

# INDEX

|                                    | <b>Page</b> |
|------------------------------------|-------------|
| <b>1. REGISTRATION</b>             | <b>3</b>    |
| <b>2. COMPOSITION LEVY</b>         | <b>6</b>    |
| <b>3. TIME AND PLACE OF SUPPLY</b> | <b>8</b>    |
| <b>4. INPUT TAX CREDIT</b>         | <b>10</b>   |
| <b>5. TAX INVOICE</b>              | <b>12</b>   |
| <b>6. RETURNS</b>                  | <b>17</b>   |
| <b>7. JOBWORK</b>                  | <b>21</b>   |
| <b>8. TRANSITIONAL PROVISIONS</b>  | <b>23</b>   |



A graphic featuring a green road signpost against a blue sky with white clouds. The signpost has two signs: a white circular sign with 'GST' in green, and a green arrow-shaped sign pointing right with 'GST registration online' and 'www.gst.gov.in' in white. Below the signpost, the word 'REGISTRATION' is written in large red capital letters.

# GST

GST registration online  
[www.gst.gov.in](http://www.gst.gov.in)

# REGISTRATION

Registration is the most fundamental requirement for the identification of tax payers to ensure compliance and to obtain a unique registration number for the purpose of collecting tax on behalf of the Government and to avail ITC accrued on the inward supplies.

## Benefits of registration

Registration will confer the following advantages to a taxpayer:

- He is legally recognized as supplier of goods or services.
- He is legally authorized to collect taxes from his customers and pass on the credit of the taxes paid on the goods or services supplied to the purchasers/recipients.
- He can claim Input Tax Credit of taxes paid and can utilize the same for payment of taxes due on supply of goods or services.
- Seamless flow of Input Tax Credit from suppliers to recipients at the national level.

## Threshold limit for registration

Registration is mandatory

when Aggregate Turnover in a Financial Year exceeds Rs.20 Lakhs (Aggregate Turnover = Value of Taxable of Supplies + Exempt Supplies + Inter State Supplies + Exports of both Goods and Services of persons having the same PAN calculated on all India basis less tax under IGST, CGST, SGST and Cess), except for Special Category States, where the threshold limit for aggregate turnover is Rs.10 lakhs.

## Exemption from registration

Irrespective of the turnover, the following dealers are exempted from Registration:-

- Agriculturist for the purpose of Agriculture
- Supply of exclusively exempted goods

## Voluntary Registration

A person not liable to be registered under the Act, may get himself registered voluntarily to avail ITC and pass on the ITC to the recipient.

## **Compulsory Registration**

The following class of persons shall compulsorily register:-

- a) Persons making Inter-State Taxable supply ;
- b) Casual Taxable person;
- c) Persons who are required to pay tax under reverse charge;
- d) Persons who are required to pay tax as e-commerce operators;
- e) Non-resident taxable person;
- f) Persons required to deduct tax as TDS (Government Agencies, Department etc.,)
- g) Persons required to collect tax as TCS (electronic Commerce operator)

## **Casual taxable person and a Non-resident taxable person**

A Casual taxable person is one who has a registered business in some State in India, but wants to effect supplies in some other State in which he is not having any fixed place of business. Such person needs to register in the State from where he seeks to supply as a Casual taxable person.

A Non-Resident taxable person is one who is a foreigner and occasionally wants to effect taxable supplies from any State in India, and for that he needs GST registration. GST law prescribes special procedure for registration, as also for extension of the operation period of such Casual or Non-Resident taxable persons.

They have to apply for registration at least five days in advance before making any supply. Also, registration is granted to them or period of operation is extended only after they make advance deposit of the estimated tax liability.

## **Registration process**

- Application to be filed online within 30 days of becoming liable;
- Casual Dealers and non-resident taxable person shall apply at least 5 days prior to the date of commencement of business ( Period of Validation is as specified in the application or 90 days from the effective date of registration whichever is earlier and an advance deposit of tax, an amount equivalent to the estimated tax liability of such person);
- All the Core Fields (name of business, principal place of business and stakeholders details, etc.) should be filled up;
- Scanned documents to be attached;
- Digital Signature or e-Sign should be done;
- Application to be processed within 3 common working days;
- If Application is successful the Registration Certification will be sent in the PDF format to the e-mail;
- All Queries to be raised and communicated by the proper officer within 3 common working days – sent in PDF format to the e-mail of the applicant;
- Applicant should reply to query within 7 days- failure will entail automatic rejection by the system;
- On receipt of reply, registration should be granted / rejected within 7 days;
- Rejection of Application under CGST will be a deemed rejection under SGST and vice-versa;
- Deemed Approval, if no query.

## Amendment in Registration:

Except for the changes in some core information in the registration application, a taxable person shall be able to make amendments without requiring any specific approval from the tax authority. In case the change is for legal name of the business, or the State of place of business or additional place of business, the taxable person will apply for amendment within 15 days of the event necessitating the change. The Proper Officer, then, will approve the amendment within the next 15 days. For other changes like the name of day-to-day functionaries, e-mail IDs, mobile numbers etc. no approval of the Proper Officer is required, and the amendment can be affected by the taxable person on his own on the common portal.

## Cancellation of registration

Cancellation of registration can be done in the following circumstances

- Transfer of business or discontinuation of business or merger
- Death of the proprietor
- Change in the constitution of business. (Partnership Firm may be changed to Sole Proprietorship due to death of one of the two partners,

leading to change in PAN )

- Persons no longer liable to be registered (Except when he is voluntarily registered)
- Registered taxable person has contravened provisions of the Act or Rules
- A composition supplier has not furnished returns for 3 consecutive tax periods/ any other taxable person has not furnished returns for a continuous period of 6 months
- Non-commencement of business within 6 months from date of registration by a person who has registered voluntarily.
- Where registration has been obtained by means of fraud, willful mis-statement or suppression of facts, the registration may be cancelled with retrospective effect.

## Revocation of cancellation of registration:

Application for revocation should be made within 30 days from the date of service of cancellation order. The proper officer can revoke cancellation/ reject application.



# Composition Levy under GST - Regime Turnover Limit, GST Rates

[www.gst.gov.in](http://www.gst.gov.in)

## COMPOSITION LEVY

Small tax payers can opt to pay tax at a flat rate and opt for composition of tax if their annual aggregate turnover is within 75 lakhs. This option is available for certain special category of manufacturers and service providers also. No input tax credit is available for a compounding dealer. Compounding dealer cannot issue a tax invoice but only a bill of supply. Compounding dealers are not permitted to collect tax

### **Persons not eligible for Composition**

- Supplier of Services other than Supplier of Restaurant service
- Neither a Casual Taxable person nor a Non-Resident Taxable person.
- An Inter State supplier of Goods
- Persons supplying Goods through e-commerce operator
- Manufacturers of certain notified goods

### **Composition Rates**

- For manufacturers, SGST 1% + CGST 1%
- For hotels other than Liquor SGST 2.5% + CGST 2.5%
- For others SGST 0.5% + CGST 0.5%

### **Return of a composition dealer**

A composition dealer instead of filing monthly return, has to file return for each quarter in GSTR-4 within 18 days after the end of such quarter. In GSTR-4, invoice wise details of inter-state and intra-State supplies received from registered persons as well as unregistered persons, imports of goods and services, consolidated details of outward supplies, consolidated statement of advances paid/advances adjusted on account of receipt of supplies, debit note and credit note received and issued have to be reported.

## Conditions for Composition

- With respect to migrated dealer, the Goods in stock should not have been purchased on Inter-State basis/ imports/ Stock Transfer.
- The Goods in Stock must not have been purchased from Un-registered Dealers, and if purchased tax has to be paid under Reverse Charge mechanism.
- Composition dealers have to issue Bill of supply instead of Invoice
- In the Bill of supply, such dealer should mention “Composition Taxable person not eligible to collect tax on supplies”.
- In Sign boards at prominent place of business he shall mention the words “Composition Taxable person”.

## Cancellation of registration

Failure to file returns for 3 consecutive tax periods will lead to cancellation of registration.

## Transitional Provisions

Dealer paying tax in the composition scheme under the earlier law, but decided to pay tax under Section 9 of the GST law (i.e. regular dealer), shall be eligible for ITC in GST on the closing stock of goods purchased locally.

A dealer availing ITC under the earlier law, but decided to become a composition dealer under Section 10 of the GST Law, shall have to pay an amount equivalent to the credit of input tax.



# TIME AND PLACE OF SUPPLY OF GOODS & SERVICES

## TIME OF SUPPLY OF GOODS

Under GST, the point of taxation, i.e, the liability to pay CGST/SGST will arise at the time of supply as determined for Goods & Services.

**The time of supply of Goods shall be the earlier of the following dates, namely :-**

- The date of issue of invoice by the supplier (or the last date on which he is required to issue the invoice) or
- The date on which the supplier receives the payment with respect to the supply.

**The time of supply of goods where tax is to be paid on reverse charge shall be the earlier of the following dates, namely :-**

- The date of receipt of goods, or
- The date of payment or
- 30 days from the date of issue of invoice by the supplier *(If it is not possible to determine under i), ii) or iii), the date of entry of supply in the books of the recipient)*

**The time of supply of goods in case of vouchers shall be the earlier of the following dates, namely :-**

- The date of issue of voucher; or
- The date of redemption of voucher. *(If the date could not be determined then the date of periodical return filed or the date on which the CGST/SGST is paid)*



## TIME OF SUPPLY OF SERVICES

The time of supply of services shall be the earliest of the following dates, namely:-

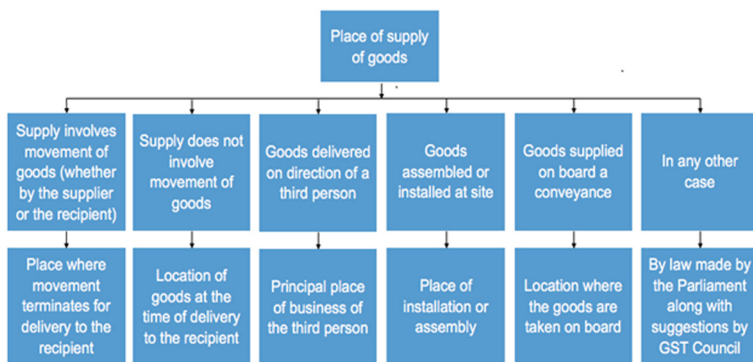
- i. The date of issue of invoice or
- ii. The date of receipt of payment.

The time of supply of services where tax is to be paid on reverse charge shall be the earliest of the following dates, namely:-

- i. The date of receipt of payment or
  - ii. 60 days immediate from the date of invoice.
- If it is not possible to determine under (i) or (ii), the date of entry

## PLACE OF SUPPLY OF GOODS

(The place of supply of goods would be the location where the goods are delivered)



## PLACE OF SUPPLY OF SERVICES

(The place of supply of services would be the location of recipient)

| Service provided to                         | Place of Supply  |
|---|--|
| Registered Person – B2B                     | Location of Recipient  |
| Person other than a Registered Person – B2C | the location of the recipient where the address on record exists; and (“address on record” means the address of the recipient as available in the records of the supplier)<br>the location of the supplier of services in other cases. |



# INPUT TAX CREDIT

Uninterrupted and seamless chain of input tax credit (hereinafter referred to as, "ITC") is one of the key features of Goods and Services Tax. ITC is a mechanism to avoid cascading of taxes. Cascading of taxes, in simple language, is 'tax on tax'. Under the present system of taxation, credit of taxes being levied by Central Government is not available as set-off for payment of taxes levied by State Governments, and vice versa.

One of the most important features of the GST system is that the entire supply chain would be subject to GST to be levied by Central and State Government concurrently. As the tax charged by the Central or the State Governments would be part of the same tax regime, the credit of tax paid at every stage would be available as set-off for payment of tax at every subsequent stage.

Under this new system, most of the indirect taxes levied by Central and the State Governments on supply of goods or services or both, would be combined together under a single levy.

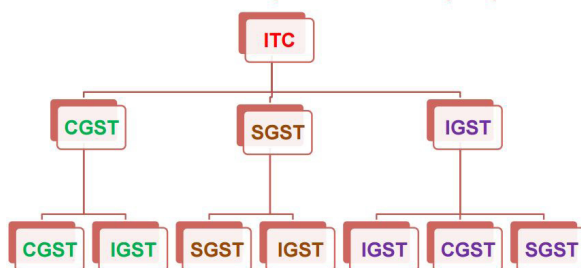
## **GST comprises of the following levies:**

- Central Goods and Services Tax (CGST) [on intra-state supply of goods or services or both].
- State Goods and Services Tax (SGST) [on intra-state supply of goods or services or both.]
- Integrated Goods and Services Tax (IGST) [ on inter-state supply of goods or services or both. In case of import of goods also, the present levy of Countervailing Duty (CVD) and Special Additional Duty(SAD) would be replaced by IGST.]

Protocol to avail and utilise the credit of these taxes is as follows:

| Credit of | To be utilized first for payment of | Balance can be utilized for payment of |
|-----------|-------------------------------------|--|
| CGST      | CGST                                | IGST                                   |
| SGST      | SGST                                | IGST                                   |
| IGST      | IGST                                | CGST then SGST                         |

### Utilization of Input Tax Credit (ITC)



### Conditions for claiming ITC

- Tax- payer should possess tax invoice or debit note or any other tax paying documents issued by supplier registered under the GST Act.
- He should have received the goods or services or both.
- Supplier should have reported the supply in the returns and should have paid tax.

### ITC not allowed in the following circumstances

- ITC not allowed for a composition dealer.
- ITC not allowed for goods or services received by a non resident taxable person except on goods imported by him.
- ITC not allowed for goods or services used for personal consumption
- ITC not allowed for Goods lost / stolen / destroyed / returned or disposed of by way of gift /free samples.

### Time limit for claiming ITC

ITC for a supply received in a financial year has to be claimed any time before the filing of returns for the month of September (of the following financial year) or the relevant annual return whichever is earlier.



# TAX INVOICE

## Issue of Invoice for Supply of goods

When movement of goods is involved, tax invoice has to be issued before or at the time of removal of the goods.

When movement of goods is not involved, tax invoice has to be issued before or at the time of delivery of goods to the recipient or when the goods are made available to the recipient.

## Issue of Invoice for Supply of services

In case of supply of services, tax invoice has to be issued within 30 days of supply of services. In case of banking, insurance and other finance companies, invoice has to be raised within 45 days of supply of services.

## Issue of invoice by an unregistered person

Only a registered person can issue a tax invoice. GST law specifically prohibits collection of tax by persons who are not registered under the GST law.

## Revised Invoice

The words 'Revised invoices' or 'Supplementary invoices' should be mentioned prominently in such invoices along with reference of the date and invoice number of the original invoice.

## Bill of supply

A Bill of supply is a document issued instead of a tax invoice. Bill of supply is issued for the following supplies

- Supply of exempted goods or services, or
- Supply made by a composition taxpayer

For all sales of exempted goods made for a value more than Rs.200/- and for all sales made by a composition supplier for a value more than Rs.200/-, Bill of supply has to be issued. If the sales value is less than Rs.200/-, Bill of supply need not be issued unless the recipient demands for such a bill. At the end of the day, a consolidated Bill of supply should be

prepared for all sales made for a value of less than Rs.200/-.

### **Credit Note**

For issuing credit note, an invoice for a supply should have been issued earlier. A credit note may be issued in the following circumstances

- The taxable value on which the tax collected is more than the actual taxable value
- The tax charged is more than what should have been charged
- The recipient has returned the goods

### **Debit Note**

A debit note may be issued in the following circumstances

- The taxable value on which the tax collected is less than the actual taxable value
- The tax charged is less than what should have been charged

### **Copies of Invoices**

For supply of goods the invoice should be prepared in triplicate.

- The original copy being marked as "ORIGINAL FOR RECIPIENT"
- The duplicate copy being marked as "DUPLICATE FOR TRANSPORTER" and
- The triplicate copy being marked as "TRIPPLICATE FOR SUPPLIER".

For supply of services the invoice should be prepared in duplicate.

- The original copy being marked as "ORIGINAL FOR RECIPIENT"
- The duplicate copy being marked as "DUPLICATE FOR SUPPLIER".

### **Document for Reverse charge**

Where tax is to be collected on reverse charge basis, the recipient of goods or services has to issue a 'payment voucher' at the time of making payment to the supplier. The dealer is also required to issue tax invoice mentioning that the tax has been collected on reverse charge basis.

### **Contents of an INVOICE**

A tax invoice should contain the following details:

1. Name, address and GSTIN of the supplier
2. Consecutive serial number containing alphabets or numerals or special characters hyphen (-) or slash (/) for a financial year.
3. Date of issue
4. Name, address and GSTIN or UIN of the recipient, if the recipient is a registered dealer.
5. Name and address of the recipient if the invoice value is more than Rs.50,000/-
6. HSN code of goods or Accounting Code of services
7. Description of goods or services
8. Quantity in case of goods and unit or Unique Quantity Code thereof
9. Total value of supply of goods or services or both
10. Taxable value of supply of goods or services or both taking into account discount or abatement, if any
11. Rate of tax separately for each type of tax (central tax, State tax, integrated tax or cess)
12. Amount of tax charged (central tax, State tax, integrated

tax or cess)

13. If the supply is in the course of inter-State trade or commerce, place of supply along with the name of State.
14. Address of delivery, where the same is different from the place of supply
15. Whether tax is payable on reverse charge basis
16. Signature or digital signature of the supplier or his authorised representative

### **Contents of a Bill of supply**

Bill of supply should contain the following details:

1. Name, address and GSTIN of the supplier
2. Consecutive serial number containing alphabets or numerals or special characters hyphen (-) or slash (/) for a financial year.
3. Date of issue
4. Name, address and GSTIN or UIN of the recipient, if the recipient is a registered dealer.
5. HSN code of goods or Accounting Code of services
6. Description of goods or services
7. Signature or digital signature of the supplier or his authorised representative

### **Contents of a Receipt voucher**

A Receipt voucher is a document issued when advance is received in relation to supply of goods or services. A Receipt voucher should contain the following details:

1. Name, address and GSTIN of the supplier

2. Consecutive serial number containing alphabets or numerals or special characters hyphen (-) or slash (/) for a financial year.
3. Date of issue
4. Name, address and GSTIN or UIN of the recipient, if the recipient is a registered dealer.
5. Description of goods or services
6. Amount of advance taken
7. Rate of tax (central tax, State tax, integrated tax or cess)
8. Amount of tax charged (central tax, State tax, integrated tax or cess)
9. If the supply is in the course of inter-State trade or commerce, place of supply along with the name of State.
10. Whether tax is payable on reverse charge basis
11. Signature or digital signature of the supplier or his authorised representative

Provided that where at the time of receipt of advance,

- The rate of tax is not determinable, the tax shall be paid at the rate of eighteen per cent
- The place of supply is not determinable, the same shall be treated as inter-State supply.

### **Content of a Refund Voucher**

A dealer after receipt of advance payment against supply of goods or services subsequently makes no supply and issues no tax invoice, has to refund the tax to the person who has made the payment. For this purpose he has to issue a refund voucher to the person who has made the advance payment.

A Refund voucher should contain the

following details:

1. Name, address and GSTIN of the supplier
2. Consecutive serial number containing alphabets or numerals or special characters hyphen (-) or slash (/) for a financial year.
3. Date of issue
4. Name, address and GSTIN or UIN of the recipient, if the recipient is a registered dealer.
5. Description of goods or services in respect of which refund is made
6. Amount of refund made
7. Rate of tax (central tax, State tax, integrated tax or cess)
8. Amount of tax paid in respect of such goods or services (central tax, State tax, integrated tax or cess)
9. Whether tax is payable on reverse charge basis
10. Signature or digital signature of the supplier or his authorised representative

### **Payment voucher**

Where tax is to be collected on reverse charge basis, the recipient of goods or services has to issue a 'payment voucher' at the time of making payment to the supplier.

A Payment voucher should contain the following details:

1. Name, address and GSTIN of the supplier, if registered
2. Consecutive serial number containing alphabets or numerals or special characters hyphen (-) or slash (/) for a financial year.
3. Date of issue
4. Name, address and GSTIN or UIN of the recipient, if the recipient is a

registered dealer.

5. Description of goods or services
6. Amount paid
7. Rate of tax (central tax, State tax, integrated tax or cess)
8. Amount of tax payable (central tax, State tax, integrated tax or cess)
9. If the supply is in the course of inter-State trade or commerce, place of supply along with the name of State.
10. Signature or digital signature of the supplier or his authorised representative

### **Contents of a Revised invoice, credit note and debit note**

A Revised invoice, credit note and debit note should contain the following details:

1. The word 'Revised Invoice', wherever applicable should be indicated prominently at the top of the invoice
2. Name, address and GSTIN of the supplier
3. Nature of the document
4. Consecutive serial number containing alphabets or numerals or special characters hyphen (-) or slash (/) for a financial year.
5. Date of issue of the document
6. Name, address and GSTIN or UIN of the recipient, if the recipient is a registered dealer.
7. 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
8. Serial number and date of the corresponding tax invoice or, as

the case may be, bill of supply

9. Value of taxable supply of goods or services, rate of tax and the amount of tax credited or, as the case may be, debited to the recipient and
10. Signature or digital signature of the supplier or his authorised representative

### **Tax invoice issued by an Input Service Distributor**

The invoice should contain the following details:

1. Name, address and GSTIN of the Input Service Distributor
2. Consecutive serial number containing alphabets or numerals or special characters hyphen (-) or slash (/) for a financial year.
3. Date of issue
4. Name, address and GSTIN of the recipient to whom the credit is distributed.
5. Amount of credit distributed
6. Signature or digital signature of the Input Service Distributor or his authorised representative

### **Contents of a Delivery Challan**

The delivery challan should contain the following details:

1. Date and number of the delivery challan
2. Name, address and GSTIN of the consignor, if registered
3. Name, address and GSTIN of the consignee, if registered
4. HSN code and description of goods
5. Quantity (provisional, where the exact quantity being supplied is not known)
6. Taxable value
7. Tax rate and tax amount – central tax, state tax, integrated tax or cess, where the transportation is for supply to the consignee
8. Place of supply, in case of inter-State movement and
9. Signature

The delivery challan should be prepared in triplicate in the following manner:

1. The original copy being marked as “ORIGINAL FOR CONSIGNEE”
2. The duplicate copy being marked as “DUPLICATE FOR TRANSPORTER” and
3. The triplicate copy being marked as “TRIPLICATE FOR CONSIGNOR”.







# GST RETURNS

Every person registered under the Goods and Services Tax Act, 2017 has to file return. Under the GST law, a normal tax payer needs to file monthly returns and one annual return. Similarly, there are separate returns for tax payers registered under the composition scheme, a non-resident taxable person, tax payer registered as an Input Service Distributor, a person liable to deduct or collect the tax (TDS/TCS).

All the returns have to be filed through online by using any of the following methods:

- Through GSTN portal ([www.gst.gov.in](http://www.gst.gov.in))
- Through offline utilities provided by GSTN
- Through GST Suvidha Providers (GSPs).

| Return | Description  | Who files?        | Date for filing        |
|--------|--|-------------------|------------------------|
| GSTR-1 | Monthly statement for outward supplies of goods and services | Registered person | 10th of the next month |
| GSTR-2 | Monthly statement for inward supplies of goods and services  | Registered person | 15th of the next month |

|         |  |  |  |
|---------|--|--|--|
| GSTR-3  | Monthly return for a normal taxpayer                       | Registered person  | 20th of the next month   |
| GSTR-4  | Quarterly return   | Composition dealer   | 18th of the month succeeding the quarter   |
| GSTR-5  | Monthly return for a non-resident taxable person           | Non-resident taxable person  | 20th of the next month, succeeding the tax period or within 7 days after expiry of registration  |
| GSTR-6  | Monthly return for an Input Service Distributor(ISD)       | Input Service Distributor  | 13th of the next month   |
| GSTR-7  | Monthly return for the authorities deducting tax at source | Tax deductor   | 10th of the next month   |
| GSTR-8  | Monthly return for e-commerce operator                     | e-commerce operator  | 10th of the next month   |
| GSTR-9  | Annual return  | Registered person other than an ISD, TDS / TCS Tax payer, casual taxable person and Non-resident Tax payer | 31st December of the next financial year   |
| GSTR-10 | Final return   | Taxable person whose registration has been surrendered or cancelled  | Within 3 months of the date of cancellation or date of order of cancellation whichever is later. |

### **GSTR-1 (Statement of Outward Supplies)**

In GSTR-1, supplies made to the registered dealers as well as unregistered dealers has to be entered. If inter-state sale is made to an un-registered person, where invoice value is more than Rs.2,50,000/-, it has to be separately shown. Consolidated amount of Intra-State supplies made to un-registered persons for each rate of tax, Exempted supplies, Nil rated supplies, Exports (including deemed exports) and non-GST, Advances, if any, received by the dealer and supplies made through e-commerce operator has to be shown separately. The supplier also has to mention the HSN (Harmonized System of Nomenclature) for Goods and SAC (Accounting Code) for Services.

### **GSTR-2 (Statement of Inward Supplies)**

In GSTR-2, the details of inward supplies made from registered persons and unregistered persons has to be entered. Details of debit notes/credit notes issued by the supplier, details of inward supplies attracting reverse charge has to be entered. Details of goods, capital goods and services procured from outside India has to be reported. The details of total eligible input tax credit and input tax credit available in the current tax period has to be disclosed. Supplies received from composition taxable persons, unregistered persons and other exempt/Nil/non-GST supplies has to be reported separately.

### **GSTR-3 (Complete Return)**

Every registered person, other than an Input Service Distributor, a non-resident taxable person, dealers paying tax under composition scheme and persons liable to deduct or collect tax (TDS/TCS) has to furnish a return electronically (the inward and outward supplies of goods or services or both, input tax credit availed, tax payable and tax paid details) on or before 20th of the month succeeding the tax period.

### **GSTR-4 (Return of a composition dealer)**

A composition dealer instead of filing monthly return has to file return for each quarter in GSTR-4 within 18 days after the end of such quarter. In GSTR-4, invoice wise details of inter-state and intra-State supplies received from registered persons as well as unregistered persons, imports of goods and services, consolidated details of outward supplies, consolidated statement of advances paid/advances adjusted on account of receipt of supplies, debit note and credit note received and issued have to be reported.

### **Process of return filing**

When the supplier reports the outward supplies made by him in GSTR-1 and submit the same, the same will be auto populated in the receiver's inward supply in GSTR-2. However the receiver can modify, delete or include data submitted by the supplier and re-submit the same from 11th to 15th of the month succeeding the said tax period.

The supplier can either accept the modification, deletion or addition of data submitted by the recipient or reject the same. He has to do it on or before 17th, but not before 15th day of the month succeeding the tax period. However, the details furnished by the supplier and the return filed by the supplier is final.

### **HSN Code**

It is mandatory to report HSN code at two digits level for taxpayers having annual turnover in the preceding year above Rs.1.50 Crore but upto Rs.5.00 Crore and at four digits level for taxpayers having annual turnover above Rs.5.00 Crore.

It will be optional for taxpayers having annual turnover less than Rs.1.50 Crore.

GSTR-9 (Annual return)

Every registered person, other than an Input Service Distributor, a TDS/TCS dealer, a casual dealer and a non-resident taxable person has to furnish an annual return for every financial year electronically in form GSTR-9 on or before 31st day of December following the end of such financial year.

### **Revision of returns**

No revised return is permissible under GST. The rectification of error or omission in the return by filing Credit Note/Debit Note can be made before filing the return for the month of September of the next financial year or before filing the relevant annual return, whichever is earlier.

### **Penal provisions relating to late filing of Returns**

- For late filing of return other than annual return, late fee of Rs.100 for every day during which such failure continues subject to a maximum amount of Rs.5000/- per tax period will be levied.
- In case of late filing of annual return late fee of Rs.100/- for every day during which such failure continues subject to a maximum of Rs.0.25% of aggregate turnover.

### **Penal provisions relating to non filing of Returns**

- If the supplier has not filed the return, then the input tax credit claimed by the recipient will be reversed in the next return filed by the recipient.
- If the recipient has not filed the return, then the output tax liability will be added to the corresponding output tax liability of the supplier in the next return.
- If a regular dealer has not filed return for 6 consecutive tax periods, his registration will be cancelled.
- If a composition dealer has not filed return for 3 consecutive tax period, his registration will be cancelled.

### **Relaxation in return filling Procedure for the month of July and August 2017**

As a measure to enable the tax payer to smoothly land to G.S.T regime, for initial tax periods i.e , for July and August 2017, the tax payer can file a simple return in FORM GSTR-3B, containing summary of outward and inward supplies which shall be submitted before 20th of the succeeding month. However,GSTR-1, GSTR-2 and GSTR-3 in respect of the said two months shall be filed in the month of September 2017.



# JOB WORK

Job-work means 'any treatment or process undertaken by a person on goods belonging to another registered person'. The one who does the said job would be termed as 'job worker'. The ownership of the goods does not transfer to the job-worker but it rests with the principal. The job worker is required to carry out the process specified by the principal on the goods.

## **Registration of a job worker**

Job work is a service. Job worker is required to obtain registration if his aggregate turnover exceeds Rs.20 lakhs.

## **Procedural aspects for Job work**

- A registered person under intimation can send/receive inputs or capital goods without payment of tax, provided the inputs or capital goods are brought back within one year (for inputs) and three years (for capital goods) of their being sent out.

- The principal is allowed to do so. The tax paid on inputs or capital goods (ITC) can be claimed by the principal provided the inputs or capital goods are received back within one year and three years respectively.

*(Provided the principal had declared the unregistered job worker's premises as his additional place of business or if the job worker is a registered person or if supply of such goods are notified by the Commissioner.)*

- If the inputs or capital goods are not received back or are not supplied from the place of business of the job worker within the prescribed time limit, it would be treated as supply and the principal would be liable to pay tax.

### **Input Tax credit on goods supplied to job worker**

The principal (a person supplying taxable goods to the job worker) shall be entitled to take the credit of input tax paid on inputs sent to the job-worker for the job-work. Further, the proviso also provides that the principal can take the credit even when the goods have been directly supplied to the job-worker without being brought into the premises of the principal. The principal need not wait till the inputs are first brought to his place of business.

### **Time Limits for the return of processed goods**

Inputs and Capital goods after processing shall be returned back to principal within one year or three years respectively of their being sent out. Further, the provision of return of goods is not applicable in case of moulds and dies, jigs and fixtures or tools supplied by the principal to job-worker.

### **Maintenance of books of accounts**

It is completely the responsibility of the principal to maintain proper accounts of job work related to inputs and capital goods.

### **Treatment of the waste and scrap**

The waste and scrap generated during the job work can be supplied by the job worker directly from his place of business, on payment of tax, if he is registered. If he is not registered, the same would be supplied by the principal on payment of tax.

### **Transitional provisions**

Inputs, as such, or partially processed inputs which are sent to a job-worker prior to introduction of GST under the provisions of existing law [Central Excise] and if such goods are returned within 6 months from the appointed day [i.e. the date of implementation of GST.] no tax would be payable. If such goods are not returned within prescribed time, the input tax credit availed on such goods will be liable to be recovered. If the manufactured goods are removed, prior to the appointed day, without payment of duty for testing or any other process which does not amount to manufacture, and such goods are returned within 6 months from the appointed day, then no tax will be payable. For the purpose of these provisions during the transitional period, the manufacturer and the job-worker are required to declare the details of such goods sent/received for job-work in prescribed format GST TRAN-1, within 90 days of the introduction of GST.



# TRANSITIONAL PROVISIONS

GST is a significant reform in the field of indirect taxes in our country. Multiple taxes levied and collected by the Centre and States would be replaced by one tax called Goods and Services Tax (GST). As GST seeks to consolidate multiple taxes into one, the transitional provisions is required to ensure that the transition to the GST regime is very smooth and hassle-free and no ITC (Input Tax Credit)/ benefits earned in the existing regime are lost.

## **Transitional provisions relating to ITC**

- The amount of input tax credit in the June 2017 return under VAT shall be carried forward as credit in the electronic credit ledger under GST, provided the said credit is admissible as input tax credit under GST law and returns have been filed for the past six months.
- Taxable person opting to pay tax under composition scheme in GST cannot carry forward credit from VAT return.
- A composition dealer under VAT

opting to pay tax under regular scheme in GST is eligible to carry forward ITC in respect of closing stock, provided the inputs are used for making taxable supplies and the registered person is in possession of invoice evidencing payment of tax and such invoice were issued not earlier than twelve months from the appointed day.

- The unavailed part of credit in respect of capital goods under VAT can be claimed as ITC under GST .

## **Conditions to be fulfilled for carrying forward ITC**

The conditions to be fulfilled for carrying forward the ITC from the existing law to the GST are :

- Returns should have been filed for the past six months
- The said credit should also be admissible in GST
- Declaration forms in 'C', 'F', 'I', 'E1', 'E2' and 'H' should have been submitted for interstate sales effected for carrying over credit into GST

- Apart from the above conditions the dealer should file GST TRAN-1 within a period of ninety days from the appointed day ie. 1st July 2017.

### **Transitional provisions for ITC on Inputs**

A registered person, other than a manufacturer, who was not required to be registered under Central Excise not possessing invoice / any other documents evidencing payment of tax shall be allowed to avail ITC as follows:

On goods which attract CGST @ 9% or more - 60% credit on CGST

On goods which attract CGST less than 9% - 40% credit on CGST

However, if such goods have suffered IGST the amount of credit shall be 30% & 20% respectively.

### **Transitional provisions relating to Jobwork / goods sent on approval basis/goods returned**

- GST is not applicable provided the said goods are returned to the Principal within a period of six months or within the extended period of two months. Further both the Principal and the Job worker shall declare the details of such goods held in Form GST Tran-1.
- In case of goods returned by registered tax payer, it shall be treated as 'Deemed Supply' and tax has to be paid by the person returning the goods.
- In case of goods returned by un-registered taxable person, the seller of such goods will allow refund of tax paid provided the goods are sold or returned within six months of the appointed day.

### **Transitional provisions in case of Price revision in respect of existing contracts**

In case of upward price revision, a registered person will issue a supplementary invoice or debit notes within 30 days from the date of revision and such revision shall be treated as supply under GST, and tax is payable under this Act. In case of upward revision, Registered Person may issue a supplementary invoice or credit note within 30 days from such revision and credit note shall be deemed to have been issued in respect of outward supply made under this Act. A Registered Person will reduce his tax liability for such credit note, subject to reversal of credit by the recipient.

### **Penal provisions for wrong availment of transitional credit**

In case of wrong availment of ITC, the taxable person is liable to pay the ITC wrongly availed along with interest and penalty. In case the wrong availment is not willful, Penalty shall be ten percent of the tax wrongly availed or Rs.10,000/- whichever is higher and in case of willful wrong availment, the penalty shall be equivalent to the tax wrongly availed.





Visit the links  
by QR scanner

FINAL GST RULES



<http://gst.puducherry.gov.in/ctd/gstrules.html>

PGST ACT 2017 (TAMIL)



<http://gst.puducherry.gov.in/ctd/gst/Puducherry-Goods-and-Services-Tax-Act-2017-Tamil.pdf>

PGST ACT 2017 (ENGLISH)



<http://gst.puducherry.gov.in/ctd/gst/Puducherry-Goods-and-Services-Tax-Act-2017-Gazette.pdf>

CGST ACT 2017



<http://gst.puducherry.gov.in/ctd/GO/CGST-Act-2017.pdf>

IGST ACT 2017



<http://gst.puducherry.gov.in/ctd/GO/IGST-Act-2017.pdf>

FAQ ON GST – TAMIL



<http://gst.puducherry.gov.in/ctd/GO/FAQ-FIRST-EDITION-TAMIL.pdf>

FAQ ON GST – ENGLISH



<http://gst.puducherry.gov.in/ctd/GO/FAQ-SECOND-EDITION-ENGLISH.pdf>

FAQ ON GST – MALAYALAM



<http://gst.puducherry.gov.in/ctd/GO/FAQ-FIRST-EDITION-MALAYALAM.pdf>

FAQ ON GST – TELUGU



<http://gst.puducherry.gov.in/ctd/GO/FAQ-FIRST-EDITION-TELUGU.pdf>

### **Disclaimer**

Views and contents in the publication is for reference purpose only. It cannot be used for any legal purpose. The reader should rely only on the respective Act & Rules published in the official Gazzette. We can not be held liable for any loss or damages caused in this regard.