

CHAPTER 8 DefinitionsLittle Bit Changes in the Definition of "Local Authority"

WHAT IS Local Authority in simple wordings: A Govt Body that manages a local AREA and has the legal power to collect taxes, duties, tolls etc.

ep: municipality, Zila Parishad Panchayat Cantonment Board, Regional Council. etc.

meaning of some specific term:

# municipality = City Local Govt like Nagar Palika, Nagar Panchayat, Municipal Corporation, Municipal Council, Having main function: Cleanliness, Roads, WATER, street lights, Collecting Property TAX

# Municipal Committee / Zila Parishad / District Board: These are legally created by the Ch/Su to manage a particular local AREA. Their work includes local development, collecting taxes etc.

# Municipal Fund = A Fund controlled by a municipality. sources of fund may include: Property TAX, water TAX, Tolls etc. the fund money is used for City Administration and development.

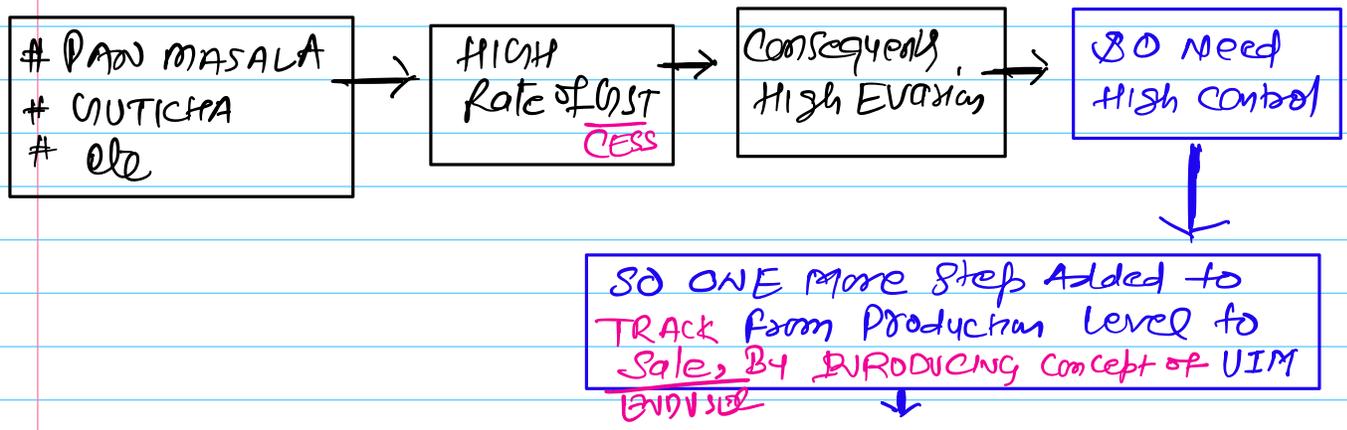
# Local fund: like Panchayat fund, Gram Development fund. etc.  
" Money managed by a local self Govt Body. sources of fund may include taxes etc

# Cantonment Board: It is a local Govt Body for ARMY AREAS  
ep Delhi Cantonment, Meerut Cantonment. It manages civic facilities in military AREAS

CHANGE in Definition: Addition of 2 terms: municipal fund & local fund.

Froms 1/3/25  
to  
31/10/25

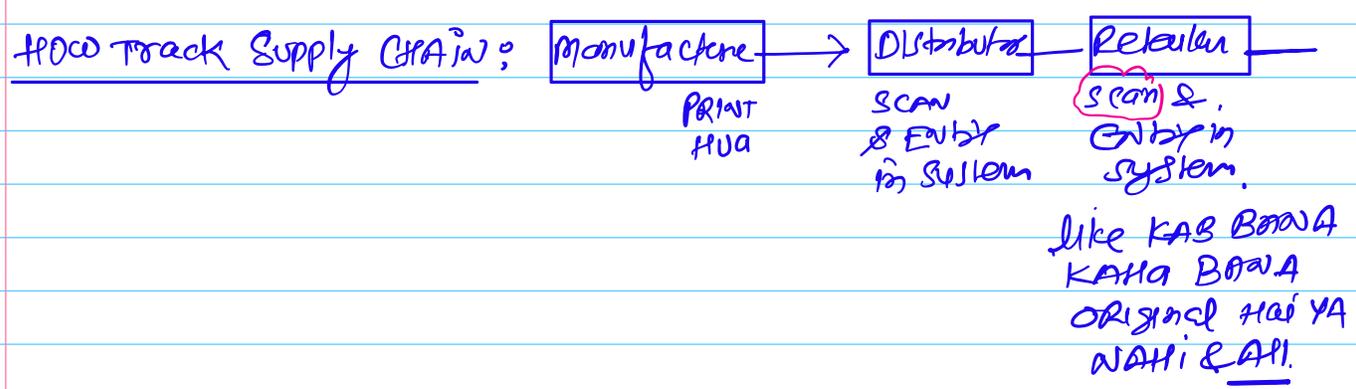
# UNIQUE Identification Number: (Newly Added Definition)



"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.

- # It is a Trace & Track Code.
- # It is UNIQUE for Every Product
- # It is Secure i.e. Duplicate NA HO Sake
- # It is NON Removable
- # It is Digital stamp / QR code / Bar code / RFID TAG  
(like jaise Every phone KA IMEI Number HOTA Hai)

CRUX: Just like Aadhaar No. of Product



# CHAPTER 8: Chargeability, Goods & Service

## CHARGING SECTION: 9

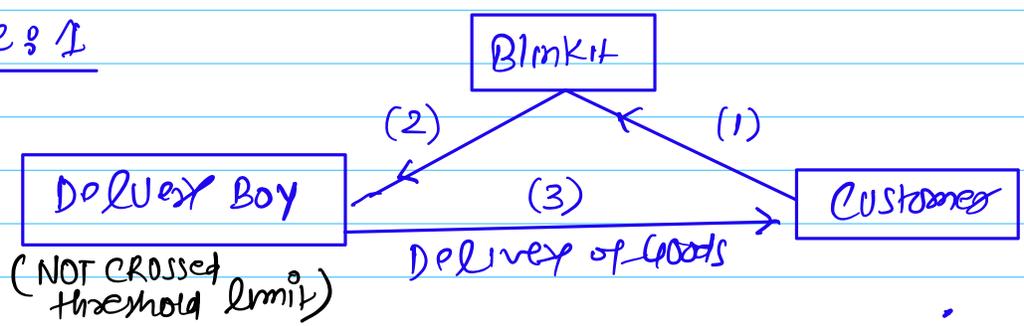
Sec: 9(1)(2) : MCM

Sec: 9(3)(4) : RCM

Sec: 9(5) : ECO/Vendor { ON SPECIFIED SERVICE - H-M-T-R }

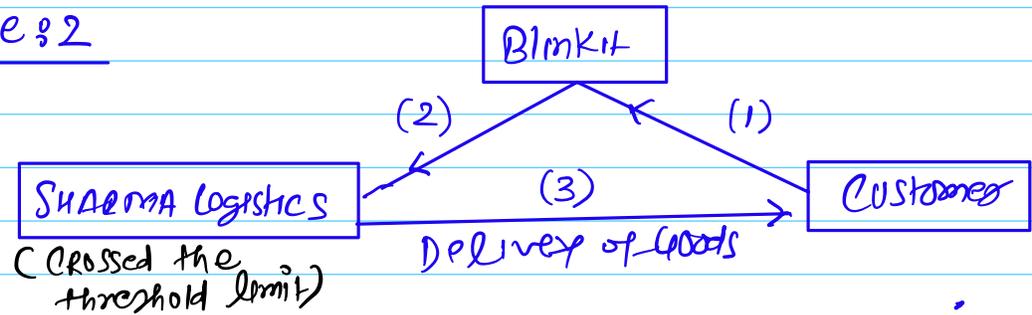
NOW ONE MORE POINT ADDED :- Local Delivery:

### Example : 1



WHO IS LIABLE TO PAY GST ON DELIVERY SERVICE: ECO i.e. Blinkit.

### Example : 2



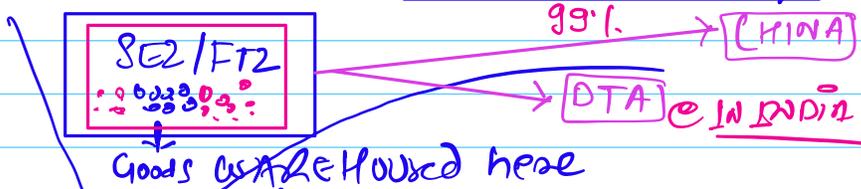
WHO IS LIABLE TO PAY GST ON DELIVERY SERVICE: SHARMA LOGISTICS

Note:  
 TCS ✓  
 PROVISIONS  
 WOULD  
 NOT BE  
 APPLICABLE  
 ON LOCAL  
 DELIVERY  
 SERVICE  
 UNLESS  
 U/S: 9(5)

Newly Added: Services by way of local delivery except where the person supplying such services through ECO is liable for registration under section 22(1) of the CGST Act, 2017. then ECO shall pay GST.

## SCB III

## - CHAPTER 8: SUPPLY -



# SEZ = Special Economic Zone  
 # FTZ = FREE TRADE ZONE

Goods are warehoused here

Sale of such Goods before clearance for EXPORT / DTA

NOT A SUPPLY → NO GST

# CHAPTER: EXEMPTION

MOREOVER UNDER EXEMPTION CHAPTER:

- # Goods Transportation Service By Road
  - (A) By CTA:
    - In general = Taxable ✓
    - In specified cases like Transportation of specified goods: Agriculture produce, Flour Pulse, Rice etc; BLOC = Exempted
  - (B) By otherwise like Bullock cart etc = Exempted.

NOW WHERE LOCAL DELIVERY RULES FALL??

# Under Point (A) i.e CTA: ?? - (NO) - AS Amended Definition of CTA EXCLUDES: Local Delivery supplies.

**Goods transport agency'** means any person who provides service in relation to transport of goods by road and issues a consignment note by whatever name called, but does not include

- (i) An ECO by whom the services of local delivery are provided,
- (ii) An ECO through whom the services of local delivery are provided.

# Under Point (B) - (YES) - BUT AS per newly inserted explanation local delivery service will not be Exempted

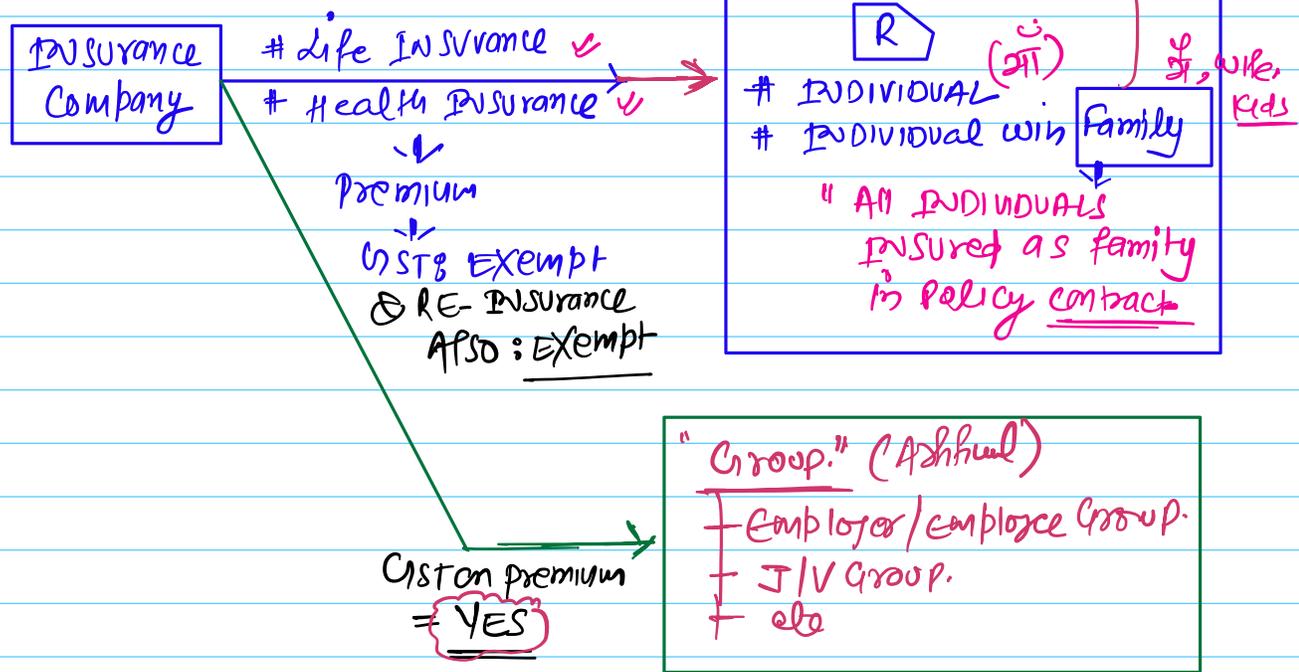
Explanation. - Following will be Taxable..

- (i) Local delivery services **provided by an ECO**; or
- (ii) Local delivery services **provided through an ECO**.

ARRE KAHNA KYA CHAHTE HO ?? : Local Delivery will Always be Taxable EVEN Transportation of Agriculture produce Ho, BLOC Transportation, Horse cart se Delivery Ho etc.

ECO  
through

# Insurance Sector :



### CHAPTER : Valuation

# Rate of GST @ Lottery, Betting, Gambling = 40%

~~28%~~

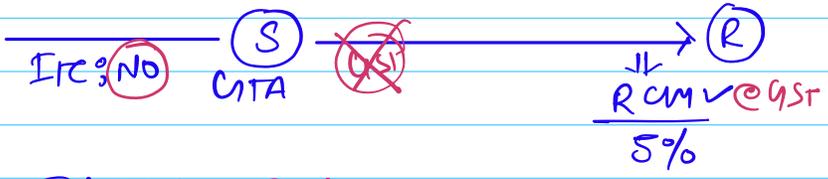
# Rule: 31A : AV = Face value  
OR  
Marked value whichever is higher : (xxx \*  $\frac{100}{140}$ )

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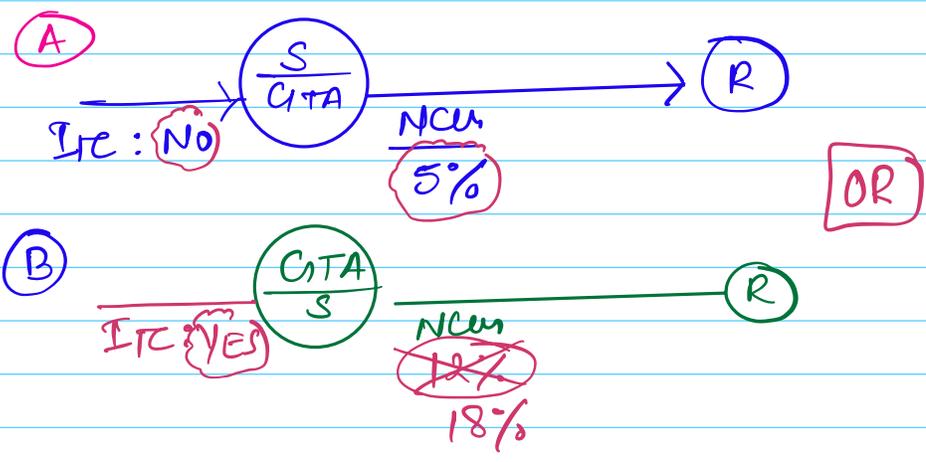
# Reverse charge mechanism : CHAPTER

## UNDER CITA Service :

# IN CASE where RCM is applicable : @ Rate & tax



# IN CASE of NCM :

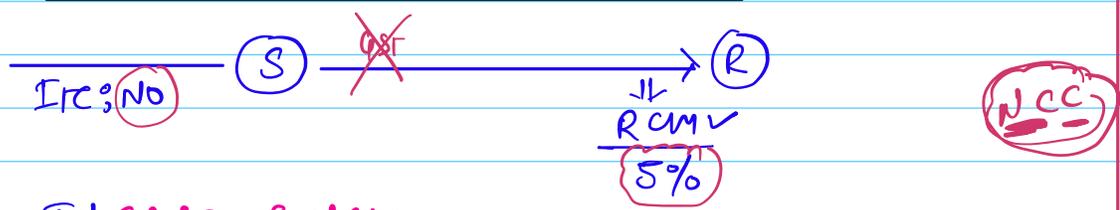


~~12%~~

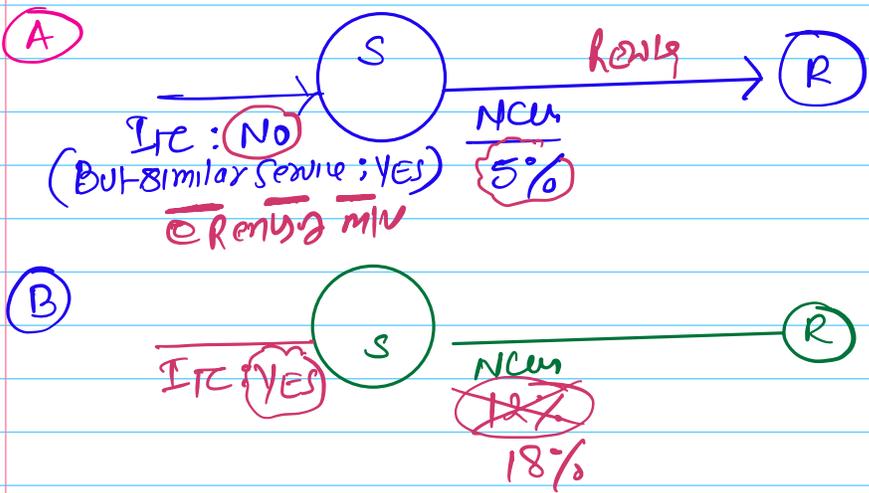
18%

## UNDER Renting of motor vehicle service

# IN CASE where RCM is applicable : @ Rate & tax



# IN CASE of NCM :



NCC

6

## INVOICE CHAPTER:

Section: 34 CREDIT NOTE:

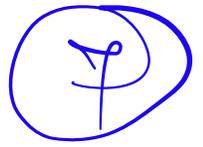
GST-

WE know that on Issuance of Credit Note By Supplier - GST liability of Supplier Reduced Accordingly, BUT following Condition must be satisfied -

- ① Recipient Reverse the Related ITC. [where (R) is Registered] OR
- ② Related GST should NOT be passed to any other person [where (R) is UNREGISTERED]

NOTE: Red wordings are newly ADDED.

GST - Credit Note



# Time of Supply

TOS Provision Related to Voucher / Coupon etc. vs: 12 & 13

# ~~Where there is a specific supply is given against voucher or coupon etc., then~~ TOS will be the date of issue of coupon or voucher.

# ~~Where multiple supplies can be given against voucher or coupon etc., then~~ TOS will be the date of Redemption of coupon or voucher.

→ # THE PROVISION HAS BEEN OMITTED

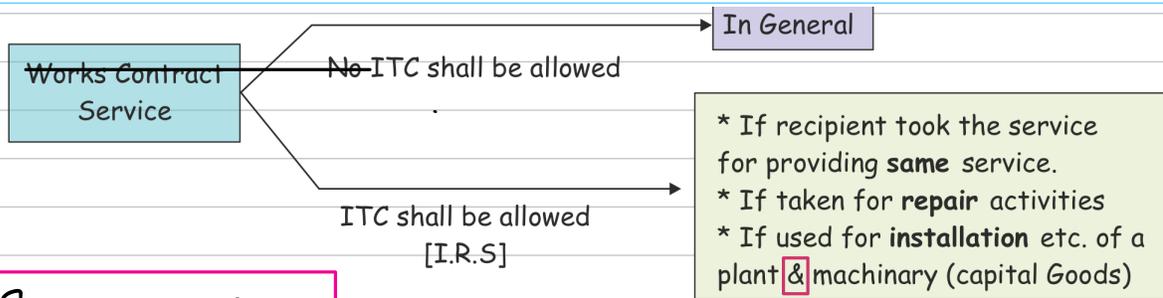
# Problem was - which supply is specific or multiple and in reality GST is not liable on voucher rather GST is payable on the supply of those goods/service which is taken against voucher. Voucher is just mode of payment like cash/ cheque etc.

IF PRIVATE ISSUE VOUCHER FOR DEBIT CREDIT TODAY & REDEEM ON 11/05/2027  
 TOS = 11/05/2027  
 =

Now # So TOS will be the date when supply of goods or service is made i.e. VOUCHER IS REDEEMED.  
(NOW VERY SIMPLIFIED)

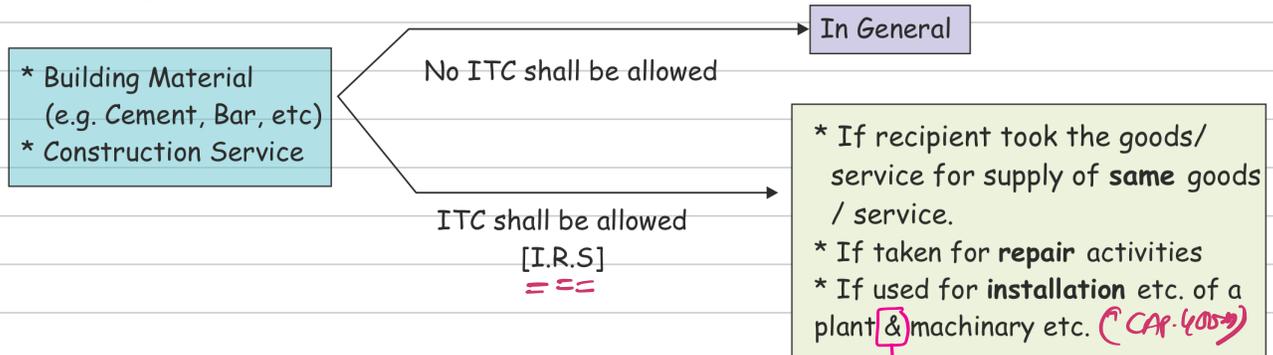
# CHAPTER: INPUT TAX Credit :

8



## Section 17(5)(d) :

### D) Building Material / Construction Service:



**Explanation 1.:** "Construction" includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property;

**Explanation 2.--** it is hereby clarified that notwithstanding anything to the contrary contained in any

Plant OR MACHINERY

v/s

PLANT AND MACHINERY

Meaning :	Wide & Confusing	NARROW & Defined
Word impact :	Koi Bhi EK CHALEGA	Combined Hi CHALEGA
Scope :	Broader (ZYADA CHEZE COVER)	Limited
Interpretation :	COURTS ME ALAG-ALAG	Clear & Fixed
ITC :	ZYADA claim possible	Limited ITC

|| Note: Plant word may also include some immovable property like "Civil Structure" etc  
Burdun (I.T. Act)

|| Note: Plant & machinery clearly talks about movable prop<sup>y</sup>. like Civil structure etc CAN NEVER be the part of Plant & machinery.

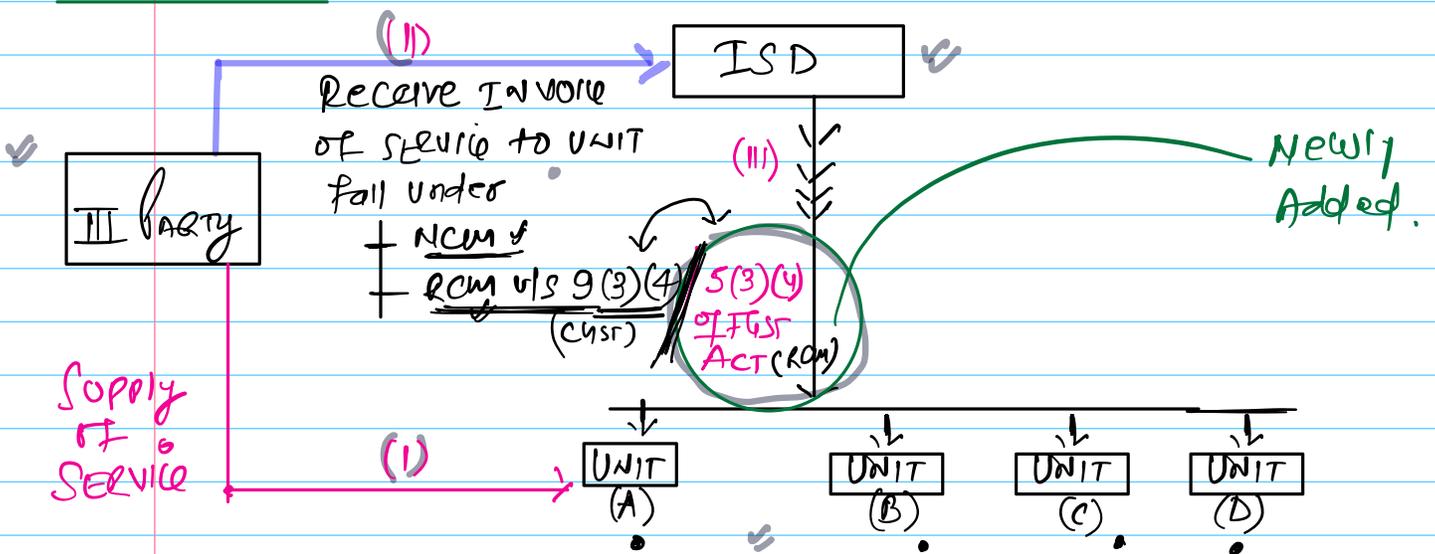
✓ **Explanation 1.:** "Construction" includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property;

✓ **Explanation 2.--** it is hereby clarified that notwithstanding anything to the contrary contained in any

judgment, decree or order of any court, tribunal, or other authority, any reference to "plant or machinery" shall be construed and shall always be deemed to have been construed as a reference to "plant and machinery."

SEC: 2 of CGST

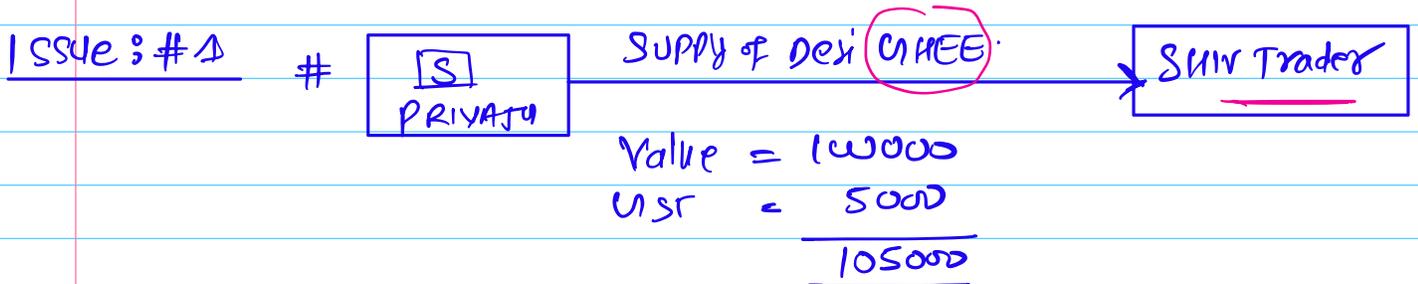
: Concept of ISD :



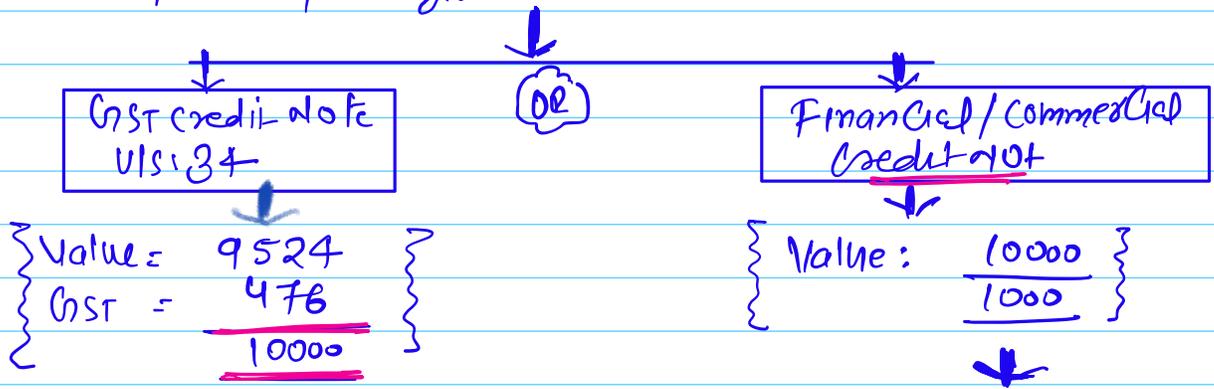
Note: Corresponding change also done in section: 20 & corresponding Rule 39.

✓ CRUX: Thus, credit of the services taxable under reverse charge under CGST as well as IGST received by ISD can also be distributed by the ISD.

Circular: 251/08/2025 @ SECONDARY OR POST SALE DISCOUNTS



# LATER ON DUE TO SOME ISSUE - A POST SUPPLY DISCOUNT of Re 10,000 in total is given to SHIV Trader  
By way of Issuing:-



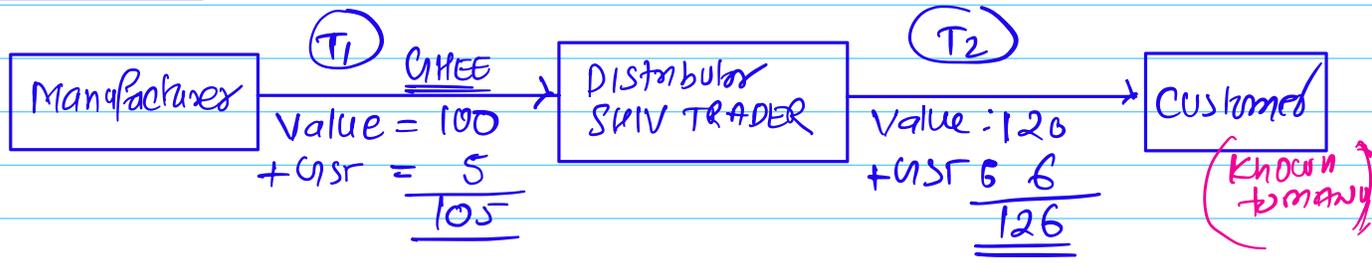
Liability of S : REDUCED BY 476  
 ITC of R Reduced By 476

Liability of S : NO EFFECT  
 ITC of R : NO EFFECT

CONDITION : PRIOR Agreement of such type of DISCOUNT was EXIST.

Issue: NO #2:

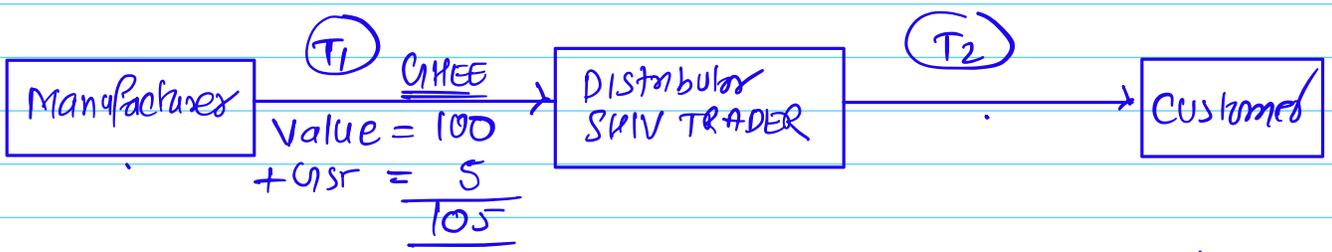
(A)



# Later on financial credit note issued to distributor to sell goods to customer at discounted price of ₹ 10

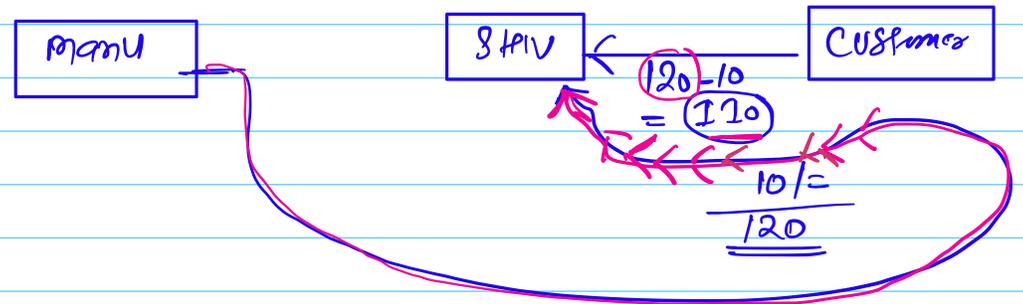
- # GST after:- (S) Liability = Remain same
- (R) Liability = Remain same

(B)



# Later on (After Transaction = 1) manufacturer make an Agreement of discount of ₹ 10 with END USER / customer & manufacturer instruct distributor to allow discount of ₹ 10

- # and issue a financial credit note to distributor
- # i.e. (T2) as follows:



!!!  
 GST on: 120 as ₹ 10 is the part of consideration just like subsidy by non work.

Q: Whether it can be interpreted like SKIV trader is (S) & (R) is manufacturer for ₹ 10: BIG NO

Issue #03



- # Post Sale Discount given By manu. to Distributor
- # to Promote Sale (SAY 10)
- # whether it can be called as "Advertisement Service given By Distributor to manu" in a separate Transaction (NO)
- # What-IF there is an "specific CONTRACT between Manufacturer and distributor for Advertisement Activiz - then it can be called as a separate Transaction for Advertisement service = YES

# : CHAPTER: Filing of Return:

## AUTO GENERATED

2B

### SECTION:38: Communication of details of inward supplies and input tax credit.

(1) The GSTR-1 furnished by the registered persons under section 37 and of such other supplies as may be prescribed, and

- ⊃ an statement containing the details of input tax credit
- ⊃ shall be made available electronically to the recipients of such supplies in Specified form.

(2) The statement shall consist of:

- a. Details of inward supplies in respect of which ITC may be available.
- b. Details of supplies in respect of which ITC CAN NOT be available either wholly or partially by the recipient including on account of the details of the said supplies being furnished u/s 37(1) where

NEWLY INSERTED WORD  
[i.e. OTHER REASON MAY ALSO BE INCLUDED]

- ⊃ Return not submitted by Supplier on Time.
- ⊃ Non payment of tax by supplier
- ⊃ Short payment of tax by supplier
- ⊃ Excess credit availed by supplier
- ⊃ Supplier not to follow Rule of 1%.
- ⊃ Any other reason

c. such other details as may be prescribed.

OPEN ENDED

# Earlier 2B was mere mirror of GSTR=1 like Copy DATA FROM GSTR=1 & PUT in 2B

# NOW 2B BECOME SMART → Copy DATA FROM GSTR=1 & PUT in 2B - AND Filter DATA like clearly ALLOW ITC, RISKY, etc. AISE MANO JAISE NOW 2B WITH AI-INBUILT  
It will help Recipient in Availing and Using correctly eligible ITC - & Intrest load & litigation AT later Date.

CRUX: NOW Recipient Book & Use FILTERED ITC / Clean ITC.

## CHAPTER: REFUND:

Rule = 91 GRANT OF PROVISIONAL REFUND: (Substituted with proper wordings)

(1) When is Provisional Refund granted:

# power to grant provisional Refund given u/s: 54(6)

# Condition: • The Applicant should not have been prosecuted in the last 5 years, where the TAX EVASION exceeds 2.5%.

2.5% or  
5 year

(2) Role of proper officer:

# Based on system based RISK EVALUATION

# Passes order in Form RFD-04

# Time limit: within 7 DAYS from the date of Acknowledgement.

(3) Officer can Deny Provisional Refund:

# If reasons are recorded in writing.

# THEN PROCESS continues under Rule: 92 (FINAL REFUND ORDER)

(4) NO Revalidation Required:

order passed in RFD-04 DOES NOT need Revalidation.

Notification NO: 14/2025: Following Registered Persons who shall not be allowed Refund on Provisional Basis -

(A) Any person who has not undergone Aadhaar Authentication

(B) Any person, who is engaged in the supply of following

goods: # ARECA NUTS ✓

# PAN MASALA ✓

# Tobacco ✓

# Essential Oil.

CHAPTER 8 PENALTIES:

UIM

Section 122B: Penalty for failure to comply with Track & Trace Mechanism

# Where specified person contravene the provision of "Unique Identification marking" system

# THEN He shall be liable to pay a penalty equal to an amount of Rs 10000 OR 10% of TAX payable on such goods (WHICHEVER is higher)

Appeal

25/

Section 107: Appeal to Appellate Authority

Where Appeal is Against "PENALTY" = (Amt to be paid) = 10% of Penalty (without involving demand of TAX) ~~25%~~

NIC

Section 112: Appeal to APP. TRIBUNAL: (Newly)

Where Appeal is Against "PENALTY" = [ Amt to be paid = 10% of Penalty ] in addition to Above Amount

25/

CRK

Rule 110: Application to APP. TRIBUNAL

# Provisional Acknowledgement :

# FINAL Acknowledgement :

OLD	NEW
APL = 2	APL : 2A (PART-A)
APL = 2	APL = 2A (PART-B)

OK

Rule 111: Procedure for Appeal

- # Provisional Acknowledgement :
- # FINAL Acknowledgement :

OLD	NEW
APL = 2	APL : 2A (PART-A)
APL = 2	APL = 2A (PART: B)

# While file Appeal: order against which Appeal is going to be filed - is Required to upload on portal After ~~SELF Certified~~ SELF Attested.

	<u>Old</u>	<u>NEW</u>
	SELF Certified	SELF Attested.
NATURE	FORMAL ✓	INFormal ✓
wording	Proper Declaration ✓	Sign ONLY ✓
USAGE	Legal / official case ✓	Common document ✓

( " Rule: 110 A : not Relevant )

case

OK

Rule 113 (2) : " Demand order of App. Authority or APP TRIBUNAL "

Demand order ki Summary

AA shall along with its Demand or DER-1554 Summary of order showing Demand amount	A.T. shall along with its Demand or DER-1554 Summary of order showing Demand amount
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(d)

Substituted

NOTE: Appeal, MEMORANDUM OF CROSS Objection:  
 # Earlier can be filed manually in specified manner  
 # BUT NOW - NOT ALLOWED.

: CHAPTER 6 MISC :

Section 148A : TRACK & TRACE MECHANISM (New Section)

- (1) Objective :
  - TRACK Goods in entire supply chain.
  - Prevent TAX EVASION
  - ENSURE Transparency and control
  
- (2) Power of Government :
 

Govt may :

  - Notify specific Goods
  - Notify persons/class of persons Dealing in such goods

(man) ———→  
 (Dealing in) ———→  
 (Trade)
  
- (3) System :
  - Govt may INTRODUCE UIM or QR Code, BAR Code etc.
  - ENABLE Electronic storage of DATA, ACCESS to INFORMATION
  
- (4) Obligation of persons :
 

Specified person shall :

  - Affix UIM on Goods/Packages
  - Furnish details & Maintain Records
  - Provide machinery details like Identification, CAPACITY, DURABILITY of operation etc.
  
- (5) Pay Prescribed Amount / Fee.

: CUSTOM LAWS :

: CHAPTER: Import-Export Procedure :

Wk

CUSTOM (Finalisation of Provisional Assessment) Regulation 2025

(NOT Relevant for Exam).

- # Officer ASK Docs with in 15 DAYS - TAXPAYER submit in 2 months (max. 14 months)
- # ENQUIRY (IF ANY) Completed in 14 months.
- # SELF PAYMENT Allowed (with Interest)
- # Finalisation: 3 months → extendable - max 2 years
- # FINAL order
- # Bond Released After closure - Recover, IF UNPAID @ 90 DAYS
- # NON Compliance → Penalty.

FOREIGN TRADE POLICY

(NOT Relevant)

1  
Export

**Notification No. 35/2025 dated 30.09.2025** has extended the applicability of RoDTEP Scheme for eligible exports from DTA, by Advance Authorisation (AA) holders, Export Oriented Units (EOUs) and SEZ units up to 31.03.2026.