

# **BASICS OF INDIRECT TAX – GST AND HOW TO FILE GSTR-1 & GSTR-3B AND COMMON ISSUES IN IT**

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Presented by -

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# Disclaimer

- The views expressed during the presentation are the personal views of the author/speaker and based on the law as existing on 27.08.2022
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- They are subject to review or a different view taken by the author with elapse of time.

# Agenda for Discussion

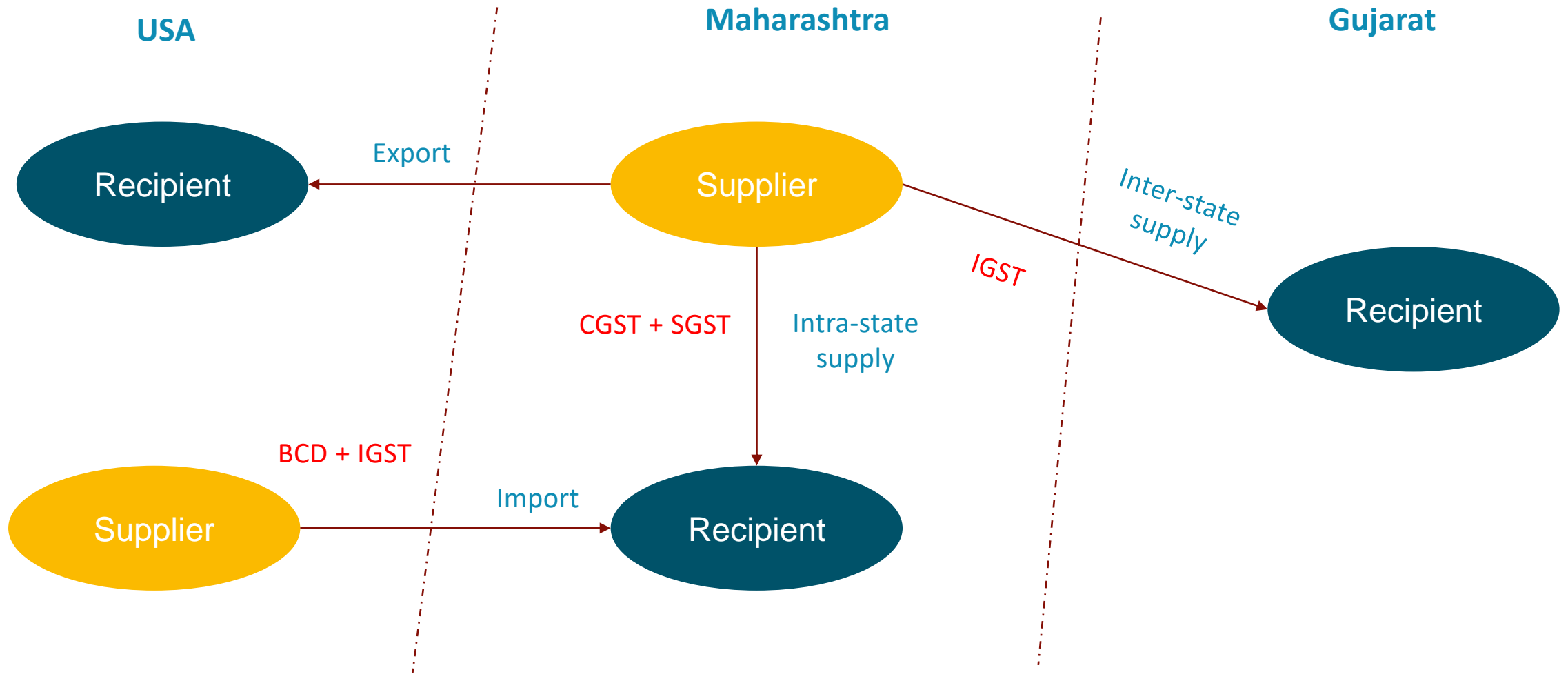
- Basics of GST
- Levy and Collection under GST
- Supply
- Registration under GST
- Time of Supply under GST
- Place of Supply
- Input Tax Credit
- Valuation under GST
- Documents prescribed under GST
- E – Invoicing
- GST returns
- Reverse Charge Mechanism

# What is GST?

Goods and Services Tax (GST) is a comprehensive tax on all Goods and Services -

- Multi-Stage Tax
- Destination based Consumption Tax
- Value Added Tax
- Seamless credit across entire supply chain

# Dual Structure of GST



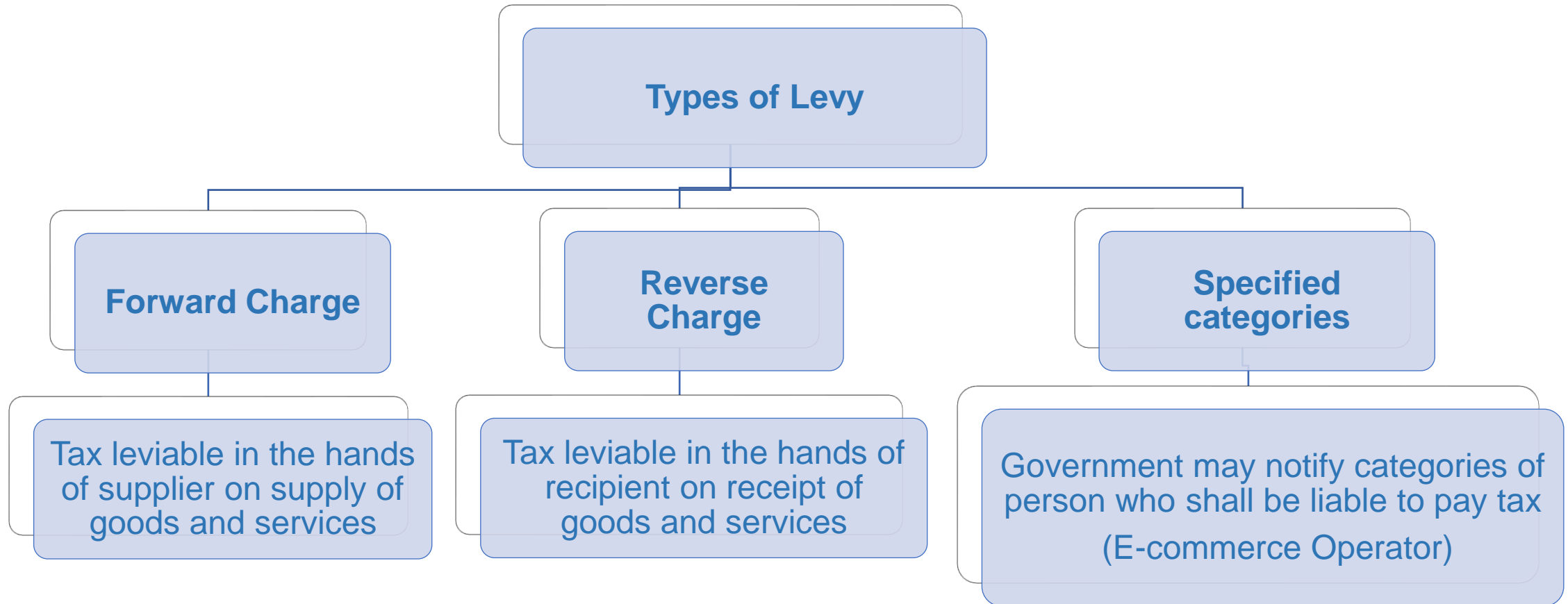
# Nature of Supply

Situation	Nature of Supply
If location of supplier and place of supply are in different states	Inter State Supplies (Leviable to IGST)
If location of supplier and place of supply are in same state	Intra State Supplies (Leviable to CGST / SGST)
Import of goods and/or services	Deemed to be Inter-State Supply of goods and services
Export of goods and/or services	Deemed to be Inter-State Supply of goods and services. Export is zero-rated supply

# Levy and Collection under GST (1/2)

- Section 9 of CGST Act/SGST Act and Section 5 of IGST Act are the Charging Sections for the purposes of levy of GST
- CGST and SGST shall be levied on all intra-state supplies of goods and/or services and IGST shall be levied on all inter-state supplies of goods and/or services respectively
- except on the supply of alcoholic liquor for human consumption
- on the value determined under section 15
- at such rates, not exceeding 20% in case of CGST/SGST and 40% in case of IGST, as may be notified by the Government on the recommendations of the Council
- shall be paid by the taxable person
- Petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel shall be levied with effect from such date as may be notified

# Levy and Collection under GST (2/2)





# Concept of Supply

- Taxable event under GST is supply
- Meaning of Supply - Section 7 of the CGST Act

*“7. (1) For the purposes of this Act, the expression “supply” includes –*

- (a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;*
- (b) import of services for a consideration whether or not in the course or furtherance of business;*
- (c) the activities specified in Schedule I, made or agreed to be made without a consideration”*

## SCHEDULE I - ACTIVITIES TO BE TREATED AS SUPPLY EVEN IF MADE WITHOUT CONSIDERATION

- 1. Permanent transfer or disposal of business assets where input tax credit has been availed on such assets.*
- 2. 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:*

*Provided that gifts not exceeding fifty thousand rupees in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.*

- Inter-state stock transfer of goods – Taxable*
- Intra-state stock transfer of goods – Not taxable*
- Support services by HO to branch in different states or vice-versa - Taxable*

# Registration under GST

- Registration would be required in each state from where taxable supply is of goods or services is made
- One Registration per State – No separate registration for CGST, SGST/UTGST and IGST
- Principal Place of Business in each state + Additional Place of Business
- One Registration – Trading, Manufacturing and Provision of Services
- Registration can be obtained place of business wise also
- Threshold limit for registration –
  - ✓ Supply of goods : Aggregate turnover of Rs.40 lakhs (Rs.20 lakhs for special category states)
  - ✓ Supply of services : Aggregate turnover of Rs.20 lakhs (Rs.10 lakhs for special category states)
- Mandatory registration for specified category of persons making specified transactions
- Aggregate turnover -
  - ✓ Taxable supplies (excluding the value of inward RCM supplies),
  - ✓ Exempt supplies, Exports of goods or services or both and
  - ✓ Inter-State supplies of persons having the same Permanent Account Number,
  - ✓ to be computed on All India basis but
  - ✓ Excludes central tax, State tax, Union territory tax, integrated tax and cess.

# Time of Supply under GST

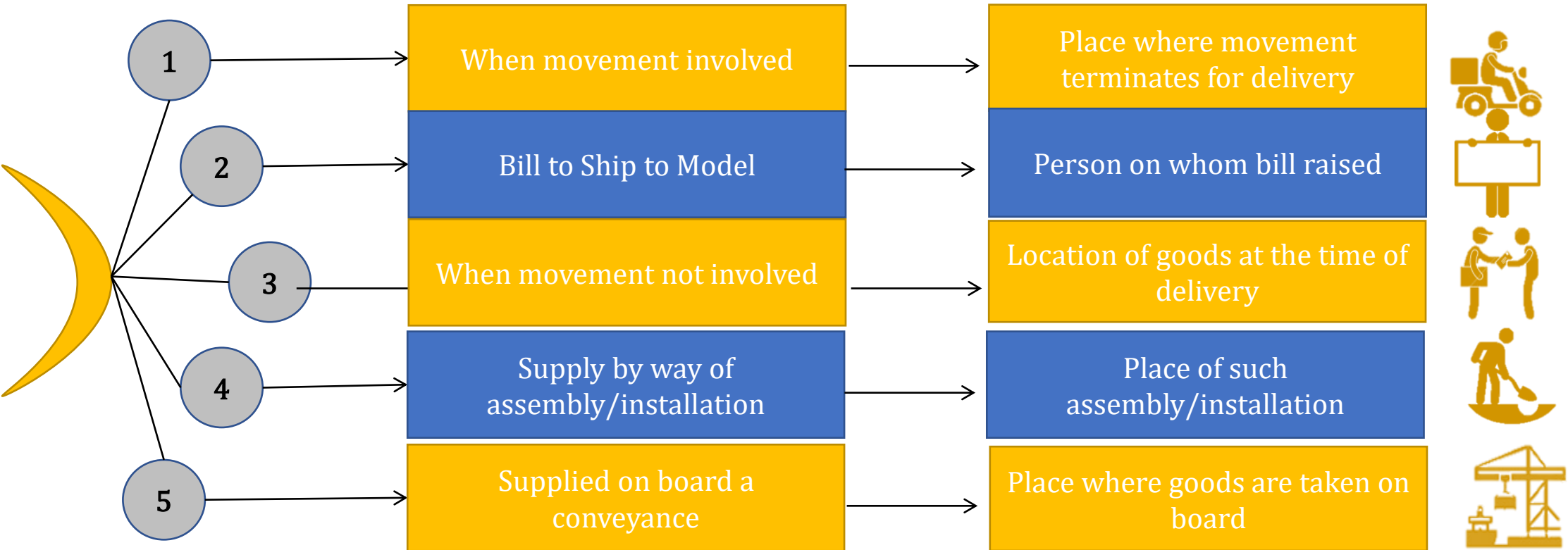
## Time of Supply

- For Goods - Earliest of the following
  - Date of issue of tax invoice or last date to issue tax invoice
- For Services - Earliest of the following:
  - Date of issue of invoice or date of payment, if invoice issued within prescribed period
  - Date of provision of service or date of payment, if invoice not issued within prescribed period
  - Date on which the recipient shows the receipt of services in his books of account, in a case where the above provisions does not apply

## Time Limit for issuance of tax invoice

- For Goods: Tax Invoice to be issued before or at the time of -
  - (a) removal of goods for supply to the recipient, where the supply involves movement of goods; or
  - (b) delivery of goods or making available thereof to the recipient, in any other case
- For Services : To be issued within 30 days from the date of supply of service

# Place of Supply of Goods (Domestic)

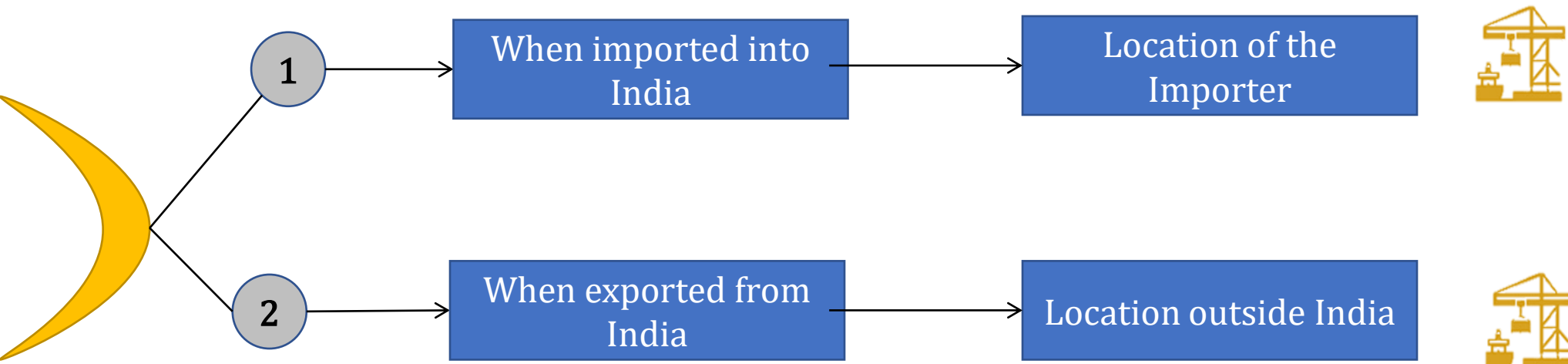


# Import and Export Transactions

## Section 2. Definitions

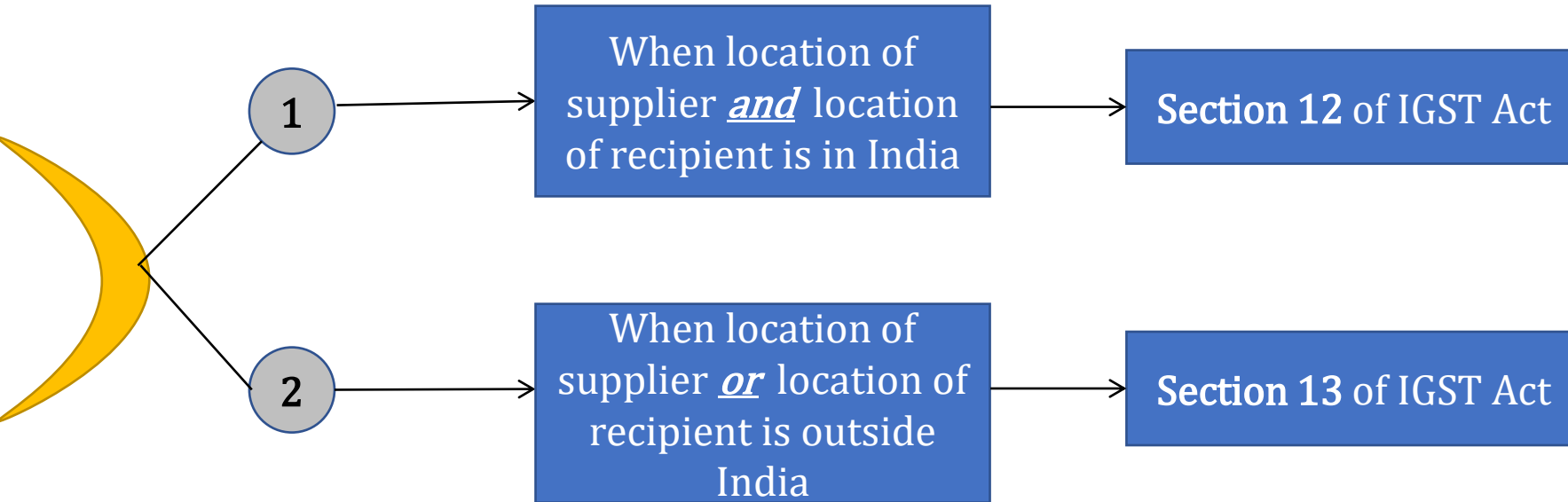
- **(10) "import of goods"** with its grammatical variations and cognate expressions, means bringing goods into India from a place outside India;
- **(5) "export of goods"** with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India;

# Place of Supply of Goods (Import and Export)



IGST will be payable on imports under Customs Tariff Act, 1975

# Place of Supply of Services - Distinction based on Location of Supplier & Recipient





# POS – Supplier and Recipient in India (Sec 12 of the IGST Act)

Situation	Place of Supply (B2B)	Place of Supply (B2C)	
General Rule / Default Rule	Location of recipient	Address on record exists - Location of recipient	Other cases – Location of supplier
Immovable property related services including accommodation in a boat or vessel	Location of immovable property (If property outside India, location of the recipient)		
Performance Based Services (Specified services covered such as supply of restaurant and catering services, personal grooming, fitness, beauty treatment and health care services)	Location where services are actually performed		
Training and performance appraisal	Location of recipient	Location where services are actually performed	
Admission to an event or amusement park and ancillary services thereto	Place where event is actually held or where the park is located		
Organization of event and services in relation to such event and ancillary services or assigning of sponsorship	Location of recipient	Location where event is actually held (If event held outside India, location of the recipient)	

# POS – Supplier and Recipient in India (Sec 12 of the IGST Act)

Situation	Place of Supply (B2B)	Place of Supply (B2C)
Transportation of goods including mail or courier	Location of recipient	Location where goods handed over for their transportation
	Destination of goods in case transportation of goods is to a place outside India	
Passenger transportation service	Location of recipient	Point of embarkation on the conveyance for a continuous journey (Return Journey=Separate Journey)
Services provided on board a conveyance	First scheduled point of departure of that conveyance	
Services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna	Location of installation for receipt of services	
Service of mobile connection – Post-paid	Billing address of the recipient on record of supplier	
Service of mobile connection – Pre-paid	Location of selling agent, re-seller or a distributor of SIM card on records of supplier	
<ul style="list-style-type: none"> <li>Through selling agent, re-seller or distributor of SIM cards etc.</li> </ul>		
<ul style="list-style-type: none"> <li>By any person to the final subscriber</li> </ul>	Location where such pre-payment is received or such vouchers are sold	

# POS – Supplier and Recipient in India (Sec 12 of the IGST Act)

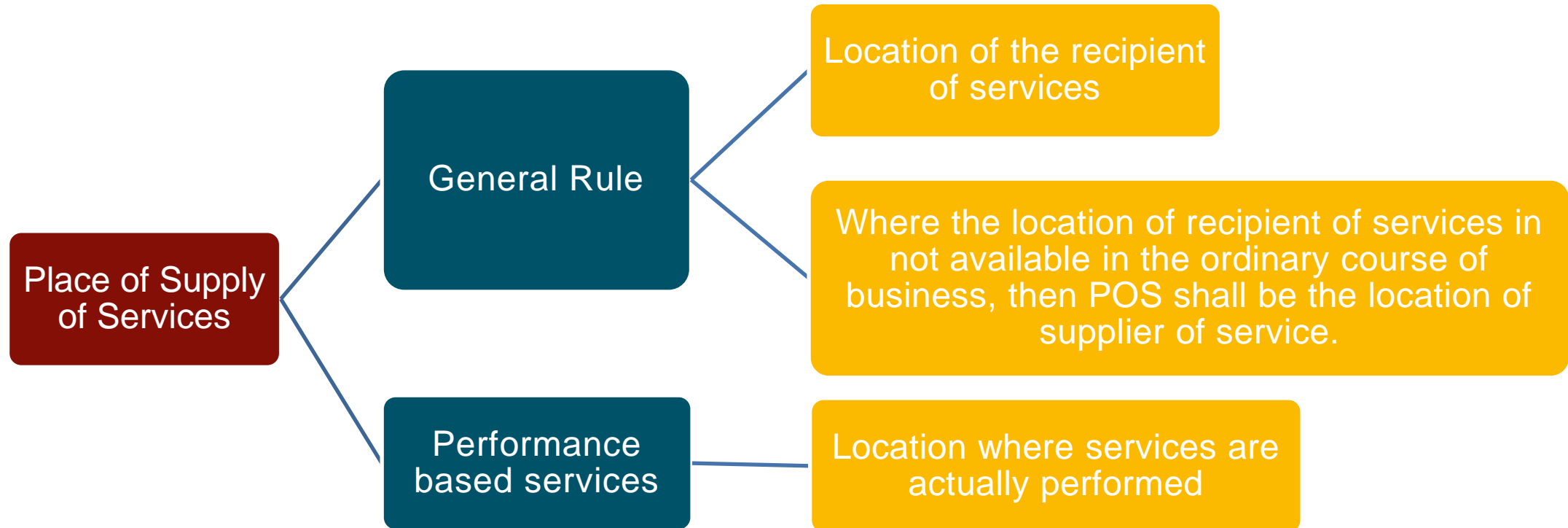
Situation	Place of Supply (B2B)	Place of Supply (B2C)
Banking and other financial services including stock broking services	Location of the recipient on the records of supplier	Address not available - Location of supplier
Insurance Services	Location of recipient	Location of recipient on records of the supplier
Advertisement services to CG or SG or statutory body or local authority meant for identifiable states	Location in each of such states proportionately	

# Import and Export Transactions

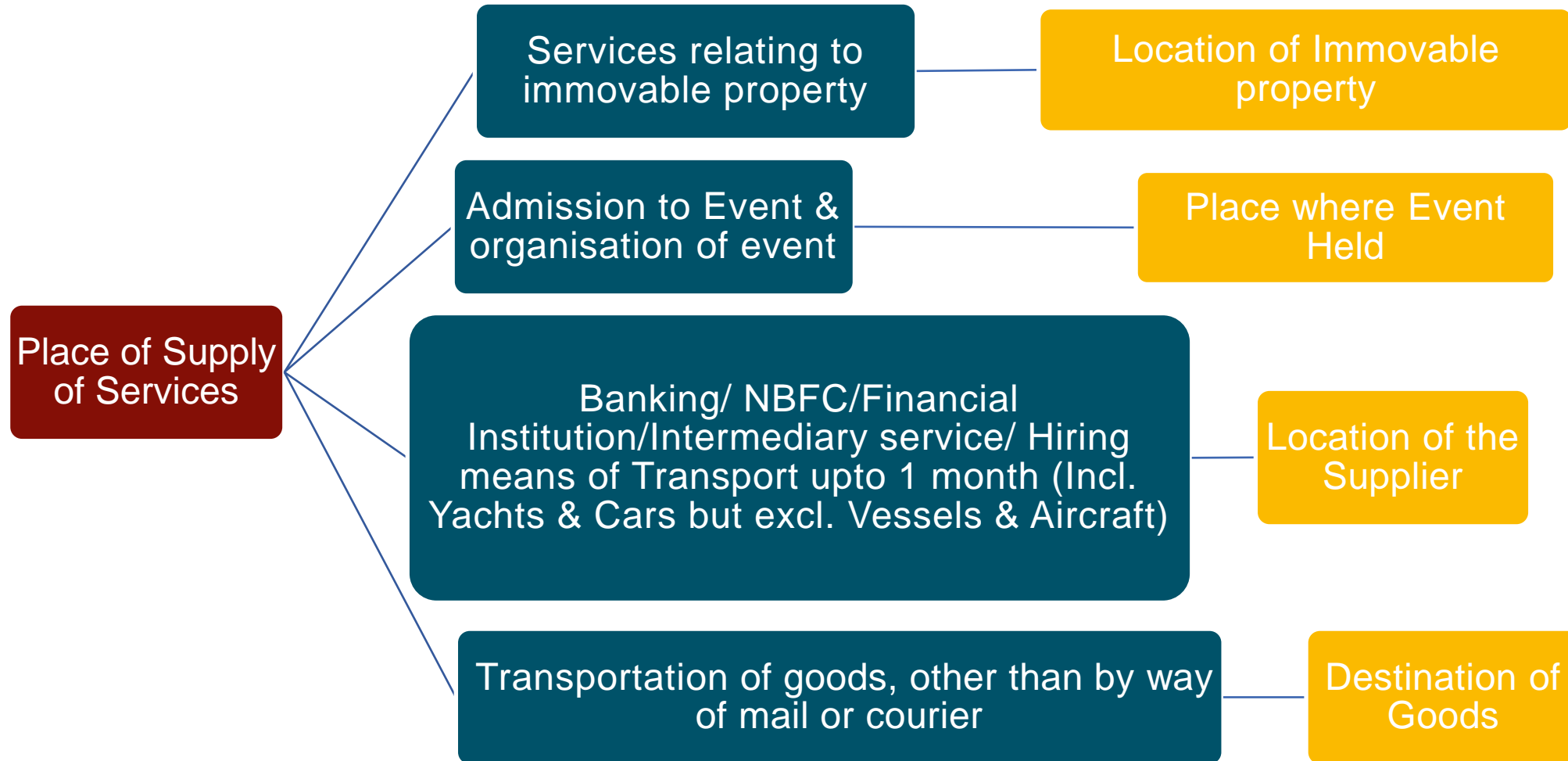
## Section 2. Definitions

- **(11) "import of services"** means the supply of any service, where-
  - (i) the supplier of service is located outside India;
  - (ii) the recipient of service is located in India; and
  - (iii) the place of supply of service is in India;
- **(6) "export of services"** means the supply of any service when,-
  - (i) the supplier of service is located in India;
  - (ii) the recipient of service is located outside India;
  - (iii) the place of supply of service is outside India;
  - (iv) the payment for such service has been received by the supplier of service in convertible foreign exchange or in Indian rupees wherever permitted by the Reserve Bank of India; and
  - (v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8;

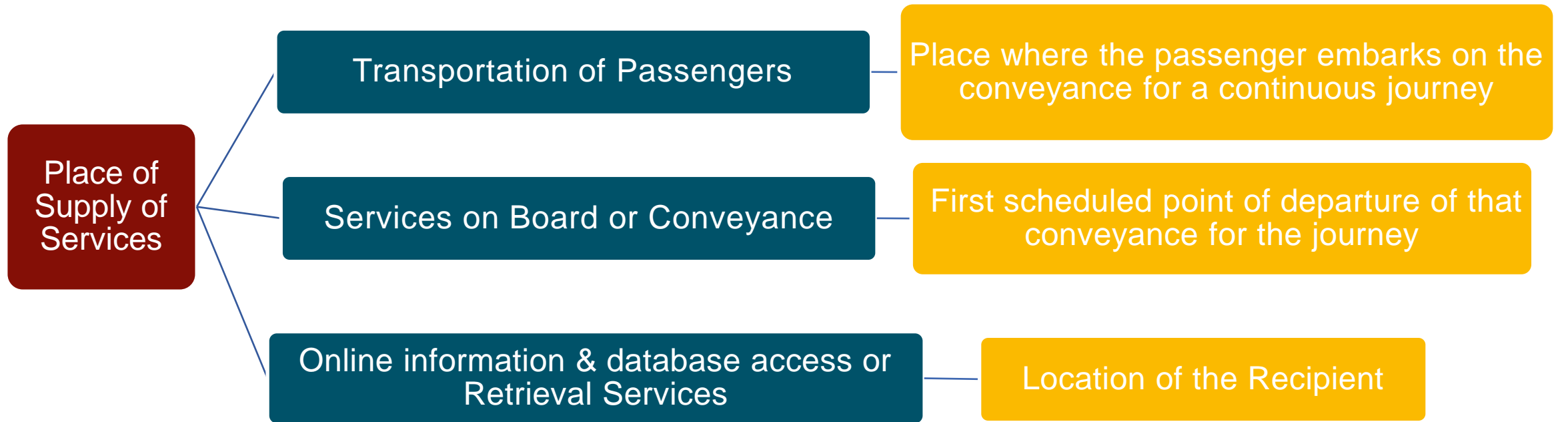
# POS – Supplier or Recipient outside India (Sec 13 of the IGST Act)



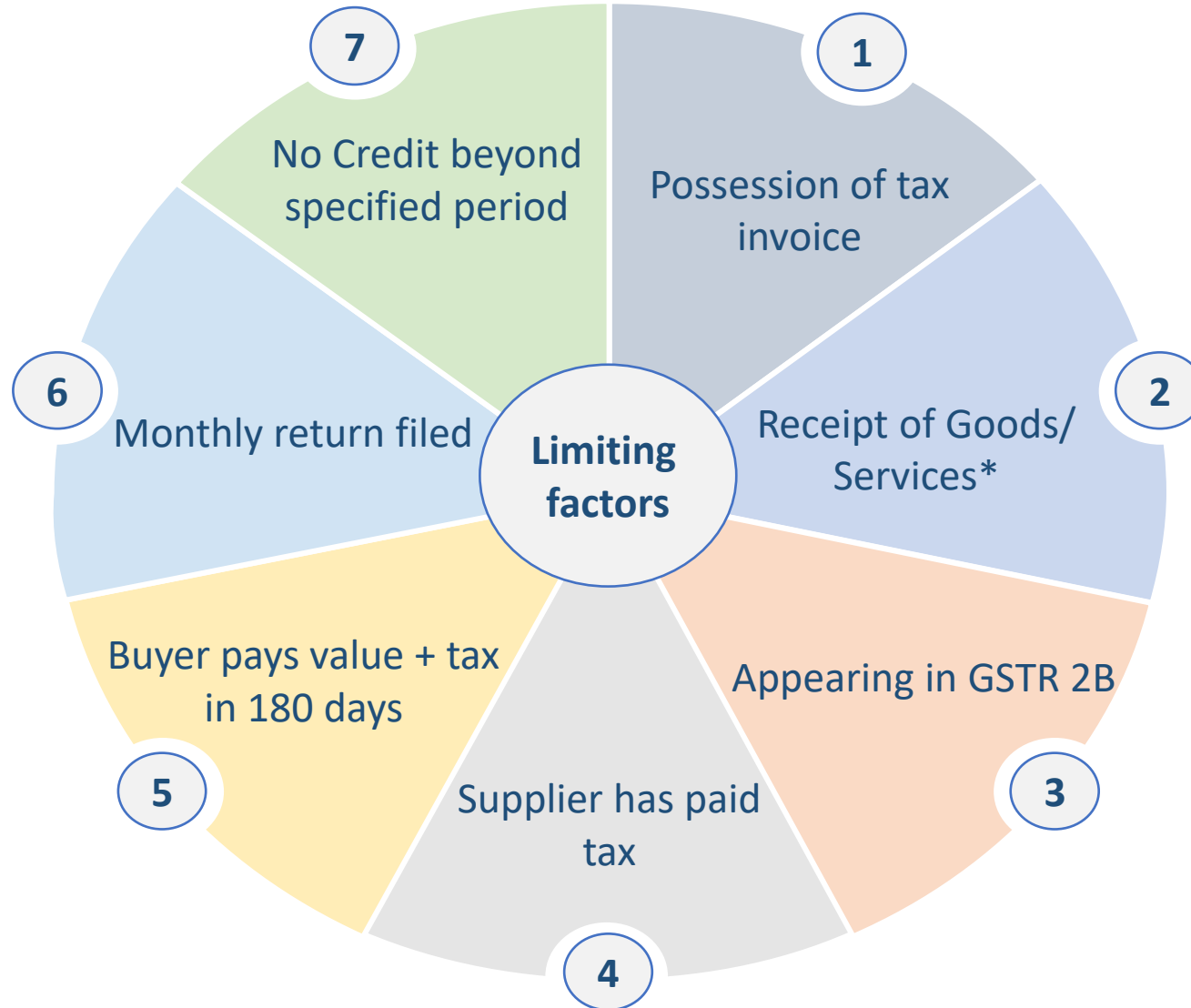
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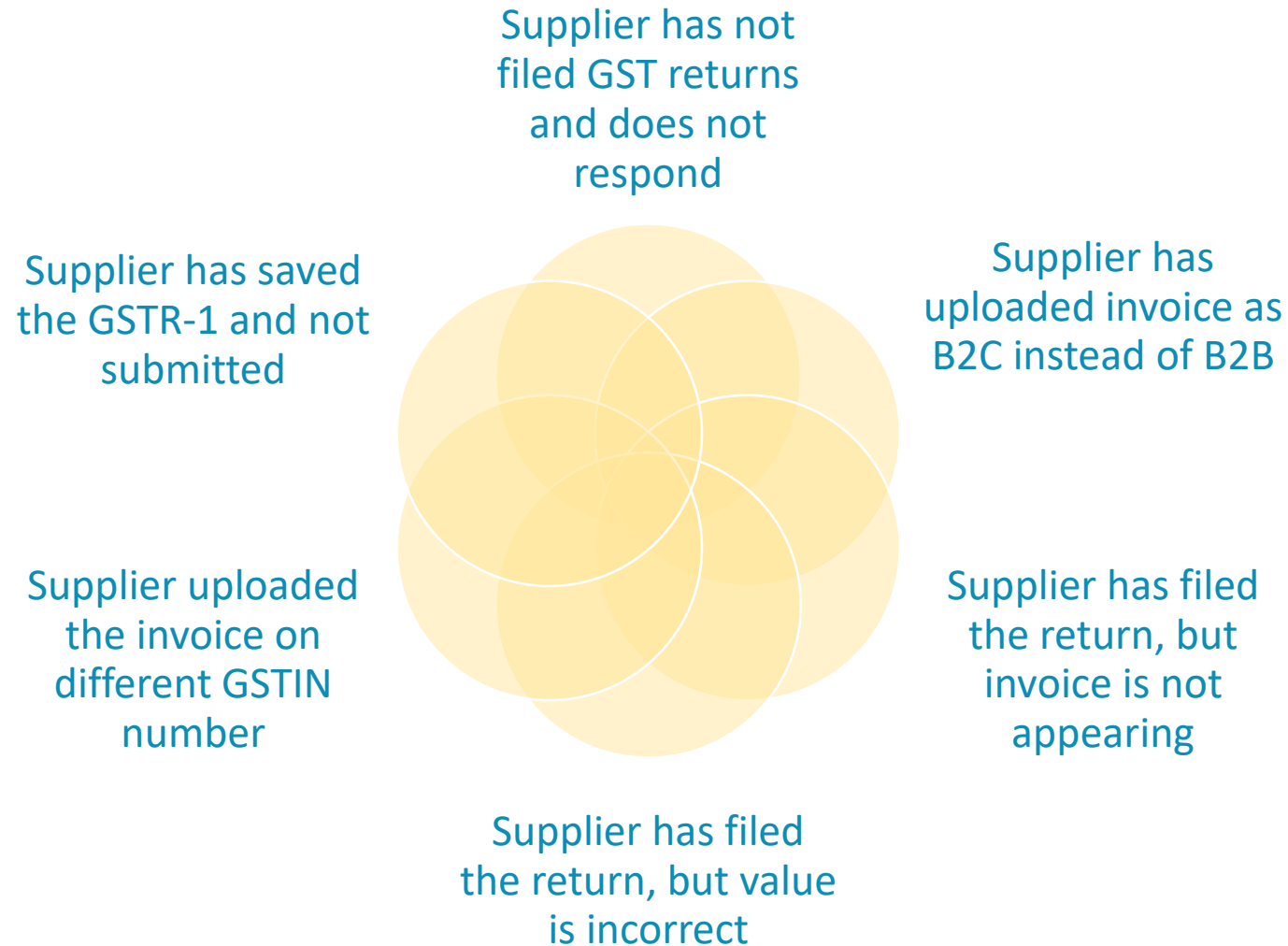


# Input Tax Credit - Conditions





# ITC Mismatch Scenarios – FORM GSTR-2B v. GSTR-3B



# Utilization of Input Tax Credit

Input Tax Credit	Output Liability (IGST)	Output Liability (CGST)	Output Liability (SGST)
IGST	1 <sup>st</sup>	2 <sup>nd</sup> to CGST & SGST in any proportion	
CGST	2 <sup>nd</sup>	1 <sup>st</sup>	Not permitted
SGST	2 <sup>nd</sup>	Not permitted	1 <sup>st</sup>

## SECTION 17. Apportionment of credit and blocked credits

(1) Where the goods or services or both are used by the registered person partly for the purpose of any business and partly for other purposes, the amount of credit shall be restricted to so much of the input tax as is attributable to the purposes of his business.

(2) Where the goods or services or both are used by the registered person partly for effecting taxable supplies including zero-rated supplies under this Act or under IGST Act and partly for effecting exempt supplies under the said Acts, the amount of credit shall be restricted to so much of the input tax as is attributable to the said taxable supplies including zero-rated supplies.

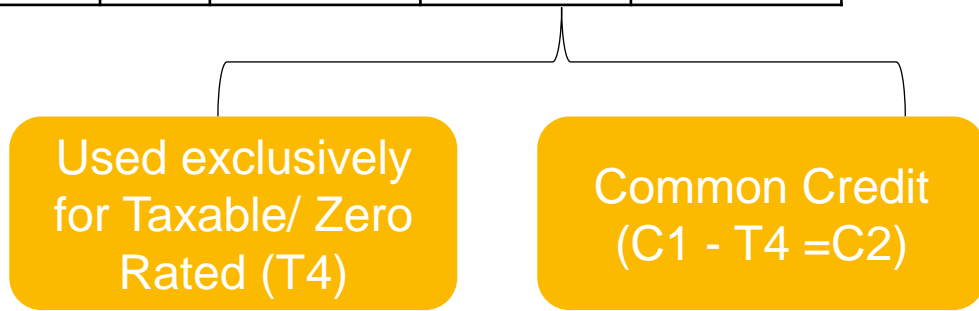
(3) The value of exempt supply under sub-section (2) shall be such as may be prescribed, and shall include supplies on which the recipient is liable to pay tax on reverse charge basis, transactions in securities, sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.

Explanation. — For the purposes of this sub-section, the expression “value of exempt supply” shall not include the value of activities or transactions specified in Schedule III, except those specified in paragraph 5 of the said Schedule.

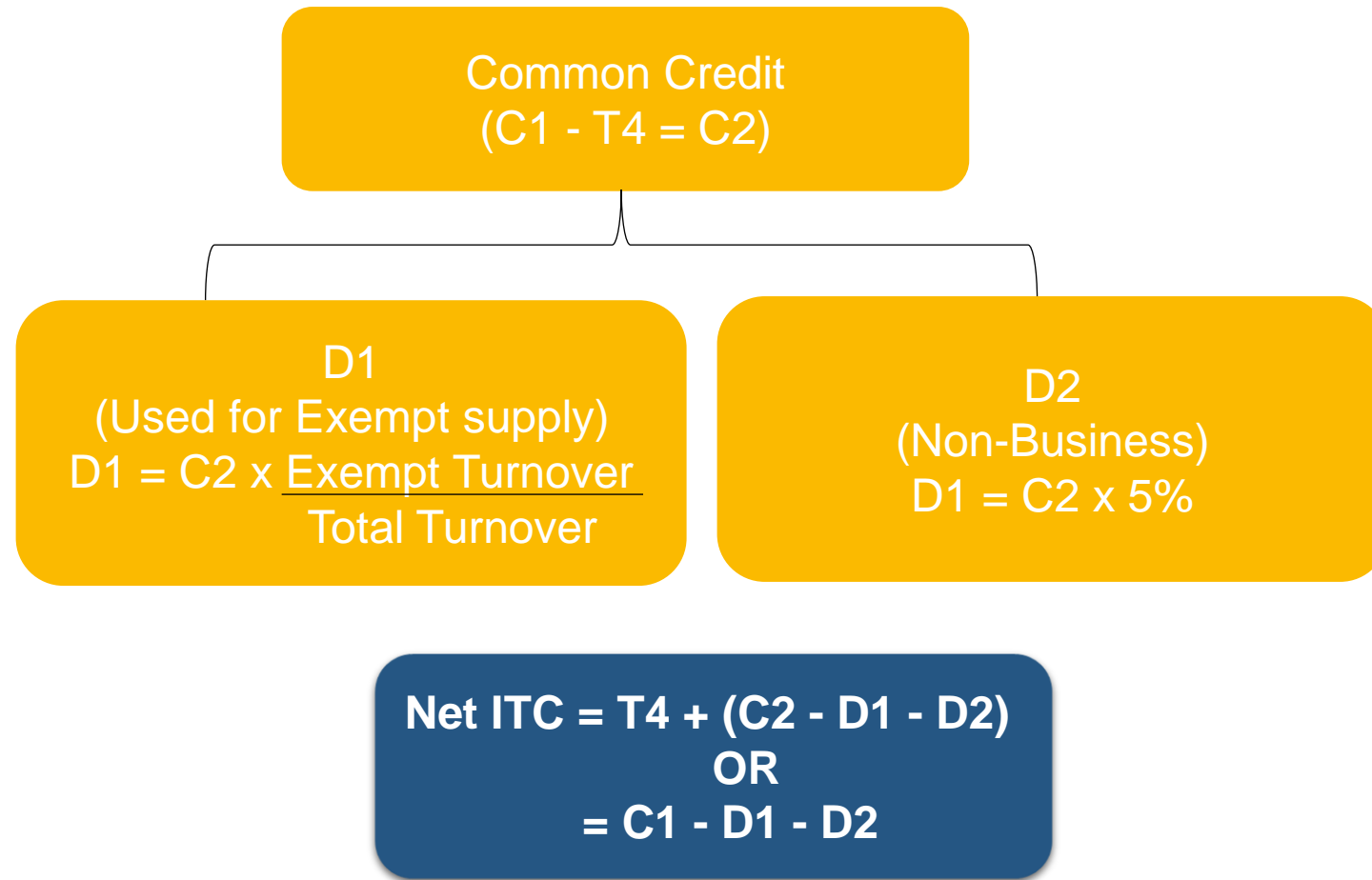
# Rule 42: Manner of determination of input tax credit in respect of inputs or input services and reversal thereof

In case where, there are both exempt and taxable supplies (including zero rated), or business and non-business transactions, in the case, ITC shall be determined in following way:-

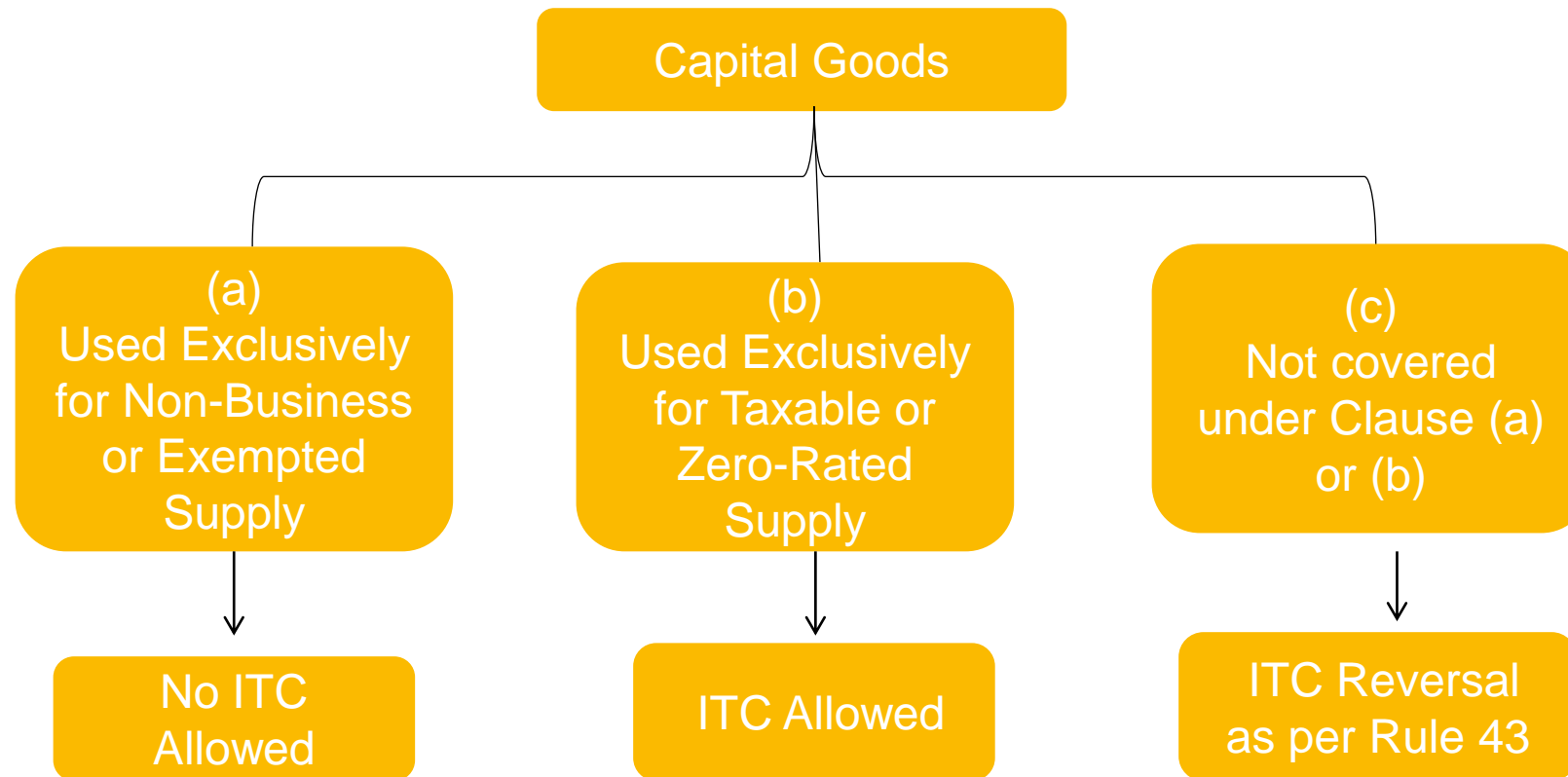
Particulars		CGST	SGST	IGST
Total ITC on Inputs & Input Services	T	xx	xx	xx
<u>Less</u> : Exclusively for Non-Business	T1	(xx)	(xx)	(xx)
<u>Less</u> : Exclusively for Exempt Outward Supply	T2	(xx)	(xx)	(xx)
<u>Less</u> : Blocked Credit u/s 17(5)	T3	(xx)	(xx)	(xx)
<b>Credited to Electronic Credit Ledger</b>	<b>C1</b>	<b>xx</b>	<b>xx</b>	<b>xx</b>



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



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



# Rule 43: Manner of determination of input tax credit in respect of capital goods and reversal thereof (Amended w.e.f. 1st April 2020)

Particulars	Outward liability	Input Tax Credit
1) Credited to Electronic Credit ledger of new capital goods		xx
2) Total ITC of CG covered under (a) converted to (c)		xx
3) 5% per quarter or part thereof in case of (2)	xx	
<b>Amount credited to electronic credit ledger</b>		<b>xx</b>
4) Total ITC of CG covered under (b) converted to (c) <i>Note: Reversal based on remaining useful life.</i>		xx
<b>Total Credit to be Reversed (Tc)</b>		<b>xx</b>

**Tr = Sum of Tc of capital goods for which 60 months not completed**

**Te = Tr x Exempt Turnover / Total Turnover**

**= Reversal Amount + Interest @ 18% p.a. from date of credit to reversal (Except for 1<sup>st</sup> month)**

## SECTION 17. Apportionment of credit and blocked credits

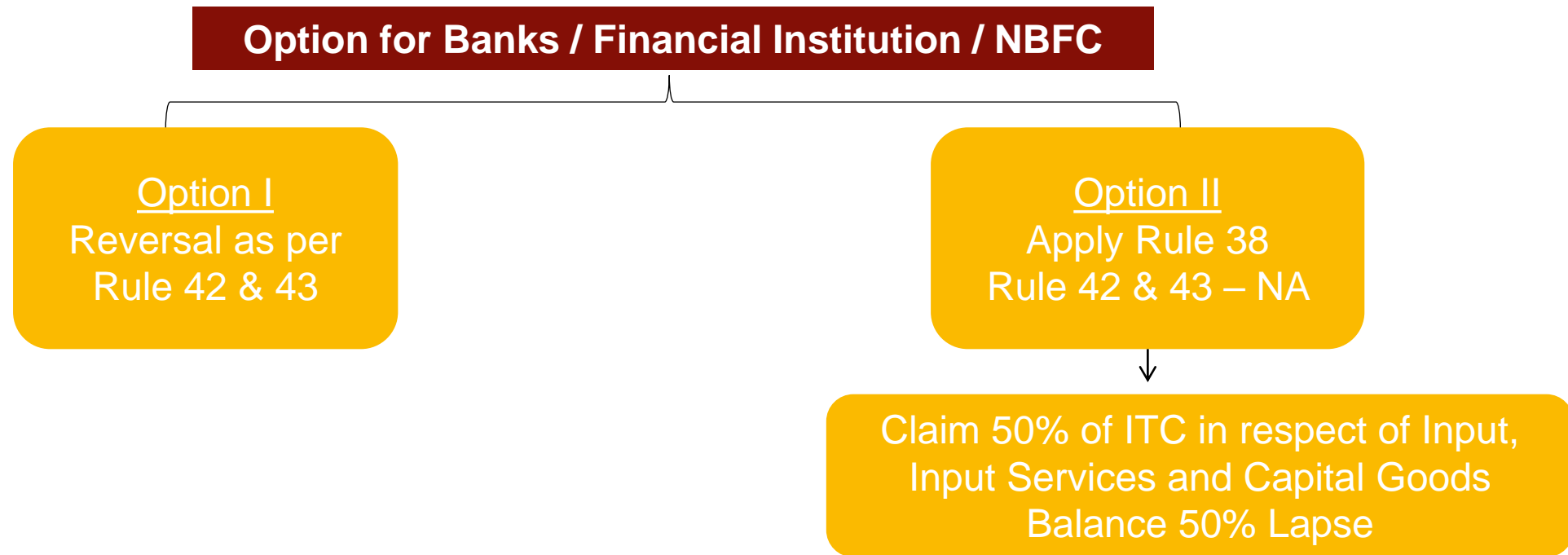
(4) A banking company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances shall have the option to either comply with the provisions of sub-section (2), or avail of, every month, an amount equal to fifty per cent. of the eligible input tax credit on inputs, capital goods and input services in that month and the rest shall lapse.

*Provided that the option once exercised shall not be withdrawn during the remaining part of the financial year.*

*Provided further that the restriction of fifty per cent. shall not apply to the tax paid on supplies made by one registered person to another registered person having the same Permanent Account Number.*



# Apportionment of ITC



No ITC for inward supply for Non-Business allowed

No ITC for Blocked credit allowed

100% ITC for inward supply from registered person having the same Permanent Account Number

Option once exercised shall not be withdrawn during the remaining part of the financial year

# Blocked Credits

17. (5) Notwithstanding anything contained in sub-section (1) of section 16 and sub-section (1) of section 18, input tax credit shall not be available in respect of the following, namely :—

(a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely :—

- (A) further supply of such motor vehicles; or
- (B) transportation of passengers; or
- (C) imparting training on driving such motor vehicles;

(aa) vessels and aircraft except when they are used —

- (i) for making the following taxable supplies, namely :—
  - (A) further supply of such vessels or aircraft; or
  - (B) transportation of passengers; or
  - (C) imparting training on navigating such vessels; or
  - (D) imparting training on flying such aircraft;
- (ii) for transportation of goods;

# Blocked Credits

17. (5) Notwithstanding anything contained in sub-section (1) of section 16 and sub-section (1) of section 18, input tax credit shall not be available in respect of the following, namely :—

(ab) services of general insurance, servicing, repair and maintenance in so far as they relate to motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) :

Provided that the input tax credit in respect of such services shall be available —

(i) where the motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) are used for the purposes specified therein;

(ii) where received by a taxable person engaged —

(I) in the manufacture of such motor vehicles, vessels or aircraft; or

(II) in the supply of general insurance services in respect of such motor vehicles, vessels or aircraft insured by him;

(b) the following supply of goods or services or both —

(i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) except when used for the purposes specified therein, life insurance and health insurance :

Provided that the input tax credit in respect of such goods or services or both shall be available where an inward supply of such goods or services or both is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply;

# Blocked Credits

- (ii) membership of a club, health and fitness centre; and
- (iii) travel benefits extended to employees on vacation such as leave or home travel concession :

Provided that the input tax credit in respect of such goods or services or both shall be available, where it is obligatory for an employer to provide the same to its employees under any law for the time being in force.

- (c) works contract services when supplied for construction of an immovable property (other than plant and machinery) except where it is an input service for further supply of works contract service;
- (d) goods or services or both received by a taxable person for construction of an immovable property (other than plant or machinery) on his own account including when such goods or services or both are used in the course or furtherance of business.

Explanation. — For the purposes of clauses (c) and (d), the expression “construction” includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property;

- (e) goods or services or both on which tax has been paid under section 10;
- (f) goods or services or both received by a non-resident taxable person except on goods imported by him;
- (g) goods or services or both used for personal consumption;
- (h) goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples; and
- (i) any tax paid in accordance with the provisions of sections 74, 129 and 130.

# Valuation under GST

- **Value of taxable supply**
  - Transaction Value
  - Price actually paid or payable
  - Supplier and recipient of the supply are not related
  - Price is the sole consideration for the supply
- **Value of supply shall include -**
  - Any taxes, duties, fees, charges except GST
  - Any amount supplier is liable to pay but incurred by recipient
  - Incidental expenses like commission, packing, etc.
  - Interest, late fee, penalty for delayed payment
  - Subsidies directly linked to the price (except given by CG or SG)

# Valuation under GST

- Value of Supply shall exclude discount given -
  - Before / at the time of supply provided such discount is duly recorded in the invoice
  - After the supply (Cumulative conditions)
    - ✓ Agreement establishing discount entered into before / at the time of supply
    - ✓ Discount specifically linked to relevant invoices
    - ✓ ITC reversed by the recipient to the extent of discount

# Exchange Rate for determination of value

## Rule 34. Rate of exchange of currency, other than Indian rupees, for determination of value.-

(1) The rate of exchange for determination of value of taxable goods shall be the applicable rate of exchange as notified by the Board under section 14 of the Customs Act, 1962 for the date of time of supply of such goods in terms of section 12 of the Act.

(2) The rate of exchange for determination of value of taxable services shall be the applicable rate of exchange determined as per the generally accepted accounting principles for the date of time of supply of such services in terms of section 13 of the Act.

# Documents prescribed under GST

Supply of Taxable Goods and Services

- Tax Invoice

Transportation of Goods for other than supply

- Delivery Challan

Supply of Exempted Goods/Services

- Bill of Supply

Change in Taxable Value of Supply

- Credit Note / Debit Note

Receipt of Advance Payment

- Receipt Voucher

Refund of Advance Payment

- Refund Voucher

Payment to unregistered supplier covered under Reverse charge mechanism

- Payment Voucher



# Fields that should be mentioned on Tax Invoice

Date of Issuance of Invoice

Consecutive Serial Number (Unique for a Financial Year)

Place of Supply (State name & code - In case of interstate supply)

HSN Code and description of goods and services

Quantity in case of goods

Total value of goods / services

Taxable value of goods / services (after discount / abatement)

Place of Delivery (if different from Place of Supply)

Indication if tax payable under reverse charge

Signature / Digital Signature of the supplier

Recipient Details - B2B: Name, Address & GSTIN

B2C: Name, Address (State & Code) – If taxable value < 50,000/-

Name, Address and GSTIN of Supplier

Rate of tax (CGST, SGST or IGST)

Amount of tax charged (CGST, SGST or IGST)

# To be furnished in Tax Invoice in case of Exports or SEZ supplies

- In the case of the export of goods or services, the invoice shall carry an endorsement
  - "SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS ON PAYMENT OF INTEGRATED TAX" or
  - "SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF INTEGRATED TAX"
- In lieu of name and address of the recipient, the address of delivery, name of the State and its code, the following details to be furnished namely,-
  - (i) name and address of the recipient;
  - (ii) address of delivery; and
  - (iii) name of the country of destination

# Time Limit for issuance of Tax Invoice

## RULE 47. Time limit for issuing tax invoice

The invoice referred to in rule 46, in the case of the taxable supply of services, shall be issued within a period of thirty days from the date of the supply of service.

***Provided** that where the supplier of services is an insurer or a banking company or a financial institution, including a non-banking financial company, the period within which the invoice or any document in lieu thereof is to be issued shall be forty-five days from the date of the supply of service.*

***Provided** further that an insurer or a banking company or a financial institution, including a non-banking financial company, or a telecom operator, or any other class of supplier of services as may be notified by the Government on the recommendations of the Council, making taxable supplies of services between distinct persons as specified in section 25, may issue the invoice before or at the time such supplier records the same in his books of account or before the expiry of the quarter during which the supply was made.*

# Manner of Issuing Invoice

## RULE 48. Manner of issuing invoice

- (1) The invoice shall be prepared in triplicate, in the case of supply of goods, in the following manner, namely, -
  - (a) the original copy being marked as ORIGINAL FOR RECIPIENT;
  - (b) the duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and
  - (c) the triplicate copy being marked as TRIPLICATE FOR SUPPLIER.
  
- (2) The invoice shall be prepared in duplicate, in the case of the supply of services, in the following manner, namely, -
  - (a) the original copy being marked as ORIGINAL FOR RECIPIENT; and
  - (b) the duplicate copy being marked as DUPLICATE FOR SUPPLIER.
  
- (3) The serial number of invoices issued during a tax period shall be furnished electronically through the common portal in **FORM GSTR-1**.

# Mandatory Requirement for quoting HSN on Invoices

- Mandatory to mention HSN/SAC in all tax invoices and report in Table 12 (HSN Summary) of Form GSTR-1 as mentioned below-

Particulars	B2B Supplies	B2C Supplies	Export Supplies
Aggregate turnover in preceding financial year above INR 5 crores	Mandatory - 6 digits	Mandatory - 6 digits	Mandatory - 8 digits
Aggregate turnover in preceding financial year up to INR 5 crores	Mandatory - 4 digits	Optional	Mandatory - 8 digits

Note: Suppliers of 49 chemicals specified as per Notification No. 90/2020 – Central Tax dated 01.12.2020 have to be mandatorily mention 8 digits of HSN code on all outward supplies invoices.

## Section 34 of the CGST Act, 2017 -

- 1) Where one or more tax invoices have been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient, the registered person, who has supplied such goods or services or both, may issue to the recipient one or more credit notes for supplies made in a financial year containing such particulars as may be prescribed.
- 2) Any registered person who issues a credit note in relation to a supply of goods or services or both 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 the thirtieth day of November (not yet notified, earlier it was September) following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed.

***Provided** that no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.*

## Section 34 of the CGST Act, 2017 -

- 3) Where one or more tax invoices have] been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply, the registered person, who has supplied such goods or services or both, shall issue to the recipient one or more debit notes for supplies made in a financial year containing such particulars as may be prescribed.
- 4) Any registered person who issues a debit note in relation to a supply of goods or services or both 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 in such manner as may be prescribed.

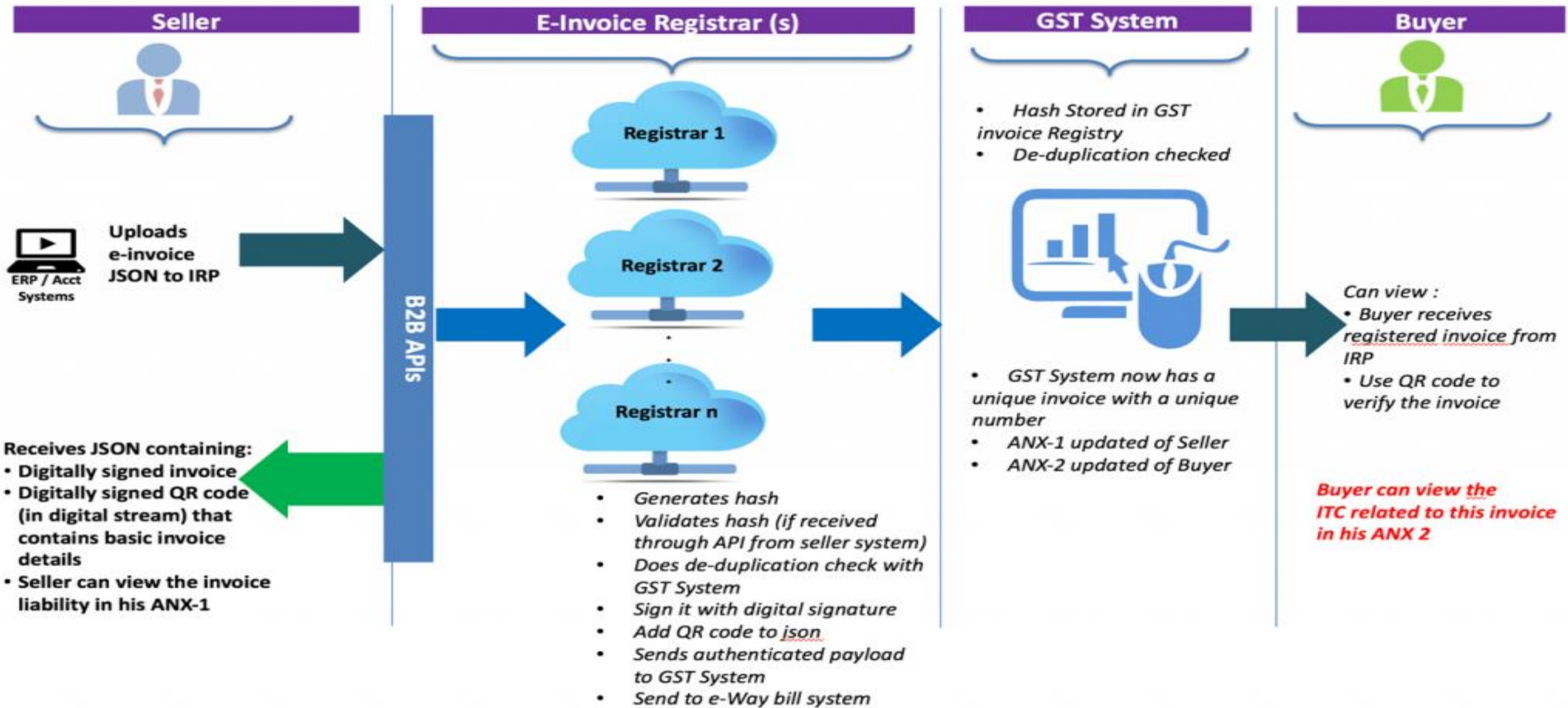
**Explanation.**--For the purposes of this Act, the expression "debit note" shall include a supplementary invoice.

# e-Invoicing - Basics

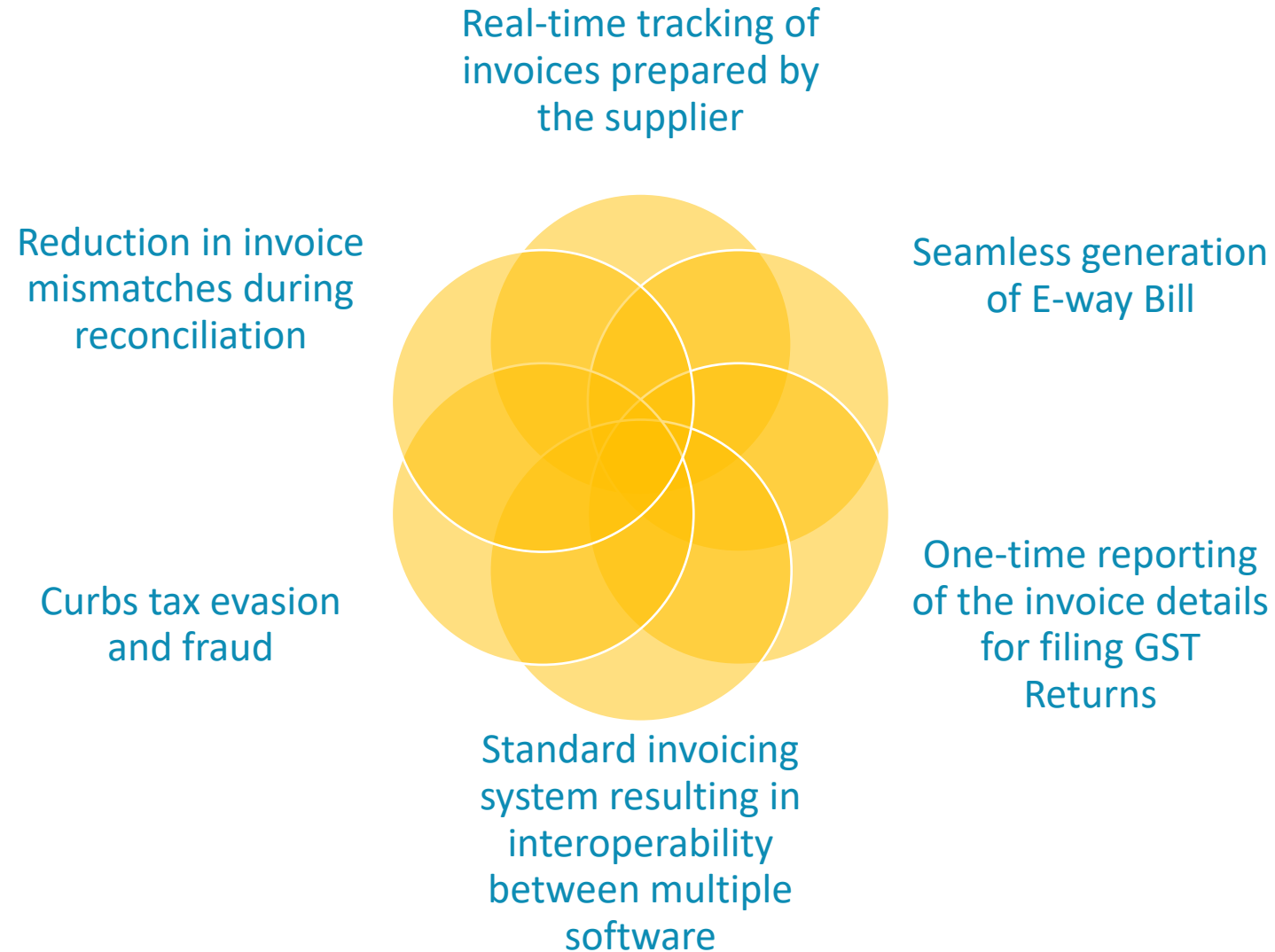
- e-Invoicing - Validation of invoice vs. Generation of invoice
- Invoice to be created through accounting/billing/ERP System - The invoice generated will be registered/validated on Invoice Registration Portal (IRP)
- The IRP will generate unique identification number known as Invoice Reference Number (IRN)
- IRN will be hash of GSTIN, Financial Year, Document Type and Document No. (64 digit)
- E.g. <Supplier GSTIN><Fin. Year><Doc Type> <Doc Number> - HASH of “01AAAAB1234C1Z02019-20INVAB1234” is 35054cc24d97033afc24f49ec4444dbab81f542c555f9d30359dc75794e06bbe
- QR code will be generated containing the unique IRN along with some important parameters of invoice like GSTIN of supplier and buyer, invoice number, date, invoice value, total tax amount and HSN code of major item
- QR code will enable Offline verification using Mobile App
- Auto population of information / invoice details from IRP to both the GST portal and e-way bill portal on real-time basis



# e-Invoicing Workflow



# Why e-Invoicing?



# Applicability of e-Invoicing

Registered person whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds the prescribed limit\* shall be required to comply with e-invoicing provisions in respect of supply of goods or services or both to a registered person or for exports.

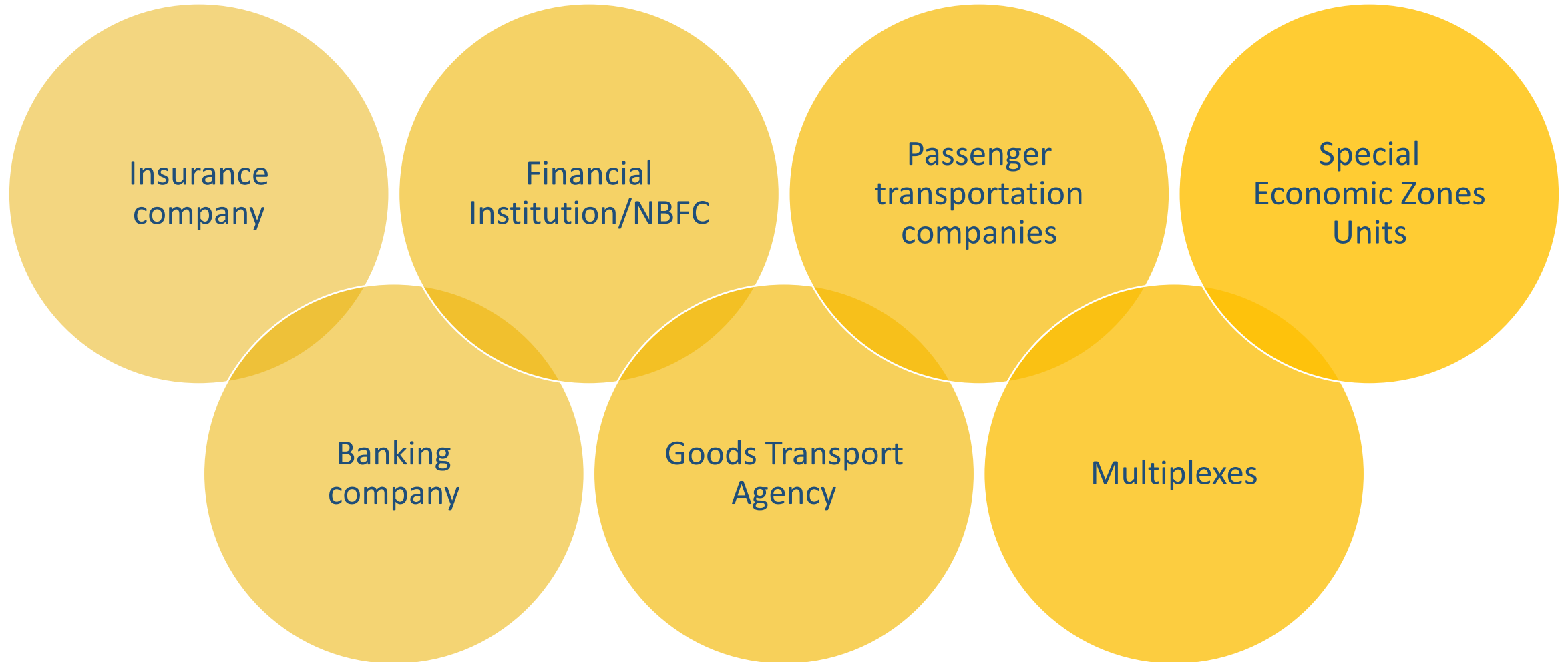
*Prescribed limit	w.e.f.	Relevant Notifications
500 crores	01.10.2020	Notification No. 61/2020 - Central Tax, dated 30.07.2020
100 crores	01.01.2021	Notification No. 88/2020 - Central Tax, dated 10.11.2020
50 crores	01.04.2021	Notification No. 05/2021 - Central Tax, dated 08.03.2021
20 crores	01.04.2022	Notification No. 01/2022 – Central Tax, dated 24.02.2022
10 crores	01.10.2022	Notification No. 17/2022 – Central Tax, dated 01.08.2022

## Definition of Aggregate Turnover [Sec. 2(6) of CGST Act, 2017]

“Aggregate turnover” means the aggregate value of all -

- Taxable supplies (excluding the value of inward RCM supplies)
- Exempt supplies
- Exports of goods or services or both and
- Inter-State supplies of persons having the same Permanent Account Number
- to be computed on All India basis but
- excludes Central tax, State tax, Union territory tax, Integrated tax and cess

# Exemption from e-Invoicing compliance



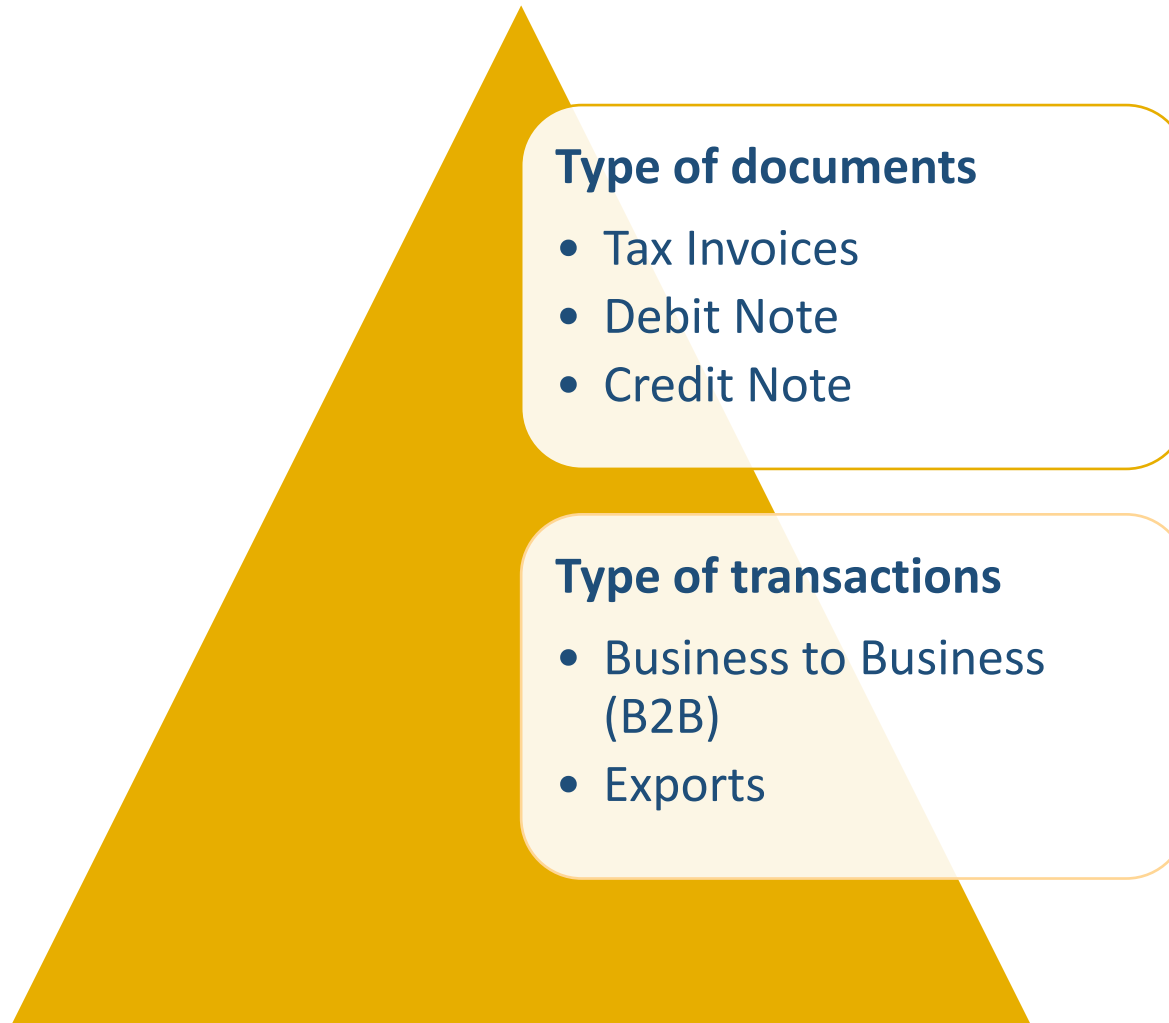
## Tax Invoice



IRN: e00bb7994100cd520176d150cb9a8df1fd08dd8dcab200d7962944af18e6734e

<b>Supplier Information:</b> <b>GSTZEN DEMO PRIVATE LIMITED</b> State: Karnataka - 100000 State Code: Karnataka - 29 GSTIN: 29AAFCC9980MZZT	<b>Details of Invoice:</b> Invoice Number: 18-19/KA/1 Invoice Date: 2020-02-23
<b>Recipient Information:</b> <b>VENU &amp; VINAY</b> State: Karnataka - 560018 State Code: Karnataka - 29 GSTIN: 29AADFV7589C1ZO	<b>Ship to Address:</b> I

#	Description			GST Rate	Taxable Value	CGST SGST
	HSN	Quantity	Unit Price			
	Dell Laptop			18	30,000.00	2,700.00 2,700.00
	84713010	1 NOS	30,000.00			
	Covert			12	1,000.00	60.00 60.00
	4202	1 NOS	1,000.00			
<b>Total Amounts (INR)</b>					<b>31,000.00</b>	<b>2,760.00 2,760.00</b>
<b>Invoice Total (in figures): 36,520.00</b>						
<b>Invoice Total amount in words: Thirty six thousand, five hundred and twenty</b>						



# Whether subsequent amendments of e-Invoices possible?

- No provision for amendment in IRP
- Cancellation allowed - within 24 hours of registration of e-Invoice
- Same invoice number cannot be use for registration of amended Invoice on IRP

# E-Invoicing compliance of Vendors

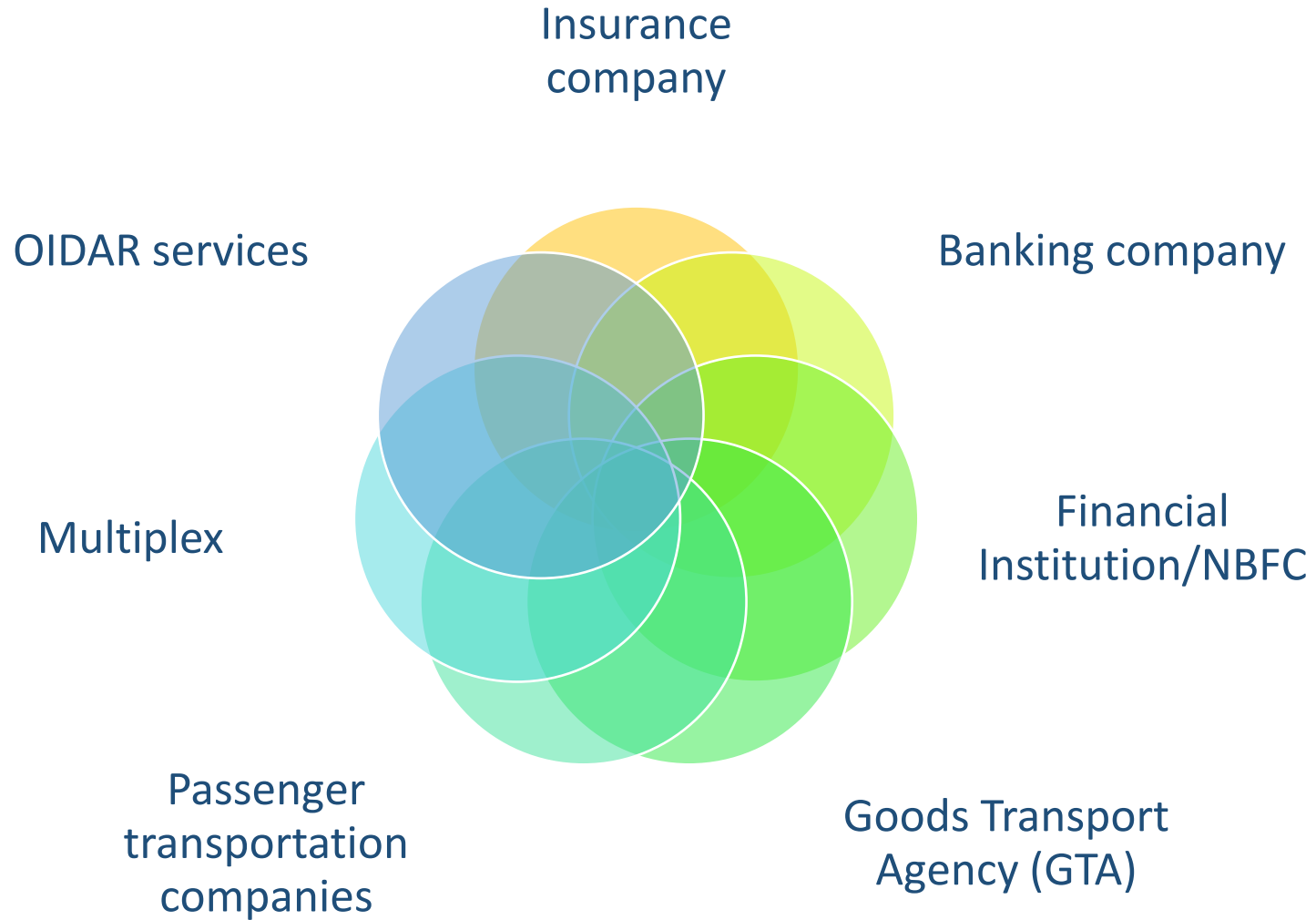
- Rule 48(5) - Every invoice issued by a person to whom sub-rule (4) applies in any manner other than the manner specified in the said sub-rule shall not be treated as an invoice.
- Section 16 - Eligibility and conditions for taking the input tax credit  
(2) Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless:
  - (a) he is in possession of a tax invoice or debit note
- Action Point - Check the e-invoicing status of vendors



# Dynamic Quick Response (QR) Code

- Applicable to whom?
- Type of supplier: Registered person whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds five hundred crore rupees
- Type of transactions: Supplies to unregistered person (B2C invoice)
- Effective from 01.12.2020 (Notification No. 71/2020 - Central Tax dated 30.09.2020)
- Waiver of general penalty u/s 125 for non-compliance of the requirement of Dynamic QR Code on B2C invoice between the period from the 01.12.2020 to the 30.06.2021 provided compliance started from the 01.07.2021.
- (Notification No. 89/2020 - Central Tax dated 29.11.2020 substituted vide Notification No. 06/2021 - Central Tax dated 30.03.2021)

# Exemption from compliance of Dynamic QR Code



# GST Returns

FORM	PARTICULARS	DUE DATE	APPLICABLE FOR
GSTR1	Outward Supplies	11 <sup>th</sup> of the next month	Normal Taxpayer
GSTR3B	Monthly return (Summary return)	20 <sup>th</sup> of the next month	Normal Taxpayer
GSTR4	Return by composition taxpayers	30 <sup>th</sup> April of the year following the relevant financial year	Composition Taxpayer
GSTR5	Return by non-resident taxpayers [NRTP]	20 <sup>th</sup> of the next month or within 7 days after expiry of registration, whichever is earlier	Non-Resident Taxpayer
GSTR6	Return by Input Service distributors [ISD]	13 <sup>th</sup> of the next month	Input Service Distributor
GSTR9	Annual return	31 <sup>st</sup> December of next financial year	Normal Taxpayer having aggregate turnover > 2 crore (except ISD, casual taxpayer, NRTP)
GSTR9C	Reconciliation Statement	31 <sup>st</sup> December of next financial year	Normal taxpayer having aggregate turnover > 5 crore

# Procedure for filing GST returns

- 1. Directly through Portal:** Online entry on GST portal
- 2. Free Offline Utility:** Uploading of invoices and other data using the Returns offline tool. If there are more line items, inputting them online would not be possible. Hence, Goods and Services Network has developed a free offline utility, which is available for download on [gst.gov.in](http://gst.gov.in) under the following path:
  - Downloads --> offline tool --> Return offline tool.
- 3. Third-Party Application Software:** Using the third-party application of Application software Provider (ASP) through GST Suvidha Providers (GSP).
- 4. SMS:** NIL returns can be filed through SMS

# Details to be furnished in GSTR-1

Table reference	Description	Remarks
4.	<b>Taxable outward supplies made to registered persons (including UIN holders) other than supplies covered by Table 6</b>	
4A.	Supplies other than those (i) attracting reverse charge and (ii) supplies made through e-commerce operator	Invoice wise details (including debit notes and credit notes) of Inter-State and Intra-State supplies made to registered persons (including those holding UIN)
4B.	Supplies attracting tax on reverse charge basis	
4C.	Supplies made through e-commerce operator attracting TCS (operator wise, rate wise)	
5.	<b>Taxable outward inter State supplies to unregistered persons where the invoice value is more than Rs 2.5 lakh</b>	
5A.	Outward supplies (other than supplies made through e-commerce operator, rate wise)	Invoice wise details (including debit notes and credit notes) of Inter-State supplies with invoice value of more than Rs 2.5 Lakhs made to unregistered persons
5B.	Supplies made through e-commerce operator attracting TCS (operator wise, rate wise)	

# Details to be furnished in GSTR-1

Table reference	Description	Remarks
6.	<b>Zero rated supplies and deemed exports</b>	<p>1. Invoice wise details of supplies made to Special Economic Zone (SEZ) Unit or developer, Exports including deemed exports. Generally, shipping bill details needs to be declared, but even in the absence of shipping bill details, the entry will be accepted. Upon availability of such details and before filing refund/rebate, such shipping bill details need to be furnished through the amendment section of GSTR-1.</p> <p>2. If Goods and Services Tax Identification Number (GSTIN) of the recipient is not available in the case of exports, it can be left blank.</p>
6A.	Exports	
6B.	Supplies made to SEZ unit or SEZ developer	
6C.	Deemed Exports	

# Details to be furnished in GSTR-1

Table reference	Description	Remarks
7.	<b>Taxable supplies (Net of debit notes and credit notes) to unregistered persons other than the supplies covered in Table 5</b>	
7A.	Intra-State supplies	Consolidated details (including debit notes and credit notes) rate wise need to be furnished
7B.	Inter-State supplies where invoice value is upto Rs 2.5 Lakhs	State-wise and rate wise details (including debit notes and credit notes) need to be furnished
8.	<b>Nil rated, exempted and non-GST outward supplies</b>	
8A.	Inter-State supplies to registered persons	
8B.	Intra-State supplies to registered persons	
8C.	Inter-State supplies to unregistered persons	
8D.	Intra-State supplies to unregistered persons	

# Details to be furnished in GSTR-1

Table reference	Description	Remarks
9.	<b>Amendments to taxable outward supply details furnished in returns for earlier tax periods in Tables 4, 5 and 6 [including debit notes, credit notes, refund vouchers issued during current period and amendments thereof]</b>	Amendments effected to the details furnished in Tables 4, 5 and 6 in the earlier tax periods:
9A.	If the invoice/shipping bill details furnished earlier were incorrect	Document wise breakup is required for debit notes and credit notes if issued to:
9B.	Debit notes/ credit notes/ refund voucher [original]	1. Registered persons (both inter-State and intra-State)
9C.	Debit notes/ credit notes/ refund voucher [amendments thereof]	2. Unregistered persons with invoice value exceeding Rs 2.5 Lakhs (inter-State supplies)



# Details to be furnished in GSTR-1

Table reference	Description	Remarks
10.	<b>Amendments to taxable outward supplies to unregistered persons furnished in returns for earlier tax periods in Table 7</b>	
10A.	Intra-State supplies [including supplies made through ecommerce operator attracting TCS]	Amendments effected to the details furnished in Table 7 in the earlier tax periods: Consolidated State wise and rate wise reporting is sufficient in case of : 1. Intra-State supplies to unregistered persons and 2. Inter-State supplies to unregistered persons with invoice value not exceeding Rs 2.5 Lakhs.
10B.	Inter-State Supplies [including supplies made through ecommerce operator attracting TCS]	

# Details to be furnished in GSTR-1

Table reference	Description	Remarks
11.	<b>Consolidated Statement of advances received/advance adjusted in the current tax period/Amendments of information furnished in earlier tax period</b>	
11(I).	<i>Information for the current period</i>	
11A.	Advance amount received in the tax period for which invoice has not been issued (tax amount to be added to output tax liability)	Details of advances received and any adjustments to advances needs to be furnished.
11B.	Advance amount received in earlier tax period and adjusted against the supplies being shown in this tax period in Tables 4, 5, 6 and 7.	
11(II).	Amendment of information furnished in Table No. 11[1] in GSTR-1 statement for earlier tax periods [Furnish revised information]	Amendments effected to the advances or adjustment to advances furnished in the previous tax periods as part of Table 11(1): 1. Details of the original invoice /debit note / credit note / receipt voucher reference is being sought. 2. If the reference is invalid, amendment option will not be available.

# Details to be furnished in GSTR-1

Table reference	Description	Remarks
12.	<b>HSN-wise summary of outward supplies</b>	Harmonized System of Nomenclature (HSN) /Services Accounting Code (SAC) wise summary to be provided for outward supplies.
13.	<b>Documents issued during the tax period</b>	Following details relating to documents issued during the tax period need to be furnished: <ol style="list-style-type: none"><li>1. Serial Number of documents issued</li><li>2. Cancelled documents issued during the month</li></ol>

# Notes to GSTR-1

- Supplies made to SEZ unit or developer and deemed exports though denoted in a separate Table (Table 6B and 6C) as different from supplies made to registered persons (Table 4A, 4B and 4C) in the Form – the GSTN portal has appropriately combined the reporting of these Tables since in cases mentioned in Table 6B and 6C, the recipients are registered persons.
- The internal classification of ‘supplies attracting tax on reverse charge’ in Table 4B, requires the supplier to disclose his outward supplies under this category. Though the recipient is liable to pay tax on such a transaction, the disclosure sought for under Table 4B is from the viewpoint of the supplier.
- Any supply made by SEZ to DTA without the cover of bill of entry is required to be reported by SEZ Unit in GSTR-1. Those supplies made by SEZ on the cover of a bill of entry are not to be included in this form but shall be reported by DTA unit as imports in its GSTR-3B.

# Details to be furnished in GSTR-3B

Table Number	Heading	Description	Additional points for consideration
3.1	Tax on outward and reverse charge inward supplies	Summary details of outward supplies and inward supplies liable to reverse charge and tax liability thereon	Export invoices shall not be processed for transmission in ICEGATE if the correct IGST amount is not filled in this table. Processing of refunds will get impacted.
3.1.1	Details of supplies notified under sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017	<p>(i) Taxable supplies on which electronic commerce operator is required to pay [to be furnished by the electronic commerce operator]</p> <p>(ii) Taxable supplies made by the registered person through electronic commerce operator, on which electronic commerce operator is required to pay [to be furnished by the registered person making supplies through electronic commerce operator]</p>	

## Details to be furnished in GSTR-3B

Table Number	Heading	Description	Additional points for consideration
3.2	Inter-State supplies	<p>A registered person making inter-state supplies to an unregistered person, shall report the details of such supplies and place of supply-wise</p> <p>A registered person making inter-state supplies to the registered persons paying tax under section 10 of the SGST/CGST Act (composition taxable persons) and to UIN holders, shall report the details of such supplies and the place of supply-wise</p> <p>A registered person making inter-state supplies shall update their customer database properly with the correct State name and ensure that the correct POS is declared in the tax invoice</p>	IGST amount mentioned in this Table should not exceed the amount of IGST mentioned in Table 3.1

# Details to be furnished in GSTR-3B

4. Eligible ITC (as per old format)	4. Eligible ITC (as per new format)
(A) ITC Available (whether in full or part)	(A) ITC Available (whether in full or part)
(1) Import of goods	No change
(2) Import of services	No change
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	No change
(4) Inward supplies from ISD	No change
(5) All other ITC	No change
(B) ITC Reversed	(B) ITC Reversed
(1) As per Rule 42 & 43 of CGST/SGST Rules	(1) As per rules 38, 42 and 43 of CGST Rules and sub-section (5) of section 17
(2) Others	Others

# Details to be furnished in GSTR-3B

4. Eligible ITC (as per old format)	4. Eligible ITC (as per new format)
(C) Net ITC Available (A) - (B)	(C) Net ITC Available (A) - (B)
(D) Ineligible ITC	(D) Other details
(1) As per section 17(5)	(1) ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period
(2) Others	(2) Ineligible ITC under section 16(4) and ITC restricted due to Place of supply provisions



# Details to be furnished in GSTR-3B

Table Number	Heading	Description	Additional points for consideration
5.	Exempt, Nil and non-GST inward Supplies	To provide summary details of exempt, Nil and non-GST inward supplies	
5.1	Interest and late fee	To provide details of interest and late fee payable	<ol style="list-style-type: none"> <li>1. Late fee is auto populated by the portal based on the number of days elapsed after the due date of filing.</li> <li>2. Interest needs to be computed and inputted by the taxpayer</li> </ol>
6.1	Payment of tax	To provide details of payment of taxes, interest and late fee	<ol style="list-style-type: none"> <li>1. Set off amount available against electronic credit ledger (based on the utilisation of credit prescribed by the legislation) is autopopulated but it can be edited.</li> </ol>

## Details to be furnished in GSTR-3B

Table Number	Heading	Description	Additional points for consideration
			<p>The edited information will be available only for 2 days. After that, the system suggested utilization will be reflected,</p> <p>2. Balance amount is reflected as against being set off against electronic cash ledger</p>
6.2	TDS / TCS Credit	TDS/TCS credit received from deductor/e-commerce operator would be auto-populated in the electronic cash ledger, once it is accepted by the deductee in case of TDS/ supplier in case of TCS.	

# Notes to GSTR-3B

- The return period prior to the effective date of registration cannot be selected for filing Form GSTR-3B.
- Clicking 'Save Form GSTR-3B' is a pre-requisite before clicking 'Proceed for payment'. In case of failure, either of the following issues can occur:
  - ✓ The values will automatically be changed as 'zero' and the status of the Form will be shown as 'submitted'.
  - ✓ An error message will be displayed stating that 'the information found in form seems old and invalid'
- Table 3.2 is available as the last table in the GST portal.
- Care needs to be taken to ensure that ineligible credits under Section 17(5) of the Act should be considered while reporting the gross value in Table 4A and reversed under other reversals in Table 4B(2) of GSTR-3B. Common mistakes of entering values without including ineligible ITC in Table 4A and 4B are noticed.
- Other ITC reversals mentioned in Table 4B(2) should include only current month's ITC reversals like non-payment for the amount of supply along with tax liability within 180 days by the recipient to the supplier. If there is an ineligible credit availed during the previous month, and if the same has been detected on self-assessment in the subsequent month, the said amount should be added in Table 3.1 (a), and not in Table 4B(2) of subsequent month's GSTR-3B.
- Though Rule 43 of the Rules provides that the tax paid on capital goods used for exempt supplies shall be added to output tax liability, the machinery provisions are such that it is shown as a reversal under Table 4B(1) of GSTR-3B.

# Quarterly Return Monthly Payment scheme - Features

- Introduced for small taxpayers - Aggregate turnover of up to Rs.5 crores in the preceding financial year
- GST returns to be filed on quarterly basis + Payment of GST to be made on monthly basis
- Effective from 01.01.2021
- Optional scheme
- Option can be exercised any time during the year from the first day of the second month of the preceding quarter till the last day of the first month of the quarter for which the option is being exercised.
- Taxpayer must have furnished the last return, as due on the date of exercising such option.

Quarter	Time limit for exercising option	Last date for option
April – June	1 <sup>st</sup> February to 30 <sup>th</sup> April	30 <sup>th</sup> April
July – September	1 <sup>st</sup> May to 31 <sup>st</sup> July	31 <sup>st</sup> July
October – December	1 <sup>st</sup> August to 31 <sup>st</sup> October	31 <sup>st</sup> October
January – March	1 <sup>st</sup> November to 31 <sup>st</sup> January	31 <sup>st</sup> January

# Monthly tax payments under QRMP Scheme

- Payment through GST PMT-06 (first and the second month of the quarter) and through GSTR-3B on actual basis
- Due date for the payment through GST PMT-06: 25th of the following month
- Methods prescribed calculation of tax liability under QRMP scheme –
  - ❑ Fixed sum method – Payment through pre-filled challan

Sr. No.	Situation	Tax to be paid
1	Where taxpayer had filed GSTR-3B of previous quarter on quarterly basis	35% of tax paid (CGST/SGST/IGST/UTGST/Cess) in cash in the preceding quarter
2	Where taxpayer had filed GSTR-3B of previous quarter on monthly basis	100% of tax paid in cash in the last month of the immediately preceding quarter

\* Since the QRMP scheme is introduced in January 2021, all taxpayers were monthly filers in December 2020. Hence, the 35% challan will be populated as per situation 2 for the quarter of January to March 2021 for quarterly filers.

- ❑ Self-assessment method – Payment on actual basis i.e.; net tax liability

# GSTR-3B filing due dates – QRMP Scheme

Sr. No.	Class of Registered Persons	Due Dates
1	Registered persons whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep.	22nd of the month succeeding such quarter
2	Registered persons whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi.	24th of the month succeeding such quarter

# Interest implication in case of Shortfall / Delay in payment

- Interest payable, if any, shall be paid through Form GSTR-3B
- No late fee is applicable for delay in payment of tax in first two months of the quarter
- Interest under Fixed Sum Method
  - Delay in paying within due date - Interest would be payable from the due date of furnishing Form GST PMT-06 till the date of making such payment
  - Shortfall in tax at the time of filing GSTR-3B (calculation on actual basis) - No interest would be payable if tax paid within the due date (for first two months)
- Self-Assessment Method
  - If tax remains unpaid / is paid beyond the due date for the first two months of the quarter - Interest amount would be payable from due date till actual date of payment

# Invoice Furnishing Facility (IFF)

- Introduced for taxpayers who have opted for QRMP Scheme for furnishing their B2B transactions on a monthly basis
- Only following transactions are allowed to be reported under IFF :
  - B2B Invoices (Incl. amendment)
  - Credit / Debit Notes Registered (Incl. amendment)
- To be furnished on or before 13th of the following month. Post 13th of the following month only “View” option is available and “File” option gets disabled (Late filing of IFF is not allowed)
- Total value of invoices that can be uploaded per month is restricted upto Rs. 50 lakhs
- No requirement to upload invoices again in GSTR-1 if the same has been furnished in the IFF
- Optional Facility - Non-filing or late filing will not attract any late fee or penalty
- Invoices furnished in IFF will be reflected in FORM GSTR-2A and FORM GSTR-2B of the concerned recipient



# Reverse Charge Mechanism – Specified Categories

## CGST Act, 2017

- 9. (3) The Government may, on the recommendations of the Council, by notification, 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.
- ✓ Notification issued under section 9(3) – NN 13/2017 – Central Tax (Rate) dated 28.06.2017

## IGST Act, 2017

- 5. (3) The Government may, on the recommendations of the Council, by notification, 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.
- ✓ Notification issued under this section 5(3) - NN 10/2017 – Integrated Tax (Rate) dated 28.06.2017

# Reverse Charge Mechanism – Unregistered Supplier + Registered Recipient + Specified Categories

## CGST Act, 2017

- 9. (4) The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both.
  - ✓ Notification issued under section 9(4) - NN 07/2019 – Central Tax (Rate) dated 29.03.2019 (applicable on promoter of construction project)

## IGST Act, 2017

- 5. (4) The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both.
  - ✓ Notification issued under section 5(4) – NN 07/2019 – Integrated Tax (Rate) dated 29.03.2019 (applicable on promoter of construction project)

# Definition of “Recipient”

2(93) “**recipient**” of supply of goods or services or both, means —

- (a) where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;
- (b) where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available; and
- (c) where no consideration is payable for the supply of a service, the person to whom the service is rendered,

and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply and shall include an agent acting as such on behalf of the recipient in relation to the goods or services or both supplied;

# Supply of Services notified for Reverse Charge Mechanism

S.No	Description of Services	Supplier of Services	Recipient of Services
1.	<p>Supply of Services by a goods transport agency (GTA), in respect of transportation of goods by road to-</p> <p>(a) any factory registered under or governed by the Factories Act, 1948; or</p> <p>(b) 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</p> <p>(c) any co-operative society established by or under any law; or</p>	Goods Transport Agency (GTA)	<p>(a) Any factory registered under or governed by the Factories Act, 1948; or</p> <p>(b) 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</p> <p>(c) Any cooperative society established by or under any law;</p> <p>(d) Any person registered under CGST/IGST/SGST/UTGST Act; or</p>

# Supply of Services notified for Reverse Charge Mechanism

S.No	Description of Services	Supplier of Services	Recipient of Services
	<p>(d) any person registered under CGST/IGST/SGST/ or UTGST Act; or</p> <p>(e) anybody corporate established, by or under any law; or</p> <p>(f) any partnership firm whether registered or not under any law including association of persons; or</p> <p>(g) any casual taxable person; located in the taxable territory.</p>		<p>(e) Anybody corporate established, by or under any law; or</p> <p>(f) Any partnership firm whether registered or not under any law Including association of persons; or</p> <p>(g) Any casual taxable person located in the taxable territory.</p>

# Supply of Services notified for Reverse Charge Mechanism

S.No	Description of Services	Supplier of Services	Recipient of Services
	<p>Provided that nothing contained in this entry shall apply to services provided by a goods transport agency, by way of transport of goods in a goods carriage by road, to, –</p> <ul style="list-style-type: none"><li>(a) a Department or Establishment of the Central Government or State Government or Union territory; or</li><li>(b) local authority; or</li><li>(c) Governmental agencies,</li></ul> <p>which has taken registration under the Central Goods and Services Tax Act, 2017 (12 of 2017) only for the purpose of deducting tax under Section 51 and not for making a taxable supply of goods or services.]</p>		

# Supply of Services notified for Reverse Charge Mechanism

S.No	Description of Services	Supplier of Services	Recipient of Services
	<p>Provided further that nothing contained in this entry shall apply where, -</p> <p>i. the supplier has taken registration under the CGST Act, 2017 and exercised the option to pay tax on the services of GTA in relation to transport of goods supplied by him under forward charge; and</p> <p>ii. the supplier has issued a tax invoice to the recipient charging Central Tax at the applicable rates and has made a declaration as prescribed in Annexure III on such invoice issued by him.</p>		

# Supply of Services notified for Reverse Charge Mechanism

S.No	Description of Services	Supplier of Services	Recipient of Services
2.	<p>Services provided by an individual Advocate including a Senior Advocate or firm of Advocates by way of legal services, directly or indirectly</p> <p>Explanation.- “legal service” means any service provided in relation to advice, consultancy or assistance in any branch of law, in any manner and includes Representational services before any court, tribunal or authority</p>	An individual Advocate including a Senior Advocate or firm of Advocates.	Any business entity located in the taxable territory.
3.	Services supplied by an Arbitral Tribunal to a business entity.	An Arbitral Tribunal	Any business entity located in the taxable territory.
4.	Services provided by way of sponsorship to any body corporate or partnership firm.	Any person	Any body corporate or partnership firm located in the taxable territory.



# Supply of Services notified for Reverse Charge Mechanism

S.No	Description of Services	Supplier of Services	Recipient of Services
5.	<p>Services supplied by the Central Government, State Government, Union territory, or local authority to a business entity excluding the following:</p> <p>(A) renting of immovable property, and</p> <p>(B) services specified below: -</p> <ul style="list-style-type: none"><li>i. services by the Department of posts</li><li>ii. services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;</li><li>iii. transport of goods or passengers.</li></ul>	Central Government, State Government, Union territory or local authority	Any business entity located in the taxable territory.

# Supply of Services notified for Reverse Charge Mechanism

S.No	Description of Services	Supplier of Services	Recipient of Services
5A.	Services supplied by the Central Government, State Government, Union territory or local authority by way of renting of immovable property to a person registered under the Central Goods and Services Tax Act, 2017	Central Government, State Government, Union territory or Local Authority	Any person registered under the Central Goods and Services Tax Act, 2017]
5AA	Service by way of renting of residential dwelling to a registered person.	Any person	Any registered person
5B.	Services supplied by any person by way of transfer of development rights or Floor Space Index (FSI) (including additional FSI) for construction of a project by a promoter.	Any person	Promoter

# Supply of Services notified for Reverse Charge Mechanism

S.No	Description of Services	Supplier of Services	Recipient of Services
5C.	Long term lease of land (30 years or more) by any person against consideration in the form of upfront amount (called as premium, salami, cost, price, development charges or by any other name) and/or periodic rent for construction of a project by a promoter.	Any person	Promoter
6.	Services supplied by a director of a company or a body corporate to the said company or the body corporate.	A director of a company or a body corporate	A company or a body corporate located in the taxable territory
7.	Services supplied by an insurance agent to person carrying on insurance business.	An Insurance agent	Any person carrying on insurance business, located in the taxable territory

# Supply of Services notified for Reverse Charge Mechanism

S.No	Description of Services	Supplier of Services	Recipient of Services
8.	Services supplied by a recovery agent to a banking company or a financial institution or a non-banking financial company.	A recovery agent	Banking company or financial institution or a non-banking financial company, located in the taxable territory.
9.	Supply of services by a music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of Section 13 of the Copyright Act, 1957 relating to original dramatic, musical or artistic works to a music company, producer or the like.	Music composer, photographer, artist, or the like.	Music company, producer or the like, located in the taxable territory

# Supply of Services notified for Reverse Charge Mechanism

S.No	Description of Services	Supplier of Services	Recipient of Services
9A.	Supply of services by an author by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original literary works to a publisher.	Author	Publisher located in the taxable territory: - Provided that nothing contained in this entry shall apply where: - (i) the author has taken registration under the Central Goods and Services Tax Act, 2017 (12 of 2017), and filed a declaration, in form at Annexure I, within the time limit prescribed therein, with the jurisdictional CGST or SGST commissioner, as the case may be, that he exercises the option to pay central tax on the service specified in column (2), under forward charge in accordance with Section 9 (1) of

# Supply of Services notified for Reverse Charge Mechanism

S.No	Description of Services	Supplier of Services	Recipient of Services
			<p>the Central Goods and Service Tax Act, 2017 under forward charge, and to comply with all the provisions of Central Goods and Service Tax Act, 2017 (12 of 2017) as they apply to a person liable for paying the tax in relation to the supply of any goods or services or both and that he shall not withdraw the said option within a period of 1 year from the date of exercising such option;</p> <p>(ii) the author makes a declaration, as prescribed in Annexure-II on the invoice issued by him in FORM GST Inv-I to the publisher</p>

# Supply of Services notified for Reverse Charge Mechanism

S.No	Description of Services	Supplier of Services	Recipient of Services
10.	Supply of services by the members of Overseeing Committee to Reserve Bank of India	Members of Overseeing Committee constituted by the Reserve Bank of India.	Reserve Bank of India
11.	Services supplied by individual direct selling agents (DSAs) other than a body corporate partnership or limited liability partnership firm to bank or non-banking financial company (NBFCs)	Individual direct selling agents (DSAs) other than a body corporate, partnership or limited liability partnership firm.	A banking company or a non-banking Financial company, located in the taxable Territory
12.	Services provided by business facilitator (BF) to a banking company.	Business facilitator (BF)	A banking company, located in the taxable territory
13.	Services provided by an agent of business correspondent (BC) to business correspondent	An agent of business correspondent	A business correspondent, located in the taxable territory.

# Supply of Services notified for Reverse Charge Mechanism

S.No	Description of Services	Supplier of Services	Recipient of Services
14.	<p>Security services (services provided by way of supply of security personnel) provided to a registered person: Provided that nothing contained in the entry shall apply to, -</p> <ul style="list-style-type: none"><li>a) a Department or Establishment of the Central Government or State Government or Union territory; or</li><li>b) local authority; or</li><li>c) Government</li><li>d) agencies;</li></ul> <p>which has taken registration under the Central Goods and Services Tax Act, 2017 (12 of 2017) only for the purpose of deducting tax under Section 51 of the said Act and not for making a taxable supply of goods or services; or</p>		



# Supply of Services notified for Reverse Charge Mechanism

S.No	Description of Services	Supplier of Services	Recipient of Services
	(ii) a registered person paying tax under Section 10 of the said Act.		
15.	Services provided by way of renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient, provided to a body corporate	Any person, other than a body corporate who supplies the service to a body corporate and does not issue an invoice charging central tax at the rate of 6 per cent. to the service recipient.	Any body corporate located in the taxable territory
16.	Services of lending of securities under Securities Lending Scheme, 1997 ("Scheme") of Securities and Exchange Board of India ("SEBI"), as amended	Lender i.e. a person who deposits the securities registered in his name or in the name of any other person duly authorised on his behalf with an approved intermediary for the purpose of lending under the scheme of SEBI.	Borrower i.e. a person who borrows the securities under the Scheme through an Approved intermediary of SEBI