

GST Course

(CE GST comprehensive course: Session 3)

Section 8 of CGST Act

Sec 8: Taxability of composite and Mixed supply

The tax liability on a composite or a mixed supply shall be determined in the following manner, namely:—

(a) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply; and

(b) a mixed supply comprising two or more supplies shall be treated as a supply of that particular supply which attracts the highest rate of tax.

Definition of Composite and Mixed supply

Section 2(30) of CGST Act: Composite Supply

“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;

Illustration.— 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;

Definition of Composite and Mixed supply

Section 2(74) of CGST Act:

“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. Illustration.— 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;

Composite and Mixed supply: Imp Pronouncements

- **Torrent Power Ltd. (Gujrat High Court):** Validity of Circular No. 34/8/2018. Ancillary activities like renting of metre are part of composite supply of electricity distribution. Principal supply is exempt so all these activities will also be exempt.
- Kundan Mishthan Bhandar: Advance ruling: Supply of food items from sweet shop in a restaurant will be taxable @5%.
- Kundan mishthan bhandar AAR reversed by AAAR: The order of AR was reversed.
- M/s Kerala forest development corporation ltd.: Tour operator can charge on individual items on various components.

Composite and Mixed supply:

- The first test for registered person is to identify the true and substantial nature of what is being supplied to the recipient from the perspective of recipient [1](#). This has to be determined objectively from the recipient's perspective. It is the actual supply made to the recipient that must be considered and not how the supply is invoiced or charged to the recipient. Even the proportion of cost of each element is not a determinative factor [2](#). However, the difficulty lies in ascertaining the question of where, in the eyes of the consumer, the value and benefit lies. What is in the mind of the customer when they make their purchase is highly subjective.

Composite and Mixed supply:

- In the second test, two or more distinct elements have been held to constitute a single supply where one element is the principal element and the other is ancillary whose role is only to enhance the enjoyment of the principal service by its customer. Since the ancillary element is not regarded as an aim by itself, but is only functional to the principal one, it will share the treatment of the principal service [3](#). To illustrate, where an airline supplied zero rated flights for a single price including the provision of in-flight catering, the Court of Appeal decided that catering was provided for the comfort and convenience of passengers and is ancillary to the main supply of the flight and therefore the court found a single composite supply.

Section 9 of CGST Act

Sec 9:Levy of GST

(1) Subject to the provisions of sub-section (2), there shall be levied a tax called the central goods and services tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

	Notification	Description
Goods	01/2017-Central Tax (Rate),dt. 28-06-2017	CGST Rate Schedule notified under section 9 (1)
	02/2017-Central Tax (Rate),dt. 28-06-2017	CGST exempt goods notified under section 11 (1)
	04/2017-Central Tax (Rate),dt. 28-06-2017	Reverse charge on certain specified supplies of goods under section 9 (3)
Services	11/2017-Central Tax (Rate) ,dt. 28-06-2017	To notify the rates for supply of services under CGST Act
	12/2017-Central Tax (Rate), dt. 28-06-2017	To notify the exemptions on supply of services under CGST Act
	13/2017-Central Tax (Rate), dt. 28-06-2017	To notify the categories of services on which tax will be payable under charge mechanism under CGST Act

Sec 9: Levy of GST

(2) The central tax on the supply of petroleum crude, high speed diesel, motor spirit (commonly known as petrol),

natural gas and aviation turbine fuel shall be levied with effect from such date as may be notified by the

Government on the recommendations of the Council.

Sec 9: Levy of GST

(3) The Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

Sec 9: Levy of GST

~~(4) The central tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.~~

“(4) The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both.”

Sec 9: Levy of GST: notifications in old provision

Sl. No.	Notification No.	
1.	08/2017-Central Tax (Rate),dt. 28-06-2017	CGST exemption from reverse charge upto Rs.5000 per day under section 11 (1)
2.	38/2017-Central Tax (Rate) ,dt. 13-10-2017	Seeks to exempt payment of tax under section 9(4) of the CGST Act, 2017 till 31.03.2018

Notification No. 07/2019-CTR ,dt. 29-03-2019

Sl. No.	Category of supply of goods and services	Recipient of goods and services
1.	Supply of such goods and services or both [other than services by way of grant of development rights, long term lease of land (against upfront payment in the form of premium, salami, development charges etc.) or FSI (including additional FSI)] which constitute the shortfall from the minimum value of goods or services or both required to be purchased by a promoter for construction of project, in a financial year (or part of the financial year till the date of issuance of completion certificate or first occupation, whichever is earlier) as prescribed in notification No. 11/ 2017- Central Tax (Rate), dated 28th June, 2017, at items (i), (ia), (ib), (ic) and (id) against serial number 3 in the Table, published in Gazette of India vide G.S.R. No. 690, dated 28th June, 2017, as amended	Promoter

Notification No. 07/2019-CTR ,dt. 29-03-2019

Sl. No.	Category of supply of goods and services	Recipient of goods and services
2.	Cement falling in chapter heading 2523 in the first schedule to the Customs Tariff Act, 1975 (51 of 1975) which constitute the shortfall from the minimum value of goods or services or both required to be purchased by a promoter for construction of project, in a financial year (or part of the financial year till the date of issuance of completion certificate or first occupation, whichever is earlier) as prescribed in notification No. 11/ 2017- Central Tax (Rate), dated 28th June, 2017, at items (i), (ia), (ib), (ic) and (id) against serial Promoter. number 3 in the Table, published in Gazette of India vide G.S.R. No. 690, dated 28th June, 2017, as amended.	Promoter

Notification No. 07/2019-CTR ,dt. 29-03-2019

Sl. No.	Category of supply of goods and services	Recipient of goods and services
	Capital goods falling under any chapter in the first schedule to the Customs Tariff Act, 1975 (51 of 1975) supplied to a promoter for construction of a project on which tax is payable or paid at the rate prescribed for items (i), (ia), (ib), (ic) and (id) against serial number 3 in the Table, in notification No. 11/ 2017- Central Tax (Rate), dated 28th June, 2017, published in Gazette of India vide G.S.R. No. 690, dated 28th June, 2017, as amended.	Promoter.

Sec 9: Levy of GST

(5) The Government may, on the recommendations of the Council, by notification, specify categories of

services the tax on intra-State supplies of which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services:

Sec 9: Levy of GST

Proviso:1

Provided that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax:

Sec 9:Levy of GST

Proviso:2

Provided further that where an electronic commerce operator does not have a physical presence in the taxable territory and also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.

Section 10 of CGST Act

Composition Scheme:

(1) Notwithstanding anything to the contrary contained in this Act but subject to the provisions of sub-sections (3) and (4) of section 9, a registered person, whose aggregate turnover in the preceding financial year did not exceed fifty lakh rupees, may opt to pay, ~~in lieu of the tax payable by him, an amount calculated at such rate~~ **“in lieu of the tax payable by him under sub-section (1) of section 9, an amount of tax calculated at such rate”** as may be prescribed, but not exceeding,—

Composition Scheme:

- (a) one per cent. of the turnover in State or turnover in Union territory in case of a manufacturer,
- (b) two and a half per cent. of the turnover in State or turnover in Union territory in case of persons engaged in making supplies referred to in clause (b) of paragraph 6 of Schedule II, and
- (c) half per cent. of the turnover in State or turnover in Union territory in case of other suppliers, subject to such conditions and restrictions as may be prescribed:

Notification No. 14/2019-Central Tax ,dt. 07-03-2019

Aggregate Turnover:

For normal states : 1.50 Crores. For

following states : 75 Lac.

(i) Arunachal Pradesh,

(ii) Manipur,

(iii) Meghalaya

(iv) Mizoram,

(v) Nagaland,

(vi) Sikkim,

(vii) Tripura,

(viii) Uttarakhand:

Notified rates by Notification No. 8/2017 as amended by notification no. 1/2018

1.	Manufacturer	1% of turnover in state Amended to 0.5% by Notification no. 1/2018 to 0.5%
2.	Para 6B of schedule II	2.5% of turnover in state
3.	Other suppliers	0.5% of turnover in state <u>changed to half % of taxable supplies by notification no. 01/2018</u>

Composition Scheme:

Provided that the Government may, by notification, increase the said limit of fifty lakh rupees to such higher amount, not exceeding ~~one crore rupees~~, **“one crore and fifty lakh rupees”** as may be recommended by the Council.

“Provided further that a person who opts to pay tax under clause (a) or clause (b) or clause (c) may supply services (other than those referred to in clause (b) of paragraph 6 of Schedule II), of value not exceeding ten per cent. of turnover in a State or Union territory in the preceding financial year or five lakh rupees, whichever is higher.”;

Composition Scheme: Example 1

M/S X is engaged in sale of Banarasi Sarees. His turnover from sale of Sarees in last year was Rs. 1 Crore. He also received Rs. 2 Lac as rent of his shops and Rs. 1 lac for a flat let out for residential purpose. He also earned the interest of Rs. 4 lac on his fixed deposits and savings account.

Pls Assess his eligibility to take composition scheme.

Solution: **The eligible amount of services allowed to M/s X**

Calculation of turnover in a state:

Sale of Sarees:	1,00,00,000
Rent of Shop:	2,00,000
Rent of Residential property	1,00,000
Interest	4,00,000
Total turnover:	<u>1,07,00,000</u>

Allowed services are higher 10% of 1,07,00,000 and Rs. 5Lac Which is: Rs. 10,70,000

Composition Scheme:

(2) The registered person shall be eligible to opt under sub-section (1), if:—

~~(a) he is not engaged in the supply of services other than supplies referred to in clause (b) of paragraph 6 of Schedule II;~~

(a) save as provided in sub-section (1), he is not engaged in the supply of services;”

Composition Scheme:

(b) he is not engaged in making any supply of goods which are not leviable to tax under this Act; Order 1/2017 dated 13th October 2017 provided that:

i) if a person supplies goods and/or services referred to in clause (b) of paragraph 6 of Schedule II of the said Act and also supplies any **exempt services** including services by way of extending deposits, loans or advances in so far as the consideration is represented by way of **interest or discount**, the said person shall **not be ineligible** for the composition scheme under section 10 subject to the fulfillment of all other conditions specified therein.

ii) aggregate turnover in order to determine his eligibility for composition scheme, **value of supply of any exempt** services including services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount, **shall not be taken into account.**

(c) he is not engaged in making any inter-State outward supplies of goods;

Composition Scheme:

(d)he is not engaged in making any supply of goods through an electronic commerce operator who is required to collect tax at source under section 52; and

(e)he is not a manufacturer of such goods as may be notified by the Government on the recommendations of the Council: Provided that where more than one registered persons are having the same Permanent Account Number (issued under the Income-tax Act, 1961), the registered person shall not be eligible to opt for the scheme under sub-section (1) unless all such registered persons opt to pay tax under that sub-section.

Composition Scheme:

(3) The option availed of by a registered person under sub-section (1) shall lapse with effect from the day on which his aggregate turnover during a financial year exceeds the limit specified under sub-section (1).

(3) A taxable person to whom the provisions of sub-section (1) apply shall not collect any tax from the recipient on supplies made by him nor shall he be entitled to any credit of input tax.

(5) If the proper officer has reasons to believe that a taxable person has paid tax under sub-section (1) despite not being eligible, such person shall, in addition to any tax that may be payable by him under any other provisions of this Act, be liable to a penalty and the provisions of section 73 or section 74 shall, mutatis mutandis, apply for determination of tax and penalty.

6% rate for services providers

Notification no. 2/2019 & 9/2019 CTR

1.	First supplies of goods or services or both upto an aggregate turnover of fifty lakh rupees made on or after the 1st day of April in any financial year, by a registered person.
	<p>1. Supplies are made by a registered person, -</p> <ul style="list-style-type: none">(i) whose aggregate turnover in the preceding financial year was fifty lakh rupees or below;(ii) who is not eligible to pay tax under sub-section (1) of section 10 of the said Act;(iii) who is not engaged in making any supply which is not leviable to tax under the said Act;(iv) who is not engaged in making any inter-State outward supply;(v) who is neither a casual taxable person nor a non-resident taxable person;(vi) who is not engaged in making any supply through an electronic commerce operator who is required to collect tax at source under section 52; and(vii) who is not engaged in making supplies of the goods, the description of which is specified in column (3) of the Annexure below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said annexure.

Notification no. 2/2019 & 9/2019 CTR

1. Where more than one registered persons are having the same Permanent Account Number, issued under the Income Tax Act, 1961(43 of 1961), central tax on supplies by all such registered persons is paid at the rate specified in column (2) under this notification.
2. The registered person shall not collect any tax from the recipient on supplies made by him nor shall he be entitled to any credit of input tax.
3. The registered person shall issue, instead of tax invoice, a bill of supply as referred to in clause (c) of sub-section (3) of section 31 of the said Act with particulars as prescribed in rule 49 of Central Goods and Services Tax Rules.
4. The registered person shall mention the following words at the top of the bill of supply, namely: - 'taxable person paying tax in terms of notification No. 2/2019-Central Tax (Rate) dated 07.03.2019, not eligible to collect tax on supplies'.
5. The registered person opting to pay central tax at the rate of three percent under this notification shall be liable to pay central tax at the rate of three percent on all outward supplies specified in column (1) notwithstanding any other notification issued under sub-section (1) of section 9 or under section 11 of said Act.

Notification no. 2/2019 & 9/2019 CTR

7. The registered person opting to pay central tax at the rate of three percent under this notification shall be liable to pay central tax on inward supplies on which he is liable to pay tax under sub-section (3) or, as the case may be, under sub-section (4) of section 9 of said Act at the applicable rates.

Explanation.-For the purposes of this notification, the expression “first supplies of goods or services or both” shall, for the purposes of determining eligibility of a person to pay tax under this notification, include the supplies from the first day of April of a financial year to the date from which he becomes liable for registration under the said Act but for the purpose of determination of tax payable under this notification shall not include the supplies from the first day of April of a financial year to the date from which he becomes liable for registration under the Act.

Notification no. 2/2019 & 9/2019 CTR

ANNEXURE

Sl. No.	Tariff item, sub-heading, heading or Chapter	Description
(1)	(2)	(3)
1	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.
2	2106 90 20	Pan masala
3	24	All goods, i.e. Tobacco and manufactured tobacco substitutes

Circular No. 97/16/2019-GST

(i) a registered person who wants to opt for payment of central tax @ 3% by availing the benefit of the said notification, may do so by filing intimation in the manner specified in sub-rule 3 of rule 3 of the said rules in **FORM GST CMP-02** by selecting the category of registered person as “Any other supplier eligible for composition levy” as listed at Sl. No. 5(iii) of the said form, latest by 30th April, 2019. Such person shall also furnish a statement in FORM GST ITC03 in accordance with the provisions of sub-rule (3) of rule 3 of the said rules.

Circular No. 97/16/2019-GST

- (ii) any person who applies for registration and who wants to opt for payment of central tax @ 3% by availing the benefit of the said notification, if eligible, may do so by indicating the option at serial no. 5 and 6.1(iii) of FORM GST REG-01 at the time of filing of application for registration.
- (iii) the option of payment of tax by availing the benefit of the said notification in respect of any place of business in any State or Union territory shall be deemed to be applicable in respect of all other places of business registered on the same Permanent Account Number.

i The facility to Opt-In for Composition Levy (Form GST CMP-02) for Financial Year 2018-19 is disabled for now.

Circular No. 97/16/2019-GST

(iv) the option to pay tax by availing the benefit of the said notification would be effective from the beginning of the financial year or from the date of registration in cases where new registration has been obtained during the financial year.

3. It may be noted that the provisions contained in Chapter II of the said Rules shall mutatis mutandis apply to persons paying tax by availing the benefit of the said notification, except to the extent specified in para 2 above.

Finance bill 2019

After sub section 1 of Sec 10 explanation inserted.

“Explanation.— For the purposes of second proviso, the value of exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount shall not be taken into account for determining the value of turnover in a State or Union territory.”;

Finance bill 2019

“Explanation.— For the purposes of second proviso, the value of exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount shall not be taken into account for determining the value of turnover in a State or Union territory.”;

- (a) engaged in making any supply of goods or services which are not leviable to tax under this Act;
- (b) engaged in making any inter-State outward supplies of goods or services;
- (c) 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;

Finance bill 2019

(d) a manufacturer of such goods or supplier of such services as may be notified by the Government on the recommendations of the Council; and

(e) a casual taxable person or a non-resident taxable person:

Provided that where more than one registered person are having the same Permanent Account Number issued under the Income-tax Act, 1961, the registered person shall not be eligible to opt for the scheme under this sub-section unless all such registered persons opt to pay tax under this subsection.”

Finance bill 2019

Explanation 1.— For the purposes of computing aggregate turnover of a person for determining his eligibility to pay tax under this section, the expression “aggregate turnover” shall include the value of supplies made by such person from the 1st day of April of a financial year upto the date when he becomes liable for registration under this Act, but shall not include the value of exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.

Finance bill 2019

Explanation 2.— For the purposes of determining the tax payable by a person under this section, the expression “turnover in State or turnover in Union territory” shall not include the value of following supplies, namely:—

- (i) supplies from the first day of April of a financial year upto the date when such person becomes liable for registration under this Act; and
- (ii) exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.’.

Section 11 of CGST Act

Exemption: Section 11 of CGST Act

(1) Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by notification, exempt generally, either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the tax leviable thereon with effect from such date as may be specified in such notification.

(1) Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by special order in each case, under circumstances of an exceptional nature to be stated in such order, exempt from payment of tax any goods or services or both on which tax is leviable.

Exemption: Section 11 of CGST Act

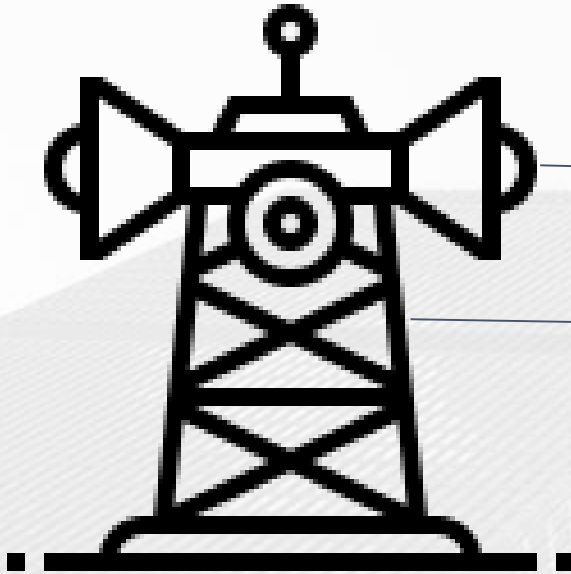
(3) The Government may, if it considers necessary or expedient so to do for the purpose of clarifying the scope or applicability of any notification issued under sub-section (1) or order issued under sub-section (2), insert an explanation in such notification or order, as the case may be, by notification at any time within one year of issue of the notification under sub-section (1) or order under sub-section (2), and every such explanation shall have effect as if it had always been the part of the first such notification or order, as the case may be.

Explanation.—For the purposes of this section, where an exemption in respect of any goods or services or

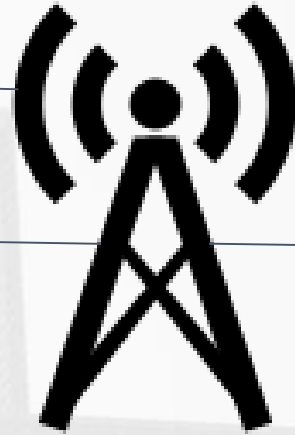
both from the whole or part of the tax leviable thereon has been granted absolutely, the registered person supplying such goods or services or both shall not collect the tax, in excess of the effective rate, on such supply of goods or services or both.

Case study:3

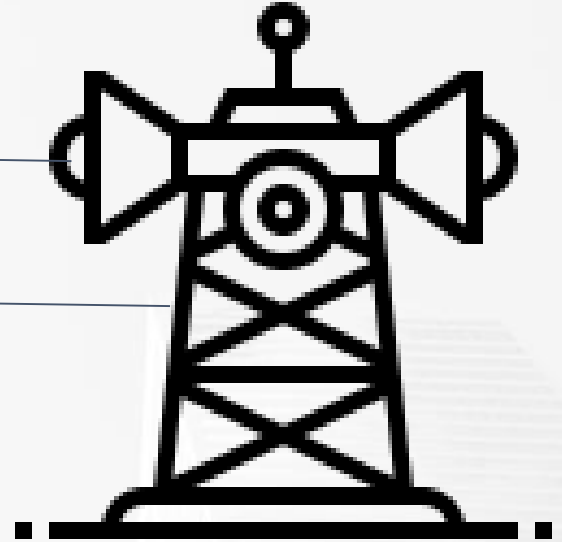
Gotcha industries have their plant in Hyderabad and Faridabad. They produce electricity in Mumbai and make captive consumption of it. But their branch is in Nasik. They sell it to electricity board and then buy it again to make it travel to other unit. What will be the taxability of this transaction.



Unit
A



Electricity
Board



Unit
B

Rule	Terms of Headings read with relative section and chapter notes are
Rule	Classification of Incomplete/Unfinished
Rule	Classification of Mixtures/Combinations of a material/Substance with other
Rule	Specific over
Rule	Essential character
Rule	Latter the
Rule	Akin
Rule	Case/Container/packagi
Rule 5(Classification of Packing material and packing
Rule	Only sub- Headings at the same level are

Rule 1

- Titles of sections, chapters, and sub-chapters are provided for ease of reference only.
- For legal purposes, refer to headings and sub-headings to drive classification.

Rule 2a

- If the goods are incomplete/unfinished and have the characteristics of the finished product, classification is the same as that of the finished product (if the classification is known).
- The heading shall also include removed/unassembled or disassembled parts (i.e., SKD/CKD).

Rule 2b

- Any reference to a material or substance includes a reference to mixtures or combinations of that material or substance with other materials or substances.
- The classification of goods consisting of more than one material or substance shall take place as per Rule 3.

Rule 3a

- Choosing a specific heading is preferred over a general heading.
- For example, 85.10 is the classification for "shavers, hair clippers and hair removing appliances, with self-contained electric motor". This is a more specific classification for a handheld electric razor than either:
 - 67: "tools for working in the hand, pneumatic, hydraulic or with self-contained electric or non-electric motor," or
 - 09: "electro-mechanical domestic appliances with self-contained electric motors, other than

Rule 3b

- Mixtures/composite goods should be classified per the material or substance that gives them their essential character.
- For example, a grooming kit consisting of electric hair clippers (85.10), a comb (96.15), and a brush (96.03) inside a leather case (45.02), should be classified under the electric hair clippers heading (85.10).

Rule 3c

- If two headings are equally suited to the item, choose the heading that appears last in numerical order.

Rule 4

- If goods cannot be classified per the above rules, they are to be classified according to the goods to which they are most akin.

Rule 5

- Containers specifically designed for the article and suitable for long-term use will be classified along with that article, if such articles are normally sold along with such cases. For example, a camera case would fall under cameras.
- Packing materials and containers are also to be classified with the related goods except when the packing is for repetitive use.

Section- 16,17,18,19 of CGST Act

Section 16 of CGST Act: Input Tax

Credit

(1) Every registered person shall, subject to such conditions and restrictions as may be

prescribed and in the manner specified in section 49, be entitled to take

credit of input tax charged on any supply of goods or services or both to

him which are used or intended to be used in the course or furtherance of

his business and the said amount shall be credited to the electronic credit

Section 16(2) of CGST Act: Condition #1

(2) Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,—

(a) he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or **such other tax paying documents as may be prescribed;**

Rule 36: Prescribed documents for ITC

(1) The input tax credit shall be availed by a registered person, including the Input

Service Distributor, on the basis of any of the following documents, namely,-

(a) an **invoice issued by the supplier of goods or services or both** in accordance with the

provisions of **section 31**;

(b) an invoice issued in accordance with the provisions of **clause (f) of**

subsection (3) of section 31, subject to the payment of tax;

(c) a **debit note** issued by a supplier in accordance with the provisions of section

Rule 36: Prescribed documents for ITC

(d) a bill of entry or any similar document prescribed under the Customs Act, 1962 or rules made thereunder for the assessment of integrated tax on imports;

(e) an Input Service Distributor invoice or Input Service Distributor credit note or any document issued by an Input Service Distributor in accordance with the provisions of sub-rule (1) of rule 54.

Section 16 (2) of CGST Act:

Condition #2

(b) He has received the goods or services or both.

~~Explanation.— For the purposes of this clause, it shall be deemed that the registered person has received the goods where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;~~

“Explanation.—For the purposes of this clause, it shall be deemed that the registered person has received the

goods or, as the case may be, services--

(i) where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way

of transfer of documents of title to goods or otherwise;

(ii) where the services are provided by the supplier to any person on the direction of and on account of such

Proviso #1 When goods are received in lots

Provided that where the goods against an invoice are received in lots or instalments, the registered person

shall be entitled to take credit upon receipt of the last lot or instalment:

Section 16 (2) of CGST Act: Condition #3

(c) subject to the provisions of ~~section 41~~, “[section 41 or section 43A](#)” the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilisation of input tax credit admissible in respect of the said supply; and

Section 16 (2) of CGST Act: Condition #4

(d) he has furnished the return under section 39:

Proviso#2 When payment is not made in 180 days

Provided further that where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon, in such manner as may be prescribed:

Proviso#3 When payment is not made in 180 days

Provided also that the recipient shall be entitled to avail of the credit of input tax on payment made by him of the

amount towards the value of supply of goods or services or both along with tax payable thereon.

Rule37: Reversal of ITC for non payment:

1. It shall be furnished in FORM GSTR 2
2. the value of supplies made without consideration as specified in Schedule I of the said Act shall be deemed to
have been paid for the purposes of the second proviso to sub-section (2) of section 16.

Proviso#3 When payment is not made in 180 days

3. Provided further that the value of supplies on account of any amount added in accordance with the provisions of clause (b) of sub-section (2) of section 15 shall be deemed to have been paid for the purposes of the second proviso to sub-section (2) of section 16.
4. The amount of input tax credit referred to in sub-rule (1) shall be added to the output tax liability of the registered person for the month in which the details are furnished.

Proviso#3 When payment is not made in 180 days

5. The registered person shall be liable to pay interest at the rate notified under subsection (1) of section 50 for

the period starting from the date of availing credit on such supplies till the date when the amount added to the

output tax liability, as mentioned in sub-rule (2), is paid.

6. The time limit specified in sub-section (4) of section 16 shall not apply to a claim for re-availing of any credit, in

accordance with the provisions of the Act or the provisions of this Chapter, that had been reversed earlier.

No Depreciation: Section 16(3)

Where the registered person has claimed depreciation on the tax component of the cost of capital goods and

plant and machinery under the provisions of the Income-tax Act, 1961, the input tax credit on the said tax

component shall not be allowed.

No ITC after Sept Return: Section 16(4)

A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for

supply of goods or services or both after the due date of furnishing of the return under section 39

for the month of September following the end of financial year to which such invoice or invoice

relating to such debit note pertains or furnishing of the relevant annual return, whichever is

earlier.

No ITC after Sept Return: Section 16(4)

“Provided that the registered person shall be entitled to take input tax credit after the due date of furnishing of the return under section 39 for the month of September, 2018 till the due date of furnishing of the return under the said section for **the month of March, 2019** in respect of any invoice or invoice relating to such debit note for supply of goods or services or both made during the financial year 2017-18, the details of which have been uploaded by the supplier under sub-section (1) of section 37 till the due date for furnishing the details under sub-section (1) of said section for the month of March, 2019.”. {inserted via: Removal of difficulty Order No. 02/2018-Central Tax}

Important Legal precedents

Important advance rulings related to

Sl. No.		
1.	M/s Narsingh Transport, MP AAR	ITC of Car used for lease is allowed.
2.	M/s Reesham Associates, Mohana Ghose, WB AAR	No ITC on car purchased for rent a cab service
3.	Storm Communications Private Limited	ITC of another state to a person registered in one state
4.	GGL HOTEL AND RESORT COMPANY LIMITED	No ITC for lease rent for construction of an immovable property
5.	M/s A M Motors: Kerala	ITC of Demo car
6.	Biostadt India Limited (GST AAR Maharashtra)	ITC of gold coins
7.	M/s. MRF Limited(Tamilnadu advanced ruling)	Payment of discount value ITC allowed

M/s A M Motors: Kerala

Input tax credit on demo cars: Whether the ITC of demo cars will be available as ITC to the dealer of cars?

Held: ITC of demo cars will be available as ultimately these cars will be sold. Also section 18(6) covers the

cases where a capital goods, whose ITC is taken is sold. The tax is higher of transaction value tax or ITC

less 5% each qtr, whichever is higher.

Biostadt India Limited (GST AAR Maharashtra)

Issue: whether Input Tax Credit (“ITC”) can be claimed by the applicant on procurement of Gold coins which are to be distributed to the customers at the end of scheme period for achieving the stipulated lifting or payment criteria?

Held: No

M/s. MRF Limited(Tamilnadu advanced ruling)

ITC when payment is made after discount value.

Held: ITC will be available proportionately when amount is paid after discount. CBIC clarification: In circular no. 92/11/2019 dated 7th march 2019.

AAP & Co.: Date for taking ITC is date of annual return

It would also be apposite to point out that the Notification No.10/2017 Central Tax dated 28th June 2017 which introduced mandatory filing of the return in Form GSTR-3B stated that it is a return in lieu of Form GSTR-3. However, the Government, on realising its mistake that the return in Form GSTR-3B is not intended to be in lieu of Form GSTR-3, rectified its mistake retrospectively vide Notification No.17/2017 Central Tax dated 27th July 2017 and omitted the reference to return in Form GSTR-3B being return in lieu of Form GSTR-3

Guj HC in AAP & Co.: Date for taking ITC is date of AR

Thus, in view of the above, the impugned press release dated 18th October 2018 could be said to be illegal to the extent that its para-3 purports to clarify that the last date for availing input tax credit relating to the invoices issued during the period from July 2017 to March 2018 is the last date for the filing of return in Form GSTR-3B.

The said clarification could be said to be contrary to Section 16(4) of the CGST Act/GGST Act read with Section 39(1) of the CGST Act/GGST Act read with Rule 61 of the CGST Rules/GGST Rules.

Orissa HC in case of safari

20. In that view of the matter, in our considered opinion the provision of Section 17(5)(d) is to be read down and the narrow restriction as imposed, reading of the provision by the Department, is not required to be accepted, inasmuch as keeping in mind the language used in: *(1999) 2 SCC 361 (supra)*, the very purpose of the credit is to

Orissa HC in case of safari retreats

give benefit to the assessee. In that view of the matter, if the assessee is required to pay GST on the rental income arising out of the investment on which he has paid GST, it is required to have the input credit on the GST, which is required to pay under Section 17(5)(d) of the CGST Act.

Section 17: Blockage of ITC

Section 17(1)

&(2)

(1) Where the goods or services or both are used by the registered person partly for the purpose of any

business and partly for other purposes, the amount of credit shall be restricted to so much of the input

tax as is attributable to the purposes of his business.

(2) Where the goods or services or both are used by the registered person partly for effecting

taxable supplies including zero-rated supplies under this Act or under the Integrated Goods and

Services Tax Act and partly for effecting exempt supplies under the said Acts, the amount of

credit shall be restricted to so much of the input tax as is attributable to the said taxable supplies

including zero-rated supplies.

Section 17(3)

(3) The value of exempt supply under sub-section (2) shall be such as may be prescribed, and shall include supplies on which the recipient is liable to pay tax on reverse charge basis, transactions in securities, sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.

Explanation.—For the purposes of this sub-section, the expression “value of exempt supply” shall not include the value of activities or transactions specified in Schedule III, except those specified in paragraph 5 of the said Schedule.’

Section

17(4)

4) A banking company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances shall have the option to either comply with the provisions of sub-section (2), or avail of, every month, an amount equal to fifty per cent. of the eligible input tax credit on inputs, capital goods and input services in that month and the rest shall lapse:

Provided that the option once exercised shall not be withdrawn during the remaining part of the financial year

Provided further that the restriction of fifty per cent. shall not apply to the tax paid on supplies made by one registered person to another registered person having the same Permanent Account Number.

Section

17

- (1) Where the goods or services or both are used by the registered person partly for the purpose of any business and partly for other purposes, the amount of credit shall be restricted to so much of the input tax as is attributable to the purposes of his business.
- (2) Where the goods or services or both are used by the registered person partly for effecting taxable supplies including zero-rated supplies under this Act or under the Integrated Goods and Services Tax Act and partly for effecting exempt supplies under the said Acts, the amount of credit shall be restricted to so much of the input tax as is attributable to the said taxable supplies including zero-rated supplies.

3) The value of exempt supply under sub-section (2) shall be such as may be prescribed, and shall include supplies on which the recipient is liable to pay tax on reverse charge basis, transactions in securities, sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.

Explanation.—For the purposes of this sub-section, the expression “value of exempt supply” shall not include the value of activities or transactions specified in Schedule III, except those specified in paragraph 5 of the said Schedule.’

(4) A banking company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances shall have the option to either comply with the provisions of sub-section (2), or avail of, every month, an amount equal to fifty per cent. of the eligible input tax credit on inputs, capital goods and input services in that month and the rest shall lapse:

Provided that the option once exercised shall not be withdrawn during the remaining part of the financial year:

Provided further that the restriction of fifty per cent. shall not apply to the tax paid on supplies made by

one registered person to another registered person having the same Permanent Account

(5) Notwithstanding anything contained in sub-section (1) of section 16 and subsection (1) of section 18, input tax credit shall not be available in respect of the following, namely:—

(a) motor vehicles and other conveyances except when they are used—

(i) for making the following taxable supplies, namely:—

(A) further supply of such vehicles or conveyances ; or

(B) transportation of passengers; or

(C) imparting training on driving, flying, navigating such vehicles or

conveyances;

(i) for transportation of goods;

(a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely:—

(A) further supply of such motor vehicles; or

(B) transportation of passengers; or

(C) imparting training on driving such motor vehicles;

(b) the following supply of goods or services or both—

(i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery except where an inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply;

(i) membership of a club, health and fitness centre;

(i) rent-a-cab, life insurance and health insurance except where—

(A) the Government notifies the services which are obligatory for an employer to provide to its

employees under any law for the time being in force; or

(A) such inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as part of a taxable composite or mixed supply; and

(i) travel benefits extended to employees on vacation such as leave or home travel concession,

(b) the following supply of goods or services or both—

(i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) except when used for the purposes specified therein, life insurance and health insurance:

Provided that the input tax credit in respect of such goods or services or both shall be available where an inward supply of such goods or services or both is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply;

(ii) membership of a club, health and fitness centre; and

(ii) travel benefits extended to employees on vacation such as leave or home travel concession:

Provided that the input tax credit in respect of such goods or services or both shall be available, where it is obligatory for an employer to provide the same to its employees under any law for the time being in force.

(c)works contract services when supplied for construction of an immovable property (other than plant and machinery) except where it is an input service for further supply of works contract service;

(c)goods or services or both received by a taxable person for construction of an immovable property (other than plant or machinery) on his own account including when such goods or services or both are used in the course or furtherance of business.

Explanation.—For the purposes of clauses (c) and (d), the expression “construction” includes reconstruction, renovation, additions or alterations or repairs, to the extent of capitalization, to the said immovable property;

- (e) goods or services or both on which tax has been paid under section 10;
 - (f) goods or services or both received by a non-resident taxable person except on goods imported by him;
 - (g) goods or services or both used for personal consumption;
 - (h) goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples;
and
 - (i) any tax paid in accordance with the provisions of sections 74, 129 and 130.
- (6) The Government may prescribe the manner in which the credit referred to in sub-sections (1) and (2) may be attributed.

Explanation.--For the purposes of this Chapter and Chapter VI, the expression “plant and machinery” means apparatus, equipment, and machinery fixed to earth by foundation or structural support that are used for making outward supply of goods or services or both and includes such foundation and structural supports but excludes—

- (i) land, building or any other civil structures;
- (ii) telecommunication towers; and
- (iii) pipelines laid outside the factory premises.

Reversal of ITC on I/IS : Rule 42& 43

Section 17(1) and (2) of CGST Act provide that input tax credit of input and input services used in making exempt supply or non-business supply should not be available to an assessee.

Rule 42: Calculation of amount of reversal of ITC of input and input services used for exempt and non business supply.

Rule 43: Calculation of amount of reversal of ITC of Capital Goods used for exempt and non-business supply.

Aggregate value of exempt supply shall include (Sec 17(3): For both rule 42 and 43

- Supplies on which the recipient is liable to pay tax on reverse charge basis.
- transactions in securities
- sale of land and
- subject to clause (b) of paragraph 5 of Schedule II, sale of building.

4
2

Aggregate value of exempt supply shall exclude for both rule 42 and 43:

Explanation: -For the purposes of rule 42 and this rule(rule 43 as this explanation is given in Rule 43), it is hereby clarified that the aggregate value of exempt supplies shall exclude: -

- (a) the value of supply of services specified in the notification of the Government of India in the Ministry of Finance, Department of Revenue No. 42/2017-Integrated Tax (Rate), dated the 27th October, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number GSR 1338(E) dated the 27th October, 2017;

(This notification exempted the supply of services to Nepal and Bhutan against payment in IndianRupees)

4
3

Aggregate value of exempt supply shall **exclude for both rule 42 and 43:**

(b)the value of services by way of accepting deposits, extending loans or advances in so far as the consideration is represented by way of interest or discount, except in case of a banking company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances; and

(Amount of interest will not be included in exempted turnover)

(c)the value of supply of services by way of transportation of goods by a vessel from the customs station of clearance in India to a place outside India.]

Rule 42: Calculation of D1 (Common input to be attributable to exempt supplies)

$$D1 = (E / F) * C2$$

(Portion of common
input
attributable to exempt
supplies)

(AV of exempt
Supplies
)

(Total turnover
in
astate)

Common Credit

Calculation of C2(Commoninput)

C2=

$$T - (T1 + T2 + T3 + T4)$$

(Total ITC of input and attributable input services) - (ITC attributable to non-business activity) to exempt supplies

(ITC attributable to non-business activity) to

17(5) ITC

ITC attributable to other than exempt supply

D2= ITC attributable to non-business activity

D2= 5% of C2

Amount of reversal= $D1+D2$

Amount allowed from common credit = $C2 - (D1+D2)$

Manner of calculation of Exempt and non business supply

It is a moot question whether the value of D2 should be reduced while calculating D. Although there is no clarity in the provision but C2 (Common credit) is comprised of two components liable for reversal. First one is exempted supply and second is non GST supply. Let us try to understand it with the help of an example.

Scenario: 1

Common input=Rs. 100

Total turnover is Rs. 1000

Taxable turnover is Rs. 750

Exempted turnover is Rs.250

$D1=100*250/1000=$ Rs. 25

$D2= 100*5%=$ Rs. 5

It looks pretty fine in this scenario. We calculated both D1 (Exempt) & D2 (Non business) on same C2 (Common Credit). Let us take the another example.

Manner of calculation of Exempt and non business supply

It is a moot question whether the value of D2 should be reduced while calculating D. Although there is no clarity in the provision but C2 (Common credit) is comprised of two components liable for reversal. First one is exempted supply and second is non GST supply. Let us try to understand it with the help of an example.

Scenario: 2

Common input=Rs. 100

Total turnover is Rs. 1000

Taxable turnover is Rs. 0

Exempted turnover is Rs.1000

$D1=100*1000/1000=$ Rs. 100

$D2= 100*5%=$ Rs. 5

In this case the total reversal will be of Rs.105 which is more than total common credit. This will be detrimental to taxpayer and we cant take this interpretation.

Manner of calculation of Exempt and non business supply

This may be a matter of interpretation of this part of law that whether we should reduce the amount of D2 (non business ITC) @5% from common credit before we calculate the D1 (Exempt ITC). C2 (Common credit) is comprising of three elements namely Exempted related portion, non business related portion and taxable related portion.

If we calculate both D1 and D2 on same value. It will take into consideration the portion of D2 (non business credit) while calculating D1. Appropriate manner to calculate D1 should be first we should calculate D2 and reduce it from C2. The remaining ITC will be the common input for Exempt and taxable ITC. Now we should allocate it in the ratio of Exempt turnover and total turnover.

We can conclude that the second method is more appropriate and it should be followed.

Example:

Fungus ltd had following inputs and outward supplies in FY 2018

Inward supplies:

Plant and machinery to manufacture plastic box: Rs. 20 Lac with ITC of Rs.360000

Club fees: Rs. 10,00,000 ITC of Rs. 1,80,000

Rent of premises: Rs. 10,00,000 with an ITC of Rs. 1,80,000 Cultivation of land charges: Rs. 2,00,000 with ITC of Rs. 36000

Outward supply:

Interest income of Rs.5,00,000

Sale of plastic boxes: Rs.1Cr

Sale of agriculture produce(Exempt): Rs. 10,00,000 Export sale: Rs. 20,00,000

Supply used in other than business activity: Rs. 4,00,000

Please calculate the amount of reversal under rule 42

	Input/IS	ITC	nature
1.	Plant & Machinery	360000	Will be considered in Rule 43
2.	Club fees	1,80,000	17(5) T3
3.	Rent	1,80,000	Common
4.	Cultivation of Land	36000	T2 Exempt supply

$D2 = 5\% \text{ of } 1,80,000 = 9,000$

Remaining C2 = $1,80,000 - 9,000 = 1,71,000$

Calculation of D1 = $E/F * C2$

$D1 = 10,00,000 / 1,30,00,000 * 1,71,000 =$

13,153.84 ITC allowed: $180,000 - 13,153.84 =$

166,846.16

Total Reversal = $D1 + D2 = 9,000 + 13,153.84 =$
22,153.84

(All figures in Rs)

- **Example 2:-**
- B Ltd, had the following credits in their input tax credit ledger. Please calculate their eligibility:-

Head	ITC
Motor Vehicle	25,000
Food	10,000
Furniture	1,00,000
Purchase of Plant and Machinery	5,00,000
Rent	20,000
Fees	80,000

- **Solution:-**

- Total Turnover = 10,00,000

- Exempt Turnover = 5,00,000

- Non Business Supply(D2)= 7,00,000

- * 5% =

- $D1 = (7,00,000 - 35,000) * 5,00,000 / 10,00,000$

- = 3,32,500

- Total Reversal = $D1 + D2 = 332500 + 35000 = 367500$

- **Example 3:-**
- A Ltd. provided following details for his ITC:-

Particular	Amount
Total turnover	50,00,000
Export turnover	10,00,000
Exempted turnover	10,00,000
Interest on FD	5,00,000
Export of services to Nepal	5,00,000
Taxable turnover	20,00,000

ITC

:-

Particular	Amount @ rate	ITC
Works contract for construction of rooms for staff	5,00,000@18%	90,000
Auditor's fees	2,00,000@18%	36,000
Architect fees for office	8,00,000@18%	1,44,000
Plant and Machinery purchase (Taxable turnover)	13,00,000@18%	2,34,000
Plant and Machinery purchase (Exempt turnover)	3,00,000@18%	54,000

- **Solution:-**
- Calculation of Exempted turnover,

Particular	Amount
Export turnover	Not Applicable
Exempted turnover	10,00,000
Interest on FD	Not Applicable(Explanation to Rule 43)
Export of services to Nepal	Not Applicable(Explanation to Rule 43)

Particular	ITC
Works contract for construction of rooms for staff	Exempt 17(5)
Auditor's fees	36,000
Architect fees for office	Disallowed 17(5)
Plant and Machinery purchase (Taxable turnover)	Specific
Plant and Machinery purchase (Exempt turnover)	Specific

Solution:-

Calculation of Common Input(C2),

$$D1 = (10,00,000/50,00,000) * 36000 = 7200$$

Total Reversal = 7200

Calculation of reversal amount for capital goods: Rule 43

(a) ITC of CG used exclusively for exempt and other than business

(b) ITC of CG used exclusively for making other than exempted supply including zero rated

(c) ITC of capital goods used for both to be called as 'A'

When a CG is shifted from
exempted to common

When a CG is shifted from
Taxable to common

Original ITC-Reduce 5% for each qtr
or part thereof and add it to common
credit

Divide all common credit by 60 taking its life as five years

Tm

Sum total of all Tm

Tr

(Exempt turnover/total turnover)*Tr

Te

Reduce this Te every month with interest

(a)=
100

(b)=200

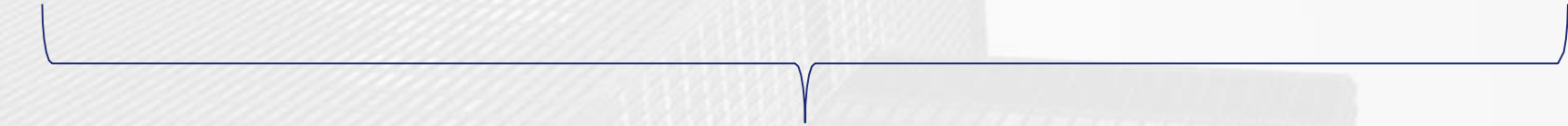
(c) 600

CG not covered by a and b will be called "A" and added to credit ledger

Aggregate of A
=Tc=600

$Tc/60=Tm$
 $=600/60$
 $=10$

$Tm+all Tm$ from last months where useful life is pending= Tr
 $=10 +2+3$ (assumed)=15



$Tm=$ all common credit for current period

$Te=ET/TT*Tr$

Now this Te will be added to tax liability with interest every month

Value of exempt supply: S.17(3)

Exempt supply= Nil rated or exempted via notification u/s 11 of CGST or 6 of IGST

Add: Non taxable supply= Not leviable to GST

Add: Supplies where recipient is liable under reverse charge

Add: Transaction in securities

Add: Sale of Land

Add: Sale of building (other than falling in works contract)

Example:2

A ltd is engaged in following supplies for the month of March 2018. Please list their allowed input tax credits.

Sale of raw cotton exempted product: Rs. 20,00,000

Rent from residential property : Rs. 5,00,000

Rent from commercial property : Rs. 8,00,000

Input tax credit:

Input: Rs. 30,00,000 @ 18% = 5,40,000

Air conditioner purchased for personal use: Rs. 30,000 @ 28% = 8,400

Sale of land : Rs. 30,00,000

Example:1

Solution:

Following items will be liable for reversal

Out of Input tax credit of Rs. 540000 allocated portion to exempt out ward supply of Rs. 20,00,000 and Rs. 5,00,000 will be reversed .

Value of exempted supply will be:

Sale of exempted product: Rs. 20L+Rent from residential property Rs. 5L+ Sale of land: Rs. 30L= Rs. 55L

ITC attributable to non business use and for exempted supply will be reversed

Input tax credit of AC will be disallowed.

Common credits will be allocated as per formula given in Rule 42 and 43

Section 18

- Apply for registration within 30 days, ITC of inputs on day IP the day of becoming liable is available.
- Voluntary registration: , ITC of inputs on day IP the day of registration is available.
- Cease to pay tax u/s 10, ITC of inputs & Capital goods IP day.
- Exempt to taxable , ITC of inputs & CG IP day

(only for invoice of upto one year old)

- Change of constitution: resulting entity is eligible for ITC.
- If taxable to 10/11 reverse ITC on stock