

## Zero Rated, NIL Rated, Exempted and Non-GST supplies under GST



- ❖ After the introduction of GST, the terms Zero Rated, NIL Rated, Exempted and Non - GST Supplies have always been confusion regarding the provisions.
- ❖ It is important to understand these terms as their treatment is different under GST.
- ❖ In this document, first of all, we will analyse each of these terms and then we will see how to insert vouchers as per these terms and their effects in the Returns in Miracle.
- ❖ Let's differentiate these terms...



## Difference between ZERO RATED / NIL RATED / EXEMPTED / NON-GST (NON-TAXABLE)

Particulars	Zero Rated (Export / SEZ)	NIL Rated	Exempted	Non-GST (Non-Taxable)
<b>Meaning</b>	Export of Goods or Services <u>or</u> supplied to SEZ units	Goods or Services on which 0% GST is applicable	Supplies which are exempt from GST payment	Goods or Services on which GST is not leviable
<b>GST Applicability (Falls within GST ambit)</b>	YES	YES	YES	No
<b>ITC availability</b>	YES	No	No	No
<b>Example</b>	Exports goods out of country and supplies to an SEZ area.	Edible vegetables and fresh fruits, Puja Samagri, Human Blood etc.	Supply at Govt. notified area, Service providing to Govt. etc.	Petroleum products and Alcohol for human consumption

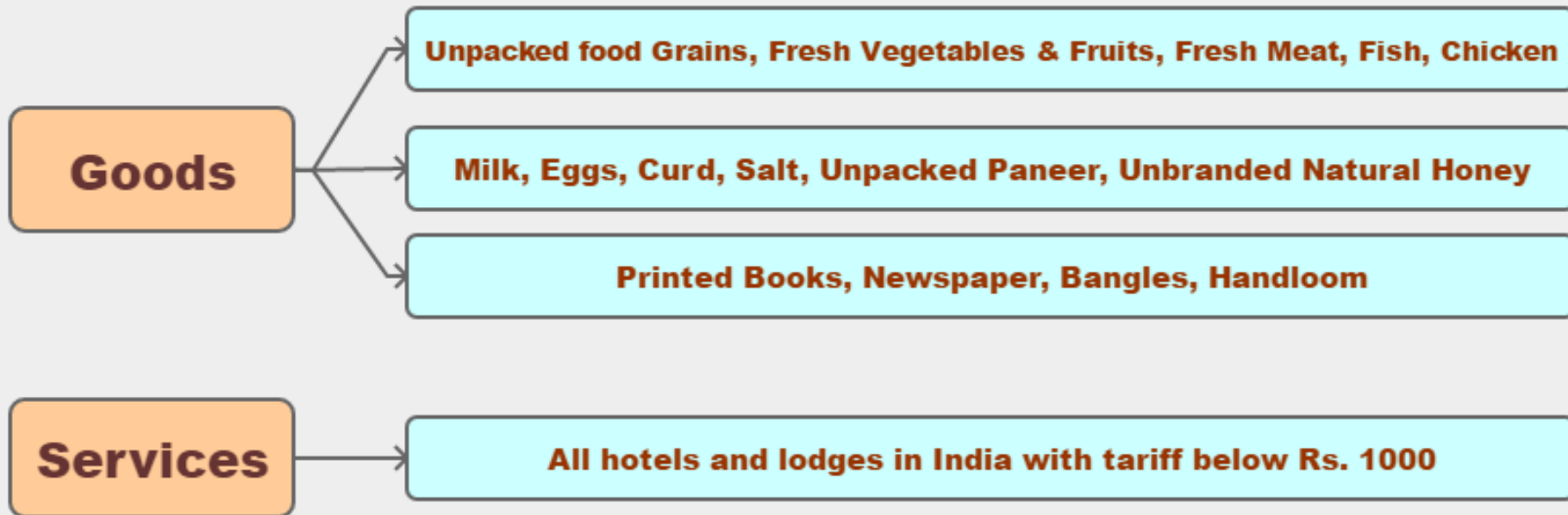
## ❖ About ZERO Rated:

- Any supplies made by a registered dealer qualifies for Zero Rated Supplies when:
  - **Export** of goods & services
  - **Supply** of goods & services to **SEZ dev./units**
- Important points under ZERO Rated supply:
  - The suppliers making Zero-rated supplies are entitled to claim refunds.
  - The credit of inputs and input services are allowed.
- A registered person can export zero rated supply of goods/services in above both cases in two ways:
  - Without payment of Integrated Tax (IGST) and claim refund of unutilised ITC (in case of bond/Letter of Undertaking).
  - With payment of Integrated Tax (IGST) & claim refund of such tax paid on goods or services supplied.

❖ About NIL Rated:

- It is the supply of goods or services that have **GST 0%** rate to benefit the masses. (listed in Schedule 1 in the GST rate schedule)
- No input tax credit on Nil rated supplies.

## **NIL Rated Items (GST 0%)**





## ❖ About Exempted Supply:

- Exempt supply is defined in section 2(47) of GST Act.
- It is the supply of goods or services that does not attract GST or which may be wholly exempt from tax (under section 11 of CGST Act or under section 6 of the IGST Act, and includes non-taxable supply).  
Ex.: Supply of products at Govt. notified area where GST will be exempted, Service provided to Govt. etc.
- No tax on the outward exempted supplies, however, the input supplies used for making exempt supplies to be taxed.
- A registered person supplying exempted goods/services shall issue a "Bill of Supply" instead of a "Tax Invoice".

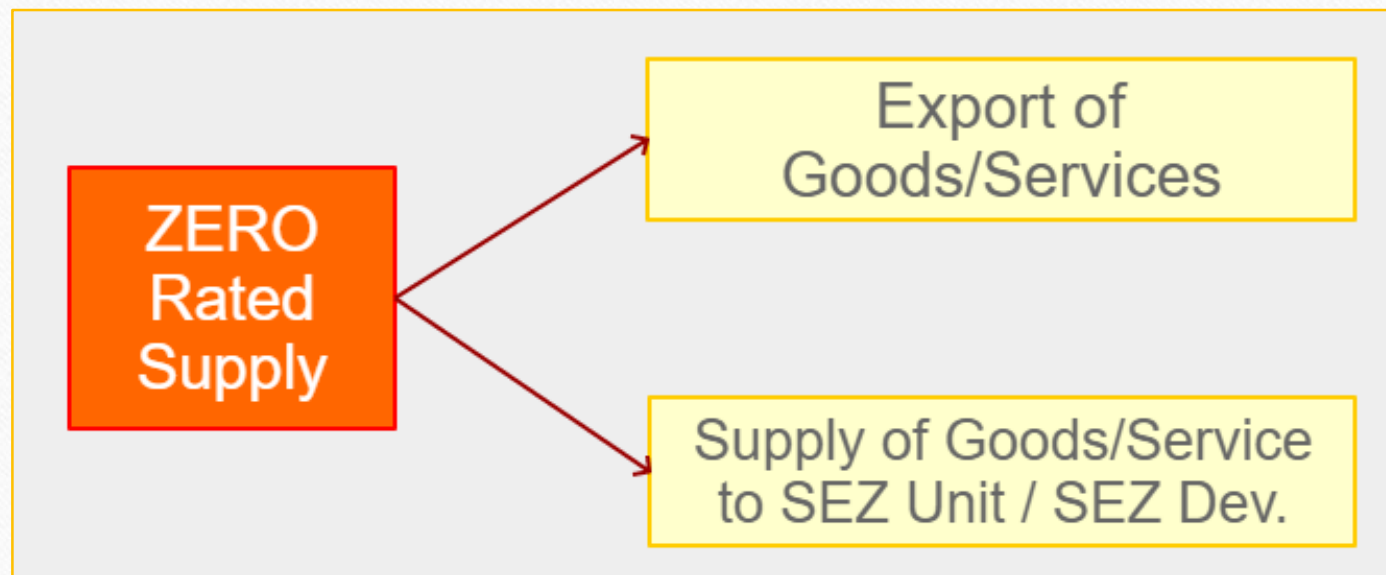
## ❖ About Non GST (Non Taxable) :

- It is the supply of goods and services on which GST is not leviable and this does not come under the purview of GST.
- No input tax credit on non GST supplies.
- Ex.: Petrol / Diesel, Petroleum products, natural gas, alcohol for human consumption etc.



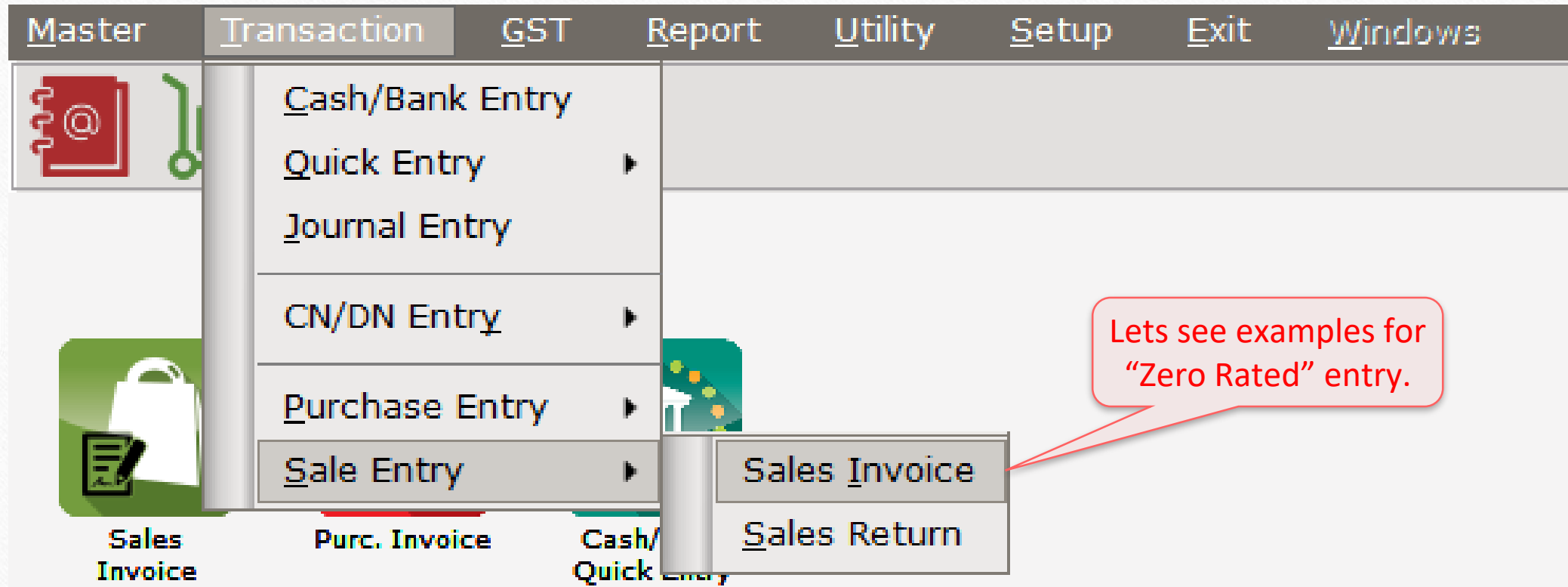
### ❖ Entry for Zero Rated in Miracle:

- We will see the example for Zero Rated by inserting Sales Invoice in Miracle.
- We will also see the effect in GSTR 3B & GSTR 1.



- ❖ **Note that:** To know more about “Zero Rated entry (Export & SEZ)”, please go to: <http://rkitsoftware.com/> click on “GST” tab, then click on GST Setup & Entries, refer this document: “Import / Export / SEZ concept under GST & how it is available in Miracle?”















Report -> Account Books -> Ledger -> Account Ledger

Account Ledger

From 01/04/2018 To 31/03/2019

Account Name	City Name	Opening	Closing
Composition(CGST) Tax Exp. A/c			
Composition(SGST) Tax Exp. A/c			
GST Provisional A/c. - Primary Unit			18000.00 DB
Integrated Tax A/c. (I/P)			
Integrated Tax A/c. (O/P)			18000.00 CR
Interest Expense A/c.(Default)			
JAY AMBE FORGINGS	Dahej		100000.00 DB
Jonnes Industry	KualaLumpur		500000.00 DB
Kasar A/c.			
Late Fee Expense A/c.(Default)			
Other Expense A/c.(Default)			
Penalty Expense A/c.(Default)			
Profit & Loss A/c			
Purchase A/c. (Composite)			
Purchase A/c. (GST)			
Purchase A/c. (IGST)			
Purchase A/c. (URD-RCM)			
Purchase A/c. (VAT 15%++2.5%)			
Sales A/c. (Exempt)			
Sales A/c. (Export Rebate)			
Sales A/c. (Export)			
Sales A/c. (GST)			
Sales A/c. (IGST)			
Sales A/c. (Non GST)			
Sales A/c. (SEZ Rebate)			100000.00 CR

We can see the effects in "GST Provisional A/c." & "Integrated Tax A/c. (O/P)", it means that we are liable to pay IGST.

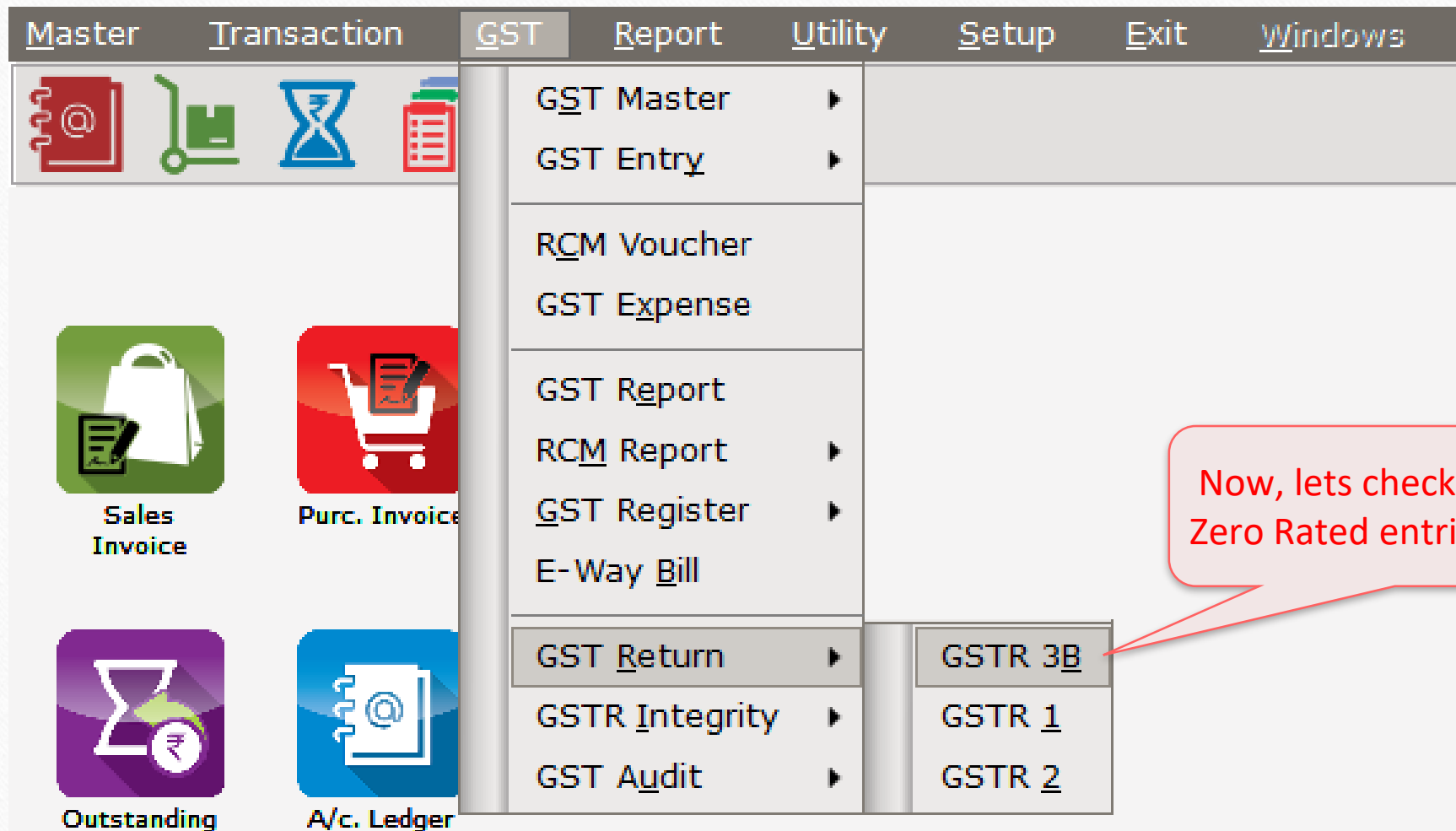
We supplied goods to the SEZ Unit (JAY AMBE FORGINGS). So IGST is not added in party A/c.

We can also see the effects in our "Sales A/c. (SEZ Rebate)".

Add Edit Delete Print Address Master Filter Date Format Next

Setup E-Mail Kasar Havala Account Audit Multi Ledger Print





Now, lets check the details of Zero Rated entries in GSTR 3B.

GST -&gt; GST Return -&gt; GSTR 3B -&gt; GSTR 3B For AUGUST - 2018

GSTR 3B

Return Period August From 01/08/2018 To 31/08/2018

GSTR 3B Grouping	Place of Supply (State/UT)	Taxable Amount	Integrated Tax	Central Tax	State/UT Tax
<b>3.1 Detail of Outward Supplies and Inward supplies liable to reverse charges</b>					
(a) Outward taxable supplies (other than zero rated, nil rated and exempted)					
(b) Outward taxable supplies (zero rated)		600000.00	18000.00		
(c) Other outward supplies (Nil rated, exempted)					
(d) Inward supplies (liable to reverse charge)					
(e) Non GST outward supplies					
	<b>Total</b>	<b>600000.00</b>	<b>18000.00</b>		
<b>3.2 Of the supplies shown in 3.1 (a) above, details of inter-State supplies made to unregistered persons, composition taxable persons and UIN holders</b>					
Supplies made to Unregistered Persons					
Supplies made to Composition Taxable Persons					
Supplies made to UIN Holders					
	<b>Total</b>				
<b>4. Eligible ITC</b>					
<b>(A) ITC Available (whether in full or part)</b>					
(1) Import of goods					
(2) Import of services					
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)					
(4) Inward supplies from ISD					
(5) All other ITC					
<b>(B) ITC Reversed</b>					
(1) As per rules 42 & 43 of CGST Rules					

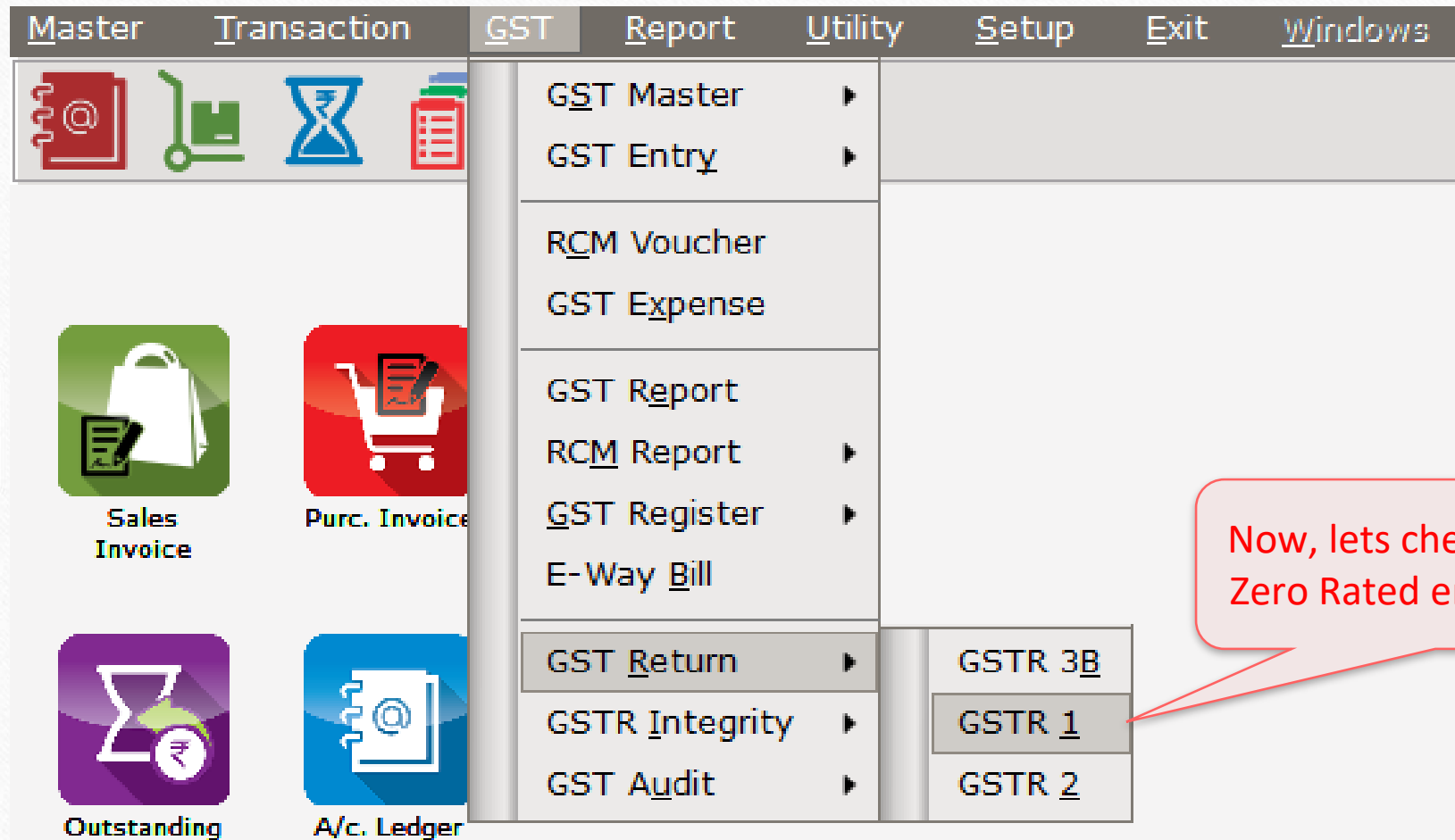
Print Date Month

Tax Liability Integrity ITC Integrity Export

Here, we can see the effects for Zero Rated. (Export & SEZ).  
Now, click on it...

















### ❖ Entry for NIL Rated in Miracle:

- We will see the example for NIL Rated by inserting Sales Invoice in Miracle.
- We will also see the effects in GSTR 3B & GSTR 1.
- Note: We must select Bill Type as “Bill of Supply” if we inserted Only Nil Rated products in an invoice, but if we inserted any GST Rated products (GST 5%, 12%, 18% & 28%) with Nil Rated, the invoice will be treated as “Tax Invoice”.





**Edit Product's detail - Tata Salt Lite (5kg)**

**Main Details**

Name: Tata Salt Lite (5kg)

Alias:

GST Commodity: GST Nil Rated

Group Name:

Category Name:

**Rate**

Purchase Rate: 120.00

Sales Rate: 120.00

**Unit Name**

Numbers:

Numbers:

PCS-PIECES:

**Stock Options**

Stock Required:

Commodity Name	HSN/SAC	Type	Slab Rate
GST 5%		Goods	5.0000
GST 12%		Goods	12.0000
GST 18%		Goods	18.0000
GST 28%		Goods	28.0000
GST 3%		Goods	3.0000
<b>GST Nil Rated</b>		Goods	0.0000
Non GST		Goods	0.0000

0.000

0.00

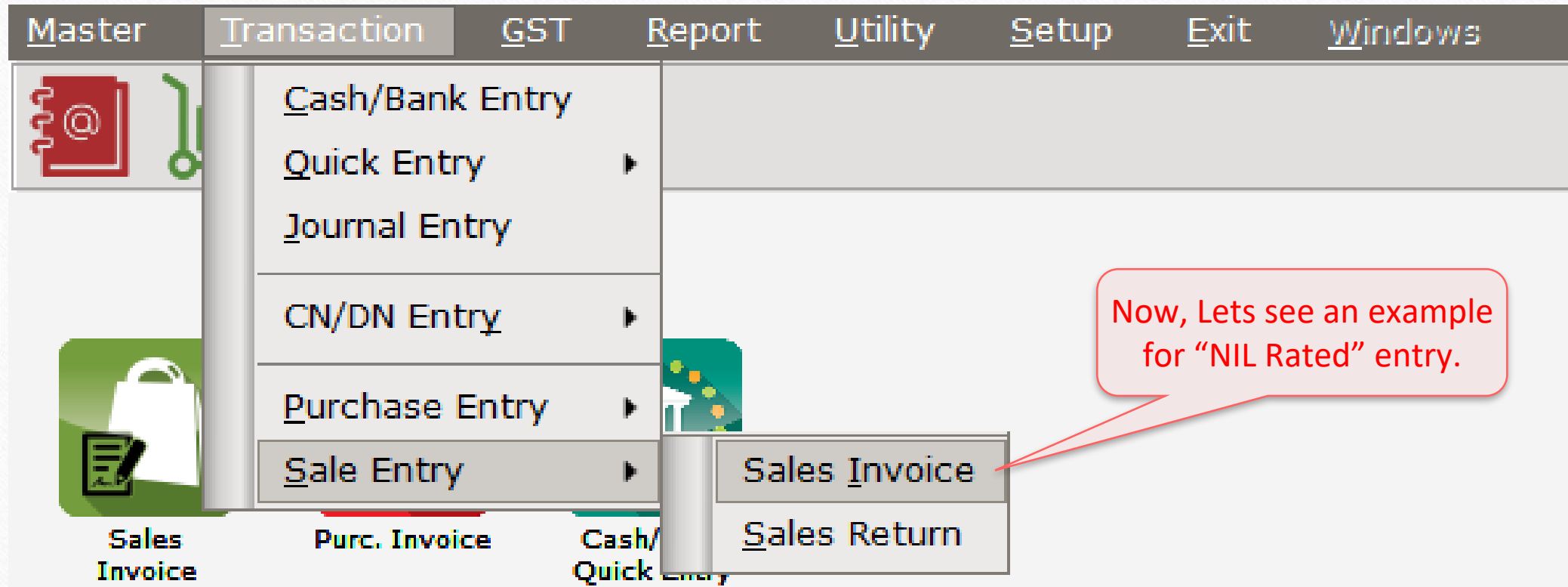
OK

Add Edit Delete

**So, we must select GST commodity **GST Nil Rated** for Nil Rated product under GST regime.**

**The product Tata Salt is under GST Nil Rated slab.**







GST -&gt; GST Return -&gt; GSTR 3B -&gt; GSTR 3B For AUGUST - 2018

GSTR 3B

Return Period August From 01/08/2018 To 31/08/2018

GSTR 3B Grouping	Place of Supply (State/UT)	Taxable Amount	Integrated Tax	Central Tax	State/UT Tax
<b>3.1 Detail of Outward Supplies and Inward supplies liable to reverse charges</b>					
(a) Outward taxable supplies (other than zero rated, nil rated and exempted)					
(b) Outward taxable supplies (zero rated)					
(c) Other outward supplies (Nil rated, exempted)		1440.00			
(d) Inward supplies (liable to reverse charge)					
(e) Non GST outward supplies					
	<b>Total</b>	<b>1440.00</b>			
<b>3.2 Of the supplies shown in 3.1 (a) above, details of inter-State supplies made to unregistered persons, composition taxable persons and UIN holders</b>					
Supplies made to Unregistered Persons					
Supplies made to Composition Taxable Persons					
Supplies made to UIN Holders					
	<b>Total</b>				
<b>4. Eligible ITC</b>					
<b>(A) ITC Available (whether in full or part)</b>					
(1) Import of goods					
(2) Import of services					
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)					
(4) Inward supplies from ISD					
(5) All other ITC					
<b>(B) ITC Reversed</b>					
(1) As per rules 42 & 43 of CGST Rules					

Print Date Month

Tax Liability Integrity ITC Integrity Export

Here, we can see the effects for **NIL Rated** (Exempted supplies details can also be seen here).  
Now, click on it...

... we can see the details of  
NIL Rated voucher.





GST -&gt; GST Return -&gt; GSTR 1 -&gt; GSTR 1

▼ Exempt/Nil-Rated/Non-GST Supplies

Return Period August ▼ From 01/08/2018 To 31/08/2018

Party Name	Nil Rated Supplies	Exempted (other than nil rated/ non GST supply)	Non-GST Supplies
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## Intra-State supplies to registered persons

Annapurna Dinning Hall	1440.00		
<b>Total</b>	<b>1440.00</b>		

... we can see the voucher wise details for NIL Rated.

Date	Month	Next	▲	B2B	B2BA	B2CL	B2CLA	B2CS	B2CSA	CDNR	CDNRA	CDNUR	CDNURA	EXP	EXPA	DOCS	AT	ATADJ	<b>EXEMPT</b>	HSN	Export
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## ❖ Entry for Exempted supplies in Miracle:

- We will see the example for Exempted by inserting Sales Invoice in Miracle.
- We will also see the effects in GSTR 3B & GSTR 1.
- Example:
  - Under GST Regime, *“Sales by Canteen Stores Department (CSD, Owned by Ministry of Defence) to final consumer are exempted from GST.”*
  - So here we are taking above example in case of Exempted Supply.







GST -&gt; GST Return -&gt; GSTR 3B -&gt; GSTR 3B For AUGUST - 2018

GSTR 3B

Return Period August From 01/08/2018 To 31/08/2018

GSTR 3B Grouping	Place of Supply (State/UT)	Taxable Amount	Integrated Tax	Central Tax	State/UT Tax
<b>3.1 Detail of Outward Supplies and Inward supplies liable to reverse charges</b>					
(a) Outward taxable supplies (other than zero rated, nil rated and exempted)					
(b) Outward taxable supplies (zero rated)					
(c) Other outward supplies (Nil rated, exempted)		3250.00			
(d) Inward supplies (liable to reverse charge)					
(e) Non GST outward supplies					
	<b>Total</b>	<b>3250.00</b>			
<b>3.2 Of the supplies shown in 3.1 (a) above, details of inter-State supplies made to unregistered persons, composition taxable persons and UIN holders</b>					
Supplies made to Unregistered Persons					
Supplies made to Composition Taxable Persons					
Supplies made to UIN Holders					
	<b>Total</b>				
<b>4. Eligible ITC</b>					
<b>(A) ITC Available (whether in full or part)</b>					
(1) Import of goods					
(2) Import of services					
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)					
(4) Inward supplies from ISD					
(5) All other ITC					
<b>(B) ITC Reversed</b>					
(1) As per rules 42 & 43 of CGST Rules					

Print Date Month

Tax Liability Integrity ITC Integrity Export

Here, we can see the effects for **Exempted**.  
Now, click on it...

GST -&gt; GST Return -&gt; GSTR 3B -&gt; GSTR 3B For AUGUST - 2018

▼ GSTR 3B

Return Period August ▼ From 01/08/2018 To 31/08/2018

Voucher Type	Date	Vou No	Doc. No.	GST Slab	Invoice Type	Taxable Amount	Integrated Tax	Central Tax	State/UT Tax	Party Name
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3.1 Detail of Outward Supplies and Inward supplies  
liable to reverse charges

(c) Other outward supplies (Nil rated, exempted)

Sale	06/08/2018	GB/2		GST 5%	Exempt	3250.00				Prabhu Alpahar
					<b>Total</b>	<b>3250.00</b>				

... we can see the details of  
Exempted voucher.

Note that: The product is in GST 5%  
slab but the GST will not be levied  
under Exempted Supply.

Print Date Month

Tax Liability Integrity

ITC Integrity

Export





... we can see the voucher wise details for Exempted.

❖ Entry for Non GST in Miracle:

- We will see the example for Non GST by inserting Sales Invoice in Miracle.
- First, we must setup to insert Non GST invoice.
- We will also see the effects in GSTR 3B & GSTR 1.

## Non GST items

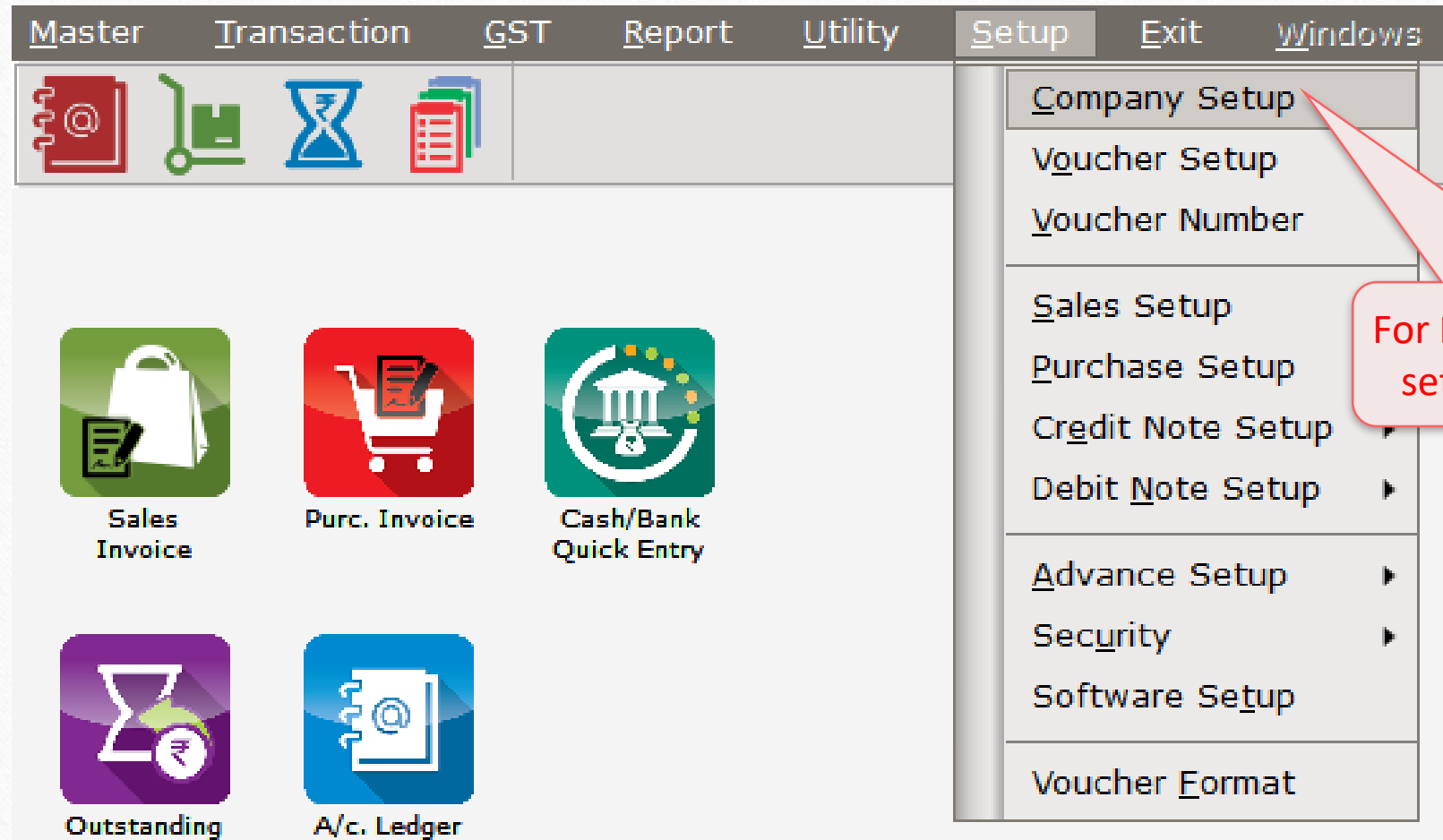


**Petroleum  
Products**



**Alcohol for Human  
consumption**

❖ **Note that:** To know more about “Non GST entry in Miracle”, please go to: <http://rkitsoftware.com/> click on “GST” tab, then click on GST Setup & Entries, refer this document: “What is Non GST & how it is implemented in Miracle?”



## Setup -&gt; Company Setup -&gt; Company Setup

Category	Description	Value
General Setup	<b>GST Auto Setup</b>	
Advance Setup	GST Auto Setup	
Advance Modules	Quick Auto GST Setup	No
Master Setup	<b>GST Setup</b>	
VAT Setup	Cess required?	No
<b>GST Setup</b>	URD A/c Setup	
	HSN Code Type	Sub Heading
	Garment Condition	No
	Non GST Required	Yes
	GST VAT Auto Setup	
TDS/TCS Setup	Decimal Point For GST %	2
Report Setup	RCM Effect while URD Voucher Req. ?	No
	Display width for Document No.	15
	Display width for Voucher No.	15
	Tax Percentage for Compound	
	GSTR1 Return Period	
	E-Way bill required ?	
	UIN No. Required ?	
	GSTIN Search	
	<b>Sales</b>	
	Tax Paid Rate Entry?	No
	<b>Purchase</b>	
	Tax Paid Rate Entry?	No
	<b>Advance Receipt Entry Setup</b>	
	Advance Receipt Entry Req.?	No
	<b>Reverse Charge Setup</b>	
	Notified Reverse Charge Required ?	No

Select "Yes" to Non GST Required and select VAT slab from GST VAT Auto Setup.



## Edit Product's detail - Castrol OIL 250

## Main Details

Name	Castrol OIL 250
Alias	
GST Commodity	Non GST
VAT Commodity	VAT 15%+2.5 %
Group Name	
Category Name	

## Stock Options

Stock Required	Yes
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Other Details

## Rate

Purchase Rate	0.00
Sales Rate	300.00

## Unit Name

Sale	Numbers
Purchase	Numbers
QC)	PCS-PIECES

## Stock

Quantity	0.000
Amount	0.00

OK

Every Petroleum products falls in Non GST.

We must select **Non GST** and **VAT Slab** in VAT Commodity for Non GST product.

We must select VAT invoice type in case of Non GST supply.



GST -&gt; GST Return -&gt; GSTR 3B -&gt; GSTR 3B For AUGUST - 2018

▼ GSTR 3B

Return Period August ▼ From 01/08/2018 To 31/08/2018

GSTR 3B Grouping	Place of Supply (State/UT)	Taxable Amount	Integrated Tax	Central Tax	State/UT Tax
<b>3.1 Detail of Outward Supplies and Inward supplies liable to reverse charges</b>					
(a) Outward taxable supplies (other than zero rated, nil rated and exempted)					
(b) Outward taxable supplies (zero rated)					
(c) Other outward supplies (Nil rated, exempted)					
(d) Inward supplies (liable to reverse charge)					
(e) Non GST outward supplies		3000.00			
	<b>Total</b>	<b>3000.00</b>			
<b>3.2 Of the supplies shown in 3.1 (a) above, details of inter-State supplies made to unregistered persons, composition taxable persons and UIN holders</b>					
Supplies made to Unregistered Persons					
Supplies made to Composition Taxable Persons					
Supplies made to UIN Holders					
	<b>Total</b>				
<b>4. Eligible ITC</b>					
<b>(A) ITC Available (whether in full or part)</b>					
(1) Import of goods					
(2) Import of services					
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)					
(4) Inward supplies from ISD					
(5) All other ITC					
<b>(B) ITC Reversed</b>					
(1) As per rules 42 & 43 of CGST Rules					

Print Date Month

Tax Liability Integrity ITC Integrity Export

Here, we can see the effects for **Non GST**.  
Now, click on it...



... we can see the details of Non GST voucher.

GST -> GST Return -> GSTR 1 -> GSTR 1

Exempt/Nil-Rated/Non-GST Supplies

Return Period: August From: 01/08/2018 To: 31/08/2018

Description	Nil Rated Supplies	Exempted (other than nil rated/ non GST supply)	Non-GST Supplies
Intra-State supplies to registered persons			3000.00
<b>Total</b>			<b>3000.00</b>

Non GST details can be seen in EXEMPT section of GSTR 1. By click on it...

Buttons: Date, Month, Next, Format, B2B, B2BA, B2CL, B2CLA, B2CS, B2CSA, CDNR, CDNRA, CDNUR, CDNURA, EXP, EXPA, DOCS, AT, ATADJ, **EXEMPT**, HSN, Export

... we can see the voucher wise details for Non GST.



thank you!