GST for Freelancers Playbook

A practical, visual operating guide for Indian freelancers - registration, invoices, input credit, foreign clients, LUT, RCM, returns and clean CA handoff.

BUILT FOR REAL FREELANCER DECISIONS

₹20L	18%	₹0 GST
General service threshold in the normal case	Common rate for many freelance services	Qualifying exports under LUT

95 pages - bigger text - worked examples - cleaner layouts - practical monthly actions

Before you use this guide

A clearer guide is useful only if the rules and caveats are also clearer.

What changed in this edition Expanded

from the original 46 pages to 100 pages, with larger type, worked money examples, decision trees, checklists and clearer edge-case warnings.

What was corrected Over-simple statements around

place of supply, RCM, foreign clients, composition, filing dates and invoice timing have been tightened.

Verified 14 Sep 2026. The guide uses official CBIC/GST Portal rules and advisories as the reference point. GST changes frequently, so the final treatment of unusual facts should still be confirmed with your CA.

Planning, not personalised advice This is

a plain-English record-keeping and preparation system. It is not a substitute for professional tax or legal advice.

Use the official portal for live

dates Return due dates can be extended by notification. Use the dates here as the normal rhythm, then confirm the active portal due date before filing.

DECISION RULE

Decision rule: use the guide as an operating reference. Start with your facts, move to the treatment, then record the evidence and next action.

PRACTICAL DECISION

Use the guide on one real month

Do not read this like a textbook only. Open one real invoice, one expense and your turnover total while you move through the guide.

DO THIS NEXT

- Pick one real month
- Open your SoloLedger records
- Mark one question for review

Contents

Use the guide once in sequence, then return to the chapter that matches your current GST decision.

Best reading order

First pass: pages 4-28 for the GST map and registration. Then use invoicing, ITC and foreign-client chapters as reference. Finish with returns, the monthly close and the action pack.

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How to use the playbook

You do not need to memorise GST. You need a repeatable way to decide, record and review.

1. **Find your GST position**
   Start with turnover, State/UT, client mix and whether you are already registered.
2. **Set up invoices correctly**
   Decide the tax treatment before the invoice goes out. Fixing it later is harder.
3. **Separate GST money**
   Do not treat GST collected as business profit. Track output tax, ITC and cash shortfall separately.
4. **Close the month**
   Reconcile sales, GSTR-2B, RCM and return data before the filing deadline.
5. **Hand off clean**
   Give your CA reconciled numbers plus a short list of judgment calls - not a pile of screenshots.

IN SOLOLEDGER Use Settings, Income & Invoices, Expenses, GST Tracker and Reports together. The workbook is the record system; this playbook explains the decisions.

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The freelancer GST map

One sequence handles almost every common freelancer situation.

1. TURNOVER

Are you near the registration threshold?

2. CLIENT

Same State, other State or outside India?

3. TREATMENT

Taxable, zero-rated, exempt or outside GST?

4. FILE

Invoice, reconcile, pay and return.

If you are unregistered Track turnover

and do not collect GST merely because a client asks for a tax invoice.

If you are registered Every invoice

needs the right place-of-supply treatment, and return filing becomes part of your monthly/quarterly routine.

> The biggest upgrade from the old guide: client location is only the starting point. Place-of-supply rules and export conditions determine the final treatment.

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The six numbers worth remembering

You do not need 40 GST numbers in your head. Keep these visible and verify live dates on the portal.

Key point

General service threshold ₹20L Aggregate turnover in the normal case

Key point

Common freelance rate 18% Often 9% CGST + 9% SGST or 18% IGST

Key point

QRMP ceiling ₹5Cr PAN-level turnover eligibility, subject to conditions

Key point

Service scheme ₹50L 6% concessional scheme under Notification 02/2019, subject to conditions

Key point

E-invoice threshold ₹5Cr AATO in any preceding FY from 2017-18, subject to notified exemptions

Key point

Invoice timing 30 days Normal time limit for issuing a tax invoice for services

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Your 2-minute GST self-assessment

Write down these eight facts before you make any GST decision.

- [ ] Your FY turnover so far
- [ ] Your State/UT and threshold position
- [ ] Whether you already hold a GSTIN
- [ ] Domestic vs foreign client share
- [ ] Whether your clients are GST-registered
- [ ] Whether you buy foreign SaaS/ads/tools
- [ ] Approximate GST paid on business purchases
- [ ] Whether e-invoicing has ever applied to your PAN

Fast diagnostic: if you cannot answer four of these without opening five different apps, that is a record-keeping problem first. Fix the records before trying to optimise GST.

IN SOLOLEDGER Your Dashboard, GST Tracker, invoice log and expense register should let you answer all eight quickly.

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What GST actually is

GST is a tax on supply. For a freelancer, the practical job is to separate your fee from the tax layer.

Key point

Your service fee This is revenue for your work. Example: design fee ₹1,00,000.

GST collected If GST applies, you may invoice ₹18,000 tax on top.

That amount is not extra profit.

Taxable service fee	**₹1,00,000**
GST @ 18%	**₹18,000**
Client pays	**₹1,18,000**

Registered suppliers are legally responsible for paying GST due. Commercially, you normally collect the tax from the client through the invoice, then discharge the net liability after eligible ITC.

DECISION RULE

Decision rule: separate the concepts before you calculate anything - fee, GST, place of supply, credit and cash are different layers of the same transaction.

PRACTICAL DECISION

Separate the GST layers

Keep service fee, tax collected, place/treatment and usable credit visible as separate facts. This makes the later registration and filing chapters much easier to apply.

DO THIS NEXT

- Write the key GST number
- Keep tax separate from fee
- Note the treatment used

GST is not revenue

A high bank balance can contain money already owed to the government.

Bank receipt from client	**₹1,18,000**
Your service fee	**₹1,00,000**
Output GST collected	**₹18,000**
Eligible ITC this month	**₹4,000**
Approx. GST cash shortfall	**₹14,000**

Do not spend the output tax

The ₹18,000 sitting in the bank is not automatically safe-to-spend.

ITC changes the cash amount If

₹4,000 of eligible credit is available and usable, the remaining tax may be ₹14,000.

IN SOLOLEDGER Track GST collected and GST input separately. Do not bury tax inside general income or expense totals.

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PRACTICAL DECISION

Protect the tax cash

Keep fee income, GST collected and usable ITC separate. Your bank balance is not the same as safe-to-spend cash.

DO THIS NEXT

- Separate GST collected
- Review usable ITC
- Set aside cash shortfall

Taxable, exempt, zero-rated and non-GST

These words sound similar but lead to very different invoicing and ITC outcomes.

Treatment	Meaning	Freelancer example
Taxable	GST applies at the relevant rate	Domestic design/consulting service
Zero-rated	Tax rate effectively 0%, but the supply remains within GST	Qualifying export of service / SEZ supply
Exempt	A notification exempts the supply	Depends on the service category
Non-GST / outside levy	Not treated as a taxable GST supply	Fact-specific; do not assume

> Important: zero-rated is not the same as “ignore GST”. Registered exporters still report zero-rated supplies and keep evidence.

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PRACTICAL DECISION

Model the client price

Compare “fee + GST” with a GST-inclusive quote. The tax treatment can change the client-facing price even when your service fee is identical.

DO THIS NEXT

- Write base fee
- Add/strip GST
- Compare final client price

Aggregate turnover - the number that drives registration

Do not track only Indian invoices. Exports can still matter to the threshold.

Aggregate turnover is PAN-level It generally

combines taxable supplies, exempt supplies, exports and inter-State supplies across registrations under the same PAN, excluding GST itself.

It is not your bank credits

Transfers, loans and non-business credits are not automatically turnover. Your accounting classification still matters.

Domestic services	**₹11,00,000**
Export services	**₹7,00,000**
Exempt supplies, if any	**₹1,00,000**
Aggregate turnover example	**₹19,00,000**

> Exports can count toward aggregate turnover even though qualifying exports are zero-rated. That is why an export-heavy freelancer can cross the registration threshold with little or no output GST.

Official rule check: CGST Act: definition of aggregate turnover and Section 22 registration framework.

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Your GSTIN, decoded

Knowing the structure helps you spot obvious invoice errors before they reach accounts.

Characters	Part	Why you care
1-2	State code	Should match the State/UT of registration
3-12	PAN	Should match the taxpayer PAN
13	Entity number	Distinguishes registrations on the PAN within the State
14	Usually Z	Standard placeholder in GSTIN structure
15	Check character	Helps detect mistyped GSTINs

> Before you send a B2B invoice, validate the client GSTIN on the GST portal. A wrong or inactive GSTIN can create return and ITC problems for the client.

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PRACTICAL DECISION

Verify the identity

Check the 15-character GSTIN, PAN portion and State code before relying on it in a B2B invoice or credit workflow.

DO THIS NEXT

- Verify GSTIN on portal
- Match PAN characters
- Save verified client details

The rate question

Use 18% as a common reference for freelance services, not as a blind default.

18% is common, not universal Many

consulting, design, software, marketing and professional services fall at 18%, but classification still controls the rate.

Do not copy a competitor A

similar-looking service can fall under a different classification or exemption. Confirm the SAC/rate for what you actually supply.

Fee	**₹80,000**
GST @ 18%	**₹14,400**
Invoice total	**₹94,400**

If a contract says a fee is “inclusive of all taxes”, you may have to back-calculate GST instead of adding 18% on top. Pricing language matters.

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GST language without the jargon

Learn the terms once so CA emails and portal screens stop feeling foreign.

Term	Plain English
GSTIN	Your GST registration number
SAC	Service classification code
ITC	Eligible GST credit on business inputs
CGST / SGST	Central + State tax for many intra-State supplies
IGST	Integrated tax for inter-State supplies
RCM	Recipient pays tax under reverse charge
LUT	Undertaking used for qualifying zero-rated exports without IGST payment
GSTR-2B	Auto-drafted statement used for practical ITC reconciliation

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Separate the GST layers

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The monthly GST money flow

This is the operating loop the rest of the guide builds around.

Invoice

Create the correct tax treatment.

Collect

Receive fee + GST where applicable.

Credit

Match eligible purchase GST / 2B.

Pay & file

Use credit, pay cash shortfall, file returns.

Output GST	**₹36,000**
Eligible ITC	**₹9,500**
Cash needed	**₹26,500**

> The monthly money question is not “How much GST did I collect?” It is “What is my net liability after valid credit, RCM and adjustments?”

DECISION RULE

Decision rule: small monthly closes beat one giant year-end clean-up. Resolve exceptions while invoices, payments and supplier conversations are still fresh.

PRACTICAL DECISION

Close small, not late

A short monthly close keeps year-end simple. Keep exceptions, challans, export evidence and credit notes organised while the details are fresh.

DO THIS NEXT

- Close the month
- List open exceptions
- Maintain CA handoff folder

When the threshold applies

The general service threshold is simple; State-specific exceptions are where bad guides get people into trouble.

Key point

General threshold ₹20L Typical service-registration threshold

Key point

Lower threshold ₹10L May apply in specified special-category States

Key point

Application window 30 days General registration application timing after liability arises

Do not use a stale State list. Special-category treatment has changed over time. If you operate from a North-Eastern / special-category State, confirm the current State-specific threshold before relying on ₹20 lakh.

Official rule check: CGST Act Section 22 and GST registration framework; State-specific threshold changes are notification-driven.

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PRACTICAL DECISION

Decide before you cross

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DO THIS NEXT

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Special-State thresholds & crossing mid-year

Know the lower-threshold check and what to do when turnover crosses during the year.

What the old guide got wrong

It described “several North-Eastern & hill states” too loosely. That is not precise enough for a paid product.

The safer operating rule Use ₹20

lakh as the general service threshold, but check the live State/UT threshold if your principal place of business is in a special-category State.

- ☐ Confirm State/UT on GST portal
- ☐ Confirm service threshold for that State
- ☐ Confirm all-India PAN turnover
- ☐ Save the source / CA confirmation

> A premium guide should tell you where a rule is fact-specific instead of pretending every State is the same.

Turnover Apr-Dec	**₹18,40,000**
New January project	**₹3,20,000**
Projected total	**₹21,60,000**

1. **Spot the crossing before the invoice**
   Watch the running turnover meter.
2. **Confirm liability date**
   Registration can have an effective date linked to when liability arose.
3. **Apply within the prescribed window**

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Inter-State clients when you are under the threshold

A client in another State does not automatically mean you must register just because the supply is inter-State.

Inter-State services are not an automatic

registration trigger for every small service provider Notification 10/2017-Integrated Tax exempts certain persons making inter-State taxable supplies of services from registration up to the applicable threshold.

But the exemption is not a

universal answer Other compulsory-registration provisions or specific supply models can still matter.

> This fixes a common internet myth: “one out-of-State client means instant GST registration” is too broad for service providers.

Official rule check: Notification No. 10/2017-Integrated Tax dated 13 Oct 2017; threshold is linked to Section 22 limits.

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Platforms and e-commerce operators

The platform name is less important than the legal role it plays in the supply.

Platform model matters Selling through an

e-commerce operator can interact with Section 24 and specific exemptions / Section 9(5) rules.

Do not use the old “platform

= mandatory registration” shortcut The treatment depends on what the platform does, whether it collects TCS, and whether a notified exception applies.

- ☐ Identify the platform contract
- ☐ Check who is shown as supplier to the end customer
- ☐ Check whether Section 9(5) applies
- ☐ Check TCS / e-commerce operator status
- ☐ Confirm registration impact with CA if under threshold

> Freelancing marketplaces, app stores and payment processors are not all the same legal model. Classify the relationship before deciding registration.

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Reverse charge and registration - do not shortcut it

RCM can matter even when your outward turnover is small, but only after you identify a real notified RCM supply.

RCM can create a registration question

Section 24 includes persons required to pay tax under reverse charge, but exemptions and the exact notified supply still matter.

Imported services are especially fact-sensitive Foreign

SaaS, ad platforms and services can create RCM analysis. Do not assume every foreign subscription creates the same outcome.

> The old guide treated “RCM = register” too mechanically. The upgraded guide separates the RCM liability question from the registration question and flags them for review.

Official rule check: CGST Act Section 24; RCM categories arise from notifications under CGST/IGST law.

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Voluntary registration - worth it?

The right answer depends more on your client mix and input costs than on prestige.

Why register early B2B clients may

prefer a GST invoice; you may want eligible ITC; you may know you will cross soon.

Why wait Registration adds recurring returns,

invoicing rules, reconciliations and potential late-fee exposure.

> Voluntary registration is a commitment to compliance, not a badge. Register because the economics and client mix justify it, not because “GST looks professional”.

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Voluntary registration - run the numbers

A simple model makes the trade-off visible.

Annual taxable fees	**₹12,00,000**
GST added @ 18%	**₹2,16,000**
Eligible ITC on tools	**₹36,000**
Approx. net GST remitted	**₹1,80,000**

If clients are GST-registered companies The

tax may be commercially neutral because clients can usually claim eligible ITC, subject to their facts.

If clients are consumers / small

unregistered businesses An 18% tax layer can make your price feel higher unless you absorb some of it.

> This is a pricing decision as well as a compliance decision. Model both “GST on top” and “GST included” before registering voluntarily.

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Registration documents - prepare once

A clean document pack prevents avoidable portal back-and-forth.

- [ ] PAN details
- [ ] Aadhaar / identity verification where applicable
- [ ] Photo / constitution documents
- [ ] Principal place of business proof
- [ ] Bank details / proof as requested
- [ ] Authorised signatory details
- [ ] Email and mobile access
- [ ] Primary services / SAC information

Portal requirements can change. Use this as a preparation list, then follow the live REG-01 checklist shown on gst.gov.in.

Official rule check: GST registration rules and GST Portal registration manual.

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Registration portal workflow

The old guide over-promised speed. The upgraded version focuses on the process you can control.

1. **Start REG-01 Part A**
   PAN, mobile, email and State/UT create the temporary reference flow.
2. **Complete Part B**
   Add business, promoter, address, bank and goods/services details.
3. **Aadhaar authentication / verification**
   The processing path can differ depending on authentication and risk checks.
4. **Track ARN**
   Use the Application Reference Number to monitor queries and status.
5. **Store the final certificate**
   Keep GSTIN, effective date, legal name and registered address consistent across invoices.

Do not promise yourself a fixed “few days” approval timeline. Verification, authentication and officer queries can change processing time.

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Effective date and the first invoices

The certificate date is not always the only date that matters.

Effective date can matter before certificate

issue If you applied after becoming liable, the first return may need to capture liabilities from the effective date.

Revised invoices can be relevant GST

law allows revised invoices for the period between the effective date and registration certificate, subject to the rules.

If you crossed the threshold and kept issuing non-GST invoices while registration was processing, do not “fix” them casually. Reconstruct the timeline with your CA.

Official rule check: CGST Act Section 31(3)(a); GST Portal GSTR-3B guidance on effective date of registration.

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If you no longer need GST registration

The correct exit is cancellation - not ignoring the portal.

Registration does not have to be

forever If your business changes and you become eligible to cancel, cancellation may be possible through the portal.

Do not just stop filing Until

cancellation is effective, return obligations can continue. Non-filing can create late fees and notices.

- [ ] Check whether cancellation is legally available
- [ ] File pending returns first if required
- [ ] Review stock / ITC reversal issues if relevant
- [ ] Download records and acknowledgements
- [ ] Keep the cancellation order

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Registration decision tree

The decision is simple only after the facts are classified correctly.

1. Threshold

Over the applicable service threshold?

2. Other triggers

Real compulsory-registration rule applies?

3. Voluntary case

B2B / ITC economics justify it?

4. Confirm

Portal + CA check before action.

> If the answer depends on a platform, RCM, place of supply or foreign-client edge case, treat that as a “confirm before acting” branch, not a guess.

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Registration checklist

Use this page before you submit anything.

- ☐ Running aggregate turnover updated
- ☐ Applicable State threshold confirmed
- ☐ Inter-State exemption checked if relevant
- ☐ Platform / RCM triggers reviewed
- ☐ Voluntary economics modelled
- ☐ REG-01 documents ready
- ☐ Effective date understood
- ☐ Client invoice transition plan ready

IN SOLOLEDGER Keep a one-page “GST status” note in your records: registered/unregistered, threshold used, GSTIN, effective date, filing frequency, LUT status and e-invoice status.

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When to issue a service invoice

Billing “later this week” is both a cash-flow mistake and, eventually, a compliance risk.

Key point

Service invoice 30 days Normal outer limit from date of supply

Key point

Special sectors 45 days Insurer / bank / financial institution cases

Best freelancer habit Same day Invoice

at milestone or completion whenever commercially possible

> The original guide explained what an invoice contains but missed the normal 30-day time limit for services. That is now fixed.

Official rule check: CGST Rule 47: tax invoice for taxable services generally within 30 days from supply.

DECISION RULE

Decision rule: decide the tax treatment before the invoice is sent. Client identity, place of supply and taxable value should agree across the invoice and your records.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

GST invoice - the fields that matter

Build your template once and stop relying on memory.

- ☐ Supplier legal name, address and GSTIN
- ☐ Unique serial number for the financial year
- ☐ Invoice date
- ☐ Recipient name/address/GSTIN where required
- ☐ Service description and SAC
- ☐ Taxable value
- ☐ GST rate and tax amount
- ☐ Place of supply with State name/code where required
- ☐ Reverse-charge indication where applicable
- ☐ Signature / digital signature where required

Official rule check: CGST Rule 46 invoice particulars; exact fields vary with recipient and supply type.

DECISION RULE

Decision rule: decide the tax treatment before the invoice is sent. Client identity, place of supply and taxable value should agree across the invoice and your records.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

Invoice numbering that survives an audit

The goal is traceability, not aesthetics.

Unique within the financial year Your

serial number should not duplicate another invoice in the same FY.

Use a boring system Example: SL/26-27/0001, SL/26-27/0002.

Consistency is better than creative numbering.

First invoice of FY	**SL/26-27/0001**
Second invoice	**SL/26-27/0002**
Credit note example	**CN/26-27/0001**

> If you use multiple invoice series, document what each series means. Your accounts and CA should be able to trace every number.

DECISION RULE

Decision rule: decide the tax treatment before the invoice is sent. Client identity, place of supply and taxable value should agree across the invoice and your records.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

Worked example - same-State domestic client

One ₹1 lakh project, split into CGST and SGST.

Design fee	**₹1,00,000**
CGST @ 9%	**₹9,000**
SGST @ 9%	**₹9,000**
Invoice total	**₹1,18,000**

When this pattern applies Commonly where

supplier location and place of supply are in the same State.

Do not infer place of supply

from billing address alone Special place-of-supply rules can override the general client-location rule.

DECISION RULE

Decision rule: keep the number, the document and the reason for the GST treatment together. That makes the next review faster and easier to explain.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

Worked example - other-State domestic client

Same fee, same headline rate, different tax bucket.

Consulting fee	**₹1,00,000**
IGST @ 18%	**₹18,000**
Invoice total	**₹1,18,000**

When this pattern applies Commonly where

supplier location and place of supply are in different States.

Key point

What changes in the return The tax is reported as IGST rather than splitting CGST and SGST.

DECISION RULE

Decision rule: keep the number, the document and the reason for the GST treatment together. That makes the next review faster and easier to explain.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

Place of supply - the general rule

Client location is a useful starting point, not a universal answer.

Domestic B2B general rule For many

services supplied to a registered person, the place of supply is the recipient location.

Domestic B2C general rule For many

services to an unregistered person, recipient location can apply if the address is available; otherwise supplier location may apply.

This is only the general rule. Immovable-property services, events, training, transport and other categories can have special rules.

Official rule check: IGST Act Section 12 place-of-supply framework.

DECISION RULE

Decision rule: decide the tax treatment before the invoice is sent. Client identity, place of supply and taxable value should agree across the invoice and your records.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

Place-of-supply exceptions - the danger list

Most freelancers use the general rule. Edge cases are where expensive mistakes happen.

Service pattern	Why you pause before invoicing
Immovable-property linked	Place of supply can follow the property location
Event / admission related	Event location rules can apply
Performance-based services	Where the service is actually performed may matter
Transportation	Special rules can apply depending on recipient and mode
Intermediary	Cross-border rule can make supplier location relevant
Online / digital special categories	Separate provisions may apply

> If your work fits a special category, do not use the normal “client State” shortcut until you check the specific rule.

DECISION RULE

Decision rule: keep the number, the document and the reason for the GST treatment together. That makes the next review faster and easier to explain.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

B2B vs B2C location records

Good tax treatment starts with better client master data.

Registered client (B2B) The client GSTIN

gives you a clear registration location for the general rule. Validate it before invoicing.

Unregistered client (B2C) You may need a reliable address / location record.

The treatment is not identical to B2B.

- ☐ Client legal name
- ☐ GSTIN status
- ☐ Registered State
- ☐ Billing/service address
- ☐ Contract country for foreign client
- ☐ Evidence of recipient location

DECISION RULE

Decision rule: keep the number, the document and the reason for the GST treatment together. That makes the next review faster and easier to explain.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

Client GSTIN checks before you invoice

Make accounts approval easy for the client.

1. **Search the GSTIN**
   Use the official GST portal search.

2. **Match legal / trade name**
   Do not rely on the name typed in an email signature.

3. **Check registration status**
   Active / cancelled status matters for the invoice period.

4. **Match State code**
   A wrong State code can lead to the wrong tax split.

5. **Save the verified details**
   Keep the client master consistent across invoices.

This five-minute onboarding step saves far more time than correcting rejected B2B invoices later.

DECISION RULE

Decision rule: decide the tax treatment before the invoice is sent. Client identity, place of supply and taxable value should agree across the invoice and your records.

PRACTICAL DECISION

Verify the identity

Check the 15-character GSTIN, PAN portion and State code before relying on it in a B2B invoice or credit workflow.

DO THIS NEXT

- Verify GSTIN on portal
- Match PAN characters
- Save verified client details

SAC codes - use the closest real service, not a guess

Classification drives the rate and invoice reporting.

Freelance activity	Illustrative SAC family / common code	Note
IT consulting / support	99831x	Confirm exact sub-code for the actual service
Software design / development	99831x	Classification can depend on scope
Advertising / marketing	99836x	Separate ad buying from service fees when relevant
Graphic / specialised design	99839x	Verify exact sub-code
Management consulting	99831x	Use the code matching the real engagement
Training / coaching	99929x	Rate / exemption can be fact-specific

The old guide presented exact codes too confidently. This edition treats them as classification examples and tells the buyer to verify the final SAC on the portal / rate schedule.

DECISION RULE

Decision rule: keep the number, the document and the reason for the GST treatment together. That makes the next review faster and easier to explain.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

Pricing with GST - on top vs inclusive

Registration can change your margin if your contract wording is sloppy.

Key point

GST on top Quote ₹1,00,000 + applicable GST. Client pays ₹1,18,000 if 18% applies.

GST inclusive Quote ₹1,00,000 inclusive.

At 18%, taxable value is about ₹84,745.76 and GST about ₹15,254.24.

GST-inclusive total	**₹1,00,000**
Taxable value at 18%	**₹84,745.76**
GST component	**₹15,254.24**

> Write the pricing language explicitly in proposals. “₹1 lakh” and “₹1 lakh + GST” are not the same commercial deal.

DECISION RULE

Decision rule: decide the tax treatment before the invoice is sent. Client identity, place of supply and taxable value should agree across the invoice and your records.

PRACTICAL DECISION

Model the client price

Compare “fee + GST” with a GST-inclusive quote. The tax treatment can change the client-facing price even when your service fee is identical.

DO THIS NEXT

- Write base fee
- Add/strip GST
- Compare final client price

Deposits and advance payments

Cash collected before final delivery can create GST timing questions.

Deposits can affect tax timing Under

GST time-of-supply rules, receipt of payment can matter. Do not assume tax waits until final delivery.

Use receipt vouchers / proper treatment

where required The correct document can differ for advances and later adjustment.

> If you routinely take 30%-50% deposits, make advance treatment part of your invoice SOP and confirm the exact rule with your CA.

Official rule check: CGST Act Section 13 time of supply of services; invoice / receipt voucher rules.

DECISION RULE

Decision rule: keep the number, the document and the reason for the GST treatment together. That makes the next review faster and easier to explain.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

Credit notes and debit notes

Corrections should create a visible trail, not erase history.

Credit note Used when taxable value

or tax charged needs to reduce, subject to conditions and reporting cut-offs.

Key point

Debit note Used when taxable value or tax needs to increase.

Original invoice total	**₹1,18,000**
Fee reduction	**₹10,000**
GST reduction @ 18%	**₹1,800**
Credit note total	**₹11,800**

> Do not delete or overwrite the original invoice in your books. Preserve the audit trail and issue the proper adjustment document.

DECISION RULE

Decision rule: keep the number, the document and the reason for the GST treatment together. That makes the next review faster and easier to explain.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

Part payments, TDS and GST are different numbers

One invoice can create three separate money records.

Base professional fee	**₹1,00,000**
GST @ 18%	**₹18,000**
Invoice total	**₹1,18,000**
TDS withheld by client	**₹10,000**
Bank received	**₹1,08,000**

Do not reduce GST just because TDS reduced the bank receipt. TDS is an income-tax credit withheld from your fee; GST is a separate indirect-tax layer.

IN SOLOLEDGER Record bank cash and TDS credit separately. SoloLedger’s invoice logic is designed to stop the bank receipt from being mistaken for the full invoice value.

DECISION RULE

Decision rule: decide the tax treatment before the invoice is sent. Client identity, place of supply and taxable value should agree across the invoice and your records.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

E-invoicing threshold & 30-day reporting

The threshold, applicability and reporting clock in one operational page.

Key point

E-invoice AATO threshold ₹5Cr Applicable notified threshold from 1 Aug 2023

Key point

Look-back Any FY AATO in any preceding FY from 2017-18 can matter

Key point

Who cares most B2B E-invoicing mainly affects notified B2B / specified documents

Most SoloLedger buyers will be below this threshold, but a high-growth freelancer / agency can cross it. E-invoicing is not something to discover after sending hundreds of B2B invoices.

Official rule check: Notification 10/2023-Central Tax; GST Invoice Registration Portal guidance.

AATO ₹10Cr and above From 1

Apr 2025, the IRP applies a 30-day reporting restriction to invoices, credit notes and debit notes for taxpayers at this AATO level.

AATO ₹5Cr-₹10Cr E-invoicing can still apply,

but the specific 30-day restriction described in the 2025 advisory targets ₹10Cr+ taxpayers.

If you are in e-invoicing territory, your invoicing software/process must generate the IRN on time. A normal PDF invoice alone is not enough.

DECISION RULE

Decision rule: monitor turnover before the trigger. Registration is easier when the documents, invoice format and start date are planned in advance.

PRACTICAL DECISION

Decide before you cross

Write your FY turnover, expected invoices for the next 60 days, and the month you may cross the limit. Prepare documents before the trigger date.

DO THIS NEXT

- Update turnover
- Forecast next invoices
- Keep PAN/address/bank proof ready

Invoice mistake clinic

Six problems that cost more time than the invoice itself.

Mistake	What breaks	Fix
Wrong client State	CGST/SGST vs IGST can be wrong	Validate GSTIN + place of supply
No SAC / vague description	Accounts approval / classification risk	Use accurate service description + code
Duplicate invoice number	Audit trail breaks	Lock FY sequence
GST-inclusive quote treated as “+GST”	Commercial dispute	State pricing basis in proposal
Foreign client assumed export automatically	Zero-rating may be wrong	Run the five-condition export test
Invoice issued too late	Compliance + cash delay	Invoice at milestone / completion

DECISION RULE

Decision rule: decide the tax treatment before the invoice is sent. Client identity, place of supply and taxable value should agree across the invoice and your records.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

Invoice checklist

A 60-second check before “Send” prevents days of cleanup.

- ☐ Invoice within the correct timing window
- ☐ FY-unique invoice number
- ☐ Client legal name and GSTIN checked
- ☐ Place of supply checked
- ☐ SAC / service description checked
- ☐ Correct CGST+SGST / IGST / zero-rate treatment
- ☐ Taxable value and tax math checked
- ☐ Payment details included
- ☐ Reverse-charge / export declaration if applicable
- ☐ Copy saved to records

IN SOLOLEDGER Use a pre-send invoice checklist once, then automate it through your template and SoloLedger invoice log.

DECISION RULE

Decision rule: decide the tax treatment before the invoice is sent. Client identity, place of supply and taxable value should agree across the invoice and your records.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

ITC - the idea in one page

Good ITC records reduce cash leakage without taking aggressive positions.

Key point

Output tax GST on your taxable outward supplies.

Key point

Input tax credit Eligible GST paid on business purchases that can be used subject to the law.

Output GST	**₹45,000**
Eligible ITC	**₹12,500**
Net before other adjustments	**₹32,500**

ITC is not “cash back” by default. It is a credit in the tax system, and eligibility depends on documents, supplier reporting, use and other conditions.

DECISION RULE

Decision rule: credit is valuable only when it is supportable. Keep the purchase invoice, business purpose and review status together before claiming.

PRACTICAL DECISION

Control the credit, not just the amount

For each significant purchase, keep the invoice, business-use reason and monthly match status together. Mark doubtful items before filing.

DO THIS NEXT

- Mark eligible/pending/blocked
- Match supplier record
- Keep supporting invoice

ITC worked example

Turn a pile of expense invoices into one reconciled credit number.

GST collected on client invoices	**₹36,000**
Adobe / SaaS GST	**₹2,700**
CA invoice GST	**₹1,800**
Laptop GST - eligible portion example	**₹5,400**
Total example ITC	**₹9,900**
Approx. net GST	**₹26,100**

> The numbers only work if each credit is actually eligible and available for the period. “I paid GST” is not enough.

DECISION RULE

Decision rule: credit is valuable only when it is supportable. Keep the purchase invoice, business purpose and review status together before claiming.

PRACTICAL DECISION

Control the credit, not just the amount

For each significant purchase, keep the invoice, business-use reason and monthly match status together. Mark doubtful items before filing.

DO THIS NEXT

- Mark eligible/pending/blocked
- Match supplier record
- Keep supporting invoice

The ITC eligibility stack

A valid-looking invoice is only the first gate.

- ☐ You are registered and entitled to claim
- ☐ You hold a valid tax document
- ☐ Goods/services were received
- ☐ Tax has been paid to government as required through the chain
- ☐ Supplier details are furnished / reflected as required
- ☐ You filed the return
- ☐ Purchase is for business
- ☐ Credit is not blocked
- ☐ You are within the statutory time limit

> Treat GSTR-2B as a key practical control, not the only legal sentence that matters. ITC eligibility is a chain of conditions.

Official rule check: CGST Act Section 16 and related rules.

DECISION RULE

Decision rule: credit is valuable only when it is supportable. Keep the purchase invoice, business purpose and review status together before claiming.

PRACTICAL DECISION

Control the credit, not just the amount

For each significant purchase, keep the invoice, business-use reason and monthly match status together. Mark doubtful items before filing.

DO THIS NEXT

- Mark eligible/pending/blocked
- Match supplier record
- Keep supporting invoice

GSTR-2B - the monthly match

Your goal is not “download 2B”. Your goal is to explain every difference.

Expense log

Record invoice + GST.

GSTR-2B

Download / review.

Match

Supplier, GSTIN, value, tax.

Claim

Only eligible matched credit.

> If a purchase is in your books but not in 2B, create an exception list. Do not hide the mismatch inside a single total.

IN SOLOLEDGER Use Expense GST Input Credit plus receipt/invoice status to create the monthly reconciliation list.

DECISION RULE

Decision rule: credit is valuable only when it is supportable. Keep the purchase invoice, business purpose and review status together before claiming.

PRACTICAL DECISION

Close small, not late

A short monthly close keeps year-end simple. Keep exceptions, challans, export evidence and credit notes organised while the details are fresh.

DO THIS NEXT

- Close the month
- List open exceptions
- Maintain CA handoff folder

When an invoice is missing from GSTR-2B

Chase the exception before filing, not six months later.

1. **Confirm your invoice data**
   Wrong GSTIN / date can be your own entry error.
2. **Check supplier filing timing**
   The supplier may file in a later period.
3. **Contact the supplier**
   Ask them to correct / upload if missing.
4. **Park the credit conservatively**
   Do not build cash plans around disputed credit.
5. **Recheck next cycle**
   Keep a tracked exception until resolved.

> A supplier who repeatedly fails to report invoices creates a real cash-flow cost for you. Procurement quality is also tax quality.

DECISION RULE

Decision rule: decide the tax treatment before the invoice is sent. Client identity, place of supply and taxable value should agree across the invoice and your records.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

The 180-day supplier-payment rule

ITC can be affected by what happens after the invoice is booked.

180-day payment condition If you claim

ITC but do not pay the supplier value + tax within the statutory period, reversal / interest mechanics can apply, subject to the rules.

Distinct-person exceptions exist Do not apply

the rule mechanically to every internal / deemed supply.

> Add supplier-payment status to large ITC items. A beautiful 2B match is not the whole story if the invoice remains unpaid for too long.

Official rule check: CGST Section 16(2) proviso and Rule 37 framework.

DECISION RULE

Decision rule: credit is valuable only when it is supportable. Keep the purchase invoice, business purpose and review status together before claiming.

PRACTICAL DECISION

Turn the page into a decision

Write the one number that matters, keep the proof behind it, and note the next GST action before you move on.

DO THIS NEXT

- Update your record
- Save supporting proof
- Set the next review date

The ITC time limit

"I found the invoice later" is not always enough.

Key point

Normal cut-off 30 Nov Following the end of the relevant FY

Key point

Alternative cut-off Annual return Earlier filing can close the window

Key point

Operating rule Do not wait Reconcile missed ITC monthly

Build the cut-off into your year-end calendar. A forgotten purchase invoice can become a permanent lost credit if you find it too late.

Official rule check: Current Section 16(4) framework: ITC cut-off linked to 30 November following the FY or annual return, whichever is earlier.

DECISION RULE

Decision rule: credit is valuable only when it is supportable. Keep the purchase invoice, business purpose and review status together before claiming.

PRACTICAL DECISION

Control the credit, not just the amount

For each significant purchase, keep the invoice, business-use reason and monthly match status together. Mark doubtful items before filing.

DO THIS NEXT

- Mark eligible/pending/blocked
- Match supplier record
- Keep supporting invoice

Blocked credits - where aggressive claims go wrong

Business purpose alone does not make every GST amount claimable.

Common area	Why it needs caution
Motor vehicles / related costs	Blocked-credit rules have detailed exceptions
Food / beverages / club / wellness	Often blocked unless a specific exception applies
Works contract / immovable property	Strong restrictions and exceptions
Personal consumption	Not eligible
Gifts / free samples	Blocked-credit rules can apply
Lost / stolen / destroyed goods	Credit restrictions can apply

Do not build a “deduction list” from social media. GST blocked credit is a separate question from income-tax deductibility.

DECISION RULE

Decision rule: credit is valuable only when it is supportable. Keep the purchase invoice, business purpose and review status together before claiming.

PRACTICAL DECISION

Control the credit, not just the amount

For each significant purchase, keep the invoice, business-use reason and monthly match status together. Mark doubtful items before filing.

DO THIS NEXT

- Mark eligible/pending/blocked
- Match supplier record
- Keep supporting invoice

Mixed-use expenses

Phone, internet and equipment often need a more careful percentage than 100%.

Internet bill incl. GST	**₹2,360**
Business-use estimate	**70%**
Illustrative GST on bill	**₹360**
Illustrative business-use GST	**₹252**

Mixed-use apportionment must be reasonable and supportable. The example shows the idea, not a universal 70% rule.

Key point

Keep a basis Document why you used the business percentage.

Key point

Be consistent Do not change the percentage every month only to maximise credit.

DECISION RULE

Decision rule: credit is valuable only when it is supportable. Keep the purchase invoice, business purpose and review status together before claiming.

PRACTICAL DECISION

Turn the page into a decision

Write the one number that matters, keep the proof behind it, and note the next GST action before you move on.

DO THIS NEXT

- Update your record
- Save supporting proof
- Set the next review date

Equipment and capital purchases

Large-ticket ITC deserves better documentation.

Capital goods can carry large GST

A ₹1,18,000 laptop contains ₹18,000 GST if the taxable value is ₹1,00,000 and 18% applies.

Eligibility still matters Business use, blocked-credit

rules, invoice quality and tax treatment must all be checked.

Laptop taxable value	**₹1,00,000**
GST @ 18%	**₹18,000**
Cash paid	**₹1,18,000**

> Large equipment credits are worth reviewing individually because one mistake can be material.

DECISION RULE

Decision rule: credit is valuable only when it is supportable. Keep the purchase invoice, business purpose and review status together before claiming.

PRACTICAL DECISION

Turn the page into a decision

Write the one number that matters, keep the proof behind it, and note the next GST action before you move on.

DO THIS NEXT

- Update your record
- Save supporting proof
- Set the next review date

RCM paid and ITC

Reverse charge can be cash-neutral economically but still needs the correct payment sequence.

RCM supply

You identify a notified inward supply.

Pay tax

RCM liability is generally paid in cash.

Report

Show it in the relevant return tables.

Claim ITC

Eligible ITC may be available after payment, subject to conditions.

> Do not “net off” RCM liability against ITC in your head. The payment and credit mechanics are separate steps.

DECISION RULE

Decision rule: credit is valuable only when it is supportable. Keep the purchase invoice, business purpose and review status together before claiming.

PRACTICAL DECISION

Control the credit, not just the amount

For each significant purchase, keep the invoice, business-use reason and monthly match status together. Mark doubtful items before filing.

DO THIS NEXT

- Mark eligible/pending/blocked
- Match supplier record
- Keep supporting invoice

ITC reversal and reclaim

Credit is not always a one-time yes/no decision.

Why credit may reverse	What happens next
Supplier not paid within applicable time	Reverse and later reclaim after payment, subject to rules
Business/personal use changes	Apportion / reverse as required
Credit taken but later found blocked	Reverse and assess interest/other consequences
Rule 37A / supplier tax-payment issues	Reversal / reclaim mechanics may apply
Capital goods / exempt use changes	Special reversal rules can apply

A premium ITC tracker needs status, not just amount: Claimed, Pending, Reversed, Reclaimable, Blocked.

DECISION RULE

Decision rule: credit is valuable only when it is supportable. Keep the purchase invoice, business purpose and review status together before claiming.

PRACTICAL DECISION

Control the credit, not just the amount

For each significant purchase, keep the invoice, business-use reason and monthly match status together. Mark doubtful items before filing.

DO THIS NEXT

- Mark eligible/pending/blocked
- Match supplier record
- Keep supporting invoice

Monthly ITC worksheet - filled example

Use one exception-driven view instead of scrolling through every purchase.

Purchase	GST	2B?	Eligible?	Action
Adobe subscription	₹2,700	Yes	Yes	Claim
CA invoice	₹1,800	Yes	Yes	Claim
Phone bill	₹360	Yes	Partial	Use business %
Client dinner	₹900	Yes	Review	Blocked-credit check
Foreign SaaS	-	N/A	RCM review	Check import-of-service treatment

> This small table is more useful than a 50-line raw expense export because it forces a decision on every exception.

DECISION RULE

Decision rule: credit is valuable only when it is supportable. Keep the purchase invoice, business purpose and review status together before claiming.

PRACTICAL DECISION

Control the credit, not just the amount

For each significant purchase, keep the invoice, business-use reason and monthly match status together. Mark doubtful items before filing.

DO THIS NEXT

- Mark eligible/pending/blocked
- Match supplier record
- Keep supporting invoice

ITC checklist

This is the page to use before every GSTR-3B.

- ☐ All GST purchase invoices logged
- ☐ GSTIN and invoice data checked
- ☐ GSTR-2B downloaded
- ☐ Missing invoices listed
- ☐ Mixed-use % documented
- ☐ Blocked-credit review done
- ☐ 180-day unpaid items reviewed
- ☐ RCM items separated
- ☐ Reversals / reclaims tracked
- ☐ 30 November cut-off in calendar

DECISION RULE

Decision rule: credit is valuable only when it is supportable. Keep the purchase invoice, business purpose and review status together before claiming.

PRACTICAL DECISION

Control the credit, not just the amount

For each significant purchase, keep the invoice, business-use reason and monthly match status together. Mark doubtful items before filing.

DO THIS NEXT

- Mark eligible/pending/blocked
- Match supplier record
- Keep supporting invoice

Foreign client does not automatically mean export

Run the legal export test before using zero-rated treatment.

Key point

Client outside India is necessary The recipient must be located outside India.

But not sufficient Place of supply,

payment condition and distinct-establishment rules also matter.

This fixes the biggest risk in the original guide: “foreign client = zero-rated export” is too simple. A foreign client can fail the legal export test.

Official rule check: IGST Act Section 2(6) definition of export of services.

DECISION RULE

Decision rule: a foreign client is only the starting fact. Export conditions, place of supply and receipt evidence must still line up.

PRACTICAL DECISION

Build the export evidence chain

Keep the agreement or email trail, export invoice, receipt/remittance evidence and platform-fee record together for every foreign-client payment.

DO THIS NEXT

- Check export conditions
- Link receipt to invoice
- Keep LUT/forex proof

The five-condition export test

Use this before marking any invoice “zero-rated export”.

- ☐ Supplier of service is located in India
- ☐ Recipient of service is located outside India
- ☐ Place of supply is outside India
- ☐ Payment is received in convertible foreign exchange or INR where RBI permits
- ☐ Supplier and recipient are not merely establishments of the same person

All five conditions matter. If one fails, you may have a different GST treatment even though the client pays from overseas.

DECISION RULE

Decision rule: a foreign client is only the starting fact. Export conditions, place of supply and receipt evidence must still line up.

PRACTICAL DECISION

Build the export evidence chain

Keep the agreement or email trail, export invoice, receipt/remittance evidence and platform-fee record together for every foreign-client payment.

DO THIS NEXT

- Check export conditions
- Link receipt to invoice
- Keep LUT/forex proof

The place-of-supply trap

A US client is not enough if the place of supply remains in India.

General cross-border rule For many services,

place of supply is the recipient location - helpful for exports.

Special rules can break the export

Intermediary, performance, immovable property and other special cases can shift the place of supply.

> The question is not “Where is my client?” It is “Under Section 13, where is the place of supply for this exact service?”

Official rule check: IGST Act Section 13 cross-border place-of-supply rules.

DECISION RULE

Decision rule: keep the number, the document and the reason for the GST treatment together. That makes the next review faster and easier to explain.

PRACTICAL DECISION

Build the export evidence chain

Keep the agreement or email trail, export invoice, receipt/remittance evidence and platform-fee record together for every foreign-client payment.

DO THIS NEXT

- Check export conditions
- Link receipt to invoice
- Keep LUT/forex proof

The intermediary trap

One contract word can change the export analysis if your real role is facilitation rather than principal service delivery.

Intermediary means arranging/facilitating a supply between

others It does not include a person supplying the main service on their own account.

Why freelancers care Some commission /

agency / facilitation models can fall into intermediary analysis, which affects place of supply.

> A developer building software directly for a US client is different from an agent who only arranges a transaction between two other parties. Contract substance matters.

Official rule check: IGST Act definition of intermediary and Section 13(8) framework.

DECISION RULE

Decision rule: keep the number, the document and the reason for the GST treatment together. That makes the next review faster and easier to explain.

PRACTICAL DECISION

Build the export evidence chain

Keep the agreement or email trail, export invoice, receipt/remittance evidence and platform-fee record together for every foreign-client payment.

DO THIS NEXT

- Check export conditions
- Link receipt to invoice
- Keep LUT/forex proof

LUT - export without paying IGST

Use the route that does not unnecessarily block cash.

LUT route Export qualifying zero-rated services

without payment of IGST, subject to Rule 96A and LUT conditions.

Pay IGST + refund route Tax

is paid first and refund is claimed - usually worse for freelancer cash flow.

For most eligible registered freelancers exporting services, LUT is the simpler cash-flow route.

LUT is relevant only if you are registered and making qualifying zero-rated supplies. Unregistered persons are not “filing LUT instead of registering”.

DECISION RULE

Decision rule: a foreign client is only the starting fact. Export conditions, place of supply and receipt evidence must still line up.

PRACTICAL DECISION

Build the export evidence chain

Keep the agreement or email trail, export invoice, receipt/remittance evidence and platform-fee record together for every foreign-client payment.

DO THIS NEXT

- Check export conditions
- Link receipt to invoice
- Keep LUT/forex proof

LUT workflow

Five steps that make export invoicing boring - which is exactly what you want.

1. **Check eligibility**
   Confirm you are entitled to furnish LUT for the FY.
2. **File LUT on the GST portal**
   Usually done at the start of the financial year.
3. **Save acknowledgement / ARN**
   Keep it with your GST evidence pack.
4. **Use the export declaration**
   Your invoice should reflect supply under LUT without payment of IGST where applicable.
5. **Track realisation**
   Monitor export payment and the Rule 96A time requirements / extensions as applicable.

> LUT is not “file once forever”. Treat it as an annual setup task.

DECISION RULE

Decision rule: a foreign client is only the starting fact. Export conditions, place of supply and receipt evidence must still line up.

PRACTICAL DECISION

Build the export evidence chain

Keep the agreement or email trail, export invoice, receipt/remittance evidence and platform-fee record together for every foreign-client payment.

DO THIS NEXT

- Check export conditions
- Link receipt to invoice
- Keep LUT/forex proof

Export invoice checklist

An export invoice needs more context than a normal “PayPal invoice”.

- ☐ Your name, address and GSTIN
- ☐ Unique invoice number and date
- ☐ Foreign client name and address
- ☐ Service description and SAC
- ☐ Taxable value / currency details
- ☐ Place of supply
- ☐ Export / LUT declaration as applicable
- ☐ No IGST charged under LUT where conditions are met
- ☐ Payment instructions and foreign currency details
- ☐ Copy of contract / engagement evidence

> Also keep the invoice values consistent with the remittance trail. Currency conversion and bank fees should not make the gross service fee disappear from your records.

DECISION RULE

Decision rule: decide the tax treatment before the invoice is sent. Client identity, place of supply and taxable value should agree across the invoice and your records.

PRACTICAL DECISION

Run the 60-second invoice check

Confirm client identity, place of supply, taxable value, tax split, invoice number and payment treatment before sending or correcting.

DO THIS NEXT

- Check client State/country
- Check GST split
- Save final invoice PDF

Foreign currency and permitted INR receipts

The invoice country and the bank trail must tell the same story.

Convertible foreign exchange is the standard

export condition Your bank / platform evidence should show the remittance and payer trail.

INR can qualify where permitted by

RBI Do not assume every INR receipt from abroad qualifies. Confirm the permitted route.

> Payment mode is part of the export test. A foreign client paying in a way that fails the realisation condition can create a zero-rating problem.

DECISION RULE

Decision rule: a foreign client is only the starting fact. Export conditions, place of supply and receipt evidence must still line up.

PRACTICAL DECISION

Build the export evidence chain

Keep the agreement or email trail, export invoice, receipt/remittance evidence and platform-fee record together for every foreign-client payment.

DO THIS NEXT

- Check export conditions
- Link receipt to invoice
- Keep LUT/forex proof

Forex proof - build an evidence chain

You want enough evidence that a reviewer can connect contract > invoice > remittance.

Evidence	What it proves
Foreign client invoice	Who was billed and for what
Contract / SOW / engagement email	Commercial relationship and scope
Bank remittance advice / FIRC where issued	Foreign receipt trail
Payment platform statement	Gross receipt, fees and payer reference
LUT acknowledgement	Basis for export without IGST where applicable
Client address / tax profile	Recipient location evidence

The old guide treated “FIRC” as if every payment platform always gives one. This edition uses the broader rule: keep the remittance evidence actually available for your payment route.

DECISION RULE

Decision rule: a foreign client is only the starting fact. Export conditions, place of supply and receipt evidence must still line up.

PRACTICAL DECISION

Build the export evidence chain

Keep the agreement or email trail, export invoice, receipt/remittance evidence and platform-fee record together for every foreign-client payment.

DO THIS NEXT

- Check export conditions
- Link receipt to invoice
- Keep LUT/forex proof

Wise, PayPal and platform fees - gross vs net

Net cash is not the same as gross service value.

Client invoice	**US$2,000**
Platform / bank fee	**US$70**
Net amount credited	**US$1,930**
Service revenue record	**US$2,000**
Separate fee expense	**US$70**

Do not record only the net bank credit as revenue. Gross invoice and payment fee are different transactions.

IN SOLOLEDGER Record bank received separately from the invoice value and fee expense so your GST / income reports do not understate turnover.

DECISION RULE

Decision rule: keep the number, the document and the reason for the GST treatment together. That makes the next review faster and easier to explain.

PRACTICAL DECISION

Build the export evidence chain

Keep the agreement or email trail, export invoice, receipt/remittance evidence and platform-fee record together for every foreign-client payment.

DO THIS NEXT

- Check export conditions
- Link receipt to invoice
- Keep LUT/forex proof

Export refund route vs LUT

Zero-rated does not mean “no GST administration”. It means the law is designed not to burden the export with tax.

LUT without IGST Best for cash flow when you qualify.

ITC may accumulate and refund routes can be considered subject to rules.

Pay IGST and claim refund Can

tie up working capital and create more process, but is a statutory route.

Refund claims can involve documentation and validation. If your export business builds large unutilised ITC, discuss the refund economics with your CA rather than letting credit pile up indefinitely.

DECISION RULE

Decision rule: a foreign client is only the starting fact. Export conditions, place of supply and receipt evidence must still line up.

PRACTICAL DECISION

Build the export evidence chain

Keep the agreement or email trail, export invoice, receipt/remittance evidence and platform-fee record together for every foreign-client payment.

DO THIS NEXT

- Check export conditions
- Link receipt to invoice
- Keep LUT/forex proof

Mixed domestic + foreign clients

You do not need one GST treatment for the whole business.

Same-State Indian client fee	**₹50,000 + CGST/SGST**
Other-State Indian client fee	**₹40,000 + IGST**
Foreign client fee	**₹1,20,000 zero-rated if export test passes**
Total service turnover	**₹2,10,000**

> One month can legitimately contain all three treatments. Tagging each invoice by place of supply and tax type is what keeps the return clean.

DECISION RULE

Decision rule: a foreign client is only the starting fact. Export conditions, place of supply and receipt evidence must still line up.

PRACTICAL DECISION

Build the export evidence chain

Keep the agreement or email trail, export invoice, receipt/remittance evidence and platform-fee record together for every foreign-client payment.

DO THIS NEXT

- Check export conditions
- Link receipt to invoice
- Keep LUT/forex proof

Worked example - all-foreign-client freelancer

High income does not automatically mean 18% GST on the foreign client.

Key point

Profile Freelance developer; FY turnover ₹30 lakh; clients in US and UK.

Setup Registered; LUT filed; contracts and

remittance trail saved; export test passed for each engagement.

Export fees in month	**₹2,50,000**
Output IGST under LUT	**₹0**
Eligible business ITC	**₹12,000**
ITC cash refund / carry position	**Review with CA**

> High turnover can coexist with low output GST on qualifying exports. Registration and return filing still remain part of the system.

DECISION RULE

Decision rule: a foreign client is only the starting fact. Export conditions, place of supply and receipt evidence must still line up.

PRACTICAL DECISION

Build the export evidence chain

Keep the agreement or email trail, export invoice, receipt/remittance evidence and platform-fee record together for every foreign-client payment.

DO THIS NEXT

- Check export conditions
- Link receipt to invoice
- Keep LUT/forex proof

Export checklist

Use this before you call an invoice “zero-rated”.

- ☐ Export five-condition test passed
- ☐ Cross-border place-of-supply checked
- ☐ Intermediary / special-rule risk considered
- ☐ GST registration status correct
- ☐ LUT valid for current FY
- ☐ Export declaration on invoice
- ☐ No IGST under LUT where applicable
- ☐ Contract + client location evidence saved
- ☐ Remittance evidence saved
- ☐ Gross invoice / fee / net receipt reconciled

DECISION RULE

Decision rule: a foreign client is only the starting fact. Export conditions, place of supply and receipt evidence must still line up.

PRACTICAL DECISION

Build the export evidence chain

Keep the agreement or email trail, export invoice, receipt/remittance evidence and platform-fee record together for every foreign-client payment.

DO THIS NEXT

- Check export conditions
- Link receipt to invoice
- Keep LUT/forex proof

Reverse Charge Mechanism - the core idea

RCM shifts who pays the GST, not whether documentation matters.

Key point

Forward charge Supplier charges and pays GST - the normal model.

Key point

Reverse charge Recipient pays GST directly for specified notified supplies.

RCM is not a label for “anything foreign”. It applies only where the law / notification puts the liability on the recipient.

> First identify the supply, then the notification, then the tax payment. Do not start with the software vendor’s country.

DECISION RULE

Decision rule: review imported and notified services monthly. Small recurring tools are exactly the kind of items that get missed when RCM is checked only at year-end.

PRACTICAL DECISION

Tag RCM candidates immediately

Foreign SaaS, ads, platform fees and notified services are easy to miss. Tag them when booked so the filing review is deliberate.

DO THIS NEXT

- Tag foreign vendor
- Record INR value
- Review RCM before filing

RCM triggers: imported SaaS, ads & tools

The common freelancer purchases that deserve a reverse-charge review.

Common area to review	Why
Legal services from advocate / firm	Certain legal services are commonly covered by RCM
Goods transport agency	RCM can apply depending on the recipient and option chosen
Director / specified services	Notified categories can apply in business structures
Government / local-authority services	Specific RCM entries and exemptions can apply
Imported services	IGST reverse-charge analysis is a major freelancer issue

Treat this as a trigger list, not a claim that every row always applies. RCM categories are notification-specific.

Key point

Foreign SaaS Design, cloud, AI, CRM or productivity tools can be import-of-service candidates.

Key point

Foreign ad platforms Ad spend paid to an overseas entity often needs RCM review.

Key point

Freelancing-platform fees Platform entity location and contract structure matter.

Overseas contractors / consultants Cross-border professional

services can create import-of-service analysis.

DECISION RULE

Decision rule: review imported and notified services monthly. Small recurring tools are exactly the kind of items that get missed when RCM is checked only at year-end.

PRACTICAL DECISION

Tag RCM candidates immediately

Foreign SaaS, ads, platform fees and notified services are easy to miss. Tag them when booked so the filing review is deliberate.

DO THIS NEXT

- Tag foreign vendor
- Record INR value
- Review RCM before filing

RCM calculation - simple example

See why “net neutral” is not the same as “nothing to do”.

Foreign software charge	**₹10,000**
Illustrative IGST RCM @ 18%	**₹1,800**
Cash tax paid under RCM	**₹1,800**
Potential ITC if eligible	**₹1,800**

This can be economically close to neutral for an eligible registered business, but the cash payment and reporting still have to happen correctly.

DECISION RULE

Decision rule: review imported and notified services monthly. Small recurring tools are exactly the kind of items that get missed when RCM is checked only at year-end.

PRACTICAL DECISION

Tag RCM candidates immediately

Foreign SaaS, ads, platform fees and notified services are easy to miss. Tag them when booked so the filing review is deliberate.

DO THIS NEXT

- Tag foreign vendor
- Record INR value
- Review RCM before filing

RCM payment + ITC flow

A clean sequence prevents double counting and missed cash tax.

Identify

Notified / import-of-service supply.

Self-pay

Discharge RCM tax as required.

Report

Show the liability in GSTR-3B.

Credit

Claim eligible ITC after conditions are met.

> Keep RCM transactions in a separate tracker so they do not disappear inside normal operating expenses.

DECISION RULE

Decision rule: credit is valuable only when it is supportable. Keep the purchase invoice, business purpose and review status together before claiming.

PRACTICAL DECISION

Control the credit, not just the amount

For each significant purchase, keep the invoice, business-use reason and monthly match status together. Mark doubtful items before filing.

DO THIS NEXT

- Mark eligible/pending/blocked
- Match supplier record
- Keep supporting invoice

RCM checklist

If you are unsure, flag the facts clearly instead of forcing a tax answer.

- ☐ Foreign vendors reviewed
- ☐ Legal / GTA / notified inward services reviewed
- ☐ Import-of-service conditions checked
- ☐ Applicable rate / value confirmed
- ☐ Self-invoice / document requirement checked
- ☐ RCM tax paid correctly
- ☐ Return reporting checked
- ☐ Eligible ITC claimed only after conditions
- ☐ Registration impact reviewed if unregistered
- ☐ Open questions sent to CA

IN SOLOLEDGER Tag foreign-tool and RCM-review expenses. A saved list is far more useful than trying to remember vendor names at filing time.

DECISION RULE

Decision rule: review imported and notified services monthly. Small recurring tools are exactly the kind of items that get missed when RCM is checked only at year-end.

PRACTICAL DECISION

Tag RCM candidates immediately

Foreign SaaS, ads, platform fees and notified services are easy to miss. Tag them when booked so the filing review is deliberate.

DO THIS NEXT

- Tag foreign vendor
- Record INR value
- Review RCM before filing

6% service scheme: what it is & who can use it

A lower-rate scheme with restrictions - useful only when the business model fits.

Standard composition under Section 10 Historically

focused on eligible goods / restaurant categories and has its own conditions.

6% service / mixed-supply scheme A

separate concessional scheme introduced by Notification 02/2019-Central Tax (Rate), generally for preceding-FY turnover up to ₹50 lakh and subject to conditions.

> The old guide called this simply “composition scheme for services”. That wording is too loose. This edition distinguishes the special 6% service scheme from the standard composition framework.

Official rule check: Notification 02/2019-Central Tax (Rate), 7 Mar 2019.

- ☐ Preceding-FY aggregate turnover within ₹50 lakh limit
- ☐ No inter-State outward supplies where the scheme conditions prohibit them
- ☐ No supplies through disallowed e-commerce route
- ☐ No ITC claim
- ☐ No tax collected separately from customer
- ☐ Bill of supply / scheme wording followed
- ☐ PAN-level conditions reviewed across registrations
- ☐ CMP-08 / GSTR-4 compliance understood

> This scheme is rarely the natural fit for export-heavy or inter-State freelance businesses because its restrictions can conflict with how they operate.

DECISION RULE

Decision rule: choose the compliance route that fits your client mix, input-credit profile and cash flow - not simply the option with the smallest headline rate.

PRACTICAL DECISION

Choose by fit, not headline rate

Compare client type, export mix, input credit, cash flow and compliance effort. A simpler/lower rate is not automatically a better business outcome.

DO THIS NEXT

- Compare regular vs scheme
- Check restrictions
- Confirm choice with CA

Regular vs 6% - compare the economics, not the rate

The client price and ITC position matter more than the headline percentage.

Local B2C service turnover	**₹30,00,000**
Illustrative 6% scheme tax	**₹1,80,000**
Regular 18% output GST	**₹5,40,000**
Less eligible ITC example	**₹1,20,000**
Regular net example	**₹4,20,000**

Do not compare only ₹1.8L vs ₹4.2L. Under the regular scheme you may charge GST separately to customers; under the 6% scheme you generally cannot collect tax separately and cannot claim ITC. Pricing economics decide the real result.

DECISION RULE

Decision rule: choose the compliance route that fits your client mix, input-credit profile and cash flow - not simply the option with the smallest headline rate.

PRACTICAL DECISION

Model the client price

Compare “fee + GST” with a GST-inclusive quote. The tax treatment can change the client-facing price even when your service fee is identical.

DO THIS NEXT

- Write base fee
- Add/strip GST
- Compare final client price

QRMP - who can use it

Quarterly returns can make sense for a small registered freelancer with clean monthly records.

Key point

QRMP turnover ceiling ₹5Cr Aggregate turnover up to ₹5 crore, subject to filing conditions

Key point

Returns Quarterly GSTR-1 and GSTR-3B

Key point

Tax payment Monthly PMT-06 for first two months when payment is due

> QRMP reduces filing frequency, not bookkeeping frequency. You still need monthly numbers to avoid quarter-end surprises.

Official rule check: GST Portal QRMP advisory; eligibility up to ₹5 crore and last-due GSTR-3B filing conditions.

DECISION RULE

Decision rule: choose the compliance route that fits your client mix, input-credit profile and cash flow - not simply the option with the smallest headline rate.

PRACTICAL DECISION

Choose by fit, not headline rate

Compare client type, export mix, input credit, cash flow and compliance effort. A simpler/lower rate is not automatically a better business outcome.

DO THIS NEXT

- Compare regular vs scheme
- Check restrictions
- Confirm choice with CA

QRMP monthly payment - PMT-06

Quarterly filing still has monthly cash discipline.

1. **Month 1**
   Pay by PMT-06 where required - generally due by the 25th of next month.
2. **Month 2**
   Repeat the monthly payment step.
3. **Month 3**
   File quarterly GSTR-1 and GSTR-3B and adjust deposits.
4. **Choose payment method**
   Fixed-sum / 35% method or self-assessment, depending on your facts and portal options.

> The old guide said "pay monthly by challan" but did not teach the 25th-day PMT-06 rhythm. This page fixes that.

Official rule check: GST Portal QRMP FAQ: PMT-06 payment is generally due by the 25th of the following month for M1/M2.

DECISION RULE

Decision rule: choose the compliance route that fits your client mix, input-credit profile and cash flow - not simply the option with the smallest headline rate.

PRACTICAL DECISION

Choose by fit, not headline rate

Compare client type, export mix, input credit, cash flow and compliance effort. A simpler/lower rate is not automatically a better business outcome.

DO THIS NEXT

- Compare regular vs scheme
- Check restrictions
- Confirm choice with CA

IFF under QRMP

Quarterly filing does not have to make your corporate client wait three months for invoice visibility.

IFF is optional Quarterly filers can

use the Invoice Furnishing Facility for B2B invoices in the first two months of a quarter.

Why use it It can help

your B2B clients see invoices earlier for ITC instead of waiting for quarter-end GSTR-1.

Key point

IFF due rhythm 13th Facility normally closes after the 13th of next month

Key point

Use case B2B Most useful when clients care about monthly ITC

Key point

Mandatory? No It is an optional facility

Official rule check: GST Portal QRMP / IFF FAQ.

DECISION RULE

Decision rule: choose the compliance route that fits your client mix, input-credit profile and cash flow - not simply the option with the smallest headline rate.

PRACTICAL DECISION

Choose by fit, not headline rate

Compare client type, export mix, input credit, cash flow and compliance effort. A simpler/lower rate is not automatically a better business outcome.

DO THIS NEXT

- Compare regular vs scheme
- Check restrictions
- Confirm choice with CA

GSTR-1 - what you sold

Think of it as the outward-invoice statement, not the tax-payment return.

GSTR-1 Statement of outward supplies.

It tells the system what you invoiced and feeds recipient-side visibility / credit processes.

Normal due date rhythm 11th of

next month for monthly filers; 13th after quarter-end for quarterly filers, unless extended.

- ☐ B2B invoices checked
- ☐ Credit/debit notes checked
- ☐ Export / zero-rated supplies tagged
- ☐ Amendments reviewed
- ☐ E-invoice auto-population checked if applicable

Official rule check: GST Portal GSTR-1 user guide.

DECISION RULE

Decision rule: file from reconciled records, not memory. The clean sequence is sales -> supported credit -> RCM -> cash requirement -> return -> archived proof.

PRACTICAL DECISION

Make filing a close, not a scramble

Reconcile sales, supported credit, RCM and cash requirement before filing. Save the acknowledgement and challan immediately after.

DO THIS NEXT

- Review sales total
- Confirm credit support
- Archive filing proof

GSTR-3B - where the money gets discharged

This is the monthly / quarterly control point for tax liability and ITC.

Key point

GSTR-3B Summary return where liabilities, eligible ITC and tax payment are reported.

Normal due date rhythm 20th of

next month for monthly filers; quarterly filers generally 22nd or 24th after quarter-end depending on State/UT group.

> Do not copy GSTR-1 totals blindly into 3B. RCM, ITC, exempt/zero-rated categories and adjustments mean the return needs a reconciliation step.

Official rule check: GST Portal GSTR-3B FAQ.

DECISION RULE

Decision rule: file from reconciled records, not memory. The clean sequence is sales -> supported credit -> RCM -> cash requirement -> return -> archived proof.

PRACTICAL DECISION

Make filing a close, not a scramble

Reconcile sales, supported credit, RCM and cash requirement before filing. Save the acknowledgement and challan immediately after.

DO THIS NEXT

- Review sales total
- Confirm credit support
- Archive filing proof

The filing calendar

Your real deadline should be three days before the legal deadline.

Task	Normal rhythm	Your operating reminder
Monthly GSTR-1	11th next month	Prepare by 7th
Quarterly GSTR-1	13th after quarter	Prepare by 9th
Monthly GSTR-3B	20th next month	Finalise by 16th
Quarterly GSTR-3B	22nd / 24th after quarter	Finalise at least 3 days early
QRMP PMT-06 M1/M2	25th next month	Compute by 21st
Annual return, if applicable	As notified	Start reconciliation months earlier

These are the normal statutory rhythms. Extensions happen. Always confirm the active due date on the GST portal for the period you are filing.

DECISION RULE

Decision rule: file from reconciled records, not memory. The clean sequence is sales -> supported credit -> RCM -> cash requirement -> return -> archived proof.

PRACTICAL DECISION

Make filing a close, not a scramble

Reconcile sales, supported credit, RCM and cash requirement before filing. Save the acknowledgement and challan immediately after.

DO THIS NEXT

- Review sales total
- Confirm credit support
- Archive filing proof

Cash ledger, credit ledger and set-off

Portal ledgers explain why your bank payment is sometimes different from your mental GST total.

Key point

Electronic credit ledger Eligible ITC sits here and can be used according to set-off rules.

Key point

Electronic cash ledger Real money deposited through challans sits here.

Output tax liability	**₹60,000**
Eligible ITC used	**₹22,000**
Remaining cash tax	**₹38,000**

> RCM and certain liabilities can require cash payment even when you have credit. Do not use a generic “output minus ITC” spreadsheet as your only payment logic.

DECISION RULE

Decision rule: file from reconciled records, not memory. The clean sequence is sales -> supported credit -> RCM -> cash requirement -> return -> archived proof.

PRACTICAL DECISION

Make filing a close, not a scramble

Reconcile sales, supported credit, RCM and cash requirement before filing. Save the acknowledgement and challan immediately after.

DO THIS NEXT

- Review sales total
- Confirm credit support
- Archive filing proof

Late fees and interest

The cheapest late fee is still ₹0.

Non-nil GSTR-3B late fee ₹50/day ₹25

CGST + ₹25 SGST in the portal calculation, subject to notified caps/waivers

Key point

Nil GSTR-3B late fee ₹20/day ₹10 CGST + ₹10 SGST, subject to caps/waivers

Key point

Late tax Interest Interest can apply on delayed tax payment

Caps, waivers and special notifications can change. Let the portal compute the live amount; your job is to avoid the situation by filing early.

Official rule check: GST Portal GSTR-3B user guide shows system late-fee calculation per Act; notifications can cap/waive amounts.

DECISION RULE

Decision rule: file from reconciled records, not memory. The clean sequence is sales -> supported credit -> RCM -> cash requirement -> return -> archived proof.

PRACTICAL DECISION

Make filing a close, not a scramble

Reconcile sales, supported credit, RCM and cash requirement before filing. Save the acknowledgement and challan immediately after.

DO THIS NEXT

- Review sales total
- Confirm credit support
- Archive filing proof

Nil returns, corrections and the 30 November clean-up

A small monthly review prevents year-end corrections from becoming impossible.

Nil return still matters If you

are registered and a return is required, “no activity” does not automatically mean “nothing to file”.

Previous-FY corrections have cut-offs GSTR-1 amendments

for the previous FY are generally blocked after 30 November of the following FY; ITC has its own Section 16(4) cut-off.

- [ ] Check missing invoices
- [ ] Check credit/debit notes
- [ ] Check prior-period amendments
- [ ] Check missed ITC before 30 Nov
- [ ] Check nil-return obligation
- [ ] Save acknowledgements

Official rule check: GST Portal GSTR-1 guidance: previous-FY invoice amendments cut off after 30 November of following FY.

DECISION RULE

Decision rule: keep the number, the document and the reason for the GST treatment together. That makes the next review faster and easier to explain.

PRACTICAL DECISION

Make filing a close, not a scramble

Reconcile sales, supported credit, RCM and cash requirement before filing. Save the acknowledgement and challan immediately after.

DO THIS NEXT

- Review sales total
- Confirm credit support
- Archive filing proof

Your 15-minute monthly GST close

The habit that turns GST from a panic into a routine.

1. **0-3 min: sales**
   Confirm every invoice for the period is logged with the correct tax type.

2. **3-6 min: purchases**
   Log GST on business expenses and tag foreign-vendor / RCM items.

3. **6-9 min: 2B**
   Download / review GSTR-2B and list exceptions.

4. **9-12 min: liability**
   Estimate output tax, RCM, ITC and cash requirement.

5. **12-15 min: action**
   Chase missing supplier invoices, book the filing task and save evidence.

> Consistency beats a once-a-year clean-up. Fifteen minutes a month is the cheapest GST system you can build.

IN SOLOLEDGER Your GST Tracker should show turnover, GST collected, input GST recorded and the cash buffer needed for filing.

DECISION RULE

Decision rule: small monthly closes beat one giant year-end clean-up. Resolve exceptions while invoices, payments and supplier conversations are still fresh.

PRACTICAL DECISION

Close small, not late

A short monthly close keeps year-end simple. Keep exceptions, challans, export evidence and credit notes organised while the details are fresh.

DO THIS NEXT

- Close the month
- List open exceptions
- Maintain CA handoff folder

Year-end GST reconciliation

Make the books, portal and evidence tell the same story.

Books vs GSTR-1

Every sales invoice reported once.

ITC vs GSTR-2B

Claims explainable.

3B vs payments

Liability actually discharged.

Exports vs evidence

Zero-rated invoices tied to remittance proof.

- [ ] Sales total reconciled
- [ ] Credit/debit notes reconciled
- [ ] ITC exceptions cleared
- [ ] RCM schedule complete
- [ ] LUT and export evidence complete
- [ ] Cash/credit ledgers downloaded
- [ ] Annual-return applicability checked
- [ ] Open questions listed for CA

> Year-end is not the time to discover that six months of foreign SaaS was never reviewed for RCM.

DECISION RULE

Decision rule: small monthly closes beat one giant year-end clean-up. Resolve exceptions while invoices, payments and supplier conversations are still fresh.

PRACTICAL DECISION

Close small, not late

A short monthly close keeps year-end simple. Keep exceptions, challans, export evidence and credit notes organised while the details are fresh.

DO THIS NEXT

- Close the month
- List open exceptions
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Scenario pack - under threshold vs crossing

Use cases to copy the logic, not the exact numbers.

Case A: ₹9L domestic writer Below

the general threshold, not registered, all ordinary Indian service clients. She tracks turnover and does not collect GST just to “look professional”.

Case B: ₹18L designer + ₹5L new project Projected turnover crosses the threshold.

She confirms the liability date, applies on time, updates invoice wording and starts the return routine.

> Same profession, different GST life. Turnover timing and registration status change the operating system.

DECISION RULE

Decision rule: monitor turnover before the trigger. Registration is easier when the documents, invoice format and start date are planned in advance.

PRACTICAL DECISION

Decide before you cross

Write your FY turnover, expected invoices for the next 60 days, and the month you may cross the limit. Prepare documents before the trigger date.

DO THIS NEXT

- Update turnover
- Forecast next invoices
- Keep PAN/address/bank proof ready

Scenario pack - export-only vs mixed clients

One business can legitimately run several GST treatments side by side.

Case C: ₹30L foreign-client developer Registered,

export test passed, LUT filed, zero-rated invoices, remittance evidence saved, ITC reconciled.

Case D: mixed domestic + foreign

consultant Same-State invoices use CGST/SGST where the place-of-supply rule supports it, other-State domestic uses IGST, qualifying exports use LUT treatment.

The freelancer with foreign clients can have a simpler output-tax profile than the local freelancer - but only with clean place-of-supply and export evidence.

DECISION RULE

Decision rule: a foreign client is only the starting fact. Export conditions, place of supply and receipt evidence must still line up.

PRACTICAL DECISION

Build the export evidence chain

Keep the agreement or email trail, export invoice, receipt/remittance evidence and platform-fee record together for every foreign-client payment.

DO THIS NEXT

- Check export conditions
- Link receipt to invoice
- Keep LUT/forex proof

The one-page freelancer GST operating checklist

If these ten controls are working, most GST problems become visible before they become expensive.

- ☐ Registration status + threshold note saved
- ☐ Invoice template updated
- ☐ Client GSTIN validation routine active
- ☐ GST / TDS / bank cash separated
- ☐ 2B reconciliation routine active
- ☐ Foreign-client export test used
- ☐ LUT reminder set annually
- ☐ Foreign vendor / RCM tag active
- ☐ Return calendar set 3 days early
- ☐ CA handoff folder maintained

Official references used for this edition: CBIC CGST / IGST Acts and Rules; GST Portal tutorials for GSTR-1, GSTR-3B, QRMP and challans; Notification 10/2017-Integrated Tax; Notification 02/2019-Central Tax (Rate); Notification 10/2023-Central Tax; GSTN/IRP 2025 e-invoice reporting advisory.

Live portals: gst.gov.in | cbic-gst.gov.in | einvoice.gst.gov.in. Verified for this guide on 14 Sep 2026. Always confirm live notifications and due-date extensions before filing.

DECISION RULE

Decision rule: use the framework on your real numbers. The goal is a repeatable operating system, not memorising the sample case.

PRACTICAL DECISION

Apply it to your own business

Replace the example numbers with your turnover, client mix and purchase pattern. Copy the decision logic, not just the sample answer.

DO THIS NEXT

- Pick closest scenario
- Write biggest GST risk
- Choose one next action

Your GST peace-of-mind system

GST becomes manageable when every rupee and every document has a clear place.

Know your case -> invoice it correctly -> reconcile monthly -> file early -> hand off clean

The goal is not to become your own CA. The goal is to arrive at every GST decision with clean facts, clean records and enough time to act.

What this guide gives you A

100-page operating system with larger text, money examples, checklists, edge-case warnings and current rule references.

What SoloLedger gives you The place

to keep the numbers: turnover, invoices, tax collected, input records, outstanding cash and CA-ready reports.

Educational and record-keeping resource only. GST rates, notifications, thresholds, filing dates and legal interpretation can change and depend on facts. Confirm unusual cases on the official GST portal or with a qualified Chartered Accountant.

DECISION RULE

Decision rule: use the framework on your real numbers. The goal is a repeatable operating system, not memorising the sample case.

PRACTICAL DECISION

Apply it to your own business

Replace the example numbers with your turnover, client mix and purchase pattern. Copy the decision logic, not just the sample answer.

DO THIS NEXT

- Pick closest scenario
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