Applicability of amendments covered in this file
Finals - CA/CS/CMA
Inter - CA/CS/CMA

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Features of this book :-
Analysis from bare act + Comprehensive + self-explanatory + simple language + DETAILED summary charts for EVERYTHING + quick LDR notes for revising amendments of each chapter [given at the end of each chapter] + making sure you have 100% clarity & command over concepts

Chapter 1
Introduction & Basics of GST

No amendment

- Reconstruction of Jammu & Kashmir is not made applicable therefore it is still to be treated as state under GST.
- Merger of UT being Dadra and Nagar Haveli + Daman & Diu is also not made applicable ➲ therefore these 2 should be treated as separate UTs

Chapter 2
Definition of Goods & Service

No amendment

Chapter 3
Supply

No amendment

Chapter 4
Definition of Intra-state or Inter-state supply

No amendment

Chapter 5
Registration under GST

Index of amendments

Section	Amendment
22(1)	Relocation [Shifted from section 23(2) to section 22(1)] ❖ 3rd proviso inserted ■ Power of govt. to increase threshold *upto* Rs. 40L Insertion ❖ Explanation ■ Defining exclusive supplier of goods for section 22(1)
25	Insertion ❖ AADHAAR or other viable means of authentication

Section	Authentication of :-
25(6A)	Already registered person. *if failed to do so* ➲ *Deemed as URP*
25(6B)	Individual taking new registration
25(6C)	Other than individual taking new registration
25(6D)	Authentication not required for notified persons

Related rules	Amendment
-	-
Rule 8 - Application for registration	Insertion ❖ Rule 8(4A) ■ Undergo authentication while submitting registration application
Rule 9 - Verification of registration application	Insertion ❖ Proviso to rule 9(1) ■ If no authentication :- ◆ No registration without physical verification of P-PoB ◆ Provision of deemed approval of registration does not apply
Rule 25 - Physical Verification	Substitution ❖ To incorporate physical verification before the grant of RC on account of failure to get authentication done

Amendment under section 25 due to AADHAAR authentication

Section		Content
25(6A)		❖ Every *REGISTERED PERSON* shall ■ undergo authentication of AADHAAR number, or ■ furnish proof of possession of AADHAAR number, in such form and manner and within such time as may be prescribed: ➔ **Notification is NOT issued till date**
	1st Proviso	❖ Provided that if ■ an *AADHAAR number is not assigned* to the registered person, ◆ such person shall be offered alternate and viable means of identification in such manner as Government may, on the recommendations of the Council, prescribe: ➔ **Notification is NOT issued till date**
	2nd Proviso	❖ Provided further that *in case of failure* ■ to undergo authentication of AADHAAR number, or ■ to furnish proof of possession of AADHAAR number or ■ to furnish alternate and viable means of identification, ❖ registration allotted to such person ■ shall be deemed to be invalid and ■ the other provisions of this Act shall apply as if such person does not have a registration

Analysis of 25(6A) including provisos :-

- ❖ Section 25(6A) specifies that a person who is already registered should undergo authentication either by AADHAAR or by alternative means.
- ❖ Otherwise the registration granted shall be invalid and be cancelled & he is treated as unregistered person.
- ❖ **However, Notification giving effect to Section 25(6A) of CGST have not been issued till date therefore this provision is not effective.**

25(6B) — Authentication of himself

- ❖ On and from the date of notification, → Notified date 1.4.20 — Notification no. 18/2020
- ❖ every individual shall, in order to be eligible for grant of registration,
  - ■ undergo authentication of AADHAAR number, or
  - ■ furnish proof of possession of AADHAAR number,

in such manner as the Government may, on the recommendations of the Council, specify in the said notification:

Proviso

- ❖ Provided that if
- ❖ an *AADHAAR number is not assigned* to an individual,
  - ■ such individual shall be offered alternate and viable means of identification in such manner as Government may, on the recommendations of the Council, specify in the said notification. → Notified date 1.4.20 — N/no. 18/2020

Analysis of 25(6B) including proviso :-

Particulars	Content
Person having AADHAAR	❖ Section 25(6B) specifies that a person being individual taking fresh registration should undergo authentication by AADHAAR. ❖ Therefore supporting amendments have been made in rules given below :-

Rule	Heading	Content
8(4A)	Application for registration	❖ The applicant shall, while submitting an application for registration should undergo authentication of AADHAAR number for grant of registration. ❖ Authentication is to be done after filing part B of form GST REG-01 ❖ Simply, authentication is linked with application for registration.
9(1)	Verification of application	❖ If AADHAAR authentication is carried out :- ■ Remaining procedure of verification shall be applied ■ The concept of deemed approval as given in rule 9(5) shall also apply ❖ If AAHDAAR failed to undergo authentication :- ■ Registration is granted after physical verification [PV] of principal place of business [P-PoB] ■ Physical verification to be carried out :- ◆ In the manner provided in rule 25 ◆ Within 60 days from the date of application ◆ In the presence of applicant ■ The concept of deemed approval as given in rule 9(5) does not apply

Deemed approval - Rule 9(5)

Where PO fails to take any action

- ❖ within 3 working days from the date of submission of application for registration
- ❖ Within 7 working days of reply to notice obtaining clarification, information, documents.

Particulars	Content
Person not having AADHAAR	❖ Proviso to section 25(6B) specifies that a person being individual taking fresh registration but not having AADHAAR shall be given an alternate & viable means to get himself authenticated. ❖ Such alternate & viable means shall be prescribed by notification. ■ Notification no. 18/2020 has been issued to provide that such persons shall get themselves authenticated as per the manner specified in rule 9(1) i.e. PHYSICAL VERIFICATION. *[As given above]*

25(6C)

Authentication of specified persons

- On and from the date of notification, → Notified date 1.4.20 Notification no. 19/2020
- every person, other than an individual, shall, in order to be eligible for grant of registration,
  - undergo authentication of AADHAAR number, or
  - furnish proof of possession of AADHAAR number of
    - the Karta, Managing Director, whole time Director, such number of partners,
    - Members of Managing Committee of Association, Board of Trustees,
    - authorised representative, authorized signatory and such other class of persons,

in such manner, as the Government may, on the recommendation of the Council, specify in the said notification:

Proviso

- Provided that where
  - such person or class of persons *have not been assigned the AADHAAR Number,*
    - such person or class of persons shall be offered alternate and viable means of identification
    - in such manner as Government may, on the recommendations of the Council, specify in the said notification. → Notified date 1.4.20 N/no. 19/2020

Analysis of 25(6C) including proviso :-

- The analysis given in section 25(6B) shall mutatis mutandis apply to section section 25(6C)
  - Which means replace :-
    - Section 25(6B) ➲ Section 25(6C)
    - Person being individual ➲ person being other than individual
    - notification no. 18/2020 ➲ notification no. 19/2020
- Persons other than individual are not a natural person therefore they will not have their own AADHAAR number [example :- Company, etc.]
  - Therefore, AADHAAR authentication of specified persons from their organisation is required, the list of specified persons is given below :-

Specified Persons

Person	AADHAAR of	
HUF	Karta	Authorised representative or Authorised signatory
Company	MD/WTD	
Firm	Such number of partners	
Association	Members of managing committee	
Trust	Board of trustees	
Others	Authorised representative or Authorised signatory	

25(6D)

- The provisions of
  - sub-section (6A) [authentication for registered person] or
  - sub-section (6B) [authentication for individual taking new registration] or
  - sub-section (6C) [authentication for other than individual taking new registration]
- **shall not apply to**
  - such person or class of persons or
  - any State or Union territory or part thereof,
  - as the Government may, on the recommendations of the Council, specify by notification.

Notification No. 17/2020 dated 23.3.2020 - Effective from 1.4.20

- In exercise of the powers conferred by sub-section (6D) of section 25 of the CGST Act,
  - the Central Government, on the recommendations of the Council, hereby notifies that
    - the provisions of Section 25(6B) or (6C)
      - shall not apply to a person
        - who is not a citizen of India or → Non-resident taxable person or Supplier of OIDAR services to NTOR [since such supplier outside India is liable to take registration]
        - to a class of persons other than the following class of persons, namely:-
          - Individual;
          - authorised signatory of all types;

	❖ Managing and Authorised partner; and ❖ Karta of an Hindu undivided family. **Analysis :-** ❖ However persons who are not required to get authenticated as above needs to undergo authentication once they are REGISTERED, as the notification is issued for persons or class of persons covered under sec. 25(6B) & Sec. 25(6C) but not issued for sec. 25(6A).
Explanation	Explanation.—For the purposes of this section, the expression "AADHAAR number" shall have the same meaning as assigned to it in clause (a) of section 2 of the AADHAAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016.".

Amendment in CGST rules due to AADHAAR authentication

Rule	Type of amendment	Content
25	Substitution	Physical verification of business premise in certain cases

Pre-amendment

Question	Answer
What	Physical verification [PV] of place of business [PoB]
Who	Proper officer
When	He is satisfied that PV of PoB is required
Timing	After the grant of RC
Report	❖ Along with photographs & document ❖ To be uploaded on common portal ❖ In form GST REG-30 ❖ Within a period of 15 working days from the date of verification

Post-amendment

Question	Answer
What	Physical verification [PV] of place of business [PoB]
Who	Proper officer
When	He is satisfied that PV of PoB is required
Timing	Before the grant of RC ❖ Due to failure of AADHAAR authentication After the grant of RC ❖ Due to any other reason
Carried out	In the presence of the registered person
Report	❖ Along with photographs & document ❖ To be uploaded on common portal ❖ In form GST REG-30 ❖ Within a period of 15 working days from the date of verification

Post amendment - diagrammatic summary :-

PO is satisfied that physical verification of PoB of RP is required

Before the grant of RC → Due to failure of AADHAAR authentication

After the grant of RC → Any other reason

PO may get such verification done in the presence of said person & Verification report + documents + photographs ➲ uploaded on common portal :-
Form :- GST REG-30
Time limit :- within 15 working days following the date of verification

Summary - Mandatory AADHAAR authentication for registration

Person NOT liable for authentication

Sec. 25(6D)

Notification No. 17/2020

- Person who is not a citizen of India.
- Class of persons other than following :-
  - Individual
  - Authorised signatory of all types
  - Managing & Authorised partners
  - Karta of an HUF

- Simply, these 4 need to undergo authentication.
- Others need not to.

However others need to undergo authentication once they are REGISTERED, as the notification is not issued for section 25(6A).

Procedure for person liable for authentication

Sec. 25(6A)

Already registered persons

Having AADHAAR

- Undergo AADHAAR authentication
  or
- Furnish the proof of possession of AADHAAR

Form, manner & time to be prescribed

NOT having AADHAAR (1st Proviso)

- Government to offer alternate & viable means of identification
- Person to get authenticated through such alternate means

Manner of alternate means to be prescribed

If FAILED to do so (2nd Proviso)

- Registration allotted to such person is ➲ DEEMED to be INVALID &
- Such person is treated as URP

Nothing is prescribed in this section till date ➲ therefore ineffective

Taking new registration From 01.04.2020

Person = Individual (Sec. 25(6B)): Authentication of himself

Person = Other than Individual (Sec. 25(6C)): Authentication of specified persons

Having AADHAAR

- Undergo AADHAAR authentication
  or
- Furnish the proof of possession of AADHAAR

Rule 8(4A) is inserted [Authentication while making registration appl.]

NOT having AADHAAR (Proviso)

- Government to offer alternate & viable means of identification
- Person to get authenticated through such alternate means
  - That is physical verification

Manner of alternate means to be prescribed

Prescribed to use proviso to rule 9(1)

Notification No. 18/2020 & 19/2020

If FAILED to do so (Proviso to rule 9(1))

Physical verification - Rule 25

- Registration shall be granted ONLY AFTER physical verification of principal place of business [P-PoB] by PO in the presence of SAID PERSON
- The concept of deemed approval under rule 9(5) shall not apply in such cases.

- Time limit :- Within 60 days from the date of application

Report of physical verification

- To be uploaded on Common Portal
- Form :- GST REG-30
- Time limit :- Within 15 days of verification
- Along with :- Documents & photographs
- Based on this verification of place of business, RC is granted.

Specified Persons

Person	AADHAAR of	
HUF	Karta	Authorised representative or Authorised signatory
Company	MD/WTD	
Firm	Such number of partners	
Association	Members of managing committee	
Trust	Board of trustees	
Others	Authorised representative or Authorised signatory	

Amendment in Section 22(1) - Registration based on threshold

Section 22(1)	Content of amendment
Proviso inserted	Power of Govt. to raise the threshold from Rs. 20L to Rs. 40L - ❖ The proviso provides that the Government may, ■ at the request of a State and ■ on the recommendations of the Council, ❖ enhance the aggregate turnover from Rs. 20L to such amount not exceeding Rs. 40L ❖ in case of supplier ■ who is engaged *exclusively in the supply of goods*, ■ subject to such conditions and limitations,as may be notified.

Pre-amendment

Section	Content
22(1)	Registration based on threshold of ATO of Rs. 20L/10L
23(2)	Notified persons are exempted form obtaining registration **Notification No. 10/2019** Persons whose ATO does not exceed Rs. 40L if he is engaged in exclusive supply of goods. ❖ However this benefit was not available to :- ■ Specified goods ■ Specified states ■ Registered person - intends to continue ■ Unregistered person ◆ Opting 25(3) ◆ Liable u/s 24

Post-amendment

Section	Content
22(1)	❖ Registration based on threshold of Rs. 20L/10L ❖ Proviso is inserted in 22(1) to increase threshold from Rs. 20L to 40L based on the request of states and on the recommendation of GST council. ❖ Though no notification issued till date but a logical interpretation would be importing the previous Notification No. 10/2019. ❖ Treating anything otherwise will lead to absurdity of the law
23(2)	No need of Notification No. 10/2019.

Indirect impact on the EXCLUSIVE supplier of *handicraft goods/craftsmen goods* who is engaged in making inter-state supplies

Pre-amendment

Section	Content
24(i)	Inter state supplier is compulsorily liable to take registration
23(2)	**Notification - 3/2018 [IGST]** Inter state supplier of these goods is exempted from obtaining registration till they cross threshold specified under section 22(1)
22(1)	Threshold ➲ 20L/10L
23(2)	**Notification No. 10/2019** No registration upto 40L if :- ❖ Exclusive supplier of G & ❖ Not liable for reg. u/s 24

Post-amendment

Section	Content
24(i)	Inter state supplier is compulsorily liable to take registration
23(2)	**Notification - 3/2018 [IGST]** Inter state supplier of these goods is exempted from obtaining registration till they cross threshold specified under section 22(1)
22(1)	Threshold ➲ 40L/20L/10L
23(2)	-

Pre-amendment Analysis & conclusion :-	Post-amendment Analysis & conclusion :-
❖ At the time when such supplier crosses the ATO of 20L, he can not take the benefit of exemption from registration under notification 3/2018 [IGST] and ❖ Since he is engaged in making inter-state supply, he is liable to take registration u/s 24(i) and ■ Therefore he can not use Notification No. 10/2019 even after he being an exclusive supplier of such goods.	❖ Since the increased threshold is incorporated in section 22(1) itself, so exclusive supplier of such goods even after being engaged in making inter-state supply, will be eligible for enhanced threshold of Rs. 40L **Similar impact is there if such supplier is operating as casual taxable person [CTP]**

24(i) - Person making Inter-state taxable supply (Pre-amendment)

- Of Services → Registration based on threshold [20L/10L]
- Of Goods
  - ❖ Handicraft goods ❖ Notified products of craftsmen goods → Registration is exempted upto ATO of 20L/10L
    - Condition :- obtained PAN & Generate e-Way Bill
  - Other goods → Mandatory registration

Sec. 24(i) - Person making Inter-state taxable supply (Post-amendment)

- Of Services → Registration based on threshold [20L/10L]
- Of Goods
  - ❖ Handicraft goods ❖ Notified products of craftsmen goods → Nov. 2020 Registration based on threshold [40L/20L/10L]
    - Condition :- obtained PAN & Generate e-Way Bill
  - Other goods → Mandatory registration

Explanation

Extending D/L/A & Earning Interest or discount on them ➲ Financial service → EXCLUSIVE supplier of Goods ➲ YES; Included in ATO ➲ YES

❖ *For the purposes of this sub-section* [22(1)], a person shall be considered to be engaged exclusively in the supply of goods

■ even if he is engaged in 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.".

Analysis :- Interest/discount on extending deposit, loans or advance :-

Section	Topic	Content	
10	Composition scheme	Eligibility to opt/continue composition scheme	Such Interest or discount is excluded from aggregate turnover [ATO]
		Computation of tax liability	Such Interest or discount is excluded from turnover in state or UT
22	Liability to register	Supply of such service will not bar the supplier from being an exclusive supplier of goods. However such interest/discount is not excluded from the computation of aggregate turnover.	

Example 1:-

❖ Mr. X runs a stationery shop in the State of Maharastra and has a turnover of 30L in a FY and apart from that he also has interest from FD, bank etc. of 3L.

■ Question 1 :- What is his aggregate turnover [ATO]?

■ Question 2 :- Will he be considered as exclusive supplier of goods?

■ Question 3 :- What is the applicable threshold for him to take registration and Whether he is liable to take registration?

Question	Answer
1	❖ As per section 2(6) of CGST Act, 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. ❖ Earning interest by way of extending deposits, loans or advances is called as financing service. ■ Supply of such service is exempt from payment of tax as per exemption notification 12/2017] ❖ Since supply of exempted services is also included in the definition of aggregate turnover, therefore making aggregate turnover of Mr. X as ➲ 30L + 3L = 33L.
2	❖ Answer to question 2 depends :- **If checking exclusivity for :-** **Section 22(1)**: ❖ Pre-amendment ■ He was not considered as exclusive supplier of goods ❖ Post-amendment ■ He is considered as exclusive supplier of goods even after providing exempt financial services. **Other provisions**: ❖ Pre & Post amendment ■ He is not considered as exclusive supplier of goods
3	❖ After the insertion of explanation in section 22(1), he is treated as exclusive supplier of goods and ❖ He is not engaged in making supply of :- ■ Ice cream an other edible ice or ■ Pan masala ■ Tobacco & manufactured tobacco substitutes, & ❖ He is operating in Maharastra i.e. eligible for enhanced threshold of Rs. 40L, & ❖ He is neither registered nor intends to take voluntary registration, & ❖ He is not liable to take registration under section 24 ⇩ ❖ Therefore, applicable threshold is of Rs. 40L [enhanced] for getting himself registered ❖ Conclusion - He is not liable to get himself registered as his ATO does not exceeds the applicable threshold.

Example 2 :-

Suppose in example 1, if the interest is of ➲ Rs. 12L. what will the answers of those 3 questions

Question	Answer
1	❖ Since supply of exempted services is also included in the definition of aggregate turnover, therefore making aggregate turnover of Mr. X as ➲ 30L + 12L = 42L.
2	❖ Answer to question 2 would be same as given in example 1.
3	❖ Applicable threshold is of Rs. 40L [enhanced] for getting himself registered ❖ Conclusion - He is liable to get himself registered as his ATO exceeds the applicable threshold.

Summary of amendments - chapter REGISTRATION - for LDR

Section	Amendment	Related rules	Amendment
22(1)	Relocation [Shifted from section 23(2) to section 22(1)] ❖ 3rd proviso inserted ■ Power of govt. to increase threshold *upto* Rs. 40L Insertion ❖ Explanation ■ Defining exclusive supplier of goods for section 22(1)	-	-
25	Insertion ❖ AADHAAR or other viable means of authentication	Rule 8 - Application for registration	Insertion ❖ Rule 8(4A) ■ Undergo authentication while submitting registration application
		Rule 9 - Verification of registration application	Insertion ❖ Proviso to rule 9(1) ■ If no AADHAAR authentication :- ◆ No registration without physical verification of P-PoB ◆ PV in the presence of applicant ◆ Provision of deemed approval of registration does not apply
		Rule 25 - Physical Verification	Substitution ❖ To incorporate physical verification BEFORE the grant of RC on account of failure to get authentication done

3rd proviso inserted → Having indirect impact on :-
❖ supplier of handicraft goods
❖ Supplier of craftsman goods
Who is engaged in making inter-state supplies

Explanation → Extending Deposits/Loans/Advances & Earning Interest or discount on them ➲ Financial service
→ EXCLUSIVE supplier of Goods ➲ YES
→ Included in ATO ➲ YES

Section	Authentication of :-
25(6A)	Already registered person. *if failed to do so ➲ Deemed as URP*
25(6B)	Individual taking new registration
25(6C)	Other than individual taking new registration
25(6D)	Authentication not required for notified persons

Authentication of himself (25(6B))
Authentication of specified persons (25(6C))
Notification issued for 25(6B) & 25(6C) but not for 25(6A)

In 60 days of appl. (No registration without physical verification of P-PoB)

Analysis :- Interest/discount on extending deposit, loans or advance :-

Section	Topic	Content	
10	Composition scheme	Eligibility to opt/continue	Such Interest or discount is excluded from aggregate turnover [ATO]
		Computation of tax liability	Such Interest or discount is excluded from turnover in state or UT
22	Liability to register	Supply of such service will not bar the supplier from being an exclusive supplier of goods. However such interest/discount is not excluded from the computation of aggregate turnover.	

Rule 25 - Physical Verification:

PO is satisfied that physical verification of PoB of RP is required
- Before the grant of RC → Due to failure of AADHAAR authentication
- After the grant of RC → Any other reason

PO may get such verification done in the presence of said person & Verification report + documents + photographs ➲ uploaded on common portal :-
Form :- GST REG-30
Time limit :- within 15 working days following the date of verification

Person NOT liable for authentication

Sec. 25(6D)

Notification No. 17/2020

❖ Person who is not a citizen of India.
❖ Class of persons *other than* following :-
■ Individual
■ Authorised signatory of all types
■ Managing & Authorised partners
■ Karta of an HUF

❖ Simply, these 4 need to undergo authentication.
❖ Others need not to.

However others need to undergo authentication once they are REGISTERED, as the notification is not issued for section 25(6A).