CONTENTS

Acrony	oms in GST	PAGE I-17
	PART I	
	BASICS OF GST	
	4	
	BACKGROUND	
1.1	Background of GST	3
1.2	What is Goods and Services Tax?	5
1.3	Broad definition of 'service'	9
1.4	Rates of GST	13
1.5	GST Compensation Cess on goods and services	21
1.6	Definition of 'deemed sale' to continue	21
1.7	Taxation powers of district council	22
1.8	Goods and Services Tax Network (GSTN)	22
1.9	IGST for inter-state transactions	23
1.10	Union Territory Goods and Services Tax (UTGST)	25A
1.11	CGST Act	25B
1.12	SGST Act	25B
	<u>2</u>	
	TAXABLE EVENT IN GST	
2.1	Meaning of taxable event	26
2.2	Supply as per GST law	27

CONTENTS	1-6

		PAGE
2.3	Transactions that will be taxable as 'supply' even if no consideration	28
2.4	Business	33
2.5	Deemed supply of goods and services	33
2.6	Activities or transactions which are neither supply of goods nor supply of services	37
2.7	Services provided by Government or local authority which are not taxable	41
2.8	Tax liability in case of Mixed supply and composite supply	41
2.9	Meaning of 'goods'	42
2.10	Actionable claim	43
2.11	Supply of goods at future date - Hire purchase and financial lease	44
2.12	Securities are neither 'goods' nor 'service'	44
	Supply of Services	45
	3 CLASSIFICATION OF GOODS AND SERVICES	
3.1	Need for classification	46
	Overwiery of UCN	
	Overview of HSN	48
3.3	Application of GIR in Tariff	51
3.3 3.4	Application of GIR in Tariff Classification in case of conflict between various headings	51 52
3.3 3.4 3.5	Application of GIR in Tariff Classification in case of conflict between various headings Other provisions relating to classification	51 52 53
3.3 3.4 3.5	Application of GIR in Tariff Classification in case of conflict between various headings	51 52
3.3 3.4 3.5	Application of GIR in Tariff Classification in case of conflict between various headings Other provisions relating to classification	51 52 53
3.3 3.4 3.5	Application of GIR in Tariff Classification in case of conflict between various headings Other provisions relating to classification	51 52 53
3.3 3.4 3.5 3.6	Application of GIR in Tariff Classification in case of conflict between various headings Other provisions relating to classification Classification of services 4 VALUE OF TAXABLE SUPPLY OF GOODS	51 52 53
3.3 3.4 3.5 3.6	Application of GIR in Tariff Classification in case of conflict between various headings Other provisions relating to classification Classification of services 4 VALUE OF TAXABLE SUPPLY OF GOODS OR SERVICES OR BOTH	51 52 53 54
3.3 3.4 3.5 3.6 4.1 4.2	Application of GIR in Tariff Classification in case of conflict between various headings Other provisions relating to classification Classification of services 4 VALUE OF TAXABLE SUPPLY OF GOODS OR SERVICES OR BOTH Transaction value is basis for valuation Subsidies directly linked to supply other than Government subsidies	51 52 53 54
3.3 3.4 3.5 3.6 4.1 4.2 4.3	Application of GIR in Tariff Classification in case of conflict between various headings Other provisions relating to classification Classification of services 4 VALUE OF TAXABLE SUPPLY OF GOODS OR SERVICES OR BOTH Transaction value is basis for valuation Subsidies directly linked to supply other than Government	51 52 53 54 56 59

I-7 CONTENTS

		PAGE
4.6	Rate of exchange of currency for determination of value	66
4.7	Determination of value when value not ascertainable	66
4.8	Value of supply of goods or services or both between distinct or related persons, other than through an agent	68
4.9	Value of supply of goods or services or both based on cost	71
4.10	Residual method for determination of value of supply of goods or services or both	71
4.11	Margin scheme for valuation in buying and selling second hand goods	72
4.12	Value of supply of services in case of pure agent	73
4.13	GST on Reimbursement of expenses	74
	5	
	<u>5</u> INPUT TAX CREDIT (ITC)	
	,	77
	ITC is core provision of GST	77
	Manner of taking input tax credit	80
	Requirements for availing Input Tax Credit	83
5.4	Blocked credit - Supply of goods and services ineligible for ITC	87
5.5	Input Tax Credit of capital goods	96
5.6	Merger, amalgamation or sale of business	97
5.7	Recovery of ITC wrongly taken	99
	6	
	INPUT TAX CREDIT WHEN EXEMPTED AS WELL AS TAXABLE SUPPLIES MADE	
6.1	Proportionate ITC when partly used for business or taxable supplies	100
6.2	Special provisions in respect of Banks, FI and NBFC	103
6.3	Determination of input tax credit when partly used for taxable supply and partly for exempt supply	104
6.4	Determination of input tax credit in respect of capital goods used partly for taxable supply and partly for	
	exempt supply	111
6.5	Reversal of Input Tax Credit means ITC not taken	117

CONTENTS	I-8

	7	PAGE
	7	
	INPUT SERVICE DISTRIBUTOR (ISD)	
7.1	Purpose of Input Service Distributor	118
7.2	Manner of distribution of credit by Input Service Distributor	119
7.3	Tax Invoice by Input Service Distributor	121
7.4	Monthly return by ISD	122
7.5	Procedure for distribution of input tax credit by Input Service Distributor	122
	8	
	PLACE OF SUPPLY OF GOODS OR SERVICES	
8.1	Importance of place of supply	125
8.2	Place of supply of goods other than imports and exports	129
8.3	Bill to ship to transaction	131
8.4	Place of supply of services if location of supplier and recipient of service is in India	132
8.5	Place of supply of service except export or import of services - Residuary provision	135
8.6	The place of supply of services in cases directly relating to immovable property or lodging in boat or vessel	135
8.7	Performance bases services <i>i.e.</i> Restaurant, beauty treatment, health services	136
8.8	Training and performance appraisal service	137
8.9	Admission to events	137
8.10	Other event based services	137
8.11	Transportation of goods	138
8.12	Passenger transportation service	139
8.13	Service on board a conveyance originating	139
8.14	Telecommunication service, data transfer, broadcasting, DTH	140
8.15	Banking and other financial services	140
8.16	Insurance service	140
8.17	Advertisement services to Government	140
8.18	Place of supply in case Residuary services	140

I-9 CONTENTS

0.10		PAGE
	Place of supply in case of exports and imports	141
8.20	Comparison of provisions of 'place of supply' within India and in course of imports and exports	141
	<u>9</u>	
	TIME OF SUPPLY OF GOODS AND SERVICES	
9.1	Liability of GST on basis of time of supply	142
9.2	Time of supply of goods	142
9.3	Time of supply when GST on goods payable on reverse charge basis	144
9.4	Time of supply in case of supply of vouchers for goods	144
9.5	Time of supply in other situations	144
9.6	Time of supply of services	145
9.7	Time of supply of service when GST on services is payable on basis of reverse charge	146
9.8	Time of supply in reverse charge when service received from Associated Enterprise outside India	146
9.9	Supply of voucher for services	147
9.10	Time of supply of service in other cases	147
9.11	Time of supply when interest, late fee or penalty for late payment is received	147
9.12	Time of supply in case of change in rate of tax in respect of supply of goods or services or both	147
	<u>10</u>	
	REVERSE CHARGE	
10.1	Meaning of reverse charge	150
10.2	General provisions applicable where reverse charge applies	151
10.3	When 'payment is made' under reverse charge and when ITC is available	152
10.4	Inter-State transactions - Whether IGST payable or CGST and SGST/UTGST payable under reverse charge	153
10.5	Persons supplying services where service recipient is liable to pay GST under reverse charge need not register under GST	154

	CONTENTS	I-10
10.6	Proceedure for reverse charge	PAGE 154
	Procedure for reverse charge Supply of goods where GST payable under reverse charge	154
	Supply of services liable for reverse charge	155 156
10.0	Supply of services hable for reverse charge	130
	<u>11</u>	
	PROCEDURES IN GST	
11.1	Background	161
11.2	Administration of GST	163
11.3	Proper Officer	166
11.4	Common Portal	167
11.5	Accounts and other records	168
11.6	Audit by Chartered/Cost Accountant	170
11.7	Period of retention of accounts	171
11.8	Requirement of registration	171
11.9	Persons who are not required to register under GST	174
11.10	Persons requiring registration without threshold limit of $20/10$ lakhs	174
11.11	Requirements and procedure for registration	176
11.12	Multiple registrations for multiple places of business in a State or Union Territory	180
11.13	Voluntary registration	180
11.14	Registration by person liable to deduct tax at source (TDS)	181
11.15	Registration by non-resident taxable person	181
11.16	Unique Identity Number (UIN) to UN Agencies, Embassy, Consulates and other persons without registration	181
11.17	Registration of casual taxable person and non-resident taxable person	181
11.18	Grant of registration to a person supplying online information and data base access or retrieval services (OIDAR) from a place outside India to a non-taxable online recipient	183
11.19	Grant of registration to persons required to deduct tax at source or to collect tax at source	184
11.20	Amendment of registration	184
11.21	Invoice for supply of goods or services or both	185

I-11 CONTENTS

		PAGE
11.22	Tax Invoice in respect of services	188
11.23	Contents of tax invoice	191
11.24	Bill of Supply when no tax invoice is required	193
11.25	Receipt voucher in case of receipt of advance	194
11.26	Invoice and payment voucher when GST payable under reverse charge, if supplier not registered	196
11.27	Credit note, debit notes or supplementary invoice	196
11.28	Tax payment	201
11.29	Electronic payment of tax, interest, penalty and other amounts	202
11.30	Utilisation of amount in electronic credit ledger	205
11.31	Electronic Liability Register (ELR) for recording liability of a taxable person	209
11.32	Sequence of discharge of tax and dues by taxable person	209
	Returns - A big failure in GST	211
	Furnishing details of outward supplies within ten days in form GSTR-1	214
11.35	Monthly/Quarterly Return	216
11.36	Annual Return and Audit Report	222
11.37	Late fee for late filing of details and returns	225
	<u>12</u>	
	E-WAY BILL FOR TRANSPORT OF GOODS	
12.1	Background of e-way bill provisions	227
12.2	Generation of e-way Bill	232
12.3	Part B of the Form GST EWB-01	239
12.4	When Part B is not required to be filled in	241
12.5	Generation of e-way bill by portal	241
12.6	Procedure by transporter after generation of e-way bill	244
12.7	Intimation of acceptance of details by recipient/supplier	246
12.8	Transport of goods for which e-way bill is not required	247
	Other provisions relating to e-way bill	249
12.10	Road checks and Verification of documents and conveyances	250
12.11	Penalty for transporting goods without valid documents	255

	CONTENTS	I-12
	40	PAGE
	<u>13</u> MISCELLANEOUS ISSUES IN GST	
40.4		2.54
	Anti-Profiteering Measure	259
	Tax deduction at source (GST TDS) Advance Ruling	263 270
10.0	Advance Runing	270
	PART II	
	TAXABILITY OF WORKS CONTRACTS AND REAL ESTATE TRANSACTIONS	
	14	
	TRANSACTIONS RELATING TO REAL ESTATE	
14.1	Coverage of GST on transactions relating to real estate	277
14.2	Surrender of tenancy rights	279
	<u>15</u>	
	REAL ESTATE PROJECTS	
15.1	Background	280
15.2	Definitions of various terms used	289
15.3	GST Rate w.e.f. 1-4-2019 on various types of real estate	207
15 <i>4</i>	projects Value for GST when total amount charged includes value	297
13.7	of land	302
15.5	Reverse charge if receipts of input and services and capital goods received from registered supplier	304
15.6	Provisions in respect of ongoing projects where promoter opts to avail Input Tax Credit	308
15.7	Apportionment of ITC between taxable supply and exempt supply on basis of value except in case of real estate services	311
15.8	Contracts for construction of affordable residential apartments	311
15.9	Valuation of apartments sold by promoter	313
15.10	Unresolved issues in case of GST on real estate transactions	315

I-13 CONTENTS

	16	PAGE
	TDR/FSI/UPFRONT AMOUNT IN LONG TERM LEASE IN REAL ESTATE TRANSACTIONS	
16.1	Tax on real estate transactions except sale of land or completed building/apartment	316
16.2	Transfer of development rights	317
16.3	Transferable Development Rights i.e. transfer of FSI	318
16.4	GST on Upfront amount payable for long term lease of land	319
16.5	GST on Development Rights/FSI/Upfront Amount in real estate transactions by promoter under reverse charge	322
16.6	Transfer of development rights/FSI after 1-4-2019 for construction of residential apartments exempt, if sold before completion	322
16.7	GST on Development Rights/FSI transferred or long term lease amount paid before 31-3-2019	328
16.8	Valuation of transfer of development rights and construction service provided by promoter	330
16.9	Value of supply of goods or services or both based on cost	333
16.10	Accommodation/rent given to earlier tenants/owners during transition period	333
16.11	Summary of liability in case of transfer of development rights or FSI or long term lease of land	334
16.12	Area sharing arrangement between landowner-promoter and promoter developer	337
	17	
	LEASING AND RENTING OF REAL ESTATE	
17.1	Leasing or renting of land and building is 'supply of services'	342
17.2	Renting of Immovable Property	343
17.3	Renting Service supplied jointly by co-owners	344
17.4	Renting of precincts of a religious place exempt upto limit	345
17.5	Reverse charge in respect of service of renting of immovable property supplied by Government	345

CONTENTS	I	-1	4	ŕ

		40	PAGE
		<u>18</u>	
	CONST	RUCTION AND WORKS CONTRACT SERVICES	
18.1	Tax on co	onstruction activity	347
18.2	Works co	ontract service	347
18.3	Tax Rate	of works contract as composite supply	355
18.4	Works co	ontract service of renewable energy plant and nt	358
18.5		Construction of residential, commercial or industrial upto 31-3-2019	361
18.6	Distinction contract	on between construction service and works service	363
18.7	GST @ 1 contract	2% in case of certain infrastructure related works	363
18.8	Exemption	ons in respect of services supplied to Government	368
18.9		ntractor is entitled to partial or full exemption does a sub-contractor is also exempt or entitled to	369
	Concessio	onai rate	309
		<u>19</u>	
		GOVERNMENT RELATED ACTIVITIES	
19.1	Public administration services		370
19.2	Services provided by Government which will not be subject to GST		377
19.3	Exemptions in respect of services supplied by Government		379
	Exemptions in respect of services supplied to Government		384
	Concessional rate in respect of certain services provided to Government		390
19.6	Reverse oment	charge in respect of services provided by Govern-	394
		APPENDICES	
APPENDIX I:		RELEVANT SECTIONS OF CENTRAL GOODS AND SERVICES TAX ACT, 2017	403
APPENDIX II:		RELEVANT SECTIONS OF INTEGRATED GOODS AND SERVICES TAX ACT, 2017	425

I-15 CONTENTS

		PAGE
APPENDIX III:	RELEVANT EXTRACTS FROM CENTRAL GOODS	40.
	AND SERVICES TAX RULES, 2017	436
APPENDIX IV:	RELEVANT EXTRACTS FROM NOTIFICATION	47
	11/2017-CENTRAL TAX (RATE), DATED 28-6-2017	474
APPENDIX V:	RELEVANT EXTRACTS FROM NOTIFICATION	405
	12/2017-CENTRAL TAX (RATE), DATED 28-6-2017	497
APPENDIX VI:	CALCULATION OF ITC ATTRIBUTABLE TO RESI- DENTIAL PORTION IN REAL ESTATE PROJECT	
	(REP) OTHER THAN RREP	506
APPENDIX VII:	CALCULATION OF ITC ATTRIBUTABLE TO RESI- DENTIAL PORTION IN RESIDENTIAL REAL	
	ESTATE PROJECT (RREP) OTHER THAN REP	514
APPENDIX VIII:	CALCULATION OF GST PAYABLE UNDER REVERSE	
	CHARGE WHEN INPUTS AND INPUT SERVICES	
	PROCURED FROM UNREGISTERED PERSONS	520
APPENDIX IX:	DECLARATION FOR EXERCISING OPTION TO AVAIL	
	ITC IN RESPECT OF ONGOING PROJECTS	522
APPENDIX X:	REVERSE CHARGE IN RESPECT OF SERVICES	524
APPENDIX XI:	TIME OF SUPPLY WHEN PROMOTER IS LIABLE TO	
	PAY GST UNDER REVERSE CHARGE	530
APPENDIX XII:	PERSON LIABLE TO PAY TAX UNDER REVERSE	
	CHARGE ON SUPPLIES RECEIVED FROM UNREGISTERED PERSON IN REAL ESTATE	
	PROJECTS	532
APPENDIX XIII ·	GST RATE PAYABLE UNDER REVERSE CHARGE	552
MILMOIN MII.	BY PROMOTER ON RECEIPTS OF INPUT AND	
	SERVICES FROM REGISTERED SUPPLIER	534
APPENDIX XIV:	TIME OF SUPPLY WHEN LAND OWNER TRANSFERS	
	DEVELOPMENT RIGHTS OR FSI TO PROMOTER IN	
	RESPECT OF RIGHTS TRANSFERRED PRIOR TO 31-3-2019	536
ADDENIDIS SEE		
APPENDIX XV :		537
APPENDIX XVI:	CLARIFICATIONS ON REAL ESTATE PROJECTS PART-II	553
SUBJECT INDEX		561