

SEMINAR

On

“GOODS & SERVICES TAX ACT”

On

24th June, 2017.

At

Thathai Bhatia Hall,
Jn. of S V Road & Shankar Lane
Opp. Kandivali (East / West Flyover)
Kandivali (W), Mumbai

Organized jointly by,

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&

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Handbook on GST For Ready Reference

This book is meant for all our friends, colleagues, clients and their staff as a ready reference to some of the provisions under the GST Act so as to help them in day to day activities under the GST Act such as –

1. Preparation of Invoice / CN / DN / Receipt Voucher / Refund Voucher / Advance Voucher;
2. Levy of taxes such as CGST + SGST / IGST;
3. To understand the nature of transaction based on supply of Goods / Services / Both;
4. To understand the concept of Supplier and Recipient of Goods / Services / Both;
5. To understand the types of supplies under the GST regime;
6. To understand as to how the GST system is going to work on the matching concept of sales and purchases of goods / services / both;
7. To understand the concept of filing the returns, their due dates, modes of payment;
8. To understand the concept of Electronic Credit as well as Cash Ledger;
9. To understand the concept of supplies in furtherance or course of business activities, etc.

(Notes provided in between the sections are our own interpretation of the statues and may or may not be correct to some extent and there might be difference of opinions on some issues and the user of this handbook is required to obtain full clarifications before following the provisions under the GST regime.)

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Index of Topics

| Sr No | Topics Covered | Page Nos |
|-------|---|----------|
| 1 | Introduction | 4 |
| 2 | Definitions | 5 to 10 |
| 3 | Levy & Collection of Taxes | 11 to 18 |
| 4 | Time & Value of Supply | 19 to 23 |
| 5 | Place of Supply of Goods and Services | 24 to 30 |
| 6 | Tax Invoice, CN & DN | 31 to 37 |
| 8 | Formats of Invoices, CN, DN, Vouchers, etc. | 38 to 44 |
| 9 | Input Tax Credit | 45 to 54 |
| 9 | Refunds | 55 to 57 |
| 10 | Transitional Provisions | 58 to 67 |
| 11 | Registration | 68 to 71 |
| 12 | Filing of Returns & Payment of Taxes | 72 to 78 |

“GOODS AND SERVICES TAX – GST”

GST is a revolutionary change in history of India and a result of

“ONE NATION ONE TAX”

The Constitution 101 Amendment Act, 2016 provides clause (12A) under Article 366 for the term Goods and Services Tax.

Taxes to be subsumed under GST

- Central Excise Duty (*Except On Petroleum Crude, High Speed Diesel, Motor Spirit, Aviation Turbine Fuel, Tobacco & Tobacco Products*)
- Additional Excise Duty
- Additional Custom Duty (CVD)
- Special Additional Duty Of Custom (SAD)
- Central Sales Tax (CST)
- Service Tax
- VAT & Sales Tax (*Except On Petroleum Crude, High Speed Diesel, Motor Spirit, Aviation Turbine Fuel, Alcoholic Liquor For Human Consumptions;)*)
- Luxury Tax
- Taxes on Lottery, Betting & Gambling
- Entry Tax / Octroi
- Entertainment Tax
- Tax on Advertisement.

Taxes not to be subsumed under GST

- Basic Custom Duty
- Excise Duty On Alcoholic Liquor For Human Consumption
- Taxes levied by local bodies
- Property Tax
- Stamp Duty

Important definitions under the Act:-

Definition of Goods:

Section 2(52) – “goods” means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply;

Definition of Services:

Section 2(102) – “services” means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged.

Definition of Supplier:

Section 2(105) – “supplier” in relation to any goods or services or both, shall mean the **person supplying the said goods or services or both** and shall **include an agent** acting as such on behalf of such supplier in relation to the goods or services or both supplied.

Meaning of Inward Supply:

Section 2(67) – “inward supply” in relation to a person, shall mean receipt of goods or services or both whether by **purchase, acquisition or any other means with or without consideration**.

Meaning of Outward Supply:

Section 2(83) – “outward supply” in relation to a taxable person, means supply of goods or services or both, **whether by sale, transfer, barter, exchange, licence, rental, lease or disposal or any other mode, made or agreed to be made by such person in the course or furtherance of business**

Meaning of Intra-State Supply (within the state):

Where the location of the supplier of goods and or services or both and the place of recipient of such supplies are in same state, it will be intra-state / within the state supplies.

Meaning of Intra-State Supply (within the state):

Where the location of the supplier of goods and or services or both and the place of recipient of such supplies are in different state it will be inter-state supplies.

Meaning of Principal Supply:

Principal supply means the supply of goods or services which **constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary;**

Meaning of 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

*Illustration. — 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.***

1. *Where there is supply of services of room accommodation with internet facilities, breakfast, lunch, dinner, recreation, **room accommodation services will be a principal supply***
2. *When a consumer buys a **television set and he also gets warranty** and a maintenance contract with the TV, this supply is a composite supply. In this supply, **TV is the principal supply** whereas warranty and maintenance are ancillary supplies.*
3. ***A 5star hotel in Mumbai provides a 3 days / 2 nights package with breakfast and dinner.** This is a composite supply as the package of accommodation facilities coupled with breakfast and dinner is natural combination in the ordinary course of business for a hotel. In such a case, **hotel accommodation is the principal supply** whereas **breakfast and dinner are ancillary** to the hotel accommodation.*
4. ***Sale of laptop with bag** is also a composite supply; but if the customer opts to purchase some other backpack bag, it will not be a composite supply.*
5. *Purchase of **Rajdhani train ticket** which also serves **free food** in the train. Purchase of rajdhani train **ticket is the principal supply** and transaction shall be taxed at the rate of supply of train ticket. Naturally, it is a bundled service, where you cannot opt for just food and avoid purchasing train ticket.*

Key elements for determining Composite Supply –

1. *Goods and / or services are sold as package at a single price*
2. *They are also advertised as a package*
3. *Components are not available separately*
4. *Goods are physically packaged together (Eg. Toy enclosed in a packet of sereal)*
5. *It would normally make sense to supply part of the package independently (Eg. A new fridge and its delivery from the warehouse)*

6. *Although the components are separately priced, the value of each component is arbitrarily assigned.*
7. *Customers perceive what they receive as a single supply, not independent supply*
8. *Different components are aspects of the quality or grade of the overall supply.*
9. *Different components are integral to one main supply. If one or more of the components is removed, the nature of the main supply would be affected.*
10. *Some components are clearly incidental or ancillary to an identifiable main supply*

Meaning of Continuous Supply:-

“continuous supply of goods” means a supply of goods which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, whether or not by means of a wire, cable, pipeline or other conduit, and for which the supplier invoices the recipient on a regular or periodic basis and includes supply of such goods as the Government may, subject to such conditions, as it may, by notification, specify;

“continuous supply of services” means a supply of services which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, for a period exceeding three months with periodic payment obligations and includes supply of such services as the Government may, subject to such conditions, as it may, by notification, specify.

Meaning of 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. (4 commodities are sold at a consolidated price instead of pricing 4 different commodities)

When two (or more) goods, or two or more services, or a combination of goods and services, that each have individual identity and can be supplied separately, are deliberately supplied conjointly for a single consolidated price, the supply would be treated as a mixed supply.

Illustrations:

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.

A housing developer sells a residential house and supplies furniture as a complimentary gift. This is a mixed supply consisting of two components i.e. construction of a residential house and a supply of a furniture. The supply of a furniture is not integral to the supply of the house but a separate supply by itself because both components are available separately and not interdependent on each other.

A car repair workshop supplies both repair services and car batteries to its customers. When it charges a customer for supply of repair services and a car battery at a single inclusive price, it is making a mixed supply.

Meaning of Exempt Supply:

“Exempt supply” means supply of any goods or services or both **which attracts NIL rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply.**

Meaning of Zero Rated Supplies:

“Zero rated” supply means export of goods and/or services or supply of goods and/or services **to a SEZ developer or a SEZ unit.**

Meaning of Works Contract:

“works contract” means a **contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any immovable property** wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract. **(to be treated as service as per section 5[b])**

Meaning of Aggregate Turnover:

“Aggregate Turnover” means the **aggregate value of all taxable supplies** (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), **exempt supplies, exports of goods or services or both** and inter-State supplies of persons having the same Permanent Account Number (To Inter-State branch), to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess;

Meaning of Consideration:

“Consideration” in relation to the supply of goods or services or both includes –

(a) **Any payment made or to be made, whether in money or otherwise,** in respect of, in response to, or for the inducement of, the supply of goods or services or both, **whether by the recipient or by any other person** but shall not include any subsidy given by the Central Government or a State Government;

(b) The monetary value of any act or forbearance (grammatical meaning – self-control, restraint, tolerance, mercy, etc.), in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government:

Provided that a deposit given in respect of the supply of goods or services or both shall not be considered as payment made for such supply unless the supplier applies such deposit as consideration for the said supply

Meaning of Voucher:

“Voucher” means **an instrument where there is an obligation to accept it as consideration or part consideration for a supply of goods or services or both** and where the goods or services or both to be supplied or the identities of their potential

suppliers are either indicated on the instrument itself or in related documentation, including the terms and conditions of use of such instrument.

Meaning of Input:

“Input” means any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business

Meaning of Input Service:

“Input service” means any service used or intended to be used by a supplier in the course or furtherance of business.

Meaning of Input Tax:

“Input tax” in relation to a registered person, means the central tax, State tax, integrated tax or Union territory tax charged on any supply of goods or services or both made to him and includes -

- (a) the integrated goods and services tax charged on import of goods;
- (b) the tax payable under the provisions of sub-sections (3) and (4) of section 9;
- (c) the tax payable under the provisions of sub-sections (3) and (4) of section 5 of the Integrated Goods and Services Tax Act;
- (d) the tax payable under the provisions of sub-sections (3) and (4) of section 9 of the respective State Goods and Services Tax Act; or
- (e) the tax payable under the provisions of sub-sections (3) and (4) of section 7 of the Union Territory Goods and Services Tax Act, but does not include the tax paid under the composition levy

Meaning of Input Tax Credit:

“Input tax credit” means the credit of input tax.

Meaning of Location of Supplier of Services:

“location of the supplier of services” means -

- (a) Where a supply is made from a place of business for which the registration has been obtained, the location of such place of business;
- (b) Where a supply is made from a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;
- (c) Where a supply is made from more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the provisions of the supply; and

(d) In absence of such places, the location of the usual place of residence of the supplier;

Meaning of Recipient:

“recipient” of supply of goods or services or both, means –

(a) Where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;

(b) Where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available; and

(c) Where no consideration is payable for the supply of a service, the person to whom the service is rendered, and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply and shall include an agent acting as such on behalf of the recipient in relation to the goods or services or both supplied.

Meaning of Reverse Charge:

“Reverse charge” means **the liability to pay tax by the recipient of supply of goods or services or both** instead of the supplier of such goods or services or both under sub-section (3) or sub-section (4) of section 9, or under sub-section (3) or subsection (4) of section 5 of the Integrated Goods and Services Tax Act. (Tax payable by registered person for inward supplies of goods and / or services from any un-registered dealer).

Levy and Collection of Tax

Section 7(1) – For the purposes of this 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 **with or without consideration whether or not in the course or furtherance of business**;

and

(c) **The activities to be treated as supply of goods or supply of services as referred to in Schedule II.**

Matters to be treated as Supply as per Schedule I –

(1) Permanent transfer/disposal of business assets where input tax credit has been availed on such assets.

Illustration-

A dealer of Air-Conditioners permanently transfers an AC from his stock in trade, for personal use at his residence, it shall be treated as permanent transfer / disposal of business assets where ITC has been availed on such assets and shall constitute a supply under GST even where no consideration is involved.

(2) Supply of goods or services between related persons, or between distinct persons as specified in section 10, when made in the course or furtherance of business. (Ref to section 15(5) (a) on page no. 16 for related persons)

(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) Importation 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.

Matters to be treated as Supply as per Schedule II –

(1) Transfer :

- (a) Any transfer of the title in goods is a supply of goods.
- (b) Any transfer of goods or of right in goods or of undivided share in goods without the transfer of title thereof, is a supply of services.
- (c) Any transfer of title in goods under an agreement which stipulates that property in goods will pass at a future date upon payment of full consideration as agreed, is a supply of goods.

(2) Land and Building :

- (a) Any lease, tenancy, easement, license to occupy land is a supply of services.
- (b) Any lease or letting out of the building including a commercial, industrial or residential complex for business or commerce, either wholly or partly, is a supply of services.

(3) Treatment or process (Labour) :

- (a) Any treatment or process which is being applied to another person's goods is a supply of services.

(4) Transfer of business assets :

- (a) Where goods forming part of the assets of a business are transferred or disposed of by or under the directions of the person carrying on the business so as no longer to form part of those assets, whether or not for a consideration, such transfer or disposal is a supply of goods by the person.
- (b) Where, by or under the direction of a person carrying on a business, goods held or used for the purposes of the business are put to any private use or are used, or made available to any person for use, for any purpose other than a purpose of the business, whether or not for a consideration, the usage or making available of such goods is a supply of services.
- (c) Where any person ceases to be a taxable person, any goods forming part of the assets of any business carried on by him shall be deemed to be supplied by him in the course or furtherance of his business immediately before he ceases to be a taxable person, unless—
 - (i) the business is transferred as a going concern to another person (Full Transfer of Business); or
 - (ii) the business is carried on by a personal representative who is deemed to be a taxable person.

(5) The following shall be treated as “Supply of service”

- (a) Renting of immovable property; (renting of residential property is exempted under GST)
- (b) Construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or before its first occupation, whichever is earlier.

Explanation. - For the purposes of this clause—

(1) the expression "competent authority" means the Government or any authority authorized to issue completion certificate under any law for the time being in force and in case of non-requirement of such certificate from such authority, from any of the following, namely:-

(i) An architect registered with the Council of Architecture constituted under the Architects Act, 1972; or

(ii) a chartered engineer registered with the Institution of Engineers (India); or

(iii) a licensed surveyor of the respective local body of the city or town or village or development or planning authority;

(2) the expression "construction" includes additions, alterations, replacements or remodeling of any existing civil structure;

(c) Temporary transfer or permitting the use or enjoyment of any intellectual property right;

(d) Development, design, programming, customization, adaptation, upgradation, enhancement, implementation of information technology software;

(e) Agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act;

(f) Works contract including transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract;

(6) **Composite Supply** – The following composite supplies shall be treated as supply of services, namely –

(a) 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; and

(b) supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration.

(7) The following shall be treated as "Supply of goods"

(a) Supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable

Section 8 - The tax liability on a composite or a mixed supply shall be determined in the following manner, namely:-

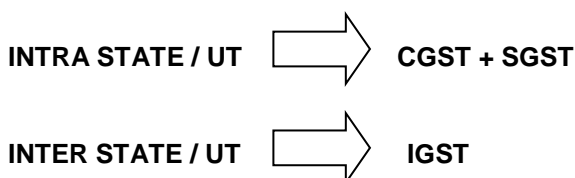
(a) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply; and (tax on such supplies would be on the principal supply)

(b) 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. (Only if the value of all mixed goods or services supplied is charged at a consolidated price. If the price of each and every goods and services supplied in the bill is identified separately, then, the rate of tax on each such goods / services shall be as per

the rate schedule) (tax on such supply shall be at the highest of all the commodities)

The GST shall be levied by the Central Government on the intra-state supply of goods and / or services which would be called as the Central Goods and Services Tax (CGST). Further, States / Union Territories will also levy GST on intra-state / union territory supply of goods and / or services which would be called as the State Goods and Services Tax /Union Territory Goods and Services Tax (SGST) / (UTGST). For the inter-state supply of goods and / or services, Integrated GST (IGST) will be levied and administered by the Centre. The collection in IGST will be compensated to the consuming State as per the compensation mechanism framed. **not exceeding 20%**. (under **CGST**, when combined with **SGST**, higher rate shall be **40%**)

The CGST on the supply of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel shall be levied with effect from such date as may be notified by the Government on the recommendations of the Council.



The Place of Supply related provisions determine whether the transaction is deemed to be intra-state / inter-state supply.

COMPOSITION LEAVY

- (1) Notwithstanding anything to the contrary contained in this Act but subject to the provisions of sub-sections (3) and (4) of section 9, a registered person, whose aggregate turnover in the preceding financial year did not exceed **seventy five lakh** rupees, may opt to pay, in lieu of the tax payable by him, an amount calculated at such rate as may be prescribed, but not exceeding –
 - (a) **2%** of the turnover in State or turnover in Union territory in case of a **manufacturer**,
 - (b) **5%** of the turnover in State or turnover in Union territory in case of **Restaurants** and
 - (c) **1%** of the turnover in State or turnover in U.T. in case of **other suppliers**.

Subject to such conditions and restrictions as may be prescribed.

Provided that the Government may, by notification, increase the said limit of Rs. 75 Lakhs to such higher amount, not exceeding Rs. 1 crore, as may be recommended by the Council.

- (2) The Registered person shall be **eligible** to opt under sub-section (1), if:-

- (a) he is not engaged in the supply of services other than supplies in relation to services of “Restaurants”
- (b) he is **not engaged** in making any **supply of goods** which are **not leviable to tax** under this Act;
- (c) he is **not engaged** in making any **inter-State outward supplies** of goods;
- (d) he is **not engaged** in making any supply of goods **through an electronic commerce operator** who is required to collect tax at source under section 52; and
- (e) he is not a manufacturer of such goods as may be notified by the Government on the recommendations of the Council
- (3) Composition Scheme is once opted, said scheme will be applicable to all registered person holding same PAN
- (4) The option availed of by a registered person shall lapse with effect from the day on which his aggregate turnover during a financial year exceeds Rs.75 lacs.
- (5) A taxable person who opts for composition levy apply shall not collect any tax from the recipient on supplies made by him nor shall he be entitled to any credit of input tax.
- (6) A registered person paying tax under the Composition Scheme shall issue a bill of supply with prescribed particulars instead of a tax invoice and shall be liable to file quarterly returns.
- (7) The GST law also provides for specific provisions in case of switch over from normal scheme to composition scheme and vice a versa.
- (8) If the proper officer has reasons to believe that a taxable person has paid tax under sub-section (1) despite not being eligible, such person shall, in addition to any tax that may be payable by him under any other provisions of this Act, be liable to a penalty and the provisions of section 73 or section 74 shall, *mutatis mutandis*, apply for determination of tax and penalty.

LEVY OF TAXES ON REVERSE CHARGE BASIS (RCM):

The tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this 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.

- *Persons who are required to pay tax under RCM have to compulsorily get registered under the GST Act.*
- *Though GST is paid on RCM, this turnover is not to be counted for determining Aggregate turnover, as turnover for output tax liability in a State or a U.T.*

- The rule of adding up of output tax liability if payment is not made within 180 days for the supplies received is not applicable to RCM supplies.
- Where the input is common to both exempted and taxable supplies, supplies under RCM is to be computed as exempted supplies for determining reversal of ITC on exempted supplies.

Situations where reverse charge will apply –

1. Unregistered persons supplying goods and / or services to Registered taxable persons
2. Services through an e-commerce operator – If an e-commerce operator supplies services then reverse charge will apply on e-commerce operator. He will be liable to pay GST.

Time of supply – For RCM Supplies

1. In respect of services – RCM Liability is the earliest of –
 - a. The date of payment by the recipient
 - b. The date immediately following 60 days from the date of issue of invoice or any other document

If time of supply could not be determined from a & b, then date of entry in the books of a/c's of recipient of supplies. Also, date of entry in books of a/c's of recipient of supplies, if the supply is by associated enterprise who is outside India.

2. In respect of goods – RCM Liability is the earliest of –
 - a. the date of the receipt of goods; or
 - b. the date of payment; or
 - c. within 30 days from the date of issue of invoice

In the event of it is still not possible, from the above, it shall be the date of receipt as per books of a/c's of the recipient of supplies.

Illustrations –

ABC Ltd of Maharashtra (not registered in Gujarat) takes transportation services from VAS Logistics in Gujarat for transportation of goods from Maharashtra Factory of ABC Ltd to customer located in Karnataka. Assuming transportation is notified as supplies covered under RCM u/s 9(3) of the GST Act, ABC Ltd will have to pay GST on such transportation services under RCM in the State of Maharashtra.

Chart of Services under Reverse Charge as approved by GST Council

| <i>Category of Service</i> | <i>Service Provider</i> | <i>% of GST Payable by service provider</i> | <i>Recipient of Services</i> | <i>% of GST payable by the recipient other than the service provider</i> |
|--|---|---|---|--|
| <i>Taxable services provided or agreed to be provided by any person who is located in a non-taxable territory and received by any person located in the taxable territory other than non-assessee online recipient (OIDAR)</i> | <i>Any person who is located in a non-taxable territory</i> | <i>NIL</i> | <i>Any person located in the taxable territory other than Non assessee online recipient (Business Recipient)</i> | <i>100 %</i> |
| <i>Services provided or agreed to be provided by a goods transport agency (GTA) in respect of transportation of goods by road</i> | <i>Goods Transport Agency (GTA)</i> | <i>NIL</i> | <i>(a) any factory regd. under or governed by the Factories Act, 1948; (b) any society regd. under the Societies Regn. Act, 1860 or under any other law for the time being in force in any part of India; (c) any co-op. society est. by or under any law; (d) any person registered under CGST / SGST / UTGST Act; (e) anybody corporate established, by or under any law; or (f) any partnership firm whether registered or not under any law including association of persons. (g) Casual taxable person</i> | <i>100 %</i> |
| <i>Services provided or agreed to be provided by an individual advocate or firm of advocates by way of legal services, directly or indirectly</i> | <i>An individual advocate or firm of advocates</i> | <i>NIL</i> | <i>Any business entity</i> | <i>100 %</i> |
| <i>Services provided or agreed to be provided by an arbitral tribunal</i> | <i>An arbitral tribunal</i> | <i>NIL</i> | <i>Any business entity</i> | <i>100 %</i> |
| <i>Sponsorship services</i> | <i>Any person</i> | <i>NIL</i> | <i>Anybody corporate or partnership firm.</i> | <i>100 %</i> |
| <i>Services provided or agreed to be provided by Government or local authority excluding, -</i> | <i>Government or local authority</i> | <i>NIL</i> | <i>Any business entity</i> | <i>100 %</i> |

| | | | | |
|---|---|------------|--|---|
| <p>(1) renting of immovable property, and</p> <p>(2) services specified below -</p> <p>(i) services by the Dept. of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Government;</p> <p>(ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;</p> <p>(iii) transport of goods or passengers.</p> | | | | |
| <p>Services provided or agreed to be provided by a director of a company or a body corporate to the said company or the body corporate;</p> | <p>A director of a company or a body corporate</p> | <p>NIL</p> | <p>A company or a body corporate</p> | <p>100 %</p> |
| <p>Services provided or agreed to be provided by an insurance agent to any person carrying on insurance business</p> | <p>An insurance Agent</p> | <p>NIL</p> | <p>Any person carrying on insurance business</p> | <p>100 %</p> |
| <p>Services provided or agreed to be provided by a recovery agent to a banking company or a financial institution or a nonbanking financial company</p> | <p>A recovery agent</p> | <p>NIL</p> | <p>A banking company or a financial institution or a nonbanking financial company.</p> | <p>100 %</p> |
| <p>Services by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India</p> | <p>A person located in non-taxable territory to a person located in non-taxable territory</p> | <p>NIL</p> | <p>Importer as defined under clause (26) of section 2 of the Customs Act, 1962.</p> | <p>100 %</p> |
| <p>Transfer or permitting the use or enjoyment of a copyright covered under clause (a) of subsection (1) of section 13 of the Copyright Act, 1957 relating to original literary, dramatic, musical or artistic works</p> | <p>Author or music composer, photographer, artist, etc.</p> | <p>NIL</p> | <p>Publisher, Music company, Producer</p> | <p>100 %</p> |
| <p>Radio taxi or Passenger Transport Services provided through electronic commerce operator</p> | <p>Taxi driver or Rent a cab Operator</p> | <p>NIL</p> | <p>Any person</p> | <p>100% by Electronic Commerce Operator</p> |

Time of Supply

IN CASE OF SUPPLY OF GOODS

- (1) The Liability to pay tax on goods shall arise at the time of supply, as determined in accordance with the provisions of this section.
- (2) The time of supply of goods shall be the **earlier of the following dates**, namely:-
- (a) the **date of issue of invoice by the supplier or the last date on which he is required to issue the invoice** with respect to the supply; or
 - (b) the **date on which the supplier receives the payment** with respect to the supply:

Provided that where the supplier of taxable goods receives an amount up to one thousand rupees in excess of the amount indicated in the tax invoice, the time of supply to the extent of such excess amount shall, at the option of the said supplier, be the date of issue of invoice in respect of such excess amount.

Explanation 1. – For the purposes of clauses (a) and (b), “supply” shall be deemed to have been made to the extent it is covered by the invoice or, as the case may be, the payment.

Explanation 2. – For the purposes of clause (b), “the date on which the supplier receives the payment” shall be the date on which the payment is entered in his books of account or the date on which the payment is credited to his bank account, whichever is earlier.

Title as well as possession both has to be transferred for a transaction to be considered as a supply of goods. In case title is not transferred, the transaction would be treated as supply of services in terms of schedule II (1) (b). In some cases, possession may be transferred immediately but title may be transferred at a future date like in case of sale on approval basis or hire purchase arrangement. Such transactions will also be termed as supply of goods.

- (3) **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, namely:-
- (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:

Provided that where it is not possible to determine the time of supply under clause (a) or clause (b) or clause (c), the time of supply shall be the date of entry in the books of account of the recipient of supply.

- (4) **In case of supply of vouchers** by a supplier, the time of supply shall be –
- a. The date of issue of voucher, if the supply is identifiable at that point; or
 - b. The date of redemption of voucher, in all other cases.
- (5) Where it is not possible to determine the time of supply under the provisions of sub-section (2) or sub-section (3) or sub-section (4), the time of supply shall–
- a. in a case where a periodical return has to be filed, be the date on which such return is to be filed; or
 - b. in any other case, be the date on which the tax is paid.
- (6) The time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the date on which the supplier receives such addition in value.

IN CASE OF SUPPLY OF SERVICES:

- (1) The liability to pay tax on services shall arise at the time of supply, as determined in accordance with the provisions of this section.
- (2) The time of supply of services shall be the earliest of the following dates, namely:-
- a. The date of issue of invoice by the supplier, if the invoice is issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or
 - b. The date of provision of such service, if the invoice is not issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier, or
 - c. the date on which the recipient shows the receipt of services in his books of account, in a case where the provisions of clause (a) or clause (b) do not apply:

Provided that where the supplier of taxable service receives an amount up to one thousand rupees in excess of the amount indicated in the tax invoice, the time of supply to the extent of such excess amount shall, at the option.

Explanation.—For the purposes of clauses (a) and (b)–

- (i) the supply shall be deemed to have been made to the extent it is covered by the invoice or, as the case may be, the payment;
- (ii) “the date of receipt of payment” shall be the date on which the payment is entered in the books of account of the supplier or the date, on which the payment is credited to his bank account, whichever is earlier.

(3) 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 earlier of the following dates, namely:—

(a) 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

(b) the date immediately following sixty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier:

Provided that where it is not possible to determine the time of supply under clause (a) or clause (b), the time of supply shall be the date of entry in the books of account of the recipient of supply:

Provided further that in case of supply by associated enterprises, where the supplier of service is located outside India, the time of supply shall be the date of entry in the books of account of the recipient of supply or the date of payment, whichever is earlier.

(4) In case of supply of vouchers by a supplier, the time of supply shall be—

(a) the date of issue of voucher, if the supply is identifiable at that point; or

(b) the date of redemption of voucher, in all other cases.

(5) Where it is not possible to determine the time of supply under the provisions of sub-section (2) or sub-section (3) or sub-section (4), the time of supply shall—

(a) in a case where a periodical return has to be filed, be the date on which such return is to be filed; or

(b) in any other case, be the date on which the tax is paid.

(6) The time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the date on which the supplier receives such addition in value.

Notwithstanding anything contained above the time of supply, **where there is a change in the rate of tax in respect of goods or services or both**, shall be determined in the following manner, namely:—

(a) in case the goods or services or both have been supplied before the change in rate of tax -

(i) where the invoice for the same has been issued and the payment is also received after the change in rate of tax, the time of supply shall be the date of receipt of payment or the date of issue of invoice, whichever is earlier; or

(ii) where the invoice has been issued prior to the change in rate of tax but payment is received after the change in rate of tax, the time of supply shall be the date of issue of invoice; or

(iii) where the payment has been received before the change in rate of tax, but the invoice for the same is issued after the change in rate of tax, the time of supply shall be the date of receipt of payment;

(b) in case the goods or services or both have been supplied after the change in rate of tax—

(i) where the payment is received after the change in rate of tax but the invoice has been issued prior to the change in rate of tax, the time of supply shall be the date of receipt of payment; or

(ii) where the invoice has been issued and payment is received before the change in rate of tax, the time of supply shall be the date of receipt of payment or date of issue of invoice, whichever is earlier; or

(iii) where the invoice has been issued after the change in rate of tax but the payment is received before the change in rate of tax, the time of supply shall be the date of issue of invoice:

Provided that the date of receipt of payment shall be the date of credit in the bank account if such credit in the bank account is after four working days from the date of change in the rate of tax.

Explanation.—For the purposes of this section, “the date of receipt of payment” shall be the date on which the payment is entered in the books of account of the supplier or the date on which the payment is credited to his bank account, whichever is earlier.

VALUE OF SUPPLY

(1) The value of supply of goods and / or services or both shall be the transaction value, i.e. the price actually paid or payable for the said supply where the supplier and the recipient are not related and the price is the sole consideration for the supply.

(2) The value of supply **shall include –**

(a) any taxes, duties, cess, fees and charges levied under any statute, other than the CGST Act, SGST Act, IGST Act and UTGST Act, if charges separately by the recipient.

(b) Any amount that the supplier is liable to pay in relation to such supply but which has been incurred by the recipient of the supply and not included in the price actually paid or payable for the goods and / or services.

(c) Incidental expenses, including commission and packing, charged by the supplier to the recipient of a supply, and any amount charged for anything done by the supplier in respect of the supply of goods and/or services or both at the time of, or before delivery of the goods or, as the case may be, supply of the services.

(d) Interest or late fee or penalty for delayed payment of any consideration for any supply; and

(e) Subsidies directly linked to the price excluding subsidies provided by the central and state govt.

(3) The value of supply **shall not include** any discount that is given:

(a) Before or at the time of the supply provided such discount has been duly recorded in the invoice issued in respect of such supply. and

(b) After the supply has been effected, provided that

i. Such discount is established in terms of an agreement entered into at or before the time of such supply and specifically linked to relevant invoices; and

ii. Input tax credit has been reversed by the recipient of the supply as is attributable to the discount on the basis of document issued by the supplier.

(4) Where the value of supply of goods or services or both cannot be determined under sub-section (1), the same shall be determined in such manner as may be prescribed.

(5) Notwithstanding anything contained in sub-section (1) or sub-section (4), the value of such supplies as may be notified by the Government on the recommendations of the Council shall be determined in such manner as may be prescribed.

Explanation – For the purpose of this Act, -

(a) Persons shall be deemed to be “related persons” if –

(i) such persons are officers or directors of one another’s businesses;

(ii) such persons are legally recognised partners in business;

(iii) such persons are employer and employee;

(iv) any person directly or indirectly owns, controls or holds 25 % or more of the outstanding voting stock or shares of both of them;

(v) one of them directly or indirectly controls the other;

(vi) both of them are directly or indirectly controlled by a third person;

(vii) together they directly or indirectly control a third person; or

(viii) they are members of the same family;

(b) the term “Person” also includes a legal person

(c) persons who are associated in the business of one another in that one is the sole agent or sole distributor or sole concessionaire, howsoever described, of the other, shall be deemed to be related.

Place of Supply of Goods and / or Services

Importance of Place of Supply -

Goods & Services Tax (GST) is a destination based consumption tax, mean tax should effectively go/be paid where consumption of such supplies at destination thereof or as the case may at point of consumptions. Place of supply is required to determine whether a supply is subject to SGST or IGST, according to Intra-state or Inter-state transaction. Hence, Place of supply play a vital role in determining which state is going to consume the tax.

Consequence of Wrong classification of Place of Supply –

According to Section 74(1) and 74(2) of CGST Act, 2017, If a registered person who has paid CGST & SGST on a transaction considering to be an intrastate (within the state), But later on held to be an inter-state transaction or vice-versa then amount of such tax shall be refunded subject to such manner & condition as may be prescribed. Meaning thereby, registered person shall pay in cash such tax to appropriate govt. and claim refund. It will result into financial implication to the registered person and therefore the Place of Supply of Goods or Services need to be determined before entering into transaction so that the tax goes to the appropriate govt.

Location of Place of Supplier of Services –

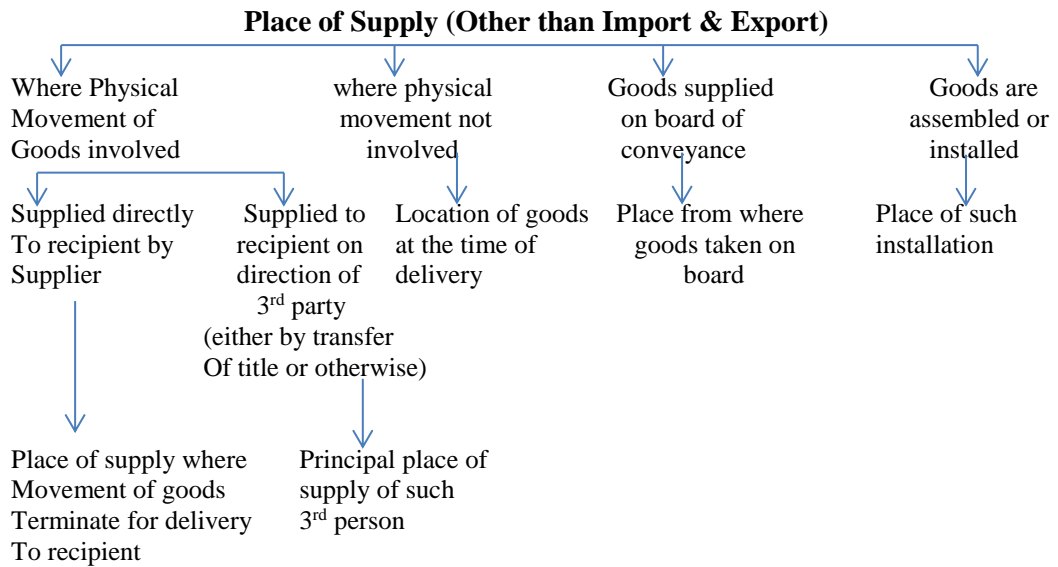
- Place for which registration is obtained
- Other than registered place (Fixed Establishment) APOB
- More than 1 Establishment, most concerned with supply
- Usual POR

Location of Recipient of Services –

- Place for which registration is obtained
- Other than registered place (Fixed Establishment) APOB
- More than 1 Establishment, most concerned with supply
- Usual POR

The revised IGST Law has provided separate provisions for Place of Supply of Services where the location of supplier of service and location of recipient of service is in India. The basic rule that has been incorporated is that except in case of specific situations, if service is supplied to registered person, the place of supply of service shall be location of registered person. However, if service is supplied to any person other than registered person, the place of supply of service will be the location of recipient where address on record exists or location of supplier of services in other cases. The above rule is general rule and the specific provisions have been made for specific nature of services.

Place of Supply of Goods –



Examples where movement of goods are involved –

Example 1

- Supplier A is in Delhi
- Recipient B is in Mumbai
- Delivery to B in Goa

Place of Supply will be Goa (As movement of goods terminate in Goa)

Location of supplier will be Delhi

Transaction shall be interstate and subject to IGST

Example 2

- Dealer A is based in Delhi
- Recipient of Goods B is based in Delhi
- Supplier of Goods C is based in UP
- Delivery of Goods to in Delhi

Place of supply will be Delhi (As movement of goods terminate in Delhi)

Location of Supplier will be UP

Transaction shall be interstate and subject to IGST

Example 3 –

- Dealer A is in UP
- Supplier B is in Delhi
- Recipient C is in Delhi

Place of supply will be Delhi (As movement of goods terminate in Delhi)
Location of Supplier will be Delhi
Transaction shall be intra-state / within the state and subject to CGST+SGST

Example of Movement of Goods at direction of 3rd person –

Example 1

- A is supplier based in Delhi
- B is Customer based in Delhi
- Delivery of goods is to C at UP (Ship to)

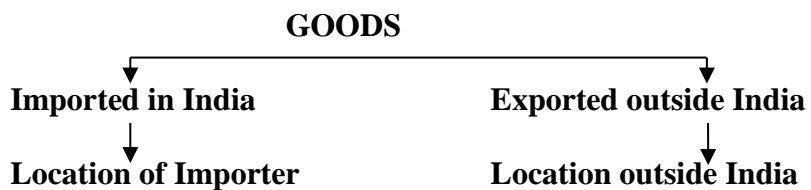
B asks A to deliver goods to C
Location of Supply will be Delhi
Place of Supply will be Delhi
A will raise bill to B levying CGST + SGST
B will raise bill to C levying IGST

Example 2

- Supplier A is based in Delhi
- Supplier A has a branch in UP
- Recipient of Goods B is based in Delhi
- Delivery of Goods C to in UP

B asks A to deliver goods to C
Location of Supplier will be branch of A in UP as the location of supplier which is directly concerned with the supply
Place of Supply will be Delhi
Hence, Bill raised by A in UP to B in Delhi will be IGST
Bill raised by B in Delhi to C in UP will be IGST (location of goods at time of deliver)

Place of Supply of Goods in case of Import & Export. Sec. 11 of IGST Act –



Place of Supplier of Services

Location of Immovable Property, Boat, Vessel.

1. Services for Immovable Property

- Any service directly in relation to immovable property
- Architects, Interior decorators, surveyors, engineers & other related experts
- Estate agent
- Any services provided by way of grant of right to use immovable property (Broker who engaged in providing lease or rent of property)
- Construction Work; Carrying out or Co-ordination

2. Lodging Accommodation

- Hotel, inn, guest house, home stay, club or campsite & by whatever name called
- House boat or any other vessel

3. Accommodation facility in immovable property for –

- Organizing any marriage or reception or matter related thereto
- Organizing official, social, cultural, religious or business function
- Any services provided in relation to such function at such property (means services of event management, catering, interior decorators etc.

4. Any services ancillary to services referred to above.

Exception: Location of immovable property, boat and vessel is located or intended to be located out-side India; location of recipient shall be place of supply.

Example -

If Supplier and recipient is located in India and immovable property, boat & vessel is located or intended to be located outside India, then location of recipient shall be place of supply and subject to IGST/CGST as case may be.

Conclusion –

Location of recipient must be of outside India. Immoveable property, boat & vessel located more than one State then supply of services made to each respective state in proportion to value of supply as per contract or arrangement, or in the absence of such contract on such other basis as may be prescribed.

Location of Performance of Service

Following Services are covered as under:

- Restaurant & Catering services
- Personal grooming services
- Fitness, beauty treatment
- Health service including cosmetic & plastic surgery

Training & Performance Appraisal Services



Location of Event Held or Park Located

Services provided by way of Admission to a -

- Cultural
- Artistic
- Sporting
- Scientific
- Educational
- Entertainment event or
- Amusement park or any other place
- Services ancillary thereto

Location of Registered Person or where Event Held

Services provided by way of Organization of a -

- Cultural
- Artistic
- Sporting
- Scientific
- Educational
- Entertainment event
- Conference
- Event
- Exhibition
- Celebration or similar Events
- Assigning of sponsorship to such events
- Services ancillary thereto

IF PROVIDED TO REGISTERED PERSON THEN LOCATION OF SUCH PERSON OR OTHERWISE WHERE EVENT ACTULLY HELD.

EXCEPTION: IF EVENT HELD OUTSIDE INDIA, PLACE OF SUPPLY SHALL BE LOCATION OF RECIPIENT.

Transportation of Goods including Mail or Courier to –

1. Registered Person, location of such supplier
2. Other than Registered Person, Location at which such goods are handed over for their transportation (it can be said that location from where goods are first taken for transportation)

Passenger Transportation –

1. Registered person, location of such person
2. Other than registered person, location from where passenger embarks on conveyance for a continuous journey.
Services covered Railway, Vessel, Aircraft and Transporter.

Important: Return journey shall be treated as a separate journey even when the ticket for passage is issued at same time.

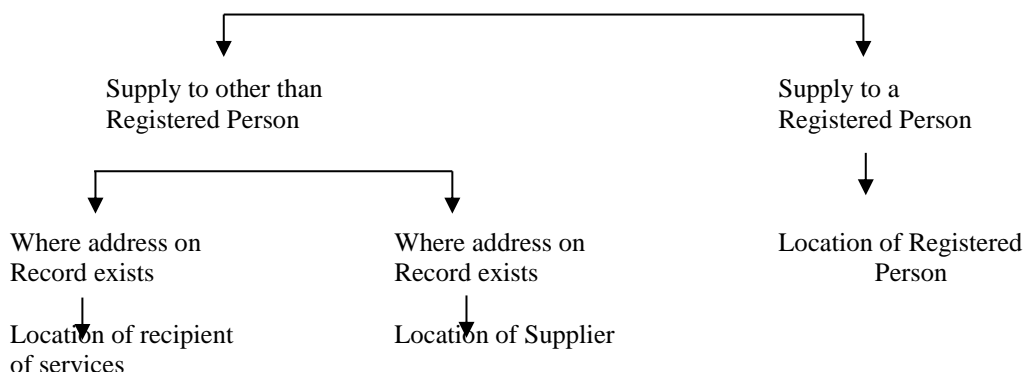
Where right to passage is given for future use & embarkation point is not known then place of supply shall be determined in accordance of General Provision (Sub Sec-2)

Location of First Schedule point of departure –

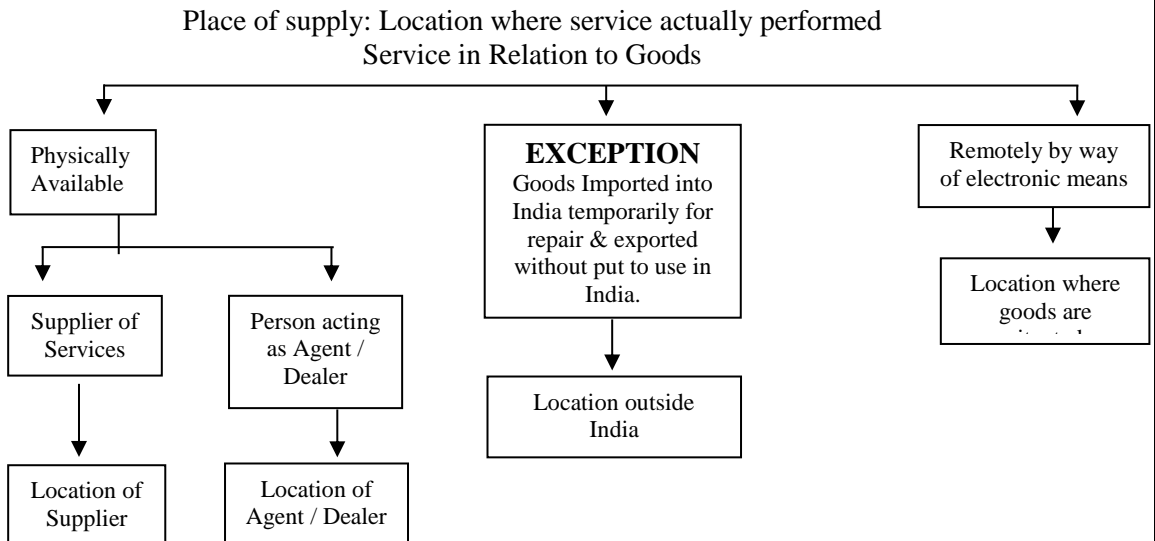
Supply of Services on-

- Board a conveyance
- Vessel
- An Aircraft
- A Train
- A Motor vehicle Catering service, Manpower supply & Doctor's services.

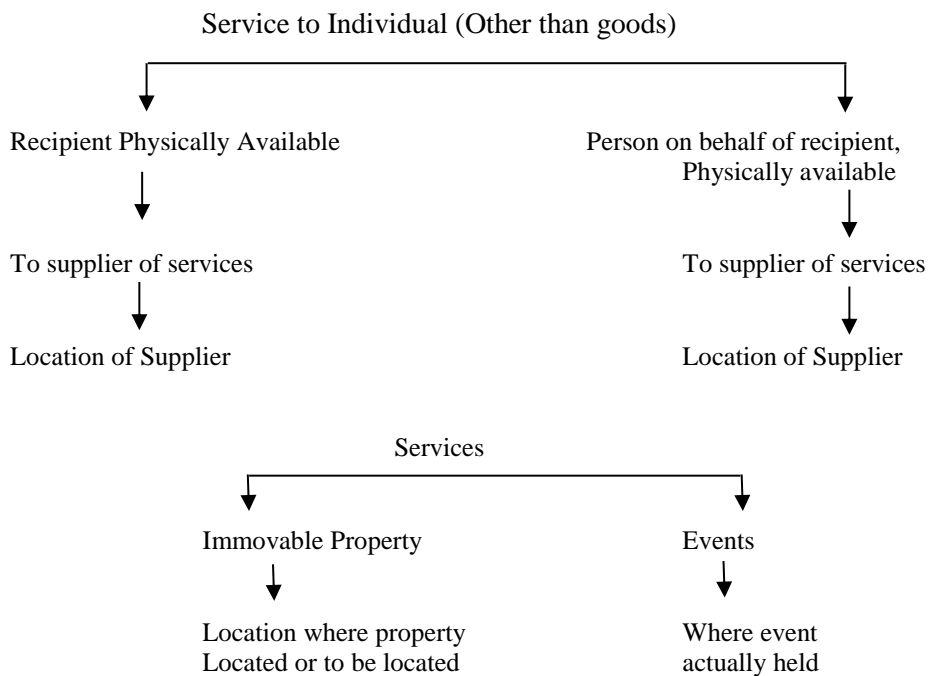
General Provisions of Place of Supply of Services



Place of Supply of Services where Supplier or Recipient is outside India



Place of Supply: Location where actually performed



TAX INVOICE, CREDIT NOTES & DEBIT NOTES.

- (1) A registered person **supplying taxable goods** shall, **before or at the time of** -
- Removal of goods** for supply to the recipient, where the supply involves movement of goods; or
 - Delivery of goods** or making available thereof to the recipient, in any other case.

issue a tax invoice showing the description, quantity and value of goods, the tax charged thereon and such other particulars as may be prescribed:

Provided that the Government may, on the recommendations of the Council, by notification, specify the categories of goods or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed.

- (2) A registered person **supplying taxable services** shall, **before or after the provision of services but within a period prescribed in this behalf**, issue a tax invoice showing the description, value, tax charged thereon and such other particulars as may be prescribed:

Provided that the Government may, on the recommendations of the Council, by notification and subject to such conditions as may be mentioned therein, specify the categories of services in respect of which –

- any other document issued in relation to the supply shall be deemed to be a tax invoice; or
- tax invoice may not be issued

- (3) Notwithstanding anything contained in sub-sections (1) and (2) -

- a registered person may, **within one month** from the date of issuance of certificate of registration and in such manner as may be prescribed, issue a **revised invoice** against the invoice already issued during the period beginning with the effective date of registration till the date of issuance of certificate of registration to him;
- a registered person **may not issue** a tax invoice **if the value of the goods or services or both** supplied is **less than two hundred rupees** subject to such conditions and in such manner as may be prescribed;
- a registered person supplying exempted goods or services or both or paying tax under composition scheme shall issue, instead of a tax invoice, **a bill of supply** containing such particulars and in such manner as may be prescribed:

Provided that the registered person may not issue a bill of supply if the value of the goods or services or both supplied is less than two hundred rupees subject to such conditions and in such manner as may be prescribed;

- a registered person shall, on receipt of advance payment with respect to any supply of goods or services or both, issue a receipt voucher or any other

document, containing such particulars as may be prescribed, evidencing receipt of such payment;

- e. where, on **receipt of advance payment** with respect to any supply of goods or services or both the registered person **issues a receipt voucher, but subsequently no supply is made and no tax invoice is issued** in pursuance thereof, the said registered person may issue to the person who had made the payment, **a refund voucher** against such payment;
 - f. A registered person who is liable to pay tax under **Reverse Charge Mechanism** and / or goods or services or both received by him from the supplier who is **not registered** on the date of receipt of goods or services or both shall issue an invoice in respect of;
 - g. A registered person who is liable to pay tax under **Reverse Charge Mechanism** and / or goods or services or both received by him from the supplier who is **not registered** on the date of receipt of goods or services or both shall issue a payment voucher at the time of making payment to the supplier.
- (4) In case of **continuous supply of goods**, where successive statements of accounts or successive payments are involved, **the invoice shall be issued before or at the time each such statement is issued or, as the case may be, each such payment is received.**
- (5) Subject to the following provisions in case of continuous supply of services,–
- a. where the due date of payment is ascertainable from the contract, the invoice shall be issued on or before the due date of payment;
 - b. where the due date of payment is not ascertainable from the contract, the invoice shall be issued before or at the time when the supplier of service receives the payment;
 - c. where the payment is linked to the completion of an event, the invoice shall be issued on or before the date of completion of that event.
- (6) In a case where the supply of services ceases under a contract before the completion of the supply, the 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.
- (7) Notwithstanding anything contained in sub-section (1), where the goods being 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.

Explanation. – For the purposes of this section, the expression “tax invoice” shall include any revised invoice issued by the supplier in respect of a supply made earlier.

Details to be furnished in a Tax Invoice –

- (a) Name, address and GSTIN of the supplier;
- (b) A consecutive serial number, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and slash symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year;
- (c) Date of its issue;
- (d) Name, address and GSTIN/ Unique ID Number, if registered, of the recipient;
- (e) 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 and where the value of taxable supply is fifty thousand rupees or more;
- (f) HSN code of goods or Accounting Code of services;
- (g) Description of goods or services;
- (h) Quantity in case of goods and unit or Unique Quantity Code thereof;
- (i) Total value of goods or services;
- (j) Taxable value of supply of goods or services or both taking into account discount or abatement, if any;
- (k) Rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- (l) Amount of tax charged in respect of taxable goods or services (CGST, SGST, UTGST IGST, if any);
- (m) Place of supply along with the name of State, in case of a supply in the course of inter-State trade or commerce;
- (n) Address of delivery where the same is different from the place of supply;
- (o) Whether the tax is payable on reverse charge basis; and
- (p) Signature or digital signature of the supplier or his authorized representative:

Provided that the Commissioner may, on the recommendations of the Council, by notification, specify –

- (i) the number of digits of HSN code for goods or the Accounting Code for services, that a class of registered persons shall be required to mention, for such period as may be specified in the said notification, and
- (ii) the class of registered persons that would not be required to mention the HSN code for goods or the Accounting Code for services, for such period as may be specified in the said notification:

Provided further that in case of exports of goods or services, the invoice shall carry an endorsement “**SUPPLY MEANT FOR EXPORT ON PAYMENT OF IGST**” or “**SUPPLY MEANT FOR EXPORT UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF IGST**”, as the case may be, and shall, in lieu of the details specified in clause (e), contain the following details:

- (i) name and address of the recipient;
- (ii) address of delivery;

- (iii) name of the country of destination; and
- (iv) number and date of application for removal of goods for export [ARE-1].

(2) Provided also that a registered person may not issue a tax invoice in accordance with the provisions of clause (b) of sub-section (3) of section 31 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

(1) The invoice shall be prepared in triplicate, in case of supply of goods, in the following manner:-

- (a) the original copy being 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.

(2) The invoice shall be prepared in duplicate, in case of supply of services, in the following manner:-

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

(3) The serial number of invoices issued during a tax period shall be furnished electronically through the Common Portal in FORM GSTR 1.

Time limit to issue of Tax Invoice

The invoice referred to in rule 1, in case of taxable supply of services, shall be issued within a period of thirty days from the date of supply of service:

Provided that where the supplier of services is an insurer or a banking company or a financial institution, including a non-banking financial company, the period within which the invoice or any document in lieu thereof is to be issued shall be forty-five days from the date of supply of service:

Provided further that where the supplier of services is an insurer or a banking company or a financial institution, including a non-banking financial company, or a telecom operator, or any other class of supplier of services as may be notified by the Government on the recommendations of the Council, making taxable supplies of services between distinct persons as specified in section 25 as referred to in Entry 2 of Schedule I, may issue the invoice before or at the time such supplier records the same in his books of account or before the expiry of the quarter during which the supply was made.

Bill of supply

A bill of supply referred to in clause (c) of sub-section (3) of section 31 shall be issued by the supplier containing the following details:

- (a) name, address and GSTIN of the supplier;
- (b) a consecutive serial number, in one or multiple series, containing alphabets or numerals or special characters -hyphen or dash and slash symbolised as “-” and “/”respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and GSTIN or UIN, if registered, of the recipient;
- (e) HSN Code of goods or Accounting Code for services;
- (f) description of goods or services or both;
- (g) Taxable value of supply of goods or services or both taking into account discount or abatement, if any; and
- (h) signature or digital signature of the supplier or his authorized representative:

Provided that the provisos to rule 1 shall, mutatis mutandis, apply to the bill of supply issued under this rule.

Receipt voucher

A receipt voucher referred to in clause (d) of sub-section (3) of section 31 shall contain the following particulars:

- (a) name, address and GSTIN of the supplier;
- (b) a consecutive serial number containing alphabets or numerals or special characters - hyphen or dash and slash symbolised as “-” and “/”respectively, and any combination thereof, unique for a financial year
- (c) date of its issue;
- (d) name, address and GSTIN or UIN, if registered, of the recipient;
- (e) description of goods or services;
- (f) amount of advance taken;
- (g) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- (h) amount of tax charged in respect of taxable goods or services (CGST, SGST, UTGST, IGST or Cess);
- (i) 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;
- (j) whether the tax is payable on reverse charge basis; and
- (k) signature or digital signature of the supplier or his authorized representative.

Supplementary Tax Invoice and Credit or debit notes

(1) A revised tax invoice referred to in section 31 and credit or debit note referred to in section 34 shall contain the following particulars –

- (a) the word “Revised Invoice”, wherever applicable, indicated prominently;
- (b) name, address and GSTIN of the supplier;
- (c) nature of the document;

- (d) a consecutive serial number containing alphabets or numerals or special characters - hyphen or dash and slash symbolised as “-” and “/”respectively,, and any combination thereof, unique for a financial year;
- (e) date of issue of the document;
- (f) name, address and GSTIN or UIN, if registered, of the recipient;
- (g) 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;
- (h) serial number and date of the corresponding tax invoice or, as the case may be, bill of supply;
- (i) value of taxable supply of goods or services, rate of tax and the amount of the tax credited or, as the case may be, debited to the recipient; and
- (j) signature or digital signature of the supplier or his authorized representative:

(2) Every registered person who has been granted registration with effect from a date earlier than the date of issuance of certificate of registration to him, may issue revised tax invoices in respect of taxable supplies affected during the period starting from the effective date of registration till the date of issuance of certificate of registration:

Provided that the registered person may issue a consolidated revised tax invoice in respect of all taxable supplies made to a recipient who is not registered under the Act during such period:

Provided further that in case of inter-State supplies, where the value of a supply does not exceed two lakh and fifty thousand rupees, a consolidated revised invoice may be issued separately in respect of all recipients located in a State, who are not registered under the Act.

(3) Any invoice or debit note issued in pursuance of any tax payable in accordance with the provisions of Composition or Seizure and Detention shall prominently contain the words “INPUT TAX CREDIT NOT ADMISSIBLE”.

Transportation of goods without issue of invoice

(1) For the purposes of -

- (a) supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known,
- (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, in lieu of invoice at the time of removal of goods for transportation, containing following details:

- (i) date and number of the delivery challan,
- (ii) name, address and GSTIN of the consigner, if registered,
- (iii) name, address and GSTIN or UIN of the 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 – central tax, State tax, integrated tax, Union territory tax or cess, 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 challan shall be prepared in triplicate, in case of supply of goods, in the following manner:–

- (a) the original copy being marked as ORIGINAL FOR CONSIGNEE;
- (b) the duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and
- (c) the triplicate copy being marked as TRIPLICATE FOR CONSIGNER

(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 challan 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.

Various Formats are attached as follow:

- 1] Invoice
- 2] Export Invoice
- 3] Bill of Supply
- 4] Credit Note
- 5] Debit Note
- 6] Receipt Voucher
- 7] Payment Voucher
- 8] Refund Voucher

AMKS & Co.

1st Floor, Vikram - III, Plot No. 155
Sector - 1/A, Off Tagore Road, Gandhidham, Gujarat, India, Pin - 370201.
GSTIN: 24ABCPP1234Z1ZX

| INVOICE | | | | | | | | | | | | | Original for Receipt | | |
|---|---------------------------|---------|-----|-----|----------|------------------------------------|----------------|---------------------------|--|-------------|-----------|-------------|------------------------------------|-----------------|----------|
| | | | | | | | | | | | | | Duplicate for Supplier/Transporter | | |
| | | | | | | | | | | | | | Triplicate for Supplier | | |
| Reverse Charge : No | | | | | | Transportation Mode : | | | | | | | | | |
| Invoice No. : AMKS/17-18/00001 | | | | | | Vehicle Number : | | | | | | | | | |
| Invoice Date : 01-July-2017 | | | | | | Date of Supply : | | | | | | | | | |
| State : Gujarat | | | | | | State Code : 24 | | Place of Supply : Gujarat | | | | | | | |
| Details of Receiver Billed to: | | | | | | Details of Consignee Shipped to: | | | | | | | | | |
| Name : ABCD Enterprises Private Limited | | | | | | Name : PQRS | | | | | | | | | |
| Address : Address of the Customer | | | | | | Address : Gandhidham | | | | | | | | | |
| GSTIN : 24ABCCA1234Z1ZX | | | | | | GSTIN : 24AAAPP0000Z1ZX | | | | | | | | | |
| State : Gujarat | | | | | | State Code : 24 | | State : Gujarat | | | | | | State Code : 24 | |
| Sr. No. | Name of Product / Service | HSN ACS | UOM | Qty | Rate | Amount | Less: Discount | Taxable Value | CGST Rate | CGST Amount | SGST Rate | SGST Amount | IGST Rate | IGST Amount | Total |
| 1 | Consultancy | 111111 | | 1 | 1,50,000 | 1,50,000 | - | 1,50,000 | 9.00% | 13,500 | 9.00% | 13,500 | 0.00% | - | 1,77,000 |
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| Total : | | | | 1 | | 1,50,000 | - | 1,50,000 | | 13,500 | | 13,500 | | - | 1,77,000 |
| Total Invoice Amount in Words: | | | | | | | | | Total Amount Before Tax : 1,50,000 | | | | | | |
| Rupees One lakh Seventy Seven Thousand Only | | | | | | | | | Add : CGST : 13,500 | | | | | | |
| | | | | | | | | | Add : SGST : 13,500 | | | | | | |
| | | | | | | | | | Add : IGST : - | | | | | | |
| | | | | | | | | | Tax Amount : GST : 27,000 | | | | | | |
| | | | | | | | | | Total Amount After Tax : 1,77,000 | | | | | | |
| : Bank Details : | | | | | | | | | GST Payable on Reverse Charge : N.A. | | | | | | |
| • Bank Account Number : [[Account Number]] | | | | | | | | | Certified that the particulars given above are true and correct. | | | | | | |
| • Bank Branch IFSC : [[IFSCODE]] | | | | | | | | | For, AMKS & Co. | | | | | | |
| : Terms and Conditions : | | | | | | | | | Authorised Signatory | | | | | | |
| | | | | | | | | | (Common Seal) | | | | | | |
| | | | | | | | | | [E&OE] | | | | | | |

AMKS & Co.

1st Floor, Vikram - III, Plot No. 155
Sector - 1/A, Off Tagore Road, Gandhidham, Gujarat, India, Pin - 370201.
GSTIN: 24ABCPP1234Z1ZX

| EXPORT INVOICE | | | | | | | | | | | | | | Original for Recipient | |
|--|---------------------------|---------|-----|-----|----------|----------|-----------------------|--|---------------------------|-------------|-----------|-------------|-----------|------------------------------------|----------|
| | | | | | | | | | | | | | | Duplicate for Supplier/Transporter | |
| | | | | | | | | | | | | | | Triplicate for Supplier | |
| Supply Meant for Export Under Bond or Letter of Undertaking without Payment of Integrated Tax (IGST) | | | | | | | | | | | | | | | |
| Reverse Charge : No | | | | | | | Transportation Mode : | | | | | | | | |
| Invoice No. : AMKS/1718/E00001 | | | | | | | Vehicle Number : | | | | | | | | |
| Invoice Date : 01-July-2017 | | | | | | | Date of Supply : | | | | | | | | |
| State : Gujarat | | | | | | | State Code : 24 | | Place of Supply : Gujarat | | | | | | |
| Details of Receiver Billed to: | | | | | | | | Details of Consignee Shipped to: | | | | | | | |
| Name : ABCD Enterprises Private Limited | | | | | | | | Name : PQRS | | | | | | | |
| Address : Address of the Customer | | | | | | | | Address : Gandhidham | | | | | | | |
| Country : | | | | | | | | Country : | | | | | | | |
| Sr. No. | Name of Product / Service | HSN ACS | UOM | Qty | Rate | Amount | Less: Discount | Taxable Value | CGST Rate | CGST Amount | SGST Rate | SGST Amount | IGST Rate | IGST Amount | Total |
| 1 | Consultancy | 111111 | | 1 | 1,50,000 | 1,50,000 | - | 1,50,000 | 0.00% | - | 0.00% | - | 0.00% | - | 1,50,000 |
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| Total : | | | | 1 | | 1,50,000 | - | 1,50,000 | - | - | - | - | - | - | 1,50,000 |
| Total Invoice Amount in Words: | | | | | | | | Total Amount Before Tax : 1,50,000 | | | | | | | |
| Rupees One lakh Fifty Thousand Only | | | | | | | | Add : CGST : - | | | | | | | |
| | | | | | | | | Add : SGST : - | | | | | | | |
| | | | | | | | | Add : IGST : - | | | | | | | |
| | | | | | | | | Tax Amount : GST : - | | | | | | | |
| | | | | | | | | Total Amount After Tax : 1,50,000 | | | | | | | |
| : Bank Details : | | | | | | | | GST Payable on Reverse Charge : N.A. | | | | | | | |
| • Bank Account Number : [[[Account Number]]] | | | | | | | | Certified that the particulars given above are true and correct. | | | | | | | |
| • Bank Branch IFSC : [[[IFSCCODE]]] | | | | | | | | For, AMKS & Co. | | | | | | | |
| : Terms and Conditions : | | | | | | | | Authorised Signatory | | | | | | | |
| | | | | | | | | (Common Seal) | | | | | | | |
| | | | | | | | | [E&OE] | | | | | | | |

AMKS & Co.

1st Floor, Vikram - III, Plot No. 155
Sector - 1/A, Off Tagore Road, Gandhidham, Gujarat, India, Pin - 370201.
GSTIN: 24ABCPP1234Z1ZX

| Bill of Supply | | | | | | | | |
|--|----------------------------------|---------|---------------|---|------|--|----------------|-----------------|
| Serial Number : AMKS 17-18/ 00000 | | | | State : Gujarat | | | | |
| Date of Issue : | | | | State Code : 24 | | | | |
| Details of Receiver Billed to: | | | | Details of Consignee Shipped to: | | | | |
| Name : | | | | Name : | | | | |
| Address : | | | | Address : | | | | |
| GSTIN/ UIN : | | | | GSTIN/ UIN : | | | | |
| State : | | | | State : | | | | |
| State Code : | | | | State Code : | | | | |
| Sr. No. | Description of Product / Service | HSN ACS | UOM | Qty | Rate | Amount | Less: Discount | Value of Supply |
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| Total : | | | | - | | - | - | - |
| Total Invoice Amount in Words: | | | | | | | | |
| : Bank Details : | | | | | | | | |
| • Bank Account Number : [[[Account Number]]] | | | | | | | | |
| • Bank Branch IFSC : [[[IFSCCODE]]] | | | | | | | | |
| : Terms and Conditions : | | | | | | Certified that the particulars given above are true and correct. | | |
| | | | | | | For, AMKS & Co. | | |
| | | | (Common Seal) | | | Authorised Signatory | | |
| [E&OE] | | | | | | | | |

AMKS & Co.

1st Floor, Vikram - III, Plot No. 155
Sector - 1/A, Off Tagore Road, Gandhidham, Gujarat, India, Pin - 370201.
GSTIN: 24ABCPP1234Z1ZX

| Credit Note | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---------------------------|--------------|-----|--------------|------|--------------|------------------------------------|---|-----------|------------------------------------|-----------|--------------|-----------|-------------|-------|-------------------------|---|---|------------|---|---|------------|---|---|------------|---|---|------------------|---|---|------------------------|---|---|
| REVISED INVOICE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Document No. : | | | | | | | | Against Invoice / Bill of Supply | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date of Issue : | | | | | | | | Against Invoice / Bill of Supply No. : | | | | | | | | | | | | | | | | | | | | | | | | | |
| State : | | | | | | | | State Code : | | Date of Invoice / Bill of Supply : | | | | | | | | | | | | | | | | | | | | | | | |
| Details of Receiver Billed to: | | | | | | | Details of Consignee Shipped to: | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name : | | | | | | | | Name : | | | | | | | | | | | | | | | | | | | | | | | | | |
| Address : | | | | | | | | Address : | | | | | | | | | | | | | | | | | | | | | | | | | |
| GSTIN : | | | | | | | | GSTIN : | | | | | | | | | | | | | | | | | | | | | | | | | |
| State : | | | | | | | | State Code : | | State : | | | | | | | | | | | | | | | | | | | | | | | |
| State Code : | | State Code : | | State Code : | | State Code : | | State Code : | | State Code : | | State Code : | | | | | | | | | | | | | | | | | | | | | |
| Sr. No. | Name of Product / Service | HSN ACS | UOM | Qty | Rate | Amount | Less: Discount | Taxable Value | CGST Rate | CGST Amount | SGST Rate | SGST Amount | IGST Rate | IGST Amount | Total | | | | | | | | | | | | | | | | | | |
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| Total : | | | | | | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | |
| Total Invoice Amount in Words: | | | | | | | | <table border="0" style="width: 100%;"> <tr><td>Total Amount Before Tax</td><td>:</td><td style="text-align: right;">-</td></tr> <tr><td>Add : CGST</td><td>:</td><td style="text-align: right;">-</td></tr> <tr><td>Add : SGST</td><td>:</td><td style="text-align: right;">-</td></tr> <tr><td>Add : IGST</td><td>:</td><td style="text-align: right;">-</td></tr> <tr><td>Tax Amount : GST</td><td>:</td><td style="text-align: right;">-</td></tr> <tr><td>Total Amount After Tax</td><td>:</td><td style="text-align: right;">-</td></tr> </table> | | | | | | | | Total Amount Before Tax | : | - | Add : CGST | : | - | Add : SGST | : | - | Add : IGST | : | - | Tax Amount : GST | : | - | Total Amount After Tax | : | - |
| Total Amount Before Tax | : | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add : CGST | : | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add : SGST | : | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add : IGST | : | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tax Amount : GST | : | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Amount After Tax | : | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| : Bank Details : | | | | | | | | Certified that the particulars given above are true and correct. For, AMKS & Co. Authorised Signatory | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Bank Account Number : [[Account No.]] • Bank Branch IFSC : [IFSCCODE] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| : Terms and Conditions : | | | | | | | | (Common Seal) | | | | | | | | | | | | | | | | | | | | | | | | | |

AMKS & Co.

1st Floor, Vikram - III, Plot No. 155
Sector - 1/A, Off Tagore Road, Gandhidham, Gujarat, India, Pin - 370201.
GSTIN: 24ABCPP1234Z1ZX

Debit Note

| Document No. : | | | | | | | | | | Against Invoice / Bill of Supply | | | | | |
|---|---------------------------|---------|-----|-----|------|--------|----------------|---------------|-----------|--|-----------|-------------|-----------|-------------|-------|
| Date of Issue : | | | | | | | | | | Against Invoice / Bill of Supply No. : | | | | | |
| State : | | | | | | | | | | Date of Invoice / Bill of Supply : | | | | | |
| State Code : | | | | | | | | | | | | | | | |
| Details of Receiver Billed to: | | | | | | | | | | Details of Consignee Shipped to: | | | | | |
| Name : | | | | | | | | | | Name : | | | | | |
| Address : | | | | | | | | | | Address : | | | | | |
| GSTIN : | | | | | | | | | | GSTIN : | | | | | |
| State : | | | | | | | | | | State : | | | | | |
| State Code : | | | | | | | | | | State Code : | | | | | |
| Sr. No. | Name of Product / Service | HSN ACS | UOM | Qty | Rate | Amount | Less: Discount | Taxable Value | CGST Rate | CGST Amount | SGST Rate | SGST Amount | IGST Rate | IGST Amount | Total |
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| Total : | | | | | | - | - | - | - | - | - | - | - | - | - |
| Total Invoice Amount in Words: | | | | | | | | | | Total Amount Before Tax : - | | | | | |
| | | | | | | | | | | Add : CGST : - | | | | | |
| | | | | | | | | | | Add : SGST : - | | | | | |
| | | | | | | | | | | Add : IGST : - | | | | | |
| | | | | | | | | | | Tax Amount : GST : - | | | | | |
| | | | | | | | | | | Total Amount After Tax : - | | | | | |
| : Bank Details : | | | | | | | | | | | | | | | |
| • Bank Account Number : [[Account No.]] | | | | | | | | | | | | | | | |
| • Bank Branch IFSC : [IFSCCODE] | | | | | | | | | | | | | | | |
| : Terms and Conditions : | | | | | | | | | | Certified that the particulars given above are true and correct. | | | | | |
| | | | | | | | | | | For, AMKS & Co. | | | | | |
| | | | | | | | | | | Authorised Signatory | | | | | |
| | | | | | | | | | | (Common Seal) | | | | | |
| | | | | | | | | | | [E&OE] | | | | | |

AMKS & Co.

1st Floor, Vikram - III, Plot No. 155
Sector - 1/A, Off Tagore Road, Gandhidham, Gujarat, India, Pin - 370201.
GSTIN: 24ABCPP1234Z1ZX

| RECEIPT VOUCHER | | | | | | | | | | | |
|---|--------------|---------------|------|--------|---------------------------------|--------|------|--------|------------------------|--|---|
| Details of Receiver | | | | | Reverse Charge : | | | | | | |
| Name : | | | | | Voucher Number : | | | | | | |
| Address : | | | | | Voucher Date : | | | | | | |
| GSTIN/UIN : | | | | | Place of Supply : | | | | | | |
| State : | State Code : | | | | State : | | | | | | |
| | | | | | State Code : | | | | | | |
| Description of Product / Service | HSN ACS | Taxable Value | CGST | | SGST | | IGST | | Advance Received (Rs.) | | |
| | | | Rate | Amount | Rate | Amount | Rate | Amount | | | |
| | | | | | | | | | | | |
| Certified that the particulars given above are true and correct. For, AMKS & Co. Authorised Signatory | | | | | Total Amount Before Tax : | | | | | | - |
| | | | | | Add : CGST : | | | | | | - |
| | | | | | Add : SGST : | | | | | | - |
| | | | | | Add : IGST : | | | | | | - |
| | | | | | Tax Amount : GST : | | | | | | - |
| | | | | | Total Amount After Tax : | | | | | | - |
| | | | | | GST Payable on Reverse Charge : | | | | | | - |
| [EBOE] | | | | | | | | | | | |

AMKS & Co.

1st Floor, Vikram - III, Plot No. 155
Sector - 1/A, Off Tagore Road, Gandhidham, Gujarat, India, Pin - 370201.
GSTIN: 24ABCPP1234Z1ZX

| REFUND VOUCHER | | | | | | | | | | | |
|---|--------------|---------------|------|--------|---------------------------------|--------|------|--------|-----------------------|--|---|
| Details of Receiver | | | | | Reverse Charge : No | | | | | | |
| Name : | | | | | Voucher Number : | | | | | | |
| Address : | | | | | Voucher Date : | | | | | | |
| GSTIN/UIN : | | | | | Against Receipt No. : | | | | | | |
| State : | State Code : | | | | | | | | | | |
| Description of Product / Service | HSN ACS | Taxable Value | CGST | | SGST | | IGST | | Amount Refunded (Rs.) | | |
| | | | Rate | Amount | Rate | Amount | Rate | Amount | | | |
| | | | | | | | | | | | |
| Amount Refunded [in Words]: | | | | | | | | | | | |
| Certified that the particulars given above are true and correct. For, AMKS & Co. Authorised Signatory | | | | | Total Amount Before Tax : | | | | | | - |
| | | | | | Add : CGST : | | | | | | - |
| | | | | | Add : SGST : | | | | | | - |
| | | | | | Add : IGST : | | | | | | - |
| | | | | | Tax Amount : GST : | | | | | | - |
| | | | | | Total Amount After Tax : | | | | | | - |
| | | | | | GST Payable on Reverse Charge : | | | | | | - |
| [EBOE] | | | | | | | | | | | |

AMKS & Co.

1st Floor, Vikram - III, Plot No. 155
Sector - 1/A, Off Tagore Road, Gandhidham, Gujarat, India, Pin - 370201.
GSTIN: 24ABCPP1234Z1ZX

| PAYMENT VOUCHER | | | | | | | | | |
|---|------------|---------------|------|--------|---------------------------|--------|--------------|--------|----------------------|
| Details of Supplier | | | | | Voucher Number : | | | | |
| Name : | | | | | Voucher Date : | | | | |
| Address : | | | | | Place of Supply : | | | | |
| GSTIN/UN : | | | | | State : | | | | |
| State : | | | | | State Code : | | State Code : | | |
| Description of Product / Service | HSN ACS | Taxable Value | CGST | | SGST | | IGST | | Amount Paid (Rs.) |
| | | | Rate | Amount | Rate | Amount | Rate | Amount | |
| | | | | | | | | | |
| Advance Paid [in Words]: | | | | | | | | | |
| Certified that the particulars given above are true and correct. | | | | | Total Amount Before Tax : | | - | | |
| For, AMKS & Co. Authorised Signatory | | | | | Add : CGST : | | - | | |
| | | | | | Add : SGST : | | - | | |
| | | | | | Add : IGST : | | - | | |
| | | | | | Tax Amount : GST : | | - | | |
| | | | | | Total Amount After Tax : | | - | | |
| Common Seal | | | | | [E&OE] | | | | |

INPUT TAX CREDIT

Input credit means the credit of Input Tax, i.e. CGST, SGST, UTGST &/or IGST charged on any supply of goods or services or both made and includes IGST on imports & tax payable under provisions of RCM. However, Input Tax **does not include** the tax paid under the **composition levy**.

Capital Goods means goods, the value of which is **capitalized in the books of accounts** of the person claiming the input tax credit **and** which are **used or intended to be used in the course of furtherance of business**.

Credit of input tax **may be** availed for making Zero-Rated supplies; notwithstanding that such supply may be an exempt supply. The input tax credit shall be credit to the **electronic credit ledger** of the registered person / recipient of goods & / or services.

| Input Tax Credit of | IGST | CGST | SGST | UTGST |
|---|--------------|------|------|-------|
| CAN BE UTILISED TO IN THE FOLLOWING MANNER - | | | | |
| Tax Liability under | IGST | CGST | SGST | UTGST |
| | CGST | IGST | IGST | IGST |
| | SGST / UTGST | - | - | - |

Input tax credit shall have to be claimed on or before the month of September following the end of the FY to which such credit relates; or before the due date of furnishing of the relevant annual return; or before the filing of the Annual Return, Whichever is earlier.

- (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed and **in the manner specified in section 49**, be entitled to take **credit of input tax** charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be **credited to the electronic credit ledger** of such person.
- a. **No registered person shall be entitled to the credit of any input tax** in respect of any supply of goods or services or both to him **unless**
 - b. **he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other tax paying documents as may be prescribed;**
 - c. **he has received the goods or services or both.**

So, ITC is not allowed on advance payments.

Explanation.—For the purposes of this clause, it shall be deemed that the registered person has received the goods where the goods are delivered by the

supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;

d. the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilization of input tax credit admissible in respect of the said supply; and

e. he has furnished the return under section 39

Provided that where the goods against an invoice are received in lots or installments, the registered person shall be entitled to take credit upon receipt of the last lot or installment

Provided further that where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon, in such manner as may be prescribed [Rule 2(1) and (3)]

Provided also that the recipient shall be entitled to avail of the credit of input tax on payment made by him of the amount towards the value of supply of goods or services or both along with tax payable thereon.

- (2) Where the registered person has claimed depreciation on the tax component of the cost of capital goods and plant and machinery under the provisions of the Income-tax Act, 1961, the input tax credit on the said tax component shall not be allowed.
- (3) A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier. (ITC of any bill raised between 1st April till 31st March shall not be eligible for credit after filing of Annual Return or before 30th September whichever is earlier)
- (4) Where the goods or services or both are used by the registered person partly for the purpose of any 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.
- (5) Where the goods or services or both are used by the registered person partly for effecting taxable supplies including zero-rated supplies under this Act or under the

Integrated Goods and Services Tax Act and partly for effecting exempt supplies under the said Acts, 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.

(6) The value of exempt supply under sub-section (2) shall be such as may be prescribed, and shall include supplies on which the recipient is liable to pay tax on reverse charge basis, transactions in securities, sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building

(7) A banking company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances shall have the option to either comply with the provisions of sub-section (2), or avail of, every month, an amount equal to 50% of the eligible input tax credit on inputs, capital goods and input services in that month and the rest shall lapse:

Provided that the option once exercised shall not be withdrawn during the remaining part of the financial year

Provided further that the restriction of 50% shall not apply to the tax paid on supplies made by one registered person to another registered person having the same Permanent Account Number.

- Notwithstanding anything contained in sub-section (1) of section 16 and sub section (1) of section 18, **input tax credit shall not be available** in respect of the following, namely –
 - a. **motor vehicles and other conveyances except** when they are used—
 - i. for making the following taxable supplies, namely:-
 - A. further supply of such vehicles or conveyances; or
 - B. transportation of passengers; or
 - C. imparting training on driving, flying, navigating such vehicles or conveyances
 - ii. for 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 except where an inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply;
 - ii. membership of a club, health and fitness center;
 - iii. rent-a-cab, life insurance and health insurance except where—

A. the Government notifies the services which are obligatory for an employer to provide to its employees under any law for the time being in force; or

B. such inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as part of a taxable composite or mixed supply; and

iv. **travel benefits extended to employees on vacation such as leave or home travel concession;**

v. **works contract services when supplied for construction of an immovable property (other than plant and machinery) except where it is an input service** for further supply of works contract service; (where inward supplies is for construction of Factory Bldg, shed, premises, etc. of the recipient himself, ITC shall not be available)(If it is sub-contracting, ITC shall be available.)

vi. 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 goods or services or both are used in the course or furtherance of business. (where inward supplies is for construction of Factory Bldg, shed, premises, etc. of the recipient himself, ITC shall not be available)

Explanation - For the purposes of clauses (v) and (vi), the expression "construction" includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property;

vii. goods or services or both on which tax has been paid under section 10; (composition levy).

viii. goods or services or both received by a non-resident taxable person except on goods imported by him;

ix. goods or services or both used for personal consumption;

x. goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples;

xi. any tax paid in accordance with the provisions of seizure and detention.

(2) The Government may prescribe the manner in which the credit referred to in sub-sections (1) and (2) may be attributed.

Explanation - For the purposes of this Chapter and Chapter VI, the expression "plant and machinery" means apparatus, equipment, and machinery fixed to

earth by foundation or structural support that are used for making outward supply of goods or services or both and includes such foundation and structural supports but excludes –

- i. land, building or any other civil structures;
- ii. telecommunication towers; and
- iii. pipelines laid outside the factory premises.

Every registered person whose registration is cancelled shall pay an amount equivalent to the ITC in respect of inputs held in stock on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher [Section 29(5)]. The ITC shall be calculated proportionately on the basis of corresponding invoices on which credit had been availed by the registered taxable person on such input [Rule 9(1) (a)]. The ITC on capital goods or plant and machinery involved in the remaining residual life in months shall be computed on pro-rata basis, taking the residual life as 5 years [Rule 9(1) (b)].

Every registered person whose registration is cancelled shall pay an amount equivalent to ITC taken on capital goods or plant and machinery, reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery under section 15, whichever is higher [Provisio to Section 29(5)]. The ITC involved in the remaining residual life in months shall be computed on pro rata basis, taking the residual life as 5 years [Rule 9(1) (b)].

(1) Availability of Credit in Special Circumstances

- (a) a person who has applied for registration under this Act within thirty days from the date on which he becomes liable to registration and has been granted such registration shall be entitled to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of this Act;

The registered person shall within 30 days file FORM GST ITC-01 [Rule 5(1) (b)]. The details of such ITC (On stock held on appointed date) furnished shall be duly certified by a practicing chartered accountant or cost accountant if the aggregate value of claim on account of CGST, SGST, IGST exceeds two lakh rupees [Rule 5(1)(c)]

- (b) a person who takes registration under sub-section (3) of section 25 shall be entitled to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date of grant of registration; (Voluntary Registration)

The registered person shall within 30 days of obtaining registration file FORM GST ITC-01 with details of ITC available as on date of registration [Rule 5(1) (b)]. The details of such ITC furnished shall be duly certified by a practicing chartered accountant or cost accountant if the aggregate value of claim on account of CGST, SGST, and IGST exceeds two lakh rupees [Rule 5(1) (c)]

Such person shall be entitled to take credit of input tax in respect of inputs held in stock on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of this Act.

However then also he shall not be entitled to take ITC in respect of any supplies made to him after the expiry of one year from the date of issue of tax invoice relating to such supplies. [Section 18(2)] i.e. ITC in such cases can be claimed within 1 year of date of issue of invoice.

- (c) where any registered person ceases to pay tax under section 10, he shall be entitled to take credit of input tax in respect of inputs held in stock, inputs contained in semi-finished or finished goods held in stock and on capital goods on the day immediately preceding the date from which he becomes liable to pay tax under section 9: (Dealer ceases to pay tax under composition scheme for any reason)

Provided that the credit on capital goods shall be reduced by such percentage points as may be prescribed; (5% points 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). [Provisio to Section 18(1) (c)] & [Rule 5(1) (a)] the registered person shall within 30 days file **FORM GST ITC-01 [Rule 5(1) (b)].** The details of such ITC furnished shall be duly certified by a practicing chartered accountant or cost accountant if the aggregate value of claim on account of CGST, SGST, and IGST exceeds two lakh rupees **[Rule 5(1) (c)]**

- (d) where an exempt supply of goods or services or both by a registered person becomes a taxable supply, such person shall be entitled to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock relating to such exempt supply and on capital goods exclusively used for such exempt supply on the day immediately preceding the date from which such supply becomes taxable:

Provided that the credit on capital goods shall be reduced by such percentage points as may be prescribed; *(5% points 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). [Provisio to Section 18(1) (d)] & [Rule 5(1) (a)] the registered person shall within 30 days file **FORM GST ITC-01 [Rule 5(1) (b)]. For determining the value of exempt supply the value of land and building shall be taken as the same as adopted for the purpose of paying stamp duty; and the value of security shall be taken as 1% of the sale value of such security [Rule 10(2)]. The details of such ITC furnished shall be duly certified by a practicing chartered accountant or cost accountant if the aggregate value of claim on account of CGST, SGST, and IGST exceeds two lakh rupees [Rule 5(1) (c)]***

- (2) A registered person shall not be entitled to take input tax credit under sub-section (1) in respect of any supply of goods or services or both to him 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 input tax credit which remains unutilised in his electronic credit ledger to such sold, merged, demerged, amalgamated, leased or transferred business in such manner as may be prescribed.

*Such transferor shall furnish details of such change in **FORM GST ITC-02** along with –*

- 1. A request to transfer the unutilized input tax credit lying in his electronic credit ledger to the transferee **[Rule 6(1)]***
- 2. A certificate issued by a practicing chartered accountant or cost accountant certifying that the such change in constitution has been done with a specific provision for transfer of liabilities **[Rule 6(2)]***

*The transferee shall, accept the details so furnished by the transferor and, upon such acceptance, the un-utilized credit specified in **FORM GST ITC-02** shall be credited to his electronic credit ledger*

- (4) Where any registered person who has availed of input tax credit opts to pay tax under section 10 or, where the goods or services or both supplied by him become wholly exempt, he shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock and on capital goods, reduced by such percentage points as may be prescribed, on the day immediately preceding the date of exercising of such option or, as the case may be, the date of such exemption.

Provided that after payment of such amount, the balance of input tax credit, if any, lying in his electronic credit ledger shall lapse. *The ITC on inputs shall be calculated proportionately on the basis of corresponding invoices on which credit had been availed by the registered taxable person on such input [Rule 9(1) (a)]. The ITC on capital goods or plant and machinery involved in the remaining residual life in months shall be computed on pro-rata basis, taking the residual life as 5 years [Rule 9(1) (b)].*

- (5) The amount of credit under sub-section (1) and the amount payable under sub-section (4) shall be calculated in such manner as may be prescribed.
- (6) In case of supply of capital goods or plant and machinery, on which input tax credit has been taken, the registered person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery determined under section 15, whichever is higher:

Provided that where refractory bricks, moulds and dies, jigs and fixtures are supplied as scrap, the taxable person may pay tax on the transaction value of such goods determined under section 15.

Section 19 -

Availability of Input Credit for goods sent to a job worker for job work –

Principal may under intimation, send any inputs or capital goods, w/o payment of tax, to a job worker and from there subsequently send to another job worker and likewise. Such goods shall be sent to the job worker under the cover of a challan issued by the principal
[Rule 10(1)]

In case a job worker is not registered under the GST Act, principal shall declare the place of business of the job worker as his additional place of business (APOB) except in a case where the principal is engaged in the supply of goods as may be notified by the Commissioner
[provisio to section 143(1)]

- (1) The principal shall, subject to such conditions and restrictions as may be prescribed, be allowed input tax credit on inputs (materials / goods) sent to a job worker for job work.
- (2) Notwithstanding anything contained in clause (b) of sub-section (2) of section 16, the principal shall be entitled to take credit of input tax on inputs (materials / goods) even if the inputs (materials / goods) are directly sent to a job worker for job work without being first brought to his place of business.
- (3) Where the inputs (materials / goods) sent for job work are not received back by the principal after completion of job work or otherwise or are not supplied from the place of business of the job worker in accordance with **clause (a) or clause (b) of sub-section (1) of section 143** within one year of being sent out, **it shall be deemed that such inputs (materials / goods) had been supplied by the principal to the job worker on the day when the said inputs were sent out.**

Provided that where the inputs (materials / goods) are sent directly to a job worker, the period of one year shall be counted from the date of receipt of inputs (materials / goods) by the job worker.

- (4) The principal shall, subject to such conditions and restrictions as may be prescribed, be allowed input tax credit on capital goods sent to a job worker for job work.
- (5) Notwithstanding anything contained in clause (b) of sub-section (2) of section 16, the principal shall be entitled to take credit of input tax on capital goods even if the capital goods are directly sent to a job worker for job work without being first brought to his place of business.
- (6) Where the capital goods sent for job work are not received back by the principal within a period of three years of being sent out, it shall be deemed that such capital goods had been supplied by the principal to the job worker on the day when the said capital goods were sent out

Provided that where the capital goods are sent directly to a job worker, the period of three years shall be counted from the date of receipt of capital goods by the job worker.

- (7) ***Nothing contained in sub-section (3) or sub-section (6) shall apply to moulds and dies, jigs and fixtures, or tools sent out to a job worker for job work.***

Explanation.—For the purpose of this section, “principal” means the person referred to in section 143.

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. [Section 143(5)]

REFUND

- Refund of **balance** is **Electronic cash ledger** – anytime while filing return U/S 39 i.e. GSTR 3 or 4 or 7
- UNO, MFI, Organizations notified under UN Consulate or Foreign Embassy – Refund of consumed goods/service – Within 6 months from end of last day of quarter in which supply was received.
- Refund for unutilized ITC - at the end of any tax period

Conditions: -

1. Inputs used for Zero Rated Supply – w/o tax Payment
2. Credit because of tax on Input Supplies is more than tax on Output Supplies (Except Nil Rated / Exempt Sales)

Note: - No Refund if goods are exported – subject to export duty

Refund Applications –

- For claim amounting to > Rs. 2 Lacs – Documentary evidence to support claim of refund is required
- For claim amounting to < Rs. 2 Lacs - Documentary evidence to support claim of refund is not required. Self-declaration certifying incidence of tax and interest is not passed.

In case of Zero Rated Supplies – 90% of the amount claimed is refunded on provisional basis (Excluding ITC not yet finalized)

Conditions –

- No prosecution in last 5 yrs. for tax evasion > Rs. 2.5 Cr.
- GST compliance rating > 5/10
- No appeal / review / revision is pending on issues related to refund. If the same is pending, relevant authority has not put a stay in the refund.

For Casual Taxable Person / Non Resident Taxable Person – Refund shall be granted only if –

- a. all the returns are filed and certificate is in force
- b. refund is claimed in the last return or after last return is filed.

No refund shall be granted if the amount is < Rs. 1000/-

Different Situations when refund can be claimed

| Sr No | Situation | Relevant Date |
|-------|---|---|
| 1 | Refund of balance in electronic cash ledger | Claim such refund in the return |
| 2 | Refund of un-utilized ITC of Zero Rated supplies w/o payment of any taxes | End of FY in which such claim for refund arises |
| 3 | Refund of un-utilized ITC on a/c of inverted duty structure | End of FY in which such claim for refund arises |
| 4 | Refund in case of Zero Rated supply of goods on payment of IGST or the inputs or input services used in such goods 1. Export of goods by Air or Sea 2. Export of Goods by Land 3. Export of Goods by Post | 1. Date on which the vessel in which goods are loaded leaves India 2. Date on which the goods crosses the frontier 3. Date of dispatch of the goods by the concerned Post Office to a place outside India |
| 5 | Refund in respect of Deemed Exports | Date on which the return related to such deemed exports is filed |
| 6 | Refund in case of Zero Rated supply of services on payment of IGST or the inputs or input services used in such services – 1. Supply of service has been completed prior to the receipt of payment for such services 2. Supply of services has been completed after the receipt of payment for such services (i.e. payment for services has been received in advance) | 1. Date of receipt of payment in convertible foreign exchange 2. Date of issue of Invoice |
| 7 | Refund in case where tax is paid provisionally | Date of adjustment of tax after the final assessment |
| 8 | Refund in case of person other than supplier | Date of receipt of goods or services or both by such person |
| 9 | In any other case | Date of payment of taxes |

Export with / without payment of IGST on outward supplies and claiming refund of the same

Illustration –

An exporter purchases goods for direct export at Rs. 900/- and pays GST @ 12% of Rs. 108. Total cost of goods including GST is Rs. 1008/-. The exporter subsequently exports these goods after adding his profit margin of Rs. 100/-. Total cost of goods to be exported will be Rs. 1108/-

| Assuming Exports are made on or after 1 st July, i.e. the appointed date) | Option I (Zero Rated Supplies w/o payment of IGST on outward supplies) | Option II (Zero Rated Supplies with payment of IGST on outward supplies) |
|--|---|--|
| Value of export sales | 1108 | 1108 |
| GST on export Sales | NIL | 132.96 |
| Total | 1108 | 1240.96 |
| Amount Eligible to be claimed as Refund | 108 | (108 + 132.96) 240.96 |
| Relevant date to apply for refund | 1 st April, 2018 | 1 st September, 2017 |
| Provisional Refund (90%) allowed within 7 days of refund application | 97.2 | 216.86 |
| | Refund of Rs. 108 shall be blocked for a year which could be otherwise be used for business purpose | Out of Rs. 240.96, only Rs. 24.1 will be further blocked till final refund. Otherwise 90% of the Tax paid on inward as well as outward supplies shall be refunded within 2 months. |

TRANSITIONAL PROVISIONS

Section 140. –

- (1) **A registered person**, other than a person opting to pay tax under section 10, **shall be entitled to take, in his electronic credit ledger, the amount of CENVAT credit carried forward** in the return relating to the period ending with the day immediately preceding the appointed day, furnished by him under the existing law in such manner as may be prescribed:

Provided that the registered person shall not be allowed to take credit in the following circumstances, namely:-

- i. where the said amount of credit is not admissible as input tax credit under this Act; or
- ii. **where he has not furnished all the returns required under the existing law for the period of six months immediately preceding the appointed date; or**
- iii. **where the said amount of credit relates to goods manufactured and cleared under such exemption notifications as are notified by the Government.**

Every registered person entitled to take credit of input tax under section 140 shall, within ninety days of the appointed day, submit a declaration electronically in **FORM GST TRAN-1**, duly signed, on the Common Portal specifying therein, separately, the amount of input tax credit to which he is entitled under the provisions of the said section.

Provided that in the case of claim under section 140(1), the application shall specify separately –

(1) the value of claims u/s 3, 5(3), 6, 6A and 8(8) of the CST Act, 1956 made by the applicant, &

(2) the sr. no. and value of declarations in Form C and / or F and certificates in Forms E and / or H or Form I specified in Rule 12 of the CST (Regn & TURNOVER) Rules, 1957 submitted by the applicant in support of the claims referred to in sub-clause (1) above

*The amount of credit specified in the application in **FORM GST TRAN-1** shall be credited to the electronic credit ledger of the applicant maintained in **FORM GST PMT-2** on the Common Portal.*

- (2) **A registered person**, other than a person opting to pay tax under section 10, **shall be entitled to take, in his electronic credit ledger, credit of the unavailed CENVAT credit in respect of capital goods, not carried forward in a return**, furnished under the existing law by him, for the period ending with the day immediately preceding the appointed day in such manner as may be prescribed. Provided that the registered person shall not be allowed to take credit unless the said credit was admissible as CENVAT credit under the existing law and is also admissible as input tax credit under this Act.

Explanation. - For the purposes of this sub-section, the expression “unavailed CENVAT credit” means the amount that remains after subtracting the amount of CENVAT credit already availed in respect of capital goods by the taxable person under the existing law from the aggregate amount of CENVAT credit to which the said person was entitled in respect of the said capital goods under the existing law.

In case of a claim u/s 140(2), every declaration shall specify the following particulars in respect of every capital goods as on the appointed day –

(1) the amt of tax or duty availed or utilized by way of input tax credit under each of the existing laws till the appointed day, and

(2) the amt of tax or duty yet to be availed or utilized by way of input tax credit under each of the existing laws till the appointed day.

(3) A registered person, who was not liable to be registered under the existing law, or who was engaged in the manufacture of exempted goods or provision of exempted services, or who was providing works contract service and was availing of the benefit of notification No. 26/2012—Service Tax, dated the 20th June, 2012 or a first stage dealer or a second stage dealer or a registered importer or a depot of a manufacturer, shall be entitled to take, in his electronic credit ledger, credit of eligible duties in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day subject to the following conditions, namely:–

- i. such inputs or goods are used or intended to be used for making taxable supplies under this Act;
- ii. the said registered person is eligible for input tax credit on such inputs under this Act;
- iii. the said registered person is in possession of invoice or other prescribed documents evidencing payment of duty under the existing law in respect of such inputs;
- iv. such invoices or other prescribed documents were issued not earlier than twelve months immediately preceding the appointed day; and
- v. the supplier of services is not eligible for any abatement under this Act:

Provided that where a registered person, *other than a manufacturer or a supplier of services, is not in possession of an invoice or any other documents evidencing payment of duty in respect of inputs*, then, such registered person shall, subject to such conditions, limitations and safeguards as may be prescribed, *including that the said taxable person shall pass on the benefit of such credit by way of reduced prices to the recipient, be allowed to take credit at such rate (40% in case of central excise goods liable to be taxed @ rate below 18% under GST and 60% in case of central excise goods liable to be taxed @ 18% or more under GST, both to be adjusted against liability under CGST and 20% and 30% to be adjusted against liability under IGST)* and in such manner as may be prescribed.

*The registered person availing this scheme should furnish the details of stock held by him in accordance with the provisions of clause (b) or sub-rule (2) of rule 1 a statement in **FORM GST TRAN-2** at the end of each of the 6 tax periods during which the scheme is in operation. The amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in **FORM GST PMT-2** on the Common Portal.*

- (4) A registered person, who was engaged in the manufacture of taxable as well as exempted goods under the Central Excise Act, 1944 or provision of taxable as well as exempted services under Chapter V of the Finance Act, 1994, but which are liable to tax under this Act, shall be entitled to take, in his electronic credit ledger, -
- a. the amount of CENVAT credit carried forward in a return furnished under the existing law by him in accordance with the provisions of sub-section (1); and
 - b. the amount of CENVAT credit of eligible duties in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day, relating to such exempted goods or services, in accordance with the provisions of sub-section (3).
- (5) A registered person shall be entitled to take, in his electronic credit ledger, credit of eligible duties and taxes in respect of inputs or input services received on or after the appointed day but the duty or tax in respect of which has been paid by the supplier under the existing law, subject to the condition that the invoice or any other duty or tax paying document of the same was recorded in the books of account of such person within a period of thirty days from the appointed day:

Provided that the period of thirty days may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding thirty days

In the case of a claim under sub-section (5) of section 140, furnish the following details –

- (1) the name of the supplier, serial number and date of issue of the invoice by the supplier or any document on the basis of which credit of input tax was admissible under the existing law*
- (2) the description and value of goods and / or services*
- (3) the quantity in case of goods and the unit or unit qty code thereof*
- (4) the amount of eligible taxes and duties or, as the case may be, the VAT [or entry tax] charged by the supplier in respect of the goods or services, and*
- (5) the date on which the receipt of goods or services is entered in the books of account of the recipient.*

Provided further that said registered person shall furnish a statement, in such manner as may be prescribed, in respect of credit that has been taken under this sub-section.

(6) A registered person, who was either paying tax at a fixed rate or paying a fixed amount in lieu of the tax payable under the existing law shall be entitled to take, in his electronic credit ledger, credit of eligible duties in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day subject to the following conditions, namely: –

- i. such inputs or goods are used or intended to be used for making taxable supplies under this Act;
- ii. the said registered person is not paying tax under section 10;
- iii. the said registered person is eligible for input tax credit on such inputs under this Act;
- iv. the said registered person is in possession of invoice or other prescribed documents evidencing payment of duty under the existing law in respect of inputs; and
- v. such invoices or other prescribed documents were issued not earlier than twelve months immediately preceding the appointed day.

Section 141 –

(1) Where any inputs received at a place of business had been removed as such or removed after being partially processed to a job worker for further processing, testing, repair, reconditioning or any other purpose in accordance with the provisions of existing law prior to the appointed day and such inputs are returned to the said place on or after the appointed day, no tax shall be payable if such inputs, after completion of the job work or otherwise, are returned to the said place within six months from the appointed day

Provided that the period of six months may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding two months

Provided further that if such inputs are not returned within the period specified in this sub-section, the input tax credit shall be liable to be recovered in accordance with the provisions of clause (a) of sub-section (8) of section 142.

(2) Where any semi-finished goods had been removed from the place of business to any other premises for carrying out certain manufacturing processes in accordance with the provisions of existing law prior to the appointed day and such goods (hereafter in this section referred to as “the said goods”) are returned to the said place on or after the appointed day, no tax shall be payable, if the said goods, after undergoing manufacturing processes or otherwise, are returned to the said place within six months from the appointed day

Provided that the period of six months may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding two months

Provided further that if the said goods are not returned within the period specified in this sub-section, the input tax credit shall be liable to be recovered in accordance with the provisions of clause (a) of sub-section (8) of section 142:

Provided also that the manufacturer may, in accordance with the provisions of the existing law, transfer the said goods to the premises of any registered person for the purpose of supplying therefrom on payment of tax in India or without payment of tax for exports within the period specified in this sub-section.

- (3) Where any excisable goods manufactured at a place of business had been removed without payment of duty for carrying out tests or any other process not amounting to manufacture, to any other premises, whether registered or not, in accordance with the provisions of existing law prior to the appointed day and such goods, are returned to the said place on or after the appointed day, no tax shall be payable if the said goods, after undergoing tests or any other process, are returned to the said place within six months from the appointed day.

Provided that the period of six months may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding two months

Provided further that if the said goods are not returned within the period specified in this sub-section, the input tax credit shall be liable to be recovered in accordance with the provisions of clause (a) of sub-section (8) of section 142

Provided also that the manufacturer may, in accordance with the provisions of the existing law, transfer the said goods from the said other premises on payment of tax in India or without payment of tax for exports within the period specified in this sub-section.

- (4) The tax under sub-sections (1), (2) and (3) shall not be payable, only if the manufacturer and the job worker declare the details of the inputs or goods held in stock by the job worker on behalf of the manufacturer on the appointed day in such form and manner and within such time as may be prescribed.

Section 142 –

- (1) Where any goods on which duty, if any, had been paid under the existing law at the time of removal thereof, not being earlier than six months prior to the appointed day, are returned to any place of business on or after the appointed day, the registered person shall be eligible for refund of the duty paid under the existing law where such goods are returned **by a person, other than a registered person**, to the said place of business within a period of six months from the appointed day and such goods are identifiable to the satisfaction of the proper officer (Goods return of excisable goods on which excise was paid at the time of removal of such goods)

Provided that if the said **goods are returned by a registered person, the return of such goods shall be deemed to be a supply.**

(2)

- (a) where, in pursuance of a contract entered into prior to the appointed day, the price of any goods or services or both is revised upwards on or after the appointed day, the registered person who had removed or provided such goods or services or both shall issue to the recipient a supplementary invoice or debit note, containing such particulars as may be prescribed, within thirty days of such price revision and for the purposes of this Act such supplementary invoice or debit note shall be deemed to have been issued in respect of an outward supply made under this Act;
- (b) where, in pursuance of a contract entered into prior to the appointed day, the price of any goods or services or both is revised downwards on or after the appointed day, the registered person who had removed or provided such goods or services or both may issue to the recipient a credit note, containing such particulars as may be prescribed, within thirty days of such price revision and for the purposes of this Act such credit note shall be deemed to have been issued in respect of an outward supply made under this Act:

Provided that the registered person shall be allowed to reduce his tax liability on account of issue of the credit note only if the recipient of the credit note has reduced his input tax credit corresponding to such reduction of tax liability.

- (3) Every claim for refund filed by any person before, on or after the appointed day, for refund of any amount of CENVAT credit, duty, tax, interest or any other amount paid under the existing law, shall be disposed of in accordance with the provisions of existing law and any amount eventually accruing to him shall be paid in cash, notwithstanding anything to the contrary contained under the provisions of existing law other than the provisions of sub-section (2) of section 11B of the Central Excise Act, 1944

Provided that where any claim for refund of CENVAT credit is fully or partially rejected, the amount so rejected shall lapse.

Provided further that no refund shall be allowed of any amount of CENVAT credit where the balance of the said amount as on the appointed day has been carried forward under this Act.

- (4) Every claim for refund filed after the appointed day for refund of any duty or tax paid under existing law in respect of the goods or services exported before or after the appointed day, shall be disposed of in accordance with the provisions of the existing law

Provided that where any claim for refund of CENVAT credit is fully or partially rejected, the amount so rejected shall lapse

Provided further that no refund shall be allowed of any amount of CENVAT credit where the balance of the said amount as on the appointed day has been carried forward under this Act.

(5) Every claim filed by a person after the appointed day for refund of tax paid under the existing law in respect of services not provided shall be disposed of in accordance with the provisions of existing law and any amount eventually accruing to him shall be paid in cash, notwithstanding anything to the contrary contained under the provisions of existing law other than the provisions of sub-section (2) of section 11B of the Central Excise Act, 1944.

(6)
(a) every proceeding of appeal, review or reference relating to a claim for CENVAT credit initiated whether before, on or after the appointed day under the existing law shall be disposed of in accordance with the provisions of existing law, and any amount of credit found to be admissible to the claimant shall be refunded to him in cash, notwithstanding anything to the contrary contained under the provisions of existing law other than the provisions of sub-section (2) of section 11B of the Central Excise Act, 1944 and the amount rejected, if any, shall not be admissible as input tax credit under this Act

Provided that no refund shall be allowed of any amount of CENVAT credit where the balance of the said amount as on the appointed day has been carried forward under this Act;

(b) every proceeding of appeal, review or reference relating to recovery of CENVAT credit initiated whether before, on or after the appointed day under the existing law shall be disposed of in accordance with the provisions of existing law and if any amount of credit becomes recoverable as a result of such appeal, review or reference, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under this Act and the amount so recovered shall not be admissible as input tax credit under this Act.

(7)
(c) every proceeding of appeal, review or reference relating to any output duty or tax liability initiated whether before, on or after the appointed day under the existing law, shall be disposed of in accordance with the provisions of the existing law, and if any amount becomes recoverable as a result of such appeal, review or reference, the same shall, unless recovered under the existing law, be recovered as an arrear of duty or tax under this Act and the amount so recovered shall not be admissible as input tax credit under this Act.

- (d) every proceeding of appeal, review or reference relating to any output duty or tax liability initiated whether before, on or after the appointed day under the existing law, shall be disposed of in accordance with the provisions of the existing law, and any amount found to be admissible to the claimant shall be refunded to him in cash, notwithstanding anything to the contrary contained under the provisions of existing law other than the provisions of sub-section (2) of section 11B of the Central Excise Act, 1944 and the amount rejected, if any, shall not be admissible as input tax credit under this Act.
- (3)
- (a) where in pursuance of an assessment or adjudication proceedings instituted, whether before, on or after the appointed day, under the existing law, any amount of tax, interest, fine or penalty becomes recoverable from the person, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under this Act and the amount so recovered shall not be admissible as input tax credit under this Act;
- (b) where in pursuance of an assessment or adjudication proceedings instituted, whether before, on or after the appointed day, under the existing law, any amount of tax, interest, fine or penalty becomes refundable to the taxable person, the same shall be refunded to him in cash under the said law, notwithstanding anything to the contrary contained in the said law other than the provisions of sub-section (2) of section 11B of the Central Excise Act, 1944 and the amount rejected, if any, shall not be admissible as input tax credit under this Act.
- (4)
- (a) where any return, furnished under the existing law, is revised after the appointed day and if, pursuant to such revision, any amount is found to be recoverable or any amount of CENVAT credit is found to be inadmissible, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under this Act and the amount so recovered shall not be admissible as input tax credit under this Act;
- (b) where any return, furnished under the existing law, is revised after the appointed day but within the time limit specified for such revision under the existing law and if, pursuant to such revision, any amount is found to be refundable or CENVAT credit is found to be admissible to any taxable person, the same shall be refunded to him in cash under the existing law, notwithstanding anything to the contrary contained in the said law other than the provisions of sub-section (2) of section 11B of the Central Excise Act, 1944 and the amount rejected, if any, shall not be admissible as input tax credit under this Act.
- (5) Save as otherwise provided in this Chapter, the goods or services or both supplied on or after the appointed day in pursuance of a contract entered into prior to the appointed day shall be liable to tax under the provisions of this Act.

- (6)
- (a) notwithstanding anything contained in section 12, no tax shall be payable on goods under this Act to the extent the tax was leviable on the said goods under the Value Added Tax Act of the State;
 - (b) notwithstanding anything contained in section 13, no tax shall be payable on services under this Act to the extent the tax was leviable on the said services under Chapter V of the Finance Act, 1994; (c) where tax was paid on any supply both under the Value Added Tax Act and under Chapter V of the Finance Act, 1994, tax shall be leviable under this Act and the taxable person shall be entitled to take credit of value added tax or service tax paid under the existing law to the extent of supplies made after the appointed day and such credit shall be calculated in such manner as may be prescribed.
- (7) Where any goods sent on approval basis, not earlier than six months before the appointed day, are rejected or not approved by the buyer and returned to the seller on or after the appointed day, no tax shall be payable thereon if such goods are returned within six months from the appointed day

Provided that the said period of six months may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding two months

Provided further that the tax shall be payable by the person returning the goods if such goods are liable to tax under this Act, and are returned after a period specified in this sub-section

Provided also that tax shall be payable by the person who has sent the goods on approval basis if such goods are liable to tax under this Act, and are not returned within a period specified in this sub-section.

- (8) Where a supplier has made any sale of goods in respect of which tax was required to be deducted at source under any law of a State or Union territory relating to Value Added Tax and has also issued an invoice for the same before the appointed day, no deduction of tax at source under section 51 shall be made by the deductor under the said section where payment to the said supplier is made on or after the appointed day.

Explanation – For the purposes of this Chapter, the expressions “capital goods”, “Central Value Added Tax (CENVAT) credit”, “first stage dealer”, “second stage dealer”, or “manufacture” shall have the same meaning as respectively assigned to them in the Central Excise Act, 1944 or the rules made thereunder.

TRANSITIONAL PROVISIONS FOR CLOSING STOCK

Case I: Registered under Excise and VAT

Carry forward of CENVAT credit as CGST credit (As per return)

Carry forward of VAT credit as State GST credit (As per return)

Case II: Not registered in Excise; Registered in VAT

INVOICE

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      XX
+ Excise  XX
-----
      XX
+ VAT    XX
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      XX
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Credit of VAT as state GST (As per return)

Credit of Excise as GST (As per invoices)

Conditions:

- Used intended to be used for taxable supplies.
- Eligible for ITC in GST.
- Possession of invoice evidencing payment of duty.
- Invoice not older the 12 months from AD.
- Supplier of service not eligible for abatement in GST.

INVOICE

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      XX
+ VAT    XX
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      XX
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Credit of VAT as state GST (As per return)

In lieu of Excise, credit in the following manner:

- **CGST Rate \geq 9%** : 60% of CGST on sale or 30% of IGST on sale.
- **CGST Rate $<$ 9%** : 40% of CGST on sale or 20% of IGST on sale.

Conditions:

- Same 5 conditions.
- Pass on the benefit on such credit by way of reduced prices
- Such goods should be excisable and not unconditionally exempt or nil – rated.
- Document for procurement is available.

Case III: Unregistered in Earlier Law

✓ Duty Paying Document

Credit as per Invoice

Same Conditions

✗ Duty Paying Document

Scheme of 60% / 40%

Same Conditions

REGISTRATION

Section 22 –

1. Every supplier shall be liable to be registered under this Act in the State or Union territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees

Provided that where such person makes taxable supplies of goods or services or both from any of the special category States, he shall be liable to be registered if his aggregate turnover in a financial year exceeds ten lakh rupees.

2. Every person who, on the day immediately preceding the appointed day, is registered or holds a license under an existing law, shall be liable to be registered under this Act with effect from the appointed day.
3. Where a business carried on by a taxable person registered under this Act is transferred, whether on account of succession or otherwise, to another person as a going concern, the transferee or the successor, as the case may be, shall be liable to be registered with effect from the date of such transfer or succession.
4. Notwithstanding anything contained in sub-sections (1) and (3), in a case of transfer pursuant to sanction of a scheme or an arrangement for amalgamation or, as the case may be, demerger of two or more companies pursuant to an order of a High Court, Tribunal or otherwise, the transferee shall be liable to be registered, with effect from the date on which the Registrar of Companies issues a certificate of incorporation giving effect to such order of the High Court or Tribunal.

Explanation – For the purpose of this section –

- i. the expression “aggregate turnover” shall include all supplies made by the taxable person, whether on his own account or made on behalf of all his principals;
- ii. the supply of goods, after completion of job work, by a registered job worker shall be treated as the supply of goods by the principal referred to in section 143, and the value of such goods shall not be included in the aggregate turnover of the registered job worker;
- iii. the expression “special category States” shall mean the States as specified in sub-clause (g) of clause (4) of article 279A of the Constitution.

Section 23 –

- (1) The following persons shall not be liable to registration, namely:–
- a. any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act;
 - b. an agriculturist, to the extent of supply of produce out of cultivation of land.

Section 24 –

Notwithstanding anything contained in sub-section (1) of section 22, the following categories of persons shall be required to be registered under this Act –

1. persons making any inter-State taxable supply;
2. casual taxable persons making taxable supply;
3. persons who are required to pay tax under reverse charge;
4. person who are required to pay tax under sub-section (5) of section 9;
5. non-resident taxable persons (NRI) making taxable supply;
6. persons who are required to deduct tax under section 51, whether or not separately registered under this Act;
7. persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise;
8. Input Service Distributor, whether or not separately registered under this Act;
9. persons who supply goods or services or both, other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax at source under section 52;
10. every electronic commerce operator;
11. every person supplying online information and database access or retrieval services from a place outside India to a person in India, other than a registered person; and
12. such other person or class of persons as may be notified by the Government on the recommendations of the Council.

Section 25 – Time Limit for application of Regn No.

1. Every person who is liable to be registered under section 22 or section 24 shall apply for registration in every such State or Union territory in which he is so liable within thirty days from the date on which he becomes liable to registration.

Provided that a casual taxable person or a non-resident taxable person shall apply for registration at least five days prior to the commencement of business.

Explanation. – Every person who makes a supply from the territorial waters of India shall obtain registration in the coastal State or Union territory where the nearest point of the appropriate baseline is located.

2. A person seeking registration under this Act shall be granted a single registration in a State or Union territory:

Provided that a person having multiple business verticals in a State or Union territory may be granted a separate registration for each business vertical, subject to such conditions as may be prescribed.

3. A person, though not liable to be registered under section 22 or section 24 may get himself registered voluntarily, and all provisions of this Act, as are applicable to a registered person, shall apply to such person.
4. A person who has obtained or is required to obtain more than one registration, whether in one State or Union territory or more than one State or Union territory shall, in respect of each such registration, be treated as distinct persons for the purposes of this Act.
5. Where a person who has obtained or is required to obtain registration in a State or Union territory in respect of an establishment, has an establishment in another State or Union territory, then such establishments shall be treated as establishments of distinct persons for the purposes of this Act. (Branch)

Section 27 – Validity of Registration

- (1) The certificate of registration issued to a casual taxable person or a nonresident taxable person shall be valid for the period specified in the application for registration or ninety days from the effective date of registration, whichever is earlier and such person shall make taxable supplies only after the issuance of the certificate of registration:

Provided that the proper officer may, on sufficient cause being shown by the said taxable person, extend the said period of ninety days by a further period not exceeding 90 days.

- (2) A casual taxable person or a non-resident taxable person shall, at the time of submission of application for registration under sub-section (1) of section 25, make an advance deposit of tax in an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought:

Provided that where any extension of time is sought under sub-section (1), such taxable person shall deposit an additional amount of tax equivalent to the estimated tax taxable person shall deposit an additional amount of tax equivalent to the estimated tax

- (3) The amount deposited under sub-section (2) shall be credited to the electronic cash ledger of such person and shall be utilised in the manner provided under section 49.

Section 29 – Cancellation of Registration Number

- (2) The proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where,–
- a. a registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed; or
 - b. a person paying tax under section 10 has not furnished returns for three consecutive tax periods; or (Composition Dealer)
 - c. any registered person, other than a person specified in clause (b), has not furnished returns for a continuous period of six months; or
 - d. any person who has taken voluntary registration under sub-section (3) of section 25 has not commenced business within six months from the date of registration; or
 - e. registration has been obtained by means of fraud, willful misstatement or suppression of facts:

Provide that the proper officer shall not cancel the registration without giving the person an opportunity of being heard.

- (2) Every registered person whose registration is cancelled shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher, calculated in such manner as may be prescribed:

Provided that in case of capital goods or plant and machinery, the taxable person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery, reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery under section 15, whichever is higher.

FILING OF RETURNS

Section 37 –

Every registered person other than and ISD, a NRD, person paying tax under Composition u/s10 or 51 or 52, shall furnish –

- Details of outwards supplies of goods or services or both for a particular month on or before 10th of subsequent period. Provided that such details shall not be provided between 11th to 15th of the said subsequent period.
- Every registered person who has been communicated the details under sub-section (3) of section 38 or the **details pertaining to inward supplies of Input Service Distributor under sub-section (4) of section 38**, shall either accept or reject the details so communicated, **on or before the seventeenth day**, but not before the fifteenth day, of the month succeeding the tax period and the details furnished by him under sub-section (1) shall stand amended accordingly.
- Any registered person, who has furnished the details under sub-section (1) for any tax period and which have remained unmatched under section 42 or section 43, shall, upon discovery of any error or omission therein, rectify such error or omission in such manner as may be prescribed, and shall pay the tax and interest, if any, in case there is a short payment of tax on account of such error or omission, in the return to be furnished for such tax period

Provided that no rectification of error or omission in respect of the details furnished under sub-section (1) 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.

Explanation - For the purposes of this Chapter, the expression “details of outward supplies” shall include details of invoices, debit notes, credit notes and revised invoices issued in relation to outward supplies made during any tax period.

Section 38 –

Every registered person other than and ISD, a NRD, person paying tax under Composition u/s10 or 51 or 52, shall –

- verify, validate, modify or delete, if required, the details relating to outward supplies and credit or debit notes communicated under sub-section (1) of section 37 **to prepare the details of his inward supplies and credit or debit notes and may include therein, the details of inward supplies and credit or debit notes received by him in respect of such supplies that have not been declared by the supplier under sub-section (1) of section 37.**

- furnish, electronically, **the details of inward supplies of taxable goods or services or both, including inward supplies of goods or services or both on which the tax is payable on reverse charge basis under this Act and inward supplies of goods or services or both taxable under the Integrated Goods and Services Tax Act or on which integrated goods and services tax is payable under section 3 of the Customs Tariff Act, 1975, and credit or debit notes received in respect of such supplies during a tax period after the tenth day but on or before the fifteenth day of the month succeeding the tax period in such form and manner as may be prescribed:**
- The details of supplies modified, deleted or included by the recipient and furnished under sub-section (2) shall be communicated to the supplier concerned
- The details of supplies modified, deleted or included by the recipient in the return furnished under sub-section (2) or sub-section (4) of section 39 shall be communicated to the supplier concerned (Composition Dealer and ISD)
- Any registered person, who has furnished the details under sub-section (2) for any tax period and which have remained unmatched under section 42 or section 43, shall, upon discovery of any error or omission therein, rectify such error or omission in the tax period during which such error or omission is noticed in such manner as may be prescribed, and shall pay the tax and interest, if any, in case there is a short payment of tax on account of such error or omission, in the return to be furnished for such tax period:

Provided that no rectification of error or omission in respect of the details furnished under sub-section (2) 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.

Section 39 –

(1) Every registered person other than and ISD, a NRD, person paying tax under Composition u/s 10 or 51 or 52, shall furnish a Consolidated Return of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other details on or before 20th of subsequent month

(2) A registered person paying tax under the provisions of section 10 shall (Composition Dealer), for each quarter or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of turnover in the State or Union territory, inward supplies of goods or services or both, tax payable and tax paid within eighteen days after the end of such quarter.

(3) **Every registered person required to deduct tax at source** under the provisions of section 51 **shall furnish**, in such form and manner as may be prescribed, **a return**,

electronically, for the month in which such deductions have been made **within ten days after the end of such month**.

(4) Every taxable person registered as an Input Service Distributor shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, within thirteen days after the end of such month.

(5) Every registered **non-resident taxable person** shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, **within twenty days after the end of a calendar month or within seven days after the last day of the period of registration** specified under sub-section (1) of section 27, whichever is earlier.

(6) Every Registered person filing return u/s-s (1) or (2) or (3) or (5) shall pay the taxes on or before 20th of subsequent period

(7) NIL Return to be filed every month

(8) Rectification, Errors & Omissions, if any, shall rectify in the return to be furnished for the month or quarter during which such omission or incorrect particulars are noticed, subject to payment of interest under this Act but not later than filing of the Annual Return in the month of September following the end of the FY or the actual date of filing the said annual return, whichever is earlier.

(9) Unless the return for a particular tax period has not been filed, return for the subsequent tax period cannot be filed.

Section 41 –

(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to take the credit of eligible input tax, as self-assessed, in his return and such amount shall be credited on a provisional basis to his electronic credit ledger.

(2) The credit referred to in sub-section (1) shall be utilised only for payment of self-assessed output tax as per the return referred to in the said sub-section.

Section 42 –

(1) Details of every inward supplies be matched –

(a) with the corresponding details of outward supply furnished by the corresponding registered person (hereafter in this section referred to as the “supplier”) in his valid return for the same tax period or any preceding tax period;

(b) with the integrated goods and services tax paid under section 3 of the Customs Tariff Act, 1975 in respect of goods imported by him; and

(c) for duplication of claims of input tax credit

(2) The claim of input tax credit in respect of invoices or debit notes relating to inward supply that match with the details of corresponding outward supply or with the integrated goods and services tax paid under section 3 of the Customs Tariff Act, 1975 in respect of goods imported by him shall be finally accepted and such acceptance shall be communicated, to the recipient.

(3) Where the input tax credit claimed by a recipient in respect of an inward supply is in excess of the tax declared by the supplier for the same supply or the outward supply is not declared by the supplier in his valid returns, the discrepancy shall be communicated to both such dealers (Supplier and Recipient)

(4) The duplication of claims of input tax credit shall be communicated to the recipient.

(5) The amount in respect of which any discrepancy is communicated under sub-section (3) 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.

(6) The amount claimed as input tax credit that is 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.

(7) The recipient shall be eligible to reduce, from his output tax liability, the amount added under sub-section (5), if the supplier declares the details of the invoice or debit note in his valid return within the time specified in sub-section (9) of section 39.

(8) A supplier in whose output tax liability any amount has been added under sub-section (5) or sub-section (6), shall also be liable to pay interest at the rate specified, in respect of the amount so added from the date of such claim for reduction in the output tax liability till the corresponding additions are made under the said sub-sections.

(9) Where any reduction in output tax liability is accepted under sub-section (7), **the amount of interest paid** under sub-section (8) shall be refunded to the supplier by crediting the amount in the corresponding head of his electronic cash ledger in such manner as may be prescribed

(10) The amount reduced from output tax liability in contravention of the provisions of sub-section (7) shall be added to the output tax liability of the supplier 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 in sub-section (3) of section 50.

Section 44 -

- Every registered person other than IDS, NRD, dealer paying composition tax under u/s 10 or tax u/s 51 or 52, shall furnish Annual Return on or before 31st December following the end of such FY
- Every registered person who is required to get his accounts audited in accordance with the provisions of sub-section (5) of section 35 shall furnish, electronically, the annual return under sub-section (1) along with a copy of the audited annual accounts and a reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year with the audited annual financial statement, and such other particulars as may be prescribed

Section 45 –

A dealer whose RC has been cancelled shall furnish a final return within 3 months of the date of cancellation or date of order of cancellation, whichever is earlier

Section 47 –

Late fee of Rs. 100/- per day, max of Rs. 5000/- for failure to furnish details u/s 37 or 38 or 39.

Late fee of Rs. 100/- per day subject to max. amount calculated at a ¼ % of TURNOVER for failure to file annual return u/s 44 of the Act.

Details to be provided in Nut Shell –

1. For all B2B Outward Supplies (Inter-state as well as Intra State) Invoice-wise details, rate-wise details should be uploaded.
2. For all B2C Outward Supplies where invoice value is > Rs. 2.5 Lacs, Invoice-wise details to be uploaded.
3. For all B2C transactions below the limit of Rs. 2.5 Lacs, State-wise summary of supplies rate-wise should be uploaded.
4. Supplies made through E-Commerce operators attracting TCS u/s 52, operator-wise and rate-wise.
4. Exports outside India against payment of IGST or under Bond for Export
5. Supplies made to SEZ Units / Developers
6. Deemed Exports along with details of shipping bill and its date.
7. Details of Credit Notes and Debit Notes issued (state-wise and rate-wise).
8. Supplies effected against a particular HSN / SAC Code to be reported in Summary Table.
9. No. of Tax Invoices during the period
10. No of B2C invoices issued during the period
11. No. of Credit Notes Issued during the period
12. No. of Debit Notes Issued during the period
13. Tax rate wise summary
14. HSN Code wise Summary
15. SAC Code wise Summary

Return Type and by date to be uploaded –

1. GSTR-1 – Details of Outward Supplies – to be uploaded by 10th of next month
2. GSTR-2 – Details of Inward Supplies – to be uploaded by 15th of next month
3. GSTR-3 – Monthly / Consolidation of GSTR-1 and GSTR-2 – to be uploaded by 20th of next month
4. GSTR-4 - Quarterly return for composition dealer – 18th of next month to the quarter ending period
5. GSTR-7 / 8 – Return for Tax Deducted / Collected at Source (TDS / TCS) – 13th of succeeding month
6. GSTR-9 – Annual Return – 31st December of the next FY

PAYMENT OF TAXES

The CGST/SGST shall be paid by every taxable person in accordance with the provisions of this Act. There are two types of ledgers to be maintained on the GSTN portal once the taxable person registered himself on the portal. One is Cash ledger and other is Input Credit ledger.

Meaning of Cash Ledger

The cash ledger will reflect all deposits made in cash, and TDS/TCS made on account of the taxpayer. The information will be reflected on real time basis. This ledger can be used for making any payment on account of GST (including interest, penalty, fees, etc.). Money can be deposited in the Cash Ledger by different modes, namely, **E-Payment** (Internet Banking, **Credit Card**, **Debit Card**); Real Time Gross Settlement (**RTGS**)/ National Electronic Fund Transfer (**NEFT**); **Over the Counter Payment** in branches of Banks Authorized to accept deposit of GST.

Meaning of Input Credit ledger

Input Tax Credit as self-assessed in monthly returns will be reflected in the ITC Ledger. The credit in this ledger can be used to make payment of TAX ONLY and no other amounts such as interest, penalty, fees etc.

In the GST regime, certain categories of registered persons will be required to pay to the government account Tax Deducted at Source (TDS) and Tax Collected at Source (TCS). In addition, wherever applicable, Interest, Penalty, Fees and any other payment will also be required to be made.

However, in specified cases like imports and other notified supplies, the liability may be cast on the recipient under the reverse charge mechanism. Further, in some cases, the liability to pay is on the third person (say in the case of e-commerce operator responsible for TCS or Government Department responsible for TDS).

Payment can be done by the following methods:

- (i) Through debit of Credit Ledger of the taxpayer maintained on the Common Portal - ONLY Tax can be paid. Interest, Penalty and Fees cannot be paid by debit in the credit ledger. Tax payers shall be allowed to take credit of taxes paid on inputs (input tax credit) and utilize the same for payment of output tax.
- (ii) In cash by debit in the Cash Ledger of the taxpayer maintained on the Common Portal.

Payment of taxes by the normal taxpayer is to be done on monthly basis by the 20th of the succeeding month. Cash payments will be first deposited in the Cash Ledger and the taxpayer shall debit the ledger while making payment in the monthly returns and shall reflect the relevant debit entry number in his return. As mentioned earlier, payment can also be debited from the Credit Ledger. Composition tax payers will need to pay tax on quarterly basis.

Manner of generating Challan for payment of GST

There will be real time two-way linkage between the GSTN and the Core Banking Solution (CBS) of the Bank. After entering all the details of the tax payer CPIN (Common portal Identification number) is automatically routed to the Bank via electronic string for verification and receiving payment and a challan identification number (CIN) is to automatically send by the Bank to the Common Portal confirming payment receipt. No manual intervention will be involved in the process by any one including bank cashier or teller or the taxpayer.

A taxpayer can partially fill in the challan form and temporarily “save” the challan for completion at a later stage. A saved challan can be “edited” before finalization. After the tax payer has finalized the challan, he will generate the challan, for use of payment of taxes. After logging into GSTN portal for generation of challan, payment particulars have to be fed in by the tax payer or his authorized person. He can save the challan midway for future updation. However once the challan is finalized and CPIN generated, no further changes can be made to it by the taxpayer.

Concept of TDS in GST

TDS stands for Tax Deducted at Source (TDS). As per section 37, this provision is meant for Government and Government undertakings and other notified entities making contractual payments in excess of Rs. 10 Lakhs to suppliers. While making such payment, the concerned Government/authority shall deduct 1% of the total payable amount and remit it into the appropriate GST account. Any amount shown as TDS will be reflected in the electronic cash ledger of the concerned supplier. He can utilize this amount towards discharging his liability towards tax, interest fees and any other amount. Such deductor's needs to get compulsorily registered under section 19 read with Schedule III of MGL. They need to remit such TDS collected by the 10th day of the month succeeding the month in which TDS was collected and reported in GSTR 7. The amount deposited as TDS will be reflected in the electronic cash ledger of the supplier. They need to issue certificate of such TDS to the deductee within 5 days of deducting TDS failing which fees of Rs. 100 per day subject to maximum of Rs. 5000/- will be payable by such deductor.

Concept of TCS in GST

This provision is applicable only for E-Commerce Operator under section 43C of MGL. Every E-Commerce Operator needs to withhold a percentage (to be notified later on the recommendation of the GST Council) of the amount which is due from him to the supplier at the time of making actual payment to the supplier. Such withheld amount is to be deposited by such E-Commerce Operator to the appropriate GST account by the 10th of the next month. The amount deposited as TCS will be reflected in the electronic cash ledger of the supplier.

