

Advance Course on GST - Introduction

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Coverage

Introduction (in nutshell).

Meaning of Supply.

Type of Supply (in nutshell).

Consequence of wrong classification of type of Supply and its remedy.

Classification, HSN, SAC – Theory in nutshell.

Consequence of wrong classification or HSN and SAC and its remedy

Introduction

GST is a destination-based tax **on consumption of goods and services**.

GST is proposed to be levied at all stages right from manufacture up to final consumption with credit of taxes paid at previous stages available as setoff.

In a nutshell, only value addition is being taxed and burden of tax is to be borne by the end consumer.

Place of consumption is also termed as Place of Supply.

GST has replaced (subsumed) almost 17 different taxes which were levied by Central and State Governments.

GST Council makes recommendations to the Union and States on the taxes, cess and surcharges levied by the Centre, the States and the local bodies which may be subsumed in the GST.

At present, alcoholic liquor for human consumption is kept out of GST.

Five petroleum products have temporarily been kept out of GST. GST Council shall decide the date from which they shall be included in GST.

Distribution and transmission of electricity and sale and purchase of real estate are also be kept out of GST by way of exemptions.



Introduction

Centre levy and administer CGST & IGST while respective states /UTs levy and administer SGST/ UTGST.

The CGST and SGST are levied at rates jointly decided by the Centre and States.


The GST rates are notified on the recommendations of the GST Council.

The Constitution (one hundred and first amendment) Act, 2016 provides that every decision of the GST Council shall be taken at a meeting by a **majority of not less than 3/4th of the weighted votes of the Members present and voting.**

The vote of the Central Government shall have a **weightage of 1/3rd of the votes cast** and the votes of all the State Governments taken together shall have a **weightage of 2/3rd of the total votes cast** in that meeting.

One half of the total number of members of the GST Council shall constitute the quorum at its meetings.

Under the GST regime, tax is payable by the registered taxable person on the supply of goods and/or services.



Constitutional Provisions

Article 246A – Special Provision with respect to GST:

Parliament and the Legislature of every State have power to make laws with respect to GST imposed by the Union or by such State (Note: related to intra-state supplies).

Parliament has exclusive power to make laws with respect to GST where supply of goods, or services, or both takes place in the course of inter-state trade or commerce.

Article 249 – Power of Parliament to legislate with respect to matter in the State List in the national interest:

Parliament has overriding power to make laws relating to GST.

Article 250 – Power of Parliament with respect to any matter in the State List if a Proclamation of Emergency is in operation:

Parliament has overriding power to make laws relating to GST or any other matters enumerated in the State List

Constitutional Provisions

Article 254 – Inconsistency between laws made by Parliament and laws made by the Legislatures of States:

Parliament has powers to supersede in cases of inconsistency of law.

Article 269A – Levy and collection of goods and service tax in course of inter-State trade or commerce:

Supply of goods, or services, or both in the course of import into the territory of India shall be deemed to be supply of goods, or of services, or both in the course of inter-State trade or commerce.

GST on supplies in the course of inter-state trade or commerce shall be levied and collected by the GOI and such tax shall be apportioned between the Union and the States in the manner as may be provided by law on the recommendations of the GST Council.

Parliament may, by law, formulate the principles for determining the place of supply, and when a supply of goods, or of services, or both takes place in the course of inter-State trade or commerce.

Constitutional Provisions

Article 270 – Taxes levied and distributed between the Union and the States:

Distribution of CGST and IGST used for paying CGST, including Stamp Duty, taxes on consignment sales, surcharge or cess, to be distributed between Union and the State as decided by the Finance Commission.

Article 279A – Goods and Service Tax Council:

Composition of GST Council:

Chairperson - Union Finance Minister.

Vice Chairman - one chosen from among the State.

Union Minister of State in charge of Revenue or Finance - Member

Minister in charge of Finance or Taxation or any other Minister nominated by each State Government - Members

Constitutional Provisions – Article 279A

The Goods and Services Tax Council shall make recommendations to the Union and the States on—

(a) the taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and services tax;

(b) the goods and services that may be subjected to, or exempted from the goods and services tax;

(c) model Goods and Services Tax Laws, principles of levy, apportionment of Goods and Services Tax levied on supplies in the course of inter-State trade or commerce under article 269A and the principles that govern the place of supply;

(d) the threshold limit of turnover below which goods and services may be exempted from goods and services tax;

(e) the rates including floor rates with bands of goods and services tax ;

Constitutional Provisions – Article 279A

(f) any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster;

(g) special provision with respect to the States of Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand; and

(h) any other matter relating to the goods and services tax, as the Council may decide.

The Goods and Services Tax Council shall recommend **the date on which the goods and services tax be levied** on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel.

Constitutional Provisions

Article 286 – Restrictions as to imposition of tax on the sale or purchase of goods:

States cannot impose tax on supply of goods or services or both where such supply takes place outside the State or in the course of import or export.

Article 366 – Definitions:

Article (12A):

Goods and service tax means any tax on supply of goods or services or both except alcoholic liquor for human consumption.

Article 366 (26A):

Services means any thing other than goods.

Seventh Schedule – List I – Union List:

Entry 84: Excise Duty only on 5 petroleum products, tobacco and tobacco products continue in this Entry.

Seventh Schedule – List II – State List:

Entry 54: Taxes on sale of only 5 petroleum products and alcoholic liquor for human consumption, other than inter-state trade or commerce or sale in the course of international trade or commerce continue in this list.



Important Definition

Actionable Claims - Section 2(1):

"actionable claim" shall have the same meaning as assigned to it in section 3 of the Transfer of Property Act, 1882 (4 of 1882);

Section 3 of the Transfer of Property Act 1882:

Actionable Claim means a claim to any debt, **other than a debt secured by mortgage of immoveable property or by hypothecation or pledge of moveable property**, or to any beneficial interest in moveable property not in the possession, either actual or constructive, of the claimant, which the Civil Courts recognize as affording grounds for relief, whether such debt or beneficial interest be existent, accruing, conditional or contingent.

Important Definition

Adjudicating Authority – Section 2(4):

"adjudicating authority" means any authority, appointed or authorised to pass any order or decision under this Act, but does not include:

the Central Board of Indirect Taxes and Customs,

the Revisional Authority,

the Authority for Advance Ruling,

the Appellate Authority for Advance Ruling,

the National Appellate Authority for Advance Ruling,

the Appellate Authority,

the Appellate Tribunal and

the Authority referred to in sub-section (2) of section 171.

Note: Authority referred to in Section 171(2) is Anti-Profiteering Authority.

Important Definition

Agent - Section 2(5):

"agent" means a person, including a factor, broker, commission agent, arhatia, del credere agent, an auctioneer or any other mercantile agent, by whatever name called, who carries on the business of supply or receipt of goods or services or both on behalf of another.

Section 182 of the Indian Contract Act – Agent and Principal defined:

An "agent" is a person employed to do any act for another or to represent another in dealings with third persons.

The person for whom such act is done, or who is so represented, is called the "principal".

Schedule I appended to CGST Act 2017 – Para 3:

Supply of goods –

- (a) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or*
- (b) by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.*

Note: Circular 57/31-2018- GST dated 04/09/2018 is relevant.

Important Definitions

Aggregate Turnover – 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;*

Following "supply" are excluded from Aggregate Turnover:

Inward supplies effected by a person which are liable to tax under RCM.

Various taxes (CGST, SGST, IGST, Compensation Cess) under the GST.

For a job worker, working U/S 143, following supplies are excluded:

Goods returned to the principal.

Goods sent to another job worker on the instruction of the principal.

Goods directly supplied from the job worker's premises (by the principal).

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Important Definitions

Appellate Authority – Section 2(8):

"Appellate Authority" means an authority appointed or authorised to hear appeals as referred to in section 107;

Appellate Tribunal –Section 2(9):

"Appellate Tribunal" means the Goods and Services Tax Appellate Tribunal constituted under section 109;

Assessment – Section 2(11):

"assessment" means determination of tax liability under this Act and includes self-assessment, re-assessment, provisional assessment, summary assessment and best judgment assessment.

Audit – Section 2(13):

"audit" means the examination of records, returns and other documents maintained or furnished by the registered person under this Act or the rules made thereunder or under any other law for the time being in force to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of this Act or the rules made thereunder.

Important Definition

Authorized Representative – Section 2(15):

"authorised representative" means the representative as referred to in **section 116**;

As per provisions under Section 116, any of the following persons of the registered person can act as Authorized Representative:

His regular employees and / or relatives.

Practicing Advocate who is not debarred.

Practicing Chartered Accountant, Cost Accountant or Company Secretary who is not debarred.

Retired Officer of the Commercial Tax Department of any State or UT not below the post of Group-B Gazetted Officer with 2 years' service.

GST practitioner.

Following persons cannot act as Authorized Representative:

A person who is dismissed or removed from the Government service.

A person who is convicted of an offence under any law dealing with imposition of taxes.

A person who is guilty of misconduct by the prescribed authority.

A person who is adjudged as an insolvent.

Important Definitions

Business – Section 2(17):

"business" includes -

- (a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;*
- (b) any activity or transaction in connection with or incidental or ancillary to sub-clause (a);*
- (c) any activity or transaction in the nature of sub-clause (a), whether or not there is volume, frequency, continuity or regularity of such transaction;*
- (d) supply or acquisition of goods including capital goods and services in connection with commencement or closure of business;*
- (e) provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members;*
- (f) admission, for a consideration, of persons to any premises;*
- (g) services supplied by a person as the holder of an office which has been accepted by him in the course or furtherance of his trade, profession or vocation;*
- (h) activities of a race club including by way of totalisator or a license to book maker or activities of a licensed book maker in such club; and*
- (i) any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities;*

Important Definition

Capital Goods – Section 2(19):

“capital goods” means goods, the value of which is capitalised in the books of account of the person claiming the input tax credit and which are used or intended to be used in the course or furtherance of business.

Note:

Assuming that the value of capital goods was not capitalised in the books of account, the person purchasing such capital goods would still be eligible to claim input tax credit on them since the definition of ‘input tax’ applies to goods that are not capitalized;

Capital goods lying at the job-workers premises would also be considered as ‘capital goods’ in the hands of the purchaser as long as the said capital goods are capitalized in his books of account.

Drawback – Section 2(42):

“drawback” in relation to any goods manufactured in India and exported, means the rebate of duty, tax or cess chargeable on any imported inputs or on any domestic inputs or input services used in the manufacture of such goods.

Important Definition

Consideration – Section 2(31):

"consideration" in relation to the supply of goods or services or both includes-

*(a) **any payment made or to be made**, whether in **money or otherwise**, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government;*

*(b) **the monetary value of any act or forbearance**, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but **shall not include any subsidy given by the Central Government or a State Government**:*

Provided** that a deposit given in respect of the supply of goods or services or both **shall not be considered as payment** made for such supply **unless the supplier applies such deposit as consideration for the said supply.

Job work under GST

Job work – Section 2(68):

“job work” means any treatment or process undertaken by a person on goods belonging to another registered person and the expression “job worker” shall be construed accordingly.

Time period for getting back inputs and capital goods:

Bring back inputs, after completion of job work or otherwise, or capital goods, other than moulds and dies, jigs and fixtures, or tools, **within one year and three years** respectively of their being sent out, to any of his place of business, without payment of tax;

Supply such inputs, after completion of job work or otherwise, or capital goods, other than moulds and dies, jigs and fixtures, or tools, within one year and three years, respectively, of their being sent out from the place of business of a job worker on payment of tax within India, or with or without payment of tax for export, as the case may be;

If inputs or capital goods are not received back within stipulated time, the same will be treated as supply from the day on which the inputs or capital goods are sent for job work;

Outward supply can happen from Job workers location if the location of the Job worker is added as additional place of business in the registration of the principal.

Works Contract under GST

Works Contract – Section 2(119):

"works contract" means a contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any immovable property wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract;

Important Case Law on Works Contract:

M/S Safari Retreats Private Limited v Chief Commissioner of Central Goods & Service Tax [W.P. (C) 20463 of 2018]

Contention of the Petitioner:.

The petitioner therein was engaged in the business of shopping malls for the purpose of letting out for commercial purposes. Inputs in the form of cement, sand, steel, aluminium, wires, plywood, paint, escalators, electrical equipment as also and input services such as architect fees etc. were used in construction of the complex that was ultimately leased out for commercial purposes attracting goods and services tax). Section 17(5)(d) of Central Goods and Services Tax Act, 2017 (CGST Act) restricts ITC on goods and services received by a taxable person for construction of an immovable property on his own account even though such immovable property is used in the course or furtherance of business.

Works contract under GST

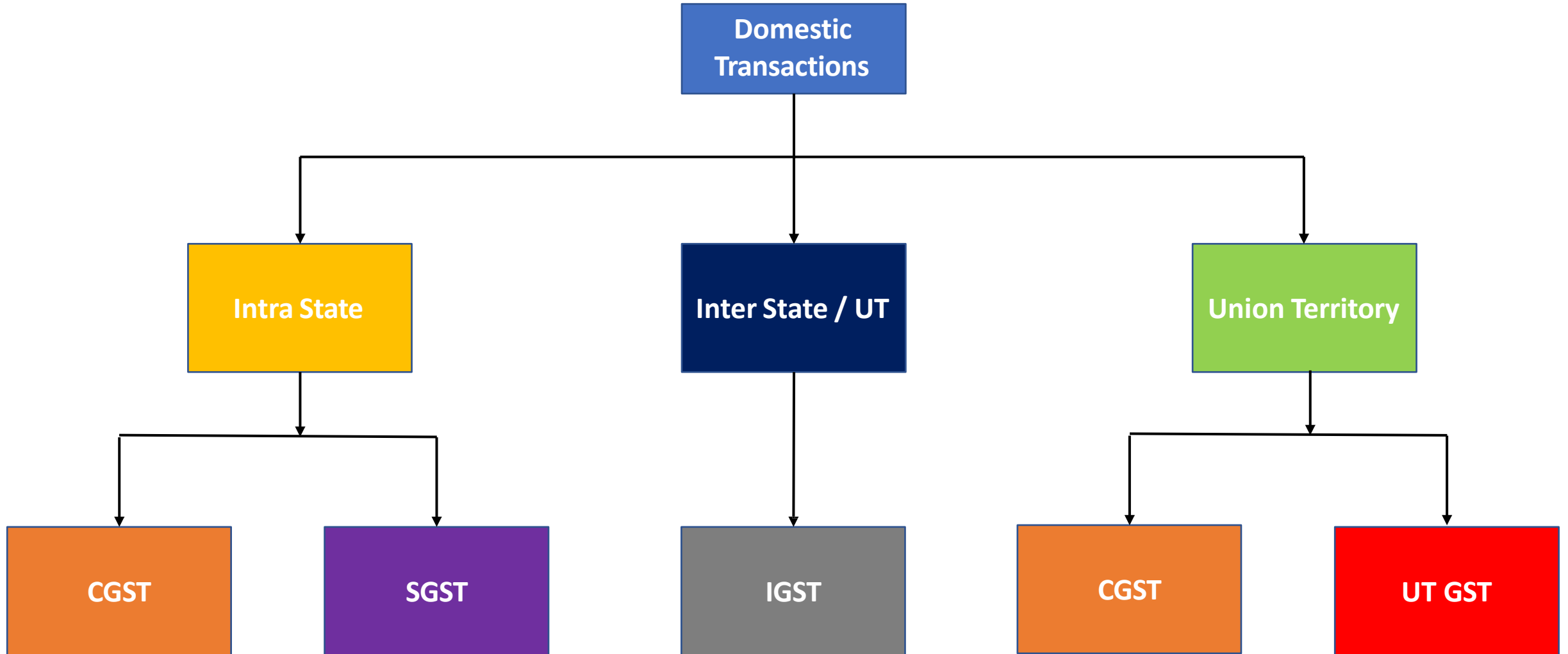
The principal argument taken in the petition was that Section 17(5)(d) of the CGST Act restricts the seamless flow of credit and that denial of ITC in is unjust, arbitrary, oppressive and contradictory to the basic rationale of GST. The Petitioner argued that the restriction under Section 17(5)(d) of the CGST Act should apply only in those cases where there is a break in the tax chain. However, in the present case, there is no breakage in the tax chain as the Petitioner would be liable to pay goods and services tax (GST) on letting out of such properties for commercial purposes.

Order:

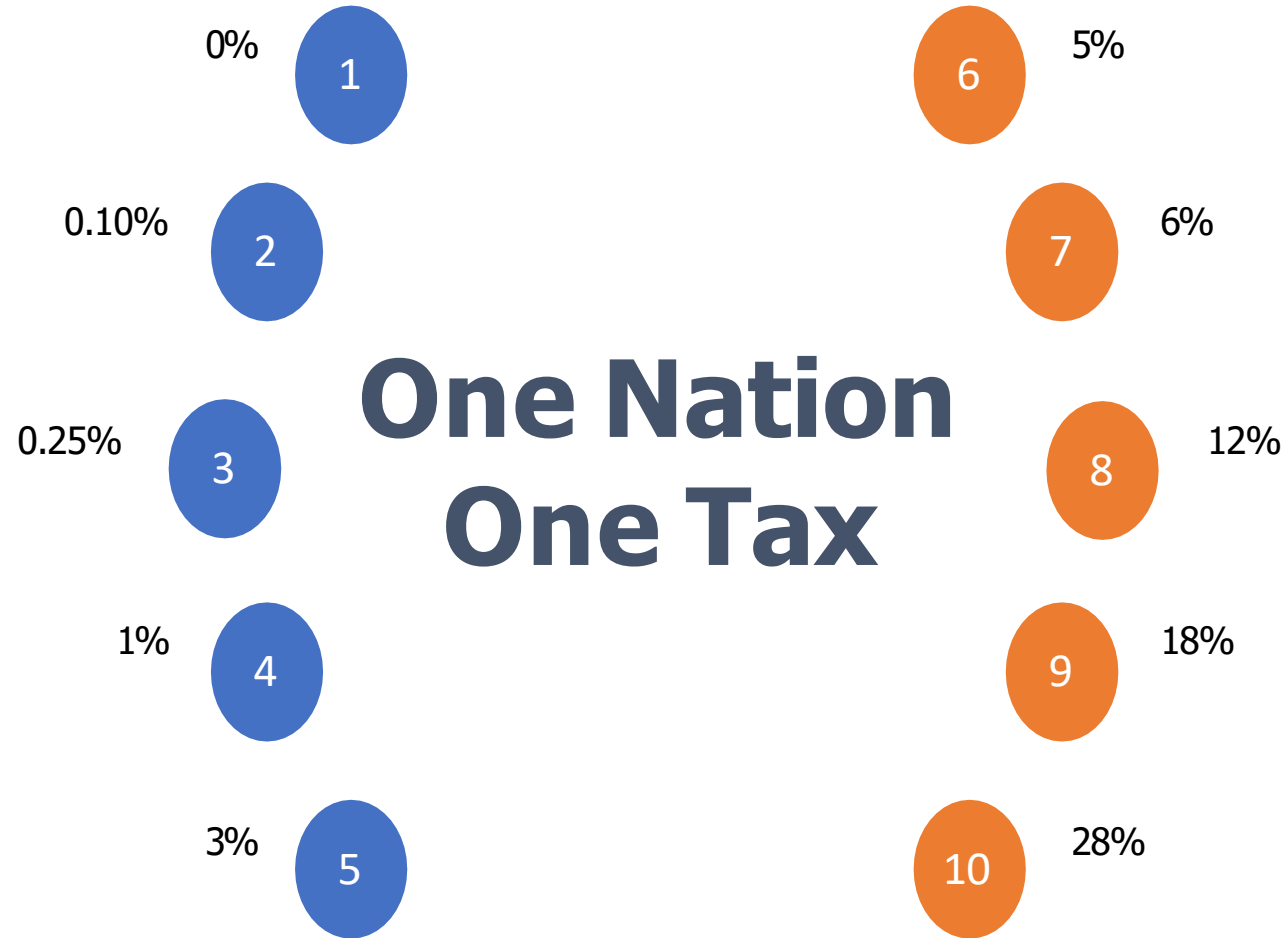
The purpose of the CGST Act is to provide a uniform law for levy and collection of tax on intra state supply of goods and services, and to prevent multi taxation. Section 17(5)(d) of the CGST Act is to be read down and a narrow interpretation of Section 17(5)(d) of the CGST Act is frustrating the objective of the CGST Act. If the petitioner is required to pay GST on rental income arising out of the investment on which he has paid GST, he is entitled to avail the ITC for the inputs and input services consumed by them.

Allowed availment of ITC on goods and services used for construction of immovable property and used in the course of furtherance of business.

LEVY



TAX RATES IN GST



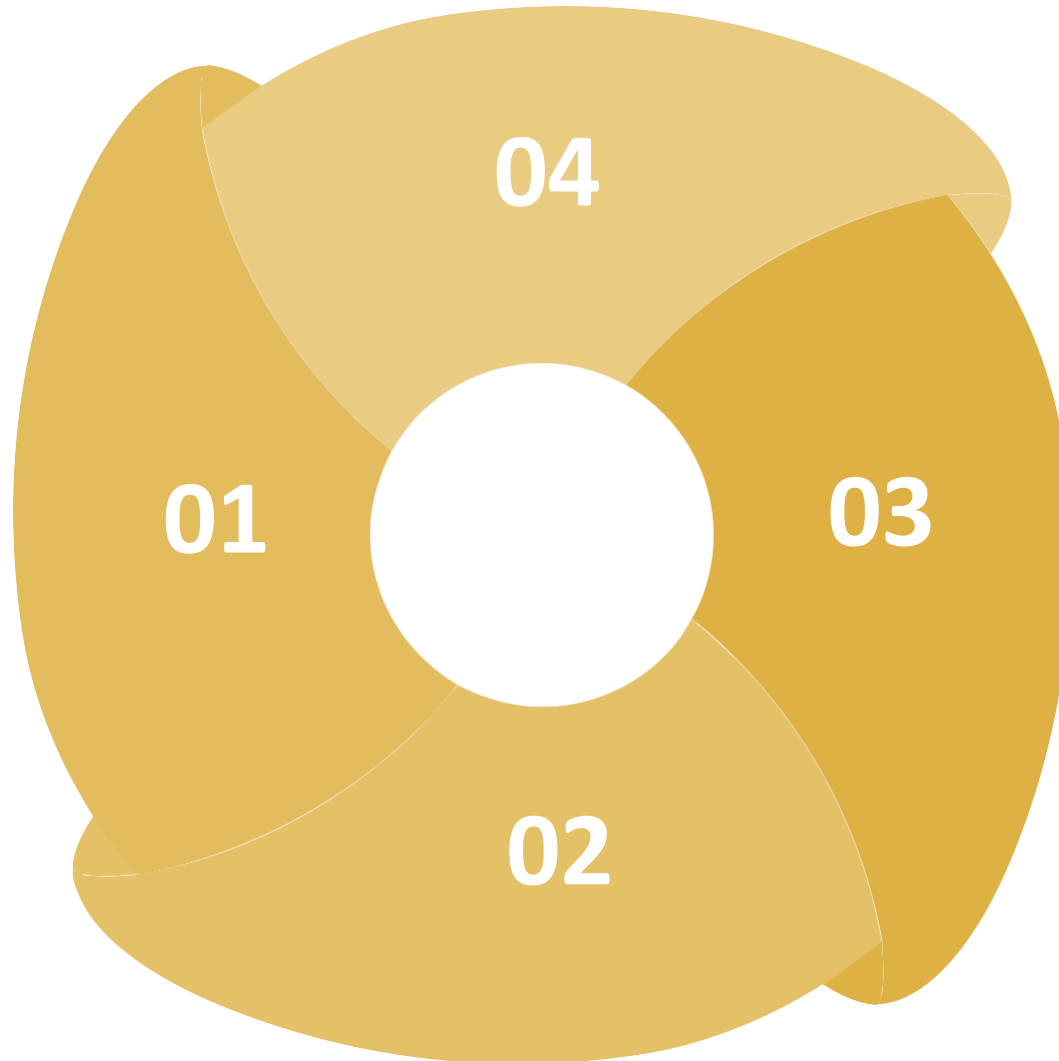
CLASSIFICATION

Goods

**Services
Classified as
Goods**

Services

**Goods
Classified as
Services**



Composition Scheme

The objective of this Scheme is to bring simplicity and reduce the compliance cost for the small tax- payers.

A Registered Person, whose aggregate turnover in the preceding FY does not exceed Rs. 1.50 crore (Turnover limit Rs. 75.00 lakhs in case of Notified States, are eligible to opt for this scheme.

Person opting for composition **levy is not eligible to collect GST** on the supplies.

Person opting for composition levy **is not eligible to any credit of input tax.**

The registered person shall be eligible to opt for composition levy, if :-

He is not engaged in the supply of services barring exceptions.

He is not engaged in making any supply of goods or services which are not leviable to tax under this Act;

He is not engaged in making any inter-State outward supplies of goods or services;

He is not engaged in making any supply of goods or services through an electronic commerce operator who is required to collect tax at source under section 52;

He is not a manufacturer of such goods as may be notified by the Government on the recommendations of the Council; and

He is neither a casual taxable person nor a non-resident taxable person.



Composition Scheme

Concessional tax rate is applicable for persons opting for composition levy.

Tax Rates:

Manufacturers:

1% of turnover

in State or UT.

Food or any other article for human consumption or any drink

2.50% of turnover in State or UT.

Other suppliers

0.50% of

turnover in State or UT.

Note: Person opting for composition scheme may involve in supply of service of value not exceeding 10% of turnover in a State or UT in the preceding FY or Rs.50.00 lacs whichever is higher. This restriction does not apply to Restaurant Service provided by him.



Supply

Composite Supply – Section 2 (30):

“composite supply” means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;

Mixed Supply – Section 2 (74):

"mixed supply" means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.



Illustrations of Supply

Composite Supply:

Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply;

Mixed Supply:

A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drinks and fruit juices when supplied for a single price is a mixed supply. Each of these items can be supplied separately and is not dependent on any other. It shall not be a mixed supply if these items are supplied separately.

Illustration of Supply

Composite supply:

Accommodation with breakfast and / or meal.

Cocktail drink being mixture of alcohol with a non-alcoholic pre-mix.

Supply of lap-top and carry case of the same company.

Supply of equipment and installation of the same.

Supply of comprehensive AMC involving repair services along with requisite parts.

Not all supplies which are given together are composite supply merely because there are more than one taxable supplies simultaneously supplied.

Unrelated, unconnected and independent taxable supplies that are supplied simultaneously for individual prices where each of them are intended to be the predominant object for which the recipient approached the supplier may be referred as non-composite supply. The following are examples of such supplies:

Construction of road or structure and maintenance of the same.

Sale of Plant and / or Equipment and installation thereof.

Sale of automobile parts and labour for repair / replacement.

Sale of two different commodities to the same customer.

Supply

Continuous Supply of goods – Section 2(32):

"continuous supply of goods" means a supply of goods which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, whether or not by means of a wire, cable, pipeline or other conduit, and for which the supplier invoices the recipient on a regular or periodic basis and includes supply of such goods as the Government may, subject to such conditions, as it may, by notification, specify;

Continuous Supply of services – Section 2(33):

*"continuous supply of services" means a supply of services which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, for a **period exceeding three months** with periodic payment obligations and includes supply of such services as the Government may, subject to such conditions, as it may, by notification, specify.*



Illustrations of Supply

Continuous supply of goods:

Vendor managed inventory where the agreed periodicity of billing is, for e.g., weekly, fortnightly or monthly.

Supply of gas through pipeline where the burn rate or heat generation is a matter of contingency necessitating a deferred billing schedule.

Open purchase orders with daily delivery schedule (JIT) subject to acceptance test only at the time of issue-for-production understanding of weekly or fortnightly or monthly billing.

Continuous supply of services:

Annual maintenance contracts because they comprise of supply of assurance of regular upkeep, supply of parts for repairs and supply of labour for such repairs.

Licensing of software or brand names;

Renting of immovable property except month-to-month lease/rent;

Software as a service (SAAS) with monthly billing based on usage



Inter-State Supply (Section 7 of IGST Act)

Subject to the provisions of section 10, supply of goods, where the location of the supplier and the place of supply are in-

- (a) two different States;
- (b) two different Union territories; or
- (c) a State and a Union territory,

shall be treated as a supply of goods in the course of inter-State trade or commerce.

(2) Supply of goods imported into the territory of India, till they cross the customs frontiers of India, shall be treated to be a supply of goods in the course of inter-State trade or commerce.

(3) Subject to the provisions of section 12 , supply of services, where the location of the supplier and the place of supply are in-

- (a) two different States;
- (b) two different Union territories; or
- (c) a State and a Union territory,

shall be treated as a supply of services in the course of inter-State trade or commerce.

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Inter-State Supply (Section 7 of IGST Act)

(4) Supply of services imported into the territory of India shall be treated to be a supply of services in the course of inter-State trade or commerce.

(5) Supply of goods or services or both,-

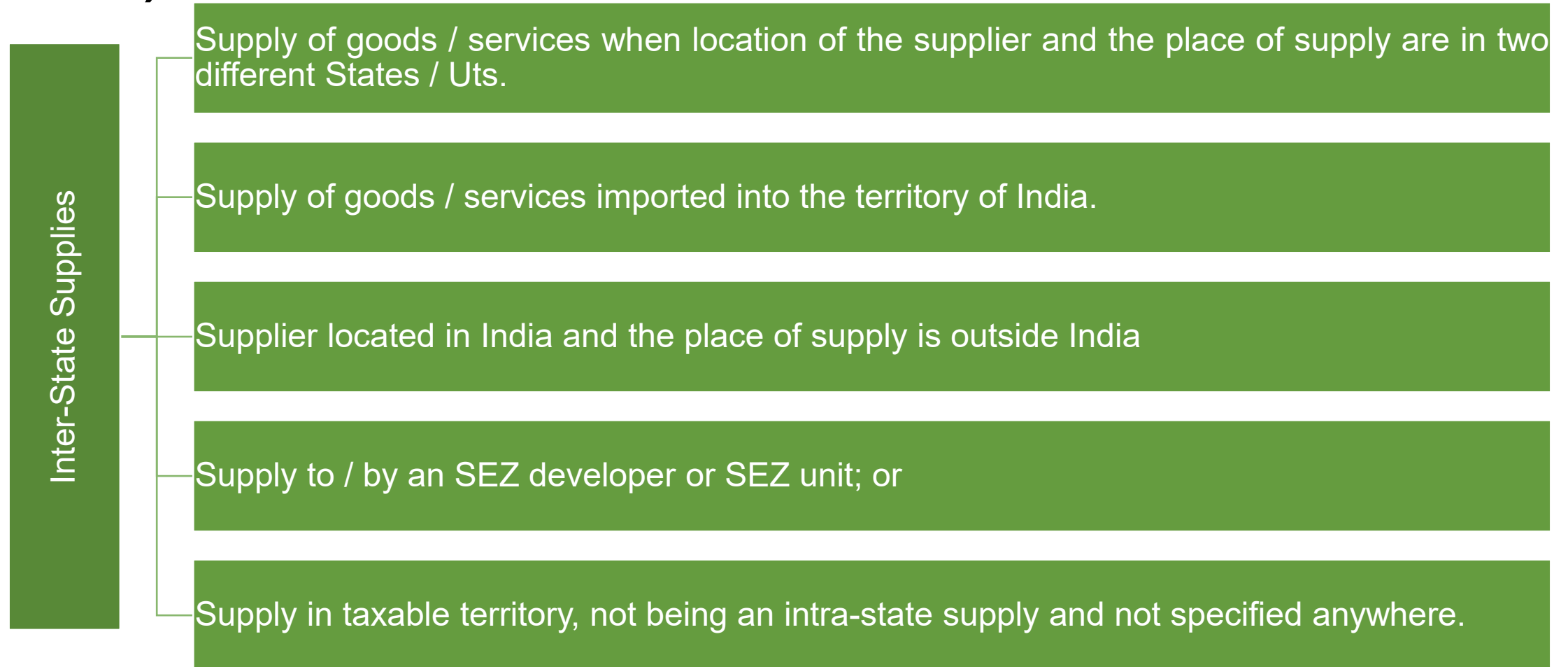
(a) when the supplier is located in India and the place of supply is outside India;

(b) to or by a Special Economic Zone developer or a Special Economic Zone unit; or

(c) in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,

shall be treated to be a supply of goods or services or both in the course of inter-State trade or commerce.

Inter-State Supply (Section 7 of IGST Act)



Important Case Laws / decisions relating to supply

M/s. The TATA Power Company Limited Vs. Maharashtra AAR:

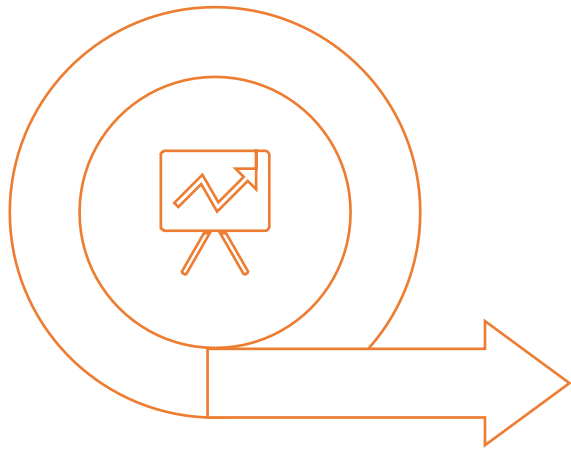
Whether the recovery of an amount towards Top-up and parental insurance premium from the employees, amounts to a supply of any service under Section 7 of the Central Goods & Service Tax Act, 2017?

Decision: Not a supply.

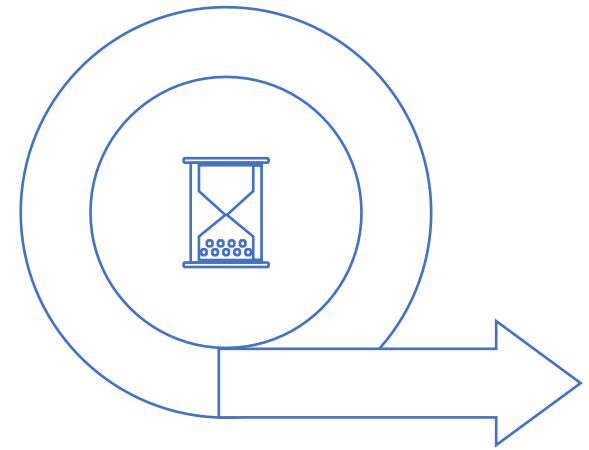
The Activity undertaken by the applicant like providing of Mediclaim policy for the employees and their parents (parents of the employees) through the insurance company neither satisfies conditions of section 7 to be held as “supply of service” (in the instant case, insurance service) nor is it covered under the term “business” of section 2(17) of CGST ACT 2017.

Hence, we find that the applicant is not rendering any services of health insurance to their employees’ parent and; hence, there is no supply of insurance services in the instant case of transaction between employer and employee.

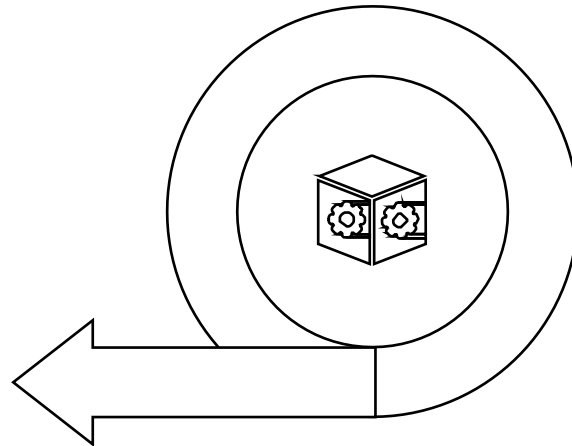
Place of Supply



Determining Intra or Inter State
Supply

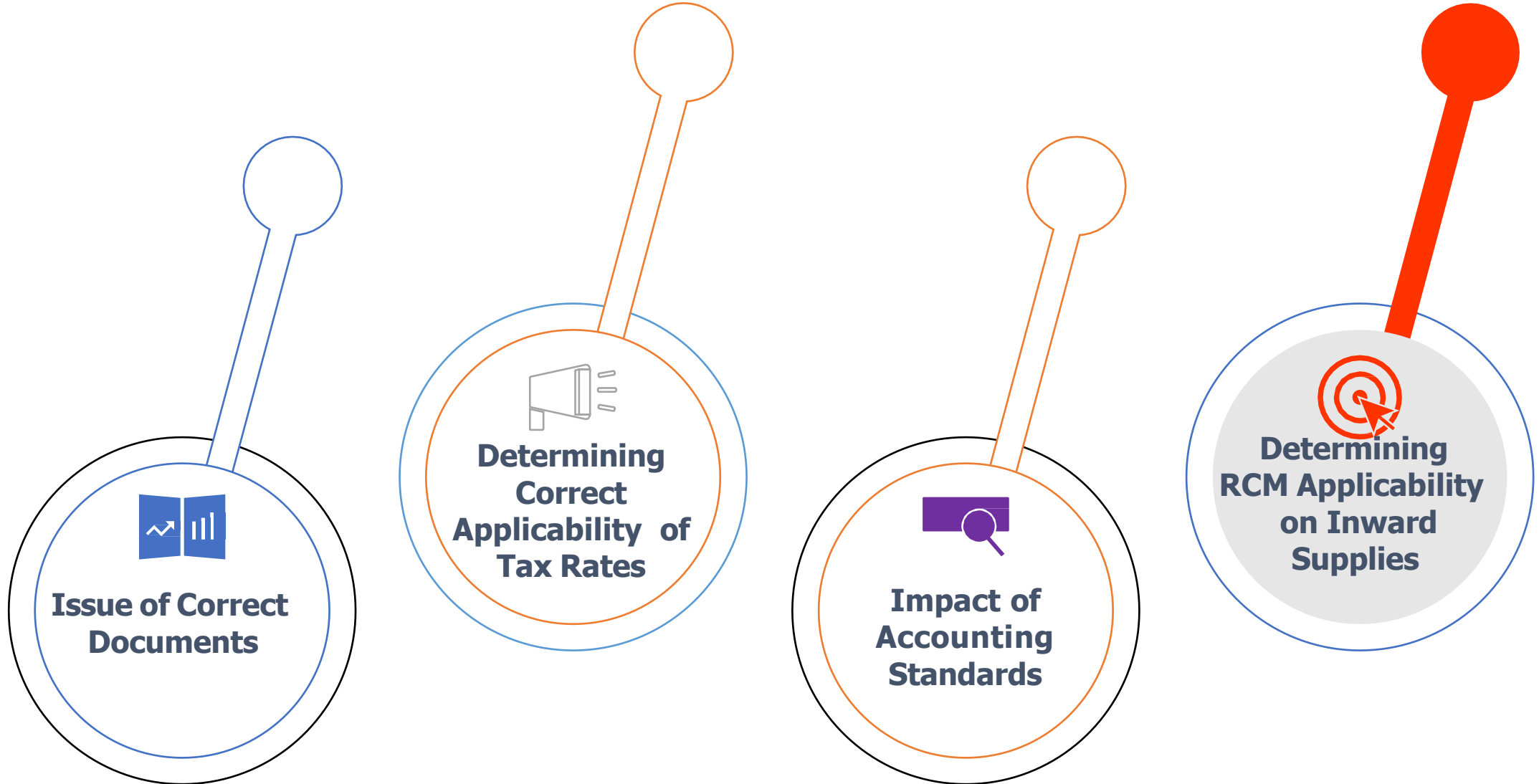


Casual Taxable Person/Non Resident
/ OIDAR Services

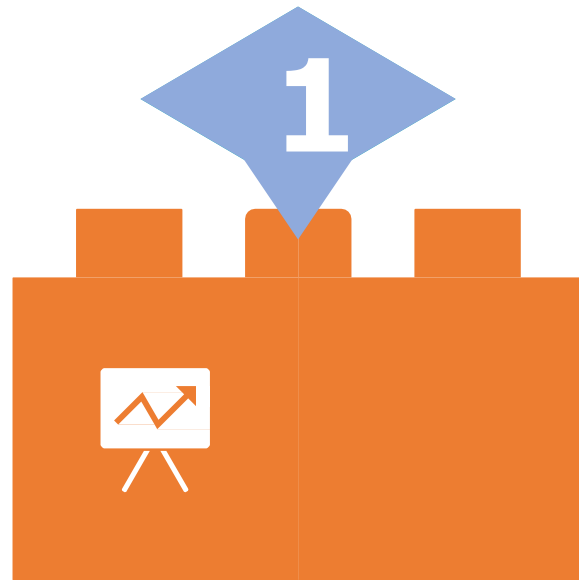


Determining it Is an export or
domestic Supply

Time of Supply



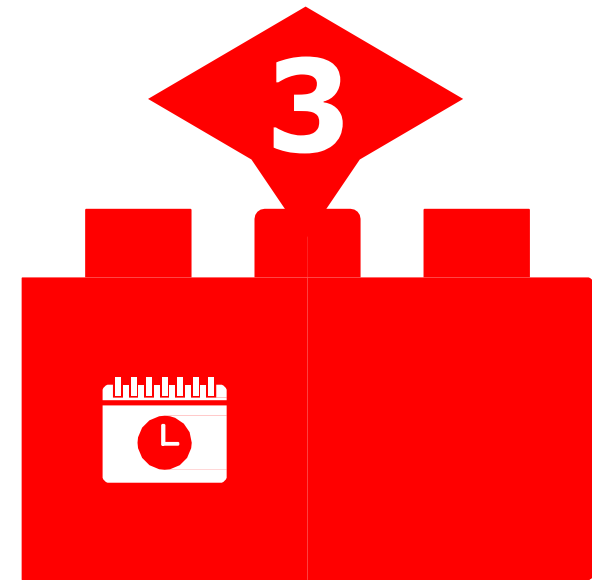
Valuation



**Redraft the Agreements /
Contracts**

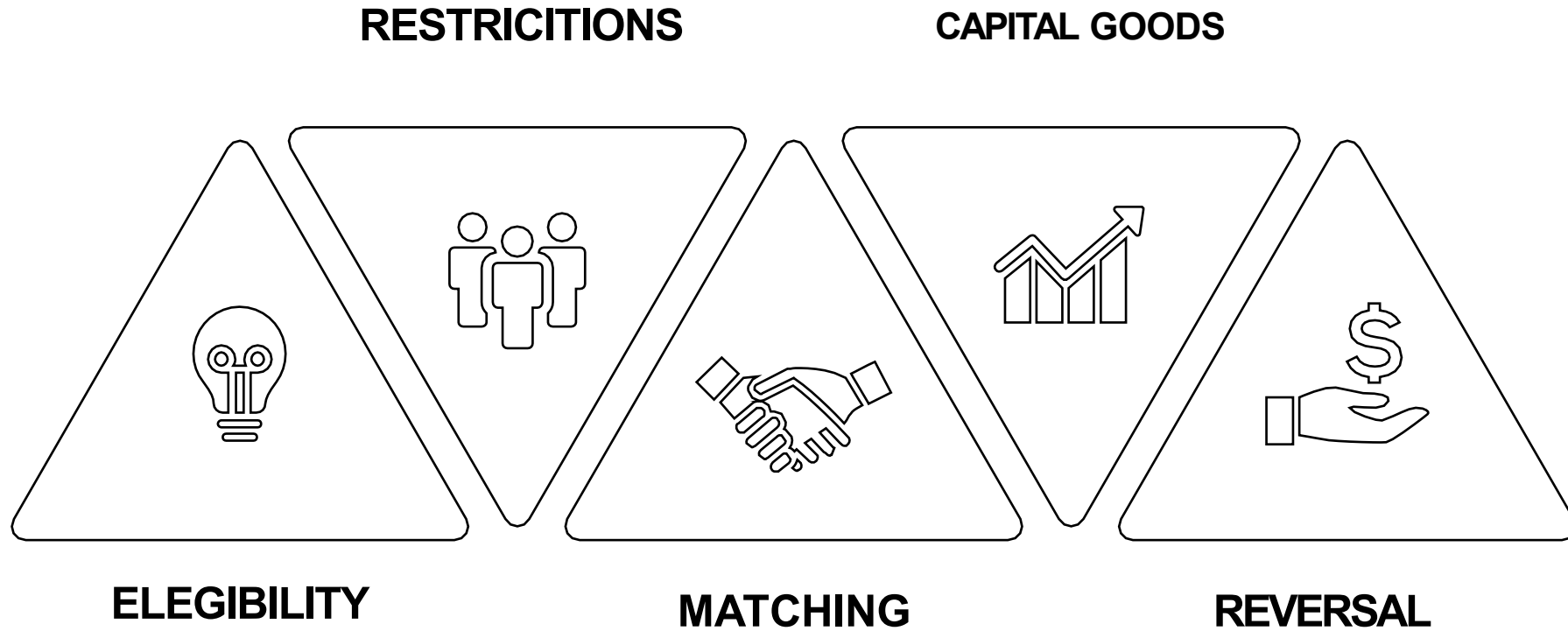


**Open Market Value for
Related Party Transactions**

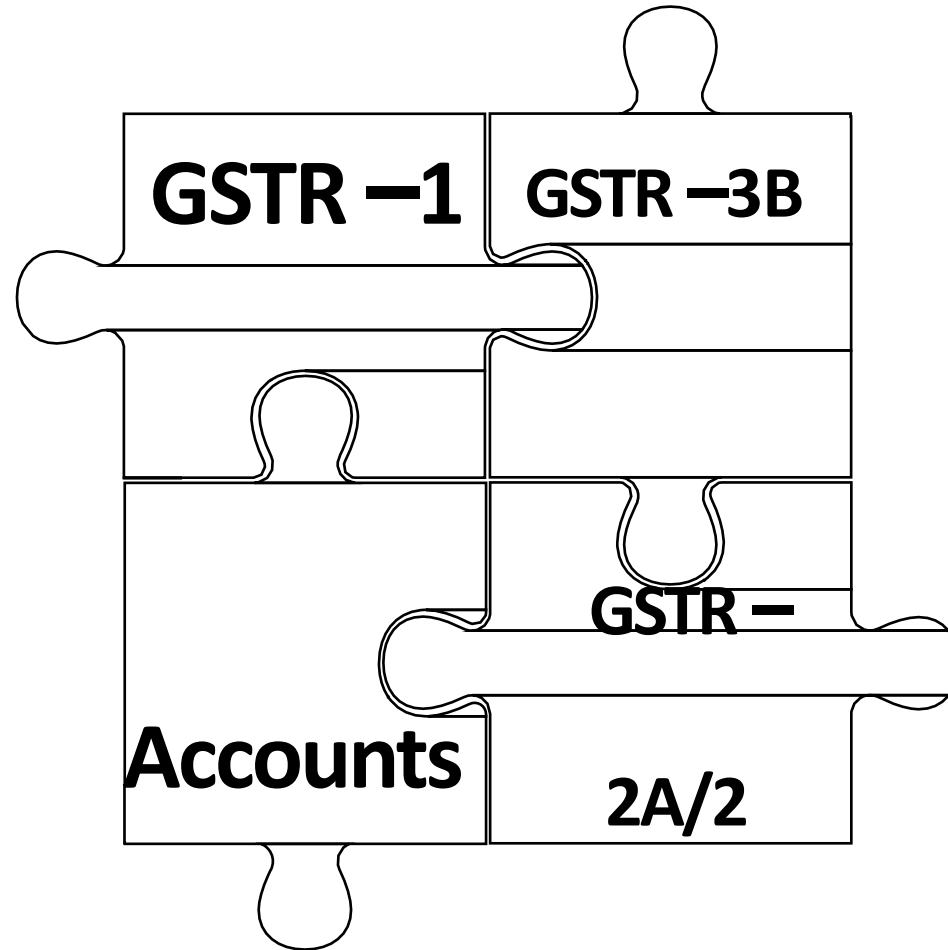


**Follow time lines for issue
of Credit/Debit Notes**

Input Tax Credit



Returns – Monthly /GSTR – 9 & GSTR – 9C



IN CORRECT REPORTING OF ITC

GST is
destination
based taxation

01

Will be more pro active
now onwards as Cess is
removed

03

Report Reversals
and ineligible
credits correctly

05

02

States will not get
correct share if
reporting is wrong

04

Notices can be
issued with penalty
under Section 125

06

Change
accounting
polices &
practices

Circular No. 170/02/2022-GST dated 6th July 2022

Place of Supply



Place of Supply



Place of Supply Wrongly Determined



Repayment of Taxes



Can we go for Refund & Implications for Recipient

HSN Code

HSN code stands for “Harmonized System of Nomenclature”.

This system has been introduced for the systematic classification of goods all over the world.

HSN code is a uniform code that classifies 5000+ products and is accepted worldwide.

It was developed by the World Customs Organization (WCO) and it came into effect from 1988.

HSN Code is arranged in a legal and logical structure.

It is supported by well-defined rules to achieve uniform classification.

The main purpose of HSN is to classify goods from all over the World in a systematic and logical manner.

This brings in a uniform classification of goods and facilitates international trade.

The HSN system is used by more than 200 countries and economies for reasons such as:

- Uniform classification.

- Base for their Customs tariffs.

- Collection of international trade statistics.

As per a rough estimate, over 98% of the merchandise in international trade is classified in terms of the HSN.

Understanding HSN Code & Importance of GST

The HSN structure contains 21 sections, with 99 Chapters, about 1,244 headings, and 5,224 subheadings.

Each Section is divided into Chapters. Each Chapter is divided into Headings. Each Heading is divided into Sub-Headings.

Section and Chapter titles describe broad categories of goods, while headings and subheadings describe products in detail.

The purpose of HSN codes is to make GST systematic and globally accepted.

HSN codes will remove the need to upload the detailed description of the goods.

This will save time and make filing easier since GST returns are automated.

A dealer or a service provider must provide HSN/SAC wise summary of sales in his periodical returns if his turnover falls in the prescribed slabs.



CLASSIFICATION

HSN Codes on Tax Invoice

| Sr. No | Description | No of Digits |
|--------|--|--------------|
| 1 | Aggerate Turnover Above ₹ 5 Crores | 6 |
| 2 | Aggerate Turnover up to ₹ 5 Crores – B2B | 4 |
| 3 | Aggerate Turnover up to ₹ 5 Crores – B2C (optional) | 4 |
| 4 | Chemicals – which are notified | 8 |



Classification – SAC for Services

- India is the first country to classify the services.
 - Like goods, services are also classified uniformly for recognition, measurement and taxation.
 - Codes for services are called Services Accounting Code or SAC
 - SAC Codes for Services starts with “99” always.
 - SAC to be required to be shown on all invoices.
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Q.1

The computation of the aggregate turnover to decide the Taxable Minimum Turnover will be based on _____?

- A. State-wise Turnover basis;
- B. All India Turnover basis;
- C. State-wise Turnover excluding exports;
- D. All India Turnover excluding exports;

Answer:- B

Q.2

The items that are taxable both under current tax regime (GST) and under previous tax regime (Excise / VAT) are _____?

- A. Motor Spirit;
- B. Alcoholic Liquor for human consumption;
- C. Tobacco and Tobacco Products;
- D. Supply of Elevator;

Answer:- C

Q.3

 of the Constitution of India conferred concurrent power to both, Parliament and State Legislatures to make laws with respect to GST, i.e.. CGST, SGST, UGST, etc/?

- A. Article 246;
- B. Article 254;
- C. Article 246A;
- D. Article 254A;

Answer:- C

Q.4

The Constitution (One Hundred and First Amendment) Act 2016 incorporated _____ in the Constitution of India?

- A. Article 246;
- B. Article 254;
- C. Article 246A;
- D. Article 254A;

Answer:- C

Q.5

 of the total number of Members of the GST Council shall constitute the quorum at its meetings?

- A. One-half;
- B. One-Third;
- C. One-fifth;
- D. Two-third;

Answer:- A

Q.6

The gifts _____ in value in a financial year by an employer to an employee shall not be treated as supply of goods or supply of services or both?

- A. exceeding fifty thousand rupees;
- B. exceeding one lakh thousand rupees;
- C. not exceeding fifty thousand rupees;
- D. not exceeding one lakh thousand rupees;

Answer:- C

Thanks for your Attention!!!

Any Questions????



**"Most people spend
more time and energy
going around problems
than in trying to solve them."**

-Henry Ford-

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