

**ANKG & ASSOCIATES**  
CHARTERED ACCOUNTANTS

CA NARESH GUPTA (Mob.- 9818014122)

CA ASHA SHARMA (Mob.-9818766256)

**GOODS AND SERVICE TAX**  
**(Awareness on Important Issues)**

Discussion Date – 16<sup>th</sup> June, 2017

Venue - IMT Industrial Association, Manesar

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For info / query write to us at :- **info@ankgasociates.com** or **ankgassociates@gmail.com**

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## **OVERVIEW OF GST**

### **➤ EXISTING CENTRAL TAXES TO BE SUBSUMED IN GST**

- Excise Duty (Central Excise Act)
- Service Tax (Finance Act, 1994)
- Countervailing Duty under Customs Tariff Act (CVD)
- Special Additional Duty under Customs Tariff Act (SAD)
- Surcharge & Education Cess under Central Excise & Service Tax

### **➤ EXISTING STATE TAXES TO BE SUBSUMED IN GST**

- Value Added Tax (VAT)
- Central Sales Tax (CST)
- Purchase Tax
- Entry Tax
- Entertainment Tax (other than those levied by local bodies)
- Luxury Tax
- Tax on Lottery , Betting & Gambling
- Surcharge & Cess
- Octroi

### **➤ CHANGES IN FUNDAMENTALS OF TAXATION STRUCTURE POST GST**

- Dual GST Structure, with equal power to both Centre & State to levy tax on all transactions
- Origin base taxation to be substituted by Destination based transaction
- Flexibility to states to modify law likely to be reduced substantially
- Strong focus on compliances
- Business decisions based on commercial parameters, rather than tax considerations
- Widening of tax base

### **➤ IMPACT OF GST ON BUSINESS – Need to assess impact on**

- Cash Flows
- Business Process / Strategy
- Accounting & Record Keeping
- IT System
- Marketing
- Supply Chain
- Product Pricing

➤ **GST JOURNEY SO FAR & VARIOUS GST ACTS**

**Notified GST Law**

- GST Law was notified on 12<sup>th</sup> April, 2017
- SGST Law has been passed by many states
- Various GST Laws are -
  - CGST Act
  - IGST Act
  - SGST Act (separate for each state)
  - UTGST Act (*SGST kind of tax cannot be levied in a UT without legislature. Means UT of Andman & nicobar Islands, Silvassa, Dadra & Nagar Haveli, Daman & Diu and Lakshdweep would not have SGST, so UTGST is also required*)
  - GST (Compensation to States) Act

**Notified GST Rules**

- As on date no GST Rules has been notified.  
GST Rules as available are those which are approved by the GST Council in its various meeting held. These are required to be notified before they come into force.

**Constitutional Amendment**

Constitution Amendment Bill (CAB) passed by Rajya Sabha on 03/08/2016 & by Lok Sabha on 08/08/2016

It got President assent and was notified as Constitution (101<sup>st</sup> Amendment) Act, 2016 on date 08/09/2016

**Key Features are :-**

- Concurrent jurisdiction for levy and collection of GST by Centre and States – Article 246A
- Centre to levy & collect IGST on Inter – state supplies including import – Article 269A
- Compensation for loss of revenue to States for five years on recommendation of GSTC – Clause 19

**GST Council constituted on 12/09/2016**

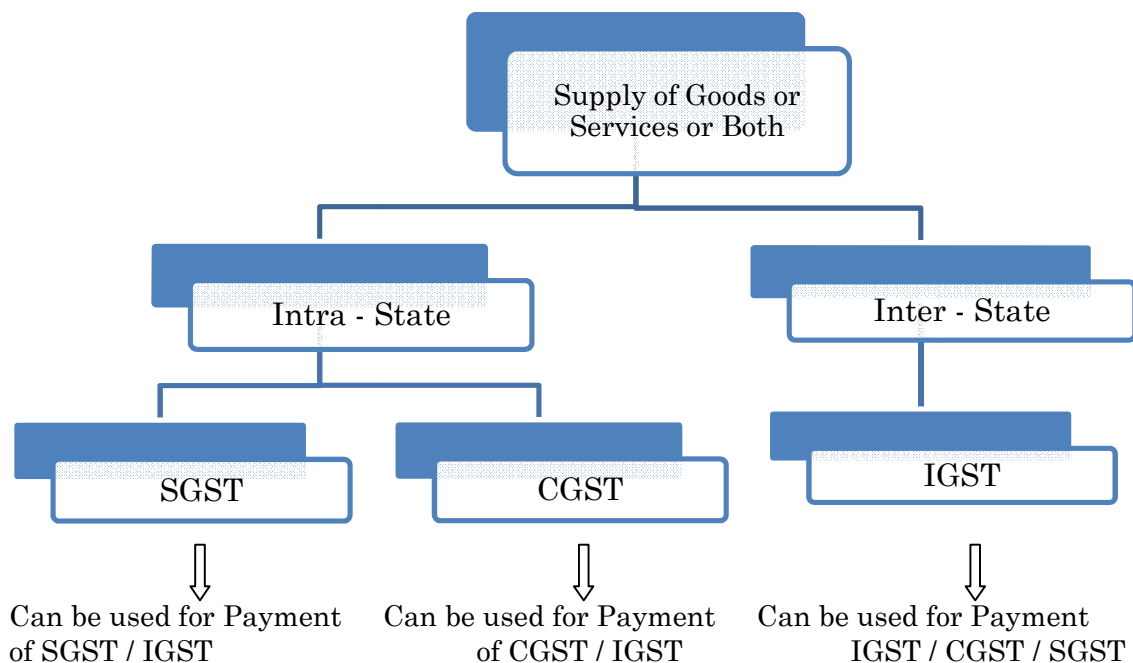
Till date total 16 nos. of meeting has been held by GST Council

Latest such meeting held on date 11/06/2017 in which council has cleared Return Rules and Transition Rules. It has also decided tax rate on various items including gold, textile & footwear.

➤ **Some of the major decisions –**

- Threshold limit of Rs.20 Lakhs (Rs.10 Lakhs for special category state)
- Compounding threshold limit of Rs.50 Lakhs (Rs. 75 Lacs\*)  
(\*Decided to increase for Rs. 75 Lakhs in latest meeting of GST Council dated 11-06-2017)
- To ensure single interface – all administrative control over
  - 90% of taxpayers having turnover below Rs.150 lakhs would vest with State Govt.
  - 10% of taxpayers having turnover below Rs.150 lakhs would vest with Central Govt
  - Taxpayers having turnover Rs.150 lakhs or above would vest with equally with State & Central Govt

**TAXABILITY UNDER GST**



### **PRODUCTS EXCLUDED FROM GST**

- Alcoholic Liquor for human consumption
- For following petroleum products, it has been provided that GST would be applicable on these goods from date as may be notified on recommendation of GST Council
  - a. petroleum crude;
  - b. high speed diesel;
  - c. motor spirit (commonly known as petrol);
  - d. natural gas;
  - e. aviation turbine fuel; and
- On above goods existing VAT / CST / Excise Duty shall continue to be applicable.
- Tobacco and tobacco products is not excluded from GST and it is also there in Entry No. 84 , it means tobacco and tobacco products will be subject to Excise Duty as well as GST

### **GST Rate Structure**

- Rate of GST for Supply of Goods – 0%, 5% , 12% , 18% & 28%
- Rate of GST for Supply of Services – 5% , 12% , 18% & 28%
- Some goods and services would be exempt
- In some cases goods and services would attract reverse charge of GST
- Separate tax rate for precious metals
- Cess over the peak rate of 28% on specified luxury and demerit goods

## **MIGRATION OF EXISTING TAX PAYERS UNDER GST ACT**

- Existing registered person under any law ( like VAT / Service Tax / Excise) and valid GST Provisional ID and Password had been allotted by the issuing authority, for migration from existing law to GST Law, shall be required to get themselves migrated on or before the date as may be announced by the Government for this purpose.
- Existing tax payer, if liable to be registered under GST then compulsorily to be registered, and in case not liable to be registered under GST, he can apply for voluntary registration.
- In case of multiple business verticals in a State, the tax payer have an option to obtain separate registration for each business vertical.
- Mandatory to have PAN (if Non - Resident taxable person then document as may be prescribed)
- “Provisional Certificate of Registration” granted irrespective of whether existing taxpayer liable to be registered under GST or not.
- Further allowable extended time period to submit requisite documents as may be prescribed
- Final registration will be granted subject to the condition that the Requisite information submitted within the time period allowed
- “Provisional Certificate of Registration” granted deemed to not have been issued if application filed for cancellation of registration by person not liable to be registered under GST or If he does not furnish the prescribed information within prescribed time period.

## **TRANSITIONAL ARRANGEMENTS FOR INPUT TAX CREDIT (ITC) ON STOCK HELD ON APPOINTED DAY**

### **Conditions for eligibility**

- Every registered person entitled to take credit of Input Tax, shall submit a declaration to this effect in prescribed form (Form GST TRAN – 1) within 90 days of appointed day.
- A registered person, other than person under composition scheme :-
  - Shall be entitled to take credit of amount of CENVAT credit carried forward in the return furnished under existing law, for the period immediately preceding the appointed day.
  - Shall also be entitled to take credit of unavailed CENVAT in respect of Capital Goods not carried forward in the return furnished under the existing law.

### **When Credit will not be allowed**

- Where said credit is not admissible as ITC under this Act, or
- Where all returns for the period of six months immediately preceding the appointed date, as per requirement under existing law, is not furnished, or
- Where the said amount of credit relates to goods manufactured and cleared under exemption notifications as are notified by the Government.
- Credit of Capital Goods will be allowed only if its credit was admissible under existing law as well as under this Act.
- So much of the credit as is attributable to any claim related to section 3, 5(3), 6, 6A or 8(8) of the Central Sales Tax Act, 1956 (related to interstate transaction) which is not substantiated in the manner & within the period prescribed in Rule 12 of CST (Registration and Turnover) Rules, 1957 **shall not be eligible** to be credited to the electronic credit ledger  
*(Rule 12 – Forms such C / F / E-1 / E-II shall be furnished within three months after the end of the period, to which the declaration or the certificate relates)*
- Such credit amount shall be refunded under the existing law when said claims are substantiated.

### **Major conditions for claiming Cenvat credit –**

- Such inputs or goods are used or intended to be used for making taxable supply under this Act;
- He is in possession of invoice or other prescribed documents evidencing payment of duty under the existing law in respect of such inputs;
- Date of issue of such invoice / documents shall not be earlier than 12 months immediately preceding the appointed day;



- registered person availing of this scheme and having furnished the details of stock held by him as required, submits a statement in **FORM GST TRAN 2** at the end of each of the six tax periods during which the scheme is in operation indicating therein the details of supplies of such goods effected during the tax period;
- Amount of credit allowed shall be credited to the electronic credit ledger of the applicant
- Stock of such goods is so stored that it can be easily identified by the registered person

## **REGISTRATIONS UNDER GST**

- **Online Registration Process:** The application and documents will be uploaded electronically on common portal.
- **PAN Based Registration:** The registration no will be alphanumeric consisting of PAN. The registration code is 15 digit unique GSTIN.
- **Mode Of Registration**
  - One state one registration (with exception more than one registration within one state for separate business verticals)
  - Separate Registration for Separate states
- **Requirement of Registration**
  - Legally recognised as supplier of goods or services
  - Authorised to collect taxes from the customer and pass on credit of taxes to paid to purchaser
  - Claim input tax credit of taxes paid
- **Composition Levy - Registration**
  - Registration as composition dealer in one state – to be registered as composition dealer in other states.
  - On crossing the threshold limit, registration as normal taxable person
- **Voluntary Registration**
  - This option is feasible if person is undertaking B2B transaction – so that Input Tax Credit can be passed on
  - Once registered – no threshold limit benefit
- **Time Limit for Obtaining Registration**
  - Every person who is liable to be registered shall apply for registration within 30 days from the date on which he becomes liable to registration.
  - A Casual Taxable Person or a Non-Resident Taxable Person shall apply for registration at least five days prior to the commencement of business.

- **Penalty**

- Assessee who is required to get registered under GST, fails to get registered within prescribed time limit, penalty of Rs.10,000/- or amount of tax evaded / non deducted / passed on, ***whichever is higher***.

## **COMPOSITION LEVY**

A registered person, whose aggregate turnover in the preceding financial year did not exceed Rs. 50 Lakhs has an option to opt to pay, in lieu of the tax payable by him, an amount calculated at such rate as may be prescribed (Given hereunder in table A)  
***(as per reports available it has been decided in GST Council 16<sup>th</sup> meeting on date 11/06/2017 that this limit will be Rs.75 Lakhs, official notification is awaited),***

### **RATE OF TAX OF THE COMPOSITION LEVY**

### **(Table A)**

S. No.	Category of registered person	Rate of Tax - CGST (of the turnover in State or UT)
1	Manufacturers, other than manufacturers of such goods as may be notified by the Government	1%
2	Person engaged in making Supplies referred to Schedule II - Para 6(b), (example – restaurant - supply of food / drinks other than alcoholic – to be treated as service)	2.50%
3	Any other supplier eligible for composition levy	0.50%

### **Conditions and Eligibility to opt for composition scheme**

- Registered person is eligible to opt if :-
  - a. he is Not engaged in the Supply of Services other than supplies referred to in Schedule II - Para 6(b), (example – restaurant - supply of food / drinks other than alcoholic);
  - b. he is not engaged in making any inter-State outward supplies of goods;
  - c. he is not engaged in making any supply of goods through an electronic commerce operator who is required to collect TCS; and
  - d. he is not a manufacturer of such goods as may be notified

- Registered Person having more than one registration with same PAN, he shall be eligible to opt for the scheme only if all such registered persons opt to pay tax under composition scheme.
- The option of this scheme shall lapse with effect from the date on which his aggregate turnover during the financial year exceeds the specified limit.
- Person opting to pay under composition scheme shall not collect any tax from the recipient on supplies made by him neither he is entitled to claim of input tax credit.

## **MEANING OF AGGREGATE TURNOVER**

Aggregate turnover means aggregate value of –

- All taxable supplies
- Exempt supplies (includes Non Taxable Supply )
- Export of goods / services / both
- Inter – State supplies of person having same PAN

It should be computed on all India basis and single PAN basis (stock transfer included in definition of aggregate turnover)

It excludes taxes, if any (CGST / SGST / IGST)

Aggregate turnover does not include Value of Inward supplies on which RCM apply.

## **Certain Activities To Be Treated As Supply Even If Made Without Consideration**

1. Permanent transfer or disposal of business assets where input tax credit has been availed on such assets.
2. Supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business:  
Provided that gifts not exceeding Rs.50,000/- in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.
3. Supply of goods—
  - a. by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or
  - b. by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
4. Import of services by a taxable person from a related person or from any of his other establishments outside India, in the course or furtherance of business.

## **COMPOSITE SUPPLY**

Composite supply” means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;

*Example — Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply*

### **Rate of Tax**

A composite supply comprising two or more supplies, one of which is a principal supply, and rate of tax as applicable for the principal supply shall be rate of tax for the whole supply ie composite supply.

## **MIXED SUPPLY**

Mixed supply” means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.

*Example— A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drinks and fruit juices when supplied for a single price is a mixed supply.*

*Each of these items can be supplied separately and is not dependent on any other. It shall not be a mixed supply if these items are supplied separately*

### **Rate of Tax**

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

## **PLACE OF BUSINESS**

Place of business” includes—

- a. a place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, supplies or receives goods or services or both; or
- b. a place where a taxable person maintains his books of account; or
- c. a place where a taxable person is engaged in business through an agent, by whatever name called;

## **PLACE OF SUPPLY**

Place of supply means the place of supply as referred to in Chapter V of the IGST Act.

As per IGST Act, the expression “supply” includes —

- a. all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;
- b. import of services for a consideration whether or not in the course or furtherance of business;
- c. the activities specified in Schedule I, made or agreed to be made without a consideration; and
- d. the activities to be treated as supply of goods or supply of services as referred to in Schedule II.

Certain exclusions provided from the scope of supply –

- a. activities or transactions specified in Schedule III; or
- b. such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified

shall be treated neither as a supply of goods nor a supply of services.

### **GST Compliance Rating**

Every registered person may be assigned a GST compliance rating score by the Government based on his record of compliance with the provisions of the Act.

Rating score may be determined on the basis of such parameters as may be prescribed.

Rating score may be updated at periodic intervals and intimated to the registered person and also placed in the public domain in such manner as may be prescribed.

### **GSTN, GSP & ASP**

GSP – GST Suvidha Providers

ASP – Application Service Provider

GSTN – Goods & Service Tax Network

EC – Empowered Committee of State Finance Ministers

GST implementation in India requires a collective effort of all the stakeholders involved like Central Govt., State Govt, CBEC, States Tax Departments, Taxpayers, Tax consultants, Software Consultants, Banks and GSTN (IT platform provider)

GSTN is a Section 8 (not for profit companies) non-Government, private limited company. It was incorporated on March 28, 2013. Equity Shareholding in GSTN is as follows –

Govt. of India	24.50%
All states & UTs, EC	24.50%
Non Govt financial institution like HDFC, ICICI	51.00 % (Balance)

The Company has been set up primarily to provide IT infrastructure and services to the Central and State Governments, tax payers and other stakeholders for implementation of the Goods and Services Tax (GST)

While selecting any ASP, the taxpayer needs to consider following issues:-

- **Data privacy and protection** – Maintaining strict data privacy under properly drafted non-disclosure agreements, data security strengths, and the ASP's arrangements for the protection of shared data.
- **Value-added services** – The extent to which an ASP provides other value-added services, such as trend analysis, tax alerts, and legal support.
- **Data retrieval and audit trail** – An ASP facility for data retrieval are very important, especially given the statutory requirements for record preservation. For a taxpayer to justify claims before tax authorities, an audit trail must be available.

## **FURNISHING OF RETURNS UNDER GST ACT**

### ➤ **Some Basic Points for GST – Returns**

- Every registered taxable person to furnish returns
- Submission of return - Through electronic (online) mode
- Every information , statement , notice etc will be issued electronically only.
- Return to be filed even if there is no business activity during the return period
- Error or omission may be rectified
- B2B transactions on invoice level – GSTIN, Invoice No. & date, Value, Description, rate of tax and value of Tax.
- B2C invoice wise only for transaction above specified limit
- Separate HSN Codes List is provided
- Separate Tables for Debit Notes / Credit Notes / Input Service Distributor Credit / TDS / TCS etc.
- Common e-Return for CGST, SGST & IGST
- Due date of furnishing details of outward supply is 10<sup>th</sup> of succeeding month and person will not be allowed to furnish details from 11<sup>th</sup> to 15<sup>th</sup> of the succeeding month
- Any delay in furnishing return will attract late filing levy of Rs.100/- per day subject to maximum of Rs.5,000/-
- Tax payer has to furnish aggregate turnover in the previous Financial Year for the first time only. This information would be auto-populated in subsequent years.
- Particulars to be furnished – at Invoice Level or Consolidate Level –

Supplies made to	Type of Transaction	Invoice Value	Level of submission
Registered Person	Inter – State	Any value	Invoice Level
	Intra – State		
Unregistered Person	Inter – State	Value > Rs.2.50 Lacs	Invoice Level
		Value upto Rs.2.50 Lacs	Consolidated (Tax Rate & State wise)
	Intra – State	Any Value	Consolidated (Tax Rate wise)

➤ **Indication of HSN Code**

- HSN Code for goods / SAC ie Service Accounting Code is required to be furnished in Invoice as well as in returns also.
- As of now ITC matching will not be done on the basis of HSN code
- HSN code can prove to be of great value in computation of gross profit and at the time of assessments.

**DESCRIPTION AND DUE DATES OF RETURNS UNDER GST**

S. No.	Form	Purpose	Due Date
1	GSTR – 1	Details of Outward supplies made by supplier (other than compounding taxpayer and ISD)	10 <sup>th</sup> of Next Month
2	GSTR – 2A	Details of Inward supplies received by recipient for claiming ITC This is details furnished by supplier in GSTR – 1 (other than compounding taxpayer and ISD)	11 <sup>th</sup> to 15 <sup>th</sup> of Next Month
3	GSTR – 2	Filed on the basis of all inward supplies reviewed and modified by recipient. Any mismatch w.r.t. inward supplies requires modification in outward supply of supplier. All these modifications are made available to supplier in GSTR – 1A.	Before the end of 15 <sup>th</sup> day of next Month
4	GSTR – 1A	Details of Outward supplies as added, corrected or deleted by the recipient	To be accepted or rejected by the supplier by 17 <sup>th</sup> of Next Month
5	GSTR-3	Monthly return on the basis of finalization of details of outward supplies and inward supplies along with the payment of amount of tax	20 <sup>th</sup> of Next Month
8	GSTR – 4	Quarterly Return for Compounding Tax Payer	18 <sup>th</sup> of Month succeeding end of Qtr
9	GSTR – 4A	Details of inward supplies made available to the recipient registered under composition scheme on the basis of FORM GSTR-1 furnished by the supplier	



10	GSTR – 5	Return for Non-Resident foreign taxable person	20 <sup>th</sup> of Next Month
11	GSTR – 6	Return for ISD	13 <sup>th</sup> of Next Month
13	GSTR – 7	Return for TDS Deductor	10 <sup>th</sup> of Next Month
14	GSTR – 7A	TDS Certificates	
15	GSTR-8	Details of supplies effected through e-commerce operator	
16	GSTR-9	Annual Return	31 <sup>st</sup> December following the end of Financial Year
17	GSTR-9A	Annual Return by person paying Tax U/s 10 (composition dealer)	
18	GSTR – 10	Final Return	Within 03 months of date of cancellation of registration

#### 1 **Rectification of any Error or Omission**

Any registered person, who has furnished the details of outward supply / Inward Supply and which have remained unmatched under section 42 or section 43 (related to matching , reversal and reclaim of ITC / Output tax), shall, upon discovery of any error or omission therein, rectify such error or omission and shall pay the tax and interest, if any, in the return to be furnished for such tax period.

**No such rectification** of error or omission shall be allowed **after furnishing of the return** under section 39 for the **month of September** following the end of the financial year to which such details pertain, **or furnishing of the relevant annual return, whichever is earlier**

#### 2. **Registered person to furnish details of Inward Supply**

Registered taxable person (other than ISD, Non-Resident, Composition Levy, TDS, TCS) shall furnish following details of inward supplies, after 10<sup>th</sup> but **on or before the 15<sup>th</sup> day** of the month succeeding the tax period :-

- Details of inward supply including supply on which tax is payable under reverse charge basis
- Inward supply taxable under IGST Act
- Inward supply of taxable goods or services or both on which IGST is payable U/s 3(1) of CTA,1975 (CVD)
- Details of credit or debit notes received in respect of such supplies

3. **Details in Return to be furnished under Composition Scheme**

A registered taxable person paying tax under **composition scheme**, shall furnish a return of

turnover in the State or Union territory,  
inward supplies of goods or services or both,  
tax payable and tax paid

The return furnished shall include, *inter-alia*:-

- a. Invoice wise inter-State and intra-State inward supplies received from registered and un-registered persons;
- b. Consolidated details of outward supplies made.

4. **Payment of Tax**

Every registered taxable person, who is required to furnish a return, **shall pay** to the account of the appropriate Government the **tax due as per such return on or before the last date of such return**

5. A registered person shall not be allowed to furnish a return for a tax period if the return for any of the previous tax periods has not been furnished by him.

6 **First Return**

Every registered taxable person who has made outward supplies in the period between the date on which he became liable to registration till the date on which registration has been granted shall declare the same in the first return filed by him after grant of registration.

7. **Annual Return**

- i. Every registered taxable person (other than ISD, Non-Resident, Composition Levy, TDS, TCS) shall furnish Annual Return for every financial year
- ii. Every registered taxable person who is required to get his account audited shall furnish –

The annual return along with the audited copy of the annual accounts, and

Reconciliation Statement, reconciling the value of supplies declared in the return furnished for the year with the audited annual financial statement, and such other particulars as may be prescribed.

Every registered person whose aggregate turnover during a financial year exceeds **Two crore rupees** shall get his accounts audited as specified U/s 35(5) and shall furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in **FORM GSTR – 9C**.

**8. FINAL RETURN**

Every registered person who is required to furnish return U/s 39(1) and whose registration has been cancelled

Shall furnish a final return within 03 months of date of cancellation or date of order of cancellation, whichever is later.

**9. LEVY OF LATE FEES**

- i. Any registered person who fails to furnish details of  
Outward Supplies as required , or  
Inward Supplies as required, or  
Returns required, or  
Final Return  
by the due date, shall be liable to pay late fee

Late Fee shall be Rs.100/- for every day during which such failure continues, subject to maximum of Rs.5,000/-

- ii. Any registered person who fails to furnish Annual Return required U/s 44 by the due date, shall be liable to pay late fee

Late fee shall be Rs.100/- for every day *during which such failure continues*,  
Subject to maximum of an amount calculated at rate of 0.25% of his turnover in the State or UT

**Claim Of Input Tax Credit And Provisional Acceptance Thereof**

1. Every registered taxable person shall be entitled to take credit of input tax, as self assessed in his return and such amount shall be credited, on a provisional basis, to his electronic credit ledger, subject to such conditions and restrictions as may be prescribed.
2. The credit shall be utilised only for payment of self assessed output tax liability as per the return.

### **Matching, Reversal And Reclaim Of Input Tax Credit**

1. Where ITC claimed by recipient is in excess of tax declared by supplier or outward supply is not declared by supplier in his valid returns, the discrepancy shall be communicated to both recipient and supplier.
2. The amount in respect of which any discrepancy is communicated and which is not rectified by the supplier in his valid return for the month in which discrepancy is communicated, shall be added to the output tax liability of the recipient, in his return for the month succeeding the month in which the discrepancy is communicated. *(ie it will be added in next month return)*
3. The amount claimed as ITC found to be in excess on account of duplication of claims shall be added to the output tax liability of the recipient in his return for the month in which the duplication is communicated.
4. A recipient whose output tax liability has been added as above shall be liable to pay interest at the rate specified U/s 50(1) [maximum 18% pa as may be notified] on the amount so added from the date of availing of credit till the corresponding additions are made.
5. The recipient shall be eligible to reduce, from his output tax liability, the amount added as above (other than because of duplication), if the supplier declares the details of the invoice or debit note in his valid return within the time specified.
6. Where any reduction in output tax liability is accepted, the interest paid at the time of addition of output tax liability shall be refunded to the recipient by crediting the amount in the corresponding head of his electronic cash ledger.
7. The amount reduced from output tax liability in contravention of the relevant provisions, shall be added to the output tax liability of the recipient in his return for the month in which such contravention takes place and such supplier shall be liable to pay interest on the amount so added at the rate specified U/s 50(3) *[not exceeding 24% pa, as may be notified]*
8. The details of every credit note relating to outward supply furnished by a 'supplier' for a tax period shall be matched –
  - With the corresponding reduction in the claim for input tax credit by the corresponding taxable person 'recipient' in his valid return for the same tax period or any subsequent tax period

*All provision of ITC matching / reversal etc is applicable to matching of outward supply in similar manner*

### **FORM AND MANNER OF FURNISHING DETAILS OF INWARD SUPPLIES**

1. The Registered person shall specify
  - the inward supplies in respect of which he is not eligible, either fully or partially, for input tax credit, where such eligibility can be determined at the invoice level.
2. The Registered person shall declare the quantum of ineligible ITC on inward supplies which is
  - relatable to non-taxable supplies or
  - for purposes other than business and cannot be determined at the invoice level
3. Where the discrepancy is not rectified either by supplier or recipient, an amount to the extent of discrepancy shall be added to the output tax liability of the recipient in his return to be furnished in **FORM GSTR-3** for the month succeeding the month in which the discrepancy is made available.

### **REFUND OF INTEREST PAID ON RECLAIM OF REVERSALS**

The interest to be refunded U/s 42(9) or 43(9) shall be claimed by the registered person in his GSTR – 1 and shall be credited to his electronic cash ledger in **FORM GST PMT – 05**

Amount credited shall be available for payment of any future liability towards interest or he may claim refund of such amount U/s 54

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## **INDICATION OF HSN CODES / SAC (AS PROPOSED)**

<b>Category of taxable person and turnover in the preceding FY</b>	<b>Requirement proposed</b>
Aggregate Turnover is < Rs 150 Lacs	HSN/SAC is not mandatory (Hence, composition dealers may not be required to specify HSN)
Aggregate Turnover is Rs 150 Lacs to Rs 500 lacs	HSN codes may be specified only at 2-digit chapter level as an optional exercise to start with.  This would be mandatory from the second year of GST implementation  - SAC code is mandatory
Aggregate Turnover is > Rs 500 lacs	HSN – minimum of 4 digits – mandatory  SAC code is mandatory
All exports included above Categories	HSN Codes at 8-digit level

**\*\*      *Any taxpayer, irrespective of his turnover, may use HSN code at 6- digit or 8-digit level if he so desires***

## **INPUT TAX CREDIT UNDER GST**

- **Purpose of GST Input Tax Credit Mechanism –**

- To ensure smooth flow of tax credit
- To ensure levy of tax on value addition by respective assessee in a transaction
- To ensure efficient system of value added tax is in place
- To eliminate or minimize possibilities of levy of tax on tax (ie cascading effect)
- To minimize tax incidence on ultimate consumer of goods/services

### **I. ELIGIBILITY AND CONDITIONS FOR TAKING INPUT TAX CREDIT**

#### **1. General Conditions**

- Every registered taxable person shall be entitled to take credit of input tax charged on any supply of goods or services made to him
- which are used or intended to be used in the course or furtherance of his business
- such amount shall be credited to the electronic credit ledger of such person

#### **2. ITC will not be allowed unless -**

- a. He is in possession of a Tax Invoice or Debit Note or any such other tax paying documents as may be prescribed, issued by a registered supplier;
- b. He has received the goods or services or both;
- c. Subject to provision (availability of ITC on provisional basis), tax charged in respect of such supply has been actually paid, either in cash or through utilization of ITC admissible in respect of the said supply; and
- d. He has furnished the required Return; exception to this –
  - In case where the goods are received in lots or instalments, credit will be allowed upon receipt of the last lot or instalment.
  - If the recipient fails to pay to the supplier of goods or services or both (other than supplies where reverse charge apply), the amount due towards the value of supply of supply along with tax payable thereon, within a period of 180 days from the date of issue of invoice by the supplier, an amount equal to the ITC availed shall be added to his output tax liability, along with interest thereon.
  - Recipient shall be entitled to such ITC when payment made to supplier

- e. Where depreciation has been claimed on the tax component of the cost of capital goods under Income Tax, ITC shall not be allowed on the said tax component.
- f. Input Tax Credit shall not be allowed in respect of any invoice or debit note after furnishing Return for the month of September following the end of Financial Year to which such invoice or invoice relating to such debit note pertains or relevant Annual Return , whichever is earlier.

## **II. APPORTIONMENT OF CREDIT**

- i. Where the goods and/or services are used partly for business and partly for other purposes, the amount of credit shall be restricted to so much of the input tax as is attributable to the purposes of his business.
- ii. Where the goods and / or services are used partly for effecting taxable supplies including zero-rated supplies and partly for exempt supplies the amount of credit shall be restricted to so much of the input tax as is attributable to the said taxable supplies including zero-rated supplies.

## **III. BLOCKED CREDITS**

### **Input Tax Credit shall not be available in respect of the following:**

#### **a. Motor Vehicles and Other Conveyances**

ITC on above will be allowed when they are used for –

- i. Making following taxable supplies, namely
  - Further supply of such vehicles or conveyances ; or
  - transportation of passengers; or
  - imparting training on driving, flying, navigating such vehicles or conveyances;
- ii. Transportation of Goods



**b. The following Supply of Goods or Services or both –**

- i. food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery

ITC on above will be allowed when they are used for –

- where such inward supply of a particular category is used by a registered person for making an outward taxable supply of the same category or as an element of composite supply or mixed supply.

- ii. membership of a club, health and fitness centre

- iii. rent-a-cab, life insurance, health insurance

ITC on this will be allowed where –

- Govt notifies the services which are obligatory for an employer to provide to its employees under any law for the time being in force; or
- where such inward supply of a particular category is used by a registered person for making an outward taxable supply of the same category or as an element of composite supply or mixed supply

- iv. Travel benefits extended to employees on vacation such as leave or home travel concession

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

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

*Explanation 1.-* For the purpose of clause (c) & (d), the word “construction” includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalization, to the said immovable property.

*Explanation 2.-* ‘Plant and Machinery’ means apparatus, equipment and machinery fixed to earth by foundation or structural support that are used for making outward supply and includes such foundation and structural supports but excludes

land, building or any other civil structures, telecommunication towers and pipelines laid outside the factory premises.

- e. Goods and/or Services on which tax has been paid under composition levy
- f. goods or services or both received by a non-resident taxable person except on goods imported by him
- g. If used for personal consumption
- h. goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples

#### **IV. AVAILABILITY OF CREDIT IN SPECIAL CIRCUMSTANCES**

1. Subject to conditions as may be prescribed, ITC will be available in special circumstances as follows –
  - a. If registration under GST has been applied within due time, as specified (vis-à-vis 30 days time) and has been granted such registration,
    - o he will be entitled to take ITC in respect of inputs held in stock , inputs contained in Semi-Finished or Finished Goods held in stock
    - o on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of this Act.
  - b. In case of voluntary registration (ie registration U/s 25(3)) –
    - o he will be entitled to take ITC in respect of inputs held in stock , inputs contained in Semi-Finished or Finished Goods held in stock
    - o on the day immediately preceding the date of grant of registration.
  - c. Where registered person ceases to pay tax under composition levy –
    - o he will be entitled to take ITC in respect of inputs held in stock , inputs contained in Semi-Finished or Finished Goods held in stock and on Capital Goods (as may be prescribed)
    - o on the day immediately preceding the date from which he becomes liable to pay tax under normal levy.
  - d. Where an exempt supply by a registered person becomes a taxable supply –
    - o Such person will be entitled to take ITC in respect of inputs held in stock , inputs contained in Semi-Finished or Finished Goods held in stock relatable to such exempt supply and on Capital Goods exclusively used for such exempt supply
    - o on the day immediately preceding the date from which such supply becomes taxable

2. Registered person shall not be entitled to ITC U/s 18(1) as above, in respect of any supply after the expiry of one year from the date of issue of tax invoice relating to such supply.
3. Where there is a change in the constitution of a registered person on account of sale, merger, demerger, amalgamation, lease or transfer of the business with the specific provisions for transfer of liabilities, the said registered person shall be allowed to transfer the ITC which remains unutilised to such sold, merged, demerged, amalgamated, leased or transferred business in such manner as may be prescribed
4. If normal registered person who has availed ITC
  - opt to pay tax under composition levy, or
  - goods and / or services supplied by him become wholly exempt,he shall pay tax either by cash or credit, equivalent to credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or on capital goods
  - o on the day immediately preceding the date of such switch over or exemption.

Payment can be made from electronic credit ledger or cash ledger

After payment of such amount, balance of input tax credit , if any, lying in his electronic credit ledger shall lapse.

5. supply of capital goods or plant and machinery, on which ITC has been taken–
  - Registered Person shall pay an amount equal to the ITC taken on the said capital goods or plant and machinery
  - Reduced by such percentage points as may be prescribed OR Tax on the Transaction Value, whichever is higher

In case where refractory bricks, moulds and dies, jigs and fixtures are supplied as scrap, the taxable person has option to pay tax on the transaction value.

*ITC on capital goods shall be claimed after reducing the tax paid on such capital goods by 5% per quarter of a year or part thereof from the date of invoice or such other documents on which the capital goods were received by the taxable person*

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**V. TAKING INPUT TAX CREDIT IN RESPECT OF INPUTS & CAPITAL GOODS SENT FOR JOB WORK**

1. The Principal shall be allowed input tax credit on inputs or capital goods sent to a job-worker or for job-work
2. Principal shall be entitled to take credit of input tax on inputs / capital goods even if the inputs are directly sent to a job worker for job-work without their being first brought to his place of business.
3. Where the inputs / capital goods sent for job-work are not received back by the Principal or are not supplied from the place of business of the job worker
  - within a period of 01 year (for input) / 03 years (for capital goods) of their being sent out,
  - it shall be deemed that such inputs / capital goods had been supplied by the principal to the job-worker on the day when the said inputs were sent out.
4. Condition of receiving back input or capital goods shall not apply to moulds and dies, jigs and fixtures, or tools sent out to a job-worker for job-work.

**VI. DOCUMENTARY REQUIREMENTS AND CONDITIONS FOR CLAIMING INPUT TAX CREDIT**

1. ITC can be claimed on the basis of any of the following documents, namely:-
  - a. an invoice issued by the supplier of goods or services or both (Tax Invoice);
  - b. an invoice issued in case of applicability of Reverse Charge subject to payment of tax;
  - c. a debit note issued by a supplier;
  - d. a bill of entry or any similar document prescribed under the Customs Act, 1962 or rules made thereunder for assessment of integrated tax on imports;
  - e. an ISD invoice or ISD credit note or any document issued by an ISD in accordance with the relevant provisions
2. ITC shall be availed by a registered person only if all the applicable particulars as prescribed in Invoice Rules are contained in the said document and relevant information is furnished in relevant return by such person.
3. No ITC in respect of any tax paid in pursuance of any order where any demand has been confirmed on account of any fraud, willful misstatement or suppression of facts.

**VII. REVERSAL OF INPUT TAX CREDIT IN CASE OF NON-PAYMENT OF CONSIDERATION**

1. A registered person, who has availed of ITC on any inward supply but fails to pay to the supplier the value of such supply along with the tax payable thereon within 180 days time, then –  
Details of such supply, amount not paid & ITC availed (proportionate amount) are required to be furnished (in GSTR-2) for the month immediately following the period of such 180 days.
2. In above case registered person shall be liable to pay interest at the rate notified U/s 50(1) for the period starting from the date of availing credit on such supplies till the date when the amount added to the output tax liability. (Maximum 18%)

**VIII. CONDITIONS AND RESTRICTIONS IN RESPECT OF INPUTS AND CAPITAL GOODS SENT TO THE JOB WORKER**

1. The inputs, semi-finished goods or capital goods shall be sent to the job worker under the cover of a challan issued by the principal, including where such goods are sent directly to a job-worker.
2. The challan issued by the principal to the job worker shall contain the details specified in Invoice Rule
3. The details of challans in respect of goods dispatched to a job worker or received from a job worker during a tax period shall be included in **FORM GSTR-1** furnished for that period.
4. Where the inputs or capital goods are not returned to the principal within the time specified (01 year for input & 03 year for capital goods), the challan issued as above shall be deemed to be an invoice for the purposes of the Act.

## **PAYMENT OF TAX**

### **I. PAYMENT OF TAX, INTEREST, PENALTY AND OTHER AMOUNTS**

#### **Payment**

- Payment can be made by internet banking / credit card / debit card / NEFT / RTGS or by other mode (as may be prescribed).
- Every deposit made towards tax, interest, penalty, fee or any other amount shall be credited to the electronic cash ledger of person depositing such amount
- Date of credit of amount to the account of appropriate government will be deemed as date of deposit in Electronic Cash Ledger.

#### **Input Tax Credit**

- The input tax credit, as self-assessed in the return of a registered person shall be credited to his Electronic Credit Ledger.

#### **Usage of amount in Cash / Credit Ledger**

- The amount available in the Electronic Cash Ledger may be used for making any payment towards -
  - tax, interest, penalty, fees or
  - any other amount as may be payable.
- The amount available in the Electronic Credit Ledger may be used for making any payment towards -
  - output tax payable under the provisions of the Acts or the rules.

It cannot be used payment of Interest , Penalty , fee or any other amount.

#### **Order of Utilisation of Credit available**

- Amount available in electronic credit ledger will comprise of IGST , CGST & SGST .
- Order of utilization of credit shall be as follows :-
  - a. ITC of IGST
    - It shall first be utilized towards payment of IGST
    - Any remaining amount shall be utilized towards payment of CGST.
    - Any further balance shall be utilized towards payment of SGST / UTGST.

b. ITC of CGST

- It shall first be utilized towards payment of CGST
- Any remaining amount shall be utilized towards payment of IGST.

c. ITC of SGST

- It shall first be utilized towards payment of SGST
- Any remaining amount shall be utilized towards payment of IGST.

d. ITC of UTGST

- It shall first be utilized towards payment of UTGST
- Any remaining amount shall be utilized towards payment of IGST.

e. Cross utilization of CGST & SGST / UTGST between each other is not allowed.

- All liabilities of a taxable person under the Act shall be recorded and maintained in an Electronic Liability Register in such manner as may be prescribed.
- Amount deposited shall be treated as discharged in following order-
  - self-assessed tax, and other dues related to returns of previous tax periods (ie earlier returns);
  - self-assessed tax, and other dues related to return of current tax period;
  - any other amount payable under the Act or the rules made thereunder including demand determined, if any.

**II. INTEREST ON DELAYED PAYMENT OF TAX**

- Every person who fails to pay the tax or any part thereof within the time prescribed, shall pay interest on his own for period of delay at the rate as may be notified (not more than 18%)
- A taxable person who makes an undue or excess claim of input tax credit or undue or excess reduction in output tax liability, shall pay interest at the rate as may be notified (not more than 24%)

### III. TAX DEDUCTION AT SOURCE

- Notwithstanding anything contained to the contrary in this Act, the Government **may mandate**, -
  - a department or establishment of the Central or State Government, or
  - Local authority, or
  - Governmental agencies, or
  - such persons or category of persons as may be notified (to be referred as “Deductor”)
- to deduct tax @ 1% from the payment made or credited to the supplier of taxable goods and/or services, where the total value of such supply, under a contract, exceeds Rs.2,50,000/-
- No TDS required to be made if Location of supplier and place of supply is in a state / UT which is different from state / UT or registration of recipient.
- For the purpose of TDS , Value of supply shall be taken as the amount excluding the tax indicated in the invoice
- TDS shall deposited by the deductor within ten days after the end of the month in which such deduction is made.
- TDS certificate shall be furnished by deductor to the deductee specifying therein the contract value, rate of deduction, amount deducted, amount of TDS, within 05 days of depositing such amount.
- Any failure to furnish TDS Certificate within prescribed time will attract a late fee, of Rs.100/- per day from the 6<sup>th</sup> day until the failure is rectified. Maximum amount of late fee Rs.5,000/-.
- Any failure to deposit TDS on time will attract interest as per sec. 50(1) which will be maximum 18%.
- Deductee shall claim credit of TDS in his Electronic Cash Ledger. (It can be claimed only if deductor has filed furnished the required return)
- No refund of TDS, to deductor shall be granted if the amount deducted has been credited to the electronic cash ledger of the deductee



## ACCOUNTS AND RECORDS

### ACCOUNTS AND OTHER RECORDS

1. All records are required to be kept and maintained at principal place of business as mentioned in the registration certificate and in case of more than one place of business as per RC, accounts relating to each place of business shall be kept at such places of business
2. Records can be maintained in any form including electronic form and record so maintained shall be authenticated by means of a digital signature
3. The Commissioner may –
  - notify a class of taxable persons to maintain additional accounts.
  - permit such class of taxable persons to maintain accounts in such manner as may be prescribed, if he thinks such class of person is not in position to keep and maintain accounts in required form
4. Account or records shall be maintained separately for each activity including manufacturing, trading and provision of services, etc
5. Each volume of books of account maintained by the registered person shall be serially numbered.
6. If registered person fails to account for the goods or services or both, (other than cases such as goods lost / stolen etc as specified),  
Officer shall determine the amount of tax payable, as if such goods or services had been supplied and the provisions relating to demand & recovery, as the case may be, shall apply for determination of such tax.
7. If any taxable goods are found to be stored at any place(s) other than those declared place without the cover of any valid documents,  
the proper officer shall determine the amount of tax payable on such goods as if such goods have been supplied by the registered person
8. Any entry in registers, accounts and documents shall **not be erased, effaced or overwritten**, and all incorrect entries (other than of clerical nature) shall be scored out under attestation and thereafter correct entry shall be recorded, and where the registers and other documents are maintained electronically, **a log of every entry edited or deleted shall be maintained.**
9. If any documents, registers, or any books of account belonging to a registered person are found at any premises other than those mentioned in the certificate of registration, they shall be presumed to be maintained by the said registered person, unless proved otherwise

10. Records required to be maintained –

- ❖ General Records (as may be applicable on the basis of activity undertaken by the registered person)
  - i. Inward and Outward supply of goods or services or both;
  - ii. goods or services imported or exported
  - iii. stock in respect of each commodity received and supplied
  - iv. Production or manufacture of goods;
  - v. monthly production accounts, showing
    - a. quantitative details of raw materials or services used in the manufacture; and
    - b. quantitative details of the goods so manufactured including the waste and by products thereof
  - vi. Stock record shall contain particulars of the
    - a. opening balance,
    - b. receipt,
    - c. supply,
    - d. goods lost,
    - e. goods stolen,
    - f. goods destroyed,
    - g. goods written off or
    - h. goods disposed of by way of gift or free samples
    - i. balance of stock including raw materials, finished goods, scrap and wastage thereof
  - vii. Output tax payable and paid; and
  - viii. Reverse Charge :-
    - supplies attracting payment of tax on reverse charge along with relevant documents, including invoices, bills of supply, delivery challans, credit notes, debit notes, receipt vouchers, payment vouchers, refund vouchers and e-way bills
  - ix. Advance Received:-
    - separate account of advances received, paid and adjustments made thereto
  - x. Account containing the details of
    - a. tax payable (including tax payable under reverse charge),
    - b. tax collected and paid,
    - c. Input tax,
    - d. Input tax credit claimed,
    - e. Register of tax invoice, credit note, debit note, delivery challan issued or received during any tax period
- ❖ Record of supplier and customer –
  - a. Names and complete addresses of suppliers / persons from whom he has received the goods or services and to whom he has supplied the goods or services;

- b. Complete addresses of the premises where the goods are stored by him, including goods stored during transit along with the particulars of the stock stored therein.

❖ Record to kept and maintained by agent referred to in sec. 2(5) of the Act –

- a. particulars of authorization received by him from each principal to receive or supply goods or services on behalf of such principal separately;
- b. particulars including description, value and quantity (wherever applicable) of goods or services Received on behalf of every principal and Supplied on behalf of every principal separately;
- c. details of accounts furnished to every principal; and
- d. tax paid on receipts or on supply of goods or services effected on behalf of every principal

❖ Records to be kept & maintained by owner of warehouse or godown or any place used for storage of goods or transporter (whether he is a registered person or not)

- Any person having custody over the goods in the capacity of a carrier or a clearing and forwarding agent for delivery or dispatch thereof to a recipient on behalf of any registered person shall maintain true and correct records in respect of such goods handled by him on behalf of the such registered person and shall produce the details thereof as and when required by the proper officer
- In case where he is not already registered, shall submit the details regarding his business electronically on the Common Portal in specified form and, upon validation of the details furnished, a unique enrolment number shall be generated and communicated to the said person
- Wherever required, such details as furnished for above may be amended.
- Business of transporting goods  
maintain records of goods transported, delivered and goods stored in transit by him and for each of his branches.
- Owner or operator of a warehouse or godown  
maintain books of accounts, with respect to the period for which particular goods remain in the warehouse, including the particulars relating to dispatch, movement, receipt, and disposal of such goods.

Goods shall be stored in such manner that they can be identified item wise and owner wise and shall facilitate any physical verification or inspection by the proper officer on demand.

❖ Supplying of Services

In addition to other required records , any registered person supplying services shall maintain the accounts showing the

- a. quantitative details of goods used in the provision of each service,
- b. details of input services utilised and the services supplied

❖ Execution of Work Contract

Every registered person executing works contract shall keep separate accounts for each works contract showing –

- a. the names and addresses of the persons on whose behalf the works contract is executed;
- b. description, value and quantity(wherever applicable) of goods or services  
received for the execution of works contract; and  
utilized in the execution of each works contract;
- c. the details of payment received in respect of each works contract;  
and
- d. the names and addresses of suppliers from whom he has received goods or services.

**GENERATION & MAINTENANCE OF ELECTRONIC RECORDS**

- i. Proper electronic back-up of records shall be maintained and preserved.
- ii. Back up etc shall be in such manner that, in the event of destruction of such records due to accidents or natural causes, the information can be restored within reasonable period of time.
- iii. Relevant records shall be produced, on demand, duly authenticated by the registered person, in hard copy or in any electronically readable format.
- iv. Where the accounts and records are stored electronically by any registered person, he shall, on demand, provide the details of such files, passwords of such files where necessary for access and any other information which is required for such access along with sample copy in print form of the information stored in such files.

## **PERIOD OF RETENTION OF ACCOUNTS**

Every registered person required to keep and maintain books of account or other records in accordance with the provisions of Act.

Records required to retain & preserved upto 72 months (ie 6 years) from due date of furnishing of annual return for the year pertaining to such accounts and records.

Example:-

*Records for the year ending 31/03/2018 shall be retained atleast upto 31/12/2024 (31/12/2018 + 72 months ie 06 years)*

In case a registered person, is a party to an appeal or revision or any other proceedings before any Authority / Tribunal / court or is under any investigation

Records required to retain & preserved for a period of one year after final disposal, or for the period specified above, whichever is later.

## **TAX INVOICE , CREDIT AND DEBIT NOTES**

### **ISSUANCE OF INVOICE**

#### **1. Issuance of Tax Invoice (supply of goods)**

- A registered person shall issue Tax Invoice (TI) on supply of taxable goods
- On supply of taxable goods –
  - Tax Invoice shall be issued before or at the time of –
    - Removal of goods for supply to the recipient, where supply involves movement of goods; or
    - Delivery of goods or making available thereof to the recipient, in any other case
  - Tax Invoice should contain description, quantity and value of goods, tax charged and other particulars

#### **2. Issuance of Tax Invoice (supply of Services)**

- A registered person shall issue Tax Invoice (TI) on supply of taxable services
- On supply of taxable services –
  - Tax Invoice shall be issued before or after the provision of service but within 30 days from the date of supply of services
  - Tax Invoice should contain description, value of service, tax charged and other particulars

#### **3. Issuance of Revised Invoice**

- A registered person may issue a revised invoice within one month from date of issuance of registration certificate
- This revised invoice will be issued against the invoice already issued during the period – beginning with the effective date of registration till the issuance of registration certificate.
- A registered person may not issue a Tax Invoice if the value of the goods or services or both supplied is less than Rs.200/- subject to such conditions as may be prescribed

**4. Issuance of Bill of Supply**

- Instead of Tax Invoice , in following cases Bill of Supply shall be issued by the registered person –
  - On supply of exempted goods or services or both
  - Where registered person is a registered under composition scheme
- Bill of supply shall contain such particulars as may be prescribed
- A registered person may not issue a Bill of Supply if the value of the goods or services or both supplied is less than Rs.200/- subject to such conditions as may be prescribed

**5. Issuance of Receipt Voucher**

- Receipt voucher shall be issued by registered person , on receipt of advance payment  
With respect to supply of any goods or services or both as an evidence of advance receipt.
- Subsequently in case no supply is made and no tax invoice is issued against the advance receipt voucher,  
Said person may issue a refund voucher against such payment to the person who had made advance payment.

**6. Issuance of invoice / voucher in case of Reverse Charge**

- Registered person liable to pay tax under reverse charge, shall issue an invoice on receipt of goods or services or both by him from supplier who is not registered on the date of receipt of goods or services or both;
- He shall issue Payment Voucher at the time of making payment to the supplier.

**7. Issuance of invoice in case of Continuous Supply**

- In case of continuous supply of goods, where successive statements of accounts or successive payments are involved, invoice shall be issued –  
Before or at the time each statement is issued or each such payment is made, as the case may be.
- Subject to provision relating to issuance of receipt voucher on advance received, in case of continuous supply of services, invoice shall be issued –
  - where due date of payment is ascertainable from the contract, on or before the due date of payment,
  - where due date of payment is Not ascertainable from the contract, before or at the time when supplier of services receives the payment
  - where the payment is linked to the completion of an event, on or before the date of completion of that event.
- In a case where the supply of services ceases under a contract before the completion of the supply, invoice shall be issued at the time when the

supply ceases and such invoice shall be issued to the extent of the supply made before such cessation.

8. Issuance of invoice when goods sent or taken on approval

- Where the goods sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be issued before or at the time of supply or six months from the date of removal, whichever is earlier.

### **PROHIBITION OF UNAUTHORISED COLLECTION OF TAX**

A person who is not a registered person shall not collect any amount by way of tax in respect of any supply of goods or services or both.

Registered person shall collect tax only in accordance with the provisions of this Act or the rules made thereunder.

### **AMOUNT OF TAX TO BE INDICATED IN TAX INVOICE AND OTHER DOCUMENTS**

Where any supply is made for a consideration, every person who is liable to pay tax for such supply shall –

- prominently indicate the amount of tax which shall form part of the price at which such supply is made in all documents relating to assessment, tax invoice and other like documents

### **CREDIT AND DEBIT NOTES**

#### **Credit Note**

1. Where a tax invoice has been issued for supply of any goods or services or both and -
  - Taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or
  - where the goods supplied are returned by the recipient, or
  - where goods or services or both supplied are found to be deficient,

Credit note shall be issued by the registered person who has supplied such goods or services or both to the recipient

2. Issuer of credit note shall declare the details of such credit note in the return for the month during such credit note has been issued.
3. Such credit note shall be issued not later than September following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted accordingly



4. No reduction in output tax liability of the supplier is permitted, if the incidence of tax and interest on such supply has been passed on to any other person.

### **Debit Note**

1. Where a tax invoice has been issued for supply of any goods or services or both and
  - Taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable

Debit note shall be issued by the registered person who has supplied such goods or services or both to the recipient.

2. Issuer of debit note shall declare the details of such debit note in the return for the month during such debit note has been issued and tax liability shall be adjusted accordingly.

The expression “debit note” shall include a supplementary invoice.

### **MANDATORY PARTICULARS IN TAX INVOICE , CREDIT AND DEBIT NOTES**

1(a). **Tax Invoice shall contain the following particulars –**

- i. Name, Address and GSTIN of the supplier;
- ii. name, address and GSTIN or UIN, if registered, of the recipient;
- iii. If recipient is un-registered and value of taxable supply is Rs.50,000/- or more ,  
Name and Address of the recipient and the address of delivery, along with the name of State and its code
- iv. Invoice Number. which shall be
  - a consecutive serial number, maximum 16 characters (alpha / numeric / special character – dash and slash are allowed)
  - can be in one or multiple series,
  - unique for a financial year;
- v. date of its issue;
- vi. HSN code of goods or Accounting Code of services (as may be specified by way of notification);
- vii. Description of goods or services;
- viii. quantity in case of goods and unit or Unique Quantity Code thereof;
- ix. Total value and Taxable value of supply of goods or services or both taking into account discount or abatement, if any;
- x. Rate of Tax (CGST, SGST, IGST, UTGST or Cess) and amount of such tax charged in respect of taxable goods or service ;

- xi. Place of supply along with the name of State, in case of a supply in the course of inter-State trade or commerce;
  - xii. Address of delivery where the same is different from the place of supply;
  - xiii. Whether the tax is payable on reverse charge basis;
  - xiv. In case invoice issued for reverse charge, it shall
  - xv. signature or digital signature of the supplier or his authorized representative;
  - xvi. In case invoice issued for reverse charge, it shall bear the signature / DSC of recipient or his authorized representative
- 1(b). In case of export of goods or services, invoice shall carry an endorsement –
- o “Supply Meant For Export On Payment Of Integrated Tax” Or
  - o “Supply Meant For Export Under Bond Or Letter Of Undertaking Without Payment Of Integrated Tax”, as the case may be, and

Invoice shall contain the following details:

- i. name and address of the recipient;
  - ii. address of delivery; and
  - iii. name of the country of destination:
- 1(c). Registered person may not issue a tax invoice in accordance with the provisions of sec 31(3)(b) (value is less than Rs.200/-) subject to the following conditions, namely:-
- a. the recipient is not a registered person; and
  - b. the recipient does not require such invoice, and shall issue a consolidated tax invoice for such supplies at the close of each day in respect of all such supplies.

### **MANNER OF ISSUING INVOICE**

In case of supply of goods, the invoice shall be prepared in triplicate, in the following manner:-

- a. the original copy marked as ORIGINAL FOR RECIPIENT;
- b. the duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and
- c. the triplicate copy being marked as TRIPLICATE FOR SUPPLIER.

In case of supply of services, the invoice shall be prepared in duplicate, in the following manner:-

- a. the original copy being marked as ORIGINAL FOR RECIPIENT; and
- b. the duplicate copy being marked as DUPLICATE FOR SUPPLIER.

The serial number of invoices issued during a tax period shall be furnished in monthly return

1. **Bill of Supply shall contain the following particulars –**

- i. Name, Address and GSTIN of the supplier;
- ii. name, address and GSTIN or UIN, if registered, of the recipient;
- iii. Invoice Number. which shall be
  - a consecutive serial number, maximum 16 characters (alpha / numeric / special character – dash and slash are allowed)
  - can be in one or multiple series,
  - unique for a financial year;
- iv. date of its issue;
- v. HSN code of goods or Accounting Code of services (as may be specified by way of notification);
- vi. Description of goods or services;
- vii. value of supply of goods or services or both taking into account discount or abatement, if any; and
- viii. signature or digital signature of the supplier or his authorized representative;

Any tax invoice or any other similar document issued under any other Act for the time being in force in respect of any non-taxable supply shall be treated as bill of supply for the purposes of the Act.

2. **Receipt Voucher shall contain the following particulars –**

- i. Name, Address and GSTIN of the supplier;
- ii. Name, address and GSTIN or UIN, if registered, of the recipient;
- iii. Serial Number which shall be
  - a consecutive serial number, maximum 16 characters (alpha / numeric / special character – dash and slash are allowed)
  - can be in one or multiple series,
  - unique for a financial year;
- iv. date of its issue;
- v. Description of goods or services;
- vi. Amount of advance taken
- vii. Rate of Tax (CGST, SGST, IGST, UTGST or Cess) and amount of such tax charged in respect of taxable goods or service ;
- viii. Place of supply along with the name of State, in case of a supply in the course of inter-State trade or commerce;
- ix. Whether the tax is payable under reverse charge basis; and
- x. signature or digital signature of the supplier or his authorized representative

If at the time of receipt of advance -

- rate of tax is not determinable, tax shall be paid at the rate of 18%
- Nature of supply is not determinable, same shall be treated as inter state supply

**3. Refund Voucher shall contain the following particulars –**

- i. Name, Address and GSTIN of the supplier;
- ii. Name, address and GSTIN or UIN, if registered, of the recipient;
- iii. Serial Number which shall be
  - a consecutive serial number, maximum 16 characters (alpha / numeric / special character – dash and slash are allowed)
  - can be in one or multiple series,
  - unique for a financial year;
- iv. date of its issue;
- v. Description of goods or services in respect of which refund is made;
- vi. Amount of Refund made
- vii. Number and date of receipt voucher issued at the time of receipt of advance.
- viii. Rate of Tax (CGST, SGST, IGST, UTGST or Cess) and Amount of such tax charged in respect of taxable goods or service ;
- ix. Whether the tax is payable under reverse charge basis; and
- x. signature or digital signature of the supplier or his authorized representative

**4. Payment Voucher shall contain the following particulars –**

- i. Name, Address and GSTIN of the supplier;
- ii. Name, address and GSTIN or UIN, if registered, of the recipient;
- iii. Serial Number which shall be
  - a consecutive serial number, maximum 16 characters (alpha / numeric / special character – dash and slash are allowed)
  - can be in one or multiple series,
  - unique for a financial year;
- iv. date of its issue;
- v. Description of goods or services;
- vi. Amount paid
- vii. Rate of Tax (CGST, SGST, IGST, UTGST or Cess) and Amount of such tax charged in respect of taxable goods or service ;
- viii. place of supply along with the name of State and its code, in case of a supply in the course of inter-State trade or commerce
- ix. signature or digital signature of the supplier or his authorized representative

**5. Revised Tax Invoice shall contain the following particulars –**

- i. word “Revised Invoice”, wherever applicable, indicated prominently
- ii. name, address and GSTIN of the supplier
- iii. name, address and GSTIN or UIN, if registered, of the recipient
- iv. nature of the document
- v. Serial Number which shall be

- a consecutive serial number, maximum 16 characters (alpha / numeric / special character – dash and slash are allowed)
  - can be in one or multiple series,
  - unique for a financial year;
- vi. date of issue of document;
- vii. name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered;
- viii. serial number and date of the corresponding tax invoice / Bill of supply as the case may be
- ix. value of taxable supply, rate of tax and the amount of the tax credited or, debited to the recipient; and
- x. signature or digital signature of the supplier or his authorized representative.

7. **Where registration has been granted with effect from a date earlier than the date of issue of registration certificate, -**

- He may issue revised tax invoice in respect of taxable supplies effected during such period
- He may issue a consolidated revised tax invoice in respect of all taxable supplies made to a recipient who is not registered during such period
- In case of inter state supplies, where value of supply does not exceed Rs.2,50,000/-
  - a consolidated revised invoice may be issued separately in respect of all recipients located in a State Who are not registered

8. Any invoice or debit note issued in pursuance of any tax payable in accordance with the provisions of section 74 or 129 or 130 (related to detention, seizure , confiscation, tax short not paid short paid etc) shall prominently contain the words “INPUT TAX CREDIT NOT ADMISSIBLE”.

9. **Transportation Of Goods Without Issue Of Invoice**

1. For the purposes of –
  - a. supply of liquid gas where the quantity is not known at the time of removal from the place of business of the supplier,
  - b. transportation of goods for job work,
  - c. transportation of goods for reasons other than by way of supply, or
  - d. such other supplies as may be notified by the Board,

The consigner may issue a delivery challan, serially numbered (max 16 character) in lieu of invoice at the time of removal of goods for transportation. The challans shall contain –

- i. Date and number of delivery challans
  - ii. Name, address and GSTIN of consigner, if registered
  - iii. Name, address and GSTIN / UIN of consignee, if registered
  - iv. HSN code and description of goods,
  - v. Quantity (provisional, where the exact quantity being supplied is not known),
  - vi. taxable value,
  - vii. tax rate and tax amount where the transportation is for supply to the consignee,
  - viii. Place of supply, in case of inter-State movement, and
  - ix. signature.
2. The delivery challans shall be prepared in Triplicate, to be marked as follows–
  - a. Original for Consignee
  - b. Duplicate for Transporter
  - c. Triplicate for Consignor
3. Where goods are being transported on a delivery challan in lieu of invoice, the same shall be declared in FORM [WAYBILL]
4. Where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods for the purpose of supply, the supplier shall issue a tax invoice after delivery of goods.
5. Where the goods are being transported in a semi knocked down or completely knocked down condition,
  - a. the supplier shall issue the complete invoice before dispatch of the first consignment;
  - b. the supplier shall issue a delivery challan for each of the subsequent consignments giving reference of the invoice;
  - c. each consignment shall be accompanied by copies of the corresponding delivery challans along with a duly certified copy of the invoice; and
  - d. the original copy of the invoice shall be sent along with the last consignment.

## **JOB – WORK**

1. A registered person (referred to as the “principal”) may under intimation and subject to such conditions as may be prescribed, send any inputs or capital goods, without payment of tax, to a job worker for job work and from there subsequently send to another job worker and likewise, and shall,—
  - a. bring back inputs, after completion of job work or otherwise, within one year,
  - b. bring back capital goods, other than moulds and dies, jigs and fixtures, or tools, within three years,of their being sent out, to any of his place of business, without payment of tax;
  - c. supply such inputs, after completion of job work or otherwise, or capital goods, other than moulds and dies, jigs and fixtures, or tools, within one year and three years, respectively, of their being sent out from the place of business of a job worker on payment of tax within India, or with or without payment of tax for export, as the case may be

Principal can supply goods from place of business of job worker only if the said principal declares the place of business of job worker as his additional place of business.

Principal need not required to declare such place as his place of business where –

- i. The job worker is registered; or
  - ii. The principal is engaged in the supply of such goods as may be notified by the Commissioner.
2. The responsibility for keeping proper accounts for the inputs or capital goods shall lie with the principal.
  3. Where the inputs or capital goods, (other than moulds and dies, jigs and fixtures, or tools) sent for job work are -
    - not received back by the principal or
    - are not supplied from the place of business of the job worker within a period of one / three year, as the case may be, of their being sent out, it shall be deemed that such inputs had been supplied by the principal to the job worker on the day when the said inputs were sent out.
  4. Any waste and scrap generated during the job work may be supplied by the job worker directly from his place of business on payment of tax, if such job worker is registered, or by the principal, if the job worker is not registered.  
Explanation.—For the purposes of job work, input includes intermediate goods arising from any treatment or process carried out on the inputs by the principal or the job worker.

## **REVERSE CHARGE**

1. The Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, on which tax shall be paid on reverse charge basis by the recipient
2. Where supply of taxable goods or services or both is made by a Unregistered Person to a Registered Person, tax shall be paid by recipient on reverse charge basis.

All the provisions of Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both

**GST council in its 14<sup>th</sup> meeting on date 19<sup>th</sup> May, 2017 approved some services on which tax is required to be paid under reverse charge.**

Services under Reverse Charge as approved by GST Council is almost same as available in existing law of Service Tax. Exception to this existing law is as follows:-

**Service covered in Reverse Charge under existing law of Service Tax but not there in GST :-**

- a. Services by a selling or marketing agent of lottery tickets in relation to lottery
- b. Services by way of renting of motor vehicle
- c. Manpower supply services
- d. Work Contract Services
- e. Aggregator services

**Service Not covered in Reverse Charge under existing law of Service Tax but covered in GST :-**

- a. Services by way of Transfer or permitting the use or enjoyment of a copyright relating to original literary, dramatic, musical or artistic works where recipient of service is publisher, music company, publisher
- b. Services by Radio Taxi or Passenger Transport Services provided through electronic commerce operator provided by taxi driver or rent a cab operator to any person. Tax will be payable by electronic commerce operator

**GST council in its 16<sup>th</sup> meeting on date 11<sup>th</sup> June, 2017 approved goods on which tax is required to be paid under reverse charge –**

- Cashew Nut in shell (Chapter heading 0801, Rate of Tax 5%)



### **Time of Supply in case of Reverse Charge**

In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earliest of the following dates:—

- a. the date of the receipt of goods; or
- b. the date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or
- c. the date immediately following thirty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier

Where it is not possible to determine the time of supply as above, it shall be the date of entry in the books of account of the recipient of supply.

## **RATES OF TAX UNDER GST**

The fitment of rates of services were discussed in 14th meeting of GST Council on date 19<sup>th</sup> May 2017.

The Council broadly approved the **GST rates for Goods and Services at 0%, 5%, 12%, 18% and 28%**

These rates will be subject to further vetting during which the list may undergo some changes, the latest meeting in this regard was held on date 11<sup>th</sup> June 2017, where the Council had announced some changes in Rates of GST.

### **A. GST Rates for Services**

#### **2. Rate of GST of 5% will be applicable in following cases:-**

- Transport Services for goods as well as passengers by Rail, GTA, Vessel, Motor Cab, Radio Taxi, Air travel in economy class, Tour Operators etc.
- Advertisement in print media.
- Job Work in relation of :-
  - Printing of newspapers
  - Printing of books (including Braille books), journals and periodicals
  - Textile yarns (other than man-made fiber / filament) & textile fabrics
  - Cut and polished diamonds; precious and semi-precious stones, or plain and studded jewellery of gold and other precious metals
  - Processing of leather

#### **3. Rate of GST of 12% will be applicable in following cases:-**

- Transport of goods in containers by rail by other than Indian Railways
- Transport of passengers by air in other than economy class
- Food / drink supply in restaurant not having facility of AC / heating and not having license to serve liquor
- Renting of hotels etc having room tariff Rs. 1000/- and above but less than Rs. 2500/- per day
- Service provided by foreman of chit fund
- Construction of complex, building, civil structure or part thereof for sale to buyer (value of land shall be included in value of services)
- Temporary transfer or permitting the use of any intellectual property

#### **4. Rate of GST of 28% will be applicable in following cases :-**

- Services provided by a race club by way of totalisator or a licensed bookmaker in such club
- Supply of Food/drinks in air-conditioned restaurant in 5-star or above rated Hotel

- Accommodation in hotels including 5 star and above rated hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, where room rent is Rs 5000/- and above per day per room
- Services by way of admission to entertainment events or access to amusement facilities including exhibition of cinematograph films, theme parks, water parks, joy rides, merry-go rounds, go-carting, casinos, race-course, ballet, any sporting event such as IPL and the like

**5. Rate of GST of 18% will be applicable in following cases :-**

- Food / drink supply in restaurant having facility of AC / heating at any time during the year and having license to serve liquor
- Food / drink supply in outdoor catering
- Renting of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes where room tariff of Rs 2500/ and above but less than Rs 5000/- per room per day
- Services by way of admission or access to circus, Indian classical dance including folk dance, theatrical performance, drama
- Composite supply of Works contract as defined in clause 119 of section 2 of CGST Act
- All other services not specified elsewhere.

*Tax rate of 18% can be said to be a standard rate for supply of services*

**6. In following case of supply (of services) , rate of tax will be the rate as applicable on supply of goods :-**

- Transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration
- Any transfer of right in goods or of undivided share in goods without the transfer of title thereof
- Supply consisting of transfer of title in goods under an agreement which stipulates that property in goods shall pass at a future date upon payment of full consideration as agreed (supply of goods): value of leasing services shall be included in the value of goods supplied

**7. Services under exemption list as approved by GST Council**

- Services as covered under exemption list of existing Service Tax Rules are also kept under the list of exemption by the GST Council.

## **B. GST Rates for Goods**

The GST Council had announced the rates of GST on 1211 items under 98 categories, whereas the rate of GST are 0%, 5%, 12%, 18% and 28%.

### **Few examples for Rate of GST on Goods are as under :-**

#### **Zero Percent (0%)**

No tax will be imposed on items like Jute, fresh meat, fish chicken, eggs, milk, butter milk, curd, natural honey, fresh fruits and vegetables, flour, besan, bread, prasad, salt, bindi. Sindoor, stamps, judicial papers, printed books, newspapers, bangles, handloom, Bones and horn cores, bone grist, bone meal, etc.; hoof meal, horn meal, Cereal grains hulled, Palmyra jaggery, Salt - all types, Kajal, Children's' picture, drawing or colouring book etc

#### **Five Percent (5%)**

Items such as fish fillet, Apparel below Rs 1000, packaged food items, footwear below Rs 500, cream, skimmed milk powder, branded paneer, frozen vegetables, coffee, tea, spices, pizza bread, rusk, sabudana, kerosene, coal, medicines, stent, lifeboats, Cashew nut, Cashew nut in shell, Raisin, Ice and snow, Bio gas, Insulin, Agarbatti, Kites, Postage or revenue stamps, stamp-post marks, first-day covers etc.

#### **Twelve Percent (12%)**

Apparel above Rs 1000, frozen meat products, butter, cheese, ghee, dry fruits in packaged form, animal fat, sausage, fruit juices, Bhujia, namkeen, Ayurvedic medicines, tooth powder, agarbatti, colouring books, picture books, umbrella, sewing machine, cellphones, Ketchup & Sauces, All diagnostic kits and reagents, Exercise books and note books, Spoons, forks, ladles, skimmers, cake servers, fish knives, tongs, Spectacles, corrective, Playing cards, chess, carom board etc.

#### **Eighteen Percent (18%) Goods**

Most items are under this tax slab which include footwear costing more than Rs 500, Bidi Patta, Biscuits (All categories), flavored refined sugar, pasta, cornflakes, pastries and cakes, preserved vegetables, jams, sauces, soups, ice cream, instant food mixes, mineral water, tissues, envelopes, tampons, note books, steel products, printed circuits, camera, speakers and monitors, Kajal pencil sticks, Headgear and parts thereof, Aluminium foil, Weighing Machinery [other than electric or electronic weighing machinery], Printers [other than multifunction printers], Electrical Transformer, CCTV, Optical Fiber, Bamboo furniture, Swimming pools and padding pools, Curry paste; mayonnaise and salad dressings; mixed condiments and mixed seasonings etc.

### **Twenty Eight Percent (28%)**

Bidis, chewing gum, molasses, chocolate not containing cocoa, waffles and wafers coated with chocolate, pan masala, aerated water, paint, deodorants, shaving creams, after shave, hair shampoo, dye, sunscreen, wallpaper, ceramic tiles, water heater, dishwasher, weighing machine, washing machine, ATM, vending machines, vacuum cleaner, shavers, hair clippers, automobiles, motorcycles, aircraft for personal use, will attract 28 % tax - the highest under GST System.

***Important Note - On the basis of HSN code the GST Rate applicable o a particular item required to be identified.***

GST Council in its On the meeting on 11<sup>th</sup> June the GST Council had revised the rates for 66 items, some of items on which GST rates are revised are as under:-

#### **Goods**

<b>Commodity</b>	<b>GST rate fixed earlier</b>	<b>Revised rate as decided in 11/06/2017 meeting</b>
Plastic tarpaulin	28%	18%
School bags		
Pre-cast concrete pipes		
Some Tractor components		
Computer printers		
Dental wax		
Plastic beads		
Ball bearings		
Packaged food (fruit, vegetable products, pickles, toppings, sauces, instant food items etc.)	18%	12%
Exercise Books		
Cutlery		
Cashew Nut		
Agarbatti	12%	5%
Insulin		
Children Colouring book	12%	0%

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**Services**

Description	GST rate fixed earlier	Revised rate as decided in 11/06/2017 meeting
Job work in textile, leather, printing, jewellery Gems and diamond processing	18%	5%
Movies	28%	18% for the ticket value <Rs.100 and 28% for the ticket value > Rs.100

**CONCLUDING REMARKS**

GST is not only a change in Indirect Taxation but it will lead to change in whole business strategy.

As you all know that GST is a new law for all be it Government or Industrialist or Consultant. Govt. has announced 1<sup>st</sup> July, 2017 to be the date from which GST will be implemented and also our Revenue Secretary Dr. Hamukh Adhia has tweeted that any deferment of GST implementation date is just a rumor.

However as of now only relevant GST Acts – like CGST Act, IGST Act has been notified. Total of 5 nos. of state has not yet passed their respective SGST Laws.

GST Rules, Rates, various formats are only approved by GST council and yet to be notified and at the time of notifications there may be changes in rules etc as approved by GST Council earlier

Next GST Council meeting is scheduled for 18<sup>th</sup> June, 2017 and as per information available in public domain, main agenda of this meeting is to discuss status of preparation at GSTN & GSP level in terms of their system, network and all.

In implementation of GST, Govt. is moving much faster than us. So all of us need to gear up for proper implementation of GST in our business / factor / offices.

Planning, installation of any ASP software, accounting software depends on nature of activity, size, product involved, location etc of the particular business entity and it cannot be same for all.

However some of the common things which are equally applicable to all and need to be complied with immediately are –

1. Complete the migration process to GST;
2. Completion of Books of Accounts and stock records on daily basis;
3. Completion and timely filing of tax returns such as VAT, CST, Excise, Service Tax etc.,
4. Compliance in relation to submission of tax concessional forms such as C-Form, H-Form, F-Form etc;
5. Updated knowledge about HNS applicable to material / product you are dealing;
6. Latest and licensed version of accounting software;
7. Robust Accounts and Store department
8. Updated system for MIS on daily basis
9. Train your staff specially Accounting and Store staff for their duties having regard to change from existing system to GST
10. Be in regular and continuous contact with a competent consultant to implement the GST in your entity, for smooth running of your industry.

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