

# Reverse charge list

## Expenses for which GST is not applicable:

Expenses	Remarks
Wages	Employer-employee relationship
Salary	Employer-employee relationship
Fuel expenses for vehicle	Petroleum products are not covered under GST
Interest paid	Except for paid to creditors for goods purchased and services received
Bad debts	
Loss due to theft or fire	Corresponding ITC on the purchase of material destroyed by fire theft natural calamity etc. should be reduced
Electricity expenses	
Remuneration to partners	As per the clarification issued
Professional tax	
Municipal tax	
ESIC payments	
Discounts shown in bills	
Court fee paid	
ROC fee	

## Expenses for which GST is not applicable:

EXPENSE S	GST APPLICABILITY	RATE OF GST	ITC AVAILABILITY FOR FRONT CHARGE	RCM IF FROM URD	RCM ITC	REMARKS
Food to staff entertainment expenses	Applicable	Various	No	Yes	No	12% in case of non air-conditioned hotels and 18% in case of Air conditioned Hotels (Applicable to take away and delivery).For small roadside vendors and unregistered Hotels RCM will be applicable No Input Tax Credit is available on Food and Beverages.

Contd.

Conference and seminar expenses	Applicable	18%	Partially yes	Yes	Partially yes	Tax on Rent of the venue i.e., Banquet will be available as ITC. Tax on Food and Beverages will not be available on ITC. It is advisable to have separate bills for Rent and Food.
Printing and stationary	Applicable	12% and 18%	Yes	Yes	Yes	When Tax is paid on stationary and Photocopy expenses, ITC is available. A diary system with a local stationery shop can be maintained and monthly billing can be done for convenience.

### Travel Expenses

EXPENSES	GST APPLICABILITY	RATE OF GST	ITC AVAILABILITY FOR FRONT CHARGE	RCM IF FROM URD	RCM ITC	REMARKS
Train tickets	Applicable	5% for First Class / 3-Tier Ac	No			Since railways are currently not updating GSTIN on the system the ITC will not be available.
Flight tickets	Applicable	5% for Economy class	Yes	Yes	Yes	Obtain a copy of Invoice from the airline company. All airline companies have started customer updation programmes please update your GSTIN with airline companies.

Contd.

Hotel Accommodation charges	Applicable	18% to 28%	Partially yes	Yes	Partially yes	Tax charged on Accommodation in the same state i.e., In the case where the recipient and the hotel are in same state ITC will be available. In the case of Hotels outside the state where GST registration is not there then ITC may not be allowed. Tariff up to Rs 999/: 0% Tax. From 1001 to 2499 Rs 12% Tax From 2500 to 7499 Tax@ 18%. And 7500 and above tax rate will be 28%.
Taxi Services such as Tourist vehicle	Applicable	18%	No	Yes		Such Services are in the negative list
<b>Conveyance</b>						
<b>EXPENSES</b>	<b>GST APPLICABILITY</b>	<b>RATE OF GST</b>	<b>ITC AVAILABILITY FOR FRONT CHARGE</b>	<b>RCM IF FROM URD</b>	<b>RCM ITC</b>	<b>REMARKS</b>
Best Bus NMDC TMC Bus Etc	Exemption		No	No	No	
Auto Rickshaw Metered Taxi	Exemption		No	No	No	
Train Pass	Applicable	5% in case of 1st class	No	No	No	Since railways are currently not updating GSTIN on the system the ITC will not be available.

Contd.

Ola/Uber Radio Taxi	Applicable	5%	No	Yes	No	Generally bills are sent on mail which should be properly recorded in books of accounts.
Courier charge	Applicable	18%	Yes	Yes	Yes	
Repairs to Machinery	Applicable	Various	Yes	Yes	Yes	
Repairs to Land and Building	Applicable	Various	No	Yes	No	If repairs are to the immovable property then ITC is not available
Insurance Premium Paid	Applicable	18%	Partially yes	Yes	Yes	ITC Available except for Life and Medical Insurance.
Telephone Expenses	Applicable	18%	Yes	Yes	Yes	ITC available provided connection in the name of the business entity claiming ITC and GSTIN of Business entity mentioned on Bill.
Accounts Writing Charges	Applicable	18%	Yes	Yes	Yes	Generally, such part-time accountants are unregistered and hence will attract RCM and ITC will be available.
Transport Charges Like Tempo etc	Applicable	Exempt	No	No	No	Transport Charges are exempt from GST except GTA. Hence booking of private tempo or any other carriage for transport of goods where consignment note is not issued will be exempted.

Contd.

GTA (Compulsory RCM) [Sec 9(3)]	Applicable	5%	NA	Compulsory RCM 5%	Yes	Compulsory reverse charge is applicable on GTA Services @ 5%. Full ITC is available. Charges to the extent of Rs 750 for multiple carriage and Rs 1500/- for exclusive single carriage is exempt and hence no RCM on such services. GTA means a person who provides service in relation to transport of goods by road and issues consignment note by whatever name called.
Hamali Loading Unloading	Applicable	18%	Yes	Yes	Yes	Majority of Hamali Charges are URD and hence RCM Effect will be there. Set off of tax paid on RCM will be available
Weighment Charges	Applicable	18%	Yes	Yes	Yes	
Packing Expenses (Labour)	Applicable	18%	Yes	Yes	Yes	
Packing Expenses (Material)	Applicable	Various	Yes	Yes	Yes	
Legal Expenses (Paid to Advocate or Advocate Firm) [Sec 9(3)]	Applicable	18%	NA	Compulsory RCM 18%	Yes	Compulsory reverse charge for payment made to advocate or advocate firm. Full ITC of tax paid on RCM is available
Testing Charges	Applicable	18%	Yes	Yes	Yes	
Labour Charges	Applicable	18%	Yes	Yes	Yes	

Contd.

Business Promotion Expenses	Applicable	Various	Yes	Yes	Yes	In case of free gifts sample etc Input Tax Credit will not be available.
Professional Fees (Other than Advocate Fee)	Applicable	Various	Yes	Yes	Yes	
Internet Charges	Applicable	18%	Yes	Yes	Yes	
Computer Expenses	Applicable	18%	Yes	Yes	Yes	
Security charges	Applicable	18%	Yes	Yes	Yes	
Site Expenses	Applicable	Various	Yes	Yes	Yes	Site Expenses needs to be categorized properly in different heads. This expenses generally have a high quantum of non-invoice and URD Purchases and is very important for RCM. If after categorizing site expenses few expenses pertaining to food beverages etc are found then ITC will not be available.
Bank Charges	Applicable	18%	Yes	Yes	Yes	
Bank Guarantee	Applicable	18%	Yes	Yes	Yes	
Charges	Applicable	18%	Yes	Yes	Yes	
Rent	Applicable	18%	Yes	Yes	Yes	
Storage and Warehousing	Applicable	18%	Yes	Yes	Yes	

Contd.

Office expenses	Applicable	Various	Yes	Yes	Yes	Office Expenses needs to be categorized properly in different heads. This expenses generally have a high quantum of non-invoice and URD Purchases and is very important for RCM if after categorizing site expenses few expenses pertaining to food beverages etc are found than ITC will not be available.
Staff Welfare	Applicable	Various	Yes	Yes	Yes	Staff Welfare needs to be categorized properly in different heads. This expenses generally have a high quantum of non-invoice and URD Purchases and is very important for RCM if after categorizing staff welfare expenses few expenses pertaining to food beverages etc are found than ITC will not be available.
Auditors Fee	Applicable	18%	Yes	Yes	Yes	
Subscription	Applicable	18%	Yes	Yes	Yes	
Membership Expenses	Applicable	18%	Yes	Yes	Yes	
Commission and Brokerage	Applicable	18%	Yes	Yes	Yes	It is a high-risk expense chance of URD RCM is more often than not.

Contd.

Liaison Work	Applicable	18%	Yes	Yes	Yes	It is a high-risk expense chance of URD RCM is more often than not.
Liquidated Damages	Applicable	18%	Yes	Yes	Yes	
Exhibition Expenses	Applicable	18%	Yes	Yes	Yes	
Interest paid to Creditors for Taxable Goods/Taxable Service	Applicable	18%	Yes	Yes	Yes	
Exhibition Expenses	Applicable	Rate of goods/services	Yes	Yes	Yes	
Advertisement	Applicable	18%	Yes	Yes	Yes	
Motor car Purchase/Rental Applicable	Applicable	28%+cess	No	Yes	No	The motorcar is in the blocked credit list. Hence no Input Credit available
Purchase/Rental of the vehicle for Goods Transport	Applicable	28%+cess	Yes	Yes	Yes	
Purchase of Computer Applicable	Applicable	18%	Yes	Yes	Yes	
Purchase of Office Equipment	Applicable	Various	Yes	Yes	Yes	



Contd.

Purchase of office Furniture	Applicable	Various	Yes	Yes	Yes	ITC available on office furniture however if the furniture etc results into the immovable property then no ITC is available
Purchase of Cellular Phone	Applicable	12%	Yes	Yes	Yes	
Purchase of Machinery	Applicable	Various	Yes	Yes	Yes	