

GST

AMENDMENTS/CHANGES

FOR MAY 2020 ATTEMPT

Amendment in Registrations

Question No. 6 Page 81 (6th Edition)

(i) Certificate can be cancelled in one more case i.e. violation of rule 10A which reads as given below:

Furnishing of Bank Account Details.

Rule 10A. After a certificate of registration in FORM GST REG-06 has been made available on the common portal and a Goods and Services Tax Identification Number has been assigned, the registered person, except those who have been granted registration under rule 12 or, as the case may be rule 16, shall as soon as may be, but not later than forty five days from the date of grant of registration or the date on which the return required under section 39 is due to be furnished, whichever is earlier, furnish information with respect to details of bank account, or any other information, as may be required on the common portal in order to comply with any other provision.

(ii) Point no. d should be read as given below:

a person paying tax under composition scheme has not furnished statements for **3 consecutive tax periods** (as per section 39/rule 62 a supplier covered in composition scheme is required to file quarterly statement in form no. **CMP 08** upto 18th of next month)

(iii) Rule 21A- Suspension of Registration

New explanation in sub rule 3

"**Explanation.**-For the purposes of this sub-rule, the expression "shall not make any taxable supply" shall mean that the registered person shall not issue a tax invoice and, accordingly, not charge tax on supplies made by him during the period of suspension.";

New sub rule 5 inserted

"(5) Where any order having the effect of revocation of suspension of registration has been passed, the provisions of clause (a) of sub-section (3) of section 31 and section 40 in respect of the supplies made during the period of suspension and the procedure specified therein shall apply.".

(Inserted by the Central Goods and Services Tax (Sixth Amendment) Rules, 2019, w.e.f. 9-10-2019.)

Amendment in Debit/Credit Note

One or more credit/debit notes can be issued for one or more invoices i.e. there is no condition that one credit/debit note should be issued for one invoice, eg. if 3 invoices were issued, one debit/credit note can be issued for all such invoices.

Amendment in Meaning of supply

Section 7(2)(b), one more service has been declared by the Government in which they are engaged as public authority

"Service by way of grant of alcoholic liquor licence, against consideration in the form of licence fee or application fee or by whatever name it is called."

(Notification no. 25/2019-CT (R) dated 30-9-2019)

Amendment in Composition scheme

In case of composition scheme u/s 10, Manufacturer of **aerated water** shall not be eligible for composition scheme.

(Notification no. 43/2019-CT, dated 30-9-2019)

In case of persons covered under notification no. 02/2019 dated 07-03-2019, such persons will not be eligible if they are supplier of **aerated water**.

(Notification no. 18/2019-CT (R), dated 30-9-2019)

Amendment in Input tax credit

Amendment in Rule 36 (4)

If the supplier has not included the supply in GSTR-1, the recipient shall not receive information in GSTR-2A hence he will not be eligible to take ITC but now he is allowed to take ITC even if it is not reported in GSTR-2A but maximum to the extent of 20% of eligible credit. Eg. if GSTR-2A is showing tax credit 15,000 but it is not showing ITC of 5,000, in this case recipient can take ITC for 15,000 + 3000 = 18,000 but if GSTR 2A do not show ITC of invoice of 1000, in that case ITC of 16,000 can be taken.

(Inserted by the Central Goods and Services Tax (Sixth Amendment) Rules, 2019, w.e.f. 9-10-2019.)

Amendment in Exemptions

(i) In case of services by a hotel, inn, etc, exemption was allowed if value of supply was less than 1,000 but now exemption is allowed upto 1,000 (Notification No. 21/2019-CT (R) dated 30-09-2019)

(ii) Amendment page 200 point no 9 (6th edition)

Instead of prescribed limit, the language to be used shall be

“Such amount in the preceding financial year as makes it eligible for exemption from registration”

(Notification No. 21/2019- CT (R) dated 30-09-2019)

(iii). Amendment page 195 point no 5 (6th edition)

Instead of prescribed limit, the language to be used shall be

“Such amount in the preceding financial year as makes it eligible for exemption from registration”

(Notification No. 21/2019-CT (R) dated 30-09-2019)

(iv) Services provided by and to Fédération Internationale de Football Association (FIFA) and its subsidiaries directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020 to be hosted in India. (Notification No. 21/2019-CT (R) dated 30-09-2019)

(v) Services by way of right to admission to the events organised under FIFA U-17 Women's World Cup 2020. (Notification No. 21/2019-CT (R) dated 30-09-2019)

(vi) Services provided by a goods transport agency, by way of transport of goods in a goods carriage, to,—
 (a) a Department or Establishment of the Central Government or State Government or Union territory; or
 (b) local authority; or
 (c) Governmental agencies,

which has taken registration under the Central Goods and Services Tax Act, 2017.

(Notification No. 28/2018-CT(R) dated 31-12-2018)

(vii) Services by way of giving on hire—

(a) to a state transport undertaking, a motor vehicle meant to carry more than twelve passengers;

[(aa) to a local authority, an Electrically operated vehicle meant to carry more than twelve passengers; or
Explanation.—For the purposes of this entry, "Electrically operated vehicle" means vehicle falling under Chapter 87 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) which is run solely on electrical energy derived from an external source or from one or more electrical batteries fitted to such road vehicle.]

(b) to a goods transport agency, a means of transportation of goods; or

[(c) motor vehicle for transport of students, faculty and staff, to a person providing services of transportation of students, faculty and staff to an educational institution providing services by way of pre-school education and education upto higher secondary school or equivalent.]

(Notification No. 13/2019-CT (R) dated 31-07-2019)

(viii) Services by way of storage or warehousing of cereals, pulses, fruits, nuts and vegetables, spices, copra, sugarcane, jaggery, raw vegetable fibres such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea. (Notification No. 21/2019- CT (R) dated 30-09-2019)

(ix) Services of life insurance provided or agreed to be provided by the Central Armed Police Forces (under Ministry of Home Affairs) Group Insurance Funds to their members under the Group Insurance Schemes of the concerned Central Armed Police Force. (Notification No. 21/2019-CT (R) dated 30-09-2019)

(x)

If aggregate turnover of an RWA does not exceed ₹20 Lakh in a financial year, it shall not be required to take registration and pay GST even if the amount of maintenance charges exceeds ₹7500/- per month per member. RWA shall be required to pay GST on monthly subscription/ contribution charged from its members, only if such subscription is more than ₹7500/- per month per member and the annual aggregate turnover of RWA by way of supplying of services and goods is also exceeding ₹20 lakhs.

Annual turnover of RWA	Monthly maintenance charge	Whether exempt?
More than ₹20 lakhs	More than ₹7500/-	No
	₹7500/- or less	Yes
₹20 lakhs or less	More than ₹7500/-	Yes
	₹7500/- or less	Yes

The exemption from GST on maintenance charges charged by RWA from residents is available only if such charges do not exceed ₹7500/- per month per member. In case the charges exceed ₹7500/- per month per member, the entire amount is taxable. For example, if the maintenance charges are ₹9000/- per month per member, GST @18% shall be payable on the entire amount of ₹9000/- and not on [₹9000 - ₹7,500] = ₹1500/- (Circular no. 109/28/2019, dated 22-7-2019)

Amendment in Reverse Charge

(i) Renting of motor vehicle

If any person is providing services of renting of motor vehicle to any body corporate, reverse charge shall be applicable provided such person is other than a body corporate, eg. Mr. X is providing services of renting of motor vehicle to ABC limited, in this case reverse charge is applicable. If services are given by ABC limited to Mr. X or services are given by ABC limited to XYZ limited, reverse charge is not applicable.

(Notification No. 22/2019-CT (R) dated 30-09-2019)

(ii) Lending of securities

Services of lending of securities under Securities Lending Scheme, 1997 of Securities and Exchange Board of India.

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.

(Notification No. 22/2019-CT (R) dated 30-09-2019)

Eg, Mr. X is holding 10000 equity shares of reliance industries which he has lent to Mr. Y for a period of one year and has received ₹20,000, in this case GST shall be paid by Mr. Y under reverse charge.

(iii) Copyright

Earlier reverse charge was applicable in case of an author but now the author has the option to pay GST under normal charge but he shall not withdraw the said option within a period of 1 year from the date of exercising such option and he makes a declaration, as prescribed in annexure II on the invoice issued by him in form GST Inv-I to the publisher.

(Notification No. 22/2019-CT (R) dated 30-09-2019)

(iv) Security services

If any person is providing security services to any registered person, reverse charge shall be applicable provided such person is other than a body corporate, eg. Mr. X is providing security services to ABC limited (registered under GST), in this case reverse charge is applicable. If services are given by ABC limited to Mr. X or services are given by ABC limited to XYZ limited, reverse charge is not applicable.

(Notification No. 29/2018-CT (R) dated 31-12-2018)

(v) Agent of Business correspondent

If services are provided by an agent of business correspondent to any business correspondent, reverse charge shall be applicable.

(Notification No. 29/2018-CT (R) dated 31-12-2018)

Filing of Return by composition dealer Section 39/ Rule 62

Every registered person paying tax u/s 10 i.e. composition dealer shall be required to file a quarterly statement in form CMP-08 upto 18th from the end of the quarter. The statement is as given below

Form GST CMP - 08**Statement for payment of self-assessed tax**

		Financial					
		Year					
		Quarter					
1.	GSTIN						
2.	(a) Legal name	<Auto>					
	(b) Trade name	<Auto>					
	(c) ARN	<Auto> (After filing)					
	(d) Date of filing	<Auto> (After filing)					

3. Summary of self-assessed liability

(net of advances, credit and debit notes and any other adjustment due to amendments etc.)

(Amount in ₹ in all tables)

Sr. No.	Description	Value	Integrated tax	Central tax	State/ UT tax	Cess
1	2	3	4	5	6	7
1.	Outward supplies (including exempt supplies)					
2.	Inward supplies attracting reverse charge including import of services					
3.	Tax payable (1+2)					
4.	Interest payable, if any					
5.	Tax and interest paid					

4. Verification

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Signature

Place :

Name of Authorised Signatory

Date:

Designation/Status

Instructions:

1. The taxpayer paying tax under the provisions of section 10 of the Central Goods and Services Tax Act, 2017 or by availing the benefit of notification No. 02/2019– Central Tax (Rate), dated the 7th March, 2019 [G.S.R. 189(E) dated the 7th March,2019] shall make payment of tax on quarterly basis by the due date.
2. Adjustment on account of advances, credit/debit notes or rectifications shall be reported against the liability.
3. Negative value may be reported as such if such value comes after adjustment.
4. If the total tax payable becomes negative, then the same shall be carried forward to the next tax period for utilising the same in that tax period.
5. Interest shall be leviable if payment is made after the due date.
6. “Nil” Statement shall be filed if there is no tax liability due during the quarter

Composition dealer shall also be required to file an annual return in GSTR-4 upto 30th April following the end of the financial year.

Particulars of GSTR-4 (Annually) shall be as given below:

Table No. 1. GSTIN

Table No. 2. Legal name / Trade name.

Table No. 3. Aggregate Turnover during the preceding financial year.

Table No. 4. Inward supplies including supplies on which tax is to be paid reverse charge.

Table No. 5. Tax on outward supplies made.

Table No. 6. Consolidated statement of advances paid/advance adjustment on account of receipt of supply.

Table No. 7. TDS Credit received (Not covered in syllabus)

Table No. 8. Tax Payable and paid

Table No. 9. Interest, Late fee payable and paid

Table No. 10. Refund claimed from electronic cash ledger

Table No. 11. Debit entries in cash ledger for tax/interest payment.

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(CORRECTED PART IS GIVEN IN BOLD ITALICS)

REGISTRATION

Question 1: write a note on Registration on the basis of Threshold exemption.

Answer:

As per section 22, every supplier of **goods or** services or services plus goods shall be liable to be registered in the State / Union Territory if his aggregate turnover in a financial year exceeds ₹20,00,000 but in case of below mentioned states it will be taken as **₹10,00,000**. Similarly if any person is supplying exclusively specified goods i.e. Ice cream, Pan masala, Tobacco product etc., registration is required if limit has been exceeded ₹ 20,00,000 but in case of below mentioned states, it will be ₹ 10,00,000

Such certain states are

1. Manipur
2. Mizoram
3. Nagaland
4. Tripura

As per notification No. 10/2019 central tax 07-03-2019, in case of a person engaged in **EXCLUSIVE SUPPLY OF GOODS**, except specified goods i.e. ice cream Pan masala, Tabacco etc., registration shall be required if turnover has exceeded ₹40,00,000 but in case of following states limit shall be ₹20,00,000 and not ₹40,00,000

1. Manipur

2. Mizoram

3. Nagaland

4. Tripura

5. Arunachal Pradesh

6. Meghalaya

7. Puducherry (Pondicherry)

8. Sikkim

9. Telangana

10. Uttarakhand

For the sake of convenience, the above part is given in the table form also:

Limit for person supplying within the State/UT.

SL.No	Name of State/UT	Limit for person supplying only services or services plus goods	Limit for person supplying only goods
01	Manipur	10,00,000	10,00,000
02	Mizoram	10,00,000	10,00,000
03	Nagaland	10,00,000	10,00,000
04	Tripura	10,00,000	10,00,000
05	Arunachal Pradesh	20,00,000	20,00,000
06	Meghalaya	20,00,000	20,00,000
07	Puducherry	20,00,000	20,00,000
08	Sikkim	20,00,000	20,00,000
09	Telangana	20,00,000	20,00,000
10	Uttarakhand	20,00,000	20,00,000
11	Other remaining States / UT	20,00,000	40,00,000

SL. No	Name of State/UT	Limit for person supplying Specified goods i.e. ice cream and other edible ice, pan masala, Tobacco etc.
01	Manipur	10,00,000

02	Mizoram	10,00,000
03	Nagaland	10,00,000
04	Tripura	10,00,000
05	Other remaining States / UT	20,00,000

As per section 2(6), "aggregate turnover" means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), 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.

Aggregate turnover shall include all supplies made by the taxable person whether on his own account or on behalf of all his principals.

If a business is carried by a taxable person who is registered under this Act has transferred his business to any other person, the transferee shall obtain fresh registration from the date of transfer of business provided transferee is not a registered entity.

Example

1. ABC limited is supplying only goods and has two branches in two different States and Turnover in each State is ₹22,00,000, in this case company is required to take separate registration in each of the State and they will be considered to be distinct persons.

2. ABC limited is supplying services has two branches in two different States and Turnover in one State is ₹22,00,000 and in the other ₹3,00,000, in this case company is required to take separate registration in each of the State and they will be considered to be distinct persons.

Examples:

Supplier	Engaged	Aggregate turnover (in lakhs)	Applicable threshold limit for Registration (in lakhs)	Whether liable to obtain registration?
Mr. P of Assam	exclusively in supply of shoes	22	40	No
	exclusively in supply of pan masala	22	20	Yes
	exclusively in supply of taxable services	22	20	Yes
	in supply of both taxable goods and services	22	20	Yes
Mr. S of Telangana	exclusively in supply of toys	22	20	Yes
	exclusively in supply of ice cream	22	20	Yes
	exclusively in supply of taxable services	22	20	Yes
	in supply of both taxable goods and services	22	20	Yes
Mr. A of Manipur	exclusively in supply of paper	12	10	Yes
	exclusively in supply of tobacco	12	10	Yes
	exclusively in supply of taxable services	12	10	Yes
	in supply of both taxable goods and services	12	10	Yes

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(CORRECTED PART IS GIVEN IN BOLD ITALICS)

7. The person covered in composition scheme shall get shifted to the normal scheme if the limit of **₹1,50,00,000 exceeds at any time in a financial year.**

8. If any person has wrongly opted such scheme, penalty may be imposed under section 73/74.

9. **As per Rule 3**, a person applying for registration may give option for composition scheme in **part B of REG-01.**

10. If any person has opted for composition scheme for any place of business in any state or union territory, shall be automatically covered in composition scheme for all other places of business in any other State / UT i.e. same scheme will be applicable for all registration with same PAN.

11. **As per Rule 4**, Option to pay tax under section 10 shall be effective from the beginning of the next financial year but such person shall also furnish statement in **ITC-03 for reversal of tax credit within a period of 90 days** from the date of commencement of composition scheme.

In case of new registration it will be applicable from the effective date of registration.

12. **As per Rule 5**, such person should be neither casual taxable person nor non - resident taxable person.

13. Such supplier shall mention the words **“composition taxable person not eligible to collect tax on supplies”** at the top of the bill of supply. (not allowed to issue tax invoice)

14. **As per Rule 6**, If turnover exceeds ₹150,00,000 he will be shifted to normal scheme with immediate effect and he will give an intimation in CMP-04 within 7 days of exceeding the limit.

15. Any person who is in the composition scheme may opt out of the scheme at any time and shall file an application in **CMP-04** and he will get shifted to normal scheme with immediate effect. He shall be required to submit ITC-01 for availing ITC **within 30 days** from the date of withdrawal. Such withdrawal shall be applicable to all the places in all the states/UTs.

16. As per rule 62, such person has to file quarterly statement in CMP-08 instead of monthly return and also taxes is to be paid on quarterly basis within 18 days from the end of the quarter. Further composition dealer shall file an annual return upto 30th April following the end of the financial year in form GSTR-4

17. such person can purchase either from same state or from some other state or from some other country but cannot sale to other state or to other country.

18. such person has to pay tax **out of his own** even with regard to supplies which are exempt from GST but in case of traders tax shall be payable only with regard to taxable supplies.

As per section 2(6), "aggregate turnover" means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), 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.

As per section 2(47) "exempt supply" means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply.

As per section 2(78) "non-taxable supply" means a supply of goods or services or both which is not leviable to tax under this Act or under the Integrated Goods and Services Tax Act.

As per section 2(108)"taxable supply" means a supply of goods or services or both which is leviable to tax under this Act;

As per 2 (112)"turnover in State" or "turnover in Union territory" means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis) and exempt supplies made within a State or Union territory by a taxable person, exports of goods or services or both and inter-State supplies of goods or services or both made from the State or Union territory by the said taxable person but excludes central tax, State tax, Union territory tax, integrated tax and cess.

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(CORRECTED PART IS GIVEN IN BOLD ITALICS)

3. Mr. X, a registered supplier of Delhi opted for composition levy. He purchased goods A and paid GST of ₹50 lakh on such purchase. ITC allowed shall be

- (a) ₹50 lakh
- (b) ₹25 lakh
- (c) No tax credit is allowed
- (d) none of the above

4. Can a registered person opting for composition scheme collect tax on his outward supplies?

- (a) Yes
- (b) No
- (c) Yes, if the amount of tax is prominently indicated in the invoice issued by him
- (d) Yes, only on such goods as may be notified by the Central Government

5. Mr. X, a trader in Delhi has opted for composition scheme of taxation under GST. Determine the rate of total GST payable by him under composition scheme:

- (a) 0.5% CGST & 0.5% SGST
- (b) 2.5% CGST & 2.5% SGST
- (c) 5% IGST
- (d) 5% SGST

6. Mr. X providing restaurant service in Delhi has opted for composition scheme of taxation under GST. Determine the rate of total GST payable by him under composition scheme:

- (a) 0.5% CGST & 0.5% SGST
- (b) 2.5% CGST & 2.5% SGST
- (c) 5% IGST
- (d) 5% SGST

7. Which of the following person can opt for composition scheme

- (a) person engaged in inter state supply.
- (b) A manufacturer manufacturing pan masala
- (c) A manufacturer manufacturing ice cream
- (d) None of the above

8. A person opting for composition scheme can file *quarterly annual* return in

- (a) GSTR-1
- (b) GSTR-2
- (c) GSTR-3
- (d) GSTR-4

9. A person opting for composition scheme can pay taxes within

- (a) 18 days from the end of the quarter
- (b) 20 days from the end of the quarter
- (c) 30 days from the end of the quarter
- (d) 60 days from the end of the quarter

10. If a person is shifting from composition scheme to normal scheme and can give intimation in

- (a) CMP-01
- (b) CMP-02
- (c) CMP-03
- (d) CMP-04

11. If a person is opting for composition scheme in one State then it shall be applicable in _____ States for multiple registration.

- (a) all the States
- (b) Optional for other States
- (c) not apply for other States
- (d) None of the above

12. If a trader is opting for composition scheme then tax shall be payable on

- (a) Turnover in a State

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(CORRECTED PART IS GIVEN IN BOLD ITALICS)

The return shall contain the following particulars:

- Table No. 1. GSTIN
- Table No. 2. Legal name.
- Table No. 3. Details of Outward Supplies and inward supplies liable to reverse charge
- Table No. 4. Eligible ITC.
- Table No. 5. Values of exempt, nil rated and non-GST inward supplies
- Table No. 6. Payment of Tax, TDS/TCS Credit

Question 3: Explain Filing of Return by composition dealer.

Answer: Filing of Return by composition dealer Section 39/ Rule 62

Every registered person paying tax u/s 10 i.e. composition dealer shall be required to file an annual return in GSTR-4 upto 30th April following the end of the financial year. Such dealer shall be required to file quarterly statement in form CMP-08 upto 18th from the end of the quarter.

Particulars of GSTR-4 shall be as given below:

- Table No. 1. GSTIN
- Table No. 2. Legal name / Trade name.
- Table No. 3. Aggregate Turnover during the preceding financial year.
- Table No. 4. Inward supplies including supplies on which tax is to be paid reverse charge.
- Table No. 5. Amendments to details of inward supplies furnished in returns for earlier tax periods in table 4 including debit/credit notes.
- Table No. 6. Tax on outward supplies made.
- Table No. 7. Amendments to outward supplies details furnished in returns for earlier tax periods in table 6.
- Table No. 8. Consolidated statement of advances paid/advance adjustment on account of receipt of supply.
- Table No. 9. TDS Credit received (Not covered in syllabus)
- Table No. 10. Tax Payable and paid
- Table No. 11. Interest, Late fee payable and paid
- Table No. 12. Refund claimed from electronic cash ledger
- Table No. 13. Debit entries in cash ledger for tax/interest payment.

Question 4: Explain Filing of First Return.

Answer: Filing of First Return Section 40

Every registered person who has made outward supplies in the period between the date on which he became liable to registration till the date on which registration has been granted shall declare the same in the first return furnished by him after grant of registration.

When a person becomes liable to registration after his turnover crossing the threshold limit, he may apply for registration within 30 days of so becoming liable. Thus, there might be a time lag between a person becoming liable to registration and grant of registration certificate.

During the intervening period, such person might have made the outward supplies, i.e. after becoming liable to registration but before grant of the certificate of registration. Now, in order to enable such registered person to declare the taxable supplies made by him for the period between the date on which he became liable to registration till the date on which registration has been granted so that ITC can be availed by the recipient on such supplies. Firstly, the registered person may issue Revised Tax Invoices against the invoices already issued during said period within 1 month from the date of issuance of certificate of registration.

The registered person shall declare his outward supplies made during said period in the first return furnished by him after grant of registration. The format for this return is the same as that for regular return.

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(CORRECTED PART IS GIVEN IN BOLD ITALICS)

2. Taxpayers would have facility to create his profile based on nature of supplies made and received. The fields of information which a taxpayer would be shown and would be required to fill in the return would depend on his profile.

3. NIL return filers (no purchase and no sale) shall be given facility to file return by sending SMS.

4. Council approved quarterly filing of return for the small taxpayers having turnover below ₹5 Cr as an optional facility. Quarterly return shall be similar to main return with monthly payment facility but for two kinds of registered persons – small traders making only B2C supply or making B2B + B2C supply.

For such taxpayers, simplified returns have been designed called Sahaj and Sugam. In these returns details of information required to be filled is lesser than that in the regular return.

5. The new return design provides facility for amendment of invoice and also other details filed in the return. Amendment shall be carried out by filing of a return called amendment return. Payment would be allowed to be made through the amendment return as it will help save interest liability for the taxpayers

MULTIPLE CHOICE QUESTIONS

1. Who is required to furnish details of outward supplies in Form GSTR-1?

- (a) Person paying tax under composition scheme
- (b) Non-resident taxable person
- (c) Both (a) & (b)
- (d) None of the above

2. What does N stand for in HSN?

- (a) Network
- (b) Nationalization
- (c) Nomenclature
- (d) Nomination

3. Which form is furnished for submission of details of outward supplies u/s 37?

- (a) GSTR-1
- (b) GSTR-2
- (c) GSTR-3
- (d) GSTR-5

4. What is the due date for submission of monthly GSTR-1?

- (a) on or before 10th day of the immediately succeeding month
- (b) on or before 15th day of the immediately succeeding month
- (c) on or before 17th day of the immediately succeeding month
- (d) on or before 20th day of the immediately succeeding month

5. Composition tax payer is required to file *annual* return in Form no. _____.

- (a) GSTR-2
- (b) GSTR-3
- (c) GSTR-4
- (d) GSTR-5

6. Which of the following are not required to file the Annual Return?

- (a) Input Service Distributor
- (b) Casual Taxable Person
- (c) Non-resident Taxpayer
- (d) All of the above

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(CORRECTED PART IS GIVEN IN BOLD ITALICS)

7. The maximum amount of late fee payable by any registered person on failure to furnish return under section 39 by the due date is ₹ ____.

- (a) 1,000
- (b) 5,000
- (c) 10,000
- (d) 25,000

8. The due date of filing Final Return is ____.

- (a) 20th of the next month
- (b) 18th of the month succeeding the quarter
- (c) Within three months of the date of cancellation or date of order of cancellation, whichever is later
- (d) 31st December of next financial year

9. What is the due date for submission of monthly GSTR-3B?

- (a) on or before 10th day of the immediately succeeding month
- (b) on or before 15th day of the immediately succeeding month
- (c) on or before 17th day of the immediately succeeding month
- (d) on or before 20th day of the immediately succeeding month

10. What is the due date for submission of Quarterly Statements in CMP-08 GSTR-4?

- (a) on or before 10th day of the immediately succeeding quarter
- (b) on or before 15th day of the immediately succeeding quarter
- (c) on or before 18th day of the immediately succeeding quarter
- (d) on or before 20th day of the immediately succeeding quarter

11. Which of the following person are not required to file the GSTR-1?

- (a) Input Service Distributor
- (b) Person paying tax under composition scheme
- (c) Non-resident Taxpayer
- (d) All of the above

12. Contents of GSTR-1 are

- (a) GSTIN
- (b) Legal Name and Trade Name
- (c) Aggregate turnover in previous year
- (d) All of the above
- (e) None of the above

13. If turnover of person in preceding year is less than ₹1.5 crore then GSTR-1 shall be filed

- (a) Monthly
- (b) Quarterly
- (c) Half-yearly
- (d) Yearly

14. If turnover of person in preceding year is more than ₹1.5 crore then GSTR-1 shall be filed

- (a) Monthly
- (b) Quarterly
- (c) Half-yearly
- (d) Yearly

15. Annual return is required to file in Form no. ____.

- (a) GSTR-4
- (b) GSTR-1
- (c) GSTR-6
- (d) GSTR-9

Answer:

1. (d); 2. (c); 3. (a); 4. (a); 5. (c); 6. (d); 7. (b); 8. (c); 9. (d); 10. (c); 11. (d); 12. (d); 13. (b); 14. (a); 15. (d)

MULTIPLE CHOICE QUESTIONS

1. Transportation of passengers by _____ are exempt from GST.

- (a) Railway in first class
- (b) Railway in an air-conditioned coach
- (c) Metro
- (d) All of the above

2. Transportation of _____ by a GTA in a goods carriage is exempt from GST.

- (a) Agricultural produce
- (b) Organic manure
- (c) Milk
- (d) All of the above

3. What of the following services provided to an educational institution – Debo Public School- are exempt from GST?

- (a) Transportation of staff of the school
- (b) Cleaning of the school
- (c) Services relating to conduct of higher secondary exams
- (d) All of the above

4. Transportation of passengers by _____ are exempt from GST.

- (a) air conditioned stage carriage
- (b) radio taxi
- (c) air, terminating in Nagaland airport
- (d) All of the above

5. Which of the following services provided by Department of Posts are exempt from GST?

- (a) Speed posts
- (b) Life Insurance
- (c) Express parcel posts
- (d) None of the above

6. Which of the following services are exempt under GST?

- (a) testing of agricultural produce
- (b) supply of farm labour
- (c) warehousing of agricultural produce
- (d) all of the above

7. Mr. Narayan Goel has booked a room on rent in Sunshine Hotel for the purpose of lodging on 10.08.2019. GST is not payable by Mr. Narayan Goel in case rent for the same is ____

- (a) ₹800
- (b) ₹6,000
- (c) ₹11,000
- (d) ₹1,500

~~8. Transportation of goods by _____ are exempt from GST. Deleted~~

~~(i) road~~

~~(ii) inland waterways~~

~~(iii) goods transportation agency~~

~~(iv) courier agency~~

(a) (i) & (ii)

(b) (iii) & (iv)

(c) (i) and (iv)

(d) (i) [except (iii) & (iv)] & (ii)

9. Transportation of ____ by rail from Chennai to Gujarat are exempt from GST.

- (i) pulses**
- (ii) military equipments**

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(d) by all the above mentioned

18. Transportation of agricultural produces, milk, salt and food grain including flour, pulses and rice, 'relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap', newspaper or magazines registered with the Registrar of Newspapers - is exempted –

- (a) If it is by a goods transport agency
- (b) If it is by a rail - within India
- (c) If it is by a vessel - within India
- (d) If it is by all of the above

19. Which of the following is exempted –

- (a) Services by way of loading, unloading, packing, storage or warehousing of rice
- (b) Services by way of loading and unloading of jute
- (c) Services by way of packing and storage or warehousing of rubber
- (d) None of the above

20. If the aggregate turnover of in FY 2018-19 of M/s ABCD Enterprises, Kanchipuram, Tamil Nadu, India was Rs 18 lakh, exemption is available for the following services rendered to ABCD Enterprises –

- (a) Arbitral Tribunal services
- (b) Legal services by firm of advocates
- (c) Legal services by senior advocate
- (d) All of the above

21. Which of the following is not exempted -?

- (a) Health care service to human beings by authorized medical practitioners / para medics
- (b) Health care services to Animals/Birds
- (c) Slaughtering of animals
- (d) Rearing horses

~~22. Services by a Non-Profit entity (Registered or Unregistered) are exempted–~~

- ~~(a) If they are to its own members provided the contribution received is up to ₹ 7500 , per month from a member~~
- ~~(b) If they are to its own members, provided the contribution received is up to ₹ 7500 per month from a member towards sourcing goods/services from any third person for common use of members~~
- ~~(c) If they are to its own members, provided the contribution is less than ₹ 7500 per month from a member towards sourcing goods/services from any third person for common use of members~~
- ~~(d) If they are to its own members, provided the contribution is up to ₹ 7500 per month per member for common use specified members~~

23. Which of the following are exempted services?

- (a) Services by an artist by way of a performance in folk or classical art forms of music/ dance / theatre with consideration therefor not exceeding ₹ 1 lakh
- (b) Services by an artist by way of a performance in folk or classical art forms of music/ dance with consideration therefor not exceeding ₹ 1.5 lakh
- (c) Services by an artist by way of a performance in folk or classical art forms of music/ dance / theatre with consideration therefor not exceeding ₹ 1.5 lakh
- (d) Services by an artist as a brand ambassador by way of a performance in folk or classical art forms of music/ dance / theatre with consideration therefor not exceeding ₹ 1.5 lakh

24. Services by educational institution is exempted if the services are to –

- (a) Any common man
- (b) Its own students, faculty / staff
- (c) Both a & b
- (d) None of the above

25. Hair transplant services provided to Mr. A residing in Delhi by Dr. Batra from Delhi and charged ₹40,00,000. GST Payable shall be

- (a) Nil

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(CORRECTED PART IS GIVEN IN BOLD ITALICS)

(c) CGST- ₹90,000 and SGST- ₹90,000

(d) Nil

32. Post office of Ashok Vihar, Delhi rendered basic mail services and charged ₹1,00,000 from its customer in Delhi, in this case GST Payable shall be

(a) CGST – ₹18,000

(b) SGST - ₹18,000

(c) CGST- ₹9,000 and SGST- ₹9,000

(d) Nil

33. Post office of Ashok Vihar, Delhi rendered speed post services and charged ₹1,00,000 from its customer in Delhi, in this case GST Payable shall be

(a) CGST – ₹18,000

(b) SGST - ₹18,000

(c) CGST- ₹9,000 and SGST- ₹9,000

(d) Nil

34. Services by way of transportation of _____ by rail shall be taxable

(a) relief materials meant for victims of disasters, calamities, accidents or mishap;

(b) newspaper

(c) computer and laptops

(d) organic manure.

35. Transportation of books on a consignment transported in a single goods carriage is exempt if

(a) transportation charges is upto ₹1,500

(b) transportation charges is exceeding ₹1,500

(c) transportation charges is upto ₹750

(d) transportation charges is exceeding ₹750

36. Transportation of chairs for a single consignee in the goods carriage is exempt if

(a) transportation charges is upto ₹1,500

(b) transportation charges is exceeding ₹1,500

(c) transportation charges is upto ₹750

(d) transportation charges is exceeding ₹750

37. Which of the following is exempt from GST.

(i) Services provided to a recognized sports body by an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a recognized sports body.

(ii) Service of a player to a franchisee which is not a recognized sports body.

(iii) Services by a recognized sports body to another recognized sports body.

(iv) Services by individuals such as selectors, commentators, curators (custodian), technical experts.

(a) all the above is exempt.

(b) only (i) is exempt

(c) only (i) & (iii) is exempt

(d) (i),(ii) & (iii) is exempt

(e) none of these is exempt

(f) only (ii) & (iii) is exempt

38. HDFC Bank Ltd. sold foreign exchange to general ~~public and earned commission~~ of ₹10,00,000 during the month of March, in this case taxable amount shall be –

(a) Nil

(b) ₹10,00,000

(c) ₹5,00,000

(d) CGST - ₹90,000 & SGST - ₹90,000

39. HDFC Bank Ltd. received commission of ₹10,00,000 for debt collection services provided to customers during the month of March, in this case taxable amount shall be –

(a) Nil

(b) ₹10,00,000

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MISCELLANEOUS

Question 1: Explain SEZ / Zero Rated supplies.

Answer:

The term SEZ is defined in SEZ Act, 2005, Section 2(z), SEZ Means a specific area with well - defined physical boundaries and which has been declared to be SEZ and a Development commissioner is appointed by the Government.

The persons having their units in SEZ shall be exempt from payment of all taxes and no one supplying goods / services to a unit in SEZ shall be allowed to charge tax.

All the goods/services from SEZ are to be exported.

If any person has a unit in SEZ and also a unit outside SEZ, in such cases, separate registration is required even if the units are in the same State. Further it will be considered to be Inter-State Supply.

As per section 16 of IGST Act, no output tax shall be charged in case of zero rated supply which means exports or sale to units in SEZ or Developer of SEZ and the person supplying goods etc. shall be allowed to take input tax credit and also refund is allowed.

Question 2: Explain whether all goods are covered under GST.

Answer: As per section 9(1) of CGST Act, Alcoholic liquor for human consumption is not covered under GST because earlier excise duty on alcoholic liquor was collected by State Government besides VAT and State Governments considered it to be a major source of revenue for them. Hence they have not agreed to cover it under GST.

As per section 9(2), Petroleum crude, High speed diesel, Petrol , natural gas and aviation turbine fuel are not covered in GST at present however they will be covered in GST from a date to be notified by the Government.

Question 3: Explain classification of Goods/Services under GST.

Answer: There are many varieties of goods / services. Since all goods/ services do not carry the same rate of GST, therefore, it is necessary to identify the goods/services through groups and sub-groups and then to determine the rate of GST on each group or sub-groups of goods/services. The exercise of placing the various goods/services under the various groups or sub- groups is known as 'Classification' of a product/services and such classification is given in GST Tariff and it is called Harmonised system of Nomenclature. All the goods are divided into 21 broad categories which are called section and sections are further divided into 98 small categories which are called chapters. Each product given in the GST Tariff has a specific 8 digit code number first 2 digit refer to Chapter next 2 heading next 2 sub-heading and last 2 are specific for the product e.g. Code No. for Tobacco is 2401 20 50 and for mobile phone is 8517 12 10 and for Chocolate is 1806 90 10 (**Nomenclature means** a system of naming things)

All services are covered in chapter 99 and each service has a code of 6 digit which is called services accounting code.

As per notification number CT-12/17 dated 28.06.2017, The registered person shall be required to mention HSN/SAC code in the invoice in the manner given below:

1. If annual turnover in preceding year is upto ₹ 1,50,00,000, there is no requirement to mention HSN/SAC code.
2. If annual turnover in preceding year is exceeding ₹ 1,50,00,000 but upto ₹500,00,000, the registered person should mention first 2 digits of HSN/SAC code.
3. If annual turnover in preceding year is more than **₹500,00,000**, the registered person should mention first 4 digits of HSN/SAC code.

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(CORRECTED PART IS GIVEN IN BOLD ITALICS)

Question 9 (b)**Marks 1+2+1**

Please answer following individual independent cases with reference to Section 37 of the CGST Act, 2017 and rule-59 of CGST Rules, 2017:

(1) Mr. Kolly is registered supplier in the State of Gujarat. He is filling GSTR 1 every month. During the month of February, 2020 he was out of India and so did not do any transaction during the month. He believes that as there is no transaction there is no need to file GSTR 1 for the month of February, 2020. Is he correct?

Answer:

Not Correct: GSTR-1 needs to be filed even if there is no business transaction (Nil Return) in the tax period hence intention of Mr. Kolly is not correct and he is liable to file GSTR-1.

(2) Mr. Kaji is a registered dealer in Kerala. He was registered as a normal tax payer for FY 2019-20. But on 15-01-2020, he converted from normal tax payer to composition tax payer. Is he liable to file GSTR-1 for the month of February, 2020?

Answer:

Not Liable to File GSTR-1: In cases where a taxpayer has been converted from a normal scheme to composition scheme, GSTR-1 will be available for filing only for the period during which the taxpayer was registered as normal tax payer.

In the given case, Mr. Kaji is converted into composition scheme w.e.f. 15-01-2020 from normal scheme hence w.e.f. 15-01-2020 he is liable to file ***CMP 08 GSTR-4*** and he is not liable to file GSTR-1. ***for the month of February.***

(3) Mrs. Zeel a registered dealer in Rajasthan did not file GSTR1 for the month of June, 2019 but she wants to file GSTR1 for the month of July, 2019. Is it possible?

Answer:

Not possible: Filing of GSTR-1 for current period is possible only when GSTR-1 for the previous month has been filed. In the given case GSTR-1 for the month of June 2019 is pending hence she is not able to file GSTR-1 for the month of July 2019.

Question 10 (a)**Marks 4**

Explain the meaning of consignment note in relation to Goods Transport Agency and state its contents as per provisions of the CGST Act, 2017.

Answer: Refer answer given in the book