have been deemed to be outside India under the various regulations by RBI, IRDAI, SEBI or any financial regulatory authority, to a person outside India
7. Lease of land:
  - a) By government or local authority to governmental authority or govt. entity
  - b) Supply as a part of specified composite supply of construction of flats, etc
8. Services provided by an educational institution by way of conduct of entrance examinations against consideration in the form of entrance fee.
9. Reinsurance services in respect of following insurance schemes:
  - a) General insurance business provided under schemes such as Pradhan Mantri Suraksha Bima Yojana and others listed in Notification 12/2017-CGST Rate
  - b) Life insurance business provided under schemes such as Pradhan Mantri Jan Dhan Yojana and others listed in Notification 12/2017-CGST Rate
10. Services by way of fumigation in a warehouse of agricultural produce
11. Renting of transport vehicles to a person providing services of transportation to an educational institution (students, faculty, and staff) providing education up to higher secondary or equivalent.
12. Services provided by and to Federation International de Football Association (FIFA) and its subsidiaries directly or indirectly related to any of the events under FIFA U-20 World Cup in case the said event is hosted by India.
13. The exemption limit of Rs 5,000 per month per member in respect of services provided by Resident Welfare Association (unincorporated or nonprofit entity) to its members against their individual contribution is enhanced to Rs 7500/-.

14. The exemption limit of the amount of cover of Rs. 50,000 enhanced to Rs. 2 lakhs in respect of services of life insurance business provided under life micro insurance product approved by IRDAI
15. Services provided to the CG ,by way of transport of passengers with or without accompanied belongings, by air, embarking from or terminating at a regional connectivity scheme airport, against consideration in the form of viability gap funding- Exemption period increased from 1 year to 3 years, from the date of commencement of operations.
16. Supply of notified services to educational institution (Transportation, Catering, Security or Housekeeping, Admission to or conduct of examination)

	Transportation of students, faculty & Staff	Catering	Security or House keeping	Admission to or Conduct of examination	Supply of online educational journals and periodicals
Pre-School education & education up to higher secondary or equivalent	Exempted	Exempted	Exempted	Exempted	Taxable
Education as a part of curriculum for obtaining a qualification recognized by law for the time being in force	Taxable	Taxable	Taxable	Exempted	Exempted
Approved Vocational Education	Taxable	Taxable	Taxable	Exempted	Taxable

17. Services by way of right to admission to

- Circus, dance, or theatrical performance including drama or ballet;
- Award function, concert, pageant, musical performance or any sporting event other than a recognized sporting event;
- Recognized sporting event
- Planetarium,

Where the consideration for right to admission to the events or places is not more than Rs.500 per person.

18. Services by way of admission to a protected monument so declared under the Ancient Monuments and Archaeological Sites and Remains Act, 1958(Irrespective of entry ticket price, the service is exempted).
19. Services received from a provider of service located in a non- taxable territory by way of supply of online educational journals or periodicals to an educational institution other than an institution providing services by way of-
- (i) Pre-school education and education up to higher secondary school or equivalent; or
  - (ii) Education as a part of an approved vocational education course;
20. Services by Government to business entity (Other than renting of immovable property) was covered under RCM where liability to pay GST is on business entity. However, it has been amended that even in case of renting of immovable property; it is covered under RCM if the business entity is registered. Therefore, all services (Other than renting of immovable property services to unregistered entity) to business entity is covered under RCM under Sec.9 (3) of CGST Act, 2017.
21. Supply of services by Govt. by way of grant of license or lease to explore or mine petroleum crude or natural gas or both against consideration in the form of petroleum.
22. Supply of services provided by and to Federation international de Football Association (FIFA) and its subsidiaries directly or indirectly related to any of the events under FIFA U-17 World Cup 2017 to be hosted in India provided that the Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U17 World Cup 2017 CGST. Further, the supply of services by way of right to admission to the events organized under FIFA U-17 World Cup 2017 have also been exempted from GST.

23. Service provided by Fair Price Shops to Central Government (CG), State Government (SG) or Union territories (UT) by way of sale of food grains, kerosene, sugar, edible oil, etc. under Public Distribution System (PDS) against consideration in the form of commission or margin.
24. The exemption granted earlier for the supply of services of general insurance business provided under “ Weather Based Crop Insurance Scheme or the Modified National Agricultural Insurance Scheme“ and “National Agriculture Insurance Scheme (Rashtriya Krishi Bima Yojana)” was now been amended to substitute the words “Weather Based Crop Insurance Scheme or the Modified National Agricultural Insurance Scheme” and “ National Agricultural Insurance Scheme (Rashtriya Krishi Bima Yojana)” with the words “Restructured Weather Based Crop Insurance Scheme (RWCIS)” and “Pradhan Mantri Fasal Bima Yojana (PMFBY)” respectively.
25. Supply of services associated with transit cargo to Nepal and Bhutan (landlocked countries).
26. Composite supply of goods and services in which the value of supply of goods constitutes not more than 25 % of the value of the said composite supply provided to the Govt. or a Governmental authority or a Govt. Entity by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or Municipality under article 243W of the Constitution.
27. Supplies of services by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution by a governmental authority were exempt. But now the exemption extended to a Central Government, State Government, Union territory and local authority also.

For this purpose, the definition of the “Governmental Authority” has been redrafted as under:

“Governmental Authority” means an authority or a board or any other body, set up by an act of Parliament or a State legislature or established by any Government, with 90% or more participation by way of equity or control, to carry out any function entrusted to a Municipality under article 243W of the constitution or to a Panchayat under article 243G of the Constitution.

28. Supply of service by a Government Entity to CG, SG, UT, local authority (LA) or any person specified by CG,SG,UT or local authority against consideration received from CG, SG, UT or LA, in the form of grants, has been exempted from CGST.

For this purpose, the definition of the “Government Entity” has been redrafted as under:

“Government Entity” means an authority or a board or any other body including a society, trust, corporation, set up by an act of parliament or State Legislature or established by any government, with 90% or more participation by way of equity or control, to carry out a function entrusted by the CG,SG,UT or LA.

29. Supply of service by way of access to a road or a bridge on payment of annuity.
30. Supply of services provided by a goods transport agency to an unregistered person, including an unregistered casual taxable person, other than a recipient being any factory registered under or governed by the Factories Act, 1948 or any Society registered under the Societies Registration Act, 1860 or under any other law for the time being in force in any part of India or any Co-operative Society established by or under any law for the time being in force or any body corporate established, by or under any law for the time being in force or any partnership firm whether registered or not under any law including association of persons or any casual taxable person registered under the CGST Act or the IGST Act or the SGST Act or the UTGST Act;

#### **FOR STUDENTS SELF-STUDY**

31. **Article 243G:** State Government may by law endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government in relation to matters listed in 11th Schedule.
- |  |   |
|--|---|
| a) Agriculture, including agriculture extensions.  | c) Animal husbandry, dairying & poultry.                        |
| b) Land improvement, implementation of land reforms, land consolidation & soil conservation. | d) Fisheries industries   |
|  | e) Minor irrigation, water management & water shed development. |

- f) Social forestry & farm forestry.
- g) Small scale industries, including food processing industries.
- h) Minor forestry produce.
- i) Drinking water
- j) Khadi, village & cottage industries.
- k) Rural housing
- l) Fuel & fodder.
- m) Rural electrification, including distribution of electricity.
- n) Roads, culverts, bridges, ferries, waterways & other means of communication.
- o) Education including primary & secondary schools,
- p) Non-conventional energy.
- q) Technical training & vocational education.
- r) Adult & non-formal education.
- s) Public distribution system.
- t) Maintenance of community asserts.
- u) Welfare of the weaker sections & in particulars of the SC & ST's
- v) Social welfare including welfare of handicapped & mental retarded.
- w) family welfare
- x) Women & child development.
- y) Markets & fairs.
- z) Health & sanitation, including hospitals, primary health centres & dispensaries.
- aa) Cultural activities.
- bb) Libraries.
- cc) Poverty alleviation programmes.

**32. Article 243W:** State Government may by law endow the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government in relation to matters listed in 12th Schedule.

- a) Regulation of land-use and construction of buildings.
- b) Urban planning including town planning.
- c) Planning for economic and social development.
- d) Urban poverty alleviation.
- e) Water supply for domestic, industrial and commercial purposes.
- f) Fire services.
- g) Public health, sanitation conservancy and solid waste management.
- h) Slum improvement and up gradation.
- i) Safeguarding the interests of weaker sections of society, including the handicapped and mentally unsound.
- j) Urban forestry, protection of the environment and promotion of ecological aspects.
- k) Construction of roads and bridges
- l) Provision of urban amenities and facilities such as parks, gardens, playgrounds.
- m) Promotion of cultural, educational and aesthetic aspects.
- n) Burials and burial grounds; cremations, cremation grounds; and electric crematoriums.
- o) Cattle pounds; prevention of cruelty to animals.
- p) Regulation of slaughter-houses and tanneries.
- q) Public amenities including street lighting, parking lots, bus stop sand public conveniences.
- r) Vital statistics including registration of births and deaths.

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## 5. TIME & VALUE OF SUPPLY

1. No GST on advance received against supply of goods for assesses (excluding composition suppliers) having aggregate turnover up to Rs. 1.5 crore in the preceding financial year (W.E.F.01.11.2017):

- a) The registered person whose aggregate turnover –
  - i) In the preceding financial is less than Rs.1.5 crore or
  - ii) In the year in which such person has obtained registration likely to be less than Rs.1.5 crore AND
- b) Who did not opt for the composition levy

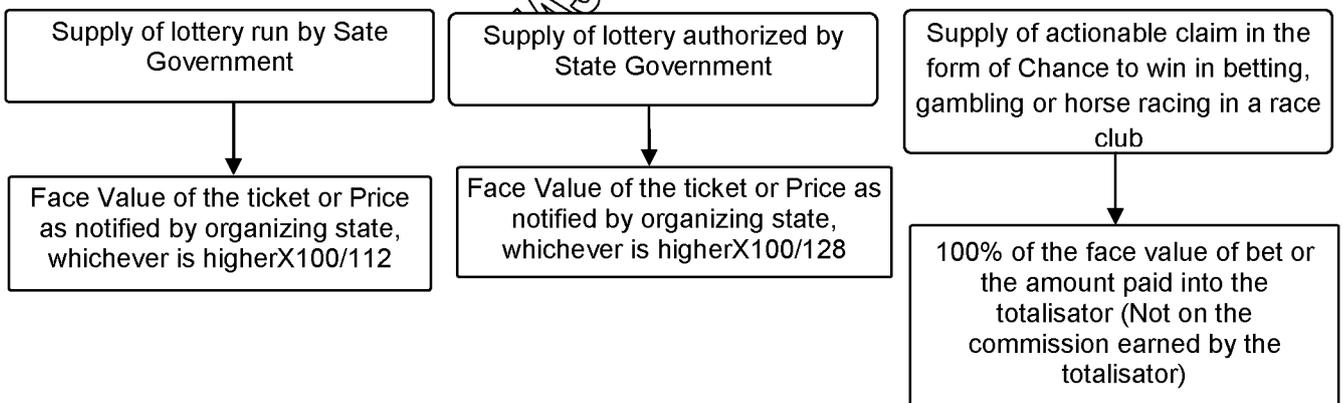
Have been notified to pay CGST on the outward supply of goods at the time of issue of invoice itself(considering as the time of supply)by furnishing the details and returns and by paying the tax for the period as mentioned under the Act and the rules made thereunder.

2. **No GST on Advances in case of Goods [Sec.12 (2)]:**

- ✓ Time of Supply(TOS) as per Sec.12(2) of CGST Act,2017 in case of goods covered under forward charge mechanism was earlier of date of invoice and date of payment received.
- ✓ However, TOS under Sec.12 (2) is amended and as per the amended provision, TOS shall be date of invoice (which is earlier of due date of Invoice or Actual date of Invoice).
- ✓ Therefore, now no GST is payable on advance received and on such advances GST is payable as and when the invoice is issued or to be issued, whichever is earlier.

3. **Value of supply in case of Lottery, Betting, Gambling and Horse Racing:**

**(Rule 31A of CGST Rules, 2017)**



**Note:** Notwithstanding anything contained in the provisions of valuation chapter, no other valuation method is applicable. Before this amendment, value was determined in terms of Sec.15 i.e. Transaction value.

- ❖ **Lottery run by state governments (GST @ 12%):** A lottery not allowed to be sold in any state other than the organising state. Organising state is the state which is empowered to organise lottery system.
- ❖ **Lottery authorised by state governments: (GST @ 28%):** A lottery which is authorised to be sold in states other than organising state.

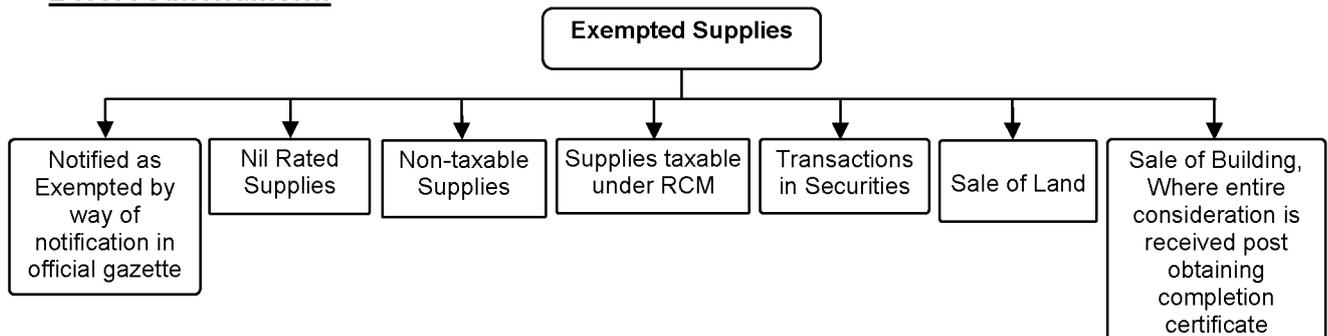
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## 6. INPUT TAX CREDIT

1. Commissioner empowered to extend the time period for submission of declaration by an eligible person to avail the ITC (W.E.F.01.07.2017):

As per the CGST Rules, A person who has applied for registration within 30 days from the date on which he becomes liable to registration and has been granted such registration shall be required to make a declaration electronically that he is eligible to avail ITC. But the said rule has been amended W.e.f.01.07.2017 to empower CGST/IGST Commissioner to extend the time period for submission of such declaration.

### Before Amendment:



### After Amendment:

Same as above but excludes the following:

- a) Supply of services having place of supply in Nepal or Bhutan, against payment in Indian rupees
- b) 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 banking company or financial institution or NBFC.
- c) Services by way of transportation of goods by a vessel from the customs station of clearance in India to a place outside India.

## 7. REGISTRATION

1. UIN under section 25(9) of the CGST Act can also be assigned after receiving a recommendation from the Ministry of External Affairs, Government of India (W.R.E.F. 22.06.2017):

As per the CGST Rules provides that the proper officer may, upon submission of an application by Any specialized agency of the United Nations Organization or any Multilateral Financial institution and organization notified under the United Nations (Privileges and Immunities) Act, 1947, consulate or embassy of foreign countries and any other person notified by the Commissioner in the prescribed form or after filling up the said form or after receiving a recommendation from the Ministry of External Affairs, Government of India (W.r.e.f.22.06.2017), assign a UIN to the said person and issue a certificate within a period of three working days from the date of the submission of the application.

2. Persons making inter-State supplies of taxable services up to Rs.20,00,000 exempted from obtaining registration (W.E.F.13.10.2017):

W.e.f.13.10.2017, The persons making inter-State supplies of taxable services and having an aggregate turnover, to be computed on all India basis, not exceeding an amount of Rs. 20 lakh (Rs.10 lakh in case of special category states (Note)) in a financial year have been exempted from obtaining compulsory registration.

**Note:** Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh, Uttarakhand. It may be noted that State of Jammu & Kashmir, a special category State, has opted for Rs.20 lakh threshold limit for registration.

3. Persons making Inter-State supplies of handicraft goods and casual taxable person making taxable supplies of handicraft goods have been exempted from obtaining registration provided that the aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of Rs.20 lakhs/Rs.10 lakhs in a financial year. In the case persons making inter-State taxable supplies of handicraft goods shall obtain a PAN and generate an e-way bill.
4. Persons making supplies of services, other than supplies specified under section 9(5) of the CGST Act, through an electronic commerce operator who is required to collect tax at source under section 52 of the said Act, and having an aggregate turnover, to be computed on all India basis, not exceeding an amount of Rs.20 lakhs/Rs.10 lakhs in a financial year, have been exempted from obtaining compulsory registration.
5. For the purpose of availing refund, GST paid on inward supplies by UN organisations, Embassy and consulates should obtain Unique Identity Number(UIN).UIN generated in one state shall be applicable to all states, no need to apply for UIN in every state.
6. A registered person shall make an application for amendment in registration details in FORM GST REG-14, as per sec.28 of CGST Act, 2017 within 15 days of such change (However, in case of change in constitution resulting in change of PAN of the person, then a new application for registration shall be made and the existing registration stands cancelled in terms of Sec.29 of CGST Act, 2017).

The registration certificate shall not stand amended with effect from the date earlier than the date of submission of the application in FORM GST REG-14, except with the order of the commissioner for reasons to be recorded in writing. (Retrospective amendment possible only with the order of Commissioner)

7. A person is required to get registered only when aggregate turnover in a financial year exceeds Rs.20 lakhs (Except in case of compulsory registration under sec.24)

Even if the aggregate turnover does not exceed Rs.20 lakhs, a person can get registered and it is termed as voluntary registered. But, such person being a taxable person is required to pay GST.

There was a restriction that a person who has applied for voluntary registration cannot surrender his registration under Sec.29, within 1 year from the effective date of registration.

However, the said provision is omitted. Vide Notification No.03/2018(Dt: 23.01.2018).Therefore, even a person who has obtained voluntary registration can surrender his registration immediately in terms of Sec.29 of CGST Act, 2017.

8. GST Portal has been come with an option enabled that "Suo Moto cancellation of registration by tax official"

Process of Cancellation could be taken by tax officials, if:

- a) Contravened the provisions of the act or rules made thereunder
- b) Composite dealer not filed returns for a period of 3 consecutive Quarters
- c) Other cases mentioned under section 29 of CGST Act, 2017.

## 8. TAX INVOICE, DEBIT & CREDIT NOTES

1. Single invoice-cum-bill of supply for taxable as well as exempted supplies made to an unregistered person (W.E.F.13.10.2017):

W.e.f.13.10.2017, A registered person who supplies taxable as well as exempted goods or services or both to an unregistered person, may issue a single "invoice-cum-bill of supply" for all such supplies.

2. **Consolidated invoice by an Insurer or Banking Company or Financial Institution (Incl. NBFC):**

### Before Amendment:

The Supplier SHALL issue a consolidated invoice for the supply of services made during a month.

### After Amendment:

The Supplier MAY issue a Consolidated invoice for the supply of services made during a month.

### 3. E-WAY BILL:

#### What Is E-Way Bill?

- It is an electronic way bill(document) for movement of goods which can be generated on e-way bill portal.
- E Way bill is required for movement of goods of value **in excess of Rs. 50,000**. Such movement can be for any purpose including but not limited to sale, repair, consignment, on approval supply etc.

**Exception to general rule (Special situations where e-way bill needs to be issued even if the value of the consignment is less than Rs.50,000):**

- Inter-state movement of goods by the Principal to the Job Worker.
- Inter-state transport of Handicraft goods by a dealer exempted from GST registration.

#### When should E-Way Bill be issued?

E Way bill will be generated when there is a movement of goods of value more than Rs. 50,000 under following circumstances:

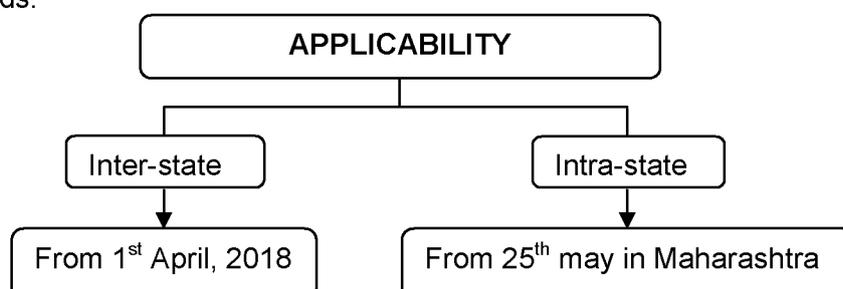
- In Relation to Supply (Sale, sales return, purchase, purchases return, stock transfer, import, export)
- For reason other than supply (Stock transfer, Sale on approval basis, goods sent on job work, Exhibition/fairs, own use)
- Inward Supply from an unregistered person.

#### Intra-state E-Way Bill launched in 7 States / Union Territories:

E-Way Bill system for Intra-State movement of goods has been implemented, in the following States/UT from 25.05.2018

1. Maharashtra
2. Manipur
3. Chandigarh
4. Dadra and Nagar Haveli
5. Daman and Die
6. Lakshadweep
7. Andaman and Nicobar Islands

All stakeholders in these states/UTs are now requested to generate E-way bill for Intrastate movement of goods.



#### Modes of generation:

#### Various modes of generating E-Way Bill:

- Web (Online)
- Android App - The IMEI of the phone and the registered mobile number has to be given.
- SMS based (through registered Mobile Number).

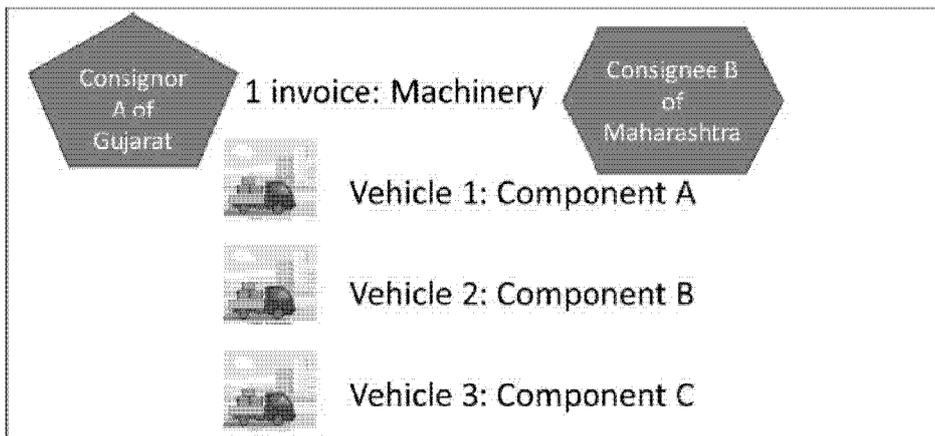
- d) Excel based upload is provided for bulk generation.
- e) If the e-Way Bill is generated with wrong information it can be cancelled and new e-Way Bill can be generated.
- f) Provision for Cancellation of e-Way Bill within 24 hours by the person who have generated the e-Way Bill.
- g) The Recipient can reject the e-Way Bill within 72 hours of generation.
- h) Alert messages are also issued to the Users through Online and SMS.

**Who generates e-way bill?**

Supplier	Recipient	
Where the movement is caused by registered person as supplier.	Where the movement is caused by registered person as Recipient.	Where the goods are supplies by unregistered person as supplier to a registered Recieipient.

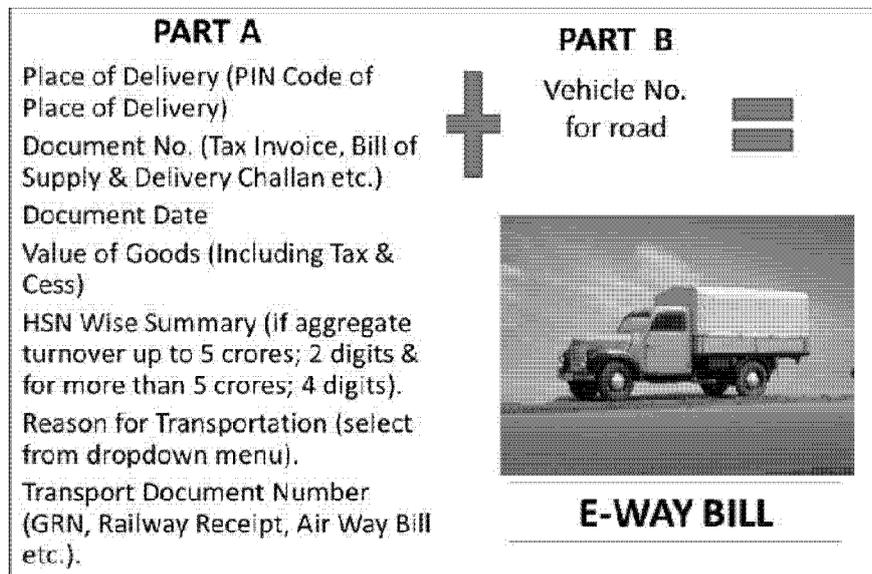
Where supplier or Recipient has not generated EWB-01 & consignment value of goods > Rs. 50,000 then REGISTERED TRANSPORTER shall generate EWB-01.

**Multiple consignment transported in one conveyance:**



Goods being transported in SKD or CKD condition: Multiple EWBs shall be generated for each such vehicles based on delivery challans issued for that portion of consignment.

**Parts of form GST EWB - 01:**



**Forms and validity of E-Way Bill:**

Forms	Descriptions
Form GST EWB-01	E way Bill Form
Form GST EWB-02	Consolidated e-Way bill form to be generated by transporter.
Form GST EWB-03	Inspection report to be filed up by the proper officer.
Form GST EWB-04	Form to upload details by transporter, if vehicle detained for more than 30 minutes.

**VALIDITY**

S.No	Distance	Validity period
1.	Up to 100 Km.	One day in case othe than Over Dimensional Cargo.
2.	For every 100 Km. or part thereof thereafter	One additional day in case othe than Over Dimensional Cargo.
3.	Up to 20 Km.	One day in case othe than Over Dimensional Cargo.
4.	For every 20 Km. or part thereof thereafter	One additional day in case othe than Over Dimensional Cargo.

- An e-way bill is valid for periods as listed above, which is based on the distance travelled by the goods.
- Period of validity shall be counted from the time at which the e-way bill has been generated and each day shall be counted as 24 hours.

**Exemption from generation of E-Way Bill:**

- 8 notified goods in Annexure to rule 138 like LPG, Postal Baggage, Jewellery, Currency, Used personal and household effects etc.
- Where goods are transported in a non-motorized vehicle.
- Movement of goods from Port/Airport/Air Cargo Complex/Land Custom Station to ICD/ Container Freight Station (for clearance by customs).
- Specified goods to be notified.
- Exempted goods other than de-oiled cake.
- Alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit, natural gas, aviation turbine fuel.
- Supply of goods falling under Schedule III of CGST Act, 2017 (i.e., Sale of Land).
- Any movement of goods caused by defense formation under ministry of defense as consignor or consignee.
- Where the consignor of goods is the Central Government, Government of any State or a local authority for transport of goods by rail.
- where empty cargo containers are being transported;

**Benefits of E-Way Bill:**

Following benefits are expected from e-way bill mechanism:

- Physical interface to pave way for digital interface resulting in elimination of state boundary check-posts
- It will facilitate faster movement of goods
- It will improve the turnaround time of trucks and help the logistics industry by increasing the average distances travelled, reducing the travel time as well as costs.

**When is it not mandatory to furnish the details of conveyance in Part -B?**

Details of conveyance may not be furnished in Part-B of the e-way bill where the goods are transported for a distance of upto 50 km within the State/Union territory:

- a) From the place of business of the consignor to the place of business of the transporter for further transportation;
- b) From the place of business of the transporter finally to the place of business of the consignee [Proviso to rule

**Unique E-Way Bill number (EBN):**

Upon generation of the e-way bill on the common portal, a unique e-way bill number (EBN) shall be made available to the supplier, the recipient and the transporter.

**Transfer of goods from one conveyance to another:**

- the consignor or the recipient, who has provided information in **Part A**, or the transporter shall, before such transfer and further movement of goods, update the details of conveyance in **Part B** of the e-way bill.
- The consignor/recipient or the transporter may assign the e-way bill number to another registered/enrolled transporter for updating the information in **Part B**

**Consolidated E-Way Bill:** Where the consignor/consignee has not generated the e-way bill in Form GST EWB- 01 and the aggregate of the consignment value of goods carried in the conveyance is more than Rs.50,000, the transporter, except in case of transportation of goods by railways, air and vessel, shall, in respect of inter-State supply, generate the e-way bill in Form GST EWB-01 on the basis of invoice or bill of supply or delivery challan, as the case may be, and may also generate a consolidated e-way bill in **Form GST EWB- 02** on the common portal prior to the movement of goods.

**Cancellation of 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.

**Clarification regarding E-Way Bills:**

1. **Situation:** - Consider a situation where a consignor is required to move goods from City X to City Z. He appoints Transporter A for movement of his goods. Transporter A moves the goods from City X to City Y. For completing the movement of goods i.e., from City Y to City Z, Transporter A now hands over the goods to Transporter B. Thereafter, the goods are moved to the destination i.e. from City Y to City Z by Transporter B. How would the e-way bill be generated in such situations?

**Clarification:** - It is clarified that in such a scenario, only one e-way bill would be required. Part A can be filled by the consignor and then the e-way bill will be assigned by the consignor to Transporter A. Transporter A will fill the vehicle details, etc. in Part B and will move the goods from City X to City Y.

On reaching City Y, Transporter A will assign the said e-way bill to the Transporter B. Thereafter, Transporter B will be able to update the details of Part B. Transporter B will fill the details of his vehicle and move the goods from City Y to City Z.

2. **Situation:** - Consider a situation where a consignor hands over his goods for transportation on Friday to transporter. However, the assigned transporter starts the movement of goods on Monday. How would the validity of e-way bill be calculated in such situations?

**Clarification:** - It is clarified that the validity period of e-way bill starts only after the details in Part B are updated by the transporter for the first time.

In the given situation, Consignor can fill the details in Part A on Friday and handover his goods to the transporter. When the transporter is ready to move the goods, he can fill the Part B i.e. the assigned transporter can fill the details in Part B on Monday and the validity period of the e-way bill will start from Monday.

## 9. PAYMENT OF TAX

Any person, or a person on his behalf, shall generate a challan on the common portal and enter the details of the amount to be deposited by him towards tax, interest; penalty, fees or any other amount and such challan shall be valid for a period of 15 days (W.e.f.17.08.2017).

## 10. RETURNS

1. Commissioner empowered to notify the manner as also the conditions subject to which the return shall be furnished in GSTR-3B (W.R.E.F.01.07.2017):

In a case where the time limit for furnishing of details in GSTR-1 and GSTR-2 has been extended and the circumstances so warrant, then the Commissioner may, by notification, specify that the return shall be furnished and the manner and conditions subject to which the return shall be furnished in GSTR-3B (W.r.e.f.01.07.2017).

2. GSTR-1 can be filed on a quarterly basis by registered person whose aggregate turnover during previous year does not exceed Rs.1.5 Crores. However, they shall file GSTR-3B on a monthly basis on or before the specified date.

### Fee for Delay:

Statement or Return	Other than Nil Return: GSTR-1,GSTR-3B,GSTR-4,GSTR-5,GSTR-6	Nil Return: GSTR-1,GSTR-3B,GSTR-4,GSTR-5	GSTR-5A (Returns by Nonresident OIDAR Supplier)	Annual Return: GSTR-9,GSTR-9A,GSTR-9B
CGST Act	Rs.25 per day(Subject to a maximum of Rs.5,000)	Rs.10 per day(Subject to a maximum of Rs.5,000)	Rs.100 per day(Subject to a maximum of Rs.5,000)	Rs.100 per day(Subject to a maximum of 0.25% of turnover during the year)
SGST Act	Rs.25 per day(Subject to a maximum of Rs.5,000)	Rs.10 per day(Subject to a maximum of Rs.5,000)	Rs.100 per day(Subject to a maximum of Rs.5,000)	Rs.100 per day(Subject to a maximum of 0.25% of turnover during the year)
IGST Act	No Late Fee	No Late Fee	No Late Fee	No Late Fee

There is no possibility of nil return in GSTR-6

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To **MASTER MINDS**, Guntur

**THE END**