

For
CA/CS/CMA
Final



MASTER BOOK ON GST

Edition – 2026-27

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CONTENTS

Chapter I	Introduction	I.1
Chapter II	Constitution	II.1
Chapter III	Definitions	III.1
Chapter IV	Administration of GST	IV.1
Chapter V	Introduction to IGST	V.1
Chapter 1	Goods and Services	1.1
Chapter 2	Supply of Goods or Services (Taxable Event)	2.1
Chapter 3	Place of Supply	3.1
Chapter 4	Taxable Person	4.1
Chapter 5	Exemptions	5.1
Chapter 6	Computation of GST	6.1
Chapter 7	Reverse Charge Mechanism	7.1
Chapter 8	Invoice	8.1
Chapter 9	Time of supply	9.1
Chapter 10	Input Tax Credit	10.1
Chapter 11	Registration	11.1
Chapter 12	Manner of payment	12.1
Chapter 13	Return	13.1
Chapter 14	Accounts and Records	14.1
Chapter 15	Refund	15.1

About CA RAJ KUMAR

CA Raj Kumar is a dynamic & qualified Chartered Accountant. As a brilliant student and a position holder at Graduation & Post Graduation level, during his **19 years of glorious teaching experience** in the field of Indirect Taxation he has taught **over 2,05,000 students**.

He is a favorite amongst CA Students for the astute & insightful academic inputs provided by him and for his pleasing & endearing personality and **lucid art of teaching**.

He firmly believes in **blending studies with fun** and this is quite evident in his classes wherein he goes beyond theoretical reading of the subject, makes students **solve practical problems**, gives them practical **real life examples** and pushes them to achieve their goals with full precision.

In the subject Indirect Tax Laws, his students have continued to score **AIR #1 for 10 times** and **All India Highest Marks in IDT for 11 times till now**. He has also been entrusted by Government agencies to **show the ropes to IRS Officers** in training, which is a **testament to his caliber** as a subject matter expert.

He is famous for **concepts linkage** from the very beginning till the end which helps in understanding the topic, acing the exams and in post CA life as well. **His unique use of GST portal during the class** to link theory with Practical makes him stand apart from the crowd. His **classes are practical, conceptual and concise**. He is also the author of bestselling titles 'GST Compact Book'.

GIST OF GST

By - CA Rajkumar



Gate No. 1

Goods	Services	Neither Goods nor Services
EVERY KIND OF MOVABLE Properties [WHICH CAN BE MOVED AS SUCH without any dismantling from one place to another] eg.: Exercise Machine, Ceiling fan, small Storage tank etc.	ANYTHING OTHER THAN GOODS (i.e. AN ACTIVITY- either Active /Passive i.e. Do something or Not to do something. ie NEGATIVE ACTIVITIES)	<ul style="list-style-type: none"> • Money, • Securities.
Including: GROWING Crops & Grass, things attached to OR forming part OF THE Land (eg. Signage, Electricity Pole etc.)	Including: Transaction in money & Securities with Consideration.	Transaction in money & Securities Without Consideration.
ACTIONABLE CLAIM will Also be treated as Goods		

Box 9

Miscellaneous:

INVOICE: and E-way Bill

- TAX INVOICE issued BY TAXABLE PERSON
- Bill of Supply: By Person Availing Composition Scheme.

MANNER OF PAYMENT OF GST: -

- By using: E-CASH Ledger & E-Credit Ledger on GST Portal @ Specified Frequency by DUE DATE.

REGISTRATION:

- TIME LIMIT: 30 DAYS From: Crossing the limit of Rs. 20 Lakhs / 10 Lakh/40 Lakhs
- However the limit is Not Applicable - For INTER STATE supply of goods / Casual Taxable Person etc.

RETURN:

- Outward supply Return [GSTR 1]
- Annual return,
- Periodic Return, [GSTR 3B]
- etc.

INPUT TAX CREDIT:

- ITC Availment
- ITC Utilisation

RECORDS

REFUNDS

Box 8

Charge	Time of Supply of Services	Time of Supply of Goods
Normal Charge Mechanism (NCM)	Invoice date OR Payment Date [Whichever is Earlier]	Invoice date OR Payment Date- [Whichever is Earlier]
Reverse Charge Mechanism (RCM)	Payment Date OR 61st Day from Invoice Date [Whichever is Earlier]	Payment Date OR 31st Day from Invoice Date OR Goods Receiving Date [Whichever is Earliest]

Box 7

NCM/RCM

Generally: SUPPLIER Liab to PAY GST to Govt.

In case of Supply of Specified Services / Goods : RCM will be applicable ie Recipient liab to PAY GST eg :

- Goods Transport Agency Service,
- Legal Services by advocate or firm of advocate,
- Sponsorship service,
- Govt. services
- Director's services,
- Insurance Agent's service,
- Etc.

Box 6

Computation of GST

Regular Scheme	Composition Scheme
Transaction Value = Assessable Value With Adjustments--	Alternate method to pay taxes for small Taxpayers.
I- [Include] Incidental Expenses eg Packing EXPENSES.	
D- [Exclude]: Cash/Bulk/year END DISCOUNT etc.	
I- [Include] interest, Penalty etc	
O- [Include] Obligation of Supplier paid by Recipient	
T- [Include] Taxes other than GST and Compensation Cess eg Excise Duty etc	
S- [Exclude] Government Subsidy	

Gate No. 2

PART #1 ; Meaning of Supply

All form of supply of Goods/SERVICE such as:

- Sale
- Exchange
- Transfer
- Barter
- License
- Renting
- Lease
- Disposal

Made or to be made IN THE COURSE or furtherance of Business for a consideration

Transactions between club and members with Consideration

Importation of services with Consideration (business/Personnel).

4 specified Activities will be treated as SUPPLY even if it is WITHOUT CONSIDERATION

For Example: Transactions in between Related party ie Transaction between family members etc.

For Example : Transaction in between principal and Agent.

PART #2 ; Some Clarification: Supply of GOODS v/s Supply of SERVICE

Movable Property (Goods)		Supply of Goods
Sale of Goods		Supply of Goods
Hire Purchase TRANSACTIONS of Goods		Supply of SERVICE
Transfer of RIGHT / RIGHT to use Goods		Supply of Goods
Permanent transfer of Business Assets (Goods)		Supply of Goods
Immovable Property		Supply of Service
Renting / Leasing of Immovable Property		Supply of Service
Sale of Under Construction Property		Supply of Service
Sale of Complete / Constructed Property		No Supply

PAR T #3 NO SUPPLY: [NEW MAGIC OF W/G LIQUOR WALE]

- (i) Non Taxable Territory to Non Taxable Territory
- (ii) Activity by employee to employer
- (iii) services by Court, Tribunals
- (iv) services by Govt. officials like president, prime minister, chief minister, minister, MP, MLC, MLA,
- (v) Mortuary services
- (vi) Actionable claims, other than lottery, betting, gambling.
- (vii) Liquor license
- (viii) Sale of Land. Completed Building

PART #4 Bundled Supply

[A] Composite supply (NATURAL BUNDLE): shall be treated as a supply of PRINCIPAL SUPPLY;

[B] Mixed supply (Artificial bundled) – shall be treated as supply of that particular supply which attract HIGHEST tax rates.

Gate No. 3

NATURE OF SUPPLY: INTRA OR INTER



Gate No. 4

BY TAXABLE PERSON: Any person, who is Registered or required to be Registered ie the Person liab to pay GST.

Step 1: No Registration

- # AN Agriculturist exclusively engaged in Agriculture (However corporate agriculturist are Taxable Person)
- # Person making EXCLUSIVE EXEMPTED SUPPLY.
- # Other Person as may be notified eg Supplier in case of RCM.

Step 2: Mandatory Registration

- # Inter- state supply of GOODS
- # Casual Taxable Person
- # Non Resident taxable person.

Step #3 Registration After Limit

#Aggregate Turnover Exceed the Applicable Limit of Rs 10/20/40 Lakh

Gate No. 5

Gate No. 5100% EXEMPTIONS

Exempted Services: Total 100 + Services are exempted

#Daan, Dharm, Shiksha, Swasthya, Khel, Sarkaar, Kisaan, Manoranjan,
#Goods Transportation, Passenger Transportation, Renting of Immovable Property, Social Activity [G.P.R.S.]

Goods: Total 150 Entries- [NOT IN SYLLABUS]: National flag, Plastic Bangles, Live fish, fresh milk, potato, Grapes, Live bovine animals, Live sheep and goats etc.

Chapter : i - Introduction & Constitution

What is Tax?:

A **compulsory extortion of money**, which is made under an Act or Law, to support the nation, is called as Tax.

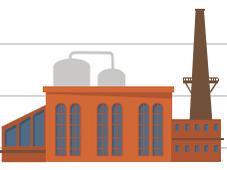
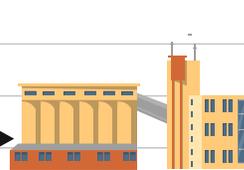
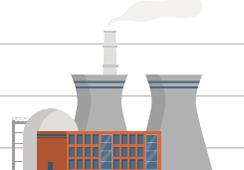
Type of Tax:

Tax can be divided into **two parts**- First one is **Direct Tax** and another one is **Indirect Tax**. Where **incidence of tax borne by the person on whom it is levied**, is called as Direct Tax e.g. Income Tax, & Where the **incidence of tax borne by another person** i.e. End user, then it will be called as Indirect Tax, e.g. GST.

Destination Principle:

According to this principle, **tax will be levied and collected by that State or Country, where goods or services are consumed.**

Concept of Credit:

Manufacturer #1	Manufacturer #2	Manufacturer #3	Manufacturer #4
			
Iron-----Wire	Wire---Compressor	Compressor--AC	AC--Car
Value=100	Value=1,000	Value=10,000	Value=50,000
+ Tax= 18	+ Tax= 180	+ Tax=1,800	+ Tax= 9,000
<u>118</u>	<u>1,180</u>	<u>11,800</u>	<u>59,000</u>
↓	↓	↓	↓
Output tax= 18	Output tax= 180	Output tax= 1,800	Output tax= 9,000
- ITC= Nil	- ITC =18	- ITC=180	- ITC=1,800
<u>Tax to Govt = 18</u>	<u>Tax to Govt=162</u>	<u>Tax to Govt= 1,620</u>	<u>Tax to Govt=88,200</u>
Total Tax To Govt. = 9,000			
Tax Borne By End User = 9,000			

Concept of GST Based On:

- (1) Value Added Tax
- (2) Continuous Chain of Credit
- (3) No Cascading (Tax on Tax)
- (4) Burden of Tax Borne by End User

Features of Indirect Taxes:

(I) Important Source of Revenue: Indirect Taxes contributes more than 50% of total tax revenue.

(II) Tax on Goods and Services.

(III) Shifting of Burden: Tax paid by supplier is recovered from the recipient and ultimately total tax burden borne by the end user.

(IV) No Perception of Direct Pinch: Under Indirect Taxes, most of the time the tax payer paying the same without actually knowing that he is paying tax to Government.

(V) Inflationary: Indirect Taxes rate variations directly affect the prices of goods or services.

(VI) Wider Tax Base: It affects larger number of peoples as compared to Direct Taxes.

(VII) Regressive in Nature: The Indirect Taxes rates are same for rich and poor people.

(VIII) Promotes Social Welfare: Under Indirect Taxes, High tax rates imposed on demerit items like Tobacco, etc. to demotivate these products.

Difference between Direct and Indirect Taxes:

BASIS	Indirect Taxes (e.g. GST)	Direct Taxes (e.g. Income Tax)
Burden of Tax	Borne by End User	Borne by the person on whom it is levied
Nature	Regressive	Progressive
Tax Base	Wider	Narrow
Annual Collection	More than 20 lakh crores	More than 18 lakh crores
EFFECT ON INFLATION	Directly affects inflation	Does not affect Inflation
EFFECT ON PERSON	It affects End User indirectly	It affects taxpayer directly.

Introduction of GST

Why GST?:

- (1) In old taxation system, there are **multiple taxes leading to multiple acts, multiple compliances and multiple tax events**. So, to overcome with these problems, GST has been introduced.
- (2) In old taxation system, there was the problem of **cascading (Tax on Tax) and double taxation** (where one thing liable to taxes twice first by treating it as goods and second by treating it as a service). So, to overcome with these problems, Govt. introduced GST.
- (3) In old taxation system, Taxpayer was treated as Manufacturer / Trader / Service provider. But under GST, Taxpayer is treated as **Supplier** and Buyer is treated as **Recipient**.

What is GST?:

- (1) GST is a tax **on Goods or Services**.
- (2) It is levied on "**Supply**" of Goods or Services.
- (3) Supply may be **Intra-State or Inter-State**.

Intra-State Supply:

Where origin and destination of supply fall **within the same state/UT**, then it will be called as Intra-State.

Chapter i : Introduction & Constitution

On Intra-State Supplies, **CGST + SGST/ UTGST** will be charged and payable to Central Government, and State Government in CGST Fund + SGST Fund/ UTGST Fund.

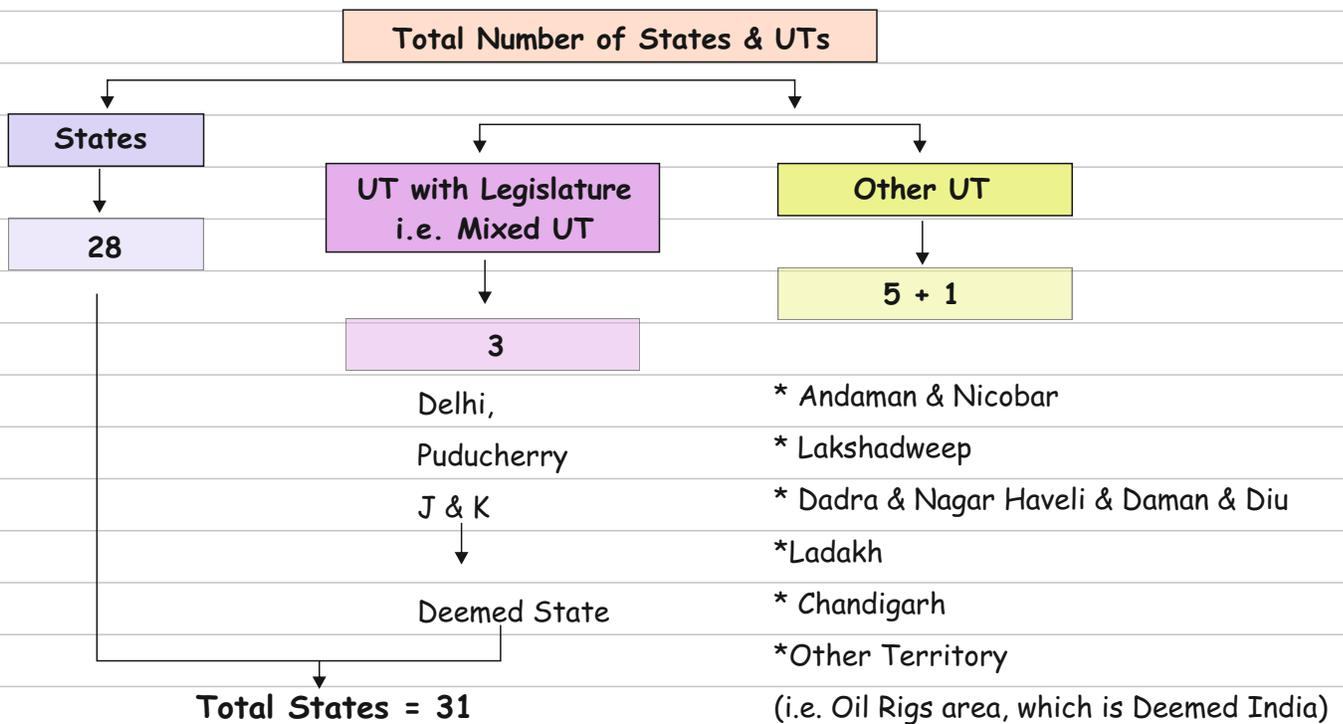
Inter-State Supply:

Where origin and destination of supply falls in **2 different States/UTs/Countries, one in State and another in UT (i.e. a border exist in between)**, than the supply will be Inter-State Supply.

On inter-State supplies, "**IGST**" will be charged, which is a sum total of CGST + SGST / UTGST and payable to Central Government.

After that Central Government will **transfer 50% to CGST Fund and balance 50% to Destination SGST/ UTGST Fund.**

Total Number of States & UTs:



Utilisation of ITC:

ITC shall be utilised in the following sequence:

- (1) Credit of **IGST** will be utilised for:
 - (a) IGST
 - (b) CGST/S GST (Any Ratio/Any Sequence)
- (2) Credit of **CGST** will be utilised for:
 - (a) CGST
 - (b) IGST
- (3) Credit of **SGST** will be utilised for:
 - (a) SGST
 - (b) IGST
- (4) Credit of **UTGST** will be utilised for:
 - (a) UTGST
 - (b) IGST

Which Taxes Subsumed Or Not To Be Subsumed In GST:

<u>Taxes Subsumed in GST</u>	<u>Taxes Not Subsumed in GST</u>
17 types of taxes have been subsumed in GST, which are as follows:	Taxes which have not been subsumed in GST are as follows:
<ul style="list-style-type: none"> • Central Excise Duty • VAT • Central Sales Tax • Entry Tax / Octroi • Service Tax • Tax on Betting, Gambling, Lottery • Etc. 	<ul style="list-style-type: none"> • Import Duty (Customs Duty) • Export Duty (Customs Duty) • Electricity Duty • Road Tax & Passenger Tax • Toll Tax • Etc.

Old Taxes & New Taxes Applicability:

* Alcoholic Liquor for Human Consumption:	[State Excise Duty & State VAT]
* 5 Petroleum Products:	[Central Excise Duty & State VAT]
* Tobacco:	[Central Excise Duty & GST]
* Rest of the Goods and Services:	[GST]

Benefits of GST:

- (1) No multiple taxes, no multiple taxable events & No multiple compliances.
- (2) No Cascading.
- (3) No Double Taxation.
- (4) Uniformity and alignment in provisions of law.
- (5) Increment in Government Revenue.
- (6) Boost to "Make in India" initiative.
- (7) Beneficial for all, viz. Government, Industry & End User.

Goods and Service Tax Network (GSTN):

- ⇒ GSTN is a Company, registered under Sec. 8 of the Companies Act, 2013, i.e. **not for profit company**.
- ⇒ Both the **Governments provide fund** to GSTN.
- ⇒ GSTN provides **GST Portal** for Government and Taxpayer.
- ⇒ Following facilities are offered by GSTN, viz registration, filing of returns, payment of GST.
- ⇒ Distribution of IGST, etc.

Concept of GSP/ASP:

GSP= GST Suvidha Provider

ASP= Application Service Provider

- ⇒ Basically, there are some softwares, which helps **to communicate with GST portal** to the small taxpayers, to fulfil various legal compliances, like return filing etc.
- ⇒ It works on **pull and push mode**, that means raw data is pulled from computer system of taxpayer, and after organising that data, it push organised data to GST Portal.

Chapter ii- Constitution of India:

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There are 4 Articles, which are relevant here:

- ◆ Article No 246A
- ◆ Article No 269A
- ◆ Article No 366
- ◆ Article No 279A

Article No 246A: Power to make laws:

- ⇒ For Intra-State Supplies: **Central Government and every State Government** have the simulations/ shared power to make laws.
- ⇒ For Inter-State Supplies: **Central Government** has exclusive power to make laws, namely IGST Act 2017.

- ⇒ 5 Petroleum Products: Petroleum Crude., Diesel, Petrol, Natural Gas, Aviation Turbine Fuel(ATF) will be covered under the ambit of GST **from the date as recommended by the GST Council.**

Article No 269A: Distribution of IGST:

- ⇒ IGST will be shared in the ratio of **50-50 between Central Government and State Government.** (In case of UT, at destination balance 50% shall be transferred to UTGST fund rather than SGST fund).
- ⇒ All **international transactions** will be called as **Inter-State** transactions.

Article No 366: Definitions:

- ⇒ GST Means: Tax on goods or services **excluding Alcoholic Liquor for home consumption.**
- ⇒ Goods: Any kind of **movable** property.
- ⇒ Services: Anything **other than Goods.**

Article No 279A: GST Council:

- ⇒ Any kind of **changes/amendments** in GST is possible on the recommendation of GST Council.
- ⇒ GST Council consists of-
 - ◆ Union Finance Minister-
 - ◆ Union Minister of State In charge
 - ◆ Finance Minister / Deputy CM/ Other Ministers of the State,
Which decide present and future of GST.
- ⇒ Process of Decision Making:
 - ◆ Representation of any changes before GST Council, in Industry / Department.
 - ◆ Voting in GST Council
 - ◆ On **75% or more (weighted) favourable voting**, GST Council sent the recommendation to Parliament.-
 - ◆ Parliament will issue an official notification for the same.
 - ◆ Now, the changes will be effective.
 - ◆ This change will be effective from the date as mentioned in the notification, and if no such date mentioned, effective date will be date of issue of notification.
- ⇒ Calculation of 75% voting (Weighted):

Suppose, on a proposal, Central Government is agree and 25 States out of 31 States are also agree then:

Chapter : iii - Definitions [Section 2]

(1) **Actionable Claims:**

- Actionable claim is basically **a contingent asset**.
- Meaning thereby **any kind of Assets** may or may not be received.

Examples: - * Specified Actionable Claims-

- Betting, Gambling, Lottery
- Online Money Gaming
- Casino, Horse Racing

* Unsecured Debts

* Pending Litigations in court.

Comment:

Actionable claims are **Goods** and only specified actionable claims are **liable** to GST. Otherwise actionable claims are **not liable** to GST.

(2) **Agent:**

- Means a person, who **works on behalf of another** person.
- Agent can be called with any name like- factor, broker, commission agent, arhatia, Del-Credere Agent or any other agent.

(3) **Principal:**

- A person, **on whose behalf agent works**.

(4) **Aggregate Turnover:**

It means-

• **All outward supplies:**

- All outward supply will be the part of Aggregate Turnover. Either it is Intra State or Inter State, Export, fall under NCM or RCM, either exempted, non-taxable or taxable.
- It means if anything which is not an outward supply, will not be the part of aggregate turnover. Anything which is not a supply, say transfer to job worker: not includible.

• **No Inward Supplies:**

Inward supplies (either NCM or RCM) will be the part of aggregate turnover.

• **Taxes:**

- GST and Compensation Cess: Not Includible in value.
- Old taxes like Excise duty, VAT, CST: Includible.

- **Clubbing:** In calculation of Aggregate Turnover, all premises turnover under the same PAN in All over India will be clubbed.

(5) **Exempt Supply:**

Exempt Supply consists of **3 types** of supplies-

- **100% Exempted Supply** i.e. Exempt by way of Exemption Notification

Chapter iii : Definitions [Section 2]

- **Nil rated supply**
- **Non- Taxable Supplies** eg. 5 petroleum products and alcoholic liquor for human consumption.

Comment: (1) **No corresponding ITC** is allowed, in case of **Exempted supplies**.

Comment: (2) Zero Rated Supplies (**Export**) **is not an exempted supplies** and corresponding ITC is allowed in case of Zero Rated Supplies.

(6) **Agriculturist:**

Means an **Individual or HUF** who-

- Actively engaged in cultivation of land **by own labour or by the labour of family**.
- Passively engaged in cultivation of land **by servant on wages or by hired labour** under the personal supervision of himself or of any family member.

(7) **Family:**

- **Unconditional: Spouse and Childrens** always be the part of the family.
- **Conditional: Parents, Grand Parents, Brother and sisters** be the part of family, if they are **wholly or mainly dependent** on the said person.

(8) **Authorised Bank:**

Means the bank or branch of the bank, **authorised by Government**, to collect tax or any other amount under the act.

(9) **Board:**

Means- Central Board of Excise and Customs (**CBIC**).

(10) **Business:**

(11) **Capital Goods:**

- Means the **Goods** which are used or intended to be used in the **business or furtherance** of Business,
- And the **value of which is capitalised in the book of recipient**.

(11A) **Inputs:**

- Means the **Goods**, which are used or intended to be used in the **business or furtherance**

of business,

- And which is **not covered under the definition of capital goods** i.e. revenue expenditure.

(11B) Input Services:

- Means any **service** which are used or intended to be used in the **business or furtherance** of the business.

Comment: GST paid on capital goods, input and input service is **available as ITC to the recipient.**

(12) Casual Taxable Person:

- Any person who **occasionally undertakes transactions** of supply of goods or services,
- In the **course or furtherance of business.**
- In a **State or UT, where he has no fixed place of business.**

Comment:

- Registration: 5 Days in Advance

- Estimated Net GST Payment: 5 Days in Advance

- Life of registration certificate: 90+90 Days

(13) Non-Resident Taxable Person (NRTP):

- Any person, who occasionally undertakes transactions of supply of goods or services in the **course or furtherance of business** in India
- and he has **no fixed place of business or residence** in India.

Comment:

- Registration: 5 Days in Advance

- Estimated Net GST Payment: 5 Days in Advance

- Life of registration certificate: 90+90 Days

(14) Common Portal:

- Common Portal is **owned by GSTN.**
- GSTN is a **company registered under section 8** of Companies Act 2013 i.e. **not for profit Company.**
- Both the Governments **provide fund** to GSTN.
- GSTN provides GST Portal to **Government and tax payer.**
- Following **facilities** are offered by GSTN, viz. Registration, Filing of returns, Payment if GST, Distribution of IGST, etc.

(15) Consideration:

- **Something in return** either in monetary or non-monetary form.
- For supply of Goods or Services (Active/Passive).
- Will be called as Consideration.
- **Government subsidy** will **not** be the part of consideration, and
- **Security Deposit** will also **not** be the part of consideration. However, when security amount will be **adjusted against rent** etc., then it will become the part of consideration.

(15A) Recipient:

- In case of paid supplies: The person who is **liable to pay consideration**, will be the Recipient.
- In case of Free Supplies: The person to **whom delivery of goods made or to whom service is rendered** will be the recipient.
- Recipient also **includes its agent**.

(16) Debit Note/ Supplementary Invoice:

- Debit Note is a **document**, which is required to be issued in case where there is **under invoicing due to charging lower value of supplies or lower rate of tax** etc.
- Debit Note **enhance the value of main invoice**.
- It also **enhances the liability of supplier in E-liability register**, when supplier submit the debit note in upcoming GSTR-1.
- Debit Note **enhance the credit of recipient** on showing credit value in GSTR-2B.

(16A) Credit Note:

- Credit note is a **document**, which is required to be issued in case where there is **over invoicing, due to charging higher value of supplies or higher rate of tax or under supply of goods or services or in case of sales return** of Goods or services.
- Credit note **fill that gap**.

Comment:

- Credit note **issued by supplier is only relevant in GST**, if it is **issued by recipient, then treatment will be there in GST**.
- Credit note **decreases the value of main invoice**.
- It also **decreases the liability of supplier in E- liability register**, where **supplier submit the credit note** in upcoming GSTR-1.
- Credit Note **decreases the credit of recipient** on showing credit value in GSTR-2B.

(17) E-Liability Register / E-Credit Ledger / E-Cash Ledger:

- Where a person get registration on GST Portal, 3 online ledgers are opened by portal for the registered person.
- E- liability register **shows the GST and other liability** of registered person which is updated on submission of GSTR-1.
- E-Cash Ledger shows the **ITC available to the registered person** and it is updated on deposit of cash amount by registered person.

(18) India:

India Means-

- **Land Mass** of India
- **Territorial Water of India** (which is 12 nautical miles from the base line) including bottom and airspace.
- **Oil rigs** situated in Exclusive Economic Zone or Continental Shelf will be called as Deemed India.

Chapter iii : Definitions [Section 2]

Comment:

Deemed India area (Oil rigs) will be **covered under Other Territory**, which means Union Territory.

(19) Inward Supply:

- Any kind of Supply either free or paid,
- Which is **taken by the recipient**,
- By way of **purchases / acquisition** etc.
- Will be called as Inward Supply.

(20) Input Tax:

- **GST charged or payable on any inward supply.**
- Either under forward charge or reverse charge
- Will be called as Input Tax.
- Moreover, **IGST charged on Import of Goods** by Customs Department, will also be the Input Tax.
- However, **tax paid by composite dealer @ 1%, 5%, 6% will not be the Input Tax.**

(21) Input Tax Credit:

- **Credit of Input Tax** will be the Input Tax credit.

(22) Outward Supply:

- Supply of Goods or Services provided **by supplier**,
- By way of sale, transfer, barter, etc.
- Either with consideration or without consideration,
- Made during the course of business or furtherance of business.

(23) Output Tax:

Tax Chargeable on outward supplies under this Act, will be called as Output Tax.

Comment:

Tax payable by recipient on inward supplies under Reverse Charge, will be called as Input Tax for Recipient.

(24) Job Work:

Any treatment or process undertaken by any person (Job worker), on goods belonging to others will be called as Job work.

Comment:

- (a) Transfer of goods to job worker will not be a supply. Moreover, when goods will be returned from job worker premises, it will also not be a supply.
- (b) Goods supplied by owner of goods from the place of job worker, after job work, will be a supply in the hands of owner.
- (c) Activities performed by job worker will be treated on supply of service, and liable to GST, in the hands of job worker [Except agriculture related].

(24A) Local authority” means:

- (a) a “Panchayat”

(b) a "Municipality"

(c) a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal fund or local fund;

Explanation.--For the purposes of this sub-clause—

(a) Local fund" means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Panchayat area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called;

(b) Municipal fund" means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Metropolitan area or Municipal area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called.

(d) a Cantonment Board

(e) a Regional Council or a District Council constituted.

(f) a Development Board constituted or

(g) a Regional Council

(25) **Money:**

The Indian Legal Tender or foreign currency, cheque, promissory note, bill of exchange, draft, pay order, traveller cheque, money order etc, i.e. Market Value and face value is equal.

Comment:

Outdated currency is not a money.

(26) **Taxable Supply:**

The supply, which fulfil the following 3 conditions-

- There must be Goods/ Services,
- There Must be a Supply, and
- It is leviable to GST.

(27) **Non-Taxable Supply:**

The supply, which fulfil the following 3 conditions-

- There must be Goods/ Services,
- There Must be a Supply, and
- It is not leviable to GST.

(28) **Taxable Territory:**

Means the territory, to which provisions of this act apply.

For example: For CGST Act = Whole India will be Taxable territory.

(29) **Non-Taxable Territory:**

Means the territory, which is outside the taxable territory.

For example: For CGST Act = Any place other than India, will be Non-taxable territory.

(30) **State:**

Already discussed in Introduction chapter.

Chapter iii : Definitions [Section 2]

(31) Union Territory:

Already discussed in Introduction chapter.

(32) Other Territory:

Means a place, which is not covered in the definition of State/UT.

For example: Oil rigs in Exclusive Economic Zone (EEZ).

(33) Person:

Person includes, the Individual, HUF. Company, Firm, LLP (Limited Liability Partnership), AOP or BOI (whether incorporated or not in India or outside India), Corporation (eg. Life Insurance Corporation), any Body Corporate incorporated outside India, Government Departments, Society, Trust, any other artificial person.

(34) Principal Business Place:

The place, which is specified in registration certificate as "Principal Business Place" (Eg. Head Office, Corporate Office).

(35) Principal Supply:

The supply which has "predominant element" in a Composite Supply, will be called as Principal Supply.

Comment:

Classification of composite supply goes to Principal Supply.

(36) Quarter:

A period of consecutive months, which is as follows will be called as a Quarter-

- January + February + March
- April + May + June
- July + August + September
- October + November + December.

(37) Registered Person:

- A person, who is registered under GST will be called as Registered person.
- However, a person who has "UIN" (Unique Identification Number) for claiming refund from Department on inward supplies, eg. Embassy, will not be called as Registered person.

(38) Removal:

Dispatch of goods by supplier or collection of goods by recipient, will be called as removal.

(39) Return:

Periodic return (eg. GSTR-3B), Annual return (GSTR-9, 9A), Final return (GSTR-10).

(40) Reverse Charge Mechanism (RCM):

Where recipient of goods or service liable to pay tax to Government directly, instead of supplier, will be called as RCM.

(40A) Supplier:

- The person, who is supplying goods or services will be called as Supplier, and

Chapter iii : Definitions [Section 2]

- An agent, who acts on behalf of supplier will also be called as Supplier.
- Moreover, organiser of specified actionable claim will be called as Supplier.

(41) Tax Period:

A period for which return is required to be filed, will be called as a Tax Period.

(42) Turnover in a State:

Turnover in the state, will be calculated in the same manner as of "Aggregate Turnover".

However, Origin Geographical Area will be a State.

For Example: Mr. A has a business place in UP & MP.

Sale from UP premise: UP to UP = 5 Lakhs

UP to HR = 6 Lakhs

Sale from MP premise: MP to MP = 7 Lakhs

MP to RJ = 8 Lakhs

(43) Valid Return:

Means a return (say GSTR- 3B) filed along with full repayment of tax as Self assessed by him.

(44) Online Gaming:

- Online Money Gaming, and
- Any other kind of game on Internet.

Comment:

Online Money Gaming is an Actionable Claim, and hence will be classified as "Goods". However, any other kinds of game on internet will be covered under "Services".

(45) Online Money Gaming:

An Online Game, where players pay or deposit money or Money's worth (eg. Crypto currency), in the expectation of winning, whether it is legal or not, will be called as Online Money Gaming.

(46) Specified Actionable Claims:

- Betting, Gambling, Lottery,
- Online Money Gaming,
- Casino, Horse Racing,

will be the Specified Actionable Claims.

(47) "Unique identification marking" means the unique identification marking referred to in section 148A(2)(b) and **includes a digital stamp, digital mark or any other similar marking, which is unique, secure and non-removable.**

Chapter : iv - Administration of GST

Section 3: Officers under this Act

The Government shall, by notification, appoint the following classes of officers for the purposes of this Act, namely:--

- (a) **Principal Chief Commissioners of Central Tax** or Principal Directors General of Central Tax,
- (b) **Chief Commissioners** of Central Tax or Directors General of Central Tax,
- (c) **Principal Commissioners** of Central Tax or Principal Additional Directors General of Central Tax,
- (d) **Commissioners** of Central Tax or Additional Directors General of Central Tax,
- (e) **Additional Commissioners** of Central Tax or Additional Directors of Central Tax,
- (f) **Joint Commissioners** of Central Tax or Joint Directors of Central Tax,
- (g) **Deputy Commissioners** of Central Tax or Deputy Directors of Central Tax,
- (h) **Assistant Commissioners** of Central Tax or Assistant Directors of Central Tax, and
- (i) **Any other class of officers** as it may deem fit:

Provided that the **officers appointed under the Central Excise Act, 1944 shall be deemed to be the officers appointed under the provisions of this Act.**

Section 4: Appointment of Administrative Staff

CBIC will appoint: (1) The **Board may, (in addition to the officers** as may be notified by the Government under section 3,) appoint such persons as it may think fit to be the officers under this Act.

CBIC may delegate the power: (2) The Board may, by order, authorise any officer referred to in clauses (a) to (h) of section 3 to appoint officers of central tax **below the rank of Assistant Commissioner of central tax for the administration of this Act.**

Section 5: Internal Cross-Empowerment

Do Your Own Work: (1) An officer of central tax **may exercise the powers and discharge the duties conferred or imposed on him under this Act.**

Internal Cross Empowerment (2) An officer of central tax may exercise the powers and discharge the duties conferred or imposed under this Act **on any OTHER OFFICER of central tax who is subordinate to him.**

Internal Cross Empowerment (3) The **Commissioner may delegate his powers** to any other officer who is subordinate to him.

NO Cross Empowerment (4) An Appellate Authority **SHALL NOT exercise the powers and discharge the duties conferred or imposed on any other officer of central tax**

Section 6: External Cross-Empowerment

State / UT officer can work as CGST Officer: (1) The officers appointed under the SGST Act or the UTGST Act **are authorised to be the proper officers** for the purposes of this Act

CGST Officer can work as State/UT officer:(2) (a) Where any proper officer issues an order under this Act, **he shall also issue an order under the SGST Act or the UTGST Act**, as authorised by the SGST Act or the UTGST Act, as the case may be, under intimation to the jurisdictional officer of State tax or Union territory tax.

(b) Where a proper officer under the SGST Act or the UTGST Tax Act has initiated any proceedings on a subject matter, **no proceedings shall be initiated by the proper officer under this Act on the same subject matter.**

(3) Any proceedings for rectification, appeal and revision, wherever applicable, of any order passed by an officer appointed under this Act **shall not lie before an officer appointed under the SGST Act or the UTGST Act.**